UnitedHealthcare
A UnitedHealth Group Company

10701 W. Research Drive
Milwaukee, WI 53226-3440
Tel 414.443.4772

M E M O R A N D U M

TO: Supervisor Elizabeth Coggs, Chairperson of the Committee on Finance and Audit, Milwaukee County

FROM: Susan J. Bridges, Strategic Account Executive, UnitedHealthcare

DATE: December 9, 2010

SUBJECT: UnitedHealthcare Status Report on DBE Participation

UnitedHealthcare employs a consolidated, centralized, corporate procurement process. This process is focused on national vendor accounts and nationwide contracts for UnitedHealthcare projects; managed out of Minneapolis, MN.

Milwaukee County has asked that UnitedHealthcare reconsider this model and pursue business relationships with Wisconsin Certified Disadvantaged Business Enterprises.

2010 Year End Update

UnitedHealthcare in Wisconsin continues to make progress in modifying the procurement process to consider DBE opportunities whenever possible.

Facility projects - We have secured a relationship with Platt Construction - with which we have completed a couple of projects in 2010 totaling $32,000 (exterior land management.) We also have been able to award business to Thomas Mason Painting for about $40,000.

Flu Shot Projects –UnitedHealthcare launched a 2010 flu shot program for our Platinum broker agencies. We selected Midland Health Testing Services and implemented a $465,000 project for 2010.

Office Supply – UnitedHealthcare is currently in negotiations for office supply business with a Wisconsin certified DBE, and we'll update you as soon as the project is formalized.

We are excited about the changes we have made in the UnitedHealthcare procurement process as **we will exceed our 2010 DBE utilization goal** in Wisconsin, and we look to see more progress moving forward.

* * * * * * * * * * * * *

UnitedHealthcare is leading the way to help people, including the employees of Milwaukee County, live healthier lives and have access to high-quality affordable health care. As an employer in Milwaukee County, we appreciate the opportunity to work with the County, and to develop new ways to do business in our community.

Thank you - Susan J. Bridges

SUBMIT WITH ALL YOUR
PAYMENT APPLICATIONS
cc: CBDP, 2711 W.Wells St
Milwaukee, WI 53208

DISADVANTAGED BUSINESS ENTERPRISE
PROFESSIONAL SERVICES "DBE" UTILIZATION REPORT*

NAME OF CONSULTANT UnitedHealthcare TELEPHONE NO. (414) 443-4772

ADDRESS 10701 W. Research Drive CITY Milwaukee STATE WI ZIP CODE 53226

PROJECT TITLE County Employee/Retiree Medical Benefits Administrator PROJECT #

TOTAL CONTRACT $ AMT $ 2,880,000 TOTAL CONTRACT PAYMENT YTD $ 2,160,000 CONTRACT % COMPLETE 75%

TOTAL DBE CONTRACT $ AMT $ 489,000 TOTAL DBE PAYMENT YTD $ 250,000 DBE % COMPLETE 51 %**

COUNTY PROJECT/CONTACT PERSON Mildred Hyde-Demoze TELEPHONE NO. (414) 278-5037

REPORT FOR THE PERIOD FROM: July 1 TO: Oct 31 2010 FINAL REPORT: ( ) Yes (X) No

List Disadvantaged Business Enterprise firms utilized in connection with the above Project, either as sub consultants or suppliers in the last period.

NAME OF DBE FIRM	SUB-CONTRACT $ AMOUNT	WORK/SERVICE PERFORMED	AMT. OF PAYMENTS THIS PERIOD	AMT. OF PAYMENTS TO DATE	REMAINING BALANCE
Midland Health Testing, Inc.	**$465,150**	**Flu Shots**	**$0**	**$250,000**	**$262,650**
Platt Construction	**$32,594**	**Facility Maintenance**	**$0**	**$0**	**$32,594**
Thomas Mason Painting	**$39,835**	**Painting**	**$0**	**$0**	**$39,835**
			Note: Midland Health was paid in full in November; the remaining balances will be paid in 4th Qtr to bring us to a Total DBE contract amount of $537,579 for 2010**.**		

Report Prepared by: Susan J. Bridges Approved by: Susan J. Bridges, Strategic Account Executive, UnitedHealthcare
(Name & Title)

*Directions for completion of report - see reverse side
**If the % DBE completion is less than the % contract completion, please attach an explanation as to why the DBE requirements are not being met at this time.

DIRECTIONS FOR COMPLETING THE "DBE" UTILIZATION REPORT
This report must be submitted with each payment application.

1. Prime consultant's registered company name.
2. Prime consultant's business telephone number.
3. Prime consultant's business address.
4. City in which prime consultant firm is located.
5. State in which prime consultant is located.
6. Zip code for prime consultant's place of business.
7. Name of County Project
8. Project number as stated in the Bid Announcements and Specifications.
9. Total dollar amount of contract awarded prime consultant by Milwaukee County.
10. Total dollar amount of payments to all employees, suppliers and all subconsultants to date.
11. County Project Manager/Contact Person with whom your firm coordinates the progress of the project.
12. Telephone number of the above County representative.
13. The period and year for which payments are being reported.
14. The line next to Final Report is to be checked only when the final payments have been made to all DBE subconsultants.
15. The name(s) of DBE firm(s) having received payment in the preceding month or period.
16. Total dollar amount of the work subcontracted to the listed firm(s).
17. The work or service performed by the listed DBE firm(s).
18. The dollar amount of payments made to each DBE subconsultant for the period being reported.
19. The total dollar amount paid to each DBE subconsultant to date (cumulative). As an example--if the report covers the first payment to a DBE subconsultant, the amounts listed in the last two columns would be the same; however, if previous payments had been made in preceding periods the columns would differ: the column "Amount of Payments for the Period" would show only the payment for the period being reported and the next column would show the subtotal of payments (cumulative) to each DBE subconsultant to date.
20. Remaining balance of the subcontract to the listed DBE firm(s).
21. Prime consultant's staff that actually prepared the report.
22. Prime consultant's officer or personnel authorized to review and approve the DBE Utilization Report.
23. Please mail this form to : CBDP Office, 2711 W. Wells Street, Room 807, Milwaukee, WI 53208

THIS REPORT MUST BE SUBMITTED EACH PAYMENT APPLICATION EVEN IF NO ACTIVITY TOOK PLACE DURING THE PERIOD BEING REPORTED

IF YOU HAVE ANY PROBLEMS OR CONCERNS WITH ANY DBE, CALL THE CBDP OFFICE AT (414) 278-5248

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE: October 18, 2010

TO: Supervisor Lee Holloway, Chairman, County Board of Supervisors
Supervisor Elizabeth Coggs, Chairperson, Finance & Audit Committee
Supervisor Patricia Jursik, Chairperson, Personnel Committee

FROM: Geri Lyday, Interim Director, Department of Health & Human Services

SUBJECT: **Request to Abolish and Create a Position in the Economic Support Division**

REQUEST

The Interim Director of the Milwaukee County Department of Health & Human Services requests the abolishment of 1.0 FTE Child Care Program Specialist (Title Code 00055795, pay range 20) and creation of 1.0 FTE Contract Specialist (pay range 25) effective November 4, 2010.

BACKGROUND

Effective January 1, 2010, the State Department of Human Services (DHS) and Department of Children and Families (DCF) assumed control of the Income Maintenance and Child Care programs for Milwaukee County per Wisconsin Act 15. All of the county positions assigned to Child Care and Income Maintenance are now supervised by the State though the positions remain within the Department of Health and Human Services (DHHS).

Prior to the takeover, in 2009, the State negotiated three separate memoranda of understanding with AFSCME Council 48. One of the MOUs allows both DCF and State Department of Health Services (DHS) the ability to "establish, revise and potentially eliminate job classifications and position descriptions and hiring procedures."

The Contract Specialist position will monitor and manage vendor activities by working with Milwaukee Early Child Care Administration (MECA) and DCF central office staff. This position will be responsible for coordinating with DCF fiscal management and procurement staff to support the daily operation of MECA and maintaining the master listing of contracts and supporting materials. This position also will work closely with DCF procurement to manage and re-bid contracts according to DCF/DOA procurement rules while coordinating with appropriate MECA staff to assure the procurement process meets MECA's program needs.

DCF is currently using a consultant to perform these duties.

State DCF reimburses 100% of the cost of all Child Care positions so there is no tax levy impact to Milwaukee County.

Geri A. Lyday

Geri Lyday
Interim Director Department of Health & Human Services

-COUNTY OF MILWAUKEE-
INTEROFFICE COMMUNICATION

DATE : October 7, 2010

TO : Supervisor Lee Holloway, Chairman, Board of Supervisors
Supervisor Elizabeth Coggs, Chairman, Finance & Audit Committee
Supervisor Patricia Jursik, Chairman, Personnel Committee

FROM : Steven Kreklow, Fiscal & Budget Administrator

SUBJECT : Request to Abolish 1.0 FTE Child Care Program Specialist (Title Code 00055795, pay range 20) and create 1.0 FTE Contract Specialist (pay range 25)

REQUEST

The Department of Health and Human Services (DHHS) is requesting to abolish 1.0 FTE Child Care Program Specialist (Title Code 00055795, pay range 20) and create 1.0 FTE Contract Specialist (pay range 25) effective November 4, 2010.

BACKGROUND/ANALYSIS

Effective January 1, 2010 the Department of Children and Families (DCF) administers Child Care programs for Milwaukee County. Wisconsin State Statutes 49.826(3)(b)(1) gives DCF the authority to supervise, hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, discipline, and adjust grievances with respect to county employees performing services for the unit.

Since the takeover, DCF has reviewed the operational needs of the program. The department currently manages 13 contracts with a fiscal impact of over $20 million. As a result, the department is requesting the creation of 1.0 FTE Contract Specialist and the abolishment of 1.0 FTE vacant Child Care Program Specialist. The Contract Services position would report to the Operations Manager of the Milwaukee Early Child Care Administration (MECA) in the division of Early Care and Education.

The Contract Specialist would be responsible for monitoring and managing vendor activities by working with the appropriate central office staff from Milwaukee Early Child Care (MECA) and the Department of Children and Families (DCF); coordinating with the staff of DCF fiscal management and procurement to support the daily operation of MECA; maintain the master listing of contracts and supporting materials; work closely with DCF procurement to manage and re-bid contracts according to DCF/Department of Administration (DOA) procurement rules while coordinating with appropriate MECA staff to assure the procurement process meets MECA program needs. Prior to the State's takeover, these functions were performed by Milwaukee County but are now performed by a Contractor until the position can be filled.

RECOMMENDATION

To ensure the proper management of DCF's contract operations, the Department of Administrative Services, Fiscal Affairs recommends that the request to abolish 1.0 FTE vacant Child Care Program Specialist and create 1.0 FTE Contract Specialist, effective November 4, 2010, be approved.

FISCAL NOTE

Approval of the request to abolish 1.0 FTE vacant Child Care Program Specialist and create 1.0 FTE Contract Specialist, effective November 4, 2010, will result in no fiscal impact to the County as the State pays for the costs associated with this position.

Prepared by:
Antionette Thomas-Bailey
278-4250

Steven R. Kreklow
Fiscal and Budget Administrator

pc: Scott Walker, County Executive
Candace Richards, Interim-Director of Human Resources
Thomas Nardelli, Chief of Staff, County Executive's Office
Terrence Cooley, Chief of Staff, County Board
Jennifer Collins, County Board Fiscal and Budget Analyst
Geri Lyday, Interim Director, Department of Health and Human Services

From the Committee on, Reporting on:

File No.

(ITEM NO.) A resolution requesting to abolish 1.0 FTE vacant Child Care Program Specialist (title code 00055795, PR 20), create 1.0 FTE Contract Specialist (PR 25) in the Economic Support Division (ESD) of the Department of Health and Human Services (DHHS) effective November 4, 2010:

A RESOLUTION

WHEREAS, the state took over the administration of the Child Care Programs in Milwaukee County effective January 1, 2010 and the Wisconsin Statutes 49.826 gives the Department of Children and Families (DCF) the authority to supervise, hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, discipline, and adjust grievances with respect to County employees performing services for the unit; and

WHEREAS, the Department of Health and Human Services request the abolishment of 1.0 FTE vacant Child Care Program Specialist (title code 00055795, PR 20), and the creation of 1.0 FTE Contract Specialist (PR 25) in the Economic Support Division (ESD); and

WHEREAS, the Contract Specialist would be responsible for monitoring and managing vendor activities by working with the appropriate central office staff from the Milwaukee Early Child Care (MECA) and DCF; coordinating with the staff of DCF fiscal management and procurement to support the daily operation of MECA; maintain the master listing of contracts and supporting materials; work closely with DCF procurement to manage and re-bid contracts according to DCF/ Department of Administration (DOA) procurement rules while coordinating with appropriate MECA staff to assure the procurement process meets MECA program needs; and

WHEREAS, the requested position actions are necessary to ensure the proper management of DCF contract operations in the department; and

WHEREAS, the Department of Administrative Services, Fiscal Affairs recommends that the following request effective November 4, 2010, be approved: abolish 1.0 FTE vacant Child Care Program Specialist (title code 00055795, PR 20, create 1.0 FTE Contract Specialist (PR 25); and

BE IT RESOLVED, that the following position actions are approved, for the Department of Health and Human Services effective November 4, 2010

Action	Title	No. of Positions	Pay Range
Abolish	Child Care Program Specialist	1.0	20
Create	Contract Specialist	1.0	25

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 10/7/10

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Request to Abolish 1.0 FTE vacant Child Care Program Specialist (Title Code 00055795, PR 20) and create 1.0 FTE Contract Specialist (PR 25)

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

- ☐ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

- ☐ Absorbed Within Agency's Budget
- ☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of the abolishment of 1.0 FTE Child Care Program Specialist and the creation of 1.0 FTE Contract Specialist would allow the department to move forward with the filling of this position to ensure proper management of DCF contract operations within the department.

There would be no direct fiscal impact to the County in 2010 or 2011, as the state pays for the costs associated with these position actions.

Department/Prepared By Antionette Thomas-Bailey

Authorized Signature

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Pc: Scott Walker, County Executive
Candace Richards, Interim Director of Human Resources
Thomas Nardelli, County Executive Chief of Staff
Terrence Cooley, County Board Chief of Staff
Stephen Cady, County Board Fiscal & Budget Analyst
Rick Ceschin, County Board Fiscal & Budget Analyst
Jennifer Collins, County Board Fiscal & Budget Analyst
Lisa Patrick, Department of Children & Families

COUNTY OF MILWAUKEE
DAS – Division of Human Resources
INTER-OFFICE COMMUNICATION

DATE : September 15, 2010

TO : Committee on Personnel

Candace M. Richards

FROM : Candace Richards, Interim Director of Human Resources

SUBJECT : **Creation Recommended by Finance Committee**

A review of the duties to be assigned to the new position requested by the State of Wisconsin, Department of Children and Families has resulted in the following recommendation. This is a County position supervised by the State; the below request was submitted to Milwaukee County by the State:

Org. Unit	Title Code	No. of Positions	Recommended Title	Pay Range	Min/Max of Pay Range
8000	**00057322**	**1**	**Contract Specialist**	**25**	**$49,391- $57,826**

COUNTY OF MILWAUKEE
Behavioral Health Division Administration
INTER-OFFICE COMMUNICATION

DATE: November 22, 2010

TO: Supervisor Peggy West, Chairperson, Health & Human Needs Committee
Supervisor Elizabeth Coggs, Chairperson, Finance & Audit

FROM: Geri Lyday, Interim Director, Department of Health and Human Services

SUBJECT: INFORMATIONAL REPORT FROM THE INTERIM DIRECTOR OF HEALTH AND HUMAN SERVICES REGARDING THE 2010 BEHAVIORAL HEALTH DIVISION CAPITAL BUDGET PROJECT AND ISSUES REGARDING THE RECENT STATEMENT OF DEFICIENCY

BACKGROUND

On June 3, 2010 BHD received a Statement of Deficiency (SOD) from the State of Wisconsin as a result of a recent State Centers for Medicaid and Medicare Services (CMS) survey. This was BHD's routine four-year survey that encompasses a comprehensive review of the physical plant and its operations. The majority of the citations BHD received were regarding the physical building.

At the July 2010 meetings of the Committees on Health and Human Needs and the Finance and Audit, approved the expenditure authority for $1,825,890 in 2010 BHD Capital Funds to address all SOD related capital conditions by April 1, 2011. BHD has been providing monthly updates to the County Board.

DISCUSSION

The first requirement of the SOD was to respond to the Conditions, or immediate citations listed in Table A below, by June 25, 2010. All Conditions were completed by BHD and reviewed by state surveyors during the week of June 28, 2010. At this time, BHD has no outstanding Conditions regarding the initial list for June 25, 2010. The Plan of Correction is a work-in-progress and the expectation by BHD and State surveyors is that continuous progress be made in correcting all cited conditions by April 1, 2011. The State has at least five opportunities to review citations and conduct site visits/inspections before the final inspection April 1, 2011.

The following is a list of Conditions that were met by the initial June 25, 2010 deadline:

TABLE A	
Conditions/Citations	**Status**
Maintain clear access to exits by removing storage	Completed
Remove various shelving	Completed
Clean and dust various office closets, storage spaces and ventilation grills	Completed
Flush floor and shower drains	Completed
Lock unused rooms and maintain log	Completed
Adjust waste storage per guidelines	Completed
Seal all holes, penetrations throughout BHD	Completed
Replace metal plate in Crisis	Completed
Replace tissue dispenser	Completed
Remove bed rails	Completed
Replace missing heat guards	Completed
Remove dust/lint in laundry room	Completed
Change various locks	Completed
Replace various dietary equipment	Completed
Replace insulation on some water pipes	Completed
Caulk various locations throughout BHD	Completed
General adjustments and fixes for doors including install of push/pull door releases, replacement of door hardware, removal of some doors, adjustments of door guides etc	Completed
Seal various walls for smoke barrier	Completed
Replace lighting in various closets/storage areas, replace aluminum plates and adjust other burnt out lighting	Completed
Remove storage from various areas and adjust to meet fire code	Completed
Replace damaged escutcheon sprinkler rings	Completed
Seal ceiling holes due to misaligned tiles	Completed
Electrical clearance issues	Completed
Replace damaged astragal	Completed
Adjust doors to have positive latches, repair self-closure mechanisms and change fire plan accordingly	Completed
Repair damaged floor areas in bathrooms	Completed
Replace gate in stairwell	Completed
Replace cover on heater	Completed
Replace refrigerator on CAIS	Completed
Replace door on fire hose container	Completed

Due to the extremely short timeframe mandated by the state for responding to the Conditions listed in Table A, BHD Administration determined that applicable purchases and maintenance staff overtime were emergency costs that needed to be incurred immediately. This action was taken to ensure compliance with state regulations and avoid risk of decertification that could result in the loss of state Medicaid reimbursement to BHD.

The cost estimate for year-to-date supplies/commodities and additional contract work (such as deep cleaning, moving vans, and dumpsters etc.) is $496,535 through November 15, 2010. The BHD maintenance overtime to date related to the SOD is $83,489. Additional Department of Transportation and Public Works (DTPW) skilled trades costs for labor and overtime is estimated at $190,348 YTD- bringing the total spent on corrective actions for SOD issues out of BHD operating funds to $770,372. A thorough review of all expenditures is being conducted by accounting and DAS to determine if any of these expenditures are allowable under the capital budget.

In addition to the immediate (conditional) items that have been completed, there are a number of citations requiring a longer timeframe for completion. These citations are displayed below and grouped as bond-eligible projects, Table B, and cash-financed projects, Table C. While the cost estimates are the most accurate available to date, they should be considered preliminary estimates as plans are still being finalized and some bids have not yet been received. BHD continues to work with the Department of Administrative Services (DAS); the DTPW – Architectural, Engineering and Environmental Services (A&E); and Zimmerman Architectural Studios Inc, to obtain refined quotes. BHD is required to have all work, which addresses the citations completed by April 1, 2011 as documented in the SOD report.

TABLE B
Bondable Items (based on information available November 15, 2010)

Issue	**Cost Estimate***	**Due Date Per Plan of Correction**
Remove and replace Library Halon System	$35,000	Completed on 10-25-10
Door Replacement	$54,000	November 18, 2010 - Completed as of 10-31-10
Additional Sprinkler Heads	$13,750	Completed on 9-30-10
Construct 100,000 sq ft of seamless ceilings	$575,000	April 1, 2011
Repair 300 feet of foundation	$26,500	Completed on 10-1-10
Replace damaged window sills	$125,000	Completed on 10-1-10 (BHD will complete other damaged sills in 2011)
Determine hazardous storage rooms and create smoke barriers	$324,000	November 1, 2010 – In process

Replace milk cooler and installation	$25,000	April 1, 2011 – Equipment ordered in Nov. 2010
Dish Room, Tray Line Tiles and Laundry Repairs	$200,000**	April 1, 2011
Materials and labor (DTPW, BHD and Time and Materials Contractors)	$281,650	On-going
Contingency (10%)	$165,990	
Total	**$1,825,890**	

**Items above represent initial quotes and have preliminarily been determined to be bond eligible. DAS- capital staff will continue to review and work with BHD staff to solidify actual costs and ensure all items are bond-eligible. If the scope of a project changes, it may be determined that cash financing needs to fund certain portions of the above listed projects. A 10% contingency has been included in the cost sub-total to account for any fluctuations that may occur as hard costs are obtained.*

***The Dish Room and Laundry facility repairs are a significant project within the SOD citations and are based on conceptual plan only. BHD is working on a plan and is considering consolidating space within the complex to streamline operations. This cost estimation will likely fluctuate based on the final plan and has been included in this request as a place holder to ensure all compliance costs were included in this request for County Board consideration.*

TABLE C
Cash Items (based on information available November 15, 2010)

Issue	Cost Estimate*	Time Frame
Seal bathrooms to be water tight	$75,000	March 1, 2011
Replace sidewalks	$28,200	Completed on 10-1-10
Exit Lighting	$4,550	Completed on 9-13-10
Roof repair at Food Service Building and Hospital	Included in YTD purchases	Completed on 8-1-10
Electrical Upgrades	Included in DTPW OT estimates and YTD purchases	Completed on 7-1-10
Install Door Closers	Included in YTD purchases	Completed on 7-15-10
Ventilation Addition	$53,250	December 1, 2010
Medical Records Room fire walls and ventilation	$12,000	March 1, 2011
Materials and labor (DTPW, BHD and Time and Materials Contractors)	$38,144 (Preliminary estimate)	On-going
Contingency (10%)	$22,887	
Total	**$234,031**	

**All estimates are based on the best information available as of November 15, 2010 and are subject to change based on scope of the project and information gained from more detailed reviews. DAS staff will continue to review and work with BHD staff to solidify actual costs based on additional quotes. A 10% contingency has been included in the cost sub-total to account for any fluctuations that may occur as hard costs are obtained.*

BHD has worked diligently to address immediate SOD Conditions and continues to move forward with the long-term projects to ensure all corrections are completed by the State deadline of April 1, 2011. The items included in Tables A, B, and C include all current citations noted in the SOD. BHD and DAS will provide the Board with informational reports as work progresses.

RECOMMEDNATION

This is an informational report. No action is necessary.

Respectfully Submitted:

Geri L. Lyday

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Geri Lyday, Interim Director
Department of Health and Human Services

Cc: County Executive Scott Walker
Cindy Archer, Director – DAS
Allison Rozek, Analyst – DAS
Jennifer Collins, Analyst – County Board
Jodi Mapp, Committee Clerk – County Board
Steve Cady, Analyst – County Board
Carol Mueller, Committee Clerk – County Board

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: November 19, 2010

To: Supervisor Elizabeth M. Coggs, Chair, Finance and Audit Committee
Supervisor Peggy West, Chair, Health and Human Needs Committee

From: Maria Ledger, Interim Executive Director, Department of Family Care

Subject: MCDFC Income Statement for the period January 1, 2010 through September 30, 2010

The attached report summarizes the Milwaukee County Department of Family Care (MCDFC) Income Statement of the Care Management Organization (CMO) for the period January 1, 2010 through September 30, 2010. In addition, it shows the variance of those results to the 2010 adjusted budget. The actual amounts are preliminary (see the recurring Note on the attached MCDFC-CMO Income Statement for further information). The budget amounts reflect the cumulative monthly budget for the first nine months of the year.

The CMO is showing a preliminary actual Net Income of $2,151,598 for the first nine months of 2010. Comparing this to the adjusted budgeted Net Income of $105,672 creates a positive Net Income Budget Variance of $2,257,270. While preliminary results through September show actual revenues and actual expenditures below those in the adjusted budget, the variance in expenditures is smaller and thereby offsets any unfavorable.

CMO enrollment as of June 30, 2010 was 7,546 members, a net increase of 481 members from the December 31, 2009 enrollment of 7,065 members.

If you have questions concerning the attached income statement, please contact Interim Executive Director Ledger at 289-5908.

Attachment

cc: County Executive Scott Walker
Supervisor Lee Holloway
Stephen Cady
Jennifer Collins
Cynthia Archer
Steve Kreklow
Toni Thomas-Bailey
Maria Ledger
Jim Hodson
Ed Eberle

Milwaukee County Department of Family Care Managed Care Organization
Income Statement
For the period of January 1 thru Sept. 30, 2010

	1/1/10 - 9/30/10 Preliminary Actual	1/1/10 - 9/30/10 Adjusted Budget
Revenues		
Capitation Revenues - (NOTE 1)	$171,789,262 (1)	$172,754,835
Member Obligation Revenues	$20,592,685	$20,534,947
Other Revenues	$323,660	$200,288
Total Revenues	**$192,705,607**	**$193,490,069**
Expenses		
Member Service Expenses	$178,335,047	$178,550,217
Administrative Expenses:		
---Labor & Fringes	$5,393,846	$5,676,198
---Vendor Contracts	$3,013,360	$3,424,942
---Cross Charges/internal transfers (Note 2)	$1,738,161 (2)	$1,620,825
---Other expenses (supplies, mileage, etc.)	$2,073,595	$3,608,546
--- Est. contribution to reserve		$715,013
Total Expenses	**$190,554,009**	**$193,595,741**
Net Surplus/(Deficit)	**$2,151,598**	**($105,672)**

September 2010 CMO Enrollment:	
Nursing Home (Comprehensive):	
59 and Under	1,115
60 and Over	6,380
Non-Nursing Home (Intermediate):	
59 and Under	5
60 and Over	46
Total Members Served - 9/30/2010	7,546

Note (1): The above results reflect an accrual to increase capitation revenue for new expansion members (i.e., waiver program) based on an increase in acuity (i.e., members requiring higher care plan needs) as measured by the long-term functional screen. The Department of Family Care received formal notice from the Wisconsin Department of Health Services the additional capitation payment to be received will be in the amount of $2,046,495. This increase is for the 1st and 2nd quarters.

Note (2): Fourth quarter results will be much lower than the results from the previous three quarters of 2010. This is attributed to incurring significant expenditure increases for the move from the Ruess building to the courthouse. MCDFC was notified by the Department of Administrative Services that the Department of Family Care would be required to incur the costs of the move estimated at $278,000. The 2010 current budget does not reflect the move. A budget transfer has been submitted in the December cycle for approval that will provide for a detailed budget line item for the move. In addition, to the move the Department of Family Care will be incurring in the fourth quarter a significant one time expenditure for new servers to replace the old servers that host the Department of Family Care's MIDAS application system. The cost of this one time expenditure is estimated at $105,055. This expenditure is in the 2010 budget.

Note: The above financial summary represent actual results as of the reporting date, however, the results can change due to changes occurring in member service utilization (IBNR), outstanding receivables, internal charges or other regulatory changes. Any change from a prior period is accounted for in the year-to-date aggregate results. Prior period reporting is not restated.

COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

DATE: November 19, 2010

TO: Supervisor Theodore Lipscomb, Vice Chair
Committee on Economic & Community Development

Supervisor Elizabeth Coggs, Chairperson
Committee on Finance and Audit

FROM: Craig C. Dillmann, Manager of Real Estate Services
Department of Transportation and Public Works

SUBJECT: From the Manager, Real Estate Services, DTPW, monthly informational report for the land sale closing on UWM/Innovation Park.

This update highlights activities taken place since the last report to the Economic and Community Development Committee on October 25, 2010 and the Finance & Audit Committee on October 28, 2010.

The contractual time frames in the Purchase Agreement with the UWM Foundation ("UWM) are as follows:

- Due diligence commencement date –July 1, 2009 (Purchase Agreement executed)
- Escrow Deposit of $25,000 paid- July 6, 2009
- Contingency Waiver ("CW") Date Expiration-December 31, 2009
- CW Date Extension w/in Purchase Agreement- March 31, 2010
- CW Date Extension-July 31, 2010 (3/18/10 County Board approval)
- CW Date Extension-Sept 30, 2010 (7/29/10 County Board approval)
- CW Date Extension-November 15, 2010 (9/30/10 County Board approval)
- CW Date Extension-December 15, 2010 (11/4/10 County Board Approval)
- Closing Date- on or before January 15, 2010, if the closing

contingencies are waived or satisfied by December 15, 2010.

As previously reported in October, the following events and milestones have reinforced the reality of the Innovation Park project and advanced the sale toward closing:

- The City of Wauwatosa ("City") has approved the creation of the Tax Incremental Financing District to fund the public infrastructure improvements for Innovation Park.
- Mr. Michael Lovell, dean of UWM's College of Engineering and Applied Science, was named to serve as the interim chancellor upon the departure of Chancellor Santiago.
- UWM has waived three major contingencies of the Purchase Agreement. These contingencies have been eliminated as a condition of closing due to the City approving the change of zoning, the Preliminary Business Planned Development (ie; site plan) and the land division by Certified Survey Map ("CSM") for the Innovation Park project.
- The CSM, which legally divides and describes the land being conveyed, is fully executed and will be recorded in conjunction with closing.
- A $5.4 million federal grant was secured to fund the construction of the "business accelerator" building within Innovation Park.

Having achieved the above-mentioned milestones, UWM continues their fundraising efforts to finalize the purchase of the land. To date, UWM has secured $3.2 million of the $5 million due at closing. Several strong prospective donors have expressed an interest in helping UWM meet the remaining $1.8 million. UWM recognizes the December 15, 2010 deadline to waive or satisfy the remaining contingencies and close by January 15, 2010.

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Craig C. Dillmann, Manager
Real Estate Services

Meeting Dates: December 6, 2010 (ECD committee)

December 9, 2010 (F&A committee)

cc: Scott Walker, County Executive
Lee Holloway, County Board Chairman
Supervisor James Schmitt, District 19
Cynthia Archer, Director of DAS
Steven Kreklow, Fiscal & Budget Administrator, DAS
Josh Fudge, Fiscal Mgt Analyst-DAS
Jack Takerian, Director- DPTW
Steve Cady, Fiscal and Budget Analyst, County Board

cd\UWM Finance/ECD update December 2010

MILWAUKEE COUNTY
REGISTER OF DEEDS OFFICE

Inter-Office Communication

Date: November 23, 2010
To: Elizabeth Coggs, Chairman of the Finance and Audit Committee
County Executive Scott Walker
Steven Kreklow, Fiscal and Budget Administrator

From: John La Fave, Register of Deeds

Subject: Agency 340 - Register of Deeds Revenue Deficit Report

I hereby report that a deficit greater than $75,000 in 2010 will occur in Register of Deeds revenue account 3239 – Recording Fees.

The 2010 budgeted amount for Recording Fees is $1,810,000. I now project $1, 592,000 will be collected resulting in a shortfall of $218,000.

Quantity of year-to-date recordings (Jan.1 –Nov. 22) is 111,200 which are 16.6% less than last year's same period. Projected total recordings for 2010 is 125,000, falling substantially below the budgeted 170,000.

The deficit in this account would have been much worse if not for the statutory changeover to a flat recording on 6/25/10. Previously the recording fee per document varied depending upon the number of pages. Through 6/25/10 the revenue for the county averaged approximately $10.42 per document. June 25 forward county revenue is a fixed $15.00 per document, regardless of the number of pages.

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John La Fave
Register of Deeds

Daniel J. Diliberti
Milwaukee County Treasurer

DATE: November 16, 2010

TO: Elizabeth M. Coggs, Chair, Finance and Audit Committee

FROM: Daniel J. Diliberti, Milwaukee County Treasurer

RE: Notice of revenue surplus of $250,000 in revenues generated by this office in the Milwaukee County Revenue (Miscellaneous Revenue Account).

This report is being sent to the Finance Committee as notification of an estimated projected $250,000 in unanticipated income in the Milwaukee County Revenue (Miscellaneous Revenue Account).

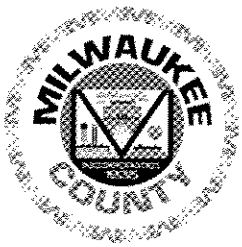
This revenue surplus is a direct result of our department's initiative to undertake the implementation of a new automated stale-dated check cancellation program with US Bank.

When our department requested an exemption from the additional furlough days, we did so on the basis of our need to maintain our high level of delinquent property tax collections and to allow us to initiate new accounting and banking improvements. This is one such effort.

While commending Rex Queen and Cathleen Szubielski in particular for the success of this initiative, I would like to emphasize that each of our employees plays a vital role in the successes of our department. Our staff is to be commended for their professionalism, teamwork, and willingness to take on new duties and additional workloads under stressful conditions. I thank each one of them for their teamwork and hard work. Without them, this success would not be possible.

Daniel J. Diliberti
Milwaukee County Treasurer

Courthouse, Room 102 901 North 9th Street Milwaukee, Wisconsin 53233-1462
General Office: 414-278-4033 Fax: 414-223-1383



Daniel J. Diliberti
Milwaukee County Treasurer

DATE: November 16, 2010

TO: Elizabeth M. Coggs, Chair, Finance and Audit Committee

FROM: Daniel J. Diliberti, Milwaukee County Treasurer

RE: Notice of $800,000 surplus in revenue (Account No. 1213) due to accelerated collections of delinquent property taxes by Treasurer's Office.

This report is being sent to the Finance Committee as notification of an estimated projected surplus of $800,000 in our budgeted revenue account # 1213: Interest and Penalty Payments for Delinquent Taxes.

This revenue surplus is a direct result of several factors. One is the result of bank and federal mortgage reworking programs to renegotiate delinquent mortgages. While working indirectly with third party banks and mortgage companies for delinquent property tax payoffs and directly with delinquent taxpayers to establish payment plans, our department has collaborated in the effort to assist homeowners in refinancing their mortgage debt. The second factor is the continuing implementation of the departmental strategic plan that, with the support of the Finance Committee and DAS, includes steps to continually improve our delinquent taxes collection process.

These steps include: upgrading personnel skills and classifications (supported by DHR); upgrading our land records software and improving on-line payment capability (with the able assistance of IMSD); initiating quarterly billing statements; improved tracking of bankruptcy filings; utilization of financial counseling referrals (community based programs); negotiating payment plans in conjunction with the foreclosure process; carrying out a 15-step foreclosure program (working with the Office of Corporation Counsel) to keep homeowners appraised of the status of delinquent taxes; and implementation – for the first time in the State of Wisconsin – of the TRIP (State Income Tax Intercept Program) for property tax collection purposes.

The implementation of these changes has significantly improved our delinquent property tax collections. Our tax collection revenue has tripled in the last five years, from $1,171,574 in 2004 to a projected $3,600,000 in 2010, and we have done so without any additional employees – with the exception of a part-time student intern.

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When our department received an exemption from the County Board and the County Executive to be excused from the additional furlough days in 2010, we did so on the basis of our commitment to a "maintenance of effort" to generate high level of delinquent property tax collections and to proceed with other treasury services initiatives. The increased revenues accounted for in this report are a direct result of that effort.

While commending staff members Susan Muchka and Sarah Thompson for their lead roles in these efforts, I would like to emphasize that all of our staff are to be commended for their professionalism and willingness to take on new duties and additional workloads. I thank each one of them for their teamwork and hard work. Without them, this success would not be possible.

At the same time, I feel compelled to note that if the transfer of a critical Accountant 4 staff position is carried out, as called for in the 2011 Budget, the Treasurer's Office ability to generate the 2011 budgeted revenue amount will be severely and adversely affected in the coming year. The Accountant 4 position in question performs critical treasury, banking, accounting, and staff oversight functions that are necessary for the continuation of the high level of operations of this office. Her absence will cause significant interruptions in many other office operations, including our revenue generating capacity.

Daniel J. Diliberti
Milwaukee County Treasurer

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 11, 2010

TO: Supervisor Lee Holloway, Chairman, County Board
Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee
Supervisor Elizabeth Coggs, Chairperson, Finance and Audit Committee

FROM: Jack Takerian, Director of Transportation and Public Works

SUBJECT: **AIRPORT SEMI-ANNUAL RESPONSE TO 2007 ADOPTED BUDGET AMENDMENT 1B027 ON AIRPORT CAPITAL IMPROVEMENT PROJECTS AND APPROVAL TO RESCIND AMENDMENT 1B027**

POLICY

County Board approval is required to terminate 2007 adopted budget Amendment 1B027 on Airport Capital Improvement Projects.

BACKGROUND

Based on discussions held during the Finance Committee's review of the Airport's Capital Improvement Budget in late 2006, the 2007 budget included Amendment 1B027 relating to the Airport Capital Improvement Projects. The directive from the amendment includes that:

"The Airport Director shall submit quarterly reports to the Committees on Finance and Audit and Transportation and Public Works on the status of all currently authorized Capital Improvement Projects. In a form pre-approved by the DAS Capital Finance Manager, County Board staff and Director of Audits, the report shall provide the following information for each authorized Capital Improvement Project:

- Date of initial County Board approval
- Brief description of scope of project
- Estimated completion date
- Expenditures and revenues summary, including reconciliation of each revenue source (e.g. Passenger Facility Charges, Airport Reserve, Bonds and Miscellaneous Revenue) and amount of committed funds for each.
- Date, purpose and amount of any approved appropriation transfers

Subsequently, Airport staff met with representatives from the Department of Audit, County Board, Department of Administrative Services, and Public Works Administration to define a format for the reports to be submitted in response to this amendment.

At the first meeting of the above representatives, a draft summary report of Airport Capital Projects was provided by Airport staff and discussed. The document provided was a working document and Airport staff sought suggestions and recommendations from the various staff present. The initial Summary of Airport Capital Projects report reflecting the changes suggested at the meeting, was then presented to the County Board in February 2007.

The Finance Committee later recommended that the presentation of this capital improvement report be adjusted to biannual rather than quarterly as originally directed. Semi-annual reports have since been provided.

Attached is the second semi-annual report for 2010, which indicates the expenditure and revenue summaries of the Airport's active Capital Improvement projects through September, 2010. The capital projects shown are at various stages of development, several of which are nearing completion and will be closed out during the year indicated.

These Airport Capital Improvement reports, which have been submitted quarterly, than semi-annually essentially duplicate information readily available in the County's financial Advantage System. Generally, these reports are presented and placed on file by the Finance Committee and rarely generate any questions or discussion. In addition, Airport staff has not received any comments, questions, or suggestions from the Department of Administrative Services over the four years these reports have been developed. While Airport staff is more than willing to continue preparing these reports, a significant amount of staff time is required to develop them.

Subsequently, Airport staff respectfully requests that 2007 Budget Amendment 1B027 be rescinded and the development of this semi-annual report be eliminated.

RECOMMENDATION

Airport staff recommends that the 2007 Budget Amendment 1B027 be rescinded and the development of this semi-annual report be eliminated.

FISCAL NOTE

There is no tax levy impact associated with this action.

Prepared by: Tom Heller, Airport Accounting Manager

Approved by:

Jack Takerian, Director of Transportation and Public Works	C. Barry Bateman Airport Director

Cc: Cynthia Archer, Director, Department of Administrative Services
Pamela Bryant, Capital Finance Manager
Jack Takerian, Interim Director of Director of Transportation & Public Works
Carol Mueller, Committee Clerk, Finance & Audit Committee

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GMIA Capital Projects
Summary of Expenditures

Project #	Project Name	Manager	Proj Approved.		Proj Complete	Amounts per Advantage: Cumulative Budget	Cumulative Expended	Currently Encumbered	Available Funds	Expedition Remaining Commitments Note A	Currently Uncommited Funds	Future Commitments Per A&E Note B	Net Available
	ACTIVE PROJECTS FROM 2007 and BEFORE												
WA005	Master Plan Update	Kevin Demitros	7/19/2001	transfer	2010	1,787,160	1,775,399	9,711	2,050	5,877	(3,827)	-	(3,827)
WA006	C concourse, Four Gate Expansion	Ed Baisch	1999	adopted budget	2010	65,241,519	64,173,096	303,729	764,693	60,000	704,694	-	704,694
WA038	C concourse Taxiway	Jim Zsebe	2002	Adopted Budget	2008	5,755,001	5,707,294	47,707	(0)	(0)	0	-	0
WA041	C Concourse Hydrant Fueling	Jim Zsebe	2002	Adopted Budget	2008	2,035,371	1,968,218	67,152	1	(0)	1	1	(0)
WA042	Baggage Claim Remodeling	Jim Zsebe	2006	Adopted Budget	On Hold	1,695,750	515,560	716,473	463,717	(0)	463,717	463,717	-
WA044	In-line Bag Screening, Phase 1 and 2	Tim Kipp	2002	Adopted Budget	2013	40,499,130	12,808,402	2,133,427	25,557,301	0	0	-	-
WA045	Part 150 Noise Study	Kim Berry	9/26/2002	fund transfer	2008	1,465,920	1,465,921	0	(1)		(1)	-	(1)
WA048	D Concourse Improvements	Ed Baisch	2003	Adopted Budget	2011	18,650,114	18,371,872	921	255,656	793	254,863	254,863	0
WA061	E Concourse Stem Remodeling & Electrical	Ed Baisch	2004	Adopted Budget	2011	11,030,299	9,968,514	111,117	950,668	45,290	905,378	905,378	-
WA072012	LJT Runway Crack Repair and Sealcoating	Paul Montalto	2006	Adopted Budget	2012	2,256,270	1,016,416	19,592	1,220,261	1,016,471	232,729	232,729	-
WA089	Air Cargo Roof Replacement	Bernie Mielcarek	11/7/2006	adopted budget	2008	914,500	607,126	0	307,374	19,489	287,885	-	287,885
WA091	Terminal Mall Public Restrooms- design	Jim Zsebe	11/7/2006	adopted budget	2010	1,853,125	1,209,504	37,806	605,815	43,333	562,482	-	562,482
WA094	Runway Safety Area Improvements - RSA-Runway 1L, 1	Jim Zsebe	2005	Adopted Budget	2013	71,371,762	32,150,847	21,547,533	17,673,382	2,706,124	14,967,258	14,967,258	-
WA098	Equipment Storage Building - Design and Construction	Jim Zsebe	11/7/2006	adopted budget	2009	924,510	889,188	415	34,907	0	34,907	-	34,907
WA100	Security Sys Fiber Optic Cable Replacement	Steve Dragosz	11/7/2006	adopted budget	2010	1,827,000	1,634,784	74,995	117,220	44,387	72,833	-	72,833
WA101	Compressed Natural Gas Facility	Jim Zsebe	3/13/2006	Fund transfer	2009	499,995	499,994	0	1	(0)	1	-	1
WA103	Interactive Training Kiosks	Airport Ops	4/15/2007	fund transfer	2008	523,500	523,500	0	0	38,500	(38,500)	closed	
WA104	Southside Trituration Building- design	Phil Hung	11/7/2006	adopted budget	2011	507,980	56,804	4,122	447,054	38,933	408,121	408,121	0
WA108	HVAC Equipment Replacement	V. Mehta	5/31/2006	Fund transfer	2011	6,859,400	5,638,130	853,768	367,502	0	367,502	367,502	(0)
WA122	Airfield Pavement Rehabilitation	Paul Montalto	11/7/2006	adopted budget	2012	5,175,100	3,050,110	26,102	2,098,888	13,699	2,085,189	2,085,189	-
WA123	Airfield Safety Improvements	Tim Kipp	11/7/2006	adopted budget	2012	1,626,000	1,801,327	230,795	318,355	(115,522)	433,878	433,878	(0)
WA308	Noise Mitigation, Phase 1	Kim Berry	1996	Adopted Budget	2008	81,103,776	81,104,180	0	(402)		(402)	-	(402)
WA320	LJT Master Plan	Kevin Demitros	1996	Adopted Budget	2010	226,000	160,043		65,957	19,099	46,858	-	46,858
		Subtotal	23	projects		323,829,184	247,096,230	26,185,366	51,250,400	3,936,471	21,785,566	20,118,636	1,705,431
						100.0%	76.3%	8.1%	15.8%	1.2%	6.7%	6.2%	0.5%
	2008 NEW PROJECTS												
WA106	Recarpet Terminal Mall and Ticketing	Phillip Hung	11/3/2007	Adopted Budget	2010	981,000	745,866	22,989	212,145	(0)	212,145	-	212,145
WA124	Concourse E Ground Power	Ed Baisch	11/3/2007	Adopted Budget	2011	1,269,400	10,000	0	1,259,400	0	1,259,400	1,259,400	-
WA125	Security and Wildlife Perimeter Fence	Paul Montalto	11/3/2007	Adopted Budget	2012	1,181,450	499,291	0	682,159	18,687	663,472	663,472	-
WA126	Stormwater Box Tunnel Repairs	Mac Malas	11/3/2007	Adopted Budget	2009	583,230	572,709	0	10,521	0	10,521		10,521
WA128	Recarpet Concourse D	Phillip Hung	11/3/2007	Adopted Budget	2011	791,093	292,653	65,200	433,240	4,486	428,754	428,754	-
WA130	Noise Barrier Study	Kim Berry	11/3/2007	Adopted Budget	2011	180,900	0	0	179,900	0	179,900	179,900	-
WA131	Part 150: Ramp Electrification	Ed Baisch	11/3/2007	Adopted Budget	2012	269,500	0	0	269,500	0	269,500	269,500	-
WA135	Runway 1L/19R & 7R/25L Intersection	Ed Baisch	10/8/2008	Transfer	2013	6,663,318	258,371	252,716	6,152,230	2,631	6,149,600	6,149,600	(0)
		Budget year 2008	8	projects		11,919,891	2,378,890	340,906	9,199,095	25,804	9,173,291	8,950,626	222,665
						100.0%	20.0%	2.9%	77.2%	0.2%	77.0%	75.1%	1.9%
	2009 NEW PROJECTS												
WA090	FIREHOUSE ROOF REPLACEMENT	W. Wilson	11/11/2008	Adopted Budget	5/1/2010	351,000	216,564	840	133,596	18,083	115,513	-	115,513
WA133	D HAMMERHEAD RESTROOM REMODEL	J. Zsebe	11/11/2008	Adopted Budget	12/31/2009	3,292,600	449,785	605,993	2,236,822	46,568	2,190,254	2,190,254	-
WA134	PERIMETER & ARFF ROAD CONFIGURATION	P. Montalto	11/11/2008	Adopted Budget	12/31/2009	1,701,000	690,742	368,158	642,100	(0)	642,100	-	642,100
WA137	OPERATIONS CONTROL CENTER RENOVATION	0	11/11/2008	Adopted Budget	on hold	806,000	6,063	0	799,937	0	799,937	40,000	759,937
WA139	REDUNDANT MAIN ELECTRICAL FEED	0	11/11/2008	Adopted Budget	on hold	321,000	28,742	0	292,258	0	292,258	292,258	-
WA140	PARKING STRUCTURE MEMBRANE, FLOOR 6	J. Bastin	11/11/2008	Adopted Budget	12/31/2009	761,250	559,762	0	201,488	0	201,488	-	201,488
WA141	ADMIN BUILDING GROUND LEVEL BUILD OUT	0	11/11/2008	Adopted Budget	on hold	0	1,805	0	(1,805)	(1,805)	0	-	-
WA143	CARGO RAMP 3D ACCESS SECURITY	S. Dragosz	11/11/2008	Adopted Budget	7/1/2010	270,000	151,846	27,347	90,807	3,153	87,654	-	87,654
WA144	SOUTH ESCALATOR REORIENTATION	J. Zsebe	11/11/2008	Adopted Budget	12/31/2010	2,884,000	432,170	631,551	1,820,278	13,493	1,806,785	1,806,785	-
WA145	RUNWAY GUARD LIGHTS	T. Kipp	11/11/2008	Adopted Budget	6/1/2010	2,214,000	92,002	785,004	1,336,994	2,812	1,334,182	-	1,334,182
WA146	WEST FBO RAMP RECONSTRUCTION	T. Kipp	11/11/2008	Adopted Budget	12/31/2009	1,630,035	1,222,873	3,357	403,804	0	403,804	-	403,804
WA148	EXPAND FLEET BUILDING	Paul Montalto	1/0/1900	Fund Transfer	12/31/2012	3,616,000	18,949	0	3,597,051	11,078	3,585,973	3,585,973	-
		Budget year 2009	12	projects		17,846,885	3,871,303	2,422,250	11,553,332	93,384	11,459,948	7,915,270	3,544,678
						100.0%	21.7%	13.6%	64.7%	0.5%	64.2%	44.4%	19.9%
	2010 NEW PROJECTS												
WA022	Abrasive Storage Building- Design	Paul Montalto	9/15/2009	transfer	2012	2,270,060	2,714	0	2,267,346	17,691	2,249,655	2,249,655	-
WA064	Phase II Mitigation Program	Kim Berry	9/15/2009	transfer	12/31/2014	27,752,600	260,526	2,294,813	25,197,261	(137)	25,197,398	25,197,398	-
WA095	Terminal Cable Tray System	Wilfredo Rivera	9/15/2009	transfer	2011	347,000	0	0	347,000	0	347,000		347,000
WA096	Parking Structure Relighting	Tim Kipp	9/15/2009	transfer	2012	1,811,000	29,021	0	1,781,979	65,400	1,716,579	1,716,579	-
WA136	LJT Terminal parking Lot Repaving and Lighting	Jim Zsebe	1/0/1900	Adopted Budget	2011	512,000	12,014	2,875	497,110	60,321	436,789	436,789	-
WA142	LJT Runway 15L - 33R Extension	Tim Kipp	2010	Adopted Budget	2011	200,000	1,165	0	198,835	20,335	178,500	178,500	-
WA149	Snow Equipment Storage Building	Jim Zsebe	2010	Adopted Budget	2012	13,602,000	21,609	19,500	13,560,891	0	13,560,891	13,560,891	-
WA151	Part 150 Noise Monitoring	Kim Berry	2010	Adopted Budget	2012	2,140,000	0	0	2,140,000	0	2,140,000	2,140,000	-
WA152	Part 150 Vacant land Acquisition	Kim Berry	2010	Adopted Budget	2012	1,560,000	0	0	1,560,000	0	1,560,000	1,560,000	-
WA153	Purchase Non-County owned jet bridges	Tom Heller	2010	transfer	2011	5,000,000	0	0	5,000,000	0	5,000,000	5,000,000	-
WA154	Timmerman Obstruction Removal (Trees)	Ed Baisch	1/1/2010		2011	200,000	165,637	32,235	2,128	4,513	(2,385)	0	(2,385)
WA157	GATE D52 Modifications	ED Baisch	2010	Adopted Budget	2011	2,000,000	0	0	2,000,000	0	2,000,000	2,000,000	-
WA160	GMIA Narrow Band Conversion	Terry Blue	2010	transfer	2013	2,000,000	25,958	924,551	1,049,491	0	1,049,491	1,000,000	49,491
		Budget Year 2010	13	projects		59,394,660	518,644	3,273,974	55,602,042	168,124	55,433,918	55,039,812	394,106
						100.0%	0.9%	5.5%	93.6%	0.3%	93.3%	92.7%	0.7%
		Airport Total	56			412,990,620	253,865,066	32,222,496	127,604,870	4,223,783	97,852,723	92,024,344	5,866,880
						100%	61%	8%	31%	1%	24%	22%	1%

Data shown is as of end of September 2010

GMIA Capital Projects
Summary of Revenue Funding by Source

Project #	Project Name	Manager	Proj Approved.		Proj Complete	GARB BONDS A/C 4907	INTEREST ON BONDS A/C 1841	STATE GRANT A/C 2299	FEDERAL GRANT A/C 2699	PFC REVENUE A/C 4901	CAPITAL RESERVE	Other	TOTAL FUNDING	Approved by way of Capital Budget	Fund Transfer Revisions	Number of Fund Transfers
	ACTIVE PROJECTS FROM PRIOR YEARS															
WA005	Master Plan Update	Kevin Demitros	7/19/2001	transfer	2010											
WA006	C concourse, Four Gate Expansion	Ed Baisch	1999	adopted budget	2010	59,586,366	1,079,000			1,787,160			1,787,160	-	1,787,160	4
WA038	C concourse Taxiway	Jim Zsebe	2002	Adopted Budget	2008					3,992,854	583,300		65,241,520	32,915,070	32,326,450	15
WA041	C Concourse Hydrant Fueling	Jim Zsebe	2002	Adopted Budget	2008					5,755,001			5,755,001	5,755,001		
WA042	Baggage Claim Remodeling	Jim Zsebe	2006	Adopted Budget	On Hold					2,035,371			2,035,371	2,035,371		
WA044	In-line Bag Screening, Phase 1 and 2	Tim Kipp	2002	Adopted Budg	2013	14,647,300	289,500	393,312	17,289,018	1,695,750			1,695,750	1,695,750		
WA045	Part 150 Noise Study	Kim Berry	9/26/2002	fund transfer	2008					7,880,000			40,499,130	40,499,130		
WA048	D Concourse Improvements	Ed Baisch	2003	Adopted Budget	2011	10,791,950	318,000			1,465,920			1,465,920	1,465,920	-	
WA061	E Concourse Stem Remodeling & Electrical	Ed Baisch	2004	Adopted Budget	2011	9,472,299	4,000			7,165,164	375,000		18,650,114	10,084,950	8,565,164	6
WA0720	LJT Runway Crack Repair and Sealcoating	Paul Montalto	2006	Adopted Budget	2012			59,525	2,135,220	350,000	1,204,000		11,030,299	9,455,299	1,575,000	2
WA089	Air Cargo Roof Replacement	Bernie Mielcare	11/7/2006	adopted budget	2008	890,900	23,600			35,750	25,775		2,256,270	1,979,418	276,852	3
WA091	Terminal Mall Public Restrooms- design	Jim Zsebe	11/7/2006	adopted budget	2010								914,500	914,500		
WA094	Runway Safety Area Improvements - RSA-Runway 1	Jim Zsebe	2005	Adopted Budget	2013	10,711,184		8,293,408	51,750,447	1,853,125			1,853,125	1,615,125	238,000	1
WA098	Equipment Storage Building - Design and Constructi	Jim Zsebe	11/7/2006	adopted budget	2009			115,000	690,000	616,724			71,371,762	51,619,762	19,752,000	3
WA100	Security Sys Fiber Optic Cable Replacement	Steve Dragosz	11/7/2006	adopted budget	2010			186,375	1,118,250	119,510			924,510	924,510		
WA101	Compressed Natural Gas Facility	Jim Zsebe	3/13/2006	Fund transfer	2009				377,595	522,375			1,827,000	1,827,000		
WA103	Interactive Training Kiosks	Airport Ops	4/15/2007	fund transfer	2008							122,400	499,995	474,995	25,000	1
WA104	Southside Trituration Building- design	Phil Hung	11/7/2006	adopted budget	2011					523,500			523,500		523,500	1
WA108	HVAC Equipment Replacement	V. Mehla	5/31/2006	Fund transfer	2011	6,412,700	46,700			35,000	472,980		507,980	507,980		
WA122	Airfield Pavement Rehabilitation	Paul Montalto	11/7/2006	adopted budget	2012						400,000		6,859,400	6,459,400	400,000	1
WA123	Airfield Safety Improvements	Tim Kipp	11/7/2006	adopted budget	2012			585,276	3,467,890	631,934	490,000		5,175,100	5,175,100		
WA308	Noise Mitigation, Phase 1	Kim Berry	1996	Adopted Budget	2008	4,234,600	83,400	203,250	1,219,500	75,000	128,250		1,626,000	600,000	1,026,000	1
WA320	LJT Master Plan	Kevin Demitros	1996	Adopted Budget	2010			5,132,591	35,122,709	35,785,175	264,600	480,703	81,103,778	62,557,093	18,546,685	6
								113,000		113,000			226,000	226,000		
	subtotal	Sub total	23	projects		116,747,299	1,844,200	15,081,737	113,170,628	72,438,313	3,943,905	603,103	323,829,185	238,787,374	85,041,811	44
	2008 PROJECTS															
WA106	Recarpet Terminal Mall and Ticketing	Phillip Hung	39389	Adopted Budg	2010						981,000		981,000	981,000		
WA124	Concourse E Ground Power	Ed Baisch	11/3/2007	Adopted Budget	2011			126,000	1,008,000	135,400			1,269,400	1,269,400		
WA125	Security and Wildlife Perimeter Fence	Paul Montalto	11/3/2007	Adopted Budget	2012			147,750	886,500	147,200			1,181,450	1,181,450		
WA126	Stormwater Box Tunnel Repairs	Mac Malas	11/3/2007	Adopted Budget	2009			72,500	435,000	75,730			583,230	583,230		
WA128	Recarpet Concourse D	Phillip Hung	11/3/2007	Adopted Budget	2011						791,093		791,093	791,093		
WA130	Noise Barrier Study	Kim Berry	11/3/07	Adopted Budget	2011				18,000	144,000	18,900		180,900	180,900		
WA131	Part 150: Ramp Electrification	Ed Baisch	11/3/07	Adopted Budget	2012			27,000	216,000	26,500			269,500	269,500		
WA135	Runway 1L/19R & 7R/25L Intersection	Ed Baisch	10/8/2008	Transfer	2013			832,375	4,998,568	832,375			6,663,318	6,659,001	4,317	1
	subtotal	Sub total	8	projects				1,205,625	7,562,068	1,361,205	1,790,993		11,919,891	11,915,574	4,317	1
	2009 PROJECTS															
WA090	FIREHOUSE ROOF REPLACEMENT	W. Wilson	11/11/2008	Adopted Budget	5/1/2010						351,000		351,000	351,000		
WA133	D HAMMERHEAD RESTROOM REMODEL	J. Zsebe	11/11/2008	Adopted Budget	12/31/2009	3,071,600							3,292,600	3,292,600		
WA134	PERIMETER & ARFF ROAD CONFIGURATION	P. Montalto	11/11/2008	Adopted Budget	12/31/2009			212,500	1,275,000	221,000			1,701,000	1,701,000		
WA137	OPERATIONS CONTROL CENTER RENOVATION		11/11/2008	Adopted Budget	on hold					213,500			806,000	806,000		
WA139	REDUNDANT MAIN ELECTRICAL FEED		11/11/2008	Adopted Budget	on hold					806,000			321,000	321,000		
WA140	PARKING STRUCTURE MEMBRANE, FLOOR 6	J. Bastin	11/11/2008	Adopted Budget	12/31/2009	761,250				321,000			761,250	761,250		
WA141	ADMIN BUILDING GROUND LEVEL BUILD OUT		11/11/2008	Adopted Budget	on hold											
WA143	CARGO RAMP 3D ACCESS SECURITY	S. Dragosz	11/11/2008	Adopted Budget	7/1/2010											
WA144	SOUTH ESCALATOR REORIENTATION	J. Zsebe	11/11/2008	Adopted Budget	12/31/2010	2,686,000		33,750	202,500	33,750			270,000	270,000		
WA145	RUNWAY GUARD LIGHTS	T. Kipp	11/11/2008	Adopted Budget	6/1/2010						198,000		2,884,000	2,113,000	771,000	1
WA146	WEST FBO RAMP RECONSTRUCTION	T. Kipp	11/11/2008	Adopted Budget	12/31/2009			276,750	1,660,500	276,750			2,214,000	914,000	1,300,000	2
WA148	EXPAND FLEET BUILDING	Paul Montalto		Fund Transfer	12/31/2012			203,754	1,222,526			203,754	1,630,035	1,535,000	95,035	1
										3,616,000			3,616,000	3,616,000		
	Subtotal, Projects initiated in 2009	Budget year 20	12	projects		6,518,850		726,754	4,360,526	5,488,000	549,000	203,754	17,846,885	15,680,850	2,166,035	4
	2010 NEW PROJECTS															
WA022	Abrasive Storage Building- Design	Jim Zsebe	9/15/2009	Adopted Budget	2012			283,758	1,702,545	283,758			2,270,060	2,270,060		
WA064	Phase II Mitigation Program	Kim Berry	9/15/2009	Adopted Budget	12/31/2014			2,775,260	22,202,080	2,775,260			27,752,600	27,752,600		
WA095	Terminal Cable Tray System	Wilfredo Rivera	9/15/2009	Fund Transfer	347,000						347,000		347,000		347,000	
WA096	Parking Structure Relighting	T. Kipp	9/15/2009	Adopted Budget	2012	1,616,000				195,000			1,811,000	1,811,000		
WA136	LJT Terminal parking Lot Repaving and Lighting	Ed Baisch		Adopted Budget	2011			409,600		102,400			512,000	512,000		
WA142	LJT Runway 15L - 33R Extension	Ed Baisch	2010	Adopted Budget	2011			5,000	190,000	5,000			200,000	200,000		
WA149	Snow Equipment Storage Building	Jim Zsebe	2010	Adopted Budget	2012					13,602,000			13,602,000	13,602,000		
WA151	Part 150 Noise Monitoring	Kim Berry	2010	Adopted Budget	2012			214,000	1,712,000	214,000			2,140,000	2,140,000		
WA152	Part 150 Vacant land Acquisition	Kim Berry	2010	Adopted Budget	2012			156,000	1,248,000	156,000			1,560,000	1,560,000		
WA153	Purchase Non-County owned jet bridges	Ed Baisch	2010	transfer	2011	5,000,000							5,000,000	3,000,000	2,000,000	1
WA154	Timmerman Obstruction Removal (Trees)	Ed Baisch	1/1/2010	Fund Transfer	2011			5,000	190,000	5,000			200,000		200,000	1
WA157	GATE D52 Modifications	Ed Baisch	2010	Adopted Budget	2011					2,000,000			2,000,000	2,000,000		
WA160	GMIA Narrow Band Conversion	Terry Blue	2010	Fund Transfer	2013			250,000	1,500,000	250,000			2,000,000	2,000,000		
	Subtotal, Projects initiated in 2010		13	projects		6,616,000		4,098,618	28,744,625	19,588,418	347,000		59,394,660	56,847,660	2,547,000	2
	Grand total		56	projects		129,882,149	1,844,200	21,112,734	153,837,847	98,875,936	6,630,898	806,857	412,990,621	323,231,458	89,759,163	51

11/10/2010

File No.
Journal

(Item) From the Director of Transportation & Public Works requesting that the 2007 Budget Amendment 1B027 be rescinded, thereby eliminating the requirement for General Mitchell International Airport staff to submit semi-annual reports which duplicate information available on Milwaukee County's *Advantage* financial system, by adopting the following resolution:

RESOLUTION

WHEREAS, based on discussions held during the Finance Committee's review of the Airport's Capital Improvement Budget in late 2006, the 2007 budget included Amendment 1B027 relating to the Airport Capital Improvement Projects; and

WHEREAS, the directive from the amendment includes that:

"The Airport Director shall submit quarterly reports to the Committees on Finance and Audit and Transportation and Public Works on the status of all currently authorized Capital Improvement Projects. In a form pre-approved by the DAS Capital Finance Manager, County Board staff and Director of Audits, the report shall provide the following information for each authorized Capital Improvement Project:

- Date of initial County Board approval
- Brief description of scope of project
- Estimated completion date
- Expenditures and revenues summary, including reconciliation of each revenue source (e.g. Passenger Facility Charges, Airport Reserve, Bonds and Miscellaneous Revenue) and amount of committed funds for each.
- Date, purpose and amount of any approved appropriation transfers

; and

WHEREAS, these Airport Capital Improvement reports, which have been submitted quarterly, than semi-annually essentially duplicate information readily available in the County's financial Advantage System; and

WHEREAS, generally, these reports are presented and placed on file by the Finance Committee and rarely generate any questions or discussion; and

WHEREAS, Airport staff has not received any comments, questions, or suggestions from the Department of Administrative Services over the four years these reports have been developed; and

WHEREAS, a significant amount of staff time is required to develop them; and

WHEREAS, the committees on Transportation, Public Works and Transit, and Finance and Audit, have concurred with Airport staff's recommendation to rescind 2007 Budget Amendment 1B027 by votes of _____ and _____, respectively; now, therefore,

BE IT RESOLVED, that the 2007 Budget Amendment 1B027 is hereby rescinded and the requirement for this semi-annual report is eliminated.

H:\Private\Clerk Typist\Aa01\TPW&T 10\RESOLUTION - Capital Semi-Annual Response Informational_Nov 2010.doc

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 11, 2010

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: **AIRPORT INFORMATIONAL REPORT – SEMI-ANNUAL RESPONSE TO 2007 ADOPTED BUDGET AMENDMENT 1B027 ON AIRPORT CAPITAL IMPROVEMENT PROJECTS**

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☒ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of Contingent Funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

There is no tax levy impact associated with this action.

Department/Prepared by: Tom Heller, Airport Accounting Manager

Authorized Signature _____

Did DAS-Fiscal Staff Review? ☐ Yes ☐ No
Reviewed by:

H:\Private\Clerk Typist\Aa01\TPW&T 10\FISCAL NOTE - Capital Semi-Annual Response Informational_Nov 2010.doc

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE : November 30, 2010

TO : Chairman Lee Holloway, County Board of Supervisors

FROM : David Arena, Director of Employee Benefits-DAS

SUBJECT : **Report from the Director of Employee Benefits Requesting Authorization For Replacement of the EAP Services**

Background

The expiring MHN contract included provisions for Employee Assistance Plan (EAP) services. MHN proposed an EAP rate of $1.16 per employee per month (PEPM), if included with their Mental Health Substance Abuse services contract for 2011. The Benefits Division requested a stand-alone EAP quote, which MHN declined to provide. Moving the Mental Health Substance Abuse services under UnitedHealthCare (UHC), necessitates the replacement of the EAP services previously included in MHN's Mental Health/Substance Abuse contract.

EAP Plan Design and Medical Integration

Milwaukee County's current EAP Model is a semi-integrated, three visit service model that allows for three clinical visits per person, per issue, per year in addition to providing unlimited telephonic consultations. It is "integrated" in that if a PPO participant incurs a clinical visit by accessing either the EAP or the medical plan, it is paid for under the EAP, up to the three-visit limit. This ensures that the EAP benefit we are already paying for is utilized before the County incurs expenses as medical claims. The current plan is only semi-integrated because MHN does not administer mental health claims for the HMO, where claims by the EAP are not picked up by the HMO.

Quality EAP vendors are plentiful and can be replaced via a request for proposal; however, there is a strategic advantages to integrating the EAP with the medical plan. An integrated EAP provides for better continuity of care and can absorb costs that would otherwise be incurred under the medical plan by ensuring application of the EAP benefit first. The only avenues to fully integrate our EAP would be to carve out our Mental Health/Substance Abuse coverage from both the HMO and PPO, or to place the EAP services with UHC, our current medical claims administrator. To take advantage of the synergy provided by integrating the EAP with our medical claims administrator, we've asked UHC for a fully integrated EAP proposal.

UnitedHealthCare Proposal

UHC's final EAP proposal is for $1.33 PEPM for base services. This follows the current coverage model and includes 15 hours of on-site training (i.e. manager training for mandatory referrals) and critical incident response (e.g. counseling for affected Parks personnel following

the O'Donnell incident) time per year. We have the option of purchasing additional time on an as needed basis. The proposed EAP would not include telephonic counseling for child care and elder care issues or the concierge services that is built into the basic offering from MHN, however, these services are not very robust under MHN and have never been highly utilized. UHC has also proposed an optional upgrade to this basic plan. UHC offers a package of additional work/life services that include elder care and parenting support services, concierge services, educational resource referrals and chronic condition support. While not as critical as the core EAP services, this would keep the full range of services currently in the EAP in place and expanding upon them. It would also supplement the Disease Management program.

Cost Comparisons

Current MHN fees based on 2010 contract: $63,000

The estimated annual costs of UHC's proposals are as follows (assumes 4,500 ee's):

1. UHC Base EAP services only: $72,000
2. UHC Base plus work/life services: $88,500

Although, this is not a new contract, amending the UHC contract to include EAP services would increase the overall value of UHC's contract. Consequently, this would increase UHC's DBE goal for 2011 by $15,045 dollars ($88,500 x 17%).

Recommendation

The Benefits Division recommends Option 2--contracting with UHC for the Base plus work/life for $88, 500.

Attachments

Cc: County Executive Scott Walker
Supervisor Elizabeth Coggs, Finance & Audit Committee
Supervisor Patricia Jursik, Personnel Committee
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director of Administrative Services
Tim Schoewe, Corporation Counsel
Greg Gracz, Director of Labor Relations
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk
Stuart Piltch, Cambridge Advisory Group

File No. 04-
(Journal, date)

(ITEM) From the Director, Division of Employee Benefits, requesting authorization to amend the UnitedHealthCare contract to include EAP services effective January 1, 2011 through December 31, 2011, by recommending adoption of the following:

A RESOLUTION

WHEREAS, Milwaukee County's existing Employee Assistance Program (EAP) service provider contract expires at the end of 2010; and

WHEREAS, the current EAP model is integrated for our PPO medical plan but not for the HMO medical plan; and

WHERAS, an integrated model provides for better continuity of care while absorbing costs that would otherwise be incurred under the medical plan by ensuring the application of EAP benefits first; and

WHEREAS, the only avenue to fully integrate our EAP would be to either carve out our EAP services from both medical options or to place EAP services with UnitedHealthCare (UHC) our current medical claims administrator; and

WHEREAS, Milwaukee County requested a stand alone EAP contract with our current provider who declined to provide one; and

WHEREAS, to take advantage of the synergy provided by integrating the EAP with our medical claims administrator, UHC has provided a competitive quote to provide these services on an integrated basis; now therefore

BE IT RESOLVED, that, the Director of Employee Benefits, Department of Administrative Services, is hereby authorized to amend the UnitedHealthCare contract to include EAP services by $88,500 to cover the base cost of EAP services, along with additional work/life services that include elder care and parenting support services, concierge services, educational resource referrals and chronic condition support.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 30, 2010

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Request for authorization to enter into contract with UnitedHealthCare for EAP services for 2011.

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☒ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☒ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		$88,500
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.

B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.[1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.

C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.

D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

A) Approval of this request would enable the Division of Employee Benefits to contract with UnitedHealthCare to provide EAP services for the 2011 plan year.

B) There are no direct cost impacts to the 2010 budget.

C) There is no budgetary impact to the current year, aside from the time of existing staff. The 2011 budget proposal currently includes funding for EAP services. UHC's proposed contract anticipates premiums increasing by approximately $25,500 from the 2010 costs. Based on 2010 enrollment, it is estimated that the total cost of coverage will be $88,500 for 2011.

D) The estimated cost increase assumes the active employee headcount will remain similar to 2010. Significant changes to the number of active employees could positively or negatively impact the estimate.

Department/Prepared By Matthew Hanchek, Fiscal Benefits Manager

Authorized Signature

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE : December 1, 2010

TO : Supervisor Patricia Jursik, Chairperson, Personnel Committee

FROM : David Arena, Director of Employee Benefits-DAS

SUBJECT : **Mental Health/Substance Abuse Coverage Move to the PPO Under UnitedHealthCare for the 2011 Plan Year – Informational Only**

Mental Health Financing and Administration

For many years, Milwaukee County has contracted with MHN to provide carved out, fully-insured Mental Health and Substance Abuse coverage for the County's PPO plan, and EAP services for the entire active group. EAP services will be discussed in a separate memo. Prior to the advent of more sophisticated managed care, mental health services were deemed to need specialized management are not part of the medical mainstream.

The MHN plan, historically, has not been a financially advantageous contract for the County. But, due to much more significant issues (e.g., change in WPS funding strategy, transition to UHC, etc.), this was not addressed until late 2009. At that time, the Benefits Division successfully negotiated a 45% decrease in fees for the 2010 renewal, and required MHN to provide greater transparency in claims cost reporting. The release of claims information revealed an administrative fee/retention rate in excess of 30% of premiums collected. (Prior to the rate reduction, MHN had a margin in excess of 75% of premiums in 2009).

For 2011, MHN proposed rate increases around 6% across all groups. However, the review of YTD claims still indicated that even after absorbing a more aggressive trend assumption than indicated by MHN's underwriters, the administrative/retention costs accounted for approximately 22% of premiums paid. Benefits had this reviewed by Branden Elsner and Patrick Iannetti of Cambridge Advisory Group and both concurred with the Benefits Division's assessment that *an increase in premiums was not supported by the claims experience and anticipated trend.* We notified MHN that we would only be willing to renew at the current premium rates, which MHN declined to do.

The alternative to MHN is to self-fund the mental health/substance abuse through UnitedHealthCare, as we are already doing for the HMO plan. The proposed MHN rates are $9.59 PEPM for the retirees and $11.33 PEPM for the actives. This gives a total premiums related to MH/SA services for the PPO of approximately $620,000. By comparison, consolidating services under UHC would incur an additional $195,000 in administrative fees plus claims expense anticipated to be around $400,000 (based on 2010 claims).

The UHC claims estimate, however, have not been adjusted to reflect deeper discounts that are likely to be realized under their provider agreements. Also, to maintain an "apples to apples" comparison, no adjustments have been made to either plan for changes to the mental health parity rules required under healthcare reform.

From a purely financial standpoint, there is only a modest direct savings to the County from this proposed change. However, the move to UHC also gives us a uniform approach across both plans that is consistent with the County's strategic decision to self-fund and provides the flexibility to adjust for anticipated parity changes and the cost transparency that we have been lacking from MHN. And, finally, from an administrative standpoint it will improve DBE compliance and reconciling enrollment with County records.

Benefits Division Recommendation

For the reasons listed above, we recommend moving the Mental Health/Substance Abuse coverage for the PPO under UnitedHealthCare for the 2011 plan year.

Cc: County Executive Scott Walker
Supervisor Elizabeth Coggs, Finance & Audit Committee
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director of Administrative Services
Steven Kreklow, Fiscal & Budget Administrator
Tim Schoewe, Corporation Counsel
Greg Gracz, Director of Labor Relations
Rick Ceschin, Senior Research Analyst, County Board
Jodi Mapp, Personnel Committee Clerk
Stuart Piltch, Cambridge Advisory Services

COUNTY OF MILWAUKEE
DAS-Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE: November 30, 2010

TO: Chairman Lee Holloway, County Board of Supervisors

FROM: David Arena, Director of Employee Benefits Division-DAS

SUBJECT: **Report from the Director, Employee Benefits Division, Regarding Stop Loss Coverage for Milwaukee County's Medical Plans**

Issue/Background

Milwaukee County purchases stop-loss insurance as a means of mitigating the risk exposure of catastrophic medical claims incurred under the County's self-funded health plans. In terms of process, the stop loss component has been treated as an ancillary agreement to the total health care contract, as the health care contract controls the County's risk exposure related to excessive health care costs. Stop loss coverage is a separate component from the medical Third Party Administration (TPA) contract because it is a purchased insurance policy, as opposed to a professional service contract. Stop Loss policies are generally negotiated and written on an annual basis.

Historically, the market for stop loss insurance in general has been challenging. The County's stop loss policies have been no exception. In 2010 renewal process, UnitedHealthCare was the only firm to submit a quote for this coverage. Requests for competing bids from ING and IOA Re were declined.

The market for stop loss insurance continues to be difficult for 2011. Cambridge Advisory Group negotiated a renewal quote from UnitedHealthCare at the current $300,000 deductible, at $350,000, and at $400,000. Cambridge also solicited competing bids from three firms: ING, Symetra, and IOA Re. Of the three alternative vendors, only ING was willing to submit a quote.

UHC's 2011 Options

$300,000 Deductible:

- Maintains the current individual risk limit at $300,000
- No external stop loss reporting fees
- $16.89 per covered employee per month (Increase of $387,000 over 2010 costs)
- No lifetime maximum

$350,000 Deductible:

- Quoted rate of $16.04 PEPM ($103,000 below UHC's proposed $300,000 deductible rate)
- Adjusts the County's risk exposure to keep pace with inflation

$400,000 Deductible:

- Quoted rate of $12.81 PEPM ($496,000 below UHC's proposed $300,000 deductible rate)
- Adjusts the County's risk exposure to keep pace with inflation

Alternative Quote from ING

$300,000 Deductible:

- Maintains the current individual risk limit at $300,000
- The quoted rate plus $1.00 per employee per month external reporting fee results in total costs $30,000 higher than the UHC bid (Increase of $417,000 over 2010 costs).
- Lifetime maximum of $2,000,000 per person. County is responsible for all claims thereafter.
- No coverage for claims incurred prior to 2011. (12/12 contract)

The Benefits Division and the Employee Health Care Workgroup evaluated all options and recommendations presented by Cambridge Advisory Group. While the Benefits Division and Workgroup support periodically increasing the stop loss threshold to adjust for inflation, the UHC rate quotes at a $350,000 and a $400,000 deductible do not provide sufficient premium savings to offset the increased claims risk to the County. The alternative quote from ING is not an attractive option based on the lack of savings presented and the additional risk assumed by the County with the $2,000,000 lifetime maximum. Further, the 12/12 contract excludes all claims incurred but not reported or paid prior to 2011, exposing the County to potentially high claims risk.

The Benefits Division and the Employee Health Care Work Group agrees with Cambridge Advisory Group's assessment that the final proposed increase for a $300,000 deductible is the County's best option given the relatively poor stop loss insurance market, the County's claims experience, and the demographics of the County's covered population. Consequently, The Benefits Division recommends approval for purchasing the stop loss insurance policy quoted by UnitedHealthCare with a $300,000 deductible effective January 1, 2010. The total anticipated premium cost is $2,055,000.

Attachments

Cc: County Executive Scott Walker
Supervisor Elizabeth Coggs, Finance & Audit Committee
Supervisor Patricia Jursik, Personnel Committee
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director of Administrative Services
Tim Schoewe, Corporation Counsel
Greg Gracz, Director of Labor Relations
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk
Stuart Piltch, Cambridge Advisory Group

File No.
(Journal,)

(ITEM) From the Director, Division of Employee Benefits, requesting authorization to purchase a stop loss insurance policy from UnitedHealthCare for coverage effective January 1, 2011 through December 31, 2011, by recommending adoption of the following:

A RESOLUTION

WHEREAS, Milwaukee County provides self-funded coverage of medical claims costs for eligible active employees and retirees; and

WHEREAS, Milwaukee County, purchases a stop loss insurance policy on an annual basis to mitigate the financial risk of potential high-cost catastrophic claims that may be incurred under the self-funded medical plan; and

WHEREAS, Cambridge Advisory Group on the County's behalf, requested multiple bids from providers of stop loss coverage; and

WHEREAS, UnitedHealthCare, as the incumbent provider of stop loss coverage, responded to the request for bids; and

WHEREAS, UnitedHealthCare's quoted rate was evaluated on cost, Milwaukee County's claims history, the demographics of Milwaukee County's covered population, and the overall market for similar stop loss insurance policies; and

WHEREAS, UnitedHealthCare's final negotiated rate quote, based on the criteria above, was deemed by the Division of Employee Benefits, the Employee Health Care Workgroup, and Cambridge Advisory Group to be a reasonable increase over the 2010 price; now, therefore

BE IT RESOLVED, that the Director, Division of Employee Benefits, Department of Administrative Services, is hereby authorized to purchase a stop loss insurance policy from UnitedHealthCare for coverage of Milwaukee County's medical insurance plans effective January 1, 2011 continuing through December 31, 2011.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 30, 2010

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Request for authorization to purchase a stop loss insurance policy from UnitedHealthCare for coverage effective January 1, 2011 through December 31, 2011.

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☒ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

☒ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		2,055,000
	Revenue		1,500,000
	Net Cost		555,000
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.

B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.[1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.

C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.

D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

A) Approval of this request would enable the Division of Employee Benefits to purchase a stop loss insurance policy from UnitedHealthCare for coverage effective January 1, 2011 through December 31, 2011. The policy limits the County's individual risk to $300,000 per individual.

B) The total premiums at current enrollment counts would be $2,055,000. Based on typical experience, the County should receive estimated claims reimbursements of $1,500,000 as a result of this policy.

C) The proposed rate is an increase of $387,000 over the total premiums paid in 2010. Stop Loss premiums are budgeted as a part of the overall requested healthcare funding. Anticipated reimbursements of medical claims are also reflected in the overall health care costs as offsetting revenue. Any impact to the 2011 budget would be reflected in the overall healthcare costs. There is no other budgetary impact to the current year, aside from the time of existing staff.

D) The anticipated claims reimbursements will be contingent on the actual claims experience realized throughout 2011.

Department/Prepared By Matthew Hanchek, Fiscal Benefits Manager

Authorized Signature

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE : December 1, 2010

TO : Supervisor Patricia Jursik, Chairperson, Personnel Committee
Supervisor Elizabeth Coggs, Chairperson, Finance & Audit Committee

FROM : David A. Arena, Director of Employee Benefits-DAS

SUBJECT : **Informational Report from the Director, Employee Benefits Division, Regarding the Milwaukee County Conventional Dental Plan (No Action Required)**

Issue/Background

The Milwaukee County Conventional Dental Plan is administered under an administrative services contract with Humana Dental. The current Humana contract approved by the County Board of Supervisors covers the period from January 1, 2006 through December 31, 2009. However, the approved service contract also includes an automatic annual renewal clause allowing 1-year renewals not to exceed a 5% annual increase.

The current administrative service fee is $3.20 per covered employee per month (PEPM). Humana has proposed increasing the rate by 3% to $3.30 per covered employee per month through 2011 calendar year for the 2011 calendar year.

Based on our experience in this market, the administrative fees for this contract are competitive and reasonable. Dental inflation trend resulting from utilization under the conventional plan has also been well within expected ranges. Service issues have been minimal. As such, the Division of Employee Benefits intends to accept this renewal proposal for 2011.

Disadvantaged Business Enterprise Participation

The original agreement initiated in 2006 did not include language regarding Milwaukee County's Disadvantage Business Enterprise (DBE) program. Beginning in 2010, as a contingency for renewal, Humana has agreed to voluntarily comply with Milwaukee County's DBE goals. If a new contract is established, DBE provisions will be included.

Based on anticipated 2010 enrollment, the projected value of the one-year renewal is $83,160 ($3.30 PEPM x 12 months x 2100 anticipated enrolled employees). Consequently, Humana's 17% participation goal for compliance for 2010 would be $14,137.

Cc: County Executive Scott Walker
Chairman Lee Holloway, County Board of Supervisors
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director of Administrative Services
Tim Schoewe, Corporation Counsel
Greg Gracz, Director of Labor Relations
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk

COUNTY OF MILWAUKEE
DAS – Division of Employee Benefits
INTER-OFFICE COMMUNICATION

DATE : December 1, 2010

TO : Supervisor Patricia Jursik, Chairperson, Personnel Committee
Supervisor Elizabeth Coggs, Chairperson, Finance & Audit Committee

FROM : David A. Arena, Director of Employee Benefits-DAS

SUBJECT : **Informational Report from the Director, Employee Benefits Division, Regarding the Care Plus DMO Plan (No Action Required)**

Issue/Background

Milwaukee County has offered the Care Plus DMO as a dental option for all Milwaukee County employees for over 20 years. This fully insured DMO option is specifically identified in the AFSCME District Council 48 contract and is also offered to all other employees pursuant to code of general ordinances 17.14 (9). The current Care Plus contract approved by the County Board of Supervisors began January 1, 2010 and expires on December 31, 2012.

The current premiums are $41.45 per covered employee per month (PEPM) for single coverage, $118.15 for family coverage. The 3-year contract allows for renewals in 2011 and 2012 not to exceed an 8% increase over the prior year. The final proposed 2011 rates are $42.64 PEPM for single coverage and $121.52 PEPM for family. This is a 2.6% and 2.8%, respectively, increase over the 2010 rates. The renewal reflects the efforts made by Care Plus to contain costs and is reasonable based on utilization of this plan.

Care Plus is uniquely positioned as a provider of DMO services in the Milwaukee market. Care Plus has consistently provided dental inflation trends at or below the national inflation trends for DMO plans. Service issues under the Care Plus plan have been minimal. As such, the Division of Employee Benefits has accepted the renewal for 2011.

Disadvantaged Business Enterprise Participation

In 2010, the administrative component of this proposed contract was 5% of the overall value, or $123,600. Consequently, the 17% participation goal for 2010 was set at $21,000. This goal will be increased to $21,600 for 2011 to reflect the changes to premiums resulting from this renewal.

Cc: County Executive Scott Walker
Chairman Lee Holloway, County Board of Supervisors
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director of Administrative Services
Tim Schoewe, Corporation Counsel
Greg Gracz, Director of Labor Relations
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk

COUNTY OF MILWAUKEE
Inter-Office Communication

16

Date: November 16, 2010

To: Chairman Michael Mayo, Sr., Transportation, Public Works & Transit Committee

From: Jack H. Takerian, Director, Department of Transportation and Public Works

Subject: **Details of the Recommended Repair for O'Donnell Park Parking Structure Improvements (Informational Only)**

Issue

The 2011 Adopted Capital included O'Donnell Park Improvements with an appropriation of $6,557,830. During the 2011 budget deliberations the County Board requested a detailed plan for these improvements. The Department of Transportation and Public Works (DTPW) on behalf of the Department of Parks has worked with our consultant INSPEC to provide this report highlighting the details of the recommended scope of work for the O'Donnell Park Parking Structure improvements.

Background

In September of 2010 DTPW submitted an informational report regarding the O'Donnell Park Parking Structure Repair Options to the Transportation and Public Works Committee. The report was prepared by DTPW staff with assistance from the engineering consultant INSPEC hired to assess whether there were additional safety concerns with the façade, develop a plan to properly determine the nature and cause of the precast panel support failure and identify a repair strategy for the damaged section and a preventative strategy to insure no additional failures of this type occur. INSPEC developed an option to include the removal of the precast panels on the parking structure, with the exposed cast-in-place concrete parapet needing some repairs and some form of aesthetic treatment. Staining is the option that is desired. The precast panels at the stairwells and pavilion structure would remain in place since they are attached to the structure differently.

The current building is tied to the Downtown Transit Center building across the street and there are significant amounts of cast-in-place concrete that all need to work together visually. The budget provided for the south side of the structure to use an Exterior Insulation and Finishing System (EIFS) which is a type of building exterior wall cladding system that provides exterior walls with an insulated finished surface and waterproofing in an integrated composite material system. The existing railings will need to be revised to meet current code requirements and would be replaced under this option. Additionally repairs to the spalling and cracking of parapet walls will be needed.

Several areas within the complex are in need of maintenance repairs. A list of repairs was developed recently and is included within this cost. These repairs include monitoring, injection and sealant of existing cracks, repair of storm drainage system, expansion joint repair, handrail repair, concrete spall repair, caulking and sealant and replacement of disturbed landscaping and pavement. Additionally, the project anticipates certain general maintenance costs for continued operation of the parking structure. A large part of this cost is re-sealing of the parking deck since this would be required within the next several years and should be included in the overall repairs since the facility while the structure is closed. The concrete wearing surface and the post-tensioned slab should be sealed to keep water from penetrating. This may be an elastomeric coating or membrane that resists wear from traffic. These added maintenance costs are also added to the overall cost of this project.

Potential Cost: $6,557,830

Item	Unit	Price	Total
Remove railing	4,885	$35.00	$170,975.00
Remove panels	20,182	$55.00	$1,110,010.00
Dispose of railing	1	$7,500.00	$7,500.00
New, modified railing	4,885	$80.00	$390,800.00
Install rails	4,885	$35.00	$170,975.00
Paint rails	4,885	$20.00	$97,700.00
Cartage and disposal of panels	1	$30,000.00	$30,000.00
Repair parapet allowance	1,500	$150.00	$225,000.00
Add EIFS cladding	20,182	$15.00	$302,730.00
Flash EIFS	20,182	$2.00	$40,364.00
Frame & sheath for EIFS	17,956	$10.00	$179,560.00
Precast coping at rail	4,885	$30.00	$146,550.00
General conditions	1	$624,433.00	$624,433.00
Shoring	1	$50,000.00	$50,000.00
Engineering*	1	$806,000.00	$806,000.00
Tie-in to adjacent surfaces	1	$50,000.00	$50,000.00
Traffic control	1	$50,000.00	$50,000.00
Contingency	1	$161,461.00	$161,461.00

Project Management, Planning, Design and Construction Management (15 %)	$806,000.00
Total to remove precast panels	$3,808,058.00
Additional Repair Costs	$323,772.00
Additional Maintenance Costs	$1,620,000.00
TOTAL	**$6,557,830**

* Item included in project management, planning, design and construction management

Recommendation

This report is for informational purposes only. In order to complete the repairs and have the parking structure open by July 2011 with the required occupancy permits from the City of Milwaukee, the concurrence of the County Board is respectfully requested as soon as possible.

Respectfully submitted,

Jack H. Takerian, Director
Department of Transportation and Public Works

Attachments: 1. DAS Cost Benefit Analysis
2. Letter from INSPEC on Useful Life After Implementation

cc: Scott Walker, County Executive
Chairman Lee Holloway, County Board of Supervisors
Supervisor John Weishan, Vice-Chair Transportation, Public Works & Transit Committee
Tom Nardelli, Chief of Staff, County Executive's Office
Terry Cooley, Chief of Staff, County Board of Supervisors
Cynthia Archer, Director, Department of Administration
Jerry Heer, Director, Department of Audit
Sue Black, Director, Department of Parks
Steve Kreklow, Fiscal & Budget Administrator, Admin. & Fiscal Affairs Division/DAS
Greg High, Director, AE&ES Division, DTPW
Timothy Schoewe, Interim Corporation Counsel
John Schapekahm, Principal Assistant Corporation Counsel
Jason Gates, Director, Risk Management
Steve Cady, Fiscal & Budget Analyst, County Board
Brian Dranzik, Director, Administration Division, DTPW
Jodi Mapp, TPW/T Committee Clerk
Martin Weddle, Research Analyst, County Board
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS

INSPEC

Smart engineering of

roofs, walls, pavements

and waterproofing

November 12, 2010

Mr. Jack Takerian
Director, Department of Transportation & Public Works
Milwaukee County
2711 West Wells Street
City Campus Building, Suite 300
Milwaukee, WI 53208

Re: O'Donnell Park Restoration Option #1

Dear Mr. Takerian:

On August 30, 2010, we submitted a report with various potential rehabilitation options for the façade of the O'Donnell Park facility. It is our belief that if the work scope outlined in Option #1 is undertaken, the facility should continue to perform for another 20 – 25 years with normal maintenance and repairs.

If you have any questions or require additional information, please feel free to contact our office.

Sincerely,

INSPEC

Pete Nottleson/tto

Pete Nottleson
Executive Vice President

126 North Jefferson St.
Suite 120
Milwaukee, WI 53202
Ph. 414-744-6962
Fax 414-744-6981

Chicago

Milwaukee

Minneapolis

www.inspec.com

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : November 22, 2010

TO : Chairman Lee Holloway

FROM : Steven Kreklow, Fiscal & Budget Administrator

SUBJECT : O'Donnell Parking Structure Cost Benefit Analysis

During the September 2010 County Board cycle the Department of Transportation and Public Works (DTPW) staff submitted a report on the various repair options that were evaluated for the O'Donnell Parking Structure. INSPEC was hired to do an evaluation of the facility and provided seven remediation options for the structure. DTPW staff recommended narrowing the options to either number 1, 6 or 7. The County's Executive 2011 Recommended Budget included funding for Option #1, which involves removing the precast panels from the parking structure, apply cosmetic treatments to the underlying parapets and complete other necessary repairs. During the 2011 Budget process the County Board requested additional information on the costs and benefits for each of the three options.

Option #1

The first option involves removing the precast panels from the parking structure, apply cosmetic treatments to the underlying parapets and complete other necessary repairs. This option was included in the 2011 CEX Recommended Budget at a cost of $6,560,231. The 2011 Budget assumes the parking structure will be repaired and reopened by July 2011.

In order to evaluate the benefit of maintaining the parking structure the chart below shows the projected debt service costs (including principal and interest) for the repairs, compared to the net revenue and present value. The O'Donnell Park annual expenditures and revenue includes both the parking structure and the pavilion. The chart below provides the data for the first five years. The data for the full fifteen-year term of the debt is attached to this report.

OPTION #1 - 15 YEAR NET REVENUE ANALYSIS						
	Annual Revenues	Annual Expenditures	Debt Service Costs	Cash Financing for Capital Project	Net Revenue	PV of Net Revenue (Annual)
Year 1	$1,149,344	$662,000	$937,092	$540,382	($449,748)	($952,048)
Year 2	$1,781,744	$700,760	$687,328		$393,656	$363,957
Year 3	$1,817,379	$714,775	$674,878		$427,726	$380,247
Year 4	$1,853,726	$729,071	$662,428		$462,228	$395,114
Year 5	$1,890,801	$743,652	$649,978		$497,171	$408,638
Year 6	$1,928,617	$758,525	$632,528		$537,564	$424,845
Year 7	$1,967,189	$773,696	$618,178		$575,316	$437,193
Year 8	$2,006,533	$789,170	$603,315		$614,049	$448,679
Year 9	$2,046,664	$804,953	$581,995		$659,716	$463,508
Year 10	$2,087,597	$821,052	$559,240		$707,305	$477,830
Year 11	$2,129,349	$837,473	$535,870		$756,006	$491,087
Year 12	$2,171,936	$854,223	$511,885		$805,828	$503,318
Year 13	$2,215,375	$871,307	$487,080		$856,988	$514,685
Year 14	$2,259,682	$888,733	$461,865		$909,084	$524,973
Year 15	$2,304,876	$906,508	$436,240		$962,128	$534,236
Total	$29,610,812	$11,855,897	$9,039,900	$540,382	$8,715,016	$5,416,261

The year one expenditures and revenues continue the assumption included in the 2011 Adopted Budget that the O'Donnell Parking Structure would be closed until July 2011 with an estimated revenue loss of $620,000 and expenditure savings of $36,000. After including payment of anticipated debt service costs the first year includes a net loss of approximately $934,000. However, the remaining years include positive net revenue. **The total net present value of the revenue over the fifteen-year term of the debt is equal to approximately $5.4 million**.

It is important to note that the debt service costs are not paid for directly out of the Parks Department budget. However, the debt service costs were included as a comparison to determine if net revenues would exceed annual debt service payments. The debt service costs do not include any existing debt payments that are being made for the O'Donnell Park.

Option #6

Option number six involves removing the parking structure, but leaving the pavilion in place, at an approximate cost of $6 million, or $6.9 million if a new pedestrian bridge to the Art Museum is constructed as part of the project. The parking structure area would be redeveloped into a park and/or surface parking lot. In order for the project to be eligible for bond financing the parking structure would need to be replaced with a new asset.

The chart below identifies the approximate revenues and expenditures associated with the pavilion and the anticipated debt service costs associated with removal of the parking structure.

OPTION #6 - 15 YEAR NET REVENUE ANALYSIS					
	Annual Revenues	Annual Expenditures	Debt Service Costs	Net Revenue	PV of Net Revenue (Annual)
Year 1	$289,850	$350,000	$1,012,145	($1,072,295)	($1,031,053)
Year 2	$295,647	$357,000	$789,806	($851,159)	($786,944)
Year 3	$301,560	$364,140	$775,556	($838,136)	($745,100)
Year 4	$307,591	$371,423	$761,306	($825,138)	($705,331)
Year 5	$313,743	$378,851	$747,056	($812,164)	($667,540)
Year 6	$320,018	$386,428	$732,806	($799,216)	($631,632)
Year 7	$326,418	$394,157	$716,181	($783,920)	($595,715)
Year 8	$332,947	$402,040	$698,963	($768,056)	($561,211)
Year 9	$339,605	$410,081	$674,263	($744,738)	($523,243)
Year 10	$346,398	$418,282	$647,900	($719,785)	($486,261)
Year 11	$353,326	$426,648	$620,825	($694,148)	($450,905)
Year 12	$360,392	$435,181	$593,038	($667,827)	($417,123)
Year 13	$367,600	$443,885	$564,300	($640,585)	($384,719)
Year 14	$374,952	$452,762	$535,088	($612,898)	($353,934)
Year 15	$382,451	$461,818	$505,400	($584,767)	($324,700)
Total	$5,012,497	$6,052,696	$10,374,633	($11,414,832)	($8,665,410)

The removal of the parking structure would result in first year loss of approximately $1.1 million in net revenue. The on-going revenue received from the pavilion is less than the sum of the annual expenditures and debt service payments. The anticipated revenue may increase if the parking structure is replaced with an asset that generates revenue.

The total net present value of the revenue over the fifteen-year term of the debt is equal to approximately a negative $8.7 million.

Issues Related to the Demolition or Sale of O'Donnell Park

In order to tear down both the parking structure and pavilion there are a number of issues that would need to be resolved.

Leases

The County currently leases the pavilion to the Coast Restaurant and the Betty Brinn Children's Museum. The lease with the Coast Restaurant expires in 2015 and the lease with Betty Brinn expires in 2033. Both leases have similar language and do not allow the County to unilaterally terminate the leases except in cases of "Damage and Destruction", "Condemnation" or "Default. According to the Parks Department under the current circumstances, only "Condemnation" and/or "Default" could potentially apply. If the building is condemned, and the lease terminated, there are provisions for compensation to the Lessee, which is based on the value of fixtures and improvements that the Lessee provided, among other things. If the Lessee is found to be in default of the lease, the lease provides for a 45-day cure period before the County may terminate the lease and re-enter the premises. Any settlement related to termination of the leases may take years to resolve.

Air Rights and Easements
During the 2011 Budget deliberations an "air rights restriction" on the O'Donnell parcel was brought up. In 2002 the County signed an easement agreement for the benefit of the parcel at 875 E. Wisconsin Avenue. The easement provides a minimum setback of 30 feet from the east wall of the 875 building, as well as a pedestrian connection and plaza easement. The easement does not limit air rights for the O'Donnell parcel, but places some minimal restrictions on the parcel. Staff was unable to find any recorded document that placed "air right restrictions" on the parcel.

Grant Conditions
The County received a Department of Natural Resources (DNR) grant, in the amount of $2.8 million, to construct the terrace on top of the parking structure and the pedestrian bridge. The grant requires that the County reimburse the DNR for any and all funds the Department deems appropriate if the sponsor fails to comply with the conditions of the grant. If the property is sold or the building demolished the County would be in violation of the grant conditions and would be responsible for paying back a portion or the full amount of the grant. There may be other grants that the County received to develop the O'Donnell Park that may have similar conditions.

Outstanding Debt
The County currently has approximately $3.0 million in outstanding debt on the O'Donnell parcel. If the County opted to sell the land, then this debt would need to be paid off.

Option #7A

Option number seven involves removing both the parking structure and pavilion at a cost of approximately $4.8 million.

In order to be eligible for bond financing the demolished parking structure and pavilion need to be replaced with a new asset, however no specific proposal for a replacement for the structure has been identified. The chart below identifies the net revenue after accounting for the annual expenditures, revenues and debt service costs. The chart below assumes similar revenue and expenditure levels as the O'Donnell Pavilion. This analysis does not include costs related to the termination of leases at O'Donnell or other legal encumbrances.

OPTION #7 - 15 YEAR NET REVENUE ANALYSIS					
	Annual Revenues	Annual Expenditures	Debt Service Costs	Net Revenue	PV of Net Revenue (Annual)
Year 1	$289,850	$350,000	$790,514	($850,664)	($817,946)
Year 2	$295,647	$357,000	$540,394	($601,747)	($556,349)
Year 3	$301,560	$364,140	$530,644	($593,224)	($527,374)
Year 4	$307,591	$371,423	$520,894	($584,726)	($499,826)
Year 5	$313,743	$378,851	$511,144	($576,252)	($473,637)
Year 6	$320,018	$386,428	$501,394	($567,804)	($448,744)
Year 7	$326,418	$394,157	$490,019	($557,758)	($423,850)
Year 8	$332,947	$402,040	$478,238	($547,331)	($399,930)
Year 9	$339,605	$410,081	$461,338	($531,813)	($373,645)
Year 10	$346,398	$418,282	$443,300	($515,185)	($348,040)
Year 11	$353,326	$426,648	$424,775	($498,098)	($323,555)
Year 12	$360,392	$435,181	$405,763	($480,552)	($300,151)
Year 13	$367,600	$443,885	$386,100	($462,385)	($277,696)
Year 14	$374,952	$452,762	$366,113	($443,923)	($256,355)
Year 15	$382,451	$461,818	$345,800	($425,167)	($236,080)
Total	$5,012,497	$6,052,696	$7,196,430	($8,236,629)	($6,263,179)

The total net present value of the revenue over the fifteen-year term of the debt is equal to approximately negative $6.2 million.

<u>Option #7B</u>

The County may also choose to sell the parcel and have the purchaser pay for removal of the parking structure and pavilion.

In order to look at the potential value of the O'Donnell Park parcel the DTPW staff reviewed a sample of nearby parcels located in downtown Milwaukee and assembled the current land assessment values as determined by the City of Milwaukee. The table below provides information on the assessed value and the equivalent value per acre, which is an average of $3.6 million per acre.

Parcel	Land Assessment	Acres	Per Acre Land Assessment
875 E. Wisconsin Avenue	$6,201,600	1.42	$4,367,324
910 E. Wisconsin Avenue	$2,904,400	0.67	$4,334,925
815 – 821 E. Michigan Avenue	$5,232,600	1.50	$3,488,400
925 E. Wells	$2,268,000	0.75	$3,024,000
1024 – 26 E. State Street	$1,134,300	0.37	$3,049,194
		AVERAGE PER ACRE	**$3,652,769**

The O'Donnell parcel is 7.15 acres and based on the average assessment per acre the land could potentially be valued at $26 million. However, there are many factors that could affect net proceeds from the sale of the O'Donnell parcel. If the parcel were sold as is the sale price would have to factor in the costs to the purchaser of demolition of the parking structure and pavilion or their renovation. Lakefront or zoning restrictions could impact the type of structure that could be placed on the parcel and therefore affect the value of the property.

The chart below provides a list of the outstanding issues that will complicate the demolition of the structures or the sale of the property. Many of the issues could impact the value of the property and/or reduce the sale proceeds that the County would receive.

Total Potential Value of Parcel	**$26.0 million**
Issues	**Impact on Value**
Outstanding Debt on O'Donnell Parking Structure	($3.0 million)
Cost for removal of the structures	($4.8 million)
DNR Grant (may need to be paid back in full or partial)	($2.8 million)
Other Grants associated with the property	Undetermined
Potential settlement costs associated with Betty Brinn and Coast Leases	Undetermined
Total Potential Value After Resolving Known Issues	**$15.4 million**

If the County Board and County Executive decided to pursue either option 7A or 7B more due diligence would need to be done in order to determine any limitations on the parcel and the legal ramifications associated with the sale of the parcel and/or demolition of the parking structure and pavilion, as well as negotiations regarding the termination of leases with Betty Brinn and Coast. Following completion of this due diligence process the County would likely wish to issue an RFP to identify potential buyers of the property and determine actual market value.

_____

Steven Kreklow, Fiscal & Budget Administrator

pc: Scott Walker, County Executive
Cynthia Archer, Director, Department of Administrative Services
Jack Takerian, Director, Department of Transportation and Public Works
Sue Black, Director, Parks, Recreation and Culture
Greg High, Director, Architecture and Engineering Division
Tom Nardelli, Chief of Staff, County Executive's Office
Terry Cooley, Chief of Staff, County Board of Supervisors
Stephen Cady, County Board Fiscal and Budget Analyst

INTER-OFFICE COMMUNICATION

DATE : November 29, 2010

TO: Honorable Committee on Finance and Audit

FROM: John Jorgensen, Principal Assistant Corporation Counsel

SUBJECT: **Advisory Legal Memorandum;** File No. 10-289; Requesting Wisconsin Bureau of Architecture and Engineering Services investigation of O'Donnell Park parking structure

The purpose of the above referenced resolution is to "request[] the State of Wisconsin, Department of Administration-Division of Facilities, to conduct an independent investigation of the O'Donnell Park Parking Structure". The resolution contemplates that the inspection would be performed by the Bureau of Architecture and Engineering Services, which is part of the Division of Facilities. At the September 23, 2010 meeting of your honorable committee, the resolution was referred to this office for "an opinion if it is appropriate for the State to conduct an independent investigation of O'Donnell Park parking structure".

Whether is it "appropriate" for a department of state government to undertake an investigation of a particular county structure is not fundamentally a legal question, and, to the extent that the question has a legal component, it would be answered by that department's legal counsel or the attorney general.

There is no legal impediment to prevent the County Board from making the request described in the resolution, and we have found no statute or other legal authority that affirmatively prohibits the Division of Facilities from performing such an inspection. However, such an inspection would be outside the scope of the Division's legal duties and organizational functions. Therefore, we have no reason to suppose that the Division would agree to perform the inspection.

Inspection of county or municipal structures does not fall within the ambit of the duties assigned to the Bureau of Architecture and Engineering Services. It is clear from the web page of the Department of Administration – Division of State Facilities[1] that the

[1] A "whereas" clause of the proposed resolution quotes a portion of the description of the Bureau of Architecture and Engineering Services from the Division's web page.

Division's responsibilities run to the management and construction of *state* facilities. That allocation of responsibility is consistent with the engineering duties delegated to the Department of Administration in Wis. Stat. ss. 16.85 through 16.91. Under those statutes, the Department's powers and duties are limited almost exclusively to construction and oversight of state facilities.

There are only a few statutory exceptions under which the Division is authorized to provide technical assistance to non-state entities for specific purposes: Wis. Stat. s. 16.85(13) and (15) (Department may assist local exposition districts with contracting procedure requirements and school districts with services related to electrical and computer network wiring); Wis. Stat. s. 16.854 (Department may assist professional baseball park districts with certain engineering, architectural or construction services). The fact that the legislature enacted those exceptions to permit the Division to assist specific non-state public entities for specific purposes tends to imply that the Division does not have broad authority or responsibility to involve itself with the facilities and structures of municipalities and other governmental subdivisions of the state.

We hope these observations are helpful to you.

Respectfully submitted,

_____

JOHN JORGENSEN
Principal Assistant
Corporation Counsel

APPROVED:

_____

TIMOTHY R. SCHOEWE
Acting Corporation Counsel

By Supervisors Weishan, Dimitrijevic and Larson

A RESOLUTION

Respectfully requesting the State of Wisconsin, Department of Administration-Division of Facilities, to conduct an independent investigation of the O'Donnell Park Parking Structure.

WHEREAS, on Thursday, June 24, 2010, at approximately 4:00 pm, a pre-cast concrete panel over the east vehicle exit of the O'Donnell Park Parking Structure fell from the second level of the structure, killing one person and injuring two; and

WHEREAS, the Milwaukee County District Attorney's Office shortly thereafter declared the site a crime scene, with the site being secured and closed until further notice by the Milwaukee County Sheriff's Office; and

WHEREAS, the Wisconsin Division of State Facilities (DSF) - Bureau of Architecture and Engineering Services (BAE), oversees project planning, management/delivery of architectural, engineering, and construction projects, manages design, consulting, and construction contracts, develops state design and construction standards, guidelines for commissioning, sustainability and energy conservation planning, and building engineering services; and

WHEREAS, as a means to assure the public that a thorough, objective and comprehensive analysis is conducted from an outside entity, it is reasonable and prudent that an external investigation and analysis be conducted to ensure this kind of tragic incident doesn't' happen again; now, therefore,

BE IT RESOLVED, the Milwaukee County Board of Supervisors respectfully requests the State of Wisconsin, Department of Administration-Division of Facilities, to conduct an independent investigation of the O'Donnell Park Parking Structure; and

BE IT FURTHER RESOLVED, that upon conclusion of its investigation, DSF provides a findings and recommendation report to the Milwaukee County Board of Supervisors.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 7/21/10

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Respectfully requesting the State of Wisconsin, Department of Administration-Division of Facilities, to conduct an independent investigation of the O'Donnell Park Parking Structure.

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☒ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	
	Revenue	0	
	Net Cost	0	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. This resolution requests the State of Wisconsin, Department of Administration-Division of Facilities, to conduct an independent investigation of the O'Donnell Park Parking Structure.

B. There are no direct costs, savings or associated revenues associated with this request at this time.

C. There are no direct budgetary impacts.

D. No assumptions were made.

Department/Prepared By Weddle/ County Board

Authorized Signature _____

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

MILWAUKEE COUNTY
INTEROFFICE COMMUNICATION

DATE: November 29, 2010

TO: Supervisor Lee Holloway, Chairman, County Board of Supervisors
Supervisor Elizabeth Coggs, Chairman, Finance and Audit Committee

FROM: Jason Gates, Risk Manager

SUBJECT: Request for Proposal-Occupational Health Services

REQUEST

The County Board adopted, as part of the 2010 budget, the transfer of administration of employee related Occupational Health Services from the Behavioral Health Division (County Health Programs) to Risk Management. Authority was provided for Risk Management to continue an existing agreement for services provided by Aurora Health Care for 2010. Risk Management solicited Request for Proposals for services beginning 2011 ensure the County is receiving competitive, efficient Occupational Health Services.

BACKGROUND/ANALYSIS

Occupational Health Services provides for the compliance, safety and health of employees in the workplace encompassing activities such as bloodborn pathogen prevention, exposure testing, vaccinations, tb testing, respirator fit testing, pre-employment/placement exams and audiograms related to hearing conservation. Services are performed both at the providers office(s) along with on-site dependent on the needs of the County department. Occupational services are charged on a fee basis, with centralized invoices sent to Risk Management. Risk Management administers the Occupational Health agreement ensuring user departments are receiving necessary services and that Occupational Health activities are a compliment to our overall loss prevention efforts.

Occupational Health Services RFP #6581

Risk Management contacted six Occupational Health Service Providers inviting them to participate in the RFP. These providers included Aurora, Concentra, Columbia St. Mary's, Medical College of Wisconsin, Wheaton Franciscan, Sensia and Worksite Health Services. The RFP was also made available on the Internet via the Milwaukee County Business Opportunity Portal.

We received proposals from Aurora, Concentra, Columbia St. Mary's and Worksite Health. The current provider, Aurora, met all the proposal criteria and rated the highest of the 4 proposals.

RECOMMENDATION

Based on the evaluation of the review team it is recommended that a professional services contract be negotiated with Aurora Health Care for Occupational Health Services. The agreement is to commence on or about 01/01/11 ending 12/31/11 with the option to extend for 3 additional 1-year periods if agreeable to both parties. The agreement is set forth in a "not to exceed" format in the amount of $215,000 and represents a decrease of approximately 4.5% from the County's 2010 budgeted amount.

DBE PARTICIPATION

In compliance with CFR 49 Part 23 and 26 and Chapter 42 of the Milwaukee County Ordinances, a DBE component was included in the evaluation and recommended award of the Occupational Health Services contract. Three of the four responsive bidders presented a DBE partnership goal in their proposal with one bidder, while providing their internal policy, did not complete the certificate of good faith effort or the DBE Commitment to Subcontract. The recommended program partners with Guy Brown Products as the certified DBE.

FISCAL NOTE

The fiscal impact of these services is in the form of a not to exceed agreement in the amount of $215,000. Costs for this program are cross-charged to departments based on usage and funds are available in the 2011 adopted Risk Management budget.

Respectfully,

Jason Gates
Risk Manager

CC: Scott Walker, County Executive
Cindy Archer, Director, Department of Administrative Services
Steven Kreklow, Fiscal and Budget Administrator

RISK MANAGEMENT OCCUPATIONAL HEALTH SERVICES RFP EVALUATION SUMMARY

The RFP's, with responses due October 15, 2010 were reviewed by selection committee and evaluated based on the attached scoring template. The selection committee was compromised of user departments and varied positions to ensure a multidisciplined review of the responses.

The selection committee for Occupational Health services consisted of the following members (in no specific order)

- Jason Gates, Risk Manager
- Fay Roberts, Assistant Director, DTPW
- Dennis Dietscher, County Safety Coordinator
- Pat Walslagar, Assoc Administrator-Fiscal, DHHS
- Davida Amenta, Fiscal Analyst, DAS
- Monica Pope-Wright, Nursing Director, Sheriff

The RFP had a total value of 600 pts. (100 per evaluator). Scoring was broken down by categories and weighted with 25 pts. for proposal information, 25 pts for answers to specific service related questions, 25 pts for the schedule of fees for services, 15 pts. for contractual terms and 10 pts. for DBE participation. The results of the scoring are outlined below.

RFP 6581 Occupational Health Services

Reviewer	Aurora	Columbia	Concentra	Worksite*
1	94	78	95	42
2	84	73	86	12
3	89	74	92	30
4	93	83	95	19
5	89	82	83	37
6	100	68	74	9
	549	458	525	149

*Worksite Health Service's proposal was limited to training and consultative services as the proposer was not capable of providing for the necessary medical services. Proposer was not prohibited from participation given the County's desire to explore all viable Occupational services.

Milwaukee
County Risk
Management

Evaluation of Occupational Health Service RFP's submitted October 2010

POINTS Proposer

_____

I. **PROPOSAL INFORMATION** (25 pts. Possible)
Refer to section V of the RFP and the
vendor Executive Summary

✓ Ability of vendor to provide product and service identified in RFP	0 1 2 3 4 5 6 7 8 9 10	_____
✓ Accessibility, location and availability in a timely manner	0 1 2 3 4	_____
✓ Ability to provide worksite tests, vaccines and education	0 1 2 3 4	_____
✓ Experience and ability to act as an advisor and consultant on occupational issues	0 1 2 3 4	_____
✓ Record management and reports	0 1 2 3	_____

II. Questionnaire (25 pts. Possible)
Refer to Appendix C of the RFP

✓ Ability of staff and facility to meet needs identified in RFP	0 1 2 3 4 5 6 7 8 9 10	_____
✓ Ability to address walk-ins, after hour and urgent care needs	0 1 2 3 4 5	_____
✓ Types of services directly at site (I.e., lab, radiology. pharmacy)	0 1 2 3 4	_____
✓ Assessment of quality assurance and case management program	0 1 2 3 4	_____
✓ Provision of health/fitness education	0 1 2	_____

III. CONTRACTUAL TERMS (15 pts. Possible)
Refer to Section III of RFP

✓ Acceptance of contract language required by County	0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	_____

IV. EEO/DBE PLAN (10pts. Possible)
Refer to appendix E and F of RFP

	4 points	
✓ Respondent has submitted signed EEO certificate	0 1 2	_____
✓ Respondent addresses DBE participation	0 1 2 3 4	_____

✓ Respondent provides DBE participation goal and identifies firms

V. FEE SCHEDULE (25 pts. Possible)

Fee rating schedule rating to be determined on a comparative basis

Consideration can be made relating to frequent/core services

Highest points (25 possible) awarded to Vendor with most competitive pricing _____

TOTAL POINTS TOTAL POINTS POSSIBLE 100 _____

Other issues that should be considered (i.e., locations, contract, service issues)

_____ _____

Reviewer Name Job Title Department

File No.
(Journal,)

(ITEM *), From the Risk Manager, requesting authorization to negotiate a contract with Aurora Health Care to provide Occupational Health Services for Milwaukee County Employees, by recommending adoption of the following:

A RESOLUTION

WHEREAS, as a result of the responses to the County's Request for Proposal for Occupational Health Services (RFP #6581) encompassing employee safety and health activities related to workplace exposures and prevention; and

WHEREAS, Risk Management solicited six Occupational Health Service providers to participate in the RFP along with making the RFP available to the public, via the County web page, Business Opportunity Portal; and

WHEREAS, proposals were received from four providers; and

WHEREAS, based upon a review committee evaluation of each of the proposals using an objective rating scale, the proposal submitted by Aurora Health Care met all the proposal criteria and rated the highest of the proposals received; and

WHEREAS, the proposal submitted by Aurora Health Care provides for services such as exposure testing, vaccinations, tb testing, respirator fit testing, audiograms and other Occupational Health Services charged on a fee basis; and

WHEREAS, the Committee of Finance and Audit at its meeting December 09, 2010 voted _____ to approve the said request; and

BE IT RESOLVED, that the Risk Manager, Department of Administrative Services, is hereby authorized and directed to negotiate a one-year contract, effective January 1, 2011, with possible subsequent annual extensions for a period of 3 additional years not to exceed $215,000 with Aurora Health Care for the delivery of Occupational Health Services for Milwaukee County Employee.

Document1

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/15/10

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Contract for employee Occupational Health Services 2011

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

☒ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	$215,000
	Revenue	0	0
	Net Cost	0	215,000
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.[1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. For 2011, Risk Management solicited a RFP for Occupational Health Services. Approval of this resolution would authorize the Director of DAS Risk Management to enter into a contract to purchase employee Occupational Health Services with Aurora Health Care as the provider.

B. There are no direct cost savings or anticipated revenues associated with this insurance purchase. Although it appears that there is an increase in operating expenditures, the costs would be absorbed in the department's budget, so there is no direct fiscal impact to the County for current or subsequent years.

C. The total cost for this request is $215,000. There will be no current year budgetary impacts associated with this request; sufficient funds for this purchase have been included in the 2011 adopted budget. The amount budgeted for Occupational Health Services in 2011 is $215,000, which is a sufficient amount to cover the costs of the requested action.

Department/Prepared By Davida Amenta/Jason Gates

Authorized Signature _____

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

12-09-10 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
A DEPARTMENTAL - RECEIPT OF REVENUE File No. 10-1
(Journal, December 17, 2009)

Action Required
Finance Committee
County Board (2/3 Vote)

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2010 appropriations of the respective listed departments:

			From	To
1)	1151 – Department of Administrative Services Fiscal Affairs			
	6148	– Professional Services		$50,000
	1945- Appropriation for Contingencies			
	8901	_ Appropriation for Contingencies		$2,175,000
	9960- General County Debt Service			
	4905	_ Sale of Capital Assets	$2,225,000	

A transfer of $2,225,000 is requested by the Director, Department of Administrative Services to recognize unanticipated revenue related to the Froedert Memorial Lutheran Hospital land lease payment. The Froedert payment was budgeted in 2010 at $3,900,000 however the actual payment will be $6,125,000. This transfer recognizes the additional revenue and appropriates $2,175,000 of the additional funding to the Contingency Fund. This transfer also appropriates $50,000 to the DAS Fiscal Affairs budget to offset costs that were incurred earlier in the year related to Doyne Hospital Medicare Hearings. The results of these hearings should be known in 2011.

There is no levy impact as a result of this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
2)	4372 – CCFS Dormitories			
	8123	– Purchase of Services		$16,582
	2299	_ Other State Grants and Revenues	$16,582	

A transfer of $16,582 is requested by the Office of the Sheriff to recognize grant money from the Wisconsin Office of Justice Assistance to be allocated towards substance abuse treatment training and classes.

The Office of the Sheriff was informed on September 7, 2010 that the Wisconsin Office of Justice Assistant had awarded the Sheriff a grant of $16,582 that was available from the Residential Substance Abuse Treatment program. These funds were made available to the County Correctional Center South (CCFS). The grant has a match requirement of $5,528 for a total expenditure amount of $22,110. The Office of the Sheriff will use existing funds for the match.

The funds will be used for the AODA cognitive intervention program and grant funds must be spent prior to March 31, 2011. The program provides substance abuse treatment and cognitive intervention classes. The program is designed for those who have substance abuse issues and a history of criminal conduct by offering the treatment needed to make a successful transition from incarceration to a drug-free, crime-free lifestyle by addressing factors that have proven to reduce recidivism. CCFS currently contracts with the Attic Correctional Services for similar types classes and their contract will be increased to provide these additional services.

There is no levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
2)	4039 – Inmate Medical Services			
	5199	– Salaries and Wages		$8,760
	5312	_ Social Security		670
	5420	_ Employee Health Care		1,752
	5421	_ Employee Pension		1,555
	7729	_ Other General Med Surg Supply		60
	7770	– Drugs		1,990
	7780	_ Laboratory Supplies		5,200
	7930	– Photo, Printing, Repro & Binding		600
	2299	_ Other State Grants and Revenues	$20,587	

			From	To
1950 – Fringe Benefits				
5400	_	Health Insurance Major Medical		$1,752
5409	–	ERS Pension Contribution		1,555
9898	_	Fringe Abatement	$3,307	

A transfer of $20,587 is requested by the Office of the Sheriff to recognize grant money from the State of Wisconsin Department of Health Services to be allocated towards STD prevention.

The State of Wisconsin Department of Health Services has contacted the Office of the Sheriff to provide grant funding for a comprehensive STD prevention program in the Milwaukee County Jail. The Jail will provide Gonorrhea (GC) and Chlamydia trachomatis infection (CT) disease screening for 400 female inmates 39 years of age and younger. Medical staff will provide basic STD education pamphlets and Chlamydia and gonorrhea non-invasive urine-based testing during booking. Inmates testing positive who are still in custody will receive an antibiotic. Inmates testing positive who are released prior to treatment will be referred to the City of Milwaukee Health Department STD/HIV clinics for treatment and follow-up.

The program is set to run for three months. Funding of $20,587 is provided to partially offset the personnel costs of two county positions: one nurse practitioner and one medical assistant. In addition, funds are provided for test kits, treatment packets, condoms and STD/HIV pamphlets. The County will be reimbursed for all costs its expends on the grant. There is no local match. The testing period for the grant is from October 1, 2010 to December 31, 2010. The Fringe Budget, Org. 1950, is also adjusted accordingly.

There is no levy impact from this transfer

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

				From	To
3)	4010 – Emergency Management Bureau				
	6149	–	Professional Services – Nonrecurring Operations		$85,000
	2699	_	Federal Revenue	$85,000	

A transfer of $85,000 is requested by the Office of the Sheriff to recognize Federal Department of Homeland Security grant money for catastrophic event planning.

Per County Board authorization, the Office of the Sheriff is authorized to apply for and accept homeland security grant funding. The funding will provide for catastrophic event planning specifically designed towards enhancement to special populations evacuation and shelter planning. This grant provides funding for the development and testing of a emergency shelter to be located at the Sports Complex in Franklin for special needs population in preparation for a catastrophic event. There is no local match required.

There is no levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
4)	4000 – Office of the Sheriff			
	7935	– Law Enforcement and Public Safety Supplies		$102,731
	8552	_ Machinery and Equipment New		12,269
	8553	– Vehicles New		200,000
	2699	_ Federal Revenue	$315,000	

A transfer of $315,000 is requested by the Office of the Sheriff to recognize Federal Department of Homeland Security grant funding via the Urban Areas Security Initiative (UASI) supplies and equipment necessary in the advent of a Chemical Biological Radioactive Nuclear Explosives (CBRNE) event.

Pursuant to the County Board, the Office of the Sheriff is authorized to apply for and accept homeland security grant funding. The bomb squad will receive $30,000 for purchases that will enhance the ability to respond to, investigate, and mitigate CBRNE device incidents. Portable x-ray, generator, trailer and radionuclide detectors are included in this amount. Another $30,000 is going to the bomb squad for Explosive Ordinance Disposal (EOD) response, which includes body armor; explosive shock tubing, demolition and other EOD related response equipment. $200,000 is being allocated for the SWAT team to purchase a vehicle that will enhance the response to CBRNE, active shooter incidents and other potential terrorist threats. An additional $55,000 will go towards regional credentialing and identification system.

There is no levy impact from this transfer

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
5)	6533- Facility Maint.- Main Bld			
	5326	– Electricity		$ 25,000
	6330	_ Steam		25,000
	6332	– Chilled Water		198,946
	6333	_ Heat		100,000
	3603	– Building Space Rental	$186,500	
	9850	_ Abate – Admin Services A	40,000	
	9850	– Abate – Admin Services A	100,000	

			From	To
6407-Serv Access Independent Living				
9750	_	Administrative Services A		$40,000
6474- Wraparound Service				
9750	_	Administrative Services A		$100,000
8139	–	Wrap Around Client Services	$162,446	

A transfer of $488,946 is requested by the Interim Director of the Department of Health and Human Services to recognize revenue, establish expenditure authority, and realign accounts.

In the 2010 budget, the Behavioral Health Division (BHD) planned to move various operations out of the Day Hospital into other County facilities in order to achieve savings. During the planning and execution stage, another opportunity arose that allowed BHD to lease certain parts of the Day Hospital to outside vendors for additional rental revenue, which was approved by the County Board in March.
As a result, utility expenses and rent for the Wraparound Program were not included in the 2010 Adopted Budget.

This transfer reflects an increase in utility expenditures of $348,946, which is partially offset by rental revenue of $186,500 from three tenants who currently occupy my space at the Day Hospital from April 1, 2010 through December 31, 2010. The three new tenants are St. Charles Youth and Family Services, My Home, Your Home Inc., and Willowglen. Since Service Access to Independent Living (SAIL) and Wraparound Milwaukee will remain in this facility, crosscharge expenditures and the corresponding abatements have been increased $140,000 to account for the additional rent for 2010.

In addition, the 2010 budget removed expenditures from the Wraparound Program, but the corresponding revenue was not adjusted to reflect this change. To adjust for this error and reflect the additional $100,000 in rent associated with the expansion of the Mobile Urgent Treatment Team (MUTT) area, an expenditure reduction of $162,446 is made in the Wraparound budget.

This transfer would allow the department to receive revenue and increase expenditure authority accordingly.

There is no levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

				From	To
6)	6474- Wraparound Service				
	8139	–	Wraparound Client Services		$1,051,248
	3722	_	Medicaid Capitation	$1,051,248	

A transfer of $1,051,248 is requested by the Interim Director of the Department of Health and Human Services to recognize revenue and expenditure authority related to the additional slots added to the Wraparound Program.

In 2010, the State of Wisconsin added 200 additional slots to the Behavioral Health Division's Wraparound Program. The revenue received per client per month is approximately $1,800. This transfer reflects the increase in revenue from Medicaid Capitation for the slots that have been filled in 2010, and the increase in expenditures for the purchase of client services related to the additional new slots. Wraparound continues to fill the slots and plans to have full enrollment in 2011.

This transfer would allow the department to receive revenue and increase expenditure authority accordingly.

There is no levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
7)	7931-Elderly Services			
	8123	– A5AK- Purchase of Services		$11,001
	7999	_ Sundry Materials & Supplies		829
	2222	– A5CG- Community Human Services	$11,001	
	2222	_ 0000- Community Human Services	829	
	7932- Elderly Nutrition			
	2699	_ A5DG- Other Federal Grants & Reimbursement		$2,778
	8123	– A5SM- Purchase of Services	$2,778	

A transfer of $14,608 is requested by the Director, Department on Aging to receive revenue and to realign revenues and expenditures within the department.

Pursuant to County Board resolution File No. 10-33(a)(a), approved on December 17, 2009, the County Executive is authorized to carry out the Department on Aging's 2010 State and County contract covering the administration of Social Services and Community Programs-Aging Programs. The resolution authorizes the County Executive to accept Federal and State revenues including any and all increases in allocations during the contract year.

This transfer reflects an increase in Transportation revenue of $11,830 over the 2010 Adopted Budget. This increase is offset by an increase in Senior Meal Program expenditures of $8,223 and an increase of $829 for an expense related to the administration of the transportation program. Senior Meal Program expenditures include the following increases: $5,106- installation of handicap accessible door at the Elks meal site; $1,800- refrigerator replacement at the Asian meal site; $1,317- table, chair, and floor tile replacement at Project Focal Point.

In December 2010, the Department on Aging will be relocating from the Reuss Building to the Coggs Center. The transportation program administration expense of $829 will be used to cover miscellaneous expenses associated with this move such as replacing furnishings that were damaged during previous moves, furniture that is past its useful life, and a damaged hydraulic lift and insecure casters.

In addition, there has been a reduction in meal revenue for the National Services Incentive Program (NSIP) of $2,778 resulting in a decrease in expenditures of the same amount. This reduction is due to lower meal count reimbursements than what was adopted in the 2010 Budget.

This transfer would allow the department to receive the increased revenue and realign expenditures accordingly.

There is no levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
8)	7931- Elderly Services			
	8123	– 0000- Purchase of Services		$1,500
	2299	_ 0000- Other State Grants & Reimbursement		4,847
	8123	– A5SB- Purchase of Services	$ 4,847	
	2699	_ 0000- Other Federal Grants & Reimbursement	14,570	
	7932- Elderly Nutrition			$5,014
	8123	_ A5SM- Purchase of Services		8,056
	2699	– A5DG- Other Federal Grants & Reimbursement		
	7961- RCA- Administration			
	6329	_ Tel and Tel Outside Vendor		$16,500
	2299	– A5RC- Other State Grants & Reimbursement	$16,500	

A transfer of $35,917 is requested by the Director, Department on Aging to receive revenue and realign revenues and expenditures within the department.

Pursuant to County Board resolution File No. 10-33(a)(a), approved on December 17, 2009, the County Executive is authorized to carry out the Department on Aging's 2010 State and County contract covering the administration of Social Services and Community Programs-Aging Programs. The resolution authorizes the County Executive to accept Federal and State revenues including any and all increases in allocations during the contract year.

This transfer reflects an increase of $14,570 in Title III – Older Americans Act funding, $16,500 for Resource Center grant revenue and a reduction of $4,847 in State Pharmaceutical Assistance Program (SPAP) grant revenue.

The increase in Title III funding is completely offset by increased expenditures of $1,500 for the provision of outreach services provided by SAGE for the Lesbian, Gay, Bisexual, and Transgender (LGBT) community; $5,014 for unanticipated meal site management costs for Interfaith due to staffing changes; and a reduction in National Services Incentive Program (NSIP) meal revenue in the amount of $8,056 to realign meal reimbursements with projected actual receipts.

Resource Center Grant revenue is offset by an expenditure increase of $16,500 related to the purchase of phone service and air cards that provide wireless internet access to staff members that use laptops in the homes of potential clients to assist with applications, eligibility and screening.

In addition, this transfer realigns the budget with the actual Legal Action of Wisconsin purchase of service contract for Elderly Benefits to reflect a state addendum reduction of $4,847 in the SPAP award and related expenditure reduction.

This transfer would allow the department to receive the increased revenue and realign expenditures accordingly.

There is no levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
9)	8241 – Operations Administration			
	8553	– Vehicles-New		$34,179
	2299	_ Other State Grants and Reimbursements	$34,179	

A transfer of $34,179 is requested by the Interim-Director, Department of Health and Human Services to recognize revenue and associated expenditures related to a grant provided by the US Department of Homeland Security to acquire a Special Needs Emergency Trailer and accompanying 1-ton “Prime Mover” pickup truck.

Beginning in 2009, in the wake of the fire at the Patrick Cudahy meatpacking plant, the Milwaukee County Sheriff’s Office of Emergency Government obtained a grant through the Office of Justice Assistance (OJA), to support county planning for shelter for persons with special needs in the event of a similar disaster or other emergency.

The grant provides funding to complete the grant-required Special Needs Population Registry, the purchase of the Special Needs Emergency Trailer and $15,500 towards the cost of an accompanying 1-ton “Prime Mover” pickup truck.

This transfer reflects an increase in expenditure authority of $18,769 to be used for the purchase of an emergency generator equipped trailer that will include supplies and materials that would be urgently needed in the event of a disaster. These materials consist of assisted devices such as wheelchairs, walkers, canes, as well as cots, blankets, toiletries, other personal care items, and basic first aid supplies. The remaining

$15,500 of the grant would be used towards the purchase of the 1-Ton pick up truck. The total cost of this truck is $24,000. The remaining $8,500 that is not covered by this grant will be covered by a $5,500 trade-in of a vehicle owned by DHHS Operations Unit and $3,000 remaining from the previous sale of sedans also owned by the DHHS Operations Unit.

This transfer would allow the department to receive the revenue and realign expenditures accordingly.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

Action Required
Finance Committee
County Board (2/3 Vote)

WHEREAS, your committee has received from the Department of Administration, Fiscal Affairs, the following department requests for transfer to the 2010 appropriations from the unallocated contingent fund and finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administration, is hereby authorized to make the following transfers in the 2010 appropriations from the unallocated contingent fund:

		From	To
1)	WP187012 – O'Donnell Park Parking Structure Repairs		
	6146 – Prof. Serv-Cap/Major Mtce		$600,000
	WP129011 – Baseball Fields		
	9706 – Pro Serv Div Services	$10,000	
	WP129011 – Baseball Fields		
	8527 – Land Improvements-(Cap)	$60,000	
	WP129021 – Softball Fields		
	9706 – Pro Serv Div Services	$10,000	
	WP129022 – Softball Fields		
	8527 – Land Improvements-(Cap)	$29,000	
	WP129031 – Soccer Fields		
	9706 – Pro Serv Div Services	$5,000	
	WP129032 – Soccer Fields		
	8527 – Land Improvements-(Cap)	$110,000	
	WP174012 – Parks Major Maintenance		
	8509 – Other Bldg Impr'mt-(Cap)	$200,000	
	WO205022 – Fiscal Automation Program		
	6146 – Prof. Serv-Cap/Major Mtce	$300,000	

		From	To
WC074011 – Countywide Building Façade Evaluation			
6416	– Prof. Serv-Cap/Major Mtce		$408,000
WC075011 - Courthouse Masonry Improvements			
6146	– Prof. Serv-Cap/Major Mtce		$138,000
1945 - Appropriation for Contingency			
8901	– Oth Capital Outlay-(Exp)	$422,000	

An appropriation transfer of $1,146,000 is requested by the Director of the Department of Administrative Services to create expenditure authority and revenues for building inspections and evaluations.

O'Donnell Park Parking Structure Repairs

On Thursday June 24, 2010, a precast concrete panel over the east vehicle exit of the parking structure fell approximately 10 to 12 feet from the 2nd level of the structure. One person was killed and two people were injured by the falling panel. The Director of the Department of Transportation and Public Works (DTPW), in conjunction with the County Executive's Office and the Office of the County Board Chairman, that it would be in the best long-term interest of the County to hire an engineering firm with expertise in structural engineering and forensic analysis of similar concrete structures and structural failures. The DTPW staff selected INSPEC on a sole source basis. INSPEC is an engineering consultant with experience in both structural and forensic engineering analysis. INSPEC has also recently worked with the County Risk Management Division in inspecting the Courthouse after a piece of masonry broke off of the east façade. Since that time DTPW staff has worked with INSPEC to develop a plan to properly determine the nature and cause of the precast panel support failure, to propose a repair strategy for the damaged section and a preventative strategy to insure no additional failures of this type occur. The cost of the work performed by INSPEC is $600,000.

Courthouse Masonry Evaluations

On March 4, 2010, a spall of limestone, approximately 10 inches had fallen from the Courthouse. After cordoning off the area, the County, in coordination with our insurer, conducted a façade evaluation of the courthouse. The evaluations consisted of investigating cornices, gutters, mortar joints, etc. The evaluation determined damage covered as insurance claim on the Southeast corner and West side of the building. Insurance funds used to address the replacement of damaged gutter, mortar and spalled concrete along with the necessary scaffolding. Outside of the insurance claim, the County is addressing preventative maintenance and upkeep related items mortaring and patching work on the Southeast corner that is not included in the insurance claim. The estimated cost of the repairs is $138,000.

Countywide Building Façade Evaluations

In 2010, the County hired GRAEF to evaluate all of its buildings for any deficiencies. The building evaluations are being conducted on facades, overhangs and other exterior areas that might pose safety risks. Buildings included are located within the County-owned parks, zoo, airport, transit, county grounds properties, Coggs human services building, Criminal Justice Facility, County Correctional Facility South (formerly the House of Correction) and others.

Buildings owned by the County but operated by other organizations, such as the Milwaukee Public Museum, the Marcus Center for the Performing Arts and the War Memorial Center will also be inspected at the lease holder's expense. Written notification will be sent immediately to all organizations currently

leasing county owned buildings including the War Memorial, Marcus Center for the Performing Arts and the Milwaukee Public Museum requiring confirmation of the same type of general building exterior site inspection.

The County will perform a general building exterior site inspection on selected County-owned buildings to determine potential issues impacting public safety. This inspection will include all buildings over one story in height with masonry exterior that have not received a façade inspection or a building assessment within the last 5 years. The older buildings will be inspected first. The cost of the evaluations is $408,000.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

Action Required
Finance Committee
County Board (Majority Vote)

WHEREAS, your committee has received from the Department of Administrative Services, Fiscal Affairs, departmental requests for transfer to the 2010 capital improvement accounts and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2010 capital improvement appropriations:

			From	To
1)	WA165011 Taxiway B (Segment Reconstruction)			
	8527	– Land Improvements (CAP)		$2,140,000
	2699	_ Other Fed Grants & Reimb	$1,605,000	
	2299	– Other State Grants & Reimb	267,500	
	4707	_ Airport Capital Reserve	267,500	

An appropriation transfer of $2,140,000 is requested by the Director of the Department of Transportation and Public Works (DTPW) to establish revenues and expenditure authority for new capital project WA165011 – Taxiway B (Segment Reconstruction).

The project is being established in order to resurface a segment of Taxiway B, which borders and is used by aircraft that utilize runway 7R/25L. Airport staff indicates the asphalt surface of the taxiway is nearing the end of its useful life and has become damaged by water runoff, exacerbated by minor flooding that occurred in 2010. The scope of the project will be to replace the degraded asphalt surface with a concrete surface that will match the bordering runway and apron. Construction will take place during the summer of 2011.

The timing of this project is advantageous, as neighboring runway 7R/25L will be reconstructed at the same time, as part of Capital Project WA094 - GMIA Runway Safety Area Improvements – Runways 1L-19R and 7R-25L.

Airport staff indicates the Federal Aviation Administration has provided verbal confirmation of the project's funding eligibility and approval for federal (75 percent) and state (12.5 percent) funding. The County's match of 12.5 percent will be funded out of the Airports Capital Improvement Account, which has adequate funding for this project with a current balance of approximately $3 million.

No tax levy impact results from approval of this fund transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

		From	To
2)	WC013012 – CJF Deputy Workstations		
	6146 – Prof Serv-Cap/Major MTCE		$ 27,359
	8509 – Other Building Improvements (CAP)		1,758,100
	9706 – Prof Serv Div Services		213,821
	9780 – Interest Allocation		6,000
	WJ021011 – ACC HVAC System/Chiller		
	6146 – Prof Serv-Cap/Major MTCE	$ 27,359	
	8509 – Other Building Improvements (CAP)	1,160,000	
	9706 – Prof Serv Div Services	88,057	
	9780 – Interest Allocation	2,000	
	WC042011 – CJF Pod 3D Doors/Plumbing		
	9706 – Prof Serv Div Services	$125,764	
	9780 – Interest Allocation	1,000	
	WC042012 – CJF Pod 3D Doors/Plumbing		
	8509 – Other Building Improvements (CAP)	$491,014	
	9780 – Interest Allocation	2,000	
	WC060011 – CJF Pod 4D Tamper Resistance		
	6146 – Prof Serv-Cap/Major MTCE	$3,583	
	WC060012 – CJF Pod 4D Tamper Resistance		
	8509 – Other Building Improvements (CAP)	$103,503	
	9780 – Interest Allocation	1,000	

An appropriation transfer of $2,005,280 is requested by the Office of the Sheriff to reallocate capital funds from three projects within the Office of the Sheriff: WJ021 ACC HVAC System/Chiller, WC042 CJF Pod 3D Doors/Plumbing and WC060 CJF Pod 4D Tamper Resistance cells and to Project WC013 CJF Pod Workstations.

The CJF Pod Workstations were funded as a part of the 2010 Adopted Capital Improvement Budget with an appropriation of $503,000 for design work related to the replacement of workstations inside the Criminal Justice Facility (CJF). This funding was a continuation of a project that was approved in the 2006 and 2009 Adopted Capital Improvement Budgets for planning and design purposes in the amount of $285,040. The 2010 appropriation was to allow for the first phase of construction and installation of the 16 work stations to begin.

The work station is the control center for all inmate cells within a pod. The deputy can control locks on the cells doors, intercom speakers, phones, etc from the workstation. The workstation contains a computer for

reporting and other needs, as well as cabinets to store inmate supplies such as toiletries. Replacement units will allow heavy duty secured storage and larger work areas. Sixteen pod workstations are being replaced as well as the deputy stations in the Infirmary and Special Needs pods. In addition, four floor control workstations and the Master Control room will be updated for a total of 23 areas to be updated. The original plan called for implementation of the project through 2013. When the project was put out for bid it was discovered that the project could not be implemented in phases as planned and must be completed at one time. This has resulted in the need for addition funds in 2011. Three other projects will be deferred to allow for the CJF workstations project to be completed. The CJF workstations project is a high priority because of the high public safety risk malfunctioning workstations has on the overall facility in terms of keeping incarcerated individuals in designated areas. The deferred projects are: ACC HVAC system/Chiller, CJF Pod 3D doors/plumbing and Pod 4D Tamper Resistance cells.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
3)	WM005012 Museum Air Handling & Piping			
	8501	– Buildings/Structures New (CAP)		$265,000
	WM014012 3rd Floor Artifacts Gallery Renovation			
	8509	– Other Building Improvements (CAP)	$225,000	
	6146	– Prof. Serv – CAP/Major Maintenance	38,000	
	9706	– Prof Serv Div Services	2,000	

An appropriation transfer of $265,000 is requested by the Director of the Department of Transportation and Public Works to reallocate expenditure authority from WM014012 3rd Floor Artifacts Gallery Renovation to WM005012 Museum Air Handling & Piping project.

The original study that determined the scope of work necessary for the air handling and piping project was completed four years ago. As portions of the project were completed other improvements were discovered. This fund transfer will reallocate $265,000 from the 3rd Floor Artifacts Gallery Renovation project in order to complete additional repairs that were not included in the original scope of work, including replacing controllers and sensors, replacing condensing unit and direct expansion coils, repairing the air distribution system, etc.

The 3rd Floor Artifacts Gallery project has been completed. The project was originally budgeted at $423,288, but was completed with a surplus of approximately $265,000. The original scope of work included insulation of walls and ceilings, lighting/electrical power upgrades and flooring. A substantial portion of the project was completed as part of the Air Handling & Piping project, since these repairs were impacted by the work on that project.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

		From	To
4)	WO508012 Marcus Center Pedestrian Pavement		
	6146 – Prof. Serv- CAP/Major Maintenance		$25,000
	8501 – Buildings/Structures New (CAP)		82,844
	9706 – Prof Serv Div Services		6,000
	WO888011 Todd Wehr Theater Elevator		
	6146 – Prof. Serv – CAP/Major Maintenance	$13,488	
	9706 – Prof. Serv Div Services	1,013	
	9780 – Interest Allocation	500	
	8509 – Other Building Improvement (CAP)	33,843	
	WO039012 Marcus Center Peck Pavilion Space Frame		
	8509 – Other Building Improvement (CAP)	$65,000	

An appropriation transfer of $113,844 is requested by the Director of Transportation and Public Works to transfer expenditure authority from capital projects WO888 Todd Wehr Theater Elevator and WO039 Marcus Center Peck Pavilion Space Frame to WO508 Marcus Center Pedestrian Pavement.

The Marcus Center developed a master plan for the entire perimeter of the Marcus Center, which is estimated to cost $3 million over the life of the project. The plan includes replacement of pavement, which will incorporate sustainable elements such as pervious pavement, rain gardens and the use of recycled materials. In 2009, the Marcus Center received $304,997 to begin the first phase of the pedestrian pavement improvements. The master plan that the Marcus Center put together did not divide out the work into phases. Upon bidding the work it was determined that the first phase will include the entire West Plaza. In order to have adequate funding to complete all improvements in the West Plaza area an additional $113,844 is being requested.

The additional funding for the project will come from two projects. The Todd Wehr Theater Elevator project has been completed with a surplus of $48,844. The remaining $65,000 will be transferred from the Peck Pavilion Space Frame project. The Peck Pavilion project is currently in the construction phase and will be completed in spring. The project was originally budgeted at $417,000 and the Department of Transportation and Public Works anticipates a surplus of approximately $90,000 upon completion of the project. After the transfer there will still be a surplus of $25,000, which will be kept as a contingency since construction is not complete.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
5)	WO2150142 – Storage Expansion			
	8557	– Computer Equip NEW > $500		$100,000
	WO218014 – Technical Infrastructure Replacement			
	8558	_ Computer Equip Repl > $500		$104,016
	WO618 – Franklin Public Safety			
	8509	_ Other Building Improvement (CAP)	$182,093	
	8551	– Mach & Equip Repl $2500	21,923	

An appropriation transfer totaling $204,016 is requested by the Chief Information Officer within the Department of Administrative Services -- Information Management Services Division (IMSD) to transfer expenditure authority from the Franklin Public Safety project to the Storage Expansion and the Technical Infrastructure Replacement projects.

The Franklin Public Safety Communications project was originally approved for a total expenditure authority of $596,800. This project included both the construction of a radio tower structure and a generator. This project is in the final closeout phase with estimated remaining expenditure authority, after deducting remaining invoices, of $204,016.

IMSD is requesting that the additional expenditure authority be transferred to two capital projects, Storage Area Network and Technical Infrastructure Replacement. Both of these projects are multi-year ongoing projects that require continued funding to meet overall County need.

The additional appropriations in the Storage Area Network will be used to purchase four additional units of storage, or shelves, at a cost of $25,000 per shelf. In the Technical Infrastructure Replacement project, the additional appropriations will fund the purchase of six large scale servers, at a cost of $15,000 to $20,000 each.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
6)	WP173012 Hoyt Park Pool Improvements			
	8509	– Other Building Improvement (CAP)		$52,700
	4930	_ Gifts and Donations	$52,700	

An appropriation transfer of $52,700 is requested by the Directors of the Department of Parks, Recreation and Culture and Transportation and Public Works to increase expenditure authority for WP173012 Hoyt Park Pool.

The 2010 Capital Improvements Budget included $1,530,000 for funding related to the construction of the Hoyt Park pool. The Friends of Hoyt Park Pool are paying the additional $6.5 million towards the construction costs. During the early stages of construction the County mistakenly paid for asbestos abatement at the existing bathhouse. It was later determined, with the assistance of the County's Bond Counsel, that the asbestos abatement was not eligible to be financed with bond proceeds. The County's contribution did not include any cash financing. The Friends of Hoyt Park Pool have agreed to reimburse the County $37,700 for the work the asbestos abatement. An invoice was recently submitted to the Friends group. Once the reimbursement has been received the County will spend an additional $37,700 towards other bond eligible site improvements.

In addition, the Milwaukee Metropolitan Sewerage District (MMSD) recently completed construction of a new interceptor sewer near Hoyt Park. The construction involved trucking construction materials across the Swan Boulevard Bridge. The trucks caused some damage to the pavement and MMSD has agreed to pay for the repairs. The Department of Transportation and Public Works staff worked with MMSD to determine an estimated cost of $15,000 for the repairs. Since construction work on the Hoyt Park pool is ongoing, and additional construction traffic will be using the bridge, the Parks Department would prefer to wait to complete the asphalt repairs until the pool has been completed. The Friends of Hoyt Park Pool anticipate construction on the pool will be completed in the spring of 2011.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

12-09-10 FINANCE COMMITTEE APPROPRIATION TRANSFERS
D INTER-DEPARTMENTAL File No. 10-1
(Journal, December 17, 2009)

Action Required
Finance Committee
County Board (Majority Vote)

WHEREAS, department requests for transfers between separate departmental accounts have been received by the Department of Administration, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administration, is hereby authorized to make the following transfers in the 2010 appropriations of the respective listed departments:

			From	To
1)	1000 - County Board			
	97XX	Various IMSD Crosscharges		$21,845
	1001 - County Board - Department of Audit			
	97XX	Various IMSD Crosscharges		8,843
	1021 - County Executive - Veterans Service			
	97XX	Various IMSD Crosscharges		2,154
	1040 - County Board - Office of Community Business Development Partners			
	97XX	Various IMSD Crosscharges		1,757
	1152 - DAS - Procurement			
	97XX	Various IMSD Crosscharges		3,425
	1188 - DAS - Employee Benefits			
	97XX	Various IMSD Crosscharges		3,056
	1135 - Labor Relations			
	97XX	Various IMSD Crosscharges		384
	1019 - DAS - Office of Persons with Disabilities			
	97XX	Various IMSD Crosscharges		1,774
	1011 - County Executive - General Office			
	97XX	Various IMSD Crosscharges		6,282

		From	To
1120 - Personnel Review Board			
97XX	Various IMSD Crosscharges		1,142
1130 - Corporation Counsel			
97XX	Various IMSD Crosscharges		6,107
1140 - DAS - Human Resources			
97XX	Various IMSD Crosscharges		23,338
1151 - DAS - Administration and Fiscal Affairs			
97XX	Various IMSD Crosscharges		20,401
1905 - Ethics Board			
97XX	Various IMSD Crosscharges		2
2000 - Combined Court Related Operations			
97XX	Various IMSD Crosscharges		42,581
2430 - Child Support Enforcements			
97XX	Various IMSD Crosscharges		82,124
3010 - Election Commission			
97XX	Various IMSD Crosscharges		1,830
3090 - County Treasurer			
97XX	Various IMSD Crosscharges		6,730
3270 - County Clerk			
97XX	Various IMSD Crosscharges		3,409
3400 - Register of Deeds			
97XX	Various IMSD Crosscharges		26,844
4000 - Office of the Sheriff			
97XX	Various IMSD Crosscharges		347,159
4500 - District Attorney			
97XX	Various IMSD Crosscharges		28,652
4900 - Medical Examiner			
97XX	Various IMSD Crosscharges		10,103
5100 - DTPW - Highway Maintenance			
97XX	Various IMSD Crosscharges		8,048
5800 - DTPW - Director's Office			
97XX	Various IMSD Crosscharges		11,258

			From	To
7900 - Department on Aging				
97XX	–	Various IMSD Crosscharges		51,004
8000 - Department of Health and Human Services				
97XX	–	Various IMSD Crosscharges		153,378
9000 - Parks, Recreation and Culture				
97XX	–	Various IMSD Crosscharges		57,400
9500 - Zoological Department				
97XX	–	Various IMSD Crosscharges		26,343
9910 - University Extension Service				
97XX	–	Various IMSD Crosscharges		633
7990 - Department of Family Care				
97XX	–	Various IMSD Crosscharges		3,318
5070 - DTPW - Transportation Services				
97XX	–	Various IMSD Crosscharges		6,321
5080 - DTPW - Architectural and Engineering Svcs				
97XX	–	Various IMSD Crosscharges		19,687
5300 - DTPW - Fleet Management				
97XX	–	Various IMSD Crosscharges		12,143
5700 - DTPW - Facilities Management				
97XX	–	Various IMSD Crosscharges		10,361
1150 - DAS - Risk Management				
97XX	–	Various IMSD Crosscharges		2,435
5040 - DTPW - Airport				
97XX	–	Various IMSD Crosscharges		18,786
6300 - DHHS - Behavioral Health Division				
97XX	–	Various IMSD Crosscharges		150,699
1160 - DAS - Information Management Services				
3802	–	Serv Prov - Infor Proc	$330,987	
3802	–	Serv Prov - Infor Proc	212,753	
3814	–	Serv Prov - Mailroom	62,322	
3868	–	Serv Prov Applic Chgs - Network	389,939	
3869	–	Serv ProvApplic Chgs - Mainframe	104,017	

			From	To
3876	–	Serv Prov - Telephone	28,554	
3888	–	Serv Prov - PC	53,184	

The Interim Chief Information Officer, DAS – Information Management Services Division (IMSD), is requesting an appropriation transfer totaling $1,181,756 in order to remove property tax levy from the IMSD budget, consistent with government accounting standards for internal service funds. This transfer of levy is accomplished by increasing IMSD crosscharges within the budgets of user departments and correspondingly increasing indirect revenue to IMSD.

As an internal service fund, all of IMSD's costs are charged out to user departments. In fact, at the close of each year, the Controller implements a "break even" for all internal service funds. In the break even process, the actual expenses of IMSD (estimated at $17.4 million in 2010), are charged out to departments, and a corresponding indirect revenue is credited to the IMSD budget. Because $1,181,756 in levy was included in the 2010 Adopted budget for IMSD, the break even process will result in a surplus to IMSD of that amount. The actual charges for IMSD services within the budgets of user departments will be higher than budget by that amount, resulting in a deficit within these departments. For presentation purposes, charges have been rolled up by agency and into a single object, although changes will affect multiple low org's within each agency and multiple objects within the 9700 series.

This transfer increases appropriation authority (in effect increasing levy) in user departments that will be affected by the break even process. By increasing levy in user departments, this action will reduce or eliminate any deficit at year-end related to actual IMSD crosscharges. The other side of the transaction increases indirect revenue to IMSD, which will also approximate the break-even more closely. In the 2011 Adopted Budget, no levy is included in IMSD's budget.

Approval of this appropriation transfer request – although it represents a shift in the current tax levy distribution – does not result in an increase to the property tax levy.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

Action Required
Finance Committee
County Board (Majority Vote)

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2010 appropriations of the respective listed departments:

				From	To
1)	9000 Parks, Recreation, and Culture				
	6503	–	Equipment Rental- Short term (9125)		$7,000
	6503	–	Equipment Rental- Short term (9155)		7,000
	0755	–	Reserve for Imprest Fund	$14,000	

An appropriation transfer of $14,000 is requested by the Director of Parks, Recreation, and Culture to decrease the Parks Department Imprest Fund from $52,155 to $38,155.

The Imprest Fund is used as start up cash for the seasonal revenue producing operations in the Park System and to reimburse employees for petty cash purchases. Milwaukee County Code Section 15.17 authorizes the Parks Department to maintain an Imprest Fund in the amount of $38,155 from November to April and $52,155 from May to October. In May a fund transfer was completed to temporarily transfer the funds from 6503- Equipment Rental to the Imprest Fund. The funds will be transferred back to Account 6503- Equipment Rental.

This transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

Action Required
Finance Committee

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2010 appropriations of the respective listed departments:

			From	To
1)	1040 – Community Business Development Partners			
	6050	– Contract Temporary Services Short		$11,680
	5199	– Salaries and Wages	$10,850	
	5312	– Social Security Taxes	$830	

The Director of Community Business Development Partners is requesting to transfer appropriations from Salaries and Wages and Social Security Taxes to fund contractual temporary services. The Department has used temporary help to carry out essential functions of the office while a permanent employee that was on medical leave. That employee has now resigned and additional appropriations for temporary help are required until the Department is able to fill the permanent position.

There is no levy impact as a result of this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
2)	1151 – Department of Administrative Services Fiscal Affairs			
	6050	– Contract Temporary Services Short		$45,000
	5199	– Salaries and Wages	$45,000	

The Director of Administrative Services is requesting to transfer appropriations from Salaries and Wages to fund contractual temporary services. Currently the Department has vacancies for both an Accountant and the Deputy Controller. Temporary help will be used to manage essential accounting functions until both

positions can be filled and will be discontinued at that time. Salary savings are available to fund the temporary help.

There is no levy impact as a result of this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
3)	1160 - DAS - Information Management Services division			
	6517	– DP Sofware Lease/LCN		$150,000
	1160 - DAS - Information Management Services division			
	5199	– Salaries –Wages	$139,340	
	5312	– Social Security Taxes	10,660	

The Interim Chief Information Officer, DAS – Information Management Services Division (IMSD), is requesting a realignment of appropriations to ensure sufficient budget authority to offset projected 2010 expenditures. This transfer reallocates projected savings in salaries, a result of vacancies in funded positions.

These surplus appropriations are transferred to cover unanticipated expenses for contractual services relating to the provision of temporary IT services to the State of Wisconsin at the Coggs Center.

There is no levy impact as a result of this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
4)	3270 County Clerk			
	6405	– Microfilm Service-Outside Vendor	$1,100	
	8557	– Computer Equipment-New		$1,100

A transfer of $1,100 is requested by the County Clerk to reallocate funds for the purchase of a lap top computer to implement the Legistar legislative workflow system.

The County Clerk's Office purchased a scanner that has allowed the department to internally scan marriage license and County Board files instead of using an outside vendor. This has resulted in cost savings that will be used for the purchase of a laptop computer. IMSD provided a quote to the County Clerk in the amount of $1,100 for the purchase of a laptop. This laptop will be used during County Board meetings by the County Clerk in order for the Clerk to utilize the Legistar system during meetings.

There is no tax levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
5)	4036 – Inmate Transportation			
	6148	– Professional Services		$403,651
	5199	– Salaries and Wages	$260,500	
	5312	– Social Security	$19,928	
	5420	– Employee Health Care	$71,592	
	5421	– Employee Pension	$51,631	
	1950 – Employee Fringe Benefits			
	5400	– Health Insurance – Major Medical	$71,592	
	5409	– Cty Contr To Retmnt Syst	$51,631	
	9898	– Fringe Benefit- Abatement		$123,223

A transfer of $403,651 is requested by the Office of the Sheriff to realign expenditure authority for inmate transportation.

Pursuant to County Board File No. 10-148, the Office of the Sheriff was authorized to execute a contract with Wackenhut G4S for the provision of inmate transportation services. This transfer reallocates expenditure authority from the Sheriff transportation unit's personal services into a contractual account to pay for the contract with Wackenhut G4S. Wackenhut assumed provision of transportation of inmates during the month of October 2010. The 2010 Adopted Budget did not anticipate the contracting out for these services. There is no tax levy impact to this transfer.

There is no tax levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
6)	5725 – Buildings/Facilities			
	6023	– *F3CH* – Security Fees		$374,005
	6023	– *F3CJ* – Security Fees		$128,811
	6023	– *F3SB* – Security Fees		$276,023
	6023	– *F3CC* – Security Fees		$121,853

		From	To
5726 – Security Operations			
5318	Unemployment Compensation		$161,087
5190	Direct Labor Transfer		$26,974
5490 –	Direct Fringe Transfer		$2,064
5199	Salaries	$784,269	
5312	Social Security	$56,389	
5420	Employee Health	$291,060	
5421	Employee Pension	$126,760	
5736 – City Campus			
6023 –	F3W9 – Security Fees		$49,071
1950 – Employee Fringe Benefits			
9898	Abatement – Fringe Benefit Org		$417,820
5400	Health Insurance – WPS Self Ins	$291,060	
5409	County Contr to Retmnt Sys	$126,760	
1945 – Appropriation for Contingencies			
8901	Appropriation for Contingencies		$118,590

An appropriation transfer of $1,676,298 is requested by the Director of the Department of Transportation and Public Works and the Acting Director of DTPW Facilities Management to realign various accounts for security services for County-owned buildings.

In February 2010, a corrective action plan was implemented to outsource the security operations of Facilities Management. The transition was completed in March 2010, and the vendor selected was G4S Wackenhut Corp. to provide security services in the Courthouse, Safety Building, Criminal Justice Facility, City Campus, and the Vel. Philips Juvenile Justice Center.

This appropriation transfer realigns $1,258,478 in expenditure authority from personnel accounts to the professional service contract to pay the vendor for the costs of the security contract ($949,763), cover the costs of unemployment compensation ($161,087), and direct labor and fringe costs associated with the additional staffing provided by the County Sheriff during the security transition ($29,038).

Corresponding health insurance and pension costs of $417,820 are offset by an increase in abatements from charges to Facilities Management are indicated in Org. 1950 – Fringe Benefits.

$118,590 is transferred to the Appropriation for Contingencies, which reflects the estimated savings from the outsourcing initiative.

There is no tax levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

			From	To
7)	7991-CMO Administration			
	7199	– Other Building & Roadway Material		$233,214
	9731	– Engineering Bldg Maintenance		45,000
	7995- Care Management Units		$278,214	
	3726	– A6CC- Care Mgmt Org Capitation		
	5725 – Buildings/Facilities			
	3831	– Services Provided – Eng. Bldg. Maint.	$45,000	
	6149	Professional Services – Non Recurring		$ 9,000
	5199	– Salaries & Wages		33,500
	5312	– Social Security Taxes		2,500

A transfer of $323,214 is requested by the Interim Director of the Department of Family Care to fund the move from the Reuss building in December 2010.

As of December 31, 2010, the department's lease at the Reuss building will expire. Upon expiration of this lease, the Department of Family Care will be relocating with the Administration, Training and Development, and Business Operations divisions relocating to the Courthouse Complex and the Care Management and Quality Improvement divisions relocating to the Office of Persons with Disabilities Underwood facility. The costs for this move were not included in the department's 2010 budget, as a new location had not yet been determined.

This transfer reflects a revenue increase of $278,214 in Care Mgmt Org. Capitation- Nursing Home level revenues, which is completely offset by an increase in expenditures related to moving expenses. This expenditure increase includes an increase of $51,229 for carpeting, $36,000 for the disassembling and assembling of work stations, $69,000 for cubicles at both locations that Family Care will be occupying, $60,000 for the professional services contract with Coakley to move 80 people and store 80 work stations, and $52,985 for phones and computer hookups at both sites. The transfer also reflects the increased revenue to DTPW-Facilities of $45,000, which will be used to offset salary and social security costs for the unanticipated work to relocate the Department on Aging ($36,000) and fees paid to the consultant to produce a space utilization plan for the relocation ($9,000).

This transfer would realign revenues and expenditures and allow the department to establish expenditure authority in the accounts needed to cover the costs of the move.

There is no levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 12/01/10.

2010 BUDGETED CONTINGENCY APPROPRIATION SUMMARY

2010 Budgeted Contingency Appropriation Budget	$5,800,000
Approved Transfers from Budget through September 30, 2010	
6050-Contract Pers. Serv. Short (Estabrook Dam Stabilization Study)	$ (200,000)
9000-Parks (Farm & Fish Hatchery)	$ (54,500)
9910-UW Extension (Settlement Agreement)	$ (47,000)
Unallocated Contingency Balance November 4, 2010	$ 5,498,500
Transfers Pending in Finance & Audit Committee through 12/9/10	
WP187012 – O'Donnell Park Parking Structure Repairs	$ (422,000)
1945 - Froedtert Hospital Land Lease Payment	$ 2,175,000
Total Transfers Pending in Finance & Audit Committee	$ 1,753,000
Net Balance	**$ 7,251,500**

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COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : November 19, 2010

TO : Supervisor Elizabeth Coggs, Chair, Finance & Audit Committee

FROM : Steve Kreklow, Fiscal and Budget Administrator

SUBJECT : Department of Administrative Services Passenger Vehicle Review

BACKGROUND/ANALYSIS

During the October meeting for the Finance and Audit Committee, the report submitted on Fleet passenger vehicle mileage was referred to staff for additional information on starting and ending mileage on all vehicles for the reporting period of July 1, 2009 to June 31, 2010.

The Milwaukee County Administrative Manual Section 56.22 requires all departments/employees having use of a passenger car to annually submit a report to the Department of Administrative Services that specifies the number of vehicles and garaging location of vehicles assigned to the department, their use (whether by an individual employee or as a pool vehicle), and if assigned to an employee, the title of the employee, their job function and the use of the vehicle.

Please see the attached spreadsheet for a modified list of Fleet Management passenger vehicles.

RECOMMENDATION

This report is for information only; no action required.

Steve Kreklow
Fiscal and Budget Administrator

Attachment

pc: Scott Walker, County Executive
Supervisor Lee Holloway, Chairman, County Board of Supervisors
Supervisor Johnny Thomas, Vice-Chair, Finance and Audit Committee
Supervisor Michael Mayo, Sr., Finance and Audit Committee
Supervisor Luigi Schmitt, Finance and Audit Committee
Supervisor Willie Johnson, Jr., Finance and Audit Committee
Supervisor Peggy West, Finance and Audit Committee
Supervisor Patricia Jursik, Finance and Audit Committee

2010 Vehicle Assignment Summary

Org.	Dept. Name	Vehcile Model/Description	Equipment Number	June 2010 Mileage	June 2009 Mileage	Mileage Change	Business Mileage	Personal Mileage	Assigned To	Location	Nature of Use
1011	County Exec	2006 Chevrolet Impala	114663	23,146	21,114	2,032	2,032	0	County Executive	Annex	County business only
1160	DAS-IMSD	1994 Chevrolet Astro	152335	68,824	67,316	1,508	1,508	0	Pool - IMSD Operations Staff	City Campus	To provide computer service to County Departments.
1160	DAS-IMSD	2007 Chevrolet Uplander	165961	15,390	11,545	3,845	3,845	0	Pool - IMSD Operations Staff	City Campus	To provide computer service to County Departments.
1160	DAS-IMSD	2007 Chevrolet Uplander	165964	13,386	10,131	3,255	3,255	0	Pool - IMSD Operations Staff	City Campus	To provide computer service to County Departments.
4501	District Attorney	2003 Ford Crown Victoria	114258	53,380	48,136	5,244	5,244	0	Chief Investigator	Garaged at residence	Respond to crime scenes, conduct criminal investigations, 24/7 emergency response, transport victims and witnesses
4501	District Attorney	2002 Buick Century	114643	64,501	60,289	4,212	4,212	0	Pool - Crisis Response Unit	MacArthur Square	Respond to crime scenes, transport victims and witnesses
4501	District Attorney	2002 Buick Century	114671	58,000	50,178	7,822	7,822	0	Pool -Outreach Unit	MacArthur Square	Serve process
4501	District Attorney	2010 Chevrolet Impala 4DR	114678	3,367	-	3,367	3,367	0	Pool - Investigators	MacArthur Square	Respond to crime scenes, conduct criminal investigations, 24/7 emergency response, transport victims and witnesses
4501	District Attorney	2003 Buick Century	114656	67,848	64,134	3,714	1,870	1,844	District Attorney	Garaged at residence	Regular duties, including numerous off-site meetings throughout the county and state, 24/7 emergency response
4501	District Attorney	2010 Chevrolet Impala 4DR	114679	3,516	-	3,516	2,010	1,506	District Attorney	Garaged at residence	Regular duties, including numerous off-site meetings throughout the county and state, 24/7 emergency response
4501	District Attorney	2010 Chevrolet Impala 4DR	114680	2,377	-	2,377	2,377	0	Pool - Investigators	MacArthur Square	Respond to crime scenes, conduct criminal investigations, 24/7 emergency response, transport victims and witnesses
4501	District Attorney	2010 Chevrolet Impala 4DR	114681	5,023	-	5,023	5,023	0	Pool -Outreach Unit	MacArthur Square	Serve process
4501	District Attorney	2010 Chevrolet Impala 4DR	114682	5,312	-	5,312	5,312	0	Pool -Outreach Unit	MacArthur Square	Serve process
4501	District Attorney	2010 Chevrolet Impala 4DR	114683	5,762	-	5,762	5,762	0	Pool -Outreach Unit	MacArthur Square	Serve process
4501	District Attorney	2002 Chevy Suburban	153046	46,654	43,041	3,613	3,613	0	Pool - Investigators	MacArthur Square	Respond to crime scenes, conduct criminal investigations, 24/7 emergency response, transport victims and witnesses
4501	District Attorney	2008 Chevy Trailblazer	165086	17,004	13,097	3,907	3,907	0	Pool - Investigators	MacArthur Square	Respond to crime scenes, conduct criminal investigations, 24/7 emergency response, transport victims and witnesses
4501	District Attorney	2008 Chevy Trailblazer	165087	18,975	9,254	9,721	9,721	0	Pool - Investigators	MacArthur Square	Respond to crime scenes, conduct criminal investigations, 24/7 emergency response, transport victims and witnesses
4900	Medical Examiner	2010 Chevrolet Impala 4DR	114684	3,358	-	3,358	3,358	0	Pool	ME office	Death Scene Investigations
4900	Medical Examiner	2005 GMC Yukon XL	153049	65,340	52,654	12,686	12,686	0	Pool	ME office	Death Scene Investigations
4900	Medical Examiner	2007 Ford Taurus	165932	21,181	17,000	4,181	4,181	0	Pool	ME office	Death Scene Investigations
5056	Airport	2003 GMC Safari	152357	62,724	47,253	15,471	15,471	0	Pool - Maintenance	Airport	Business
5056	Airport	2003 Chevrolet 2500 Cargo Van	152533	19,888	17,236	2,652	2,652	0	Pool - Electrical	Airport	Business
5056	Airport	2003 Chevrolet 2500 Cargo Van	152535	17,627	14,963	2,664	2,664	0	Pool - Electrical	Airport	Business
5056	Airport	2003 Chevrolet 2500 Cargo Van	152536	17,207	14,210	2,997	2,997	0	Pool - HVAC	Airport	Business
5056	Airport	2003 Ford Explorer	155347	16,257	469	15,788	15,788	0	Pool - Maintenance	Airport	Business
5056	Airport	2003 Ford Explorer	155348	52,507	43,320	9,187	9,187	0	Pool - Maintenance	Airport	Business
5056	Airport	2004 Ford Explorer	155349	57,378	53,371	4,007	4,007	0	Pool - Operations	Airport	Business
5056	Airport	2004 Ford Explorer	155350	54,929	47,293	7,636	7,636	0	Pool - Operations	Airport	Business
5056	Airport	2004 GMC Yukon 4DR Truck	155353	17,562	13,116	4,446	4,446	0	Pool	Airport	Business
5056	Airport	2008 Chevrolet Tahoe	155354	13,965	2,750	11,215	11,215	0	Pool	Airport	Business
5056	Airport	1997 Ford E350 Club Wagon	165562	38,879	35,500	3,379	3,379	0	Pool - Maintenance	Airport	Business
5056	Airport	2006 Chevy Trailblazer	165912	16,580	12,194	4,386	4,386	0	Pool - Admnistration	Airport	Business
5056	Airport	2006 Chevrolet Impala	165921	31,962	25,057	6,905	6,905	0	Pool - Admnistration	Airport	Business
5056	Airport	2006 Chevy Trailblazer	165924	64,083	37,284	26,799	26,799	0	Pool - Operations	Airport	Business
5056	Airport	2006 Chevrolet Impala	165925	11,142	8,533	2,609	2,609	0	Pool - Admnistration	Airport	Business
5056	Airport	2006 Chevy Express Van	165926	7,959	5,903	2,056	2,056	0	Pool - Electrical	Airport	Business
5056	Airport	2006 Chevy Express Van	165927	13,370	8,785	4,585	4,585	0	Pool - Electrical	Airport	Business
5056	Airport	2007 Ford S-Duty F-350	165933	18,706	11,743	6,963	6,963	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Ford S-Duty F-350	165934	43,988	3,985	40,003	40,003	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Ford S-Duty F-350	165935	20,370	13,162	7,208	7,208	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Ford Ranger 4X2	165936	16,029	11,376	4,653	4,653	0	Pool - HVAC	Airport	Business
5056	Airport	2007 Ford Ranger 4X2	165938	13,854	9,431	4,423	4,423	0	Pool - HVAC	Airport	Business
5056	Airport	2007 Ford F250 Super Duty 4X2	165942	27,310	19,379	7,931	7,931	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Ford Superduty 4X4	165943	22,784	16,127	6,657	6,657	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Ford F250 Superduty 4X4	165944	16,053	10,914	5,139	5,139	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Ford F250 Superduty 4X4	165945	28,652	21,429	7,223	7,223	0	Pool - Timmerman	Airport	Business
5056	Airport	2007 Chevy Trailblazer	165946	27,375	19,798	7,577	7,577	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Chevy Trailblazer	165947	23,449	16,823	6,626	6,626	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Chevy Trailblazer	165948	9,712	6,790	2,922	2,922	0	Pool - Maintenance	Airport	Business
5056	Airport	2007 Chevy Trailblazer	165949	3,669	1,681	1,988	1,988	0	Pool - Operations	Airport	Business
5056	Airport	2007 Chevy Trailblazer	165950	70,180	43,521	26,659	26,659	0	Pool - Operations	Airport	Business
5056	Airport	2007 Chevy Trailblazer	165951	12,839	6,631	6,208	6,208	0	Pool - Architectural & Engineering	Airport	Business
5056	Airport	2007 Chevy Trailblazer	165952	20,288	12,962	7,326	7,326	0	Pool - Architectural & Engineering	Airport	Business

Mileage is calculated from July 1, 2009 to June 30, 2010

2010 Vehicle Assignment Summary

Org.	Dept. Name	Vehcile Model/Description	Equipment Number	June 2010 Mileage	June 2009 Mileage	Mileage Change	Business Mileage	Personal Mileage	Assigned To	Location	Nature of Use
5056	Airport	2007 Chevrolet Uplander	165957	13,270	8,922	4,348	4,348	0	Pool - Architectural & Engineering	Airport	Business
5056	Airport	2007 Chevy Express Cargo Van	165965	12,942	9,334	3,608	3,608	0	Pool - HVAC	Airport	Business
5056	Airport	2007 Chevy Express Cargo Van	165966	6,266	2,577	3,689	3,689	0	Pool - Electrical	Airport	Business
5056	Airport	2007 Chevy Express Cargo Van	165967	12,562	8,000	4,562	4,562	0	Pool - Electrical	Airport	Business
5056	Airport	2007 Chevy Express Cargo Van	165968	7,199	4,516	2,683	2,683	0	Pool - Electrical	Airport	Business
5056	Airport	2007 Chevy Express Cargo Van	165969	7,609	4,611	2,998	2,998	0	Pool - Electrical	Airport	Business
5056	Airport	2007 Chevy Express Cargo Van	165970	8,299	5,839	2,460	2,460	0	Pool - HVAC	Airport	Business
5056	Airport	2007 Chevy Express Cargo Van	165971	6,749	4,081	2,668	2,668	0	Pool - Electrical	Airport	Business
5056	Airport	1997 GMC AWD Cargo Van Safari	166005	47,981	45,717	2,264	2,264	0	Pool - Electrical	Airport	Business
5056	Airport	1998 GMC 4X4 TK10706-1500 Yukon	166012	29,940	27,900	2,040	2,040	0	Pool - Environmental/Safety	Airport	Business
5080	Architecture & Engineering	2007 GMC Sierra 4X4 EXT. CAB	102479	28,009	20,307	7,702	28,009	0	Pool - Survey Crew	Fleet	Survey crew use at various construction sites
5081	Architecture & Engineering	2010 Chevrolet Impala 4DR	114701	1,133	-	1,133	1,133	0	Pool	City Campus	Miscellaneous usage by AE&ES Staff
5081	Architecture & Engineering	1994 Chevrolet 4X2 Minivan Astro CM1090	152331	72,990	69,914	3,076	3,076	0	Pool	City Campus	Miscellaneous usage. The primary records vehicle used for project files and drawings.
5081	Architecture & Engineering	1997 GMC 4X4 Minivan Safari TL1100	152345	70,653	59,888	10,765	10,765	0	Pool - Survey Crew	Fleet	Survey crew use at various construction sites
5082	Architecture & Engineering	1998 GMC 4X2 Minivan Safari TM11006	152352	40,532	38,211	2,321	2,321	0	Pool	City Campus	Miscellaneous usage by AE&ES Staff
5083	Transportation Services	2004 Chevrolet Impala	114657	48,796	41,885	6,911	6,911	0	Pool - Construction Management	2711 W. Wells St	Construction inspection of Highway and Bridge Capital Projects
5083	Transportation Services	2001 Chevrolet Blazer LT	153050	53,227	48,732	4,495	4,495	0	Pool - Traffic Engineering	2711 W. Wells St	Site Inspection and Construction Inspection. Used by Traffic Engineering to transport Equipment and Materials to job site
5190	Highway Maintenance	2007 Chevrolet Impala	114664	26,957	18,691	8,266	8,121	145	Director of Highway Operations	8630 North Hawthorne Rd	Patrol, Investigation, and Supervision of all Highway Conditions on County State and Interstate highways within Milwaukee County as part of 24/7 operation
5190	Highway Maintenance	2010 Ford Explorer	153060	12,707	-	12,707	12,541	166	Highway Maintenance Mgr.	5306 Mansfield Drive	Patrol, Investigation, and Supervision of all Highway Conditions on County State and Interstate highways within Milwaukee County as part of 24/7 operation
5190	Highway Maintenance	2010 Ford Explorer	153061	11,963	-	11,963	11,794	169	Asst. Highway Maintenance Mgr.	4151 Austin St.	Patrol, Investigation, and Supervision of all Highway Conditions on County State and Interstate highways within Milwaukee County as part of 24/7 operation
5190	Highway Maintenance	2001 Dodge Durango	120004	123,813	120,622	3,191	3,139	52	Highway Maintenance Mgr.	5306 Mansfield Drive	Patrol, Investigation, and Supervision of all Highway Conditions on County State and Interstate highways within Milwaukee County as part of 24/7 operation
5190	Highway Maintenance	2001 Dodge Durango	120005	150,742	149,337	1,405	1,376	29	Asst. Highway Maintenance Mgr.	4151 Austin St.	Patrol, Investigation, and Supervision of all Highway Conditions on County State and Interstate highways within Milwaukee County as part of 24/7 operation
5300	Fleet Management	2002 Buick Century 4 DR	114670	88,021	76,695	11,326	11,326	0	County Motor Pool	10320 Watertown Plank	Use by County Departments for County meetings and other County Business
5300	Fleet Management	2002 Buick Century 4 DR	114672	82,677	71,188	11,489	11,489	0	County Motor Pool	10320 Watertown Plank	Use by County Departments for County meetings and other County Business
5303	Fleet Management	1994 Chevrolet 4X2 Minivan Astro CM1090	152328	62,139	60,735	1,404	1,404	0	County Motor Pool	10320 Watertown Plank	Use by County Departments for County meetings and other County Business
5300	Fleet Management	1998 Ford 4X2 Minivan Windstar GL	152342	89,768	87,184	2,584	2,584	0	County Motor Pool	Courthouse	Use by County Departments for County meetings and other County Business
5300	Fleet Management	2002 Ford Windstar	152355	42,222	38,892	3,330	3,330	0	County Motor Pool	Courthouse	Use by County Departments for County meetings and other County Business
5300	Fleet Management	2006 Dodge Caravan	152545	23,066	18,417	4,649	4,649	0	County Motor Pool	10320 Watertown Plank	Use by County Departments for County meetings and other County Business
5303	Fleet Management	2002 Chevrolet Suburban	153044	51,342	40,130	11,212	11,212	0	County Motor Pool	10320 Watertown Plank	Use by County Departments for County meetings and other County Business
5303	Fleet Management	2002 Chevrolet Blazer	153047	39,898	29,287	10,611	10,611	0	County Motor Pool	10320 Watertown Plank	Use by County Departments for County meetings and other County Business
5702	Facilities	2009 Chevrolet Impala	114673	10,440	1	10,439	10,439	0	Director DTPW	Whitnal Park	County Business and Business for State DOT as Highway Commissioner
5702	Facilities	2003 GMC Safari	152356	14,224	12,406	1,818	1,818	0	Pool - Skilled Trades	CJF Sally Port	Vehicle used to transport staff, materials and supplies to differing sites to perform skilled trades work
5702	Facilities	2003 Chevrolet 2500 Cargo Van	152539	18,663	17,214	1,449	1,449	0	Pool - Painters	County Grounds-Warehouse Lot	Vehicle used to transport painting staff, materials and supplies to differing sites.
5702	Facilities	2003 Chevrolet 2500 Cargo Van	152540	9,841	8,822	1,019	1,019	0	Pool - Skilled Trades	CJF Sally Port	Vehicle used to transport staff, materials and supplies to differing sites to perform skilled trades work
6363	Behavioral Health Division	2007 Chevrolet Uplander Minivan	152546	8,961	6,127	2,834	2,834	0	Pool - Downtown CSP	BHD	Meeting with Clients
6364	Behavioral Health Division	2007 Chevrolet Uplander	165953	51,777	37,229	14,548	14,548	0	Pool -TCM	BHD	Meeting with Clients
6364	Behavioral Health Division	2006 Chevrolet Impala	165917	21,944	17,139	4,805	4,805	0	Pool - Crisis	BHD	Provides 24/7 response to adults in the community in Mental Health crisis
6403	Behavioral Health Division	2006 Chevrolet Impala	165919	47,814	35,335	12,479	12,479	0	Pool - Crisis	BHD	Provides 24/7 response to adults in the community in Mental Health crisis
6406	Behavioral Health Division	2006 Chevrolet Impala	165922	39,879	31,826	8,053	8,053	0	Pool - Crisis	BHD	Provides 24/7 response to adults in the community in Mental Health crisis
6443	Behavioral Health Division	2006 Chevrolet Impala	165918	37,215	29,222	7,993	7,993	0	Pool - Wraparound	BHD	Provides 24/7 response to children in the community/schools in Mental Health crisis
6443	Behavioral Health Division	2006 Chevrolet Impala	165920	35,246	26,014	9,232	9,232	0	Pool - Wraparound	BHD	Provides 24/7 response to children in the community/schools in Mental Health crisis
6474	Behavioral Health Division	2006 Chevrolet Impala	165923	37,160	28,162	8,998	8,998	0	Pool - Wraparound	BHD	Provides 24/7 response to children in the community/schools in Mental Health crisis
6474	Behavioral Health Division	2007 Chevrolet Uplander	165954	17,968	9,764	8,204	8,204	0	Pool - Wraparound	BHD	Provides 24/7 response to children in the community/schools in Mental Health crisis
6513	Behavioral Health Division	1997 Ford 4X4 4DR Explorer	155351	111,537	110,202	1,335	1,335	0	Pool - Envioronmental Services	BHD	BHD Operations
6532	Behavioral Health Division	1999 Ford Explorer	153048	132,886	127,884	5,002	5,002	0	BHD Admin	BHD	Used by a Doctor
8241	DHHS-Operation	2006 Chevrolet Impala	165913	47,744	37,950	9,794	9,794	0	Disabilities	Coggs Center	Meeting with Consumeras in the community and throughout the State
8241	DHHS-Operation	2007 Ford Taurus	165929	10,505	8,708	1,797	1,797	0	Deliquency	Children's Court Center	Meeting with Clients & Families
8241	DHHS-Operation	2007 Ford Taurus	165930	34,300	25,237	9,063	9,063	0	Disabilities	Coggs Center	Meeting with Consumeras in the community and throughout the State
8241	DHHS-Operation	2007 Chevrolet Uplander	165956	32,377	26,242	6,135	6,135	0	DHHS "Pool"	Coggs Center	Meeting with Clients/Out of County Conferences

Mileage is calculated from July 1, 2009 to June 30, 2010

2010 Vehicle Assignment Summary

Org.	Dept. Name	Vehcile Model/Description	Equipment Number	June 2010 Mileage	June 2009 Mileage	Mileage Change	Business Mileage	Personal Mileage	Assigned To	Location	Nature of Use
8241	DHHS-Operation	2007 Chevrolet Uplander	165958	24,463	17,750	6,713	6,713	0	DHHS "Pool"	Coggs Center	Meeting with Clients/Out of County Conferences
8241	DHHS-Operation	2007 Chevrolet Uplander	165959	22,446	18,010	4,436	4,436	0	DHHS "Pool"	Coggs Center	Meeting with Clients/Out of County Conferences
8241	DHHS-Operation	2007 Chevrolet Uplander	165960	29,158	23,282	5,876	5,876	0	DHHS "Pool"	Coggs Center	Meeting with Clients/Out of County Conferences
8241	DHHS-Operation	2007 Chevrolet Uplander	165962	20,794	15,169	5,625	5,625	0	DHHS "Pool"	Coggs Center	Meeting with Clients/Out of County Conferences
8241	DHHS-Operation	2007 Chevrolet Uplander Minivan	165963	3,324	2,423	901	901	0	Deliquency	Children's Court Center	Meeting with Clients & Families
9010	Parks	1997 GMC 4X2 8 PAS VAN TM11006 SAFA	152346	104,486	94,200	10,286	10,286	0	Pool	Parks Admin	Meetings/Errands/Supervision
9010	Parks	2003 Ford Explorer	153051	40,131	34,007	6,124	6,124	0	Pool	Parks Admin	Meetings/Errands/Supervision
9041	Parks	1997 GMC 4X2 8 PAS VAN TM11006 SAFA	152348	86,268	81,471	4,797	4,797	0	Pool	Marketing	Marketing
9101	Parks	2010 Chevrolet Impala 4DR	114674	3,424	-	3,424	3,424	0	Pool	North Region	Meetings/Errands/Supervision
9101	Parks	2010 Chevrolet Impala 4DR	114675	2,405	-	2,405	2,405	0	Pool	South Region	Meetings/Errands/Supervision
9101	Parks	1998 G. M. C. 4X4 YUKON 1500-TK10706	120002	188,119	179,749	8,370	8,370	0	Pool	Forestry	Forestry
9101	Parks	1998 Chevrolet 4DR Lumina	151364	97,860	92,559	5,301	5,301	0	Pool	Parks Admin	Concessions
9101	Parks	1998 Chevrolet 4X2 Minivan Astro CM10906	152350	66,623	58,619	8,004	8,004	0	Pool	Parks Admin	Concessions
9101	Parks	2009 Chevy Malibu	165060	12,129	3,621	8,508	8,508	0	Pool	Parks Admin	Meetings/Errands/Supervision
9101	Parks	2009 Chevy Malibu	165061	10,812	2,211	8,601	8,601	0	Pool	Parks Admin	Meetings/Errands/Supervision
9101	Parks	2009 Ford Escape	165062	3,880	2,883	997	997	0	Pool	Parks Admin	Meetings/Errands/Supervision
9125	Parks	1995 Chevrolet 4DR Lumina	114004	63,242	58,212	5,030	5,030	0	Pool	Parks Admin	Landscape Architects
9125	Parks	1996 Chevrolet 4DR Lumina	114669	77,252	75,385	1,867	1,867	0	Pool	Parks Admin	Landscape Architects
9155	Parks	2002 Chevrolet Blazer	153045	53,251	40,122	13,129	13,129	0	Pool	South Region	Meetings/Errands/Supervision
9171	Parks	1997 GMC 4X2 8 PAS VAN TM11006 SAFA	152347	92,654	88,750	3,904	3,904	0	Pool	Mitchell Park	Flower transport, Meetings, Errands
9177	Parks	1997 GMC 4X2 8 PAS VAN TM11006 SAFA	152349	35,059	33,716	1,343	1,343	0	Pool	Greenhouse	Flower transport, errands
9430	Parks	2003 Chevrolet 2500 Cargo Van	152537	27,750	25,143	2,607	2,607	0	Pool	Park Maintenance	Maintenance
9430	Parks	2003 Chevrolet 2500 Cargo Van	152538	54,927	43,065	11,862	11,862	0	Pool	Park Maintenance	Maintenance
9511	Zoo	1997 GMC 4X2 VAN TG31405 SAVANA	167001	27,670	25,189	2,481	2,481	0	Animal Hospital Staff	Zoo	Used on the Zoo grounds to transport medical staff, equipment, and animals. A pool of hospital personal may operate this vehicle. This vehicle is not used for personal travel, and has never been used for overnight travel.
9523	Zoo	1997 GMC 4X2 8 PAS VAN TM11006 SAFA	152343	45,754	43,589	2,165	2,165	0	Maintenance Division staff	Zoo	this vehicle. This vehicle is not used for personal travel and has never been used for
9523	Zoo	2003 Chevrolet 2500 Cargo Van	152534	31,599	27,360	4,239	4,239	0	Maintenance Division staff	Zoo	this vehicle. This vehicle is not used for personal travel and has never been used for
9523	Zoo	2001 Dodge Caravan	165049	80,656	75,875	4,781	4,781	0	Animal Division staff	Zoo	Used to transport personal, animals, and equipment from the Aviary to various building around the Zoo grounds. This vehicle is not used for personal travel and is no longer used for overnight travel.
9523	Zoo	2007 Ford Ranger 4X4	165937	52,416	35,108	17,308	17,308	0	Animal Division staff	Zoo	Used for night keepers patrol and to transport personal, animals, and equipment around the Zoo grounds. It is also used to pick up equipment, animals, and animal food items. This vehicle is not used for personal travel and has never been used for overnight travel.
9523	Zoo	2007 Ford Ranger 4X2	165939	7,393	5,600	1,793	1,793	0	Group Sales Division	Zoo	A pool of seasonal and full time staff members has access to this vehicle. It is used to transport personal and supplies around the Zoo grounds for revenue generating group sales events. This vehicle is not used for personal travel and has never been used for overnight travel.
9523	Zoo	2006 Ford Econoline E250 Cargo Van	165940	12,933	9,422	3,511	3,511	0	Plumber	Zoo	Used to move parts, tools, prints and equipment around the Zoo grounds. It is fully equipped to handle most plumbing problems. This vehicle is not used for personal travel and has never been used for overnight travel.
9523	Zoo	2006 Ford Econoline E250 Cargo Van	165941	11,197	8,110	3,087	3,087	0	Electrician	Zoo	Used to move parts, tools, and equipment around the Zoo grounds. It is fully equipped to handle most electrical problems. This vehicle is not used for personal travel and has never been used for overnight travel.
9523	Zoo	2007 Chevrolet Uplander	165955	21,952	15,642	6,310	6,310	0	Pool	Zoo	Primary used for moving staff and guests around the Zoo. This is the vehicle that is used if overnight travel is needed. It is also used for day trips. This vehicle is not used for personal travel.

1 - 4500: DA Chisholm used vehicle 114.656 from July 2009 through Dec. 2009; we were not provided with the total mileage for that period by Fleet but we are submitting his personal mileage for that vehicle for that period. Vehicle 114.656 is no longer assigned to this department. Vehicle 114.679 replaced 114.656 on January 6, 2010 and is currently assigned to DA Chisholm.

2 - The Sheriff's Office considers all assigned vehicles to be for law enforcement purposes and as a result did not respond to DAS' request for information.

Mileage is calculated from July 1, 2009 to June 30, 2010

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

22

DATE : November 22, 2010

TO : Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

FROM : Steven R. Kreklow, Fiscal & Budget Administrator

SUBJECT : 2010 Fiscal Report

The Fiscal Report submitted by the County's Controller on November 22, 2010, projects a year-end deficit of $4.4 million. This projection does not include the transfer of $3.7 million is surplus funds budgeted for the County's 2010 required pension contribution. If these funds were transferred, the projected deficit would be reduced to $700,000.

However, at this point it is not clear if the transfer will be necessary or if the entire $3.7 million surplus would need to be transferred. The County appears to be experiencing a positive trend in both employee health care expenses and sales tax revenue that could reduce the 2010 deficit further. Due to the reporting lag for these two key fiscal items we will not be able to determine if a fund transfer will be necessary until late February of 2011. As a result, I recommend that the County Board and County Executive wait to until the March Board cycle to consider this transfer.

Steven Kreklow
Fiscal and Budget Administrator

pc: Scott Walker, County Executive
Supervisor Elizabeth Coggs, Chairman, Finance and Audit Committee
Thomas Nardelli, Chief of Staff
Terrence Cooley, Chief of Staff, County Board
Stephen Cady, County Board Fiscal and Management Analyst
Jerry Heer, Director, Department of Audit
Scott Manske, Controller, Department of Administrative Services

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 23, 2010

TO: Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

FROM: Scott B. Manske, Controller

SUBJECT: 2010 Fiscal Report as of September 30, 2010

Policy Issue

County Ordinance 56.02(2) requires the Department of Administrative Services (DAS) to "report, on a quarterly basis or in a manner determined to be most useful and effective, on the financial condition of the county, which report shall identify all major variances from the adopted budget on a department-by-department basis." To comply with this ordinance, DAS provides a projection of year-end financial results on a quarterly basis to the County Board and County Executive. This fiscal report is a projection of 2010 financial results based on second quarter financial data. The County's 2010 fiscal year ends on December 31, 2010. For each fiscal year, the County prepares a balanced budget in which revenues equal expenditures. Therefore, a report of surplus or deficit for the County represents actual results that are in total above (surplus) or below (deficit) net budgeted funds.

Year-end Projection

Based on financial results through September 30, 2010, Milwaukee County's projected year-end fiscal status for 2010 is a deficit of $(4.4) million. This represents a $2.7 million improvement in the County's projected fiscal status from the second quarter's projected deficit of $(7.1) million.

The projected deficit of $(4.4) million assumes that the full amount currently available in the contingency fund of $5.5 million is applied to offset departmental and non-departmental deficits. To the extent the contingency fund is used for other purposes during the year, the projected deficit will increase.

Significant departmental deficits include: Behavioral Health Division (DHHS-BHD) of ($5.0) million, Combined Courts of ($1.0) million, and the Zoological Department of ($1.4) million.

Non-departmental deficits include: a shortfall in projected savings from fringe benefit modifications in Org Unit 1972 of $(7.2) million, sales tax revenue of ($3.0) million and State Shared Revenue of ($1.1) million.

The major changes from Second Quarter 2010 fiscal report to this Third Quarter 2010 fiscal report are as follows:

- Elimination of deficit projected for Transit/ Paratransit System that is now estimating a surplus of $262,000.
- Increased revenue deficit for the Zoological Department based on nine months of activity resulting in a net deficit of ($1.4 million.)
- Increased revenue deficit for the parking structure at O'Donnell Park of ($1.0 million).

- Elimination of deficit projected for fringe benefits due to improvement in health care costs as compared to the first seven months of 2010. Current projection is a $2.0 million surplus based on data through the end of October 2010.
- Reduction in the estimated deficit for Sales Tax from ($4.5) million to a reduced deficit of ($3.0) million. Reduction in deficit is based on eight months of actual payments as compared to budget.

The following attachments provide further detail:

- Attachment A: provides the projected surpluses and deficits in excess of $100,000 by department with a comparison to the Updated June 30th 2nd Quarter Fiscal Report.
- Attachment B: provides narrative explanations of the major changes from the amounts reported in the Third Quarter 2010 fiscal report.
- Attachment C: provides the projected surplus or deficit for 2010 by agency.

2010 Pension Contribution

The 2010 Budget includes an appropriation of $31.3 million for contributions toward the County's Employee Retirement System (ERS) plan. Based upon the most recent actuarial report for ERS, the County is only required to contribute $27.6 million to the pension plan in 2010. The required contribution is $3.7 million less than the amount budgeted. The County Board and County Executive approved the original appropriation to ERS. Therefore, the County Board must approve any change to the pension contribution from the amount included in the budget, as required by ordinance. For purposes of the attached projections we did not change the budgeted contribution of $31.3 million for 2010. In the event that the County Executive and the County Board reduce the pension payment to a lower contribution, the 2010 projected deficit could be reduced by $3.7 million. <u>The resulting deficit projection would be reduced from ($4.4) million to ($0.7) million.</u>

Org Unit 1972 – Wage and Benefit Modification Account

The 2010 budget included $20 million of expenditure savings that were to come from modifications to employee salaries and fringe benefits. The expenditure savings, which were originally budgeted in Org Unit 1972 – Wage and Benefit Modification Account, were allocated to departments in the final 2010 budget. The savings were to come from twelve furlough days, and wage and benefit modifications for both union (represented) and non-represented employees. As of this report, non-represented employees and three unions have agreed to the wage and benefit modifications included in Org Unit 1972. This means that the budgeted savings related to the five unions that have not settled will create an expenditure deficit in many departments. To offset these deficits, an additional ten furlough days were allocated to the unions who had not completed contract negotiations and approximately 67 County employees were layed off from County employment during March. An additional four furlough days were added to certain employee groups under the direction of the County Executive in August 2010.

Departments have a combination of both expenditure deficits resulting from open union negotiations and added savings generated from the additional furlough days. DAS-Fiscal provided each department with the estimated expenditure deficit resulting from unsettled union contracts and the estimated savings related to the ten additional furlough days. If the projected deficit exceeded savings from the additional furlough days, departments may report a deficit in their salaries due solely to the Org Unit 1972 budget.

The Org Unit 1972 deficit related to fringe benefit savings that have not been achieved through labor negotiations has been accounted for centrally and is shown in the attached projections as a non-departmental deficit.

Committee Action

This is an informational report only. This report should be referred to and reviewed by the Finance and Audit Committee.

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Scott B. Manske
Controller

Attachments

cc: Scott Walker, County Executive
Supervisor Elizabeth Coggs, Chairman, Finance and Audit Committee
Finance and Audit Committee
Cynthia Archer, Director, Department of Administrative Services
Steve Kreklow, Fiscal and Budget Administrator
Stephen Cady, Director of Research, County Board
Department Heads

Milwaukee County
Projection for 2010 - Based on Activity as of September 30, 2010

Dept	Department Name	June 30, 2010 Updated	Change	September 30, 2010	
1150	DAS - Risk Management	$ (386,273)	348,973	$ (37,300)	
1160	Information Management Services Division	131,516	132,384	263,900	
1188	DAS - Employee Benefits	103,462	(8,562)	94,900	
2000	Combined Courts	(1,263,000)	272,000	(991,000)	
2430	Child Support Enforcement	301,637	(737)	300,900	
3400	Register of Deeds	106,656	(422,956)	(316,300)	
4000	Sheriff's Office	132,669	56,331	189,000	
4900	Medical Examiner	(246,156)	(31,444)	(277,600)	
5300	DTPW - Fleet Services	376,456	(375,856)	600	
5600	DTPW - Transit/Paratransit System	(898,753)	1,161,253	262,500	
5800	DTPW - Administration	201,677	26,123	227,800	
6300	Behavioral Health Division	(4,844,611)	(172,589)	(5,017,200)	
7900	Department on Aging	369,000	208,000	577,000	
7990	Department of Family Care (CMO)	3,026,858	(934,258)	2,092,600	
7990	Contribution to Family Care Reserve	**(3,026,858)**	934,258	(2,092,600)	
8000	Department of Health and Human Services	5,018,106	(736,506)	4,281,600	
9000	Department of Parks, Recreation and Culture	(250,000)	(100,000)	(350,000)	
	O'Donnell Parking Lost Revenue	(700,000)	(300,000)	(1,000,000)	
9500	Zoological Department	(499,752)	(946,148)	(1,445,900)	
	Other	543,553	(250,895)	292,658	
	Departmental Total	**(1,803,813)**	**(1,140,629)**	**(2,944,442)**	
	Capital Projects Funding	-	(598,000)	(598,000)	**(2)**
1933	Land Sales	-		-	
1945	Unallocated Contingency Fund	5,600,000	(101,500)	5,498,500	
1950	Fringe Benefits	(1,000,000)	3,000,000	2,000,000	
1972	Wage and Benefit Modifications	(7,192,000)	-	(7,192,000)	**(1)**
1991	Reserve for Delinquent Property Taxes	-	-	-	
1993	State Shared Revenue	(1,101,333)	33	(1,101,300)	
1996	Sales Tax Revenue	(4,500,000)	1,500,000	(3,000,000)	
9960	Debt Service Fund/Froedtert Lease Payment	2,917,000	-	2,917,000	
	Non-Departmental Total	**(5,276,333)**	**3,800,533**	**(1,475,800)**	
Projected County Surplus (Deficit)		**$ (7,080,146)**	**$ 2,659,904**	**$ (4,420,242)**	**(3)**

(1) This amount is only related to the estimated fringe benefit savings budgeted for in Org 1972. It does not include savings related to wages and overtime.

(2) The current projections include estimated costs related to the O'Donnell Park parking structure inspections and County building inspections.

(3) For 2010, the budgeted pension contribution for Milwaukee County is $3.7 million higher than the required contribution from the actuary. If the County Board were to adjust the budgeted contribution to the actuarial required contribution, the $3.7 million would increase the 2010 Contingency Fund, which would reduce the deficit shown above.

Description of Significant Changes in Surplus and Deficit Projections Second Quarter 2010:

Note: If a department's projected deficit related to the Org 1972 salary and FICA budget exceeds the estimated savings from the ten additional furlough days, the deficit is indicated in the departmental narrative. If an amount is not provided, it means the department's projected savings for the additional furlough days exceeds the Org 1972 salary and FICA deficit.

Departmental Surpluses and Deficits:

DAS – Information Management Services Division *(Org 1160)* ***$0.3 million surplus***
Information Management Services Division (IMSD) is projecting a surplus of $263,000 due to a revenue surplus of $326,000 and an expenditure deficit of $63,000. The revenue surplus is primarily due to increased State reimbursement revenue related to additional services provided to the State in the Economic Support Division. The expenditure deficit is due primarily to anticipated depreciation charges and contractual services in excess of the budget. For purposes of the third quarter projection, this surplus is reflected in IMSD. Because IMSD is an Internal Service Fund, any year-end surplus will be allocated to departments by adjusting cross charges at year-end.

DAS – Employee Benefits *(Org 1188)* ***$0.1 million surplus***
Employee Benefits is projecting a surplus of $95,000 due to salary and fringe benefit savings resulting from lower than anticipated salary costs.

Combined Court Related Operations *(Org 2000)* ***($1.0 million deficit)***
The Combined Courts budget includes a net tax levy deficit of $125,800 related to the Org 1972 salary and FICA deficit. If this deficit were excluded, the reported deficit for Courts would decrease by a similar amount.
The Combined Courts is projecting a deficit of $991,000 for 2010. The deficit includes a surplus in revenue of $223,000, offset by a deficit in expenditures of $1,214,000. The deficit in expenditures includes a shortfall in personnel services of $1,022, 000. The shortfall in personnel services is due to furlough days that the department does not plan on taking, unattainable vacancy and turnover savings and the Org. Unit 1972 deficit noted above. The department has indicated that it will only be taking three of the twelve furlough days included in the budget. To offset the loss in furlough days not taken, the department issued a memo indicating they would generate additional savings in revenues of $223,000 and reduce expenditures by $201,000. These additional savings are reflected in the Courts' projected deficit. The Courts is also projecting a $460,000 deficit in contractual services due to increased billings for attorney fees related to appointed counsel assignments.

In its third quarter fiscal report, Combined Courts reported an expenditure surplus to DAS-Fiscal for the entire bailiff services budget of $9,537,000. The Courts and Sheriff Department have entered into a memorandum of understanding (MOU) which would move the actual bailiff costs from the Courts back to the Sheriff Department. As a result of the MOU, the Courts have projected no bailiff costs for 2010; however, the budget for the bailiff costs is still in the Courts' budget as of the third quarter. In contrast to the Courts approach to the projections, the Sheriff's Department did not include the bailiff costs in their projections since the fund transfer to move the budget related to the bailiff costs back to the Sheriff has not yet been approved by the County Board, and cannot be processed until the fourth quarter. If the fund transfer were completed, neither the Courts nor the Sheriff would report any surplus or deficit related to bailiff services. To correct for the reporting of the bailiff costs, DAS-Fiscal removed the surplus reported by the Courts resulting in the departmental deficit noted above of ($991,000).

Child Support Enforcement *(Org 2430)* ***$0.3 million surplus***

Child Support Enforcement is projecting a 2010 year-end surplus of $300,000 due to a projected deficit of $50,000 in revenue and a projected surplus of $350,000 in expenditures. The revenue deficit is the result of lower grant revenue offset by lower grant related costs, and end of the policy to collect a $25 application fee for IVD services. The expenditure surplus results from anticipated salary savings of $65,000 and commodity savings of $261,000. The expenditure surplus, as noted earlier, will partially result in lower grant revenue.

Register of Deeds *(Org 3400)* ***($0.8 million deficit)***
Revised Projection by DAS – Fiscal ($0.3 million deficit)

The Register of Deeds reported a projected deficit of ($766,000) due to a projected shortfall in salaries and fringes of ($467,000) a shortfall in contractual services of ($9,000), and a revenue deficit of ($290,000). After reviewing the salary projections, the projected salaries were revised reducing the projected deficit in salaries and fringes by $532,000 to a surplus of $65,000. As a result, the Register of Deeds is now projecting a deficit of ($316,000). The revenue deficit of $290,000 is the result of lower real estate recordings and document recordings. Real estate sale recordings are down 12% as compared to last year. Document recordings are down 28% as compared to last year.

Sheriff's Department *(Org 4000)* ***$0.2 million surplus***

The Sheriff's Department budget includes a net tax levy deficit of $1.4 million related to the Org 1972 salary and FICA deficit. The Sheriff's Department has indicated that they will reduce other expenditures or achieve additional revenue surpluses to compensate for the Org 1972 salary and FICA deficit.

The Sheriff's Department is projecting a 2010 surplus of $189,000 due to a revenue deficit of $1.9 million offset by an expenditure surplus of $2.1 million. The revenue deficit is due primarily to decreased revenue from housing fewer state and federal inmates. In addition, The Sheriff's Department is projecting that it will have a revenue deficit of $615,000 in Home Detention and Huber/ Work Release programs, due to fewer participants. In expenditures, the Sheriff's Department is projecting a surplus of $659,000 in personnel service costs resulting from efficiencies achieved through the merger of the House of Corrections with the Sheriff's Department. Contractual services are projected to surplus by $1.4 million due to lower than anticipated costs for food service, utilities, psychiatric services, and electronic surveillance equipment. Commodities are projected to surplus by $1.3 million due to savings in prescription drug services and fuel for motor vehicles. The expenditure surpluses are offset by a lump sum budget reduction of $1.2 million.

Medical Examiner *(Org 4900)* ***($0.3 million deficit)***

The Medical Examiner's budget includes a net tax levy deficit of $31,400 related to the Org 1972 salary and FICA deficit. If this deficit were excluded, the reported deficit for the Medical Examiner would decrease by a similar amount.

The Medical Examiner is anticipating a deficit of $278,000 for 2010 due primarily to projected shortfall in revenues. Revenues are expected to deficit by $249,000 due to higher than anticipated waivers of fees for services and reduced neuropathology consulting fees due to the vacancy of the former Medical Examiner. In expenditures, overtime costs have risen for the year to due staff vacancies.

DTPW – Highway *(Org 5100)* ***($0.3 million deficit)***

This deficit projection includes reduced cross-charges from Fleet Management of $400,000. Quarterly fiscal reports generally do not report any cross-charge savings/ deficits. However, the cross-charge surplus in Highway has a direct impact on Highway's revenue projections from the State. For purposes of this report the cross-charge expenditure surplus is being reflected in Highway, with an equally offsetting cross-charge revenue deficit in Fleet.

Highway is projecting a deficit of $299,000 for 2010. A revenue deficit of $1.2 million is expected in Highway due to a reduction in the work and costs associated with the work on State trunk highways. State trunk highway work was reduced in order to provide a greater focus on County highways. Reduced work and lower expenditures will result in lower State revenue. Expenditure savings will offset a majority of the lost State revenue. The savings will be in wages, commodity costs for fuel, and lower cross-charges from Fleet Management for savings in vehicle repairs. The reduced cross-charges from Fleet Management is $400,000

DTPW – Fleet Services *(Org 5300)* ***Breakeven $0***

The breakeven includes the allocation of $445,000 of expenditure savings through cross-charges to Highway. If this cross-charge revenue deficit was not considered, the department would be projecting a $448,000 surplus. For purposes of this report, the departmental projections are left unchanged.

Fleet Services is projecting a breakeven for 2010. Savings in salaries and fringe benefits related to vacant positions accounts for $240,000 of the surplus. Fleet is also anticipating a surplus of $216,000 in contractual services and commodities. The expenditure surpluses are offset by a deficit in cross-charge revenue for services provided to departments, particularly, Highway.

DTPW - Transit/ Paratransit System *(Org 5600)* ***$0.3 million surplus***

The Transit/Paratransit System is projecting a surplus of $262,000 for 2010. Transit is projecting a $4.3 million deficit in passenger revenues and a $1.2 million deficit in federal reimbursement revenue. The passenger revenue deficit for the fixed route transit system represents a 9.7% drop from budgeted revenue and a 6.8% drop in passengers. For Transit Plus, the revenue deficit represents 6.2% fewer passenger trips. These revenue deficits will be offset by $4.6 million in expenditure savings for fixed route services and $1.2 million in expenditure savings for Transit Plus/ Paratransit.

DTPW - Administration *(Org 5800)* ***$0.2 million surplus***

DTPW – Administration is projecting a surplus of $227,000 due to a revenue surplus of $75,000 and an expenditure surplus of $153,000. The revenue surplus is due to higher than anticipated revenue from real estate transactions and towing fees. The majority of the expenditure surplus is due to savings in salaries and fringe benefits resulting from vacant positions and additional furlough days. Expenditure savings of $35,000 in contractual services is due to savings in costs in the Real Estate section.

DHHS – Behavioral Health Division (BHD) ***(Org 6300)*** ***($5.0 million deficit)***
The budget for BHD includes a net tax levy deficit of $330,500 related to the Org 1972 salary and FICA deficit. If this deficit were excluded, the reported deficit for BHD would decrease by a similar amount.

BHD is projecting a deficit of $5.0 million for 2010. Revenues are projected to deficit by $1.4 million and expenditures are expected to deficit by $3.7 million. Based on Medicaid reimbursement revenue received during the first two quarters of 2010, BHD is projecting a $2.5 million deficit in patient services revenue. Offsetting the deficit in patient revenue is a net surplus in the Wraparound program of $0.9 million due to increased revenue from Medicaid capitation reimbursement, less related expenditures.

BHD is also anticipating a net revenue deficit associated with the TRIP program and delinquent accounts of $242,000. This net deficit includes a gross revenue deficit offset by a reduction in payments to municipalities for a lower collection of delinquent EMS service billings.

The expenditure deficit consists of a deficit in salaries and fringe benefits of $2.1 million, and a deficit in other expenditures of $1.1 million. . The personnel deficit in salaries and fringe benefits is due primarily to a projected deficit of $2.6 million in overtime costs offset by savings in regular wages. A portion of the overtime costs is for work needed to clear a Statement of Deficiency issued against the Behavioral Health Division. The deficit in other expenditures consists of $144,000 of charges for additional clients at Mendota and Winnebago mental health facilities, higher security costs of $380,000 and non-salary costs associated with the Statement of Deficiency of $618,000.

Department of Health and Human Services ***(Org 8000)*** ***$4.2 million surplus***
The budget for DHHS includes a net tax levy deficit of $252,000 related to the Org 1972 salary and FICA deficit. If this deficit were excluded, the reported surplus for DHHS would increase by a similar amount.

DHHS is projecting a surplus of $4.2 million for 2010. Revenue from Youth Aids is expected to exceed the budget by $4.4 million due to a reduction in the number of juveniles being placed in State institutions. Recent projections for Youth Aids show a decline in the caseload from 224 budgeted average in 2010 to a 196 average in 2010. State reconciliation revenue for 2009 exceeds estimates by $600,000, which also increases the surplus. The Youth Aids surplus is offset by a projected deficit of $388,000 due to additional overtime costs that will not be covered by grant funding. Miscellaneous revenues are expected to deficit by $187,000 due to reductions in WRAP revenue and lost income from a community care program. The General Assistance burial program is expected to show a deficit of $130,000 for 2010.

O'Donnell Parking Revenue ***(Org 9000)*** ***($1.0 million deficit)***

Due to the closure of the O'Donnell parking structure, the Parks Department will not meet the revenue budget for parking fees in 2010. The lost revenue will be partially offset by reduced expenditures related to the day-to-day operation of the parking structure. This estimate assumes a closure of the facility for the remainder of the year.

Zoological Department *(Org 9500)* ***($1.45 million deficit)***

The Zoo is projecting a deficit of $1,455,000 due to a projected revenue deficit of $3.1 million offset by an expenditure surplus of $1.6 million. Attendance and visitor spending are key factors that affect revenues. Visitor spending has been negatively impacted this year by the recession. The Zoo admission revenues are projected to deficit by $2.0 million. Additional revenue deficits of $698,000 are projected in food and beverage, gift shops and parking. Offsetting these deficits will be expenditure savings in salaries, utilities and reductions in costs for concessions and gift shop purchases.

Non - Departmental Surpluses and Deficits:

Unallocated Contingency Fund *(Org 1945)* ***$5.5 million surplus***

The unallocated contingency account was appropriated at $5.8 million. The contingency funding was reduced in the first quarter when the County Board approved a fund transfer to allocate $200,000 towards a stabilization study for the Estabrook Dam. An additional $100,000 was allocated in the third quarter. The unallocated contingency fund is considered available to offset the projected deficits of both departments and non-departmental accounts.

Fringe Benefits *(Org 1950)* ***$2.0 million surplus***

Based on analysis performed by the County Controller, fringe benefit costs are currently projected to surplus by $2.0 million for 2010. The surplus consists of an annual projection of health costs based on the ten months of activity, including the reversal of accruals from the prior year. The consulting actuary and benefit consultant last provided a health projection of a $1.0 million deficit based on eight months of payments. Since that date, the payments for health services has continued to decline, which results in the current projection that is included for this fiscal report. Any update from the consultant will be factored into any future updates to the committee on Finance and Audit.

Average weekly payments for health care claims have continued to decline in the last four months after experiencing significant increases during the first few months of the year. Health care claims costs for 2010 are currently projected to increase in the range of 9% - 12% over the prior year. Health care projections based on claims costs in the first two quarters indicated an 18% to 22% increase over the prior year was likely. Besides expected inflationary increases in health care expenses, analysis from the actuary showed an increase in the large patient claims after large claims had dropped dramatically in 2009. Pharmacy costs are continuing to increase from 8% to 12% over prior year costs. The County will continue to work closely with the actuary to monitor both health and pension costs. As indicated in the cover memo, no adjustment has been made for a change in pension contributions based on the January 1, 2010 actuarial report.

The budgeted costs for health care and pension are in Org Unit 1950 – Fringe Benefits. The budget in Org Unit 1950 represents the costs for health and pension prior to Org Unit 1972 costs reductions for these benefits. The Org Unit 1950 first quarter analysis was based on the costs in this Org Unit before considering the changes in org unit 1972 – Wage and Benefit Modifications.

Delinquent Property Tax Reserve *(Org 1991)* ***($0.0 breakeven)***
With the exception of the City of Milwaukee, the County assumes the responsibility for the collection of delinquent real property taxes for all of the other taxing jurisdictions within Milwaukee County (schools, cities, towns, etc.). The actual 2010 delinquent tax payments to municipalities only increased by 2.8 percent. As a result, there is no projected deficit related to delinquent property taxes.

State Shared Revenue *(Org 1993)* ***($1.1 million deficit)***
In early August, the County received a notice from the State that the utility component of its shared revenue payment for 2010 will be reduced by $1.1 million due the fact that the Elm Road Facility located in Oak Creek did not become operational until February 2010. In late 2009, the State had notified the County of an increase to our 2010 utility payment based on a scheduled operational date prior to December 31, 2009. As a result of that notification, the 2010 shared revenue budget was increased. Discussion with the State has indicated that there will not be any adjustments to regular State Shared Revenue as a result of the reduction in the Shared Revenue Utility component.

Sales Taxes *(Org 1996)* ***($3.0 million deficit)***
DAS-Fiscal is projecting a deficit of $3.0 million in sales tax revenue for 2010. To date, the County has received eight months of sales tax payments for 2010. These payments are 5.7% lower than the anticipated revenues for this period. The payments are tracking very close to 2009 actual payments. The Department of Administrative Services will continue to monitor sales tax revenue for 2010.

Capital Projects *(Org 1850)* ***($0.6 million deficit)***
DAS-Fiscal is projecting a deficit of $0.6 million in tax levy funded capital projects. These projects are associated with O'Donnell Park parking garage inspections and related work, County-wide façade inspections, courthouse repairs based on inspections, and the cost of moving departments within County owned facilities. A fund transfer is proposed in December to pay for the cost of these capital projects from the Contingency Fund, offset by cancellation of certain capital projects that were funded with tax levy.

Debt Service Fund *(Org 9960)* ***$2.9 million surplus***

The 2010 Debt Service budget includes $3.9 million in revenue from the Froedtert Memorial Lutheran Hospital (FMLH) lease payment. The lease payment is paid based on the fiscal year close of FMLH, which is June 30, 2010. Based upon discussions in August with representatives of FMLH, the 2010 lease payment to be made to the County in November 2010, is expected to exceed the $3.9 million budgeted amount by approximately $2.4 million. The 2010 lease payment is based upon an agreed upon formula from 1995, when Milwaukee County's Doyne Hospital was closed and FMLH assumed many of Doyne's operations.

The 2010 budget included estimated debt service payments for general obligation bonds issued in 2009 after the budget was adopted. The actual debt service payments are $517,000 lower than the amount budgeted resulting in an expenditure surplus.

Attachment C

Annual Fiscal Report of Surplus/Deficit as of September 30, 2010

		2010 Projected Revenues	2010 Budgeted Net Revenues	Revenue Variance	% Variance	2010 Projected Expenditures	2010 Budgeted Net Expenditures	Expense Variance	% Variance	Surplus (Deficit)
	Legislative, Executive & Staff									
1000	County Board	14,452	7,500	6,952	93%	6,558,756	6,726,515	167,759	2%	174,710
1001	Department of Audit	-	-	-	N/A	2,589,096	2,681,432	92,336	3%	92,336
1040	Disadv Bus Development	218,830	270,000	(51,170)	-19%	1,080,197	1,085,499	5,302	0%	(45,868)
	County Executive									
1011	General Office	750	-	750	N/A	1,273,032	1,317,032	44,000	3%	44,750
1021	Veterans Service	13,000	13,000	-	0%	309,407	309,407	-	0%	-
1110	Civil Service Commission	-	-	-	N/A	53,281	53,281	-	0%	-
1120	Personnel Review Board	-	-	-	N/A	221,382	221,382	-	0%	-
1130	Corporation Counsel	175,000	175,000	-	0%	1,744,125	1,750,857	6,732	0%	6,732
	Dept of Administrative Services									
1019	Persons with Disabilities	204,378	170,500	33,878	20%	985,886	1,067,133	81,247	8%	115,125
1140	Human Resources	6,110	6,200	(90)	-1%	2,198,797	2,366,410	167,613	7%	167,523
1188	Employee Benefits	1,703,243	1,703,243	-	0%	2,428,248	2,523,161	94,913	4%	94,913
1135	Labor Relations	800	-	800	N/A	546,396	550,872	4,476	1%	5,276
1150	Risk Management	7,835,237	7,499,582	335,655	4%	7,880,093	7,507,093	(373,000)	-5%	(37,345)
1151	Fiscal Affairs Division	27,961	76,000	(48,039)	-63%	4,110,791	4,159,664	48,873	1%	834
1152	Procurement	-	-	-	N/A	779,011	828,117	49,106	6%	49,106
1160	Information Management Services	15,874,547	15,547,615	326,932	2%	17,446,619	17,383,573	(63,046)	0%	263,886
1190	Community and Housing Devel	-	-	-	N/A	-	-	-	N/A	-
3010	Election Commission	50,600	40,500	10,100	25%	1,070,682	1,074,707	4,025	0%	14,125
3090	County Treasurer	3,207,341	2,786,624	420,717	15%	1,613,952	1,599,839	(14,113)	-1%	406,604
3270	County Clerk	512,350	512,350	-	0%	797,344	797,344	-	0%	-
3400	Register of Deeds	4,054,309	4,352,500	(298,191)	-7%	4,586,843	4,568,709	(18,134)	0%	(316,325)
	Total Legislative, Executive & Staff	**33,898,908**	**33,160,614**	**738,294**	**2%**	**58,273,939**	**58,572,027**	**298,088**	**1%**	**1,036,382**
	Courts and Judiciary									
2000	Combined Court Related Operations	11,262,564	10,939,721	322,843	3%	54,320,701	53,006,857	(1,313,844)	-2%	(991,001)
2430	Dept. of Child Support Enforcement	20,632,933	20,482,161	150,772	1%	21,722,667	21,872,754	150,087	1%	300,859
	Total Courts and Judiciary	**31,895,497**	**31,421,882**	**473,615**	**2%**	**76,043,368**	**74,879,611**	**(1,163,757)**	**-2%**	**(690,142)**
	Public Safety									
4900	Medical Examiner	1,185,904	1,434,808	(248,904)	-17%	4,731,053	4,702,347	(28,706)	-1%	(277,610)
4000	Sheriff	20,990,078	22,923,248	(1,933,170)	-8%	143,164,373	145,286,516	2,122,143	1%	188,973
4500	District Attorney	7,289,569	8,260,234	(970,665)	-12%	19,034,520	20,015,316	980,796	5%	10,131
	Total Public Safety	**29,465,551**	**32,618,290**	**(3,152,739)**	**-10%**	**166,929,945**	**170,004,179**	**3,074,234**	**2%**	**(78,505)**
	Non-Departmental's									
1937	Potowatami Revenue	3,758,001	4,058,477	(300,476)	-7%	-	-	-	N/A	(300,476)
1945	Contingency	-	-	-	N/A	-	5,498,500	5,498,500	100%	5,498,500
1950	Fringe Benefits	6,177,700	6,177,700	-	0%	4,252,209	6,252,209	2,000,000	32%	2,000,000
1972	Wage and Benefit Modifications	-	-	-	N/A	7,192,000	-	(7,192,000)	N/A	(7,192,000)
1991	Property Taxes	263,264,740	263,264,740	-	0%	-	-	-	N/A	-
1993	State Shared Revenue	36,770,868	37,872,201	(1,101,333)	-3%	-	-	-	N/A	(1,101,333)
1996	Sales Taxes	62,362,190	65,362,190	(3,000,000)	-5%	-	-	-	N/A	(3,000,000)
	Other Non-Departmental	20,030,876	20,717,803	(686,927)	-3%	(3,931,680)	(3,442,050)	489,630	-14%	(197,297)
1900'S	**Total Non-Departmental**	**394,928,930**	**399,715,045**	**(4,786,115)**	**-1%**	**7,512,529**	**8,308,659**	**796,130**	**10%**	**(3,989,985)**

	September 30, 2010 Fiscal Report									Attachment C
		2010	2010			2010	2010			
		Projected	Budgeted Net	Revenue	%	Projected	Budgeted Net	Expense	%	Surplus
		Revenues	Revenues	Variance	Variance	Expenditures	Expenditures	Variance	Variance	(Deficit)
	Public Works & Development									
5040	Airport Division	84,724,779	84,830,586	(105,807)	0%	83,951,527	84,057,334	105,807	0%	-
5070	Transportation Services Div	1,621,037	2,210,992	(589,955)	-27%	2,150,560	2,392,706	242,146	10%	(347,809)
5080	Architectural/ Environmental Svc	6,393,782	6,393,782	-	0%	7,571,561	7,593,633	22,072	0%	22,072
5100	Highway Maintenance	16,417,219	17,624,599	(1,207,380)	-7%	17,680,173	18,587,949	907,776	5%	(299,604)
5300	Fleet Management	9,495,212	9,943,691	(448,479)	-5%	7,453,031	7,902,073	449,042	6%	563
5500	Utility	2,583,331	2,583,331	-	0%	2,629,711	2,629,711	-	0%	-
5600	Transit/Paratransit System	102,647,428	103,840,759	(1,193,331)	-1%	121,517,806	122,973,685	1,455,879	1%	262,548
5700	Public Works Facilities Mngmnt	29,527,107	29,572,869	(45,762)	0%	24,791,498	24,837,260	45,762	0%	-
5800	Public Works Admin Div	2,351,500	2,276,500	75,000	3%	1,611,375	1,764,152	152,777	9%	227,777
	Total Public Works & Development	**255,761,395**	**259,277,109**	**(3,515,714)**	**-1%**	**269,357,242**	**272,738,503**	**3,381,261**	**1%**	**(134,453)**
	Health & Human Services									
6300	Behavioral Health Division	130,463,277	131,803,049	(1,339,772)	-1%	193,097,038	189,419,571	(3,677,467)	-2%	(5,017,239)
7200	County Health Related Programs	-	-	-	N/A	-	-	-	N/A	-
7900	Department on Aging	16,514,308	16,030,597	483,711	3%	17,653,851	17,747,140	93,289	1%	577,000
7990	Department of Family Care (CMO)	265,183,814	264,849,610	334,204	0%	263,593,621	265,351,974	1,758,353	1%	2,092,557
8000	Department of Human Services	141,256,430	135,940,729	5,315,701	4%	167,230,289	166,196,163	(1,034,126)	-1%	4,281,575
	Total Health & Human Services	**553,417,829**	**548,623,985**	**4,793,844**	**1%**	**641,574,800**	**638,714,848**	**(2,859,952)**	**0%**	**1,933,893**
	Parks, Recreation & Culture									
9000	Department of Parks	16,702,161	19,473,760	(2,771,599)	-14%	42,127,731	43,549,330	1,421,599	3%	(1,350,000)
9500	Zoological Department	16,804,467	19,871,768	(3,067,301)	-15%	22,275,429	23,896,856	1,621,427	7%	(1,445,874)
9700	Milwaukee Public Museum	-	-	-	N/A	3,502,376	3,502,376	-	0%	-
9910	University Extension	121,080	147,080	(26,000)	-18%	438,268	536,268	98,000	18%	72,000
	Total Parks, Recreation & Culture	**33,627,708**	**39,492,608**	**(5,864,900)**	**-15%**	**68,343,804**	**71,484,830**	**3,141,026**	**4%**	**(2,723,874)**
9960	**Debt Retirement and Interest**	**9,759,055**	**7,359,055**	**2,400,000**	**33%**	**66,945,033**	**67,462,033**	**517,000**	**1%**	**2,917,000**
1200-1899	**Capital Improvements**	**361,779,555**	**362,024,655**	**(245,100)**	**0%**	**420,839,578**	**420,486,678**	**(352,900)**	**0%**	**(598,000)**
	Expendable Trusts									
FUND 3	Zoo Trust Funds	1,014,945	1,014,945	-	0%	1,019,211	1,019,211	-	0%	-
FUND 5	Parks Trust Funds	-	25,000	(25,000)	-100%	150,000	175,000	25,000	14%	-
FUND 6	Office on Handicapped Trust Fund	25,000	25,000	-	0%	25,000	25,000	-	0%	-
FUND 7	Mental Health Complex Trust Funds	35,100	35,100	-	0%	35,100	35,100	-	0%	-
FUND 8	Airport PFC	-	-	-	N/A	-	-	-	N/A	-
FUND 11	Fleet Facilities Reserve Trust	-	-	-	N/A	163,626	-	(163,626)	N/A	(163,626)
	Total Expendable Trusts	**1,075,045**	**1,100,045**	**(25,000)**	**-2%**	**1,392,937**	**1,254,311**	**(138,626)**	**-11%**	**(163,626)**
	Projected Surplus (Deficit)	**1,705,609,473**	**1,714,793,288**	**(9,183,815)**	**-1%**	**1,777,213,174**	**1,783,905,679**	**6,692,505**	**0%**	**(2,491,311)**
	Reserves Expendable Trusts									**163,626**
	Contribution to Family Care Reserve									**(2,092,557)**
	Total Projected Surplus (Deficit)									**(4,420,242)**

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 16, 2010

TO: Chairman Lee Holloway, County Board of Supervisors

FROM: Cynthia Archer, Director, Department of Administrative Services

SUBJECT: **UPDATES TO SECTION 56.30 OF THE MILWAUKEE COUNTY ORDINANCES**

Issue

An audit of professional services contracting was issued by the County Board Department of Audit in December, 2008. That audit recommended that the Department of Administrative Services (DAS) update the Administrative Manual in regards to professional services contracting and prepare several technical corrections to Section 56.30 of the Milwaukee County General Ordinances. Before an update of the Administrative Manual section can be finalized, the attached amendments to the County Code must be adopted.

Background

The 2008 Audit of Professional Services recommended that DAS bring forward the following technical corrections to s. 56.30:

- Include a provision requiring administrators to document in the contract file the justification for choosing to utilize a professional service contractor.
- Include a provision that instructs administrators to seek guidance from s. 1.13 of the Administrative Manual to help ensure compliance with professional service contract language and other requirements.
- Revise s. 56.30 to clarify the contract dollar thresholds which necessitate reports to the County Board of the decision by department administrators not to utilize the RFP changes.

The attached resolution/ordinance implements these audit recommendations. In addition, it removes references to the General Assistance Medical Program (GAMP) which is no longer in existence and updates other references as appropriate.

The Audit also recommended that DAS convene a workgroup to clarify the definition of a professional service and to distinguish professional services under Section 56.30 from contractual services governed by Chapter 32 of the Code. That workgroup has had an opportunity to review the proposed ordinance revisions.

Next Steps

Once the County Ordinances have been updated, DAS will proceed with an update of s. 1.13 of the Administrative Manual. In addition to ordinance changes proposed here, the following resolutions and amendments to the Ordinance will be incorporated into the Administrative Manual:

Section	Date of Action	Summary of Action
56.30 (5)(d)	Feb, 2004	Disclosure requirements applied to contract administrators and evaluation panel members
9.05(2)(k) Ethics	Spt, 2008	Restrictions on campaign contributions to county officials with approval authority
42 DBE	May, 2009	Update to Chapter 42, DBE Participation
56.30 (5)(b)	Spt, 2009	RFPs and Contracts must include the foundation and mechanism for billing
Reso 90-46	Jan, 2009	Requires that CBDP representative be represented on the evaluation panel for all PS contracts over $100,000
32, 56.30	May, 2010	Contracts which result in layoff must be bid subject to 56.30

Fiscal Impact

There is no fiscal impact as a result of the proposed actions.

Recommendation

Approve the attached resolution and ordinance updating s. 56.30 of the General Ordinances of Milwaukee County.

Prepared by:
Davida Amenta
278-5330

_____
Cynthia Archer, Director, Department of Administrative Services

pc: Tom Nardelli, County Executive's Office
Rick Ceschin, Senior Research Analyst
Doug Jenkins, Department of Audit
Scott Manske, Department of Administrative Services

File No. -
(Journal, 2010)

A RESOLUTION/ORDINANCE

To amend Sections 56.30 (1), (2), (4) and (5) of the General Ordinances of Milwaukee County regarding professional services.

WHEREAS, an audit was performed of professional service contracting by the Department of Audit and a report was issued by them in December 2008; and

WHEREAS, the audit contained certain recommendations which would require changes to County Ordinance Section 56.30 on professional services; and

WHEREAS, a workgroup was formed to review the recommendations and propose changes to County Ordinances, and to Administrative Procedure 1.13 on professional services; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby amends Chapter 56 of the Milwaukee County Code of General Ordinances by adopting the following:

AN ORDINANCE

The County Board of Supervisors of the County of Milwaukee does ordain as follows:

SECTION 1. Sections 56.30 (1) of the General Ordinances of Milwaukee County is amended as follows:

(1) *Definitions.* The meanings of certain terms used in this section are as follows, unless the context otherwise provides:

(a) *Professional services* means services, the value of which is substantially measured by the professional competence of the person performing them and which are not susceptible to realistic competition by cost of services alone. The services provided must be materially enhanced by the specific expertise, abilities, qualifications and experience of the person that will provide the service. Professional services shall typically include services customarily rendered by architects; engineers; surveyors; real estate appraisers; certified public accountants; attorneys; financial personnel; medical services, except when such services are delivered to county employees as part of a workers compensation claim;system planning; management and other consultants; and services for promotional programs. Administrative Procedure 1.13 on professional services provides additional definition regarding services that meet professional service contracting requirements under this ordinance. If a department administrator or other department personnel is uncertain if their contract should follow professional service contracting provisions under this ordinance, the department administrator must make a request of Corporation Counsel for final clarification, before beginning the contracting procedures.

(b) "Services" means the furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than usual reports and/or drawings which are incidental to the required performance.

(c) "Request for proposal" means all documents, whether attached or incorporated by reference, used for soliciting proposals.

(d) "Contractor" means a firm or individual who formally undertakes to do anything for another.

(e) "Contract" means an agreement between two (2) or more persons to do or not to do something.

(f) "Medical services" means services provided by a licensed or recognized health care professional, professional group, ambulance or medical transportation services operated by governmental units, medical laboratories or companies of medical supplies or equipment to ~~individuals who qualify for assistance under the general assistance-medical program or~~ county employees whose injury is considered a workers compensation claim. Hospitals, community-based clinics, faculty physicians and surgeons or other physicians operating from Froedtert Memorial Lutheran Hospital, nonmunicipality operated ambulance and medical transportation providers are excluded from this definition.

(g) “Service Contract” as defined in section 32.20 (17) means an agreement for services where an existing County position will be abolished or when an existing position will be unfunded or where a County employee will be subject to layoff or reduced work week hours which are primarily related to staff services including, but not limited to, housekeeping, security, landscaping, maintenance and other non-professional services.

SECTION 2. Sections 56.30 (2) of the General Ordinances of Milwaukee County is amended as follows:

(2) Policy

(a) *General Policy Statement*. All county departments and institution administrators are responsible for procuring professional services and for soliciting, negotiating and entering into service contracts as defined in s. 32.20(17) in accordance with the provisions of this section. However, the office of the county executive and the county board shall be exempt from the provisions contained herein as shall be the department of administration for the purpose of securing credit rating services related to debt issuance and administration.

(b) *Disadvantaged business enterprise requirement.* All County departments and institutions administrators are required to notify the disadvantaged business development (CBDP) division in writing prior to entering into professional services contracts and service contracts as defined in s. 32.20(17). Annual percentage goals for DBE participation on professional services contracts will be established as set forth by county ordinance. The procedures to be followed by departments regarding DBE participation shall conform to provisions as contained in chapter 42. No professional services contract or service contract as defined in s. 32,20(17) shall be issued without review and written approval by the CBDP division that all provisions of chapter 42 regarding disadvantaged business participation have been met.

(c) *Fiscal Constraint Statement*. Notwithstanding any provisions of section 56.30, during a period of fiscal constraint the county board may, by resolution, adopt a procedure which requires committee on finance and audit review and county board approval of all professional services expenditures prior to execution of said contracts.

(d) *Reference to ordinance and administrative manual*. When a county department or institution is preparing to begin a contract for professional services the department should follow the ordinances of this chapter 56.30, chapter 42 on the requirements for using disadvantage business enterprises in county contracting, including professional services, and administrative manual section 1.13, which provides further guidance on complying with professional service contracting requirements.

(e) *Justification for using professional services*. Contract administrators must document in the contract file the justification for utilizing a professional service contract as opposed to completing the work using county staff. This justification may or may not employ a formal cost benefit analysis, depending on the circumstances.

SECTION 3. Sections 56.30 (4) (b) (4) of the General Ordinances of Milwaukee County is amended as follows:

(4) County board approval is not required for reimbursement for medical services as defined under subsection 56.30(1)(f) when those services are provided ~~to general assistance-medical program clients in accordance with section 32.90 or~~ to county employees as a workers compensation claim provided that sufficient funds are available at the time the invoice for service is submitted in the appropriate expenditure amount.

~~(a) The general assistance-medical program is specifically excluded from issuing payments to any hospital, community based clinic, faculty physicians and surgeons or other physicians operating from Froedtert Memorial Lutheran Hospital, non-municipality operated ambulance or medical transportation provider unless a specific contract for such service has been reviewed and approved by the county board. The general assistance-medical program is exempt from the requirement to issue a request for proposal as defined in subsection 56.30(5) for services provided by hospitals, ambulance or medical transportation providers. The general assistance-medical program must issue a request for proposal whenever soliciting services which could be provided by a community based clinic, a primary care clinic, or any service which could be construed as a primary medical service.~~

~~(b)~~ (a) The risk management division is allowed to issue payments to hospitals whenever services have been rendered to county employees as part of a workers compensation claim.

SECTION 4. Sections 56.30 (5) of the General Ordinances of Milwaukee County is amended as follows:

(5) *Request for proposal.*

(a) *When required.* When it is estimated that a contract for professional services has a value of ~~twenty~~ fifty thousand dollars ~~($20,000.00)~~ ($50,000.00) and over, it is required that a request for proposal (RFP) be used to attempt to solicit a minimum of three (3) proposals. Department administrators shall give appropriate notice to prospective vendors of services to be retained. At a minimum, such notice shall include publication of an ad in a newspaper serving the Milwaukee area. The use of an RFP is discretionary for any professional services contract with a value of less than ~~twenty~~ fifty thousand dollars ~~($20,000.00)~~ ($50,000.00) If an RFP is used or not, it still is required to document the process and the reasons shall be documented in writing by the administrator and retained in departmental files for a period of seven (7) years after contract completion. Documentation shall include the RFP, memos, proposals, score sheets, analyses, contracts and any other document used in determining the award of a contract.

(1) For a contract with an estimated value between ~~twenty~~ fifty thousand dollars ~~($20,000.00)~~ ($50,000.00) and one hundred thousand dollars ($100,000.00), the request for proposal procedure need not be used if it is determined by an administrator to be cost effective to the county not to seek proposals. Such action shall be reported, in writing, with an explanation as to the benefits derived from not seeking proposals, to the county board when the contract is submitted for approval.

(2) The request for proposal procedure need not be used for a contract with an estimated value of ~~twenty~~ fifty thousand dollars ~~($20,000.00)~~ ($50,000.00) or more, if immediate action is required to preserve property or protect life, health or welfare of persons. Such action shall be reported in writing within forty-eight (48) hours after the initial emergency action to the county board, county executive and department of administration. Payments shall not be restricted by normal budget limitations. Appropriation transfers, if required, shall be initiated in accordance with fiscal procedures.

(3) The request for proposal procedure must be used for all contracts with an estimated value of one hundred thousand dollars ($100,000.00) or more unless action is required to protect property or protect life, health or welfare of persons, or in circumstances where contractual services are approved by specific county board action.

(b) *Content.* The request for proposal shall contain the evaluation criteria which will be used to select the successful contractor. The relative importance of each of these items will depend to some degree on specific services being sought. It is essential that the RFP enumerate the evaluation criteria which will be used to select the successful contractor. The RFP shall also include the foundation and mechanism for billing for any professional service.

(c) *Evaluation procedure.* More than one (1) person shall evaluate all proposals. Oral presentations should be used to supplement the written proposal if it will assist in the evaluation procedure. The firms to be invited to make an oral presentation can be determined after the initial review and ranking of the proposals based on the criteria outlined in the RFP.

(d) *Disclosure.* Contract administrators and evaluation panel members, or potential members, are required to fully disclose any experience, contact or relationship with bidders that

would create a potential conflict, or the appearance of a conflict, in awarding or managing a contract. A conflict of interest includes a financial or business relationship or close personal or family relationship with a potential vendor. Such disclosure shall be presented to the person selecting the evaluation panel, and the administrator of the department letting the contract, or the administrator's appointing authority. The department administrator, or the administrator's appointing authority, shall review the disclosure to determine whether to disqualify the disclosing person from the process. If, in the administrator's opinion, or the opinion of the appointing authority, the disclosure does not justify disqualification, the rationale for making that determination must be documented and included in the department's files for the contract and shall be retained as required under subsection (a) of this section. The provisions of this section are to be included in the Milwaukee County Administrative Procedures Manual. All the provisions set forth in the Milwaukee County Code of Ethics are in full force and effect and are not abrogated in any way by these requirements.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 10/11/10

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Proposed Ordinance Revision Regarding Section 56.30 of the Miwaukee County Ordinances

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.[1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Adoption of the proposed resolution/ ordinance will accomplish several technical corrections to s. 56.30 of the MCGO as recommended by the Department of Audit in their "Audit of Professional Services Contracting" dated December 2008. It also grants the Director, Department of Administration, authority to require a department to re-bid a contract if it was incorrectly bid under a Code Section other than s. 56.30.

B. No associated costs, savings, or revenues.

C. This is a procedural change only and has no budgetary impacts.

D. None.

Department/Prepared By DAS - Fiscal

Authorized Signature _____

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: 12/1/2010

TO: Lee Holloway, Chairman of the County Board of Supervisors

FROM: Steven R. Kreklow, Fiscal & Budget Administrator

SUBJECT: **Report from the Fiscal & Budget Administrator, regarding a contract amendment with Medco to add RationalMed**

Background

The 2011 budget included $1.9 million in savings attributable to new pharmacy management rules and services based on recommendations by Cambridge Advisory Group. In order to achieve these savings additional rules will be implemented by Medco as well as two new services – a retrospective drug utilization review program (R-DUR) and an additional review program known as RationalMed.

Program Descriptions

The Utilization Management Bundle included in the County's pharmacy plan includes quantity level limitations on various medications based on clinical dispensing guidelines. Cambridge's recommendation is to apply standard clinical guidelines for dispensing two additional classes of prescriptions: hypnotic sleep aids and anti-nausea medications.

The Retrospective DUR is a clinical outreach program where pharmacists contract prescribing physicians regarding potentially more effective and appropriate treatment regiments.

Medco's RationalMed program incorporates integrating medical and mental health claims data with Medco's pharmacy data to enable a more detailed, informed discussion with the patient's attending physicians about their prescribing patterns.

These programs are designed to reduce unnecessary pharmaceutical and hospitalization costs.

Costs

Based on a proposal submitted by Medco, the additional cost for the improved pharmacy management will be $85,300 for 2011. Cost are based on similar prescription drug utilization as experienced in 2010. Changes in utilization behavior or enrollment could change the total cost for this program.

Recommendation

The Department of Administrative Services (DAS) is recommending approval of a contract

addendum with Medco to add new pharmaceutical management rules and services in order to achieve the $1.9 million ($1.5 million in tax levy) budgeted savings in the 2011 Adopted County Budget. The addendum will add $85,300 per year to the existing Medco contract, which includes an additional $14,500 towards the annual DBE goal. Medco is compliant to date with their DBE commitment. Both of these components are necessary to achieve budgeted savings.

Steven R. Kreklow
Fiscal & Budget Administrator

Cc: County Executive Scott Walker
Supervisor Elizabeth Coggs, Finance & Audit Committee
Supervisor Patricia Jursik, Personnel Committee
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director of Administrative Services
Tim Schoewe, Corporation Counsel
David Arena, Employee Benefits
Greg Gracz, Director of Labor Relations
Rick Ceschin, Senior Research Analyst, County Board
Steve Cady, Fiscal and Budget Analyst, County Board
Carol Mueller, Chief Committee Clerk
Jodi Mapp, Personnel Committee Clerk
Stuart Piltch, Cambridge Advisory Group

File No.
(Journal)

(ITEM) From the Director, Department of Administrative Services recommending a contract addendum with Medco to add new pharmaceutical management rules and services in order to achieve the budgeted savings in the 2011 Adopted County Budget.

A RESOLUTION

WHEREAS, adopted as part of Org. 1950-Employee Fringe Benefits of the adopted 2011 Budget, $1.9 million in savings per year ($1.5 million tax levy savings) was attributable to improved pharmacy management, and

WHEREAS, in order to achieve these savings, additional rules and services will be implemented by Milwaukee County's current pharmacy management company, Medco, and

WHEREAS, standard clinical guidelines for dispensing two classes of prescriptions (hypnotic sleep aids and anti-nausea medications) will be added to the county's current utilization management bundle, and

WHEREAS, a retrospective drug utilization program, a clinical outreach program where pharmacist contract prescribing physicians regarding potentially more effective and appropriate treatment regimens, will be added to the county's current pharmacy management program, and

WHEREAS, Medco's RationalMed program that integrates medical and mental health claims data with Meco's pharmacy data to enable a more detailed, informed discussion with the patient's attending physicians about their prescribing patterns will also be added to the county's current pharmacy management program, and

WHEREAS, these programs are designed to reduce unnecessary pharmaceutical and hospital costs; and

WHEREAS, administration fees for these program components will cost the county an additional $85,300;

THEREFORE BE IT RESOLVED, the pharmaceutical management initiative authorized by the 2011 Adopted Budget will be added to the existing Medco contract, increasing the annual Medco administration fee by a maximum of $85,300 per year.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 12/1/10

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Pharamacy Management Intiative

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☒ Increase Operating Expenditures
(If checked, check one of two boxes below)

☒ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		85,300
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Department of Administrative Services (DAS) is requesting approval of a contract addendum with Medco to add new pharmaceutical management rules and services in order to achieve the $1.9 million ($1.5 million in tax levy) budgeted savings in the 2011 Adopted County Budget.

B. $1.9 million ($1.5 million in tax levy) in savings from decreased phamacudical and hospital costs is budgeted associated with this initiative. Savings are based on an estimate from the County's Healthcare Actuay. Cost are based on information provided by Medco. Additional administration costs associated with the Medco contract are estimated at $85,300.

C. see above

D. 2011 costs and savings are based on full year implementation. Savings are estimated by the County's health care actuary. Cost and saving projections are based on similar prescription drug utilization as experienced in 2010. Changes in utilization behavior or enrollment could change the total cost and savings from this program.

Department/Prepared By Allison Rozek

Authorized Signature

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: November 22, 2010

To: Supervisor Elizabeth Coggs, Chairwoman, Committee on Finance and Audit

From: Jerome J. Heer, Director of Audits

Subject: Status Report – Additional Structure and Emphasis is Needed to Improve Milwaukee County's Recycling Efforts [File No. 07-111(a)(c)]

At its meeting on September 17, 2009, the Committee on Finance and Audit voted 6-0 to receive and place the subject audit report on file with a six-month status report. A subsequent six-month status report was directed at the Committee's June 17, 2010 meeting. This status report is attached for your review.

In your review of the report, please note that the Department of Transportation and Public Works (DTPW) addresses a number of recommendations with feedback from departmental recycling coordinators across the County. The status report identifies the specific departments that still need to complete corrective action to address report recommendations.

We noted that progress has been made in developing the framework to report recycling activity on a coordinated basis. However, more action needs to be done to address report recommendations relating to developing an environmental policy or mission statement committing Milwaukee County to recycling, and to develop a strategic County-wide recycling plan to provide consistency in the manner in which recycling is performed throughout the County. In the initial response to the audit report, the DTPW Director assigned responsibility for these recommendations to the Sustainability & Environmental Engineer. We believe the development of this statement and plan, with County Board approval, will enhance DTPW's ability to direct a County-wide recycling program.

We also do not concur with the response addressing the issue of using non-County staff to shred confidential files for the Coggs Center. Given the recent theft of identity information of County employees, we believe that adequate controls are needed to prevent such theft regardless of how long non-County staff have had access to confidential information without apparent problems.

This status report is informational and we recommend it be received and placed on file. Due to level of ongoing work remaining, we suggest another status report be provided in 12 months.

Jerome J. Heer

JJH/PAG

Attachment

cc: Finance and Audit Committee Members

Scott Walker, Milwaukee County Executive
Cynthia Archer, Director, Department of Administrative Services
Jack Takerian, Director, Dept. of Transportation and Public Works
Sue Black, Parks Director, Dept. of Parks, Recreation and Culture
David Clarke, Jr., Milwaukee County Sheriff
Chuck Wikenhauser, Zoo Director, Zoological Department
C. Barry Bateman, Director, General Mitchell International Airport
Geri Lyday, Interim Director, Dept. of Health and Human Services
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk, County Board Staff

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Additional Structure and Emphasis is Needed to Improve Milwaukee County Recycling Efforts **File Number: 07-111(a)(c)**

Audit Date: September 2009 **Status Report Date: November 22, 2010** **Department: Transportation & Public Works**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. Work with the recycling vendor and the County's recycling coordinators to document actual weight or a reasonable estimate of the County's recyclables.		X				Fleet Parks	DPTW Response: <u>Fleet</u>: Recently requested data from its service provider and is awaiting receipt of that information. <u>Parks</u>: Parks has a price agreement with Waste Management for recyclables collection. The size of containers and frequency of collection are known, but, due to the large number of facilities maintained by Parks, this information has not been compiled to develop an estimate of the total volume of recyclables. The recycling coordinator for Parks, the service rep for Waste Management, and the Sustainability Engineer will work to compile this information by the end of the 1st quarter of 2011.
2. Work with recycling coordinators to provide clearly marked recycling bins for all major trash collection points.		X			X		DTPW Response: According to all departments, recycling bins are being provided at locations readily accessible and visible to employees and visitors.
3. To improve County employee recycling, provide recycling bins for all County departments, and require their use.		X			X		DTPW Response: As noted in #2, all departments claim compliance with this item.
4. Work with recycling coordinators to ensure all County locations have the necessary recycling dumpsters to collect commingled recyclables.		X			X		DTPW Response: This recommendation was considered completed in the previous status report.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Additional Structure and Emphasis is Needed to Improve Milwaukee County Recycling Efforts **File Number: 07-111(a)(c)**

Audit Date: September 2009 **Status Report Date: November 22, 2010** **Department: Transportation & Public Works**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
5. Work with the recycling coordinators to establish and communicate recycling procedures relating to disposal of batteries.		X			X		DTPW Response: On May 2 of 2010 a memorandum was circulated to coordinators regarding options for battery recycling. Responses from several departments were received indicating they were already recycling batteries, such as Parks, Zoo and GMIA. DTPW initiated the use of Recycle2 at the City Campus. This has had mixed results, with the containers being used, but probably not to the extent they would be expected to be filled. Additional education is needed regarding the recycling of batteries.
6. Work with the Procurement Division to initiate a competitive bid process for the Countywide hauling of commingled recyclables.		X				DTPW Procure-ment	DTPW Response: The Procurement Division will competitively bid recyclables Countywide. In order to meet the needs of the various departments, individual contracts/price agreements will be established. No Countywide hauling contract has been developed to date. The development of a Countywide contract or even a model RFP might best be accomplished through the combined efforts of recycling coordinators, as part of the development of a Countywide recycling plan.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Additional Structure and Emphasis is Needed to Improve Milwaukee County Recycling Efforts **File Number: 07-111(a)(c)**

Audit Date: September 2009 **Status Report Date: November 22, 2010** **Department: Transportation & Public Works**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
7. Have the Sustainability & Environmental Engineer be responsible for approving related invoices.		X				DTPW	DTPW Response: We will be working towards developing a mechanism for getting data (not invoices) sent to the S&EE. Audit Dept. Comment: We previously concurred with DTPW's suggested alternative recommended action that invoices be reviewed and approved at the individual departmental level, with copies to the Sustainability & Environmental Engineer for tracking purposes. However, it is apparent the alternative action has not yet occurred.
8. Cross-charge departments and other entities for pick-up services provided.		X			X		DTPW Response: Facilities Management has eliminated being the central account manager for other departments and thus eliminated the need for cross-charges.
9. Request detailed invoices for prior years to determine the extent to which the County has been billed improperly for pick-up service.		X			X		DTPW Response: Facilities Management has requested information from former recycling vendors, but due to the lack of detail in the vendor's records, along with departures in management staff both at the vendor and Milwaukee County, it was difficult for County staff to interpret this information and was not possible to clearly assign discrepancies for cost recovery. The current service contract has been set up to track this information more

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Additional Structure and Emphasis is Needed to Improve Milwaukee County Recycling Efforts **File Number: 07-111(a)(c)**

Audit Date: September 2009 **Status Report Date: November 22, 2010** **Department: Transportation & Public Works**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
							effectively.
10. Evaluate the economic feasibility of separating high quality white paper from other lower quality paper on a Countywide basis.		X				GMIA HOC Parks	DTPW Response: Facilities Management and DHS currently separate high quality office paper from other paper at their facilities. This is due, in part, to the large volume of office paper generated at these facilities, which makes it more cost-effective for them to recycle in this fashion. For some facilities, the quantities of paper generated are insufficient to warrant the additional containers and services related to separation. Each department needs to consider the cost-benefit for their facilities, based on market conditions and impact on staff participation. Audit Dept. Comment: The response does not address the point of the recommendation, which is to evaluate the economic feasibility of separating white paper. If the economic feasibility has been evaluated based on actual data, then we would consider this recommendation to be completed.
11. Work with the Department of Human Services to develop alternative tasks for unpaid, non-County staff that currently shred confidential files for recycling purposes.		X				DHHS	DTPW Response: DHS notes that they have had no documented incidences since the inception of the recycling program, now totaling six years, and believe that alternatives are not necessary. They would entertain the idea of installing security cameras but note that it would reduce the net savings from the recycling action. Audit Comment: We do not concur with this assessment, given the recent

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Additional Structure and Emphasis is Needed to Improve Milwaukee County Recycling Efforts **File Number: 07-111(a)(c)**

Audit Date: September 2009 **Status Report Date: November 22, 2010** **Department: Transportation & Public Works**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
							theft of identity information of County employees.
12. Develop, for County Board consideration, an environmental policy or mission statement committing Milwaukee County to recycling and preventing waste.		X				DTPW	Audit Dept. Comment: This recommendation was not addressed in the previous or current status reports.
13. Develop, for County Board consideration, a strategic County-wide recycling plan, complete with policies and procedures for required management and employee involvement, to provide consistency in the manner in which recyclable items are handled for all County locations.		X				DTPW	Audit Dept. comment: This recommendation was not addressed in the previous or current status reports.

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: November 22, 2010

To: Supervisor Elizabeth Coggs, Chairwoman, Committee on Finance and Audit

From: Jerome J. Heer, Director of Audits

Subject: Status Report - Audit of the Milwaukee County Procurement Division (File No. 08-215)

At its meeting on June 17, 2008, the Committee on Finance and Audit voted to receive and place the subject audit report on file with a six-month status report.

Subsequent Committee actions regarding implementation of recommendations contained in the audit report are noted as follows:

12/08/08: Receive and place six-month status report on file with a three-month status report.

03/12/09: Receive and place three-month status report on file.

01/28/10: Receive and place updated status report on file with a status report in December 2010.

Attached is a current status report update prepared by the Department of Administrative Services—Procurement Division.

We recommend that this status report be received and placed on file. Given the significant amount of time since the audit report was issued, and the fact that five of the eleven recommendations remain open, we also recommend the Committee request that Procurement management establish tangible deadlines providing for full implementation of all recommendations by July 2011.

Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Finance and Audit Committee Members
Scott Walker, Milwaukee County Executive
Cynthia Archer, Director, Department of Administrative Services
Laurie Panella, Acting CIO, Information Management Services
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk, County Board Staff

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: An Audit of the Milwaukee County Procurement Division **File Number:** 08-215

Audit Date: May 2008 **Status Report Date:** 11-18-10 **Department:** Department of Administrative Services – Procurement Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. Either revert back to its long-standing practice of having purchases reviewed and approved by the Purchasing Administrator or a management-level designee, or develop a methodology to spot-check each buyer's purchasing decisions on a regular basis.					X		Auditee: In November 2007, Procurement reverted back to having all of the purchases reviewed by the Purchasing Administrator or a management-level designee.
2. Establish a requirement that buyers document in the file a rationale for their selection of a particular vendor on all Discretionary Purchases.					X		Auditee: On Discretionary Purchases, departments will be required to state the reason for the purchase request in the description of the requisition. If the reason is questionable, buyers will contact the requesting department on vendor selection and the vendor on justification of the price or prices. This will be noted on the requisition.
3. Work with the Department of Administrative Services to establish administrative procedures, for County Board consideration, requiring the production of an exception report identifying individuals in each organization unit that receives an hourly wage rate in excess of their established rates. Such procedures should also require departments to establish administrative review procedures to match wage rate exception reports with documents authorizing such variances.	X				X		Auditee: The Department of Administrative Services instituted a new policy in June 2009, which no longer allows departments to enter or approve pay rates that are higher than authorized limits. Departments who want to pay higher rates as a result of a Temporary Assignment to Higher Classification (TAHC) will request the approval of the Department of Human Resources (see attached memo from Dr. Jackson dated 8/7/2009). Upon DHR approval, the TAHC request will be submitted to DAS - Central Payroll for entry of the higher rate, and a begin and end date for the TAHC request. DAS will review the new TAHC procedure to ensure that it is functioning and meets internal control requirements. The new procedure will eliminate the need for production of an exception report, and for the creation of Administrative Procedures in departments for monitoring pay rates.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: An Audit of the Milwaukee County Procurement Division **File Number:** 08-215

Audit Date: May 2008 **Status Report Date:** 11-18-10 **Department:** Department of Administrative Services – Procurement Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
4. Resume the practice of directing prospective bidders to submit sealed bids to the Office of the County Clerk, to be transferred to the Procurement division at the time of bid opening. Alternatively, propose, for County Board consideration, a revision to s. 32.25 (6)(a) of the Ordinances that retains an acceptable separation between the functions of receiving and opening sealed bids.	X					X	Auditee: The Procurement Division has resumed the practice of requiring sealed responses to RFPs to be submitted to the Office of the County Clerk. Discussions are underway with the County Clerk to explore having all bids submitted to the County Clerk.
5. Establish formal requirements that all bid openings conducted by Procurement staff are documented as witnessed by at least one other party.	X				X		Auditee: The Procurement staff conducts all bid openings which are documented and witnessed by at least one other party. A witness form that includes bid/RFP number; bid/RFP title; date; buyer name; and witness name has been developed and will be maintained in Procurement files.
6. Ensure completion of the Procurement electronic mail notification system in 2008.	X				X		Auditee: Procurement worked with IMSD to implement the an Electronic Vendor Notification system. System testing was done in October 2009 with full implementation in February 2010. In addition, all Procurement bids and RFPs are now posted on the County's Business Opportunity Portal.
7. Reinforce and monitor staff in good recordkeeping practices.					X		Auditee: Good recordkeeping practices of the staff will be reinforced and monitored. Reviewing filing procedures and organizing file areas will help accomplish this. Monitoring and reinforcement began in September 2007 and will be an ongoing process.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: An Audit of the Milwaukee County Procurement Division **File Number:** 08-215

Audit Date: May 2008 **Status Report Date:** 11-18-10 **Department:** Department of Administrative Services – Procurement Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
8. Initiate a review of Best Practices in government procurement policies and procedures and incorporate such in a complete revision of Milwaukee County Procurement policies and procedures. Particular attention should be paid to concepts of sound internal control and segregation of duties.	X					X	Auditee: A review is underway of the Best Practices in government procurement policies and procedures that will be incorporated into the Milwaukee County Procurement Policies and Procedures Manual. Emphasis will be given to concepts of sound internal control and segregation of duties. The anticipated completion of the Policy and Procedures Manual is December 2011.
9. Establish a formal training program for staff buyers regarding the procedures developed in conjunction with recommendation number eight.		X				X	Auditee: A formal training program has been established for staff buyers and will be included in the Milwaukee County Procurement Policies and Procedures Manual. Training is is an ongoing process.
10. In conjunction with the Best Practices review recommended in this report, initiate a staff re-organization plan to enhance the internal control structure of the Procurement Division. This should include adding positions sufficient to allow for proper segregation of duties, an increase of at least one or more buyers to provide capacity for greater specialization, and an additional supervisory or management position to provide greater management oversight of operations.		X				X	Auditee: The Procurement Division is currently reviewing ways to re-organize staff to better control and enhance the internal control structure of the Procurement Division. Buyers have been given specific commodities to purchase, which provides the opportunity for commodity specialization and reduces confusion when departments inquire about purchases. Also, the Procurement Division will review best practices and procedures, which may lend to further re-organization and recommendations for added resources in the future.
11. Establish a practice of reviewing, on a regular basis, the justification for applying sole source status to recurring purchases.	X					X	Auditee: The Procurement Division will work with the Purchasing Standardization Committee at the next 2011 meeting to establish guidelines and timeframes to review the justification for applying sole source status to recurring purchases.

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: December 2, 2010

To: Supervisor Elizabeth Coggs, Chairwoman, Committee on Finance and Audit

From: Jerome J. Heer, Director of Audits

Subject: Status Report for Audit Report Entitled: "Better Management Oversight Needed for County Administered Federal Rent Assistance Program" (File No. 10-217)

At its meeting on June 17, 2010, the Committee on Finance and Audit voted 5-0 to receive and place the subject audit report on file with a six-month status report regarding implementation of the audit recommendations.

Department of Health & Human Services - Housing Division management responses describing its progress toward implementing the recommendations are included in the attached status report.

As noted in the status report, implementation of a few of the recommendations is complete and substantive efforts toward implementation of the remaining recommendations are noted.

We have no concerns with this progress and we will continue our monitoring efforts.

This status report is informational and we recommend it be received and placed on file with an updated status report in July 2011.

Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Finance and Audit Committee Members
Scott Walker, Milwaukee County Executive
Cynthia Archer, Director, Department of Administrative Services
Geri Lyday, Interim Director, Department of Health and Human Services
Tim Russell, Administrator, DHHS–Housing Division
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk, County Board Staff

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Better Management Oversight Needed for County Administered Federal Rent Assistance Program **File Number:** 10-217

Audit Date: May 2010 **Status Report Date:** 12-02-10 **Department:** DHHS – Housing Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. Review Rent Assistance program protocols for possible revisions to better align verification efforts for earned income with applicable 120-day and 60-day HUD standards.		X				X	Auditee: The Program Coordinator has updated the Administrative Plan to ensure that structures are in place to ensure compliance with HUD standards. The Division will also be examining the entire workflow process with an eye toward its redesign. Several expected personnel changes may provide the Division with a flexibility that it hasn't previously seen to create a better process for workflow.
2. Establish specific, continuous training and procedural refresher sessions for program staff, including proper interpretation of CARES and EIV systems, as well as consistent follow-up and documentation of efforts to reconcile differences between system-reported data and participant-reported income.					X		Auditee: The program management has been working individually and as a group with program staff to ensure a consistent understanding and application of the HUD EIV data. As noted in #5 below, CARES is not available in the expanded format the Division sought. However, we are working to ensure that differences between EIV reported information and client provided information are not only identified but that files are consistently noted and that efforts to reconcile the differences, including contact made, documents provided, etc are noted and copied to the file to provide a complete trail to support decisions related to eligibility.
3. Perform more detailed case reviews on a sample of at least 30 cases per quarter and follow-up individual errors with reinforcement during training and procedural refresher sessions previously recommended. Particular care should be taken to ensure consistent application of all program policies.		X				X	Auditee: The program management staff continues to review all cases for timeliness and compliance prior to authorizing payment. One of the difficulties that we've encountered that has resulted in cases being returned to the HPA with questions is in the application of the newer EIV data model. Management continues to meet with individual HPAs as questions arise to counsel and train them. As issues arise that appear more widely, management discusses these issues with all HPAs to ensure a standard and consistent understanding.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Better Management Oversight Needed for County Administered Federal Rent Assistance Program **File Number:** 10-217

Audit Date: May 2010 **Status Report Date:** 12-02-10 **Department:** DHHS – Housing Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
4. If mandatory furlough days continue to reduce available staff hours, work with the Department of Administrative Services to identify additional resources (e.g., temporary help, student intern positions, etc.) sufficient to provide relief to Housing Program Associates for needed training.	X					X	Auditee: The Division has worked with DAS and departmental staff to ensure the adequate backup is available to allow training. Some intended training was deferred because of the move of the Division from the Coggs Center to City Campus that occurred in October/November of 2010 and the disruption to workflow that this caused. In addition, personnel changes have given the Division to opportunity to explore the design of new processes that may also require a re-training of program staff in Q1 and Q2 of 2011.
5. Petition the State of Wisconsin for enhanced access to the CARES system, thus sanctioning past program practice.	X					X	Auditee: As noted in the initial response, the state has declined our request for the expanded CARES access. The Division will revisit this request in Q1 of 2011 to see if new staff at the state will review the request differently. The Division continues to look for additional methods of obtaining validation data.
6. Identify resources within the department to make the purchase of a relatively inexpensive scanner/copier (approximately $1,000) for the Rent Assistance program a priority.		X				X	Auditee: The Division is working with our software vendor to design and implement a method by which supporting documents can be scanned directly to the case files to reduce paperwork and increase the efficiency and speed with which cases are processed. We delayed the purchase of a scanner until this process in complete so that we can ensure a match of the hardware to the software need.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Better Management Oversight Needed for County Administered Federal Rent Assistance Program **File Number:** 10-217

Audit Date: May 2010 **Status Report Date:** 12-02-10 **Department:** DHHS – Housing Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
7. Update the Administrative Plan, including a specific section on Program Integrity that formalizes the program's quality control measures to prevent and detect staff errors and omissions. Specific policies and procedures should be established for fair and consistent treatment of cases involving intentional misreporting, abuse and fraud.		X				X	Auditee: The Program Coordinator has updated the Administrative Plan and is working to review written policies and procedures to ensure the intentional misreporting, fraud and abuse are clearly defined and will then train staff in the differences between these and specific ways in which each should be handled.
8. Develop a dialogue and working relationship with the District Attorney's Office to guide the program in identifying appropriate cases of suspected fraud for referral to the District Attorney.					X		Auditee: Staff have talked with the District Attorneys Office and established relationships necessary for the referral of cases of suspected fraud. The first referral of three such cases was made in November of 2010.
9. Work with Department of Administrative Services to utilize the County's Tax Intercept Program to recoup program overpayments when participants refuse to sign or honor repayment agreements.	X					X	Auditee: The Division has talked with DAS and is compiling the data and back up documentation of debts in the required format so as to implement the tax refund intercept program in Q1 2011.

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: November 22, 2010

To: Supervisor Elizabeth Coggs, Chairwoman, Committee on Finance and Audit

From: Jerome J. Heer, Director of Audits

Subject: Status Reports – 2009 Single Audit and Report on Internal Control Recommendations (File No. 10-287)

At its meeting on July 22, 2010, the Committee on Finance and Audit voted to receive and place on file the countywide audit report packet for the year ended December 31, 2009. Included in the report packet are the Single Audit Report and the Report on Internal Control issued by the County's external auditors, Coleman & Williams, LTD and Baker Tilly Virchow Krause, LLP, respectively.

Among the information provided in the Single Audit Report are recommendations to address instances of findings of noncompliance with regulations associated with Federal and State funding awards granted to the County departments. All recommendations in the 2009 report apply to programs administered by the Department of Health and Human Services.

Recommendations contained in the Report on Internal Control provide advice to affected departments on how to strengthen internal controls and improve operating efficiency.

The attached status reports provide the current implementation status of recommendations from the Single Audit Report and the Report on Internal Control, as well as a comparison between the current (2009) recommendations to those of the prior year (2008) reports.

As shown in the status report applicable to the Single Audit Report, eight recommendations were open in 2009 as compared five in 2008. DHHS reports that substantial progress toward implementation on all of the recommendations has been made, with full implementation of all recommendations expected in 2011. Further, the magnitude of several of the recommendations has decreased due to the transfer of the disabled adult client group to the Family Care Program, administered by the Department of Family Care.

Regarding the status report summary applicable to the Report on Internal Control, please note that the number of recommendations declined from 19 in 2008 to 16 in 2009. Departments reported that seven of the 2009 recommendations have been implemented or are in the process of being addressed. Information on the status of the remaining nine recommendations has not yet been received. However, we will pursue this with the affected departments in coming weeks.

The external auditors will report on the status of open recommendations to the Committee in mid-2011 as part of the presentation of 2010 countywide audit packet. A copy of this report has been provided to them to assist in this regard. Consequently, we recommend this status report be received and placed on file.

Jerome J. Heer

JJH/PAG

Attachments

cc: Finance and Audit Committee Members
Scott Walker, County Executive
Geri Lyday, Interim Director, Department of Health and Human Services
David Clarke, Jr., Milwaukee County Sheriff
Cynthia Archer, Director, Department of Administrative Services
Scott Manske, Controller, Department of Administrative Services
David Arena, Director of Employee Benefits, Department of Administrative Serivces
Laurie Panella, Acting CIO, Department of Administrative Services
Maria Ledger, Interim Director, Department of Family Care
Tim Russell, Administrator - Housing, Department of Health and Human Services
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk, County Board Staff

		Single Audit Report - Status of Recommendations					11/22/10
							PAG
Finding No.		**Recommendation**	**Repeated Since**	**2008**	**2009**	**Current Status**	**Estimated Completion**
2008-3	-	Ensure case files include necessary info and ISP is updated	-	**x**	**-**	N/A	N/A
2008-5	-	Ensure accuracy and reasonableness of costs and units reported from ISP to HSRS	-	**x**	**-**	N/A	N/A
2008-2	2009-1	Take steps to ensure require required client contacts take place	2007	**x**	**x**	In Progress	2011
-	2009-2	Ensure employees update ISP electronically, place in case file, and receive training	-	**-**	**x**	In Progress	2011
2008-4	2009-3	Update ISP and ensure proper training of employees in this regard	2006	**x**	**x**	In Progress	2011
-	2009-4	Ensure required background checks take place	-	**-**	**x**	In Progress	2011
-	2009-5	Ensure case files include necessary info and ISP is updated	-	**-**	**x**	In Progress	2011
-	2009-6	Ensure all documents related to eligibility are filed	-	**-**	**x**	In Progress	2011
2008-1	2009-7	Take steps to ensure require required client contacts take place	2008	**x**	**x**	In Progress	2011
-	2009-8	Ensure all contacts take place	-	**-**	**x**	In Progress	2011
			Total	**5**	**8**		

Report on Internal Controls - Status of Recommendations					11/22/10
					PAG
Recommendation	**Repeated Since**	**2008**	**2009**	**Current Status**	**Estimated Completion**
Employee Retirement System					
Internal Control Over Plan Investments	2008	x	x	In Progress	December 2010
Key Decision Management		x	-	N/A	N/A
Retiree Files		x	-	N/A	N/A
Participant Files			x	In Progress	December 2010
Review of Financial Statements	2007	x	x	In Progress	December 2010
Pensionable Compensation		-	x	Complete	N/A
Information Management Services Div					
Single Sign On Authorizations		x	-	N/A	N/A
Milwaukee Transportation Services					
Accounts Receivable		x	-	N/A	N/A
Care Management Organization					
New Requirements - State OCI		-	x	Complete	N/A
Sheriff's Department					
Trust & Agency Account Reconciliations	2007	x	x	Awaiting Dept Response	Awaiting Dept Response
House of Correction					
Trust & Agency Account Reconciliations	2007	x	x	Awaiting Dept Response	Awaiting Dept Response
Treasurer's Office					
Accounts Receivable		x	-	N/A	N/A
Department of Audit					
Review of Financial Functions	2007	x	x	In Progress	2011
DHHS - Housing					
Retention of Housing Loan Agreements		-	x	Complete	N/A
DAS - County-wide Matters					
Outstanding Checks		x	-	N/A	N/A
Cash Reconciliations	2003	x	x	Awaiting Dept Response	Awaiting Dept Response
Miscellaneous Cash Accounts	2007	x	x	Awaiting Dept Response	Awaiting Dept Response
Miscellaneous Receivable Accounts		-	x	Awaiting Dept Response	Awaiting Dept Response
Expedite Closing & Financial Reporting	1999	x	x	Awaiting Dept Response	Awaiting Dept Response
Access to Payroll Records		x	-	N/A	N/A
DAS - Informational Comments					
GASB No. 51	2007	x	x	Awaiing Dept Response	Awaiing Dept Response
GASB No. 52		x	-	N/A	N/A
GASB No. 53	2007	x	x	Awaiting Dept Response	Awaiting Dept Response
GASB No. 54	2008	x	x	Awaiting Dept Response	Awaiting Dept Response
Total		**19**	**16**		
Current Status - Summary					
Complete			3		
In progress			4		
Awaiting Dept Response			9		
		Total	**16**		

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : November 18, 2010

TO : Supervisor Lee Holloway, Chairman, County Board of Supervisors

FROM : Steven Kreklow, Fiscal and Budget Administrator

SUBJECT : **Initial Authorizing Resolution for General Obligation Refunding Bonds**

REQUEST

The Department of Administrative Services (DAS) is requesting approval of the attached initial authorizing resolution to refund the 2001-2003 General Obligation Corporate Purpose Bond Issues. The not-to-exceed amount for the refunding is $41,000,000.

BACKGROUND

The DAS requested that Public Financial Management, the County's Co-Financial Advisors, perform an analysis of the County's outstanding bond issues. The purpose of the analysis was to determine if any of the outstanding bond issues could be refunded and generate savings that equal at least 3 percent of the refunded amount. The County's debt management policies state that the net present value savings for proposed advanced refundings total a minimum of 3 to 5 percent of refunded principal.

The results of the analysis are a proposal to refund the 2001-2003 General Obligation Corporate Purpose Bond Issues. The refunded maturities are for the years 2012-2018, with a total refunded principal amount of $38,075,000. Due to low earnings rates, the County would issue $39,390,000 to refund $38,075,000. Estimated net present value savings for the refunding totals $2.4 million, with estimated debt service costs of $43,103,222. The DAS is requesting approval of a not-to-exceed bond amount of $41,000,000 to account for market changes that may increase the bond amount.

RECOMMENDATION

The Department of Administrative Services recommends that the Finance and Audit Committee approve and recommend approval by the full County Board of the attached resolution, which authorizes the issuance of a not-to-exceed amount of $41,000,000 in General Obligation Refunding Bonds.

Steven Kreklow
Fiscal and Budget Administrator

pc: Scott Walker, County Executive
Supervisor Elizabeth Coggs, Chairman, Finance and Audit Committee
Cynthia Archer, Director, Department of Administrative Services
Thomas Nardelli, Chief of Staff
Terrence Cooley, Chief of Staff, County Board
Pamela Bryant, Capital Finance Manager
Stephen Cady, County Board Fiscal and Management Analyst
Joseph Czarnecki, County Clerk
Daniel Diliberti, County Treasurer
Chuck Jarik, Chapman and Cutler LLP
Nicole Kintop, Emile Banks and Associates
David Anderson, Public Financial Management
Justin Rodriguez, Fiscal and Management Analyst
Carol Mueller, Finance and Audit Committee Clerk

File No.
(Journal,)

(ITEM *)

A RESOLUTION

RESOLUTION authorizing the advertisement for public sale and the sale of General Obligation Refunding Bonds, Series 2011 of Milwaukee County, Wisconsin, in an aggregate principal amount not to exceed $41,000,000, and related matters.

WHEREAS, counties are authorized by Chapter 67 of the *Wisconsin Statutes,* as supplemented and amended, to borrow money and to issue bonds and promissory notes to finance any project undertaken for a public purpose and to refund municipal obligations, including interest thereon; and

WHEREAS, it has previously been determined that it was necessary and desirable to issue general obligation bonds of Milwaukee County, Wisconsin (the *"County"*), in an aggregate principal amount not to exceed $41,000,000 for the purpose of refunding certain outstanding municipal obligations of the County, pursuant to Chapter 67 of the *Wisconsin Statutes,* as supplemented and amended; and

WHEREAS, it is now necessary and desirable for the County to issue its General Obligation Refunding Bonds, Series 2011, in an aggregate principal amount not to exceed $41,000,000;

NOW, THEREFORE, Be It Resolved by the County Board of Supervisors of Milwaukee County, Wisconsin, as follows:

Section 1. There shall be issued the General Obligation Refunding Bonds, Series 2011 of the County in an aggregate principal amount not to exceed $41,000,000 (the *"Bonds"*); *provided*, that the Director of the Department of Administrative Services of the County is hereby

30 authorized to make all such changes to the resolutions adopted by the County Board of
31 Supervisors of the County relating to the Bonds and the financing structure of the Bonds to
32 conform to any changes to such resolutions and financing structures, which are approved by the
33 Finance and Audit Committee of the County Board of Supervisors of the County.

34 *Section 2.* For the purpose of offering the Bonds for sale, pursuant to
35 Section 67.08(2), *Wisconsin Statutes,* as supplemented and amended, the Director of the
36 Department of Administrative Services of the County is hereby authorized and directed to cause
37 to be circulated the Official Terms of Offering for the Bonds and to disseminate appropriate
38 notices of the sale of the Bonds at such times and in such manner as the Director of the
39 Department of Administrative Services of the County may determine and to receive bids for the
40 Bonds at such time or times as the Director of the Department of Administrative Services of the
41 County may determine. The Director of the Department of Administrative Services of the
42 County shall also cause to be prepared and distributed an Official Statement or Official
43 Statements, including the Official Terms of Offering, with respect to the Bonds.

44 *Section 3.* After receipt of bids for the Bonds and consideration thereof by this
45 County Board of Supervisors, this County Board of Supervisors will consider resolutions
46 awarding the Bonds to the best bidder or bidders, prescribing the terms thereof and the form of
47 Bond, and levying taxes in the specific amount necessary to pay the principal of and interest on
48 the Bonds.

49 *Section 4.* Proceeds of the Bonds shall be applied at the direction of the Director of
50 the Department of Administrative Services of the County to the payment of issuance expenses
51 with respect to the Bonds. An administrative appropriation transfer will be processed to increase
52 expenditure authority in the non-departmental Debt Issue Expense budget to pay such issuance
53 expenses. The issuance expenses cover the fees for the following services provided in

54 connection with the issuance of the Bonds as well as the out-of-pocket disbursements of the
55 County: credit rating agencies, bond insurance, official statement printing and mailing, financial
56 advisory services, bond counsel services, financial auditor services and other fees related to the
57 issuance of the Bonds.

58 *Section 5. Copies of Resolution to Bond Counsel.* The County Clerk is directed to
59 send certified copies of this resolution to the County's co-bond counsel, Chapman and Cutler
60 LLP, 111 West Monroe Street, Chicago, Illinois 60603, Attention: Charles L. Jarik, and Emile
61 Banks & Associates, LLC, Suite 290, 1200 North Mayfair Road, Milwaukee, Wisconsin 53226,
62 Attention: L. Nicole Kintop, and to the Department of Administrative Services—Fiscal Affairs
63 Division, 901 North 9th Street, Room 308, Milwaukee, Wisconsin 53223, Attention: Pamela
64 Bryant.

File No.
(Journal,)

(ITEM *)

A RESOLUTION

INITIAL RESOLUTIONS AUTHORIZING THE ISSUANCE OF $41,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011

BE IT RESOLVED by the County Board of Supervisors of Milwaukee County, Wisconsin, that there shall be issued the general obligation bonds of said County in an aggregate principal amount not exceeding $41,000,000 for the public purpose of refunding certain outstanding municipal obligations of said County, including the interest thereon. For the purpose of paying the various installments of principal of and interest on said bonds as they severally mature, prior to the issuance and delivery of said bonds there shall be levied on all taxable property in said County a direct annual irrepealable tax sufficient for that purpose.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/18/10

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Initial Authorizing Resolution for General Obligation Refunding Bonds

FISCAL EFFECT:

☒ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	-2,430,282
	Revenue	0	0
	Net Cost	0	-2,430,282
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Department of Administrative Services (DAS) is requesting approval of the attached initial authorizing resolution to refund the 2001-2003 General Obligation Corporate Purpose Bond Issues. The not-to-exceed amount for the refunding is $41,000,000.
B. Assumed a 50 basis points increase to the interest rates from the week of November 18, 2010. The refunding proposal anticipates issuing $39,390,000 in refunding bonds to refund $38,075,000 in bonds for the years 2001-2003.
C. The anticipated net present value savings are $2,430,282. The subsequent budgets could be reduced by a cummulative amount of $2,430,282.

Department/Prepared By Pamela Bryant

Authorized Signature

Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Tax Supported
New Issue

Milwaukee County, Wisconsin

Ratings

New Issues

Taxable General Obligation Corporate Purpose Bonds, Series 2010C (Build America Bonds— Direct Payment)	AA+
General Obligation Promissory Notes, Series 2010D	AA+

Outstanding Debt

General Obligation Unlimited Tax Bonds and Notes	AA+
Taxable Pension Note Anticipation Notes, Series 2009B	AA

Rating Outlook

Negative

Analysts

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New Issue Details

Sale Information: $38,165,000 Taxable General Obligation Corporate Purpose Bonds, Series 2010C (Build America Bonds— Direct Payment), and $9,770,000 General Obligation Promissory Notes, Series 2010D, expected to sell via competitive bid on Dec. 9.
Security: Secured by the county's general obligation, unlimited tax pledge.
Purpose: To finance various public improvements.
Final Maturity: Series 2010C: Oct. 1, 2026; Series 2010D: Oct. 1, 2020.

Related Research

For information on Build America Bonds, visit www.fitchratings.com/BABs.

Applicable Criteria

- *Tax-Supported Rating Criteria, Aug. 16, 2010*
- *U.S. Local Government Tax-Supported Rating Criteria, Oct. 8, 2010*

Rating Rationale

- The revision of the Rating Outlook to Negative from Stable reflects the increasing budgetary pressure on Milwaukee County's historically narrow financial margins.
- The county benefits from its broad and diversified economic base, anchored by significant education and healthcare components.
- Above-average manufacturing presence has dampened overall employment growth in the county, although the unemployment rate has come down to below the U.S. average.
- Debt burden is above average, but manageable.
- The 'AA' rating on the taxable pension note anticipation notes reflects the county's appropriation pledge to pay interest on the notes.

What Could Trigger a Downgrade?

- Inability to maintain already modest fund balance at current levels and generate balanced operations on a GAAP basis.
- Lack of success in implementing cost-cutting measures and revenue enhancements sufficient to eliminate both near term and outer-year structural deficits.

Credit Summary

Milwaukee County has historically featured consistently narrow but positive financial margins; however, recent budgetary pressure resulted in an operating deficit for 2009 and another operating deficit is likely for 2010. The rating Outlook revision to Negative from Stable incorporates Fitch Ratings' concern that planned cuts and budgetary adjustments, much of which rely upon the favorable settlement of currently expired labor contracts, may not be adequate to close the budgetary gap in 2011 and beyond.

Considerations for Taxable Bond Investors

This sector credit profile is provided as background for investors new to the municipal market.

Local Government General Obligation Bonds
The unlimited taxing power of most local government general obligation pledges is the broadest security a U.S. local government can provide to the repayment of its long-term borrowing and, therefore, is the best indicator of its overall credit quality. The average local government general obligation rating is 'AA', with approximately 85% rated at or above 'AA–' and 1% rated 'BBB+' or below. The relatively high ratings reflect local governments' inherent strengths: the authority to levy property taxes, nonpayment of which can result in property foreclosures; additional taxing power that can include sales, utility, and income taxes; and essentiality of and lack of competition for services provided by local governments. Those with low investment-grade or below-investment-grade ratings generally have a combination of a limited or highly volatile economic base, high levels of long-term liabilities, including debt and post-employment benefits, and/or unusually limited financial flexibility. For additional information on these ratings, see ""U.S. Local Government Tax-Supported Rating Criteria," dated Oct. 8, 2010 and available on Fitch's Web site at www.fitchratings.com.

Rating History — Long-Term GO Unlimited Tax Bonds

Rating	Action	Outlook/ Watch	Date
AA+	Affirmed	Negative	11/30/10
AA+	Revised	Stable	4/30/10
AA	Affirmed	Stable	11/1/05
AA	Assigned	—	2/9/99

Rating History — Pension Note Anticipation Notes

Rating	Action	Outlook/ Watch	Date
AA	Affirmed	Negative	11/30/10
AA	Revised	Stable	4/30/10
AA–	Assigned	Stable	3/5/09

Considerations for Taxable Bond Investors

This sector credit profile is provided as background for investors new to the municipal market.

Local Government Appropriation-Backed Bonds

The unlimited taxing power of most local government general obligation pledges is the broadest security a U.S. local government can provide to the repayment of its long-term borrowing and, therefore, is the best indicator of its overall credit quality. Some debt repayment requires annual legislative appropriation, and this lesser long-term commitment to repayment is reflected in a lower rating than that of the general obligation rating, usually by one to two notches.

The average local government general obligation rating is 'AA', with approximately 85% rated at or above 'AA–' and 1% rated 'BBB+' or below. The relatively high ratings reflect local governments' inherent strengths: the authority to levy property taxes, nonpayment of which can result in property foreclosures; additional taxing power that can include sales, utility, and income taxes; and essentiality of and lack of competition for services provided by local governments. Those with low investment-grade or below-investment-grade ratings generally have a combination of a limited or highly volatile economic base, high levels of long-term liabilities, including debt and post-employment benefits, and/or unusually limited financial flexibility. For additional information on these ratings, see "U.S. Local Government Tax-Supported Rating Criteria," dated Oct. 8, 2010, available on Fitch's Web site at www.fitchratings.com.

Considerations for Taxable Bond Investors

This sector credit profile is provided as background for investors new to the municipal market.

Local Government Special Tax Bonds

The unlimited taxing power of most local government general obligation pledges is the broadest security a U.S. local government can provide to the repayment of its long-term borrowing and, therefore, is the best indicator of its overall credit quality. The analysis of special tax bonds considers the rating the security itself can support, with the unlimited tax general obligation (ULTGO) bond rating generally serving as a rating ceiling. Special tax bonds with a broad, diverse pledged revenue stream and a strong additional bonds test can often achieve ratings on par with the ULTGO rating. Those with a narrow, concentrated, or volatile pledged revenue stream, such as a hotel tax or tax increment district revenues and/or a liberal additional bonds test, will likely be rated in the lower half of the investment- grade range.

The average local government general obligation rating is 'AA', with approximately 85% rated at or above 'AA–' and 1% rated 'BBB+' or below. The relatively high ratings on ULTGO bonds that provide the ceiling for special tax bonds reflect local governments' inherent strengths: the authority to levy property taxes, nonpayment of which can result in property foreclosures; additional taxing power that can include sales, utility, and income taxes; and essentiality of and lack of competition for services provided by local governments. Those with low investment-grade or below-investment-grade ratings generally have a combination of a limited or highly volatile economic base, high levels of long-term liabilities (including debt and post-employment benefits), and/or unusually limited financial flexibility. For additional information on these ratings, see "U.S. Local Government Tax-Supported Rating Criteria," dated Oct. 8, 2010, available on Fitch's Web site at www.fitchratings.com.

Finances

Following four consecutive years of operating surpluses, the county recorded a $5.2 million operating deficit (0.5% of spending) in 2009. While this represented a positive budget variance, due the statutorily required appropriation of $7.9 million of general fund balance, the already narrow general fund balance was reduced to 4.1% of spending. Current projections show a $4.4 million operating deficit for 2010, although that amount may be reduced by improving sales tax collections and a possible transfer of the excess of the budgeted amount over the annual required contribution (ARC) to the pension plan. The low general fund balance makes it difficult for the county to withstand operating deficits without impacting credit quality at this rating level.

The preliminary 2011 budget calls for a nominal increase in the property tax levy, elimination of 127 employees, and maintenance of all existing public programs and services at 2010 levels. As required by state statute, the 2011 budget includes the appropriation of $4.1 million of general fund balance. Health and human services expenditure growth is expected to continue to pressure operations. Recently implemented healthcare plan design changes for nonrepresented employees and retirees are expected to reduce the OPEB liability by $230 million, or approximately

15%, but other labor savings assumed in the budget are contingent upon the favorable settlement of expired labor contracts for three bargaining units, which introduces an element of vulnerability to budget performance. If labor savings are not achieved, management plans to extend layoffs and furlough days.

General Fund Financial Summary

($000, Audited Years Ended Dec. 31)

	2006	2007	2008	2009
Property Tax Revenue	234,317	243,144	251,495	260,724
Sales Tax Revenue	62,904	62,981	66,695	58,838
Total Tax Revenue	297,221	306,125	318,190	319,562
License & Permits	634	552	978	453
Fines & Forfeits	3,616	3,571	3,375	3,245
Charges for Services	228,898	337,014	367,915	333,104
Intergovernmental Revenue	292,298	363,920	355,455	364,721
Other Revenue	42,398	44,663	36,628	32,633
General Fund Revenue	**865,065**	**1,055,845**	**1,082,541**	**1,053,718**
General Government	102,424	105,100	103,590	89,570
Public Safety Expenditures	136,634	147,082	166,832	146,994
Public Works Expenditures	13,850	16,142	17,495	40,169
Health and Social Services Expenditures	394,560	617,455	656,674	628,202
Culture and Recreation Expenditures	63,366	65,638	72,350	65,823
Other Expenditures	10,002	3,161	4,265	0
General Fund Expenditures	**720,836**	**954,578**	**1,021,206**	**970,758**
General Fund Surplus	144,229	101,267	61,335	82,960
Transfers In	2,670	68,506	7,192	12,560
Other Sources	0	0	3,554	1,006
Transfers Out	131,653	162,030	(71,285)	(101,689)
Net Transfers and Other	(128,983)	(93,524)	(60,539)	(88,123)
Net Surplus/(Deficit)	**15,246**	**7,743**	**796**	**(5,163)**
Total Fund Balance	39,280	48,274	49,070	43,907
As % of Expenditures, Transfers Out, and Other Uses	4.6	4.3	4.5	4.1
Unreserved Fund Balance	5,942	16,568	9,989	4,007
As % of Expenditures, Transfers Out, and Other Uses	0.7	1.5	0.9	0.4
Unreserved, Undesignated Fund Balance	0	0	0	0
As % of Expenditures, Transfers Out, and Other Uses	0.0	0.0	0.0	0.0

Note: Numbers may not add due to rounding.

Economy

While the local area economy retains above-average exposure to durable goods manufacturing, the largest segment remains education and health services. While that sector most recently experienced a year-over-year decline, several major projects are underway and expected to spur growth over the next several years. September's seasonally unadjusted unemployment rate dropped below 9% for the first time since February 2009, and stands at 8.7%, compared with 7.0% for Wisconsin and 9.2% for the U.S. Foreclosure rates are on the decline, although they remain higher than the U.S. average.

Debt

Debt burden is above average, a product of significant borrowing for pension funding purposes, and significant overlapping borrowing. Following several years of underfunded pension contributions, and the granting of generous retirement benefits,

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the county issued pension funding debt in 2009. As a result, funding for the county's largest pension system rose to 93% as of Jan.1, 2010, and the ARC was fully funded in 2009. While the issuance of pension debt obliges the county to minimally fund the normal cost, officials plan to fund the ARC going forward.

Debt amortization is above average, although a significant portion of the pension debt has yet to be permanently fixed. Debt service accounted for a modest 7.5% of spending in 2009, although that figure is expected to rise as amortization of the pension debt begins. Of the $400 million pension debt, $135 million is in the form of note anticipation notes which pay interest only for five years, so the full impact of debt service will be delayed. Future borrowing plans are modest, as the county has accelerated much of its capital program borrowing into 2010 to take advantage of expiring federal interest subsidy programs.

Debt Statistics

($000)

These Issues	47,935
Outstanding Direct Debt (Net of Refunding)	702,635
Less: Self-Supporting Debt	(145)
Total Net Direct Debt	**750,425**
Overlapping Debt	2,418,967
Total Overall Debt	**3,169,392**
Debt Ratios	
Net Direct Debt Per Capita ($)[a]	782
As % of Full Market Value[b]	1.2
Overall Debt Per Capita ($)[a]	3,303
As % of Full Market Value[b]	5.0

[a] Population: 959,521 (2009 estimate). [b]Full market value: $63,403,510,000 (2010 estimate). Note: Numbers may not add due to rounding.

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MOODY'S
INVESTORS SERVICE

New Issue: MOODY'S ASSIGNS Aa2 RATING TO MILWAUKEE COUNTY'S (WI) TAXABLE GO CORPORATE PURPOSE BONDS, SERIES 2010C AND GO PROMISSORY NOTES, SERIES 2010D

Global Credit Research - 30 Nov 2010

Aa2 RATING APPLIES TO $748 MILLION OF POST-SALE GOULT DEBT

County
WI

Moody's Rating

ISSUE		RATING
Taxable General Obligation Corporate Purpose Bonds, Series 2010C (Build America Bonds - Direct Payment)		Aa2
Sale Amount	$38,165,000	
Expected Sale Date	12/09/10	
Rating Description	General Obligation	
General Obligation Promissory Notes, Series 2010D		Aa2
Sale Amount	$9,770,000	
Expected Sale Date	12/09/10	
Rating Description	General Obligation	

Opinion

NEW YORK, Nov 30, 2010 -- Moody's Investors Service has assigned a Aa2 rating and stable outlook to Milwaukee County's (WI) $38.165 million Taxable General Obligation Corporate Purpose Bonds, Series 2010C (Build America Bonds - Direct Payment) and $9.8 million General Obligation Promissory Notes, Series 2010D. Concurrently, Moody's has affirmed the Aa2 rating and stable outlook on the county's outstanding general obligation unlimited tax debt, affecting $748 million, including the current offerings. The county also has $135 million outstanding in bond anticipation notes which carry a Aa2 rating from Moody's.

RATINGS RATIONALE

Both the Series 2010C and 2010D are secured by the county's general obligation unlimited tax pledge and proceeds of the bonds and notes will be used to finance a variety of construction and improvement projects throughout the county as well as finance equipment purchases. The Aa2 rating is based on the county's sizeable and increasingly diverse tax base, although showing effects of the national economic slowdown; historically narrow financial position, supported by strong management and prudent budgetary controls; and a recently elevated yet manageable debt profile. The stable outlook is based on our expectation that while the county's tax base will face challenges given the current recession, the diversity of industry employment and balance between the Milwaukee and suburban economies should somewhat lessen those pressures; further, that financial operations have stabilized as a result of critical budgetary actions and will continue to maintain structural balance.

DIVERSITY IN COUNTY'S TAX BASE EXPECTED TO MITIGATE EFFECT OF CURRENT ECONOMIC CONDITIONS; WELL-BALANCED ECONOMY BETWEEN MILWAUKEE AND SUBURBS

We expect Milwaukee County's sizeable and diverse $63.4 billion tax base will continue as the driver of the regional economy of southeastern Wisconsin. However, given current economic conditions, growth in the region is expected to be substantially slower than in recent years as evidenced by a 2.0% decline in equalized value year-over-year in 2009 and a 5% decline in 2010 as compared to double digit growth in 2005 and 2006. Over the last several years, the county has benefited from the considerable economic activity generated within the City of Milwaukee (general obligation rated Aa2/negative outlook), which comprises approximately 40% of the county's taxable values and 60% of its population. The sound growth in the county's equalized valuation reflected strong growth in the regional housing market as well as successful redevelopment efforts. However, the Milwaukee housing market has been stalled, similar to overall national trends, and while the impact is expected to be more moderate than national trends continuing slight decline or a plateau over the near-term in taxable valuation is still likely. The City of Milwaukee's sizable manufacturing base - one of the largest in the Midwest - has faced challenges in maintaining workforce size similar to other industrial economies in past decades. The region's manufacturing base is now more focused on smaller and specialized industries and the industry's decline has had the beneficial impact of forced diversification. The county's largest employment industry is healthcare, with Aurora Health Care (revenue bonds rated A3) employing almost 18,000 employees, or over 4% of the county's workforce. Despite layoff announcements last year by a number of the region's large employers and taxpayers such as Harley Davidson, Johnson Controls (senior unsecured Baa2), and GE Medical (GE senior unsecured rating Aa2), the health care sector has remained relatively sound. Growing education and financial services sectors in recent years have further strengthened the county's employment diversity. As of August 2010, the county's unemployment rate was 9.6%, compared to the state's rate of 7.7% and national rate of 9.5%.

The residential suburbs within the county, whose socioeconomic indices range from average to very affluent, such as Wauwatosa (Aaa) and Whitefish Bay (Aa1), provide additional diversity, stability and opportunity for development. Overall, county resident income levels are slightly below the state average, growing at a slower rate than the state though full value per capita is a healthy $66,653. Economic growth in the five-county metropolitan region has led to population declines for the City of Milwaukee, which have been largely offset by growth in the suburban portions of the county. The county's population decreased by 2% from 1990 to 2000 (census count), and 2010 estimates indicate continued declines in the past decade. Despite the recession, underlying municipalities report that there was over $361 million in construction projects that were either started or planned, indicating the area remains somewhat of a desirable location for development.

COUNTY OFFICIALS CONTINUE TO ADDRESS ONGOING FISCAL CHALLENGES

We believe the county's financial operations will continue to face significant challenges, but will remain relatively stable as county management continues to address expenditure pressures, despite revenue constraints. Milwaukee County is statutorily limited in its ability to hold General Fund reserves and must apply operating surpluses, or make up for deficits, in the following years' budget. The county's historically narrow reserves, due in part to the statutory limitations, had declined to below $9 million, or an extremely narrow 1.2% of General Fund revenues in fiscal 2004 as a result of unexpected budgetary variations. The decline was driven by several factors, including unexpected expenditures as well as negative revenue variances. In the following fiscal years, county management corrected for several of these variances, including improved administration of the Aging CMO program, allowing for adequate reimbursement from the state, increased efficiencies in health and benefit programs, and more conservative budgeting of revenues. Most significantly, the county made $10.5 million of mid-year expenditure reductions in fiscal 2005, after realizing the growing imbalance of General Fund revenues and expenditures. As a result of stronger financial oversight, the county increased the General Fund balance by approximately $15 million each year in fiscals 2005 and 2006 and by $7.7 million in fiscal 2007.

In fiscal 2008 management again addressed a growing mid-year gap between revenues and expenditures by implementing a corrective action plan, including a hiring freeze and strict expenditure oversight. As a result, the General Fund balance increased slightly to $49.1 million with a carry forward for the 2010 budget of $4.1 million. Fiscal 2009's budget included a $7.9 million contingency line item as well as the measures undertaken in the 2008 corrective action plan in order to mitigate potential revenue shortfalls. In June 2009 management implemented additional expenditure adjustments with a 3% reduction in expenditures across all departments followed by another $3.1 million reduction in September. These measures addressed lagging sales tax revenues and increasing property tax delinquencies (that were up 13% from last year). Management reports that the gap between revenues and expenditures was successfully closed in fiscal 2009 with a carry forward amount for fiscal 2011 of approximately $4 million. Audited financial results reflect a $5.2 million General Fund operating deficit yet, management explains that this does not reflect the $7.9 million carry forward balance from a prior fiscal year.

In fiscal 2010 the county has reduced staff (by 70 positions) and continues to monitor revenues and expenditures closely; the budget assumes a $10 million savings in salary and benefits which means successful negotiations with the remaining bargaining groups will be essential. As of October 27, 2010 only half of the county's eight bargaining units have settled contracts for fiscals 2009 and 2010; the four groups who have not settled represent 72% of employees, meaning major expenditures are still uncertain in the current fiscal year. The budget results as noted above do not include any allowances for potential retroactive payments as the county has not proposed any wage increases for fiscal 2009. Unsuccessful negotiations could result in an operating deficit of $4.4 million at the end of the current fiscal year. With continued expenditure control, management hopes to mitigate this potential draw and expects to report close to balanced operations at year end. Although the county will continue to face financial challenges, we believe that the county's history of conservative budget practices and increasingly strong oversight should allow for more stable financial operations going forward.

In March 2008, the state of Wisconsin authorized Milwaukee County to issue pension obligation bonds to address its unfunded actuarially accrued liability (UAAL), estimated at $397 million as of January 1, 2008. However, due to significant investment losses in 2008, projections indicated that without issuance of pension obligation bonds the county's UAAL could have approached $1 billion by 2013. By issuing bonds in March 2009, the county moved a soft liability to a hard liability that increased the county's debt burden and requires a commitment to fully funding the debt service in addition to the lesser of the pension fund's normal contribution or annual required contribution. However, in doing so the county will benefit from greater financial flexibility as the expense for amortizing the UAAL (equal to $27 million in fiscal 2009) will be shifted from an operating levy to the debt service levy, thereby freeing up operational dollars under the county's levy cap in future budget years. The county also gained stability in this budget item and created a stabilization fund that can be tapped when contribution requirements might spike in future years. As of January 1, 2008 the county's actuarially accrued liability for post-employment benefits (OPEB) was estimated at $1.5 billion, not including the county's transit system employees, with an annual required contribution of $122.5 million. The county currently has no plans to pre-fund this liability but will maintain its practice of pay-go financing.

The county's primary revenue sources, intergovernmental (34% of core revenues in fiscal 2009), property taxes (24%), charges for services (31%) and sales taxes (6%) also face limitations, with stagnant state shared revenue, statutory levy limits, and stagnating sales tax collections. Additionally, the State of Wisconsin (GO rated Aa2/stable outlook) faces significant challenges and may further push some of the burden on the county in future budget cycles. The county has a practice of limiting levy increases and has not levied up to statutory caps in recent years which may now prove beneficial for future budgets as the county can now roll forward the unused taxing margin from prior years. Sales tax revenues have been stagnate and actual collections fell short of budgeted collections in fiscals 2005, 2006 and 2007; while fiscal 2008 collections were more favorable, in fiscal 2009 the revenue stream again fell short of budget. In fiscal 2010, the county has budgeted for an increase of almost 10% over actual 2009 collections, an aggressive assumption compared to the county's peers with similarly sized sales tax collections. With stagnating revenue streams and limited flexibility to raise revenues without legislative changes, we believe that continued structural corrections on the expenditure side will be particularly important for maintaining sustained financial health.

DEBT BURDEN WELL ABOVE AVERAGE DUE TO ISSUANCE OF PENSION BONDS; RAPID PAYOUT AND NON-PROPERTY TAX SUPPORT EXPECTED TO KEEP DEBT MANAGEABLE

In March 2009, the county issued $400 million in pension obligation bonds (POBs) and notes which increased the county's direct and overall debt burdens to a well above average level. With the current issuance, the county's direct debt is now 1.4% of full valuation and the overall debt burden is 5.2%. Notably, the pension obligation issuances account for a little over half of the county's direct debt. Additionally, management has decided to compress the county's four-year capital improvement plan over 2009 and 2010 so annual issuance in these two years doubled the historical amount. In fiscals 2011 and 2012 the county does not plan to issue debt for capital projects.

Principal amortization, not including the bullet maturity of the $135 million Series 2009B pension notes, is below average with 69.4% repaid within ten years; however, given that this includes $265 million in pension bonds and all debt repaid in 20 years the schedule is relatively quick when compared to the county's peers that also have pension bonds outstanding. In addition to support from airport fees, the county allocates sales tax revenues toward debt repayment in order to reduce the burden of the debt service levy. Going forward, the county will also begin receiving payments to retire debt for equipment purchases made with note proceeds from departmental operating budgets. All of the county's debt is in fixed rate mode, and the county is not a party to any interest rate swap agreements. The county has adopted formal debt management policies limiting any general purpose debt issuance and will continue to have all airport bonds paid exclusively from airport revenues. We anticipate the county's debt burden will remain manageable given the relatively quick principal payout including the POBs and support from non-property tax sources.

Outlook

The stable outlook is based on the county's financial operations that include continual monitoring by management which has implemented corrective actions to offset continued expenditure growth pressures and statutory constraints on revenue increases and reserve levels. Moody's

believes that while general operating reserves remain below average, overall credit quality should remain stable given management's demonstrated ability to respond to budgetary pressures.

What could change the rating UP-

- Significant improvement of local economic conditions in terms of population, income, and employment trends.

-Maintaining structural balance and/or generating positive budget variances, leading to a replenishment of General Fund balance, including budget stabilization reserves.

What could change the rating DOWN-

-Reversal of the positive trends in the General Fund financial position.

-Inability to take corrective actions to address revenue or expenditure variances that challenge fiscal structural balance.

-Inability to mitigate stagnant state aid revenues and other revenue limitations.

-Inability to grow General Fund liquidity.

KEY STATISTICS

2010 Population estimate: 928,449

2009 Full valuation: $63.4 billion

Full value per capita: $66,653

Milwaukee County unemployment (8/10): 9.6% (state: 7.7%, US: 9.5%)

1999 Per capita income: $19,939 (93.7% of state; 92.4% of US)

1999 Median family income: $47,175 (89.2% of state; 94.3% of US)

FY2009 General Fund balance: $43.9 million (4.1% of General Fund revenues)

FY2009 Unreserved General Fund balance: $4.0 million (0.4% of General Fund revenues)

Overall debt burden: 5.2% (direct: 1.4%)

Payout of principal (10 years): 71%

Post-sale GOULT debt outstanding: $748 million

Total rated debt post-sale debt (including BANs): $885.6 million

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009.

REGULATORY DISCLOSURES

Information sources used to prepare the credit rating are the following: parties involved in the ratings, parties not involved in the ratings, public information.

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December 1, 2010

Summary:
Milwaukee County, Wisconsin; General Obligation

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Summary:

Milwaukee County, Wisconsin; General Obligation

Credit Profile

US$47.935 mil taxable GO corp purp bnds (Build America) & GO prom nts ser 2010C&D due 10/01/2026

Long Term Rating	AA/Stable	New

Rationale

The 'AA' rating on Milwaukee County, Wis.' series 2010C general obligation (GO) corporate purpose bonds and series 2010D GO promissory notes reflects the county's:

- Diverse economy, which is centered on the city of Milwaukee;
- Large and diverse tax base;
- Adequate financial operations with adequate reserves; and
- Moderate debt burden with rapid debt amortization.

The county's full faith and credit pledge secures the series 2010C bonds and 2010D promissory notes. The county plans to issue the 2010C bonds as taxable Build America Bonds, with the federal interest subsidy paid directly to the county. The county will use proceeds from the 2010C bonds and 2010D notes for various capital projects scheduled for 2010-2012. The county reports that it will levy full debt service for the first year, and afterwards levy net of received federal subsidy payments.

Milwaukee County, which includes the city of Milwaukee, is the trade and commercial center for southeastern Wisconsin. Due largely to the city's shrinking population, the county's population decreased by 2% during the 1990s to 940,164 in 2000; the 2010 population is estimated to be 928,449 despite additional residential development in both the city and suburbs. Employment is diversified and centers on services, trade, and manufacturing. The county's unemployment rate averaged 9.3% in 2009, above the state's 8.5% but on par with the nation's rate. Median household effective buying income is adequate at 88% of the state's and 83% of the nation's level.

Due in large part to redevelopment efforts in the city of Milwaukee, as well as growth in the suburbs, Milwaukee County's tax base grew 33% from 2004 to 2008, but fell 7% from 2008 to 2010 because of the recession. The county's $63.4 billion of equalized value (EV) represents what we consider to be a strong $68,300 per capita. The tax base is very diverse, with the 10 largest taxpayers accounting for only 3% of EV.

The county is the only Wisconsin county required by state statute to budget its prior budgetary surpluses each year. This makes it difficult to build strong reserves. For fiscal year-end Dec. 31, 2009, the county, after closing a $4.5 million midyear budget gap, reported a general fund budgetary surplus of $4.14 million but a shortfall after transfers on a generally accepted accounting principles basis of $5.16 million. Management reports that about $4 million of the shortfall was due to discretionary transfers to debt service reserves, and another $2.1 million due to unbudgeted transfers to the transit system. As a result, the total general fund balance declined to $43.9 million, or

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4.5% of expenditures, from $49.1 million (4.8%) in 2008. Most of the fund balance is reserved, with the unreserved fund balance, all of which is designated, amounting to just $4 million, or, what we consider a low 0.4% of expenditures. Although the 2009 unreserved general fund balance fell to $4 million from almost $10 million (1%) in 2008, the portion designated for investments decreased only $919,000 to $2.56 million. The reserved general fund balance for 2009 includes $6.2 million for encumbrances and another $8.4 million reserved for spending in 2010 and 2011. Liquidity is adequate, with $72.4 million of unrestricted general fund cash and investments reported at the end of 2009 amounting to 7.5% of expenditures.

For 2010, the county identified a midyear shortfall of about $8 million, about half of which it addressed with various budget cuts. Management tells us that it is taking additional steps to narrow the 2010 budget gap to a shortfall of $2 million or less. The county's 2011 budget is balanced with the $4.14 million budgetary surplus from 2009, which is part of the county's reserved fund balance for fiscal 2009.

The county's financial management practices are considered "strong" under Standard & Poor's Financial Management Assessment. This indicates that practices are strong, well-embedded, and likely sustainable.

Milwaukee County has $751 million of direct GO debt outstanding, including $4.6 million of self-supporting GO airport bonds. The overall net debt burden, including overlapping debt but excluding the GO airport bonds, is considered moderate at $3,590 per capita and 5.3% of equalized value. Debt amortization remains rapid, with 70% of GO debt maturing over the next 10 years. Debt service carrying charges have consistently been about 5% of total governmental funds expenditures less capital outlays.

Outlook

The stable outlook reflects Standard & Poor's expectation that with strong management oversight of the budget, the county will return to structurally balanced operations and maintain adequate reserves. The outlook is supported by the county's diverse economy, which centers on the city of Milwaukee.

Related Criteria And Research

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality, April 2, 2008

Ratings Detail (As Of December 1, 2010)

Milwaukee Cnty GO		
Long Term Rating	AA/Stable	Affirmed
Milwaukee Cnty GO		
Unenhanced Rating	AA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

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