

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

**Date:** July 17, 2002  
**To:** Karen M. Ordinans, Chairman, Milwaukee County Board of Supervisors  
**From:** Jerome J. Heer, Director of Audits  
**Subject:** Management Structure Review – Sheriff’s Department (File No. 02-79)

At its January 2002 meeting, the County Board adopted a resolution (File No. 02-79) which authorized and directed the Department of Audit to conduct a review of the organizational structure of County departments most affected by the large number of retirements anticipated and/or those departments that, for other reasons, are deemed appropriate.

It was noted in the resolution that the “unexpected and significant number of retirements” could provide an opportunity for the County to realize longer term fiscal savings if vacant positions are combined with existing positions, particularly at the mid and upper management levels. It was also stressed that other strategies could be implemented to restructure departmental functions without sacrificing the quality of services or fiscal management and oversight of departmental programs.

The approach taken for the review of the Sheriff’s Department involves the development and application of strategies and concepts to identify savings and efficiencies within the department. We focussed the review on bureaus likely to yield the largest dollar savings due to the level of potential retirements and asked top management to collaborate in the review process. The concepts utilized in our review include centralization/decentralization, span of control, level of accountability, economies of scale, streamlining, consolidation, outsourcing and elimination of unnecessary, duplicative or wasteful activities.

In conducting the review of the Sheriff’s Department we examined organizational charts, budgetary information, and strategic planning documents; compiled personnel and payroll data; and placed strong reliance on input from departmental administrators. We also reviewed the three-tiered budget reduction plan prepared by the previous executive branch administration. While the County Board has stated a desire to give budgets a fresh look, and this plan provided some foundation for our analysis in other departments, it was not used for the Sheriff’s Department due to reasons stated later in this report. To complete the review in a timely manner, limited audit procedures were employed. While the views expressed in this report are those of the Department of Audit, we obtained a significant level of input from Sheriff’s Department staff.

### **Sheriff's Department Mission**

The mission of the Milwaukee County Sheriff is to serve and protect the citizens of Milwaukee County by providing a safe and secure community through dedication to the highest level of law enforcement.

### **Department Organization**

For 2002, the Sheriff's Department is authorized 1,055 full time equivalent (FTE) positions. These are offset by 46 FTE positions which must remain unfilled because they are not funded (known as personal services lump sum adjustment). Thus, the Sheriff's Department can staff 1,009 FTE positions. The Sheriff's Department is also authorized overtime equivalent to an additional 86 FTEs.

As of May 2002, the Sheriff's Department was staffed with 999 employees. This includes 46 management positions (Sheriff, Inspectors, Deputy Inspectors, Captains, and civilian management positions). Another 56 positions are sergeants, who may also be considered an arm of management that supervises the line workers. The breakdown by bureau is shown in **Table 1**.

**Table 1**  
**Sheriff's Department**  
**Breakdown of Management and Non-Management Employees**  
**As of May 11, 2002**

<u>Bureau/Group</u>	<u>Low Org Unit No.</u>	<u>Total Active Employees</u>	<u>Mgmt. Employees</u>		<u>Non-Mgmt. Employees</u>	
			<u>No. of Employees</u>	<u>Pct. of Bureau Total</u>	<u>No. of Employees</u>	<u>Pct. of Bureau Total</u>
Sheriff's Administration:						
Administrative Services <sup>1</sup>	4002	38	10	26.3%	28	73.7%
Emergency Mgmt.	4010	8	1	12.5%	7	87.5%
Public Information: <sup>2</sup>						
Youth Services	4083	6	0	0.0%	6	100.0%
Detention Services Bureau: <sup>3</sup>						
Criminal Justice Facility	4038	419	35	8.4%	384	91.6%
Inmate Medical Unit	4039	102	11	10.8%	91	89.2%
Inmate Psychiatric Services	4041	16	1	6.3%	15	93.8%
Administrative Support Bureau: <sup>4</sup>						
Training	4077	35 <sup>9</sup>	4	11.4%	31	88.6%
Information Technology	4037	8	1	12.5%	7	87.5%
Communications	4029	29	6	20.7%	23	79.3%
Uniform Services Bureau: <sup>5</sup>						
Traffic Patrol	4021	71	9	12.7%	62	87.3%
Court Services	4081	108	4	3.7%	104	96.3%
County Grounds Security	4017	16	2	12.5%	14	87.5%
Park Patrol	4019	8	1	12.5%	7	87.5%
Central Records	4082	4	0	0.0%	4	100.0%
Process Unit	4086	6	0	0.0%	6	100.0%
Building Security	4087	2	0	0.0%	2	100.0%
Support/Administration	4084	6	0	0.0%	6	100.0%
Airport Bureau <sup>6</sup>	4016	58	7	12.1%	51	87.9%
Criminal Investigations Bureau: <sup>7</sup>						
General Investigations	4052	31	3	9.7%	28	90.3%
Witness Protection	4055	7	1	14.3%	6	85.7%
Drug Unit	4062	12	2	16.7%	10	83.3%
Metro Drug Unit	4063	2	1	50.0%	1	50.0%
HIDTA Unit	4066	7	3	42.9%	4	57.1%
<b>Total Active Employees</b>		<b>999</b>	<b>102 <sup>8</sup></b>	<b>10.2% <sup>8</sup></b>	<b>897</b>	<b>89.8%</b>

**Notes:**

<sup>1</sup> In addition to top Sheriff's Department management, this unit also includes the functions of Fiscal Affairs, Human Resources and the Office of Professional Standards.

<sup>2</sup> Also includes the functions of open records and public and community relations.

<sup>3</sup> Includes the functions of inmate programs and inmate transportation.

<sup>4</sup> Includes the functions of research and Department of Transportation liaison.

<sup>5</sup> Includes the functions of process serving, central records, the aviation unit, and security for the stadium, zoo and special events.

<sup>6</sup> Includes the functions of explosive ordnance disposal (EOB) ('bomb squad') and canine EOB.

<sup>7</sup> Includes the functions of criminal writs, extradition, SWAT unit and canine drug detection unit.

<sup>8</sup> If 56 Sergeants are not considered part of management, the percentage of management to total staff falls to 4.6%.

<sup>9</sup> Only five are assigned full time to the training center. The remainder represents deputies from other bureaus temporarily assigned to the Training Unit during training.

Source: Payroll records for the pay period ended May 11, 2002, interviews with Sheriff's Department management, and revised organizational charts as of April 9, 2002.

The Sheriff's Department underwent significant change in its upper management ranks in early 2002. For the year there have been a total of 20 retirements, of which 12 occurred at the management level. Ten of those retirements were at the captain level or higher (the other two being the Director of Emergency Management and a shift supervisor in the medical unit). Additionally, 16 more management staff will be eligible to retire in 2002, three for 2003 and three for 2004.

The number of retirements in the non-management ranks has been low since the beginning of 2002, primarily because the union representing Sheriff's Deputies has not yet reached a settlement for 2001 or 2002. Once this union has reached a settlement, the number of retirements will likely increase significantly. In addition to the eight that have retired in 2002, 108 staff could retire in 2002, 24 in 2003 and 16 in 2004.

### **Management Structure: Changes Since Current Sheriff Took Office**

The Sheriff has been in office since March 2002. Since that time, he has made several changes in the management structure to take advantage of openings caused by recent retirements and also to reflect the level of importance of specific functions. One initiative was to create an Airport Bureau, raising the status of this function due to the increase in resources and responsibilities since September 11<sup>th</sup>. The Courts and Auxiliary Services Bureau was eliminated, with its functions reassigned. Additionally, two bureaus underwent name changes to more closely reflect the newly reassigned functions.

- The Uniform Services Bureau (formerly the Police Services Bureau), which lost its airport security function, but gained most of the functions under the dissolved Courts and Auxiliary Services Bureau.
- The Administrative Support Bureau (formerly Communications and Highway Safety Bureau) picked up Training from the dissolved Courts and Auxiliary Services Bureau. Additionally, it was assigned the functions of Information Technology and Department of Transportation Liaison.

Several other functions report directly to the Sheriff. The Office of Professional Standards, the Emergency Management Bureau, and the Fiscal Affairs and Public Information Units all report directly to the Sheriff. Also, Human Resources, though not considered a bureau, reports to an Inspector. **Exhibits 1 and 2** (attached) show the organizational structure both before and after the current Sheriff took office.

The only management structure issue noted was with the Emergency Management Bureau. This bureau consists of a director (vacant through retirement), an assistant director, five emergency government coordinators (one vacant through retirement), and three support

positions. The position of director is mandated by state law. We have not done a detailed analysis of the duties and responsibilities of the director and assistant director positions, but with a limited span of control, the potential exists to permanently reduce the number of managers for this bureau. The salary and benefit costs of the director and assistant director budgeted for 2002 are \$110,053 and \$80,844, respectively. We recommend that the Sheriff's Department:

1. *Evaluate the duties and responsibilities of the director and assistant director of Emergency Management and determine if the duties can be combined within one position.*

### **Prioritizing Programs to Manage Potential Deficits**

The Sheriff's Department has a history of recurring deficits over the past several years in many of its major functions, primarily related to operations at the jail. In September 2001, the Department of Audit issued a report on the Sheriff's Department's deficits, noting that many of the deficits were due to improperly budgeted amounts, particularly for personal services and medical commodities. For example, with regard to personal services costs, an insufficient number of deputies were budgeted to run the jail, requiring that the shortfall be covered with overtime that was not budgeted. Since this was not a cost that could have been avoided by simply scaling back coverage, personal services shortfalls were inevitable. Similarly, medical costs were routinely budgeted at a level that did not reflect prior history. According to Sheriff's Department management, the budgets reflected cost limitations placed upon them by the executive branch, and consequently did not necessarily reflect actual expectations or needs.

The Sheriff stated his intent for the 2003 budget process is to propose a realistic budget that provides for the full cost of those programs that he intends to operate for the year. However, it does not take into account any major catastrophes, such as another possible terrorist attack, but the Sheriff's Department's management believe that such instances would be covered by the County's contingency fund. If the Sheriff's Department's budget is cut after that point, whether it be by the executive branch or County Board action, he said he will cut entire programs rather than have several programs operate at a deficit. The Sheriff indicated this will result in better accountability within programs. He has yet to formally identify which programs would be the first to go, but recent statements in the media indicate that the water patrol unit and air wing unit (helicopter operation) could be possible candidates.

These and other programs are discussed in the following sections. The Sheriff's Department has numerous programs that it operates to meet its mission to serve and protect the citizens of Milwaukee County. These programs are identified in the attached organizational charts. The specific programs that follow were reviewed primarily because they either have significant

budget allocations and resulting potential for savings, or they have been the subject of County Board discussions due to recurring issues.

### **Medical Unit - Drug Costs**

The Medical Unit of the Sheriff's Department is responsible for providing medical services for the jail and the House of Correction. Our review of these combined medical costs for 2001 showed a total of \$11.8 million, comprised of the medical unit (\$10.6 million) and psychiatric care (\$1.2 million). Primary costs of the medical unit were salaries (\$4.2 million), drugs (\$2.6 million), contracted medical services (\$2.3 million), and professional services (\$1 million).

The 2002 Adopted Budget indicates that for 2000, the number of requests for medical services—nurse assessments (50,378) nearly equaled the number of inmate bookings for the year (50,916). The number of prescriptions filled in 2000 was 80,487 and in 2001 rose to 83,735.

In 1996, the County was named as a defendant in a lawsuit alleging inadequate health care services. To resolve the lawsuit, Milwaukee County entered into a consent agreement in January 2001 that requires the Sheriff's Department to maintain certain staffing levels within the medical unit as well as meeting several other program requirements. According to top management at the jail, the approach for providing medical care until recently had been to do whatever the doctors ordered without questioning the quantity or quality of care ordered. This had been done to avoid the potential for being found out of compliance with the consent agreement, and because management felt they did not have the expertise to say otherwise.

In April 2002, the Sheriff's Department hired a Medical Administrator as required by the consent agreement as well as to help control spiraling prescription drug costs, which had risen from \$1.17 million in 1998, to \$2.64 million in 2001. He has recently issued a request for proposal (RFP) to outsource the pharmacy operations, including the cost of drugs. He has estimated that, based on the responses to the RFP, that costs will be reduced by \$500,000. However, he indicated that the expected savings will not materialize until the second quarter of 2003 when those prescribing the drugs consistently prescribe the lower cost formulary drugs instead of brand name drugs.

We were unable to substantiate the projected savings on drugs, primarily because the Medical Administrator could not provide us with detailed cost information as to the prices the County had been paying for specific drugs. Potentially, additional savings could be realized by comparing drug prices from the successful RFP respondent with prices that the Sheriff's Department might have obtained through direct contracts with high-volume drug purchasers such as:

- A drug-buying consortium involving 39 states (including the State of Wisconsin) and Cook County, Illinois, which is used by correctional facilities within those locations;
- Contracts between Milwaukee County and various companies that supply the drugs for active and retired County employees;
- Contracts used by the County's Behavioral Health Division for its patients (64% of the drugs administered in the jail are for psychotropic drugs); and
- Contracts used by the County's General Assistance – Medical Program (GAMP) for its enrollees.

Instead of piggybacking onto these contracts, another option for obtaining lower drug costs might be to create a local drug buying consortium. The consortium could include all three Milwaukee County purchasers of drugs noted above, with invitations to participate extended to the City of Milwaukee, Milwaukee Public Schools, and any other local agency interested in shopping for the lowest available drug prices. Such a regional partnership, with the buying power provided by thousands of current and retired employees in addition to the inmate population, may also result in lower drug costs than those obtained from the winning respondent.

We realize that the Sheriff's Department does not want to delay awarding a contract to the winning respondent so that it can begin to realize the savings that the contract is expected to generate on its pharmaceutical operations. Thus, we are not recommending that the awarding process be delayed. However, we believe that the search for obtaining lower drug cost should not end with that contract. We therefore recommend that the Sheriff's Department:

2. *Evaluate other avenues for obtaining lower drug costs such as those noted in this report, and report the results of its evaluation to the County Board, including recommendations for future drug purchasing.*
3. *If research shows the potential for significant savings in prescription drug costs to be obtained from other providers, take the appropriate steps to integrate the lower drug costs into the pharmacy operations.*

The Sheriff's Department has stated that it would be open to moving responsibility for all medical operations to another party. One thought would be to turn over the medical operations to the County Health Related Programs Division (CHRP), currently housed in the Department of Administration (DOA). This division already processes all of the Sheriff's Department's medical payments. Also, the Sheriff's Department is requesting permission from the County Board to utilize CHRP's expertise in conducting utilization reviews for inpatient care prescribed for inmates.

It would appear that transferring all responsibility for medical care of the inmate population to CHRP would be a natural extension of this division's mission to provide "...leadership, coordination, education and operational programs related to the provision of health services for the benefit of Milwaukee County citizens, employees and visitors, especially those most in need in our community." This mission is achieved in part by serving target populations in a cost-effective/efficient, customer-focussed manner through a variety of partnerships and by utilizing a systematic approach for service integration and delivery.

We have already recommended, in a previous management structure review of the Department of Human Services (DHS), the consolidation of CHRP and the Housing and Community Development Division of DOA, along with the Economic Support Division of DHS, into a new Community Services department. Adding inmate medical services to CHRP's workload would make sense within this framework. We recommend that the Sheriff's Department:

4. *Work with the County Health Related Programs Division to determine the feasibility of transferring responsibility for inmate health care, to include the costs of making such a transfer.*

#### **Medical Unit – Alternative Funding Sources**

We noted that the Sheriff's Department has only recovered a small portion of its medical costs from alternative funding sources, such as private insurance, worker's compensation and Title 18 and 19 funding. We noted two issues that with greater research could potentially help reduce the cost of medical coverage.

- Most federal funding does not extend to persons who are incarcerated but otherwise would qualify for medical benefits. However, there are certain circumstances in which coverage does extend to inmates:
  - Females who receive inpatient prenatal care and childbirth services.
  - Disabled inmates who receive inpatient services.
  - Inmates younger than 19 or over the age of 64 who receive inpatient services.

Statistics were not available to identify how many individuals fell into one or more of these categories, so the amount of potential recoveries is uncertain. However, staff told us of at least one instance where a disabled person had been arrested and was being treated as an inpatient, but that the associated costs were not being billed for reimbursement.

- An inmate's social security number is an important piece of information for identifying alternative funding sources. It can be used to identify employment (and possible health insurance relating to the employment), as well as eligibility in federal programs. Discussions with County Health Related Programs Division officials noted from their experience with the Sheriff's Department's medical unit in the past that such information was not routinely obtained, or if obtained, not communicated to medical unit staff, thereby reducing the Sheriff's Department's ability to follow up with other funding sources.

We recommend that the Sheriff's Department:

5. *Review available records to identify inmates who have received treatment that is potentially reimbursable by state and federal programs. This may be limited by guidelines which require billing within a specified period after treatment is provided.*
6. *Improve the procedures for obtaining inmate social security numbers and other potential third party payment information, and promptly communicate the information to the medical unit for use in billing potential third party payers.*

**Correctional Officers vs. Deputy Sheriffs** – Currently, all Sheriff's Department law enforcement staff receive the 400 hours of training needed to become certified law enforcement officers. This includes the 279 Deputy Sheriffs that are currently assigned to the criminal justice facility (jail). However, the work that is done by these officers does not require law enforcement certification. Deputy Sheriffs working in the jail need only the 120 hours of training to become certified correctional officers. Limiting the training of deputies assigned to the jail to that of certified correctional officers has potential advantages. First, training costs would be saved for those deputies who do not need the additional training because they never are assigned outside the jail. More significantly, the cost of overtime needed to cover the jailer's post for the additional 280 hours required for law enforcement certification training would also be saved. The overtime costs that would be saved totals \$7,286 per deputy, or a total of \$364,300 annually based on an average of 50 recruits.

An added benefit is that the County would lose fewer deputies to other law enforcement agencies. A stated problem with giving all deputies the higher level of training is that they often leave the Sheriff's Department after the training to take jobs with other law enforcement agencies. According to a representative from the Wisconsin Department of Justice, the County's practice of providing certified law enforcement training to deputies assigned to work as correctional officers is unusual in the State. He warned that training persons working in the jail to be certified law enforcement officers increases the risk that they will seek employment with other law enforcement agencies. Limiting the training for persons to be assigned to the jail would greatly reduce the ability for those deputies to qualify for jobs with other agencies.

The downside to this practice is the loss in the flexibility to use deputies from the jail to work outside of the jail in a law enforcement capacity. As an alternative to limiting the training for deputies assigned to the jail, the County could consider implementing a policy of requiring new recruits to enter into employment contracts that would impose a monetary payback of the cost of the training provided if the recruit does not remain with the County for a specified period of time. This would allow the Sheriff's Department to maintain its flexibility without losing the cost of training provided.

Another alternative would be to replace deputy sheriffs in the jail with correctional officers. Deputies in the jail perform similar functions and require the same level of training as their correctional officer counterparts at the House of Correction. Though the Sheriff's Department would again lose the flexibility of using correctional officers outside the jail, the cost of providing security for the jail would be reduced. In addition to the savings on training and overtime noted previously, overall salary costs would also be reduced. Salary savings depend on the experience level of the deputy sheriff being replaced by a new correctional officer.

Given the current experience level for those assigned to the jail (average salary plus benefits totaling \$45,649), if they were replaced by new Correctional Officer 1's with a salary and benefits of \$40,105, the annual savings would be \$1,696,600 for 306 deputies. These savings do not include reduced pension costs, as the pension multiplier that correctional officers receive for each year of service is 0.5% less than what deputy sheriffs receive. The savings would occur over time as deputy sheriffs are replaced with correctional officers.

Jail management points out that such an analysis does not take into account the value of having experienced deputy sheriffs in the jail. They believe that deputies command more respect with the inmate population, which in turn results in better inmate conduct. Further, under the current model, when additional deputies are needed for emergencies outside the jail, the jail can be temporarily locked down and deputies used to address the emergency. Examples cited include severe weather and the Miller Park crane accident. While we concur with the issue of flexibility, the above analysis points out the \$1.7 million cost of that flexibility. According to the Sheriff, it is his position that the flexibility afforded the department is well worth the cost.

We recommend that the Sheriff's Department consider the following recommendations in an effort to reduce costs in the jail:

7. *Consider a policy of replacing deputy sheriffs assigned to the jail with correctional officers. This could be done in a transitional manner through normal attrition to maintain a proper level of security and experience.*
8. *As an alternative to Recommendations 7, consider a policy of limiting the training provided to new deputy sheriffs assigned to the jail to the 120 hours of training needed for correctional officer certification. Provide the additional training needed to become certified law enforcement officers as they are transferred from the jail to other functions requiring the higher certification.*
9. *As an alternative to Recommendation 8, implement a practice of requiring new deputy sheriffs that have been given the training to be certified law enforcement officers to enter into an employment agreement that would require the officer to repay the cost of training if the person does not remain employed by the Sheriff's Department for a specified period of time. This may require negotiations with the union representing the deputy sheriffs.*

## **Billing for Sheriff's Department Services**

The Sheriff's Department provides security for a number of locations in which the cost of the security is charged to the location. Specifically, the Sheriff's Department provides security for the courts, General Mitchell International Airport (GMIA), Miller Park, County Grounds, Courthouse Complex, Milwaukee County Zoo and special parks events. The cost of the function is cross-charged to those departments (or billed, in the case of Miller Park and special events) receiving the benefit.

We selected the first three locations (courts, GMIA and Miller Park) to determine if the amounts charged by the Sheriff's Department were appropriate. The results, noted below, show that two of the locations (courts and GMIA) had not been billed all costs of providing service. Rather, expenses that had been abated out of the Sheriff's Department's budget, primarily the cost of employee benefits, were not billed to the user departments. For 2001, this totaled \$2,150,200, of which \$2,053,000 was for employee benefits. According to the Sheriff's Department fiscal staff, the amounts billed were in accordance with the 2001 Adopted Budget. The fringe benefit amounts were not billed since the costs were no longer in the Sheriff's budget, nor did the adopted budget for the year include the corresponding revenue that would have been booked.

According to Sheriff's Department fiscal staff, this problem will not occur in 2002, since the cost of fringe benefits is now included in departmental budgets, and a failure to properly cross-charge these costs will increase the Sheriff's Departments overall tax levy support above what has been budgeted. Details of these costs, as well as a problem noted with the billings for Miller Park security, are noted below:

**Airport Bureau** – In response to the events of September 11<sup>th</sup>, the amount of security provided at GMIA by the Sheriff's Department significantly increased. The Airport Bureau has 67 positions authorized for GMIA compared to 29 in early 2001. Our analysis of the Sheriff's Department's expenses of providing security at GMIA for 2001 showed the total cost to be about \$2.8 million. However, only \$2.3 million was in fact billed. The difference of \$500,000 was due primarily to employee benefits that were not charged to GMIA. Collecting this amount from GMIA would have resulted in a dollar-for-dollar reduction in property tax levy since County costs at the airport are paid by the airlines through an ongoing agreement.

**Courts** – Courtroom security is currently provided by deputy sheriffs. Security is provided for 47 criminal, misdemeanor, traffic courts and associated intake courts, eight juvenile courts, and eight family courts. Depending upon the court, security generally ranges from one to three bailiffs. The amount of security can be increased by the presiding judge based on individual circumstances. As of May 2002, 104 deputies and three sergeants worked as security for all of these courts.

In 2001, the cost of providing bailiffs to the courts totaled \$7,033,300. However, only \$5,553,100 has been cross-charged to the courts. Nearly all of the \$1.48 million difference was the cost of employee benefits (\$1.4 million). While the amount is larger than that for the Airport Bureau, it

may not have as significant a tax levy impact because the Combined Court Related Operations already includes a significant portion of tax levy support. However, consistent treatment of cross-charges would have matched the cost of the activity (courtroom security) with the benefiting department (Combined Court Related Operations).

According to the Sheriff's Department fiscal staff, funding sources where the Sheriff's Department was the grant recipient were properly charged for all allowable costs, including fringe benefits. For example, staff noted that the grant funding for the Metro Drug Unit was charged 100% of salary costs, including employee benefits. However, as stated previously, cross-charges to other County departments were done in accordance with what was approved in the 2001 Adopted Budget. We recommend that the Sheriff's Department:

- 10. Bill GMIA and Combined Court Related Operations for the full cost of providing security at the respective locations, including employee benefits.*

**Miller Park Security** – The Sheriff's Department provides security at Miller Park under a contract with the Milwaukee Brewers. The contract calls for the Milwaukee Brewers to reimburse Milwaukee County for salary, overtime and applicable fringe benefit costs associated with the services provided. According to the Sheriff's Department, all deputies providing security are on an overtime status. Thus, the Sheriff's Department does not incur additional overtime costs by having another officer work the post of an officer providing security at the stadium, because if he or she were working their own post, they would be incurring overtime there as well. Also, because the deputies are on overtime, they are not incurring any additional fringe benefit costs other than FICA taxes. Prior to 2002, the Sheriff's Department has billed the Brewers only for the additional costs incurred (overtime and FICA).

The 2002 Adopted Budget included about \$172,000 in additional revenue for the Sheriff's budget for security provided at Miller Park to cover the cost of fringe benefits (health insurance, vacations, pension, etc.), a cost that had not been charged in the past. However, as pointed out by the Sheriff's Department's fiscal management, the contract with the Brewers does not allow for the Sheriff's Department to bill for these costs because the officers providing security are on overtime, thus no additional fringe benefit costs other than FICA are being incurred. That is, the cost of employee benefits would be incurred regardless of whether or not any time was worked at Miller Park.

We agree that charging the Milwaukee Brewers for the \$172,000 would not be proper given the current contract language. However, the County could amend contract language for future years to bill a rate that more than covers its costs. The rate could include the \$172,000 or whatever other profit margin that is deemed appropriate, and which the market could bear. We recommend that the Sheriff's Department:

- 11. Negotiate a reimbursement rate for security at Miller Park with the Milwaukee Brewers that includes a profit margin consistent with the intent of the County Board, with consideration given to what the market will bear, and amend the contract with the Milwaukee Brewers for future years to include that rate.*

### **Bailiff Staffing Levels**

The current staffing pattern is one that has been mutually agreed upon by the courts and the Sheriff's Department as providing reasonable security yet being fiscally prudent. However, a problem with the staffing has been the productivity of deputy sheriffs during those times when they are scheduled but not needed as bailiffs. Such instances occur when a judge is not available to preside on a scheduled day, or when a scheduled case is not heard. The Chief

Judge has recognized this problem and has stated he is committed to working with the Sheriff's Department to come up with a plan to release unneeded bailiffs back to the Sheriff's Department for other assignment as soon as it is known that they are no longer needed in court.

We recommend that the Sheriff's Department, in conjunction with the Chief Judge:

*12. Prepare and enforce a policy, along with appropriate procedures, for ensuring full productivity of deputy sheriffs used as bailiffs during periods in which they are assigned but not needed in court.*

Sheriff's Department staff stated that steps have already been initiated to reassign bailiffs to other bureaus within the department when their presence is no longer needed in the courts.

### **Fiscal Data on Selected Unit Operations**

The following sections discuss our review of selected units within the Sheriff's Department. As part of our review, we compiled fiscal data from the Advantage financial system to assist in determining the tax levy impact of those units. We noted that the data in Advantage did not always provide accurate data on the cost of specific operations. Fiscal staff informed us that they have had some problems in properly allocating costs and revenues to the lower org units, but that costs and revenues for the Sheriff's Department as a whole were correct. This means that the bottom line tax levy support for the Sheriff's Department is correct, but that the tax levy support shown in Advantage for low org units may not be accurate. A case in point is the High Intensity Drug Trafficking Area (HIDTA) grant, where Advantage shows a \$133,000 tax levy support but according to fiscal staff is closer to \$404,000.

These discrepancies require additional work to determine their cause. Where our computations conflict with Sheriff's Department fiscal data, we have instead included the budgeted tax levy support for the units reviewed.

### **Air Wing Unit**

According to statistics compiled by Uniformed Services Bureau management, the helicopter has been used in a number of recent ventures, such as searching for a missing girl and trailing a motorist that failed to stop for law enforcement patrol cars. Statistics for the months of March through May 2002 are shown in **Table 2**.

**Table 2**  
**Program Data for Helicopter Unit**  
**Hours Flown March – May 2002**

<u>Purpose of Flight</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>Total</u>
Patrol/Traffic	11.5	13.5	9.9	34.9
Search	1.1	1.1	8.7	10.9
Surveillance	0.0	0.8	7.1	7.9
Training	7.8	0.0	0.0	7.8
Other	<u>2.4</u>	<u>1.1</u>	<u>2.2</u>	<u>5.7</u>
Total Hours	<u>22.8</u>	<u>16.5</u>	<u>27.9</u>	<u>67.2</u>

Source: Department of Audit from statistics provided by Uniformed Services Bureau Deputy Inspector.

In the past, the helicopter had been used for “static” flights, one where it simply went to a site and hovered for public relations purposes. This was done both within and outside Milwaukee County. Such demonstrations outside Milwaukee County have been discontinued at the direction of the Sheriff.

Since the Air Wing became operational, the Sheriff’s Forfeiture Fund has been used to pay for expenses not covered by a state grant, resulting in zero tax levy according to department officials. The grant requires the Sheriff’s Department to respond to requests for assistance from other counties within a specified geographic area.

A review of accounting records showed that the Air Wing Unit in fact required a tax levy support for 2001. We noted that the cost for insurance for the partial year that it was in operation, totaling about \$150,000, was charged to the Administrative Services Unit instead of the Air Wing Unit, with the cost borne by property tax levy. We identified no Forfeiture Fund support for the year.

The primary cost of the Air Wing Unit is insurance for the helicopter. Discussions with Risk Management showed that the cost of insurance for 2002 is \$253,731 (representing a full year), all of which was billed to the Air Wing Unit. Uniformed Services Bureau management is currently looking for ways to reduce this cost with the insurers in the future.

The Sheriff’s Forfeiture Fund will not be used to fund operating costs, including insurance, not covered by the State grant to avoid tax levy support of the unit in 2002. According to Sheriff’s Department fiscal staff, the Forfeiture Fund’s ability to cover operating expenses of the Air Wing Unit will end in 2002 due to requirements which limit Forfeiture Fund payments for ongoing

operating costs for new law enforcement programs. Sheriff's Department's management stated they are searching for additional non-tax levy funding sources that will help pay the cost of operation. If budget limitations force the helicopter to be grounded, the cost of insurance, at least in part, will continue to be incurred. Thus, any decision to ground the unit should also include provisions for giving up ownership so as to not waste funds on insurance.

The helicopter is an expensive piece of equipment to maintain and operate. The County paid \$1,742,100 to acquire the current helicopter. The funds came from the insurance proceeds from the crash of the previous helicopter (\$712,500), payments from the Forfeiture Fund (\$394,600), and various other grant funds (\$635,000). As noted above, tax levy support will likely be necessary unless alternative grant funds can be secured. If a decision is made to sell the helicopter, the proceeds would likely have to be returned to the funding sources used in the helicopter's acquisition. We have not researched the market value for a used helicopter, so it is unclear if the County would realize any gain from the sale after satisfying the requirements of funding sources.

Those close to the program consider its cost a good investment to help deter crime. Decisions concerning future funding must consider several factors. These include the County's investment in the helicopter, the significant cost of operation and maintenance, and its limited use to date. Perhaps most importantly, the extent to which the helicopter helps the Sheriff's Department achieve its overall mission to serve and protect the citizens of Milwaukee County must be considered.

In the past, the helicopter has been touted as not requiring tax levy support. We recommend that the Sheriff's Department:

- 13. Pursue a strategy with regard to the Air Wing that maintains a minimal tax levy support policy. If outside funding cannot be obtained to achieve that policy, steps should be taken to discontinue the air wing and either explore the potential for a State Patrol takeover of the unit or sell the helicopter to avoid ongoing operating costs.*

The Sheriff has indicated that he intends to discontinue the Air Wing Unit as part of his 2003 budget request.

### **Traffic Patrol Unit**

The goal of the Traffic Patrol Unit is to maintain a safe driving environment for all drivers and commuters traveling in and through Milwaukee County. State law currently mandates that Milwaukee County patrol expressways in the County. This is currently accomplished by dividing the County highways into seven sectors and staffing them with 73 law enforcement staff (65

deputy sheriffs). As of May 2002, 69 positions were filled. The net cost of this unit in 2001 was \$370,658, as shown in **Table 3**.

Total Revenues		\$6,137,005
Less: Direct Expenses Charged to Traffic Patrol	\$5,371,406	
Other Expenses Abated from Traffic Patrol:		
Employee Benefits	\$1,081,880	
Graphics	5,755	
IMSD	41,246	
Other Abatements	7,376	
Total Other Abated Expenses	<u>\$1,136,257</u>	
Total Expenses Including Abatements		<u>6,507,663</u>
Net Cost of Operating Traffic Patrol		<u>\$370,658</u>
Source: Department of Audit analysis of Advantage data.		

In the past, the Traffic Patrol Unit has been characterized either as a break even program or even profitable. However, as noted above, this was not the case in 2001. In fact, the \$370,000 net cost understates the real cost to the County. Included in the revenues of \$6.1 million is a grant of \$1.7 million for county trunk maintenance. This amount was part of a larger grant of \$3.9 million that was divided between the Sheriff's Department, Department of Public Works (\$2.1 million) and Department of Parks, Recreation and Culture (\$0.1 million). If this amount were allocated to just DPW, the cost to the County for traffic patrol would be closer to \$2 million.

Though not a direct offset to its bottom line tax levy support, the Traffic Patrol Unit generates considerable revenue that not only offsets a portion of its operating costs, but also contributes to reducing the tax levy support of other departments and outside entities. According to the Department's 2003 budget request, other revenue generated from citations includes approximately \$720,000 retained by the Clerk of Courts, \$435,000 for debt service from jail assessment surcharges, \$250,000 for the Department of Human Services, and \$5 million for the State of Wisconsin. Also, a portion of the \$5 million in citation revenue turned over to the State of Wisconsin is returned to Milwaukee County through law enforcement training funds, Consolidated Court Automation Programs (CCAP) funding and the District Attorney's Office funding.

There has been discussion on reducing the number of sectors patrolled from seven to six. This would increase the size of the remaining patrol sectors. Doing so would result in lower salary costs, and probably eliminate the net cost noted in **Table 3**. However, such action would likely create negative fallout elsewhere. Citation revenues would probably fall due to fewer patrols, and those that remain would be spending more of their time responding to accidents, car failures, etc., further reducing the number of citations written. The resulting reduction in citation revenue would affect not only the Sheriff's Department budget but also those other departments noted above. Response times would also likely increase due to the larger sector being patrolled.

Obviously, the negative fallout would increase if additional reductions were to be implemented. While state law mandates Milwaukee County to patrol the expressways within Milwaukee County, it does not mandate the extent to which coverage is to be provided. It should be noted that, other than reductions in citation revenues, scaling down expressway patrol would not reduce the amount of a \$1.04 million grant that helps cover the cost of expressway patrol. The grant amount is computed based on the number of highway lane miles in the patrol area, not actual costs. We were unable to determine if other grant funds would be affected if the amount of expressway patrol were to be reduced.

There are many valid reasons for not reducing expressway coverage. A more detailed analysis would be necessary to provide a more accurate picture of what the cost and impact would be to reducing expressway patrol. Also, given that this is yet another State-mandated program only partially funded, consideration might be given to requesting a change to state law to relieve County taxpayers of the cost of patrolling Milwaukee County's state and federal expressways. We recommend that the Sheriff's Department:

- 14. Prepare an analysis that shows the total fiscal effects on both revenues and expenses of reducing expressway coverage, for discussion of the 2003 Sheriff's Department budget.*
- 15. Work with Intergovernmental Relations to try to obtain full reimbursement from the State for the cost of providing expressway patrols, or explore the potential for enacting changes in state law to have the State take over the responsibility.*

### **Park Patrol Unit**

The Park Patrol Unit provides year-round response to criminal acts and complaints in County Parks. Over the first four months of 2002, the unit issued 560 citations and responded to 130 criminal complaints. Nearly 89% of all activity took place in the northeast and southeast park sectors. Resources are allocated primarily based on where the greatest activity is expected. For example, if a number of picnic permits are issued for a certain park, then squads may be assigned to patrol the park more frequently to ensure not only the safety of those groups, but

also to ensure that those groups conduct themselves properly. Another high-activity area is the lakefront during the summer months.

The Park Patrol Unit is authorized 13 FTEs (one sergeant, seven deputies, and five parking checkers). Revenues include a grant of \$150,000 from the Department of Justice. The unit operated at a net cost of \$567,348, as shown in **Table 4**.

Total Revenues		\$170,539
Less: Direct Expenses Charged to Park Patrol		\$602,329
Other Expenses Abated from Park Patrol:		
Employee Benefits	\$118,241	
Graphics	237	
IMSD	8,124	
Sheriff Overhead	<u>8,956</u>	
Total Other Abated Expenses		<u>\$135,558</u>
Total Expenses Including Abatements		<u>737,887</u>
Net Cost of Operating Park Patrol		<u>\$567,348</u>
Source: Department of Audit analysis of Advantage data.		

The Park Patrol Unit works in conjunction with local law enforcement agencies for the municipalities in which the parks are located. An issue that has been raised is whether the municipalities in which the parks are located should be responsible for providing the necessary security. This has been a sensitive issue in the past, one in which municipalities have been hesitant to accept the responsibility exclusively.

We recognize that some municipalities do maintain a presence in County parks. A recent example was a sting operation performed by the Wauwatosa Police Department in Hansen Park to help reduce illicit sexual activity at that location. It is unclear if the municipal police departments would be able or willing to either accept this change in policy or provide the same amount of coverage that the Sheriff's Department has provided historically. However, as noted in the example above, local municipalities also have a vested interest in maintaining law and order for parks located within their boundaries. Given the amount of tax levy support required for this unit in the past, we recommend that the Sheriff's Department:

16. *Explore the feasibility for entering into cooperative agreements with municipal police departments for patrolling County parks, with the long-term goal of reducing County costs.*

## **Water Patrol Unit**

Milwaukee County has jurisdiction over the territorial waters of Lake Michigan due east of the County. While it has jurisdiction, the cities and townships that bound Lake Michigan also have an interest in maintaining order along their lakefronts. The Water Patrol Unit works in conjunction with the City of Milwaukee Police and Fire Departments, the Wisconsin Department of Natural Resources (DNR) and the U. S. Coast Guard. Requests for assistance can go to any of the above, with response coming from whichever has a boat ready to assist.

Milwaukee County has one boat that it uses for search and rescue in Lake Michigan. It also uses the boat at times to enforce water rules and regulations, but is not used primarily to write citations. Two FTEs are assigned to the unit. In addition, the Sheriff's Department assigns staff from other bureaus as needed to perform dive and rescue operations both along the Lake Michigan shore as well as any and all inlet waters within the County. The Water Patrol Unit's tax levy support for 2001 was budgeted to be about \$70,000. The primary source of revenue is the Department of Natural Resources, which reimburses the Sheriff's Department for about 75% of the unit's operational costs.

According to Sheriff's Department's management, the water patrol is not a high priority and could be one of the programs that could be discontinued if the Sheriff's Department's 2003 budget request is not completely funded. This would not appear to have significant impact on reduced tax levy support, since there is little tax levy support involved, with DNR covering most of the unit's expenses. As with the Air Wing Unit, decisions on the Water Patrol Unit's future should consider the extent to which it helps the Sheriff's Department achieve its overall mission.

## **Multiple Drug Units**

The Sheriff's Department has involvement with three separate drug enforcement units: the Drug Enforcement Unit; Metro Drug Unit; and High Intensity Drug Trafficking Area (HIDTA). Each unit has somewhat different scopes in addressing drug activity in Milwaukee County. For example, the Drug Enforcement Unit focuses on street dealers, HIDTA looks more at the larger drug trafficking organizations and gangs, and Metro Drug's focus is on middle and upper level drug violators. The abilities to consolidate all drug activity is limited by the requirements of the HIDTA grant, which states that participation is contingent upon the Sheriff's Department having its own unit. HIDTA funds are to supplement the County's own drug unit, not supplant it. Thus, the Sheriff's Department must have its own drug unit to qualify for HIDTA funding. HIDTA funding pays 50% of the salary costs and 100% of overtime and other operating costs.

The tax levy support for the HIDTA program was budgeted to be about \$404,100 for 2001. This amount represents the savings to the County if participation in the HIDTA program ended. However, there likely would be a decrease in the number of drug-related arrests and prosecutions if this were to occur. Also, a potential reduction in arrest activity would also reduce the Sheriff's Department's participation in Forfeiture Fund revenues. These are funds collected as a part of drug investigations, and are distributed to those law enforcement agencies participating in the investigation and subsequent arrest of drug-related offenders.

Given that the HIDTA grant does not fully fund operating costs and the Sheriff's Department has other drug enforcement activities, we recommend that the Sheriff's Department:

- 17. Consider eliminating participation in the HIDTA program within the context of overall department priorities in the 2003 budget.*

### **Summary**

It is important to note that a decision to cut portions or all of selected programs does not necessarily translate into terminating positions. As noted previously, the Sheriff's Department is budgeted in 2002 for the equivalent of 86 positions of overtime. Staff assigned to programs scheduled for possible termination could be reassigned elsewhere in the Sheriff's Department to reduce the amount of overtime incurred. If half of all overtime could be replaced with straight time, the savings would equate to 21.5 positions. This would equate to \$775,800 using the average salary for deputies currently assigned to the jail plus employment taxes.

### **Potential Future Audit Areas**

Our review of the Sheriff's Department was limited by the need to address as many issues as possible in time to impact budget deliberations. As such, many of the issues were not subject to the same level of scrutiny as performed with more detailed audit testing. We believe that more detailed audit work in the Sheriff's Department's Medical, Court Services, and Traffic Patrol units in the future might provide additional savings to the County. Of course, the exact nature and scope of the work would be dependent on actions taken by the County Board and the County Executive during the 2003 Budget deliberations.

The Department of Audit is available to answer any questions.



Jerome J. Heer  
Director of Audits

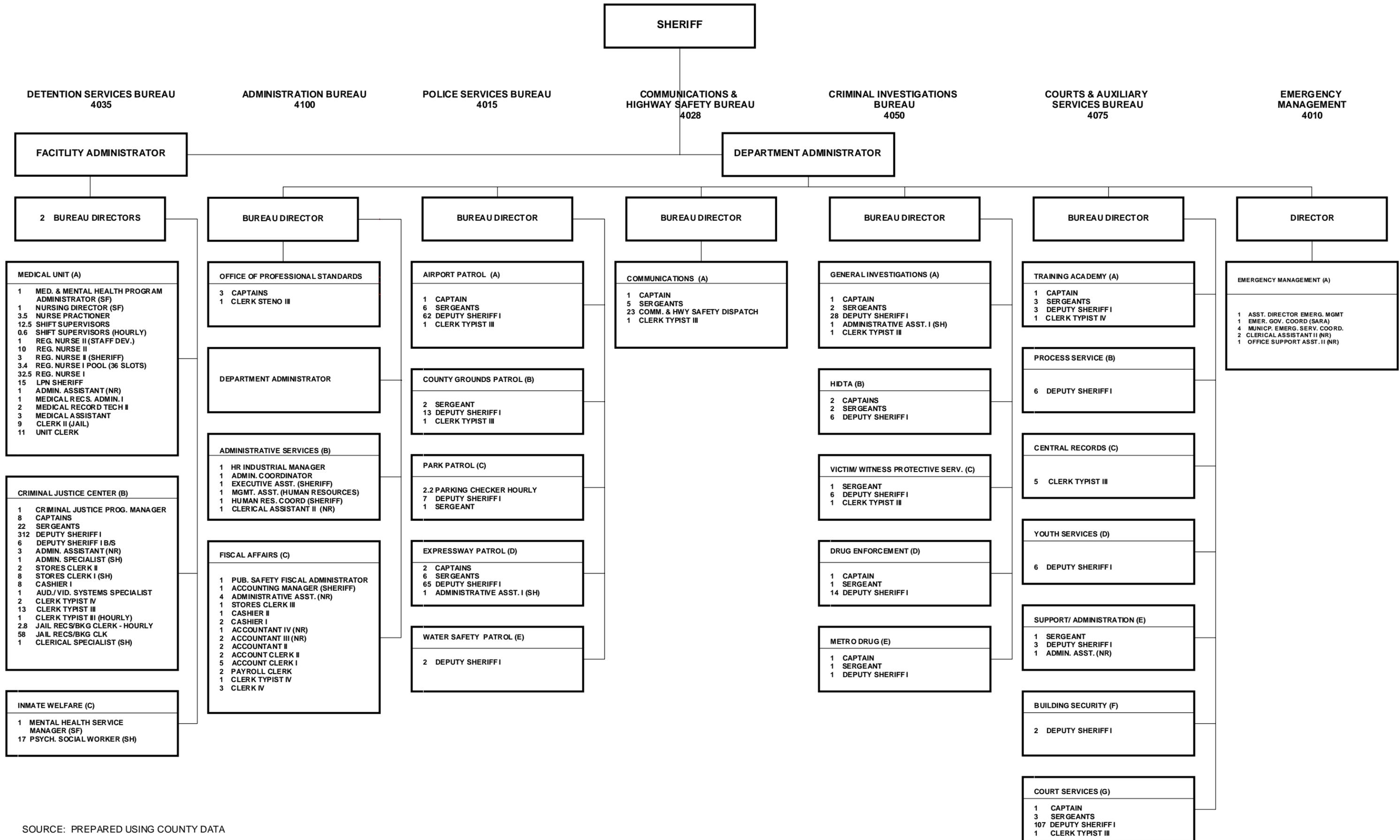
JJH/cah

Attachment

cc: County Board of Supervisors  
Supervisor Lynne D. De Bruin, Chairperson, Committee on Finance and Audit  
Supervisor Thomas A. Bailey, Vice-Chairman, Committee on Judiciary, Safety and General Services  
Supervisor Robert Krug, Chairman, Courts and Public Safety Budget Reduction Workgroup  
Scott K. Walker, County Executive  
Chief Judge Michael J. Skwierawski  
David A. Clarke, Jr., Milwaukee County Sheriff  
Linda J. Seemeyer, Director, Department of Administration  
Rob Henken, Director of Research, County Board Staff  
Luisa Ginnetti, County Board Research Staff  
Richard Ceschin, County Board Research Staff  
Lauri J. Henning, Chief Committee Clerk, County Board Staff

SHERIFF'S DEPARTMENT ORGANIZATION CHART - JANUARY 2002

Exhibit 1



SHERIFF DEPARTMENT ORGANIZATION CHART- MAY 2002

Exhibit 2

