

1 By Supervisor Jursik

File No. 13-

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A RESOLUTION/ORDINANCE

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amending Chapter 9 of the Milwaukee County Code of General Ordinances, clarifying the use of County funds to pay for Public Service Announcements and video or air time

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WHEREAS, elected officials adhere to a standard of ethics delineated in Chapter 9 (Code of Ethics) of the Milwaukee County Code of General Ordinances, wherein the following policy directive is declared in section 9.01 (1):

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It is declared that high moral and ethical standards among county public officials and county employees are essential to the conduct of free government; that the county believes that a code of ethics for the guidance of county public officials and county employees will help them avoid conflicts between their personal interests and their public responsibilities, will improve standards of public service and will promote and strengthen the faith and confidence of the people of this county in their county public officials and county employees. It is the intent of the county that in its operations the board shall protect to the fullest extent possible the rights of individuals affected.

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WHEREAS, elected officials often have responsibility for oversight of budget and budgetary directives with regard to the entire county budget or separate departmental budgets and can direct spending related to the purchase of commercials, advertisements, paid public service announcements and others; and

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WHEREAS, the purpose of this resolution/ordinance is to amend the Milwaukee County Code of Ethics to specifically define the policy for appropriate public communications that are paid for with public dollars whether obtained through property taxes, other sales or use taxes, state and federal revenues, grant funding, fees, contributions/donations, or other revenue of county government; and

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WHEREAS, using county funds to pay for such paid communications can give the appearance of promoting an elected official prior to re-election campaigns or otherwise suggest that incumbents obtain other advantages through the use of paid advertisements whether or not actual campaigns are in progress; and

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WHEREAS, the intent of this policy is not to prohibit county departments from using county funds for official county business such as issuing a request for proposal which may require paid advertisements or to prevent the use of a photo or likeness of an elected official; now, therefore,

47 BE IT RESOLVED, that an elected county official may not use county funds to
48 purchase or direct others on his/her behalf to purchase media commercial time or space
49 to place paid advertisements, paid public service announcements or otherwise
50 purchase video or air time that features the elected official whether in video format or
51 with an audio recording of the voice of the elected official; and

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53 BE IT FURTHER RESOLVED, that notwithstanding this revised policy, there
54 shall be no prohibition against departments using such funds for official county business
55 that require paid advertisements or other public service announcements as long as such
56 purchase does not feature video or voice recording of an elected official; the prohibition
57 shall not apply to the use of merely a photo or likeness of an elected official as long as it
58 is not used with a voice overlay of the official making extended statements; and

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60 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors
61 hereby amends Sections 9.02 and 9.05, *General Ordinances of Milwaukee County*, by
62 adopting the following:

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64 **AN ORDINANCE**

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

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69 **SECTION 1:** Section 9.02 of the General Ordinances of Milwaukee County is amended
70 as follows:

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72 9.05. – Definitions.

73 (1) "Anything of value" means any money or property, favor, service,
74 payment, advance, forbearance, loan, or promise of future employment,
75 business, or other consideration having a value greater than twenty five
76 dollars (\$25.00), but does not include compensation and expenses paid by
77 the county, fees and expenses which are permitted and reported under
78 [section 9.14](#) of the Code, political contributions which are reported under
79 ch. 11, Wis. Stats., or hospitality extended for a purpose unrelated to
80 county business by a person other than an organization.

81 (1m) "Appointed official" means any member appointed to a county commission
82 or board.

83 (2) "Associated," when used with reference to an organization, includes any
84 organization in which an individual or a member of his/her immediate
85 family is a director, officer, or trustee, or who has a significant fiduciary
86 relationship or an individual who owns or controls, directly or indirectly,
87 and severally or in the aggregate, at least ten (10) percent of the
88 outstanding equity.

- 89 (3) "Board" means the ethics board.
- 90 (4) "Business" means any corporation, partnership, proprietorship, firm,
91 enterprise, franchise, association, organization, self-employed individual,
92 or any other legal entity that engages in profit-making activities.
- 93 (5) "Conflict of interest" means a public official's or employee's action or
94 failure to act in the discharge of his or her official duties which could
95 reasonably be expected to produce or assist in producing a substantial
96 economic or personal benefit for such official, his or her immediate family
97 or an organization with which he or she is associated.
- 98 (6) "County funds" means all funds received by the county, which flow through
99 the county's financial system, for the purposes of supporting the county's
100 operations, including federal and state revenue, property taxes, other
101 sales and use taxes, fees, grant revenue, contributions/donations and any
102 other revenue sources of county government.
- 103 (67) "Elected official" means any person holding an elected county office.
- 104 (78) "Employee" means any person holding an office or position in the
105 classified service of the county or any person holding a non-classified
106 office or position, except elected officials and appointed officials.
- 107 (89) "Gift" means the payment or receipt of anything of value without valuable
108 and sufficient consideration.
- 109 (910) "Immediate family" means an individual's:
- 110 (a) Spouse; and
- 111 (b) Child, parent or sibling or in-law or step-relative of the same degree
112 who receives, directly or indirectly, more than one-half ($\frac{1}{2}$) of
113 his/her support from the individual or from whom the individual
114 receives, directly or indirectly, more than one-half ($\frac{1}{2}$) of his /her
115 support.
- 116 (110) "Investigation request" means a written and signed statement from a
117 person stating that there are specific acts or omissions by an identified
118 person subject to the Code from unverified sources which appear prima
119 facie to constitute a violation of the Code and for which the requestor is
120 seeking that an investigation be undertaken to determine whether a matter
121 should be pursued under the verified complaint proceedings. The
122 investigation request must remain confidential until disclosure is permitted
123 or required by the Code unless the subject of the complaint requests in
124 writing that it be made part of the public record.

- 125 (124) "Lobbying" means the practice of attempting to influence legislative or
126 administrative action by oral or written communication with any public
127 official.
- 128 (132) "Ministerial action" means an action that an individual performs in a given
129 state of facts in a prescribed manner in obedience to the mandate of legal
130 authority, without regard to the exercise of the individual's own judgment
131 as to the propriety of the action being taken.
- 132 (143) "Organization" means any stock or non-stock corporation, partnership,
133 proprietorship, firm, enterprise, franchise, incorporated or unincorporated
134 association, trust or other legal entity other than an individual or body
135 politic.
- 136 (154) "Privileged information" means information obtained under government
137 authority which has not become a part of the body of public information.
- 138 (165) "Probable cause" means information sufficient to support a reasonable
139 belief that an identified person has or may have violated one (1) or more
140 provisions of this Code.
- 141 (176) "Public official" means any elected official or appointed official.
- 142 (187) "Reporting period" means any six-month period beginning with Jan. 1 and
143 ending with June 30 or beginning with July 1 and ending with Dec. 31 or
144 annual period beginning January 1 through December 31.
- 145 (198) "Significant fiduciary relationship" means owning or controlling, directly or
146 indirectly:
- 147 (a) At least ten (10) percent of the outstanding stock or stock of any
148 business corporation having a cost or market values of at least five
149 thousand dollars (\$5,000.00), or
- 150 (b) An interest of at least ten (10) percent or five thousand dollars
151 (\$5,000.00) of any organization.
- 152 (1920) "Resources" means county supplies, services, property, or facilities not
153 available to all citizens.
- 154 (210) "Verified complaint" means a written statement from a person, given under
155 oath and subscribed before a notary public or other official authorized to
156 administer oaths, alleging specific acts or omissions constituting a
157 violation of the Code by an identified person subject to the Code. The
158 verified complaint must remain confidential until disclosure is permitted or

159 required by the Code unless the subject of the complaint requests in
160 writing that it be made part of the public record.

161 **SECTION 2:** Section 9.05 of the General Ordinances of Milwaukee County is amended
162 as follows:

163 9.05. - Standards of conduct.

164 (1) *No personal or economic interest in decisions and policies:* The county board
165 hereby reaffirms that a county elected official, appointed official or employee
166 holds his/her position as a public trust, and any effort to realize personal gain
167 through official conduct is a violation of that trust. This chapter shall not prevent
168 any county elected official, appointed official or employee from accepting other
169 employment or from following any pursuit which does not interfere with the full
170 and faithful discharge of his/her duties to the county. The county board further
171 recognizes that in a representative democracy, the representatives are drawn
172 from society and, therefore, cannot and should not be without all personal and
173 economic interest in the decisions and policies of government; that citizens who
174 serve as public officials or public employees retain their rights as citizens to
175 interests of a personal or economic nature; that standards of ethical conduct for
176 public employees and public elected and appointed officials need to distinguish
177 between those minor and inconsequential conflicts which are unavoidable in a
178 free society and those conflicts which are substantial and material; and that
179 county elected officials, appointed officials or employees may need to engage in
180 employment and/or professional or business activities, other than official duties,
181 in order to support their families and to maintain a continuity of professional or
182 business activity or may need to maintain investments. However, the code
183 maintains that such activities or investments must not conflict with the specific
184 provisions of this chapter.

185 (2) (a) *No financial gain or anything of substantial value:* Except as otherwise
186 provided or approved by the county board, no county public official or employee
187 shall use his/her public position or office to obtain financial gain or anything of
188 substantial value for the private benefit of himself/herself or his/her immediate
189 family, or for an organization with which he/she is associated. This paragraph
190 does not prohibit a county elected official from using the title or prestige of his/her
191 office to obtain campaign contributions that are permitted by and reported as
192 required by ch. 11, Wis. Stats.

193 (b) *No person may offer anything of value:* No person shall offer or give to any
194 public official or employee, directly or indirectly, and no public official or
195 employee shall solicit or accept from any person, directly or indirectly, anything of
196 value if it could reasonably be expected to influence the public official's or
197 employee's vote, official actions or judgment, or could reasonably be considered
198 as a reward for any official action or inaction or omission by of the public official

199 or employee. This section does not prohibit a public official or an employee from
200 engaging in outside employment.

201 (c) *No substantial interest or benefit:* Except as otherwise provided in
202 paragraph (1.), no public official or employee shall:

203 1. Take any official action substantially affecting a matter in which the
204 public official, employee, a member of his/her immediate family, or an
205 organization with which the public official or employee is associated has a
206 substantial financial interest.

207 2. Use his/her office or position in a way that produces or assists in
208 the production of a substantial benefit, direct or indirect, for the public
209 official, employee, members of the public official's or employee's
210 immediate family either separately or together, or an organization with
211 which the public official or employee is associated.

212 (d) *No disclosure of privileged information:* No county public official or
213 employee shall use or disclose privileged information gained in the course of, or
214 by reason of, his/her position or activities which in any way could result in
215 financial gain for himself/herself or for any other person.

216 (e) *No use of public position to influence or gain unlawful benefits,*
217 *advantages or privileges:* No county public official or employee shall use or
218 attempt to use his/her public position to influence or gain unlawful benefits,
219 advantages, or privileges for himself/herself or others.

220 (f) *No offer of gifts or anything of value:* No county public official shall offer or
221 give anything of value to a member or employee of a county department or entity,
222 while that member or employee is associated with the county department or
223 entity, and no member or employee of a department shall solicit or accept from
224 any such person anything of value from a county official or employee.

225 (g) *Limits on contracts with county:* No county public official or employee and
226 no business with which he/she or his/her spouse has a significant fiduciary
227 relationship or any organization with which he/she or his/her spouse is
228 associated shall enter into any contract with the county unless that contract has
229 been awarded through a process of public notice and competitive bidding in
230 conformity with applicable federal and state statutes and county ordinances.

231 (h) *Limits on lease of real estate with county:* No county public official or
232 employee and no business in which that county public official or employee has a
233 ten (10) percent or greater interest shall enter into a lease of real property with
234 the county, except that the county board, upon a publicly filed and considered
235 request, shall waive this subsection when it is in the best interests of the county.

236 (i) *No limits on lawful payments:* Paragraph (c) does not prohibit an elected
237 official from taking any action concerning lawful payment of salaries or employee
238 benefits or reimbursement of actual and necessary expenses, or prohibit an
239 elected official from taking official action with respect to any proposal to modify a
240 county ordinance.

241 (j) *No solicitation of at-will employees:* No elected county official shall
242 knowingly solicit a campaign contribution from any "at-will employee" defined as
243 an employee who is not under union or labor contract with the county, who is
244 hired for an indefinite term or who is under an independent contract with the
245 county or its subparts or who can be discharged or terminated at any time for any
246 nondiscriminatory reason.

247 (k) *No campaign contributions to county officials with approval authority:* No
248 person(s) with a personal financial interest in the approval or denial of a contract
249 or proposal being considered by a county department or with an agency funded
250 and regulated by a county department, shall make a campaign contribution to
251 any county elected official who has approval authority over that contract or
252 proposal during its consideration. Contract or proposal consideration shall begin
253 when a contract or proposal is submitted directly to a county department or to an
254 agency funded or regulated by a county department until the contract or proposal
255 has reached final disposition, including adoption, county executive action,
256 proceedings on veto (if necessary) or departmental approval. This provision does
257 not apply to those items covered by [section 9.14](#) unless an acceptance by an
258 elected official would conflict with this section. The language in subsection
259 [9.05\(2\)\(k\)](#) shall be included in all Requests for Proposals and bid documents.

260 (l) *Limits on honorarium fees or expense reimbursements:* No county public
261 official or employee shall accept or solicit any honorariums, fees or expense
262 reimbursements except in accordance with [section 9.14](#)

263 (m) *Limits on purchased commercial time/paid public speech:* No elected
264 county official shall use county funds to purchase or direct others on his/her
265 behalf to purchase media commercial time or space, to place paid
266 advertisements, or paid public service announcements that feature the elected
267 official in video format or with an audio recording of the voice of the elected
268 official.

269 (3) *Limits on contact:*

270 (a) *Limits on contact with former county associates:* No former county public
271 official or employee, for twelve (12) months following the date on which he/she
272 ceases to be a county public official or employee, shall, for compensation, on
273 behalf of any person other than a governmental entity, make any formal or
274 informal appearance before or try to settle or arrange a matter by calling, writing,
275 or conferring with, any county public official, officer or employee of the

276 department with which he/she was associated as a county public official or
277 employee.

278 (b) *Limits on contact with judicial or quasi-judicial proceedings:* No former
279 county public official or employee for twelve (12) months following the date on
280 which he/she ceases to be a county public official or employee, shall for
281 compensation on behalf of himself/herself or any person other than a
282 governmental entity, make any formal or informal appearance before, or try to
283 settle or arrange a matter by calling, writing, or conferring with, any county public
284 official, officer or employee of a department in connection with any judicial or
285 quasi-judicial proceeding, application, contract, claim, or charge which was under
286 the former public official's or employee's responsibility as a county public official
287 or employee.

288 (c) *Limits on contacts with judicial or quasi-judicial proceedings where*
289 *personally participated:* No former county public official or employee shall,
290 whether for compensation or not, act on behalf of any party other than the county
291 in connection with any judicial or quasi-judicial proceeding, application, contract,
292 claim, or charge in which the former public official or employee participated
293 substantially as a public official or employee.

294 (d) *Consideration of exemptions:* The ethics board shall accept and review
295 written requests by former appointed officials for an exemption from the
296 prohibitions of (3). Such exemption requests must be heard and deliberated
297 during a properly convened open session of an ethics board meeting and must
298 be included in a written ethics board opinion stating the reason(s) that the former
299 appointed official should be exempt from the otherwise prohibited conduct.

300 **SECTION 3:** This ordinance shall become effective upon passage and publication.
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/26/13

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution/ordinance amending Chapter 9 of the Milwaukee County Code of General Ordinances, clarifying the use of County funds to pay for Public Service Announcements and video and air time.

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> 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.

This resolution/ordinance would amend Chapter 9 of the Milwaukee County Code of General Ordinances adding a provision to the Ethics Code limiting purchased commercial time/paid public speech by elected officials.

There is no fiscal effect associated with adoption of this resolution/ordinance.

Department/Prepared By Jennifer Collins, County Board Research Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

DRAFT

5-24-2013 FINANCE, PERSONNEL AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
A DEPARTMENTAL - RECEIPT OF REVENUE

File No. 13-1/13-532
(Journal, December 20, 2012)

Action Required

Finance, Personnel and Audit 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 2013 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) 4021 – Expressway Patrol (Office of the Sheriff)		
5201 – Overtime		\$64,981
5312 – Social Security Taxes		\$ 4,971
8552 – Mach and Equip New > \$2,500		\$ 4,999
2299 – Other St Grants and Reimbur	\$74,951	

A transfer in the amount of \$74,951 is being requested by the Office of the Sheriff to increase the appropriations relating to other state grants and reimbursements. The request is being submitted to recognize the receipt of revenue from a grant administered by the State of Wisconsin for Alcohol Enforcement for 2013.

The grant monies must be spent prior to September 30, 2013, as stipulated by the grant. This fund transfer seeks to use the grant monies by purchasing a Double Eagle Radar Unit in an amount not to exceed \$4,999 and for overtime costs in an amount not to exceed \$69,952, as detailed above, to fund 1,284 patrol hours authorized under this grant. Patrol hours will be utilized for reducing the number of alcohol-related crashes and fatalities.

The grant requires a 25% match, which will be provided from existing funds in the Office of the Sheriff budget relating to Expressway Patrol.

It should be noted that the acceptance of this transfers is contingent upon acceptance of the grant award by the County Board.

There is no tax levy impact from this transfer

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

		<u>From</u>	<u>To</u>
2)	<u>7985 – Care Managed Services</u>		
3726	A6CC CMO Capitation – Comprehensive		5,020,963
3727	A6CS CMO Client Share Revenue		194,772
3727	A6RB CMO Client Share Revenue		377,166
3727	A6SP CMO Client Share Revenue		48,469
6148	Prof Serve. Recurring Operation	41,308	
8497	A6A2 Allowance for Cost Share	4,767	
8497	A6A3 Allowance for Room and Board	8,917	
8497	A6A4 Allowance for Spend Down	1,454	
8127	A6CM CMO – External	388,406	
8126	A6DM Durable Medical Equipment	109,336	
8126	A6DA Day Services	273,160	
8126	A6NH Nursing Home	1,015,294	
8126	A6RC Residential Services	2,858,524	
8126	A6SD Self-directed Support	44,889	
8126	A6MH Mental Healthcare	166,476	
8126	A6HH Home Healthcare	401,517	
	<u>7981- CMCS Administration</u>		
6509	Building Space Rental	68,000	
6699	Other Rep. And Maintenance	6,576	
6080	Postage	1,794	
6640	R/M Office Equipment	5,979	
6148	Prof Serv. Recurring Operation	194,305	
7920	Books and Periodicals Films	1,034	
7973	Minor Office Equipment	3,587	
6030	Advertising	44,840	
6149	Prof. Serv. Nonrecurring	1,209	

The Director of the Milwaukee County Department of Family Care (MCDFC) is requesting a transfer of \$5,641,370 to reflect a revenue decrease and offset operating expenditure decrease in accordance with updated enrollment projections and a reduced 2013 capitation rate of \$3,076.60 for the MCDFC Kenosha/Racine Managed Care Organization. Updated forecasts show a \$5,020,963 decrease in budgeted capitation revenue and a \$620,407 decrease in Client Share revenue.

\$4,869,195 of the \$5,641,370 decrease in expenditure authority relates to member services:

Member Service Expenses	
Durable Medical Equipment	\$ 109,336
Day Services	\$ 273,160
Nursing Home	\$ 1,015,294
Residential Services	\$ 2,858,524
Self-directed Support	\$ 44,889
Mental Healthcare	\$ 166,476
Home Healthcare	\$ 401,517
Total	\$4,869,195

Other program expenses are projected to decrease a total of \$772,175:

Other Program Expenses	
Building Space Rental	\$ 68,000
Other Rep. And Maintenance	\$ 6,576
Postage	\$ 1,794
R/M Office Equipment	\$ 5,979
Prof. Serv. Recurring Operation	\$ 235,612
Books and Periodicals Films	\$ 1,034
Minor Office Equipment	\$ 3,587
Advertising	\$ 44,840
Prof. Serv. Nonrecurring	\$ 1,209
CMO - External	\$ 388,406
Allowance for Cost Share	\$ 4,767
Allowance for Room and Board	\$ 8,917
Allowance for Spend Down	\$ 1,454
Total	\$772,175

Approval of this fund transfer results in no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 16, 2013.

		<u>From</u>	<u>To</u>
3)	<u>7987 – CMO Administration</u>		
	6509 Building Space Rental		15,000
	6148 Prof Serv. Recurring Operation		7,788
	<u>7988 – Care Managed Units</u>		
	8127 A6CM CMO – External		16,530
	8126 A6DM Durable Medical Equipment		2,898
	8126 A6DS Disposable Medical Supplies		10,073
	8126 A6NH Nursing Home		16,661
	8126 A6RC Residential Services		79,209
	8126 A6PC Personal Care		766
	8126 A6HH Home Health Care		26,559
	8126 A6TR Transportation		3,928
	8126 A5SH Supportive Home Care		26,463
	8497 A6A2 Allowance for Cost Share		185
	8497 A6A3 Allowance for Room and Board		536
	8497 A6A4 Allowance for Spend Down		29
	3726 A6CC CMO – Comprehensive	181,619	
	3727 A6CS CMO – Client Share Revenue	6,159	
	3727 A6RB CMO – Client Share Revenue	17,879	
	3727 A6SP CMO – Client Share Revenue	969	

The Director of the Milwaukee County Department of Family Care (MCDFC) is requesting a transfer of \$206,625 to establish a 2013 budget for the expansion of the MCDFC MCO operation to Sheboygan, Ozaukee, Washington, Waukesha and Walworth Counties.

The MCDFC will offer the Family Care benefit package to frail elderly and individuals aged 18 to 59 with developmental and physical disabilities in Sheboygan, Ozaukee, Waukesha, and Walworth Counties

as of July 1, 2013. Forecasted enrollment capitation revenue is projected at \$181,619 and client share revenue is projected at \$25,006 for the remainder of 2013.

\$166,557 of the \$206,625 in increased expenditure authority includes member service expenses:

Member Service Expenses	
Durable Medical Equipment	\$ 2,898
Disposable Medical Supplies	\$ 10,073
Nursing Home	\$ 16,661
Residential Services	\$ 79,209
Personal Care	\$ 766
Home Health Care	\$ 26,559
Transportation	\$ 3,928
Supportive Home Care	\$ 26,463
Total	\$ 166,557

Other projected 2013 program expenses:

Other Program Expenses	
CMO – External	\$ 16,530
Building Space Rental	\$ 15,000
Prof Serv. Recurring Operation	\$ 7,788
Allowance for Cost Share	\$ 185
Allowance for Room and Board	\$ 536
Allowance for Spend Down	\$ 29
Total	\$ 40,068

Approval of this transfer will result in no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
4) <u>7991- CMO Administration</u>		
6050 Contract Pers. Serv. Short		50,000
4707 Contribution from Reserves		1,435,812
6149 Prof. Serv. Non-Recurring Operation		25,000
8297 Contribution to Reserves		1,479,910
6147 Prof. Serve Data Process		331,320
<u>7995- Care Managed Units</u>		
3726 A6CC CMO Capitation - Comprehensive		289,597

3727	A6CS	CMO Client Share Revenue	742,545
3727	A6RB	CMO Client Share Revenue	1,773,618
8497	A6A2	Allowance for Cost Share	9,831
8497	A6A3	Allowance for Room and Board	142,547
8497	A6A4	Allowance for Spend Down	51,204
6148		Prof Serv. Recurring Operation	221,674
3726	A6CI	CMO Capitation - Intermediate	224,119
3727	A6SP	Spend Down - CMO	49,388
8126	A6DA	Day Services	510,771
8126	A6DS	Disposable Medical Supplies	113,471
8126	A6DM	Durable Medical Equipment	54,439
8126	A6UC	Employment Services	22,169
8126	A6FM	Financial Services	52,597
8126	A6HH	Home Health Care	160,684
8126	A6MM	Meals	46,856
8126	A6MH	Mental Health Care	16,529
8126	A6NH	Nursing Home	1,226,200
8126	A6TH	Occupational Therapy	28,010
8126	A6PC	Personal Care	27,899
8126	A6PR	Personal Response Unit	17,062
8126	A6RC	Residential Service	2,344,915
8126	A6SD	Self-directed Support	44,012
8126	A6SH	Supportive Home Care	1,170,589

The Director of the Milwaukee County Department of Family Care (MCDFC) is requesting a transfer of \$6,331,384 related to two factors: an increase in capitation rates (from \$2,747.96 to \$2,777.05) for the MCDFC Milwaukee Managed Care Organization (MCO) and a decrease in enrollment based on recent projections. These factors result in a net increase of \$2,915,722, which will be contributed reserve funds.

On December 13, 2012, the County Board Adopted the resolution File No. 13-16, authorizing the execution of a contract with the State Department of Health Services (DHS) to operate an MCO to provide the Family Care benefit in Milwaukee County for the period January 1, 2013 through December 31, 2013.

The MCDFC receives a Capitation Rate for each enrolled Family Care member per month from the State DHS. The capitation rate is calculated as a blended rate consisting of a two-year inflationary trend and administration allowance based on 2011 expenses for the three target groups: Developmentally Disabled (DD), Physically Disabled (PD), and Frail Elderly (FE). Based on new enrollment data, the 2013

enrollment has been reforecasted and a fund transfer is necessary to reflect updated operating revenues and corresponding expenditure authority.

\$5,836,203 of the \$6,057,877 decrease in expenditure authority is member service expenses related to decreased enrollment projections:

Member Service Expenses	
Day Services	\$ 510,771
Disposable Medical Supplies	\$ 113,471
Durable Medical Equipment	\$ 54,439
Employment Services	\$ 22,169
Financial Services	\$ 52,597
Home Health Care	\$ 160,684
Meals	\$ 46,856
Mental Health Care	\$ 16,529
Nursing Home	\$ 1,226,200
Occupational Therapy	\$ 28,010
Personal Care	\$ 27,899
Personal Response Unit	\$ 17,062
Residential Service	\$ 2,344,915
Self Directed Support	\$ 44,012
Supportive Home Care	\$ 1,170,589
Total	\$ 5,836,203

Administrative expenditure authority is increased by \$609,902:

Administrative Expenditure Authority	
Prof. Serve Data Process	\$ 331,320
Allowance for Cost Share	\$ 9,831
Allowance for Room and Board	\$ 142,547
Allowance for Spend Down	\$ 51,204
Contract Pers. Serv. Short	\$ 50,000
Prof. Serv. Non-Recurring Operation	\$ 25,000
Total	\$ 609,902

The 2013 adopted budget included a deficit of \$1,435,812, which was to be drawn from the reserve. The changes presented in this report will result in a forecasted \$1,479,910 surplus, which will instead be added to the reserves.

Approval of this transfer results in no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
5) 3010 – Election Commission		
6403 – Ballot & Election Supplies		\$20,000
2999 – Revenue from Other Gov. Unit	\$20,000	

Request

A transfer in the amount of \$20,000 is being requested by the Department Administrator of the Election Commission to recognize excess revenue based on invoices sent to municipalities for costs related to the spring 2013 elections.

In accordance with Wisconsin Statute Sec. 5.68(2), (5) and 7.03(1)(bm) and cost distribution guidelines provided by the Wisconsin Government Accountability Board, Milwaukee County is responsible for all costs associated with any special election for a County office.

During the spring election there was a selection election for County Board Supervisor Districts 2 and 17, costs for which totaled approximately \$8,400. In addition, the Election Commission also experienced significant unanticipated costs related to municipal elections, for which it must make payment and then seek reimbursement from the municipalities.

To date, the Election Commission has received \$5,853 in revenue with another \$64,839 that has been invoiced for the costs referenced above. This would result in a total of \$70,692 in revenues. The 2013 Adopted Budget includes \$50,750 in revenues; as a result the invoiced total is approximately \$20,000 above the budgeted level.

This fund transfer would recognize the excess revenues that have been invoiced and increase the expenditure authority by the same amount in order to provide sufficient funding for outstanding invoices related to the spring 2013 elections.

The Election Commission originally requested \$35,000 to cover spring 2013 election costs from the contingency fund during the May cycle. This item was laid over until June cycle. Since that time, the Election Commission has been able to find alternative funds, unrecognized revenues, to cover the costs for the unanticipated expenditures and no longer wishes to seek contingency funds.

There is no tax levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 30, 2013.

	<u>From</u>	<u>To</u>
6) <u>9500 – Zoo</u>		
4932 - Other Private Funding Revenue	\$500,000	
8495 - Budget Abatement OC Misc		\$500,000

An appropriation transfer of \$500,000 is requested by the Director of the Zoological Gardens (Zoo) to accept revenue from the Zoological Society and establish related expenditure authority.

The 2013 Adopted Budget includes a lump sum reduction of \$553,329 to be offset with additional support from the Zoological Society resulting from a re-negotiated Memorandum of Understanding (MOU). Zoo staff and the Zoological Society have made significant progress, however the parties are still involved in negotiations. In the meantime, the Zoological Society agreed to raise membership rates in 2013 to allow the Society to contribute an additional \$500,000 to the Zoo. If the transfer is approved, an expenditure reduction of \$53,329 will remain in the Zoo Budget.

There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 16, 2013.

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5-24-2013 FINANCE, PERSONNEL AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
B CAPITAL - RECEIPT OF REVENUE

File No. 13-1/13-532
(Journal, December 20, 2012)

Action Required

Finance, Personnel and Audit 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 2013 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>WH080012 S. 76th St. Bridge #164 over West Forest Home #</u>		
6146 – Professional Services- Cap Major Maintenance		\$31,208
2299 – Other State Grants and Reimbursements	\$24,966	
<u>WH201132 North Port Washington Rd (Good Hope to Bergen)#</u>		
6146 – Professional Services- Cap Major Maintenance		\$142,820
2299 – Other State Grants and Reimbursements	\$114,256	
<u>WH082032 Rawson Ave. (S. 27th St. to S. 6th St.)#</u>		
6146 – Professional Services- Cap Major Maintenance		\$9,689
2299 – Other State Grants and Reimbursements	\$7,751	
<u>WH020141 W. Oklahoma Ave. (S. 76th St. to S. 72nd St.)#</u>		
6146 – Professional Services- Cap Major Maintenance		\$8,804
2299 – Other State Grants and Reimbursements		
<u>WH001092 W. Hampton Ave. (N. 60th St. to N 124th</u>		

<u>St.)#</u>			
6146	– Professional Services- Cap Major Maintenance		\$177,629
2299	– Other State Grants and Reimbursements	\$177,629	
	<u>WO870011 County Special Assessments#</u>		
8589	– Other Capital Outlay	\$45,548	

Existing Project, + Included in 5-Year Plan, * New Project

An appropriation transfer of \$370,150 is requested by the Director of the Department of Transportation to increase expenditure authority and revenue for various capital improvement projects in order to provide the financing necessary to make final payments to the Wisconsin Department of Transportation (WisDOT). Expenditure authority is being transferred from Project WO870 County Special Assessments to finance the local share of the final payments.

The construction on the projects listed below has been completed. This appropriation transfer will provide the necessary financing to pay the final invoices from WisDOT. The total amount of the invoices is \$370,150. Financing is being provided by \$324,602 of State Revenue and the local share of \$45,548 is being financed with surplus expenditure authority from Project WO870 County Special Assessments.

- Project WH080012 S. 76th St. Bridge #164 over West Forest Home (\$24,966 State, \$6,242 Local)
- Project WH201132 North Port Washington Rd. (Good Hope to Bergen) (\$114,256 State, \$28,564 Local)
- Project WH082032 E. Rawson Ave. (S. 27th St. to S. 6th St.) (\$7,751 State, \$1,938 Local)
- Project WH020141 W. Oklahoma Ave. (S. 76th St. to S. 72nd St.) (\$8,804 Local)
- Project WH001092 W. Hampton Ave. (N. 60th St. to N. 124th St.) (\$177,629 State)

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

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Action Required
Finance, Personnel and Audit 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 2013 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>4300 – House of Correction</u>		
6503 – Equipment Rental – Short Term		\$657,500
 <u>1945 – Appropriation for Contingency</u>		
8901 – Appropriation for Contingency	\$657,500	

A transfer in the amount of \$657,500 is being requested by the House of Correction to increase the appropriations relating to Electronic Monitoring Unit (EMU) programming (Equipment Rental – Short Term).

In January of 2013, funds in the amount of \$657,500 were transferred from the House of Correction and Office of the Sheriff into the Appropriations for Contingency account. These monies were budgeted for the EMU programming costs and were subsequently transferred due to the Office of the Sheriff cancelling the contract with the vendor who rented the EMU equipment to the County. The Office of the Sheriff has not place any inmates on the EMU since October of 2012.

At the time of the transfer, it was envisioned that the funds for the programming would be transferred back to the House of Correction once the Superintendent was put into place in order to enable the operation of the EMU program as envisioned by the terms of the 2013 Adopted Budget.

Since the Superintendent assumed control of the House of Correction in May of 2013, this fund transfer seeks to provide sufficient expenditure authority to the House of Correction to pay the costs for EMU programming.

There is no tax levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

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5-24-2013 FINANCE, PERSONNEL AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
D CAPITAL IMPROVEMENTS

File No. 13-1/13-532
(Journal, December 20, 2012)

Action Required

Finance, Personnel and Audit Committee
County Board (Majority Vote)

WHEREAS, your committee has received from the Department of Administrative Services, Fiscal Affairs, departmental requests for transfer to the 2013 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 2013 capital improvement appropriations:

	<u>From</u>	<u>To</u>
1) <u>WH001151 S. 76th St. Intersection of Edgerton and Layton Ave. #</u>		
9706 – Professional Division Services	\$2,000	
9716 – CBDP Division Services		\$2,000
<u>WH001162 Pedestrian Countdown Signal Heads (49 Locations) #</u>		
9706 – Professional Division Services	\$2,000	
9716 – CBDP Division Services		\$2,000
<u>WH010021 W. Mill Rd. (N 43rd St. to N. Teutonia Ave.) #</u>		
9706 – Professional Division Services	\$2,000	
9716 – CBDP Division Services		\$2,000
<u>WH010172 S. 76th St. (W. Puetz Rd. to W. Imperial Dr.) #</u>		
9706 – Professional Division Services	\$2,000	
9716 – CBDP Division Services		\$2,000
<u>WH022012 N. 107th St. (Brown Deer to NCL) #</u>		
9706 – Professional Division Services	\$4,000	
9716 – CBDP Division Services		\$4,000
<u>WT049011 Bus Vacuum System- Kinnickinnic</u>		

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Garage

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT052011 Fire Alarm System – Fond du Lac Garage

#

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT053011 Bus Vacuum System- Fiebrantz Garage

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT054011 Bus Wash System- Kinnickinnic Garage

#

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT056011 Replace HVAC System at Kinnickinnic

Garage

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT066011 Replace Bus Wash System- Fiebrantz

Garage

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT067011 Replace Roof Flashings at MCTS Fleet

Maintenance

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT069011 Replace Underground Storage Tanks at

MCTS Fleet Maintenance

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WT071014 Bus Protector Shields

8588	- Other Capital Outlay	\$2,000	
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9716	-	CBDP Division Services		\$2,000
<u>WA042012 Bag Claim Remodeling #</u>				
9706	-	Professional Division Services	\$4,236	
9716	-	CBDP Division Services		\$4,236
<u>WA064012 Phase II Residential Sound Mitigation Program #</u>				
8509	-	Other Building Improvement (CAP)	\$4,000	
9716	-	CBDP Division Services		\$4,000
<u>WA112011 GMIA Taxiway R & R3 Reconstruction #</u>				
8527	-	Land Improvements (CAP)	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WA122012 GMIA Pavement Rehabilitation #</u>				
9706	-	Professional Division Services	\$4,000	
9716	-	CBDP Division Services		\$4,000
<u>WA123012 GMIA Airfield Safety Improvements #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WA125012 GMIA Security & Wildlife Deterrent Perimeter Fencing #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WA158012 GMIA Runway 7R Deicing Pad #</u>				
9706	-	Professional Division Services	\$4,000	
9716	-	CBDP Division Services		\$4,000
<u>WA167012 GMIA Terminal Escalator Replacement #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WA169012 LJT Runway and Taxiway Lights #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WA172012 GMIA Sanitary Sewer Upgrade #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000

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WA173011 GMIA Fuel Farm Electrical Service

Upgrade

9706	– Professional Division Services	\$2,000	
9716	– CBDP Division Services		\$2,000

WA176011 GMIA Master Plan AGIS/EALP

9706	– Professional Division Services	\$2,000	
9716	– CBDP Division Services		\$2,000

WA177012 GMIA Parking Structure Repairs

9706	– Professional Division Services	\$2,000	
9716	– CBDP Division Services		\$2,000

WV009012 Countywide Sanitary Sewers Repairs

9706	– Professional Division Services	\$2,000	
9716	– CBDP Division Services		\$2,000

WP070252 Lindberg Park Rehabilitations

9706	– Professional Division Services	\$2,000	
9716	– CBDP Division Services		\$2,000

WP167052 Veterans Park Pavilion and Restroom

Replacement

9706	– Professional Division Services	\$2,000	
9716	– CBDP Division Services		\$2,000

WP202011 MLK Jr. Community Center HVAC

Replacement

9706	– Professional Division Services	\$4,000	
9716	– CBDP Division Services		\$4,000

WP254011 Whitnall Golf Course Pedestrian Bridges

#

9706	– Professional Division Services	\$2,000	
9716	– CBDP Division Services		\$2,000

WP260012 Holler Park Pool Sand Filtration System

8509	– Other Building Improvement	\$2,000	
9716	– CBDP Division Services		\$2,000

WP264011 Estabrook Dam Impoundment Sediment

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Remediation

9706	- Professional Division Services	\$4,000	
9716	- CBDP Division Services		\$4,000

WP267011 Multi Use Trail- Oak Creek Parkway

(Howell to 13th)

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WP269012 Wehr Nature Center Improvements

8509	- Other Building Improvements	\$2,000	
9716	- CBDP Division Services		\$2,000

WP270011 Oak Creek Parkway Lighting System

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WP271011 Johnson Park Pavilion

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WP272012 Noyes Pool Partial Roof Replacement

8509	- Other Building Improvements	\$2,000	
9716	- CBDP Division Services		\$2,000

WP273011 Grobschmidt Park Pool Rehabilitation

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WP279012 Humboldt Park Walkways

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WP280011 Menomonee River Parkway

Reconstruction

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WZ078012 Elephant Yard Shading Structure

8501	- Building/Structures New- (CAP)	\$2,000	
9716	- CBDP Division Services		\$2,000

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WZ089011 Zoo South End Hay Barn Roof

Replacement

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WZ100012 Zoo Elephant Service Area Utility

Protection

8501	- Building/Structures New- (CAP)	\$2,000	
9716	- CBDP Division Services		\$2,000

WZ107012 Zoo Bear Service Area Improvements

8509	- Other Building Improvement (CAP)	\$2,000	
9716	- CBDP Division Services		\$2,000

WZ600011 Zoo Master Plan

6146	- Professional Services (CAP)	\$2,000	
9716	- CBDP Division Services		\$2,000

WC013012 Criminal Justice Facility Deputy

Workstations

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WC050012 Courtroom Public Address System

Replacement

8502	- Major Maintenance Bldg- (EXP)	\$2,000	
9716	- CBDP Division Services		\$2,000

WC086012 City Campus Cooling Towers

Replacement

8509	- Other Building Improvement (CAP)	\$2,000	
9716	- CBDP Division Services		\$2,000

WC078011 Milwaukee Justice Center Area Build Out

#

9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

WC081011 Safety Building Cooling Tower

Replacement

9706	- Professional Division Services	\$2,000	
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9716	-	CBDP Division Services		\$2,000
<u>WC087011 New Huber Facility #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WO038011 Marcus Center HVAC Upgrade #</u>				
9706	-	Professional Division Services	\$4,000	
9716	-	CBDP Division Services		\$4,000
<u>WO060011 Kinnickinnic River Parkway (57th to 60th)</u>				
<u>#</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WO114112 Courthouse Complex Improvements #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WO115011 County Grounds Energy Conversion from</u>				
<u>WE Energies Chilled Water to Independent Chiller #</u>				
9706	-	Professional Division Services	\$4,000	
9716	-	CBDP Division Services		\$4,000
<u>WO215011 Storage Expansion #</u>				
6146	-	Professional Services (CAP)	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WO218011 Technical Infrastructure Replacement #</u>				
6146	-	Professional Services (CAP)	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WO221021 Clean Agent Fire Suppression System in</u>				
<u>MER #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WO221031 Phase 2 Upgrade of MER Server room @</u>				
<u>CJF #</u>				
9706	-	Professional Division Services	\$2,000	
9716	-	CBDP Division Services		\$2,000
<u>WO433012 Glass Barrier at Criminal Justice Facility</u>				

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#

8509	- Other Building Improvements	\$2,000	
9716	- CBDP Division Services		\$2,000
<u>WO517011 War Memorial Renovations #</u>			
9706	- Professional Division Services	\$4,000	
9716	- CBDP Division Services		\$4,000
<u>WO602011 Mainframe Applications Migration #</u>			
6146	- Professional Services (CAP)	\$2,000	
9716	- CBDP Division Services		\$2,000
<u>WO614011 Build Out Ten Sites to Digital #</u>			
6146	- Professional Services (CAP)	\$4,000	
9716	- CBDP Division Services		\$4,000
<u>WO621011 Windows Migration #</u>			
6146	- Professional Services (CAP)	\$4,000	
9716	- CBDP Division Services		\$4,000
<u>WO888031 Marcus Center Elevator Modernization #</u>			
9706	- Professional Division Services	\$2,000	
9716	- CBDP Division Services		\$2,000

Existing Project, + Included in 5-Year Plan, * New Project

An appropriation transfer of \$158,236 is requested by the Director of the Department of Community Business Development Partners (CBDP) to reallocate expenditure authority within various 2013 Adopted Capital Improvements projects in order to provide the financing necessary to pay for services provided by the CBDP Department.

The 2013 Adopted Budget (Budget) included \$158,236 of internal service revenue in the CBDP Department. The 2013 Budget did not include the corresponding expenditure authority within the capital projects. The Budget indicated that the CBDP Department would develop a cross charge methodology based on the actual work performed and have it reviewed and approved by the Office of the Comptroller.

The CBDP Department has worked with the Office of the Comptroller, the Department of Administrative Services (DAS), and the County's Bond Counsel to develop a mechanism and criteria to charge capital projects that would insure compliance with rules that relate to the bonds. The primary rule is that charges

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will not begin to occur until a signed contract is in place with the vendors in which CBDPs are providing their services. Other criteria relating to the type of job functions that are allowed to be cross charged have also been put in place. The Office of the Comptroller has put the appropriate mechanisms in place in the County's financial systems so that CBDPs can track these activities by project and job function.

Financing for the CBDP expenses are being provided from existing expenditure authority within 2013 capital projects. Although the amounts reallocated within the individual projects are a small portion of the overall project budgets, using existing expenditure authority may result in the need for additional appropriations.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
2) <u>WO517012 War Memorial Renovations #</u>		
8501 – Building/Structures New- (CAP)		\$20,000
8509 – Other Building Improvement- (CAP)	\$20,000	

Existing Project, + Included in 5-Year Plan, * New Project

An appropriation transfer of \$20,000 is requested by the Director of the Department of Administrative Services to utilize existing expenditure authority to expand the scope of Project WO517012 War Memorial Renovations to include the replacement of the Bird Cage roof. This appropriation transfer will also change the timing of various other elements of the scope of work on the project.

Background

The 2013 Adopted Budget included \$2,000,200 to renovate the War Memorial including the replacement of the concrete in the Veterans Courtyard, south stairs at the Veteran's Courtyard south entrance; repair of the concrete on the south canopy, interior columns and delamination of roof slabs; engineering and initial planning to replace the HVAC system for the Kahler Building and engineering costs associated with these improvements. The 2013 appropriation represents the first year of a five year plan to renovate the War Memorial Facility. The total estimated cost for the improvement program is \$11,797,359, with

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\$10,000,000 in financing from Milwaukee County (the “County”) and the remainder in financing from the Milwaukee Art Museum (MAM).

Scope Change for the 2013 Appropriation

The exterior work on the War Memorial Center and the MAM building envelope consists of various repair work to the stone, concrete, stairs and concrete deck waterproofing. There are multiple areas throughout the complex that need attention. The 2013 scope of work currently includes replacement of the concrete deck in the Veteran’s Courtyard and the concrete at the south stairs. However, removal of the deck, stairs and waterproofing requires the relocation of a substantial amount of artwork. The MAM requires additional time to build a storage space with environmental controls in another part of the museum. This area will not be ready for the artwork until mid-2014.

This fund transfer modifies the scope of work that relates to the concrete repairs in the 2013 Adopted Budget. The replacement of the concrete deck in the Veteran’s Courtyard and the concrete at the south stairs will be shifted to 2014 when the artwork has been stored and protected. The estimated cost associated with the work being shifted to 2014 is \$1 million. The revised scope of work for 2013 will continue with the exterior envelope by accelerating masonry replacement, tuckpointing, crack repairs, window replacement and sealing of joints. Other than the Veteran’s Courtyard concrete deck and the south stairs, the remaining miscellaneous concrete repairs and HVAC design effort currently in the 2013 scope of work will remain in 2013. The revised scope of work will not require artwork relocation and can be completed in 2013. Rescheduling this work has been coordinated with the War Memorial and MAM. There is no change in the 2013 budget as a result of the proposed timing changes of the scope of work that are discussed above. Pending approval by the County Board and County Executive, the balance of the available 2013 funds may be carried over for improvements within the project in 2014.

Insurance Claim

In December 2012, Risk Management filed a property insurance claim with the Local Government Property Insurance Fund for damage that occurred to the roof of the Bird Cage. The damage to the roof was a result of a glacial effect of winter weather ice dam damaging the metal roof seams allowing water to infiltrate the internal stairway areas.

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The gross expenses for the replacement of the roof are approximately \$70,000. The County has a \$20,000 deductible. This appropriation transfer will change the scope of the War Memorial Renovation project to include the replacement of Bird Cage roof in 2013 and will realign the expenditure authority within the project to pay the \$20,000 deductible. The \$20,000 may need to be replaced through a future appropriation.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

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Action Required
Finance, Personnel and Audit 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 2013 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>9000 – Parks</u>		
0872 - Wehr Nature Center Trust Fund	\$10,000	
6620 - Repair/Maintenance Grounds		\$10,000

An appropriation transfer of \$10,000 is requested by the Interim Director of Parks, Recreation and Culture to improve and upgrade the nature center and grounds. The Wehr Nature Center Trust Fund is a segregated fund dedicated solely to improvements at the Wehr Nature Center.

All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$6,542. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
2) <u>9000 – Parks</u>		
0876 - Bike Trail Trust Fund	\$25,000	
7935 - Law Enforcement and Public Safety Supplies		\$12,500

DRAFT

6620 - Repair/Maintenance Grounds \$12,500

An appropriation transfer of \$25,000 is requested by the Interim Director of Parks, Recreation and Culture to fund the purchase of supplies that will be used to maintain and repair bike trails throughout the parks system. This includes asphalt and tar for repairs, paint for bike trail markings, signage for public safety and marketing activities. The funds will be provided from the established trust fund that is dedicated to servicing all needs related to bike trail maintenance.

All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$22,553. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
3) <u>9000 – Parks</u>		
0885 - Friends of Boerner Trust Fund	\$10,000	
8610 - Repair/Maintenance Buildings Structures		\$5,000
7100 - Building & Roadway Materials		\$5,000

An appropriation transfer of \$10,000 is requested by the Interim Director of Parks, Recreation and Culture to maintain and upgrade the Visitor Center at Boerner Botanical Gardens. The Friends of Boerner Trust Fund is a segregated fund used solely for improvements at Boerner Botanical Gardens

All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$4,712. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

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	<u>From</u>	<u>To</u>
4) <u>9000 – Parks</u>		
0880 - Tree Replacement Trust Fund	\$25,000	
7015 - Seeds and Plants		\$15,000
7970 - Tools & Minor Equipment		\$10,000

An appropriation transfer of \$25,000 is requested by the Interim Director of Parks, Recreation and Culture to meet various tree maintenance and replacement needs through the system. The Tree Replacement Trust Fund is a segregated fund used solely for trees and tree-related improvements through the County Parks. Parks requires replacement trees at the nursery and equipment to maintain existing trees throughout the system to ensure public safety and health of the trees.

All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$233,780. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
5) <u>9000 – Parks</u>		
0877 - Playgrounds Trust Fund	\$75,000	
7145 - Sand		\$5,000
7980 - Repair Parts – Non-Motor Vehicle		\$70,000

An appropriation transfer of \$75,000 is requested by the Interim Director of Parks, Recreation and Culture to meet various maintenance and replacement needs of playgrounds within the County Park System. The Playgrounds Trust Fund is a segregated fund used solely for improvements to playgrounds in the County Parks. Parks staff inspects all playgrounds on a regular basis to ensure public safety. Items such as safety surfaces, equipment replacement, and parts are needed to maintain compliance with national safety standards.

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All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$143,858. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
6) <u>9000 – Parks</u>		
0888 - Parks Security Trust Fund	\$25,000	
7935 - Law Enforcement and Public Safety Supplies		\$25,000

An appropriation transfer of \$25,000 is requested by the Interim Director of Parks, Recreation and Culture from the Parks Security Trust Fund to meet various security needs within the County Park System. The Parks Security Trust Fund is a segregated fund used solely for improvements to items related to cash and personal security.

The Department of Parks, Recreation and Culture routinely evaluates security within various park facilities with cash handling operations to ensure staff safety and secure revenue. Items such as safes, signage, and electronic security tools are needed. In addition, a recent Point of Sale (POS) audit recommended transitioning from combination/key safes to electronic key pad safes.

Any unspent funds will revert back to the balance sheet trust account at the end of the year.

If the transfer is approved, the remaining trust fund balance will be \$31,364. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

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	<u>From</u>	<u>To</u>
7) <u>9000 – Parks</u>		
0892 - MMSD Ecological Trust Fund	\$50,000	
7018 - Other Agriculture Botanical Supplies		\$25,000
6620 - Repair/Maintenance Grounds		\$25,000

An appropriation transfer of \$50,000 is requested by the Interim Director of Parks, Recreation and Culture to upgrade and maintain the prairie habitat on the County Grounds located west of the Parks Administration building. The Metropolitan Milwaukee Sewerage District (MMSD) Ecological Trust Fund contains segregated funds originally from the UWM land sale for the purpose of maintaining natural habitats.

All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$104,526. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
8) <u>9000 – Parks</u>		
0875 - Soccer Association Trust Fund	\$5,000	
7940 - Phy Trng, OT & Rec Supplies		\$5,000

An appropriation transfer of \$5,000 is requested by the Interim Director of Parks, Recreation and Culture to purchase soccer field related items for use within the County Park System. The Soccer Association Trust Fund contains segregated funds used solely for improvements to County soccer fields.

The Department of Parks, Recreation and Culture provides public spaces for outdoor soccer throughout the County Park System. The requested funds will be used to purchase items such as soccer nets and goal anchors to provide recreational opportunities and to ensure public safety.

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All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$0.23. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
9) <u>9000 – Parks</u>		
0867 - Voight Trial Garden Trust Fund	\$20,000	
7935 - Other Agriculture Botany Supplies		\$10,000
6620 - Repair/Maintenance Grounds		\$10,000

An appropriation transfer of \$20,000 is requested by the Interim Director of Parks, Recreation and Culture to make various repairs and improvements to the Voight Trial Garden. The funds will be provided from the established trust fund that is dedicated to servicing all needs related to Voight Trial Garden.

All unspent funds at the end of the fiscal year will revert back to the balance sheet trust account.

If the transfer is approved, the remaining trust fund balance will be \$42,338. There is no tax levy effect as a result of this action.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

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Action Required

Finance, Personnel and Audit 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 2013 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>370 – Office of the Comptroller</u>		
6050 – Contract Pers Svcs - Short		\$22,000
5199 – Salaries and Wages	\$20,437	
5312 – Social Security	\$1,563	

Request

An appropriation transfer of \$22,000 is requested by the Office of the Comptroller to increase expenditure authority in the contractual services series and decrease expenditure authority in the personal services series. The appropriation transfer request provides for temporary staffing assistance.

The Office of the Comptroller has a position of Secretary NR that serves as the executive assistant to the comptroller. This position is filled, but the incumbent has been out on leave since mid-2012. This position is critical to maintaining the comptroller's calendar and providing ongoing clerical and administrative support. This fund transfer will allow the comptroller to employ temporary staffing to assist in these duties until the end of the year. Therefore, the Office of the Comptroller is requesting to realign expenditure authority in the amount of \$22,000 from Salaries and Social Security to Contract Services – Short Term to ensure that sufficient funds are available to cover expected costs for temporary staffing.

No tax levy impact results from approval of this appropriation transfer request as the increase in contractual services is completely offset by a decrease in the personal services series.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 17, 2013.

	<u>From</u>	<u>To</u>
2) <u>4300 – House of Correction</u>		
6109 – Medical Service Fees		\$2,150,882.29
 <u>4300 – House of Correction</u>		
5199 – Salaries – Wages Budget	\$1,351,223.83	
5312 – Social Security Taxes	\$ 89,758.46	
5420 – Employee Health Care	\$ 423,977.00	
5421 – Employee Pension	\$ 285,923.00	

Request

A transfer in the amount of \$2,150,882.29 is being requested by the House of Correction to increase appropriations relating to Medical Service Fees.

In May of 2013, Milwaukee County was ordered to enter into an emergency contract with Amor for provision of inmate medical. Judge Brash mandated that the County enter into this contract in order to maintain compliance with the Christensen Decree.

The contract with Armor is an unbudgeted expense in the 2013 budget; therefore, it is necessary to allocate funding from various accounts in order to provide funding for this contract.

Part of the contract with Armor provides that Amor will supplement current County inmate medical staff, low org. units 4391 and 4392; with Armor staff in order to provide the proper inmate medical staffing levels at both the House of Correction (CCFS) and County Jail (CCFC), as dictated by the Christensen Decree.

The majority of the positions which Armor will be staffing are currently vacant funded positions at the House of Correction, thus, the funds related to these positions will not be expended this year.

Subsequently, it is the intent of this fund transfer to use funds from the Personal Services accounts (detailed above) related to these positions in order to fund, in part, the Armor contract through the end of 2013. The total cost of the contract for 2013 is estimated to be \$4,866,505.02; however, this number may change due to monthly payments to Armor being dependent on inmate population. It is anticipated that future fund transfers will occur to cover the costs of the contract through the end of the year. The timing of these transfers is dependent on Armor's assessment and takeover of current contracts related to inmate medical for whom the County has encumbered funds for 2013. Further, it is expected that some funds will have to be transferred from the contingency fund to cover the full costs of the Armor contract.

There is no tax levy impact from this transfer.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE MAY 22, 2013.

2013 BUDGETED CONTINGENCY APPROPRIATION SUMMARY

2013 Budgeted Contingency Appropriation Budget \$4,103,329

Approved Transfers from Budget through May 24, 2013

4000 - Equipment rental for EMU	\$ 57,500
4300 - Equipment rental for EMU	\$ 600,000
1130 - Misc. legal fees related to MPM lease	\$ (100,000)

Contingency Balance May 24, 2013 \$4,660,829

Transfers Pending in Finance, Personnel & Audit Committee through
May 24, 2013 \$ -

4300 - Equipment Rental for EMU	\$ (657,500)
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Total Transfers Pending in Finance, Personnel & Audit Committee \$ (657,500)

Net Balance \$ 4,003,329



Department of Human Resources
Division of Employee Benefits

3

INTER-OFFICE COMMUNICATION

Date: 6/3/2013
To: Milwaukee County Board of Supervisors, Finance, Audit & Personnel Committee
FROM: Matthew Hanchek, Director of Benefits – Department of Human Resources *M. Hanchek*
SUBJECT: **Informational report from the Director of Benefits, Department of Human Resources, on behalf of the Employee Benefits Work Group regarding Onsite Clinics (no action required).**

Issue/Background

The 2013 Adopted Budget directs the Employee Benefits Work Group to study the feasibility of implementing an onsite health clinic for employees as a means of slowing the rate of cost increases under the County's medical plan. The budget further directs the work group to develop a plan to implement if deemed appropriate. This is a report of the work group's preliminary findings.

Purpose/Benefit of On-site Clinics:

Direct Short-term Reduction in Health Care Cost: An onsite clinic can provide services at a lower cost than other network providers if an adequate volume of claims can be channeled through the facility to achieve economies of scale. This is described in greater detail in the financial analysis on page 8.

Improved Medical Management/Preventive Medicine: In theory, by making primary care more accessible, compliance with annual physicals and routine preventive care will improve. Over time this can improve the overall health of the covered population and contribute to a gradual slowing of the rate of health care inflation.

Long-term Behavior Change: An onsite clinic can reduce waste through an enhanced doctor-patient relationship. Generally the physician is less rushed in an onsite clinic and can spend additional time discussing patient concerns. This can contribute to more judicious use of specialists and the emergency room.

The additional time dedicated to the individual doctor-patient relationship can refocus each office visit on the whole-person rather than the presenting condition. When this occurs, the patient can become better equipped to understand and manage their health risks, ultimately leading to improved population health.

Criteria for Success / Best Practices:

Focus on Population Health: Many onsite healthcare initiatives focus on replacing high volume community-based primary and preventive care with care provided by lower cost providers within the clinic. While this focus will produce some modest savings, the most successful initiatives focus on reducing individual health risks.

Success Depends on High Utilization: In order to be truly effective, an onsite clinic needs to be utilized by nearly all employees and covered dependents. The most successful onsite clinics direct care for virtually all covered persons – even those with severe and chronic conditions. Care that is received outside the clinic is managed by the clinic.

Incentives and Location: Clinic utilization can occur regardless of location if the financial incentive is sufficient (for example, excluding coverage for certain procedures outside the clinic), but this would not be a common approach.

Employers typically encourage use of the onsite clinic by creating a meaningful financial incentive for employees, when compared to the out of pocket cost from external providers. This can include waiving or reducing office copays at the onsite clinic, increasing out-of-pocket costs at all other providers, or a combination of both.

It is common for vendors to prefer that at least 1000 employees be at the location, but it is not an absolute requirement. Some onsite healthcare providers have scaled their care models down to roughly 200 employees per location, but access and the scope of care is generally very limited for these smaller facilities. The proximity of dependents can also be factored in.

In general terms, higher concentrations of employees working and living in close proximity to the clinic will yield higher utilization by employees. Similarly, placing the clinic closer to where employees live improves the likelihood of getting employees' covered dependents to use the clinic in lieu of their personal physicians. The availability of other providers, ease of access, availability of parking, etc. all will factor into the extent to which employees and families will utilize the onsite facility.

In essence, utilization is contingent on being more convenient and affordable than the health care provider alternatives available to the patient.

Facility Space: Onsite clinics with an extremely limited scope of service and hours of operation can work with a minimum of few hundred square feet of space. Large operations with a wide range of services can require several thousand square feet. Typically a primary care clinic with basic lab services will require around 1800 – 2000 square feet of space.

Eligibility/Access: Generally an onsite clinic is made available to all covered employees and their dependents at a work location. Employees who are not enrolled in the employer's medical plan can be excluded from using the clinic to avoid issues with billing and coordinating with a third party's insurance plan. Similarly, employers normally exclude Medicare-eligible retirees

from using the clinic based on the low Medicare reimbursement rates for services, and the additional staff required to conduct Medicare billing.

Scope of Clinical Services: The Scope of Clinical Services depends on whether the focus is on reducing unit costs of high volume procedures, or reducing population health risks.

Onsite healthcare clinics that utilize modest incentives and focus on reducing unit costs typically focus on general practice/family medicine services, and common lab tests. This helps to keep staff sizes, equipment costs, and facility sizes within reason.

Integration with other Health Initiatives: Since onsite healthcare, to a large extent, can be viewed as an extension of wellness initiatives that are already underway. It is common for employers to seek synergy by driving wellness related services (e.g. biometric screenings) into the onsite facility. These options will need to be reviewed in greater detail before any decision to move forward.

Some organizations may consolidate occupational health services under an onsite clinic to increase the volume of services directed to the facility and to achieve the necessary economies of scale to make the facility viable. In these cases, the philosophical and legal differences between occupational and non-occupational medicine need to be carefully considered and managed.

Segregation from the Employer: Employees generally will not trust, and ultimately will not use a facility if they perceive it to be the “company doctor” or an extension of the employer. It is critical to emphasize the separation between the clinic manager and the employer.

Case Studies:

Lands’ End

Lands’ End has about 2700 employees, primarily located in Dodgeville, WI and to a much lesser extent, Reedsburg, WI. Their clinic is located on their main campus in Dodgeville, and a satellite office in Reedsburg. Nearly all employees live near the primary campus.

This clinic has been in place for nearly 10 years, and has been extremely successful, with approximately 50% of their employees/families using the clinic. This is largely attributable to geography. Most employees work and live in close proximity to the main campus making it very convenient the most convenient option. Further, being located in a rural area significantly decreases the number of available convenient alternatives. Lands’ End enhances the geographic advantage by waiving office visit fees entirely for preventive care, and offering reduced copays for non-preventive services. In essence, their clinic is more convenient and less expensive for employees and their dependents than the available alternatives in the area.

The Lands’ End clinic has an annual operating cost of approximately \$450,000. While definitive savings data is not available, they believe this clinic has been critical to slowing the rise of health care costs, and provides critical access to convenient quality care that they had been lacking.

Lands’ End also provides employees with access to a comprehensive fitness and aquatics center that is loosely tied to its onsite healthcare initiative.

Caterpillar (formerly Bucyrus)

Bucyrus launched an onsite clinic prior to being purchased by Caterpillar. Although Caterpillar has a number of onsite clinics within their organization, they typically avoid placing clinics in urban locations with a multitude of existing health care provider options.

Bucyrus's ability to provide financial incentive for employees to utilize the clinic was limited by the copays prescribed by their labor agreements. This lack of steerage compounded the problem of having an abundance of competing healthcare provider options. Although they had a large concentration of employees/families in close proximity to the facility, the clinic went largely unused. Bucyrus was allowed to continue operating the clinic for a year following the acquisition, but ultimately shut it down.

Miller Brewing

Miller Brewing launched a Quad Med clinic in 2005 with modest success. The clinic had an initial build cost over \$1,000,000 to adapt a smaller vacant building into a clinic/fitness center. It has an annual operating cost of approximately \$1,000,000, primarily driven by a staff consisting of 1 full-time physician, a physician's assistant, an RN, a shared clinic manager, a phlebotomist, an x-ray tech, and a fitness coordinator. Miller charges a significantly reduced copay to encourage employees and family members to use the clinic. Currently, the clinic is receiving sufficient volume to operate at the breakeven point.

Miller has been successful in engaging their non-represented employees at the main campus, but has had less success in achieving buy-in from union employees. Further, Miller has had challenges encouraging utilization from family members who may not live in close proximity to their campus.

After the first few years of operations, Miller recognized that the scope of the clinic may have been overly ambitious, specifically regarding the range of lab and x-ray services that the clinic is capable of providing in-house. There was not enough volume of these services to justify the equipment cost and maintenance expense. They have sold or placed into storage some of the lesser used equipment to reduce the overall operating budget and improve efficiency.

Miller has a reciprocity agreement where if a Miller employee uses another employers' Quad Med administered clinic, Miller is charged a fee that is greater than the cost of their own clinic, but less than the amount charged at a network provider under their health plan.

Waukesha County

Waukesha County has evaluated the feasibility of implementing an onsite clinic independently, or in collaboration with Waukesha Public Schools and the City of Waukesha. They have contracted with a consultant to evaluate options, and received the initial findings in early May. The initial findings are favorable, and it is likely that Waukesha County will proceed with a clinic in collaboration with the City of Waukesha and Waukesha Public Schools. The Employee Benefits Work Group will continue to monitor Waukesha County's progress as they proceed.

Among the key reasons for Waukesha County's favorable finding is that employees are almost entirely concentrated in one campus, which also coincides with the Waukesha Public School and City administration sites. Waukesha County also has a significantly smaller population of covered retirees (approximately 300 in total), with no obligation to provide the same plan design or access to retirees as they provide to active employees. As such, the clinic will likely exclude all Medicare-eligible retirees.

Waukesha County's preliminary scope of services will include primary care, wellness and biometric screenings, pre-employment screening, employee drug testing, and occupational health services. They anticipate an initial staff/operating cost of approximately \$150,000 - \$200,000 based on 54 hours per week of operation by a Nurse Practitioner. If utilization warrants, they can expand operating hours, and include patient access to the supervising physician. The total year 1 costs are estimated at 1.3 million.

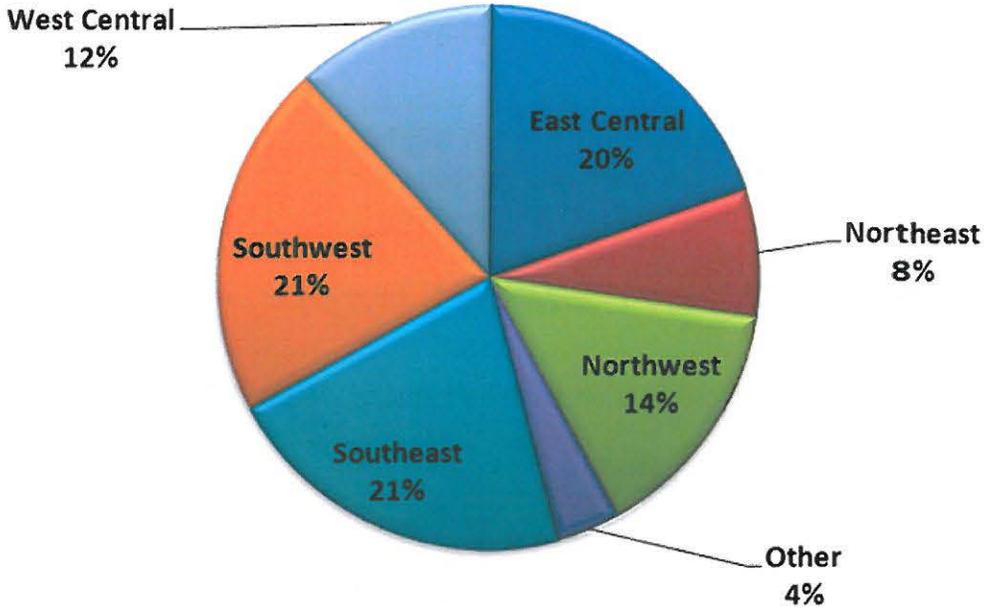
Waukesha County will likely use a reduced copay to incentivize utilization.

Milwaukee County Location Analysis

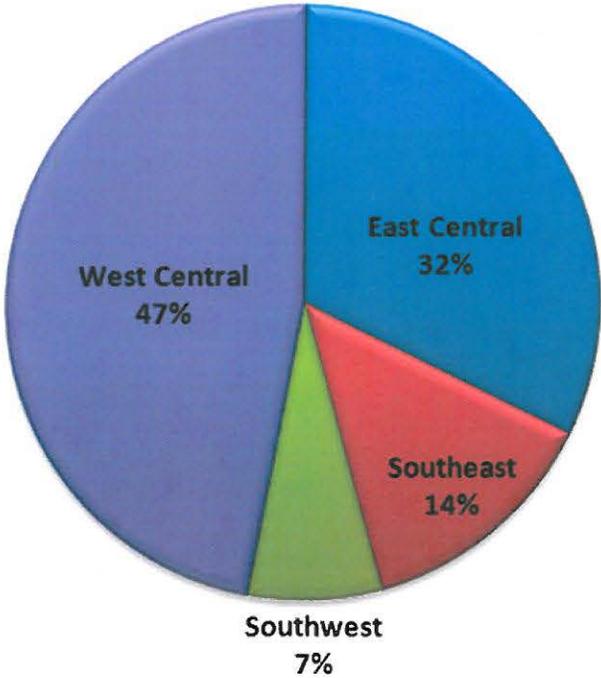
The Benefits Division reviewed where employees live and work and where primary care providers are located by dividing the County into 6 regions. While not shown in the charts below, the distribution of retirees who live within Milwaukee County is similar to the distribution of active employees among the 6 regions.

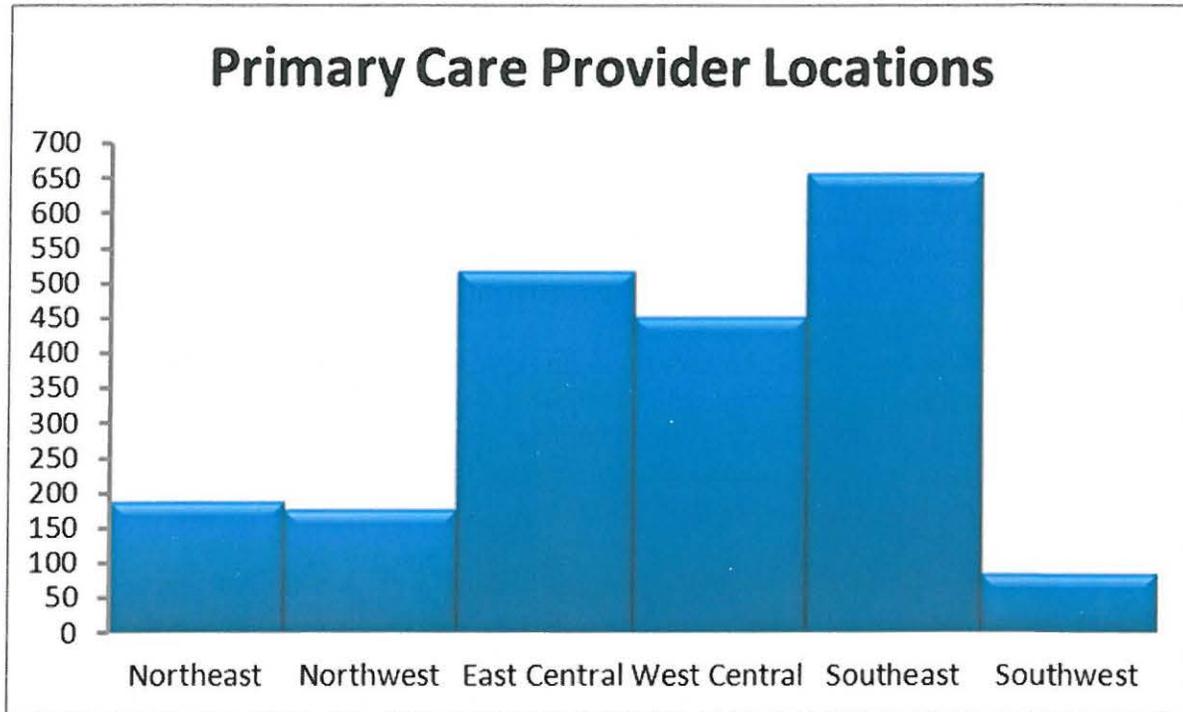
Work locations were assigned based on the primary location of the org. unit number for the Departments/Divisions. Separating org units into smaller worksite groupings would likely re-distribute a portion of the West Central group to the East Central, South East, and South West regions. There is not a significant volume of worksites in the North.

Where Employees Live



Where Employees Work





The regions are defined as follows:

Region	Definition
North East	Bordered by Lake Michigan in the East, 43 rd St in the West, the County line in the North, and Capitol Dr in the South.
North West	Bordered by 43 rd in the East, the County line in the North and West, and Capitol Dr. in the South.
East Central	Bordered by Lake Michigan in the East, 43 rd St in the West, Capitol Dr in the North, and Becher St. in the South. Includes the Courthouse complex, Coggs Center, and City Campus
West Central	Bordered by 43 rd St in the East, the County line in the West, Capitol Dr in the North, and Becher St. in the South. Includes BHD, Zoo, Parks Administration
South East	Bordered by Lake Michigan in the East, 43 rd St in the West, Becher St. in the North, and the County line in the South. Includes General Mitchell International Airport
South West	Bordered by 43 rd in the East, the County line in the West, Becher St. in the North, and the County line in the South. Includes the House of Correction (CCF-South)

Ideally, the choice for the location of a clinic would be aligned with a large concentration of employees, have convenient to access for the majority of covered dependents, and be in an area that does not already have a large number of providers. Unfortunately, there is not a Milwaukee County worksite that appears to meet all of these criteria. Based on employee location, the two most prominent options would be the BHD and Courthouse Complex (discussed below).

The County worksites with the highest volume of employees coincide with the regions that already have the highest number of network primary care physicians. Competition from existing area providers will add to the challenge of reaching sufficient volume to make the clinic viable.

Behavioral Health Division: The largest groups of employees work in the West Central region, which could suggest unused/underutilized space at BHD as a potential location. However, only 12% of County employees live within the West Central region. The location would be at a geographic disadvantage for drawing dependent utilization. In addition, uncertainty exists concerning the County's long-term use of the BHD facility.

Courthouse Complex: This location would be aligned with the work location of a large concentration of employees, but would not align to where a large number of employees and their dependents live. In addition, space in the courthouse complex is limited and access to the clinic would be inconvenient for non-courthouse employees and all dependents due to security requirements and parking restrictions.

Additional Locations: As Milwaukee County has facilities located throughout the County, the Employee Benefits Work Group could consider options for placing a clinic facility in a location that aligns with employees' home locations and/or a reduced number of providers already serving a particular area. While this may alleviate concerns with dependent convenience and access, it may shift the challenge to obtaining employee engagement.

Financial Analysis

Approach: The analysis below is based on Milwaukee County primary care claims data. All assumptions for clinic costs and utilization are primarily based on a review of local examples of onsite clinics, available publications, and recent RFP's at other employers. The County's Health Care consultant, Willis of Wisconsin, has reviewed the assumptions for reasonableness, but it is important to note the Employee Benefits Work Group has not engaged Willis for a formal actuarial review at this time. The intent of this analysis is to provide policy makers with a rough assessment of potential costs and fiscal performance prior to committing additional resources to a more thorough and detailed financial analysis.

Scope of Practice: We have focused our financial analysis on a scope of practice that would achieve cost reduction by replacing high volume community-based primary and preventive services with lower cost care provided within the clinic.

Start-up Costs: Supplies, equipment, and training for launching a new facility can be as much as \$250,000, contingent on the scope of services the clinic is intended to cover. This is in addition to any remodeling costs for the facility space. At a rough per square foot rate of \$220,

the remodeling would cost nearly \$500,000. A reasonable estimate for total start-up costs for a Milwaukee County Clinic would be \$750,000.

A more thorough analysis is needed prior to proceeding with any implementation plan. This analysis should be based on the specific location chosen and the scope of services the clinic would provide. Further, County architects and facilities staff should be engaged to help assess materials, HVAC requirements, electrical, plumbing, etc., all of which could significantly increase these estimates.

The cost of the initial build could be spread over a period of 15 years.

Basis for Operating Costs: The minimum annual operating costs will be around \$450,000 - \$500,000 roughly based on a staff consisting of a half-time supervising physician, a 30-hour nurse practitioner, a 40-hour CMA/LPN, a full-time phlebotomist, and a full-time patient coordinator (receptionist).

Operating costs will increase as clinic utilization increases. A study completed by Milliman indicated the Bucyrus clinic's claim cost was approximately 80% of the cost of claims under the UHC network in the Milwaukee market after discounts. Using this as a benchmark has the advantage of being in the Milwaukee market and using the same carrier/discount rates that Milwaukee County currently operates with.

This minimum does not consider the likelihood of a management fee for the third-party vendor, nor does it contemplate any fees related to the clinician's liability/malpractice insurance.

Claims Pool: The claims that can potentially be impacted by a clinic with a reasonable scope of services total approximately \$4 million. This is derived from taking all claims incurred by active employees in 2012 with an office visit copay procedure code attached. This data was then filtered by the market the claim was incurred in and the provider type to exclude claims incurred outside of the Milwaukee market, and all specialists except pediatricians. A 7.5% trend rate was applied to 2013 and beyond to adjust for healthcare inflation.

Discount on Copay: To achieve any significant utilization of the clinic, there will have to be a meaningful financial incentive for employees to change primary care providers. For the purpose of this analysis, a \$20 discount (i.e. \$10 copay) was assumed for using the clinic.

Capture Rate: Milwaukee County will not be able to shift 100% of office visit claims into the clinic. At Land's End, which has every factor in their favor (location, convenience, reduced copay, etc.), utilization is still roughly 50% of eligible claims. By contrast, the claims capture at Bucyrus was minimal.

The capture rate is the most subjective aspect of the analysis. Further, the discount on out-of-pocket costs, location, scope of services, etc. will all have an effect on the volume of claims that are shifted to the clinic.

Break-even Point: With the assumptions above, the clinic would need to absorb 15% of all claims to break even in the first year. At 10% the clinic would increase costs by approximately

\$170,000 in year one. By contrast, an extremely successful clinic capturing 50% of claims under the assumptions described above would save approximately \$180,000, which is less than 0.5% of the active employee medical costs (excluding prescription medications).

Other ROI Considerations: Proponents of onsite clinics will commonly cite gradual improvement in the health and productivity of the covered population as a component of the return on investment for an onsite clinic, in a similar manner as employer wellness plans. By making it more convenient for employees to conduct annual physicals and obtain primary care services, in theory employees will be more compliant with routine health care, which can lead to earlier and more cost effective discovery and resolution of health risks. Further, the improved doctor-patient relationship under an onsite clinic could lead to a decrease in unnecessary services and waste within the health care system.

Similar to wellness plans, it is incredibly difficult to assess and validate savings from behavior change and services avoided, especially when the actual behavior changes are likely to be modest and delayed. Over time, a claims analysis may show correlation between a shift in claims experience or a decrease in the rate of inflation and the presence of an onsite clinic, but it will not demonstrate cause. Consequently, these “soft savings” should not be budgeted for.

Milwaukee County Specific Issues

Milwaukee County’s rules governing retiree medical coverage create a unique challenge for launching a successful onsite clinic. The County is required to provide retirees with access to the same health care plan as active employees. Modifying the plan design to allow lower copays for services at a County Clinic would likely require the County to extend access to the facility to covered retirees, including Medicare-eligible retirees. Doing so will require the County to pursue reimbursement from Medicare for those clinic services.

Pursuing Medicare reimbursement will require additional staff and administrative costs. As previously cited, Medicare reimbursement rates are significantly lower than any other payer. As such, treating Medicare-eligible patients at an onsite facility will likely erode any direct savings from treating the active employees.

Findings

Onsite clinics can be an effective tool in slowing the rate of inflation in healthcare cost if a high volume of services can be directed into the facility. This is most likely to occur when there is a sustained level of trust between employees and the employer, the facility is more convenient for employees and their dependents to access than their alternative choices of health care providers, and there is a financial incentive for employees to use the facility.

Milwaukee County’s decentralized workforce presents a clear challenge in identifying an easily accessible clinic site that is geographically convenient for employees and dependents. Further, any location for an onsite clinic will face significant competition from an abundance of existing alternative providers in the Milwaukee market.

Milwaukee County’s unique requirements regarding retiree coverage leave the County with a difficult decision regarding financial incentives for people to utilize the clinic. By adding an

incentive, the County runs the risk of incurring additional costs as a result of having to open the clinic to retirees and coordinate billing with Medicare. If a significant percentage of services are incurred by Medicare-eligible retirees, the clinic could ultimately increase overall health care costs.

It is questionable under current circumstances whether an onsite clinic could draw an adequate percentage of claims to cover the operating costs. Also, under ideal conditions and high levels of utilization, the hard, verifiable savings from an onsite clinic are still relatively limited, and expected to be less than 1% of the active employee health care costs.

Despite the lack of a compelling short-term financial reason for developing an onsite clinic, it can be argued that integrating an onsite clinic with a comprehensive County wellness plan and/or occupational health may be an effective tool for improving the overall health of employees. This could gradually contribute to a decrease in the rate of health care inflation over the long-term. If this project is undertaken, it should be done as a long-term philosophical commitment to gradually creating a healthier workforce, as opposed to achieving a positive return on investment in the near-term.

Recommendation / Next Steps

Based on the findings above, the Employee Benefits Work Group believes caution is required before the County pursues an onsite clinic for Milwaukee County. The decentralized workforce and the availability of alternative providers make it unlikely that the County would realize an adequate volume of claims to make a clinic viable. This problem is compounded by the County's lack of ability to incent employees to use the clinic due to our restrictions regarding retirees.

If the Workgroup is given direction to continue to pursue an onsite health clinic, the next steps would include, but not be limited to the following:

- Conducting an employee interest survey to better assess employees willingness to use a clinic in lieu of their current options, and preferences for placement of a clinic.
- Engage the County's health care actuaries and consultants in a more comprehensive financial analysis of clinic operations. In order to complete this, it will be necessary for the Work Group to receive direction regarding the scope of services that the County would like the clinic to provide, and the extent to which any other County programs should be integrated with a clinic.
- Identify the location and engage Milwaukee County's Architectural, Engineering, and Environmental Services to refine the cost estimates for remodeling space for this purpose.
- The Capital Finance Division of Comptroller's Office will also need to be consulted regarding the County's options for financing the initial build.

cc: County Executive Chris Abele
Amber Moreen, Chief of Staff, County Executive's Office
Kimberly Walker, Corporation Counsel
Kerry Mitchell, Director, Department of Human Resources
Donald Tyler, Director, Department of Administrative Services
Josh Fudge, Fiscal and Budget Administrator, Department of Administrative Services

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 24, 2013

To: Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel and Audit
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel and Audit

From: Jerome J. Heer, Director of Audits

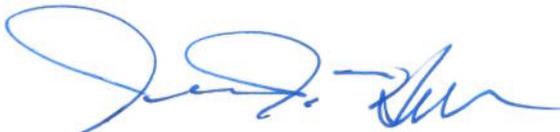
Subject: Status Report – Audit of ERS Pension Benefit Calculations (File No. 12-318)

At its meeting on May 17, 2012, the Committee on Finance and Audit passed a motion to approve and recommend for adoption the recommendations made in our audit report "Excessive Manual Review and Intervention is Required to Ensure Pension Benefit Calculations from Milwaukee County ERS' Automated V-3 System are Accurate."

Attached is the second status report regarding the progress toward implementation of our recommendations. As can be seen in the report, Human Resources management has addressed 12 of the 14 recommendations.

Please note that management's updated response to recommendations 8 and 10 indicate further work remains to correct/resolve apparent discrepancies in V-3 System accounts in which members have selected the Option 7 form of retirement benefit payout, anticipating completion of its efforts by December 31, 2013.

This status report is informational and we will work with management to provide a final status report for the January 2014 committee meeting cycle.



Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Scott Manske, Milwaukee County Comptroller
Finance, Personnel and Audit Committee Members
Chris Abele, County Executive
Kerry Mitchell, Executive Director, Department of Human Resources
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Research Analyst, County Board Staff
Janelle Jensen, Committee Clerk

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Excessive Manual Review and Intervention is Required to Ensure Pension Benefit Calculations from Milwaukee County ERS' Automated V-3 System are Accurate

File Number: 12-318

Audit Date: March 2012

Status Report Date: May 2013

Department: Human Resources –
Division of Employee Benefits

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Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	

1. Develop written protocols defining the number of pay periods used to calculate three-year and five-year Final Average Salary figures, respectively, for determining ERS retiree benefits in compliance with s. 201.24, Section II 2.8 of the Milwaukee County Ordinances. We suggest consistent application of the 78 highest consecutive pay periods for three-year FAS and the 130 highest consecutive pay periods for five-year FAS.					Yes	No	<u>November 2012 Response</u> Auditee: ERS agreed with the recommendation and updated the procedure manuals accordingly. This project was completed in May 2012. A Change Order was requested to make the necessary V3 system modification.
2. Continue monitoring COLA adjustments and document efforts to verify reliable application of appropriate COLAs by the V-3 System.					Yes	No	<u>November 2012 Response</u> Auditee: Ongoing quality assurance efforts regarding Cost of Living Adjustments (COLA) are in place. A full review of all COLAs is performed monthly. Issues are identified (over/underpayments) and corrective action is taken monthly. As an additional note, the programming issue with COLAs related to backDROPS that was separately identified by ERS was resolved in May 2012.
3. Review and correct all Option 6 cut-off date errors in the V-3 System					Yes	No	<u>November 2012 Response</u> Auditee: ERS corrected all known option 6 errors. ERS continues to actively self-audit, and will similarly correct any issue identified in the future.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

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File Number: 12-318

Audit Date: March 2012

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Department: Human Resources –
Division of Employee Benefits

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Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
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4. Work with Corporation Counsel to revise s. 201.24 of the County Ordinances to codify the backDROP cut-off dates.					Yes	No	<u>November 2012 Response</u> Auditee: Pension Board Rule 1046 Calculation of Option 6 Benefits with a Backdrop was adopted 6/20/12 to define when the 10 year certain period begins.
5. Develop written procedures regarding the procession of Option 6 pension applications, including measures to ensure cut-off dates for Option 6 members with backDROP dates are entered into V-3 appropriately and to ensure remaining benefits are paid to the estates of members who die without a beneficiary before receiving 120 guaranteed payments.					Yes	No	<u>November 2012 Response</u> Auditee: Written procedures regarding option 6 were implemented in July 2012. These procedures address the execution of remaining payments to the estate of retirees who die prior to receiving the guaranteed number of payments.

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	Yes	No	Yes	No	Completed	Further Action Required	
6. Create an automatic computer-generated cut-off for Option 6 beneficiary payments once the guaranteed 120 payment requirements have been met.					Yes	No	<p><u>November 2012 Response</u></p> <p>Auditee: The current system configuration creates a report of Option 6 beneficiary payments that are expiring 2 months in advance of the completion of the 120 day period. This triggers a staff member to send the notice and enter a benefit end date in V-3.</p> <p>ERS remains generally opposed to automating the termination of pension benefits. In lieu of this step, ERS added redundancy to the manual review to ensure benefit end dates are being properly entered.</p> <p>Audit Services Division: <i>We continue to believe that automating this function would be more effective because it would provide a rigid internal control to prevent overpayments as contrasted with the current manual process, which is more susceptible to human error. However, management is responsible for establishing an adequate system of internal control.</i></p> <p><u>May 2013 Update</u></p> <p><i>Auditee: During initial programming the current system configuration was completed as per the specifications developed in conjunction with discussions on how processes were completed. The report is reviewed and a termination of benefit date is entered. A notice is sent to the survivor alerting them to the termination of the benefit.</i></p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

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Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
7. Expedite review of all remaining instances of benefits overpayments and underpayments referred by the Department of Audit during the course of this audit and take appropriate corrective action.					Yes	No	<p><u>November 2012 Response</u> Auditee: ERS completed all corrections prior to July 2012</p>
8. Conduct a manual review of member accounts in those instances where missing or contradictory information in the V-3 System and/or paper files cast doubt on the accuracy of Option 7 payments. This may require contacting retirees and/or survivors to resolve issues with Option 7 that were not satisfied during this audit.					No	Yes	<p><u>November 2012 Response</u> Auditee: ERS conducted a manual review, however, due to the age of some of these issues, they are not 100% resolved. ERS will continue this effort and resolve all issues to the extent that it is possible.</p> <p>Audit Services Division: <i>Audit Services will assess ERS' manual review ahead of the next status report</i></p> <p><u>May 2013 Update</u> <i>Auditee: ERS continues review of Option 7 applications. Information is being pulled from legacy system and files. Once research has been completed, corrections will be made in V3 and all appropriate documentation will be scanned into the system.</i></p> <p><i>ERS will have research completed and potential discrepancies resolved by year end.</i></p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Excessive Manual Review and Intervention is Required to Ensure Pension Benefit Calculations from Milwaukee County ERS' Automated V-3 System are Accurate

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9. Refer the Option 4 (25% Joint and Survivor) case that was processed as Option 7 to Corporation Counsel for a legal review and opinion as to appropriate action, if any.					Yes	No	<p><u>November 2012 Response</u> Auditee: This issue is still pending. Response will be updated to reflect resolution by end of December 2012.</p> <p><u>May 2013 Update</u> <i>This situation was discussed in closed session at the March 20, 2013, Pension Board meeting. Upon returning to open session, the Pension Board unanimously determined that the Pension Board, at the time of member's retirements, delegated its authority to review members' applications to the Retirement Office in accordance with Rule 1013. Additionally, the Pension Board determined that member's' Option 7 application was approved through the prior Pension Board's approval of the Retirements Granted report, at its meeting on 10/17/01. Motion by Mr. Leonard, seconded by Mr. Gedemer.</i></p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

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	Yes	No	Yes	No	Completed	Further Action Required	
10. Address all data errors in V-3 relating to the Option 7 cases that we have brought to management's attention in the course of this audit.					No	Yes	<p><u>November 2012 Response</u> Auditee: ERS has reviewed all issues that were brought forward. However, the age of the cases and document retention issues has limited our ability to completely resolve all questions. ERS will continue to make all reasonable efforts to ensure data integrity.</p> <p>Audit Services Division: <i>Audit Services will review ERS' efforts in this area in advance of the next status report.</i></p> <p><u>May 2013 Update</u> <i>Auditee: ERS continues review of Option 7 applications. Information is being pulled from legacy system and files. Once research has been completed, corrections will be made in V3 and all appropriate documentation will be scanned into the system.</i></p> <p><i>ERS will have research completed and potential discrepancies resolved by year end.</i></p>

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Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
11. Continue ongoing problem identification and resolution processes, including manual reviews and intervention to V-3 and correct all system data that is incorrect to make sure the system is a true account of each record.					Yes	No	<u>November 2012 Response</u> Auditee: ERS has made, and will continue to make all reasonable quality assurance reviews. Identifying and resolving data integrity issues will remain an ongoing effort. Management has identified issues resulting in compromised data integrity and is addressing these with the V3 system vendor.
12. Revise ERS procedures manual to include the Peer to Peer Review Process.					Yes	No	<u>November 2012 Response</u> Auditee: Procedure manuals have been updated to include the peer-to-peer review process. Additionally, the Fiscal office has final review and sign-off of all finals
13. Identify those problems attributable to staff errors and develop additional focused training and reinforcement efforts to improve performance.					Yes	No	<u>November 2012 Response</u> Auditee: ERS has filled the Retirement Systems Specialist and ERS Assistant Manager roles, and subsequently increased its use of metrics for tracking and identifying staff errors. Some initial training issues have been addressed, but this will continue to be an ongoing effort. Additional staff development and training initiatives are in planning phase for implementation in 2013.
14. Review the Benefit Division's policy on the retention of records and ensure all documents necessary to recreate and verify retirement benefits calculations are retained in the V-3 System.					Yes	No	<u>November 2012 Response</u> The Benefit Division's policy has been reviewed and distributed. Due to staff turnover, monitoring and re-training will be an ongoing effort.

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 23, 2013

To: Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel and Audit
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel and Audit

From: Jerome J. Heer, Director of Audits

Subject: Status Report – Audit of Parks Point of Sale Revenue Controls (File No. 12-369)

At its meeting on May 17, 2012, the Committee on Finance and Audit passed a motion to approve and recommend for adoption the recommendations made in our audit report, "Controls Over Milwaukee County Parks' Point of Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible."

Subsequently, a six-month status report, summarizing the progress made toward implementation of these recommendations, was reviewed at the Committee meeting in December 2012.

Attached is the second status report, which summarizes the current status of the recommendations. As indicated in the report, 14 of the 17 recommendations have been implemented.

This status report is informational and indicates progress towards implementing all of the audit recommendations is substantially complete. Therefore, we will informally work with Parks' management to monitor efforts to close out the three outstanding audit recommendations. Should there be any problems in realizing the intended implementation schedule for those remaining items, as identified in the attached report, we will inform the Committee.



Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Scott Manske, Milwaukee County Comptroller
Finance, Personnel and Audit Committee Members
Chris Abele, County Executive
James Keegan, Interim Parks Director, Department of Parks, Recreation and Culture
Chris Lindberg, Chief Information Officer, Information Management Services
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Research Analyst, County Board Staff
Janelle Jensen, Committee Clerk

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Controls Over Milwaukee County Parks' Point-of-Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible

File Number: 12-369

Audit Date: April 2012

Status Report Date: May 2013

Department: Parks, Recreation and Culture

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. Develop protocols, such as retention of appropriate documentation of programming modifications, to ensure the Parks POS/Advantage interface program is maintained with minimal disruption in operations should DAS' contractual relationship with the consultant currently performing that task end.					Yes	No	<u>November 2012 Response</u> Auditee: IMSD has process and protocols in place to ensure that application code is secured and appropriate documentation is retained. Team Foundation Server; implemented in mid 2011, currently stores technology code related the Parks POS interface. All code development and periodic changes are managed within Team Foundation Server.
2. Work to modify the current application interface or write a new one to facilitate nightly or semi-weekly batch posting of POS transactions, or a summary of transactions, to the Advantage system.					Yes	No	<u>November 2012 Response</u> Auditee: Our current methodology has proven more effective and efficient than use of the existing interface. It has reduced the amount of time to have transactions posted to Advantage. The existing interface has not been updated. It is not an automatic interface, as it requires user pull and push which is time consuming and cumbersome.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Controls Over Milwaukee County Parks' Point-of-Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible

File Number: 12-369

Audit Date: April 2012

Status Report Date: May 2013

Department: Parks, Recreation and Culture

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
3. Develop a computerized tracking methodology to ensure that revenues from all sites are reported as scheduled and that corrective actions are taken when problematic sites are identified.					Yes	No	<p><u>November 2012 Response</u> Auditee: A spreadsheet is used to track the receipt of each cash report per day per site. A "closed/no sales" form is required when the site does not turn in a cash report. An email is regularly sent to sites that are behind or have missing reports. Managers and Chiefs deal with habitual offenders.</p> <p>For sites on POS, reports inform us of the total sales that need to be accounted for.</p> <p>At month end, sales from cash reports are reconciled to both bank and credit card statements to ensure that no sales are unrecorded.</p>
4. Consider installing cameras at all regulation golf/concession registers. At minimum, a camera should be installed at Oakwood Golf course, the third highest golf revenue generating site (approximately \$800,000 in revenues for 2010).					Yes	No	<p><u>November 2012 Response</u> Auditee: A camera system was installed at Oakwood Golf Course in August 2012. Installation of a security system is planned at the Mitchell Park Domes as part of the greenhouse project.</p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Controls Over Milwaukee County Parks' Point-of-Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible

File Number: 12-369

Audit Date: April 2012

Status Report Date: May 2013

Department: Parks, Recreation and Culture

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
5. Replace combination safes with keypad safes whereby the access-code can be easily changed as often as needed at no additional cost.					Yes	No	<p><u>November 2012 Response</u> Auditee: 32 new keypad safes were purchased and are being installed.</p> <p><u>May 2013 Update</u> <i>Auditee: All new keypads safes have been purchased and installed.</i></p>
6. Develop timely exception reports to more actively monitor voided and negative transactions. Parks management should devise reports that can be sorted by voided and negative transactions per cashier, per revenue site and per month to help detect patterns of potential abuse.					Yes	No	<p><u>November 2012 Response</u> Auditee: 5 Managers reviewed transaction detail reports for each cash site on a rotating basis. A POS report was created to review negative and voided transactions for sites on POS. Irregularities were documented followed up on.</p>
7. Document management review and analysis of exception reports on a regular basis. The Parks cash handling procedures manual should be updated with this procedure and cashiers should be made aware of the change.					Yes	No	<p><u>November 2012 Response</u> Auditee: The cash-handling manual will be updated over winter 2012-2013.</p> <p><u>May 2013 Update</u> <i>Auditee: The cash-handling manual was updated 12/27/12.</i></p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Controls Over Milwaukee County Parks' Point-of-Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible

File Number: 12-369

Audit Date: April 2012

Status Report Date: May 2013

Department: Parks, Recreation and Culture

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
8. Implement a policy to conduct and document a minimum number of surprise on-site cash counts per year, take remedial action if necessary, and disseminate this information to all cashiers.					Yes	No	<p><u>November 2012 Response</u> Auditee: Parks agreed to audit at least 20 sites in 2012. 23 sites have been done year to date. Results of audits are shared with the appropriate Senior Manager and Chief for follow through. Issues that pertain to all site are shared with sites managers for dissemination.</p> <p><u>May 2013 Update</u> <i>Auditee: Periodic surprise on-site cash counts have been done in the past, more could be done if resources were allocated for such a project. Ten on-site cash audits were conducted in 2011 and 23 in 2012. Results were sent to the site and to its management. At least 25 on-site cash audits will be conducted per year.</i></p>
9. Require all cashiers to punch, deface, or void redeemed gift certificates prior to securing it into the register drawer.					Yes	No	<p><u>November 2012 Response</u> Auditee: Current policy is for the cashier to deface/void all gift certificates as they are used. This policy will be reinforced with cashiers.</p>
10. Establish regular reconciliation of tickets ordered, issued and redeemed to identify gaps in serial numbers and/or possible indications of unauthorized duplicates being redeemed. Link this process with ticket ordering to prevent erroneous orders of tickets with duplicate serial numbers.					Yes	No	<p><u>November 2012 Response</u> Auditee: Ticket usage has been discontinued a most pools as it was a superfluous control.</p> <p>New orders numbers will begin with the number after the last batch ordered and will only be ordered by Accounting. Total ticket inventory sent to pools are tracked and usage verified by ending inventory.</p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

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Department: Parks, Recreation and Culture

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
11. Destroy and document any duplicate tickets that are ordered and/or printed in error.					Yes	No	<u>November 2012 Response</u> Auditee: Duplicate tickets will be destroyed.
12. Establish a procedure to generate request to applicable vendors for a copy of required Certificates of Insurance for each contract year at least 60 days prior to the expiration date of the copy on file and ensure that a valid copy is acquired and retained.					No	Yes	<u>November 2012 Response</u> Auditee: Parks purchased the Contract Insight software program earlier this year. We are currently in the process of uploading our open contracts into Contract Insight. Contract Insight includes features tracking devices related to our contracts, including a metric that tells us when a contractor's certificate of insurance is 60 days from expiration. Parks expects to be fully functional in 6 months. <u>May 2013 Update</u> <i>Auditee: Parks purchased the Contract Insight software program in the summer of 2012. Contract Insight features tracking devices related to our contracts, including a metric that tells us when a contractor's certificate of insurance is 60 days from expiration. Parks has uploaded approximately 2/3 of its contracts into Contract Insight and expects to have uploaded the final 1/3 within the next 6 months.</i>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

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Audit Date: April 2012

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Department: Parks, Recreation and Culture

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	Yes	No	Yes	No	Completed	Further Action Required	
13. Work with IMSD to develop an access control policy for its POS system and ensure that password change requests, revocations, and assignments are properly authorized and documented. Such a policy should be consistent with Milwaukee County IMSD standards and documented in Parks' policy and procedures manual.					Yes	No	<p><u>November 2012 Response</u> Auditee: The Parks Department is still evaluating this observation to determine what options need to be implemented.</p> <p><u>May 2013 Update</u> <i>Auditee: The new version of Fairway (POS) that we upgraded to on February 21, 2013 includes new security features. These include increased restrictions on access to certain functions. These settings have been modified to insure only authorized employees have proper access to the system. All old passwords have been inactivated and current logins will expire after 30 days of inactivity.</i></p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Controls Over Milwaukee County Parks' Point-of-Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible

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Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
14. Work with IMSD to develop a change control policy to manage changes to application interface program(s) interfacing with Advantage. Such a policy should be consistent with Milwaukee County IMSD standards, documented in Parks' policy and procedures manual.					No	Yes	<p><u>November 2012 Response</u> IMSD has a change control process in place. IMSD will work with Parks and the POS supplier to ensure vendor compliance.</p> <p><u>May 2013 Update</u> <i>Since the last update to the Audit Department, IMSD did a review and acknowledged gaps in our overall change control process. IMSD completed the analysis and formalized a new industry best practice production integrity process (Change Control). On May 21, 2013 IMSD management reviewed and approved the new standard. IMSD is taking a holistic approach to integration and compliance of the new process. Access to our systems will be locked down. Neither Vendor nor County Department will have access to production environment. Locking down access to systems will be complete as part of the Desktop Transformation Project.</i></p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

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Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
15. Work with Parks to ensure that POS data restoration plans are tested and documented.					No	Yes	<p><u>November 2012 Response</u> This task is substantially complete. IMSD back-up and restore processes were applied to the Parks POS system at the time of its implementation and are currently tested on an ad hoc basis. IMSD will continue to work with Parks to formalize a reoccurring schedule for future tests and enhance documentation.</p> <p><u>May 2013 Update</u> <i>A formalized schedule has not been complete as of yet. Conversations have begun as it relates to process and timing. In March IMSD deployed a new version release of the software with new hardware. New backup processes and solutions have been implemented by the vendor as part of this upgrade. IMSD is in the process of working with client and vendor to establish restoration test plans documentation that reflect the new configuration/production environment.</i></p>
16. Take steps to move the server within the same room away from the window to an area of the room where it is less visible and susceptible to water damage, or to a more secure area altogether.					Yes	No	<p><u>November 2012 Response</u> -Increased security precautions have been put in place since this initial audit. -Re-enforced deadbolt doors have been installed as well as high security metal screens have been installed on the windows.</p>

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Controls Over Milwaukee County Parks' Point-of-Sale Revenues are Sound but Timeliness of Reporting and Other Improvements are Possible

File Number: 12-369

Audit Date: April 2012

Status Report Date: May 2013

Department: Parks, Recreation and Culture

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
17. Replace the existing external entry door containing a window with a more secure door.					Yes	No	<p><u>November 2012 Response</u> Increased security precautions have been put in place since this initial audit.</p> <p>Re-enforced deadbolt doors have been installed as well as high security metal screens have been installed on the windows.</p>

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 24, 2013

To: Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel and Audit
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel and Audit

From: Jerome J. Heer, Director of Audits

Subject: Status Report – Audit of Sheriff's Inmate Trust Funds (File No. 12-879)

At its meeting on December 13, 2012, the Committee on Finance, Personnel and Audit passed a motion to approve and recommend this report for adoption and to concur with the recommendations made in our audit report, "Improved Recordkeeping Practices are Needed to Ensure Accountability Over Inmate Trust Funds."

The attached status report summarizes the progress made toward implementation of the recommendations. As indicated in the report, Office of the Sheriff management has fully implemented six of the 10 audit recommendations and has made substantial progress towards implementing the remaining four recommendations.

This status report is informational and indicates progress towards implementing all of the audit recommendations is substantially complete. Therefore, we will informally work with Office of the Sheriff's management to monitor efforts to close out the four outstanding audit recommendations. Should there be any problems in realizing the intended implementation schedule for those remaining items, as identified in the attached report, we will inform the Committee.



Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Scott Manske, Milwaukee County Comptroller
Finance, Personnel and Audit Committee Members
Chris Abele, County Executive
David A. Clarke, Jr., Milwaukee County Sheriff
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Research Analyst, County Board Staff
Janelle Jensen, Committee Clerk

STATUS OF IMPLEMENTING AUDIT REPORT RECOMMENDATIONS

Audit Title: Improved Recordkeeping Practices are Needed to Ensure Accountability Over Inmate Trust Funds

File Number: 12-879

Audit Date: October 2012

Status Report Date: May 2013

Department: Office of the Sheriff

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	

1. Process all accounting transactions, including issuance of checks to transfer funds to Office of the Treasurer accounts, as well as the deposit of cash receipts, in a timely manner. Such transactions should be processed at least monthly.		X			X	Continued monitoring	Auditee: As of September 1, 2012 CCW system reports were revised and incorporated into daily processes to reconcile inmate account deposits and withdrawals. All transactions are processed monthly.
2. Correctly post inmate trust account activity to the Advantage accounting system and perform reconciliations between the CCW system and Advantage monthly.		X			X	Continued monitoring	Auditee: As of January 1, 2013 the CCW system reports were revised and incorporated into daily processes to reconcile monthly CCW activity to the Tri City National Bank Inmate Trust Account. The Fiscal staff at the HOC reconciles all differences and discrepancies to all bank statement transactions and makes appropriate adjustments monthly. Transactions are then posted to Advantage monthly.
3. Establish a dollar threshold for employing a dual-signature requirement to authorize inmate trust fund transactions.		X			X	None	Auditee: All checks written on the Inmate Trust Account at Tri City National Bank in the amount of \$500 or more require two signatures of the authorized signers on the account signature card. The account that was previously utilized for Inmate Trust Huber transactions is no longer in use but continues to contain funds that are currently being reconciled with old outstanding inmate credit and debit balances. The signature card for this account was updated to require a minimum of two signatures on all transactions (Checks and/or Electronic Transfers).

STATUS OF IMPLEMENTING AUDIT REPORT RECOMMENDATIONS

Audit Title: Improved Recordkeeping Practices are Needed to Ensure Accountability Over Inmate Trust Funds

File Number: 12-879

Audit Date: October 2012

Status Report Date: May 2013

Department: Office of the Sheriff

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	

4. Segregate responsibilities among staff for signing checks and/or executing electronic fund transfers from those involved with the accounting/recordkeeping of these transactions. Provide the banks with updated authorizations which reflect only those individuals that should be signing checks and executing electronic transfers and, going forward, update the applicable bank(s) concurrent with changes.		X			X	Ongoing. Update Signature Cards as personnel changes require	Auditee: Effective October 10, 2012 the signature card has been updated to remove employees as signatories who are preparing and printing checks. Checks less than \$500 require one signature of those authorized. Checks of \$500 or more require two signatures. Electronic transfers of any amount, if necessary, require two signatures. Signature cards are updated regularly as employees change assignments and duties and enter or leave employment.
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STATUS OF IMPLEMENTING AUDIT REPORT RECOMMENDATIONS

Audit Title: Improved Recordkeeping Practices are Needed to Ensure Accountability Over Inmate Trust Funds

File Number: 12-879

Audit Date: October 2012

Status Report Date: May 2013

Department: Office of the Sheriff

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
5. Perform a detailed reconciliation between the CCW system and the inmate trust bank account to identify and analyze the factors underlying the large discrepancy and ultimately, make the adjusting entries necessary to bring the two back into balance.	X				No	Complete detailed rec of CCW system and inmate trust bank accounts	Auditee: Currently there is a minimum of five (5) staff members involved in this detailed reconciliation on a part time basis. Each staff member has their daily tasks and duties and devotes as much time as possible to this reconciliation each day. At the CJF the Accountant III and Accountant II are reviewing the inmate accounts that were not converted to the current active database and also are researching inactive accounts and multiple accounts for the same individual on the active database. At the HOC the Accountant III and staff are researching inactive, multiple and zero balance accounts on the active database. These are being combined, identified as unclaimed or closed as appropriate. The Accountant IV is researching the Huber inmate accounts that were not converted to the active database. His research will provide the history on the account transactions and reasons for the outstanding debit or credit balances. The results of these efforts will enable the ultimate reconciliation of the differences previously identified between the CCW system and inmate trust bank account. It is planned that additional efforts to complete this reconciliation will be available from existing Fiscal Staff as office operations are streamlined. Expected completion date is December 31, 2013.

STATUS OF IMPLEMENTING AUDIT REPORT RECOMMENDATIONS

Audit Title: Improved Recordkeeping Practices are Needed to Ensure Accountability Over Inmate Trust Funds

File Number: 12-879

Audit Date: October 2012

Status Report Date: May 2013

Department: Office of the Sheriff

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
6. Develop a written policies and procedures manual that covers all material aspects of administering the inmate trust account function.	X				No	Document and establish a written policies and procedure manual	Auditee: Policies and procedures are being written. Procedures regarding daily Huber processing have been developed. Procedures are being developed and documented as daily and monthly reconciliations and forms are evolving. The addition of a Public Safety Fiscal Analyst to the Fiscal Staff in 2013 will assist in completing this documentation by December 31, 2013.
7. Work with the CCW system vendor to develop the ability to extract detailed historical data from the system for use in performing monthly reconciliations and to flag potential errors and irregularities.		X			X	Continued monitoring	Auditee: Daily and monthly reports have been developed and refined with the CCW system vendor to extract daily and monthly historical data to perform daily and monthly reconciliations and identify errors and regularities and initiate corrective actions.
8. Consider resumption of cash payouts of inmate trust balances below \$25, or some other reasonable dollar threshold, at the time of release and return of other personal property to inmates.		X			X	None	Auditee: Effective August 24, 2012, the Office of the Sheriff resumed cash payouts to inmates at the time of their release. Inmates with balances in their accounts less than \$30 are refunded the entire amount in cash. Inmates with balances in their accounts of \$30 or more are refunded \$25 upon release and the balance refunded by check. This should eliminate the need to issue checks for less than \$5.

STATUS OF IMPLEMENTING AUDIT REPORT RECOMMENDATIONS

Audit Title: Improved Recordkeeping Practices are Needed to Ensure Accountability Over Inmate Trust Funds

File Number: 12-879

Audit Date: October 2012

Status Report Date: May 2013

Department: Office of the Sheriff

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
9. Report and transfer all unclaimed funds, regardless of the dollar amount, from inmate trust fund balances at both the CCF-South and CCF-Central facilities to the County Treasurer's Office on a timely basis.	X				No	Complete final rec of CCW and inmate trust bank account & identify unclaimed funds	Auditee: According to Wisconsin Statutes 59.66 the following accounts were forwarded to the Office of the Milwaukee County Treasurer by January 20, 2013: CJF Accounts dated 01/01/2009-12/31/2011 \$15,746.64 CJF Accounts dated 01/01/2010-12/31/2010 \$ 4,399.19 (Not converted to combined active database) CJF Accounts dated 01/01/2011-12/31/2011 \$ 4,033.97 (Not converted to combined active database) HOC Accounts dated 01/01/2009-12/31/2011 \$45,004.09 As the final reconciliation proceeds of the accounts "Not converted to the combined active database" additional accounts will be identified as "Unclaimed" and forwarded to the Milwaukee County Treasurer to be publicly published in the next reporting cycle. Expected completion date is December 31, 2013.
10. Consult with Corporation Counsel as to whether past unclaimed funds of at least \$10 and up to \$25 that have not previously been reported to the Office of the County Treasurer and published must now be published.		X			No	Comply with opinion of Corp Counsel	Auditee: A request was forwarded to Corporation Counsel on May 16, 2013 requesting an opinion of the status and future treatment, if any, of unclaimed funds retained by the Office of the Sheriff. Expected completion date is July 31 2013.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : May 24, 2013
TO : Chairwoman Marina Dimitrijevic, Milwaukee County Board of Supervisors
FROM : Scott B. Manske, Comptroller
SUBJECT : Extension of Standby Reimbursement Agreement with US Bank

Policy Issue

A Standby Reimbursement Agreement ("Agreement") between Milwaukee County and US Bank is set to terminate on August 15, 2013. This Agreement needs to be maintained due to the continuation of the Credit Assistance Agreement between Midwest Airlines and Milwaukee County.

The Office of the Comptroller and US Bank are requesting an extension of one-year to August 15, 2014 for the Standby Reimbursement Agreement. Midwest Airlines complied with covenants under the Credit Assistance Agreement in 2009 for an extension of the Standby Reimbursement Agreement.

Action Requested

A resolution is attached, which will allow the Director of the Department of Administrative Services, the signatory on the agreement, to extend the Standby Reimbursement Agreement for a period of one year.

Background

Milwaukee County entered into a Credit Assistance Agreement with Midwest Airlines in July 2003 (Resolution 03-265(a)(a)) to provide credit support to the airline. The Credit Assistance Agreement required Milwaukee County to be the guarantor of letters of credit issued by US Bank, in place of Midwest Airlines. The letters of credit guaranteed payment on two industrial development revenue bonds (IDR Bonds) issued for Midwest Airlines to build hangars.

The guarantee to US Bank was formalized through a Standby Reimbursement Agreement, between the County and the Bank. With Milwaukee County's guarantee, Midwest Airline assets that had been used to support the letters of credit could be used to obtain additional credit from financial institutions.

The Standby Reimbursement Agreement had a termination date of August 15, 2009. Previously, the Standby Reimbursement Agreement was extended to August 15, 2013 and this resolution would extend it one additional year to August 15, 2014.

If the County does not extend the Standby Reimbursement Agreement, the bondholders could call the letters of credit to pay off the IDR Bonds. The County could become responsible for repaying the bank for the funds issued to the bondholders.

The Credit Assistance Agreement, between Milwaukee County and Midwest Airlines, remains in place; therefore, it is important that the County maintain the Standby Reimbursement Agreement, as long as the Credit Assistance Agreement is outstanding.

The County guarantee is supported by a mortgage on two hangars owned by Midwest Airlines and Skyway Airlines, and a trust fund. The trust fund currently has a balance of \$5,849,000. The trust fund was originally established with a contribution of \$4.0 million from the State Department of Commerce and Racine County through a Wisconsin Community Development Block Grant. In addition, Midwest Airlines deposited \$900,000 of its own funds into the trust.

In 2009, Republic Airways Holdings, Inc. purchased Midwest's stock from a private equity company. Republic and Frontier have been making the payments on the debt on behalf of Midwest Airlines. No transfer of the obligation of Midwest Airlines was ever made to Frontier Airlines. The County's Credit Assistance for Midwest Airlines, is therefore, still with Midwest Airlines.

Status of Loans and Collateral

There are currently two debt issues for which the County is providing a guarantee. The Skyway Hangar has debt outstanding of \$5,920,000, with an appraised value on the hangar of \$4,200,000. The Midwest Hangar has debt outstanding of \$7,215,000, with an appraised value on the hangar of \$10,500,000. The Midwest Hangar has a higher appraised value because the hangar includes not only the portion built with the IDR bonds, but an original hangar that was privately funded by Midwest.

There are two reserves which are being used to support the guarantee. The Midwest Reserve has a current balance of \$1,065,869. These funds will be maintained by the County for debt service payments. In addition, the County has a reserve from the State of Wisconsin – Department of Commerce that has a current balance of \$4,784,765.

The trust reserve from the State of Wisconsin – Department of Commerce requires that as principle payments are made by Frontier Airways on the outstanding debt, a prorated portion of the trust must be returned to the State of Wisconsin – Department of Commerce. One of the parties to the trust agreement was Racine County under

the agreement between State of Wisconsin – Department of Commerce and Racine County; the two entities are to split the prorated portion equally. A recent amendment to the agreement requires that Racine County receive the entire payment until their 50% share is received and then the remaining payment will go to State of Wisconsin – Department of Commerce. Under this agreement on the trust, the County has returned \$353,000 as of December 31, 2012. Frontier Airways has made principle payments as of Dec 31, 2012 of \$1, 080,000.

The following is a comparison of the loan balance and collateral as of October 2003 and October 2012.

Item	Description	2003 Balances	2012 Balances
1	1998 Bonds	\$7,905,000	\$7,215,000
2	2001 Bonds	6,310,000	5,920,000
3	Total Debt	\$14,215,000	\$13,135,000
4	Appraisal Midwest Hangar	\$8,850,000	\$10,500,000
5	Appraisal Skyway Hangar	3,900,000	4,200,000
6	Midwest Airlines Reserve Account	900,000	1,065,869
7	State CDBG Reserve Account	4,000,000	4,784,765
8	Total Collateral	\$17,650,000	\$20,550,634


Scott B. Manske
Comptroller

cc: Chris Abele, County Executive
Supervisor William Johnson, Co-Chairman, Finance, Audit and Personnel Committee
Supervisor David Cullen, Co-Chairman, Finance, Audit and Personnel Committee
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Interim Fiscal and Budget Administrator
Stephen Cady, Fiscal and Budget Analyst, County Board

**ADDENDUM #4
TO
STANDBY REIMBURSEMENT AGREEMENT**

THIS ADDENDUM, dated June 30, 2013, amends the STANDBY REIMBURSEMENT AGREEMENT (the "Agreement") between MILWAUKEE COUNTY, WISCONSIN (the "County") and U.S. BANK NATIONAL ASSOCIATION (the "Bank") as follows:

Section 1.1 of the original Agreement between the County and the Bank indicates that the agreement terminates on August 15, 2008. An addendum, dated July 31, 2008, extended the Agreement's termination date for a one-year period to August 15, 2009. Addendum #2 extended the Agreement's termination date for a period of two years to August 15, 2012. Addendum #3 extended the Agreement's termination date for a period of one year to August 15, 2013. This Addendum #4 will extend the Agreement's termination date for a period of one year to August 15, 2014.

This addendum incorporates all of the findings and conditions of Milwaukee County Resolution 13-xxx attached herein.

MILWAUKEE COUNTY, WISCONSIN

BY _____

Its Director, Department of Administrative Services

U.S. BANK NATIONAL ASSOCIATION

BY _____

Its _____

1
2
3
4
5 From Comptroller recommending authorization to extend credit relief to Midwest Airlines, by
6 recommending adoption of the following
7

8
9 A RESOLUTION AUTHORIZING
10 EXTENSION OF THE STANDBY REIMBURSEMENT AGREEMENT
11 FOR MIDWEST AIRLINES
12

13 WHEREAS, Midwest Airlines, Inc. (“Midwest”) and Skyway Airlines, Inc. d/b/a Midwest Connect
14 (“Midwest Connect”) (collectively, “Midwest Airlines”) is now doing business as Frontier Airlines
15 (“Frontier”) and Republic Airways; and
16

17 WHEREAS, the Standby Reimbursement Agreement is due to expire on August 15, 2013 and must be
18 extended, or the outstanding bonds will be called due against the Letters of Credit, with the County
19 becoming responsible for the guaranteed payment under the Letter of Credit; and
20

21 WHEREAS, the City of Milwaukee, Wisconsin issued its \$8,300,000 City of Milwaukee, Wisconsin
22 Variable Rate Demand Industrial Development Revenue Bonds, Series 1998 (Midwest Express Airlines,
23 Inc. Project) (the “1998 Bonds”) and its \$7,000,000 City of Milwaukee, Wisconsin Variable Rate Demand
24 Industrial Development Revenue Bonds, Series 2001 (Skyway Airlines Project) (the “2001 Bonds”); and
25

26 WHEREAS, at the respective times of issuance of the 1998 Bonds and the 2001 Bonds, U.S. Bank
27 National Association (“U.S. Bank”) issued its irrevocable letters of credit (the “Letters of Credit”) in an
28 amount sufficient during their respective terms to pay the principal of and up to 45 days of interest on the
29 1998 Bonds and 2001 Bonds from time to time outstanding; and
30

31 WHEREAS, the Letters of Credit were issued pursuant to agreements (collectively, as amended, the
32 “Credit Facility”) pursuant to which U.S. Bank has agreed, subject to the terms and conditions contained
33 therein to extend certain credit to Midwest Airlines, including the credit extended through the issuance of
34 the Letters of Credit; and
35

36 WHEREAS, in 2003 the County was requested to provide credit assistance to Midwest Airlines in order
37 to provide additional credit capacity to Midwest Airlines by guaranteeing payment of amounts required to
38 be paid by the Letters of Credit; and
39

40 WHEREAS, pursuant to Resolution 03-265(a)(a) adopted by the County Board of Supervisors (the
41 “Board”) on July 24, 2003, the Board approved the provision of credit relief to Midwest Airlines with
42 respect to the 1998 and 2001 Bonds; and
43

44 WHEREAS, the County entered into a Credit Assistance Agreement, Standby Reimbursement
45 Agreement, and other documents to secure the County’s credit position; and
46

47 WHEREAS, the County agreed to enter into the Standby Reimbursement Agreement with U.S. Bank
48 provide credit support with respect to Midwest Airlines obligations under the 1998 and 2001 Bond
49 agreements in order that Midwest Airlines could obtain additional credit from lenders; and
50

51 WHEREAS, the original Standby Reimbursement Agreement had a termination date of August 15,
52 2008; and
53

54 WHEREAS, an extension of one-year was granted for the Standby Reimbursement Agreement and the
55 new termination date is August 15, 2009 for the Standby Reimbursement Agreement; and
56

57 WHEREAS, a second extension was granted on August 15, 2010 for a new termination date of August
58 15, 2012 for the Standby Reimbursement Agreement; and
59

60 WHEREAS, a third extension was granted on August 15, 2012 for a new termination date of August
61 15, 2013 for the Standby Reimbursement Agreement; and
62

63 WHEREAS, an extension requires the approval of the County Executive and County Board; and an
64 extension of one year is being requested to the Standby Reimbursement Agreement; now, therefore
65

66 BE IT RESOLVED, that the Comptroller shall extend the Standby Reimbursement Agreement with
67 U.S. Bank from the current termination date of August 15, 2013, for a period of one-year, to August 15,
68 2014; and
69

70 BE IT FURTHER RESOLVED, that the Comptroller shall execute an application to amend the Standby
71 Reimbursement Agreement similar in format to that attached hereto.
72

73 FISCAL NOTE: The extension of the Standby Reimbursement Agreement will not create any fiscal or
74 budgetary impact on the County, greater than what currently exists with the existing Standby
75 Reimbursement Agreement.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE:

05/01/2013

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Extension of the Standby Reimbursement Agreement with U.S. Bank

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> 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. The Comptroller is requesting to extend the Standby Reimbursement Agreement with US Bank for a period of one year. The Standby Reimbursement Agreement is part of the Credit Assistance that Milwaukee County provided to Midwest Airlines in 2003. The Standby Reimbursement Agreement provides a guarantee that the County will pay for the costs of any call on a letter of credit that is used to guarantee two debt issues that were used to construct hangars at Mitchell Airport. Currently, Frontier Airlines acquired Midwest Airlines, and is holding Midwest Airlines in name only, and is paying for the debt issue costs and letter of credit costs. The Standby Reimbursement Agreement needs to be extended or the debt will be called upon the termination of the Standby Reimbursement Agreement. If the debt is called the County will be responsible for the payment on the debt. The County can attempt to recoup funds from Midwest Airlines or Frontier Airlines, but is mainly looking to its interest in two hangars at the Airport, and a trust fund.

B. There are no costs as long as the letter of credit and Standby Reimbursement agreement remain in force. Costs could be incurred if Midwest Airlines becomes unable to pay the debt. The County was provided with collateral to support the debt in case it is responsible for the debt repayment. This includes a mortgage on the two hangars, plus over \$6.1 million of cash in a trust held by Milwaukee County.

C. No additional costs to current year. The extension of this agreement does not increase or decrease the current fiscal guarantee that the County has in support of the two IRB's. Midwest Express is responsible for all costs of the letter of credit, plus all interest and principle payments on the IRB debt.

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.

D. Information was based on conversations with US Bank, and Frontier Airlines, plus the review of related documents from 2003, when the Standby Reimbursement Agreement was approved.

Department/Prepared By Office of the Comptroller

Authorized Signature

_____

Did DAS-Fiscal Staff Review? Yes No

MILWAUKEE COUNTY FISCAL NOTE FORM

REVISED

DATE: 05/23/2013

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Extension of the Standby Reimbursement Agreement with U.S. Bank

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		
	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 Comptroller is requesting to extend the Standby Reimbursement Agreement with US bank for a period of one year. The Standby Reimbursement Agreement is part of the Credit Assistance that Milwaukee County provided to Midwest Airlines in 2003. The Standby Reimbursement Agreement provides a guarantee that the County will pay for the costs of any call on a letter of credit that is used to guarantee two debt issues that were used to construct hangars at Mitchell Airport. Currently, Frontier Airlines acquired Midwest Airlines, and is holding Midwest Airlines in name only, and is paying for the debt issue costs and letter of credit costs. The Standby Reimbursement Agreement needs to be extended or the debt will be called upon the termination of the Standby Reimbursement Agreement. If the debt is called the County will be responsible for the payment on the debt. The County can attempt to recoup funds from Midwest Airlines or Frontier Airlines, but is mainly looking to its interest in two hangars at the Airport, and a trust fund.
 - B. There are no costs as long as the letter of credit and Standby Reimbursement Agreement remain in force. Costs could be incurred if Midwest Airlines becomes unable to pay the debt. The County was provided with collateral to support the debt in case it is responsible for the debt repayment. This includes a mortgage on the two hangars, plus over \$6.1 million of cash in a trust held by Milwaukee County.
 - C. No additional costs to current year. The extension of this agreement does not increase or decrease the current fiscal guarantee that the County has in support of the two IRBs. Midwest Express is responsible for all costs of the letter of credit, plus all interest and principle payments on the IRB debt.

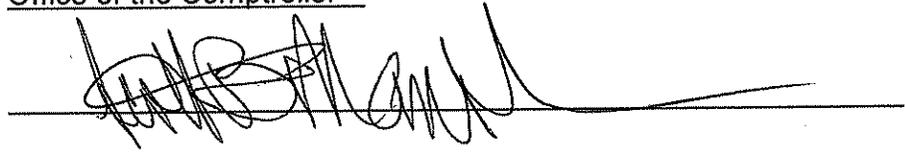
¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

D. Information was based on conversations with US bank and Frontier Airlines, plus the review of related documents from 2003, when the standby Reimbursement Agreement was approved.

Department/Prepared By Office of the Comptroller

Authorized Signature

A handwritten signature in black ink, appearing to be "J. R. ...", written over a horizontal line.

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : May 24, 2013

TO : Supervisor Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Scott Manske, Comptroller, Office of the Comptroller

SUBJECT : Reallocation of Unspent Bond Proceeds to 2013 Authorized Capital Projects

REQUEST

To comply with the Internal Revenue Service (IRS) expenditure rules for bonds, the Office of the Comptroller is seeking approval to reallocate 1999-2010 unspent bonds from capital projects that continue to be delayed to capital projects that were approved as a part of the 2013 Adopted Capital Improvements Budget. The delayed capital projects are not compliant with IRS expenditure rules because the County has not been able to demonstrate a consistent pattern of spending that reflects a commitment to implementation. Therefore, the request from the Office of the Comptroller relating to the transfer of unspent bond proceeds on capital projects is being done to comply with IRS rules and does not change any of the policy decisions relating to the projects.

BACKGROUND

In April 2013, the Office of the Comptroller included language in the 2012 to 2013 Carryover Report informing policymakers that the County was not in compliance with IRS expenditure rules for bonds. At year-end 2012, the estimated total unspent bond balance was \$44,239,151 for 219 capital projects.

After review by the Office of the Comptroller, \$13.3 million is recommended to be reallocated. The reallocation will occur in two phases. The first phase reallocates \$5.8 million in unspent bond proceeds to finance projects in the 2013 Adopted Capital Improvements Budget. The second phase will be brought to the Committee in July and reallocates the remaining balance of \$7.5 million to projects in the Five Year Capital Improvements Plan.

IRS Expenditure Rules for Tax Exempt Bonds

The IRS regulations dictate the expenditure of bond proceeds within three years. If the bond proceeds are not expended within three years, the County cannot invest the unspent bond proceeds in investments having a rate greater than the interest rate on the bonds. The County is complying with the requirement regarding investment rates since the investment rate is currently lower than the interest rate on the bonds. The County is not in compliance with IRS expenditure rules regarding expending the bond proceeds with due diligence within three years. If investment rates increase, the County could have a problem identifying investments with rates lower than the interest rate on the bonds. The penalty for not complying with the investment rate restriction could be monetary or could be a loss of the subsidy payments on the Build America Bonds.

In addition to the interest rate, the County is limited in terms of the type of investments of bond proceeds that are beyond the IRS expenditure timeline. The bond proceeds cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code), or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States of America (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (e.g., Refcorp Strips)).

Although the proceeds have not been expended within three years, according to Chapman and Cutler (the County’s Bond Counsel), the IRS expectation is that the County will proceed or demonstrate a consistent pattern of spending to reflect a commitment to implementing the projects. Projects that the Office of the Comptroller was able to establish a commitment for are not included in the reallocation request. However, projects where the County will not be able to demonstrate this consistent pattern or commitment are requested to have the bond proceeds reallocated to an existing project or new project that can expend the bond proceeds.

ANALYSIS

Since the IRS expectation is that the County will proceed or demonstrate a consistent pattern of spending to reflect a commitment to spending, the remaining \$13.3 million is recommended to be reallocated. The County had to determine which projects would not meet the IRS expectation of a commitment to project spending.

As reported to the Finance, Personnel and Audit Committee in April 2013, there was \$44 million in unspent bond proceeds as of February 2013. The initial \$44 million in unspent bond proceeds amount has been reduced to \$36.9 million due to departments expending on projects in the first four months of the year, and closing out projects that were completed.

The Office of the Comptroller and the Department of Administrative Services – Fiscal Affairs Division (DAS-Fiscal) met with departments to discuss the status of the projects. The departments indicated when the projects that are financed with the unspent bonds will be completed. Based on information from departments \$23.6 million of the unspent bond proceeds would be expended in 2013, with some carryover into 2014. Attachment 1 provides estimated project timelines for the completion of these projects.

	Unspent Bond Amount
Total from April Report	\$ 44,000,000
Funds Expended in 2014 or Project Closed due to Completion	(7,100,000)
Unspent Bond Proceeds Total as of May 10, 2013	36,900,000
Existing Capital Projects Scheduled for Completion in 2013	(23,600,000)
Total Bond Proceeds to be Reallocated	\$ 13,300,000
Phase I - 2013 Adopted Projects to be Financed with Reallocated Unspent Bond Proceeds - Approval Requested - June cyle	\$ 5,800,000
Phase 2 - 2014 projects in 5 Year Capital Plan to be Financed with Reallocated Unspent Bond Proceeds - Approval Requested - July cycle	7,500,000
Total Reallocated Unspent Bond Proceeds	\$ 13,300,000

Two projects represent 90.8 percent of the total unspent bond proceeds reallocation amount: Behavioral Health Division (BHD) Facility Renovation Project (\$10.5 million) and Estabrook Dam Rehabilitation (\$1.6 million). The status of these projects is discussed later in the report. The remaining \$1.2 million represents unspent bond proceeds for 50 capital projects.

<u>Project Description</u>	<u>Unspent Bond Amount</u>
BHD Facility Reonvation	\$10,500,000
Estabrook Dam Improvements	\$1,600,000
Other Projects	\$1,200,000
	<u>\$13,300,000</u>

The recommendations of the Office of the Comptroller relate to complying with IRS rules and not policy decisions relating to the projects. Therefore, since policymakers approved the projects it is assumed that the budgets will be re-established in a future year when the projects can be implemented to avoid violating IRS rules.

The Office of the Comptroller has reviewed the 2013 Adopted Capital Improvements Budget with departments, resulting in a decrease to the bond amount of an additional \$3 million. Reasons for this change include: delays in project implementation for the 2013 War Memorial Renovation Project (\$571,341) and the Estabrook Dam Impoundment Sediment Remediation project (\$1.2 million). Also affecting this decrease is the Grounds South Reservoir Rehabilitation project (\$1,219,200).

There are no adjustments to the budgets for the aforementioned projects. The Estabrook Dam Impoundment Sediment Remediation and the War Memorial Renovation projects would not be included in the 2013 Corporate Purpose Issue since significant portions of these projects are anticipated to occur in 2014. The Grounds South Reservoir Rehabilitation project is postponed until the Water Utility Initiative is addressed. A Memorandum of Understanding between Milwaukee County and the City of Wauwatosa, relating to the Milwaukee County Water Utilities has been submitted by the Department of Administrative Services to the Finance, Personnel, and Audit Committee for the June cycle.

Exclusion of these projects from the 2013 Corporate Purpose Bond Issue will allow the County to assist with minimizing future violations of the IRS rules regarding tax-exempt bond proceeds.

RECOMMENDATION

The Office of the Comptroller has identified projects from the 2013 Adopted Capital Improvements Budget that total \$5.8 million that are able to be financed with the previously issued bonds. The projects that were identified will be able to spend down the funds in a timely manner. This will reduce the approved not-to-exceed amount of \$36.1 million in bonding for the 2013 projects. The sale of the 2013 bonds is scheduled for July 2013.

The attached resolution authorizes the reallocation of \$5.8 million of unspent bonds to selected 2013 Adopted Capital Improvements projects listed in Attachment 2. The \$5.8 million represents the most that can be allocated to 2013 Adopted Capital projects. Due to the nature of the remaining 2013 projects, additional unspent bonds are not able to be allocated to further decrease the size of the 2013 issuance.

<u>2013 Debt Issuance</u>	<u>Principal Amount</u>
Original Issuance Size	\$36,100,000
Projects Financed by Unspent Bonds	(\$5,800,000)
Delayed Projects from 2013 Adopted Capital Budget	<u>(\$3,000,000)</u>
	\$27,300,000

The remaining \$7.5 million will need to be reallocated to other capital projects. In July, the Office of the Comptroller will submit a report to the Finance, Personnel and Audit Committee requesting approval to reallocate the remaining unspent bonds to various capital projects that are continuing projects and/or contained in the Five Year Capital Improvements Plan. This could reduce the size of future bond issues.

In an effort to avoid future non-compliance, the Office of the Comptroller will be meeting with departments monthly to discuss the status and update the timetable of the capital projects. The Office of the Comptroller will report to Finance and Audit Committee any projects that are not in compliance with the IRS regulations and suggest compliance measures.

In addition, the Office of the Comptroller will work with the Treasurer's Office to segregate the unspent bond proceeds to ensure that they are yield restricted, which would be in compliance with the IRS rules.

BHD Facility Renovation

The Behavioral Health Facility has the largest unspent bond proceeds amount, with a balance of \$10.5 million. This amount represents 79 percent of the 13.3 million to be reallocated to 2013 adopted capital projects.

The Behavioral Health Division Facility Renovation Project was budgeted in 2010 and financed with Build America Bonds. The date by which the bonds should have been expended was May 13, 2013. The scope of work in the 2010 Adopted Capital Improvements Budget consisted of the following:

The \$12,596,494 appropriation was approved for the planning, design and construction of a new facility and/or the renovation of the current facility. The renovation of the facility is comprised of four components: Planning/Strategic Master Plan, Psychiatric Crisis Services/Observation Unit Renovation, Patient Unit Refurbishing and Office Space Update/Renovation. In addition, the entire project appropriation is placed into the allocated contingency fund, which requires review by the Committee on Finance and Audit after the committee receives a recommendation from the Committee on Health and Human Needs, and approval of the County Board by a two-thirds vote.

Over the years some of the funds have been used to finance improvements for Statement of Deficiency (SOD) issues identified by the State of Wisconsin and other improvements such as replacing patient furniture, kitchen equipment, doors, concrete stairs, fireproofing of the medical records room, etc. The BHD staff indicated that the State of Wisconsin has submitted other citations that will need to be addressed. It is likely that these citations, similar to the SODs, are mainly operating items and therefore are not eligible for bond financing. The Office of the Comptroller will work with BHD and DAS-Fiscal to provide financing for the citations.

Estabrook Dam Rehabilitation

The Estabrook Dam Rehabilitation project has an unspent bond proceeds balance of \$1.6 million. This amount represents 12 percent of the 13.3 million to be reallocated to 2013 adopted capital projects.

The Estabrook Dam Rehabilitation project was budgeted in 2010 and financed with Build America Bonds. The date by which the bonds should be expended is December 21, 2013. As the discussion below indicates, construction will not begin until 2014.

The 2010 Adopted Capital Improvements Budget included \$2.1 million to repair the Estabrook Dam in accordance with the 2006 report by STS Consultants, LTD. Financing for the projects was provided from Build America Bonds. The scope of work consists of general improvements (erosion control, site restoration, etc.), gated spillway concrete repairs, gated spillway gate repairs, ice breakers concrete repairs, overflow spillway, slope protection, debris removal & handling of sediment for spillway repairs, engineering and contingencies.

The Estabrook Dam is located on Federal land, which has additional requirements prior to commencing construction. Therefore, the 2010 improvements have not begun since the County must meet the Federal Bureau of Land Management and the Wisconsin Department of Natural Resources (WDNR) requirements before they can begin to implement the 2010 improvements to the dam. According to the Parks Department, the County is going through the Environmental Assessment process required by the United States Bureau of Land Management, as required, so that access to the island located between the gated dam section and fixed crest spillway can be granted for construction. In addition, public meetings and time for public comment are required as a part of obtaining access. Therefore, the Parks Department is anticipating that construction to repair the dam will begin in 2014, with project completion in 2015.

Estabrook Dam Environmental Remediation

In 2013, an appropriation of \$4.2 million was budgeted to provide the matching local funds (35 percent) of the total project costs of the Environmental Protection Agency (EPA) Phase 2 project for Lincoln Creek/Milwaukee River. Financing was provided from \$1.2 million in general obligation bonds and \$3 million in sales tax revenue. The grant would be provided by the Great Lakes Legacy Program providing the remaining 65 percent. There are no available funds for Fiscal Year 2013, so the County will apply for Fiscal Year 2014.

The EPA has completed Phase 1 of the environmental cleanup of Lincoln Park and Milwaukee River Channels. The coordination and implementation of the EPA Phase 2 improvements may address the sediment removal for the area around the dam and upstream.

According to the Parks Department, the United States Environmental Protection Agency (USEPA) and WDNR have committed the funding for all preliminary work up to and including the preparation of construction/bid documents. The County does not have to provide any funds for the preliminary work. Approximately, \$1.4 million of the \$4.2 million local match for work associated with EPA Phase 2 will be needed in 2013 if the grant application is approved. This payment would be due midway through the construction period, approximately June 2014. The balance of the payment would be due after all of the construction is completed, approximately late 2014 or mid-year 2015.



Scott Manske
Comptroller

Attachments

- pc: Chris Abele, County Executive
Supervisor Willie Johnson, Co-Chair, Committee on Finance, Audit and Personnel
Supervisor David Cullen, Co-Chair, Committee on Finance, Audit and Personnel
Daniel Diliberti, Treasurer, Office of the Treasurer
Don Tyler, Director, Department of Administrative Services
Amber Moreen, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Raisa Koltun, County Executive's Office
Pamela Bryant, Capital Finance Manager
Stephen Cady, County Board Fiscal and Budget Analyst
Justin Rodriguez, Fiscal and Management Analyst
David Anderson, Public Financial Management
Chuck Jarik, Chapman and Cutler LLP

Attachment 1

Existing Capital Projects Scheduled To Be Completed in 2013

Existing Capital Projects Scheduled to Be Completed in 2013

Org.	Project	Project Description	Unspent Bonds for	Design	Project	Final
1200	WH010052	COLLEGE AVENUE S 51ST TO S 27	\$85,610.91		8/30/2013	
1200	WH030022	Oak Creek Parkway Bridge 741	\$35,286.00		8/30/2013	
1400	WPO70252	LINDBERG PARK WADING POOL ROOF	\$104,862.73		7/31/2013	6/15/2014
1400	WPO90082	GREENFIELD COPING STONE	\$9,862.50	Done	11/1/2013	12/31/2013
1400	WP147012	SHERMAN PARK BOYS AND GIRLS CL	\$19,844.00			
1200	WH002012	INTER-JURISDICTIONAL TRAFFIC S	\$71,312.74		11/30/2013	
1200	WH010073	Reconstruct CTH "V" South 13th	\$48.15		8/30/2013	
1200	WH010173	S.76TH ST. - PUETZ TO IMPERIAL	\$153,023.00		10/30/2013	
1200	WH082013	Reconstruct CTH ZZ College Ho	\$42,206.67		8/30/2013	
1200	WH083032	W. SILVER SPRING DRIVE OVER LI	\$32,414.38		8/30/2013	
1200	WH086012	W. GOOD HOPE RD	\$39,883.00		8/30/2013	
1200	WH086013	W. GOOD HOPE RD	\$7,777.00		8/30/2013	
1200	WH086022	W. Good Hope Rd. Little Menom	\$34,124.74		8/30/2013	
1400	WP129042	Basketball Courts	\$352,797.00	6/24/2013	9/31/13	6/1/2014
1400	WP129052	TENNIS COURTS	\$599,945.99	6/24/2013	9/31/13	6/1/2014
1625	WS032012	VARIABLE AIR VOLUME BOXES - UP	\$854,962.00			
1400	WP172182	MLK COMMUNITY CENTER ROOF REPL	\$570,751.68	6/13/2013	10/13/2013	10/13/2013
1850	WO057012	Wil-O-Way Storage Room	\$40,448.00			11/13/2013
1200	WH010072	Reconstruct CTH "V" South 13th	\$3,344.30		8/30/2013	
1200	WH022011	N. 107TH ST. BROWN DEER TO NCL	\$287,057.36		11/30/2013	
1200	WH030061	WHITNALL PK BRDG - ROOT RIVER	\$29,986.21		11/30/2014	
1200	WH080042	KK RIVER PARKWAY BRIDGE	\$31,924.87		8/30/2013	
1200	WH082012	Reconstruct CTH ZZ College Ho	\$15,832.70		8/30/2013	
1200	WH083011	W. SILVER SPRING DRIVE-N 124TH	\$455,295.71		8/30/2013	
1200	WH083012	W. SILVER SPRING DRIVE-N 124TH	\$126.31		8/30/2013	
1400	WP132032	MITCHELL PK DOMES REFLEC POOL	\$3,586.00	N/A	N/A	N/A
1400	WP167051	VETERANS PARK PAVILION AND RR	\$39,214.67			
1400	WP170012	BIKE TRAIL REHABILITATION	\$58,315.00		5/17/2013	12/31/2013
1400	WP172172	MITCHELL PARK DOMES ROOF	\$50,626.59	N/A	5/17/2013	N/A
1400	WP181012	LAKE PRK SOUTH LIONS BRDG REPL	\$16,426.00			Closed
1400	WP251012	PARKS MAINTENANCE SHOP ROOF	\$111,099.61	7/12/2013	8/23/2013	9/20/2013
1400	WP252012	ROOT RIVER PRKWY LIGHTING SYST	\$56,554.80		3/13/2013	11/30/2013
1575	WZ014622	ARC HVAC REPLACEMENT	\$30,937.75			7/31/2013
1575	WZ014632	SEAL POOL FILTER ROOM REHAB	\$74,028.89			9/13/2013
1575	WZ038012	PECK CENTER HVAC REPLACEMENT	\$14,638.00		5/17/2013	11/30/2013
1575	WZ041012	AVIARY FIRE & SMOKE DETECTION	\$104,306.83			11/13/2013
1575	WZ042012	PRIMATE HSE FIRE & SMKE DETECT	\$84,435.70			11/13/2013
1575	WZ045012	AHC ELECTRICAL SERV EXTENSION	\$18,095.00		5/17/2013	
1575	WZ059012	PACHYDERM WEST SERV AREA ROOF	\$63,340.00			8/13/2013

Existing Capital Projects Scheduled to Be Completed in 2013

Org.	Project	Project Description	Unspent Bonds for	Design	Project	Final
1575	WZ063012	WINTER QUARTERS MAIN ROOF REPL	\$612,828.23			11/13/2013
1575	WZ067012	ZOO SEAL LION POOL COATING	\$123,270.50			11/13/2013
1575	WZ078012	ELEPHANT YARD SHADING STRUCT.	\$2,498.39			8/13/2013
1575	WZ099012	ZOO ARC CHIMNEY BASES REHAB	\$28,597.00			11/13/2013
1575	WZ100012	ELEPHANT SVC AREA UTILITY PROT	\$100,803.94			8/13/2013
1575	WZ107012	BEAR SERVICE AREA IMPROVEMENTS	\$80,998.00			11/13/2013
1575	WZ110014	PENGUIN CHILLER REPLACEMENT	\$14,913.91		5/17/2013	
1575	WZ601011	Point of Sale Replacement 2008	\$88,592.00			
1625	WS032012	VARIABLE AIR VOLUME BOXES - UP	\$95,671.53			
1700	WG012012	1000 MG WATERSPHEROID (190` TC	\$341,696.88		10/1/2012	10/31/2013
1750	WC013012	Criminal Justice Center Deputy	\$559,810.02	6/7/2010	10/24/2013	11/22/2013
1750	WC023012	CH COMPLEX AUTOMATION & ACCESS	\$253,450.52	6/30/2005	10/13 est.	2013 est.
1750	WC025012	COURTHOUSE RESTROOM RENOVATION	\$188,700.92	On Hold	On Hold	On Hold
1800	WJ051012	HOC SECURITY CAMERA SYSTEM	\$916,014.67			
1625	WS034012	WASHNGTN PK SR CTR - ROOF REPL	\$170,691.68	9/1/2012	5/29/2013	6/14/2013
1850	WO064012	WIL-O-WAY REC CENTER ENTRANCE	\$95,559.00			11/13/2013
1850	WO065012	WIL-O-WAY GRANT REC CNTR RENOV	\$13,465.12			11/13/2013
1850	WO509012	VILLA TERRACE - SECURITY SYST.	\$5,000.00		5/17/2013	
1575	WZ040012	POLAR BEAR & SEAL EXHIBIT STRU	\$154,954.94			8/13/2013
1575	WZ058011	WINTER QUARTERS BARN RENOVATIO	\$85,904.98			11/13/2013
1575	WZ067012	ZOO SEAL LION POOL COATING	\$20,883.83			11/13/2013
1575	WZ089012	ZOO SOUTH END HAY BARN ROOF	\$177,480.00			8/13/2013
1575	WZ107012	BEAR SERVICE AREA IMPROVEMENTS	\$96,429.00			11/13/2013
1600	WE033022	BHD FURNITURE	\$295,998.00			
1750	WC027012	Courthouse Light Court Window	\$601,158.94	6/14/2013	10/23/2013	11/13/2013
1750	WC038012	COURTHOUSE ROOF DRAIN	\$86,693.00	3/20/2014	N/A	
1750	WC070012	DOMESTIC VIOLENCE AREA RECONST	\$230,741.58			
1850	WO219014	NARROWBANDING	\$26,347.11	1-Jan-12	31-Dec-12	
1850	WO606014	Rewire County Facilities	\$873,281.83	Oct-12	1-Jul-13	31-Dec-13
1400	WP227012	GRANT PARK PEDESTRIAN BRIDGES	\$58,881.64		2/28/2013	11/30/2013
1550	WM005012	MUSEUM AIR HANDLING AND PIPING	\$64,739.76		5/17/2013	
1200	WH001092	WEST HAMPTON 60TH TO N124TH	\$26,561.94		8/30/2013	
1200	WH010023	RECONSTRUCT MILL RD 43 TO TEUT	\$187,077.34		8/30/2013	
1200	WH010053	COLLEGE AVENUE S 51ST TO S 27	\$15,148.00		8/30/2013	
1200	WH010171	S.76TH ST. - PUETZ TO IMPERIAL	\$38,273.47		6/30/2014	
1200	WH010172	S.76TH ST. - PUETZ TO IMPERIAL	\$938,955.60		7/30/2015	
1200	WH022012	N. 107TH ST. BROWN DEER TO NCL	\$462,350.79		6/30/2014	
1200	WH022013	N. 107TH ST. BROWN DEER TO NCL	\$2,254.67		8/30/2013	
1200	WH030062	WHITNALL PK BRDG - ROOT RIVER	\$107,074.00		11/30/2014	

Existing Capital Projects Scheduled to Be Completed in 2013

Org.	Project	Project Description	Unspent Bonds for	Design	Project	Final
1250	WT026034	BUS REPLACEMENT PROGRAM (110)	\$3,339,913.80		9/30/2013	
1375	WV012012	Pond and Lagoon Demonstration	\$1,600.00	2/1/2013	7/1/2013	9/1/2013
1375	WV014012	DRETZKA PK GRNDWATER AND SOIL	\$19,637.67			
1375	WV016012	NR216 Stormwater TSS Controls	\$95,092.79			
1375	WV018012	FRANKLIN LANDFILL FEMA MITIGAT	\$157,856.88			12/31/2013
1400	WP069012	Countywide Play Area Redevelop	\$47,992.41	9/30/2013	6/30/2014	10/31/2014
1400	WP090122	MCCARTY PARK POOL IMPROVEMENTS	\$47,298.73		5/17/2013	12/31/2013
1400	WP090132	SHERIDAN PRK POOL IMPROVEMENTS	\$73,200.00		5/17/2013	12/31/2013
1400	WP090142	WASH PRK POOL IMPROVEMENTS	\$71,155.26		5/17/2013	12/31/2013
1400	WP090152	JACK PRK POOL IMPROVEMENTS	\$73,762.00		5/17/2013	12/31/2013
1400	WP090162	KOSCI PRK POOL IMPROVEMENTS	\$17,820.00		6/30/2013	12/31/2013
1400	WP131012	BLUEMOUND - RAINBOW PARK	\$206,257.47	10/17/2013	6/28/2013	11/30/2013
1400	WP131032	NW SIDE TO DOWNTOWN	\$97,833.58		6/30/2013	6/1/2014
1400	WP167022	GREENFIELD GOLF 15TH TEE RESTR	\$34,994.00			
1400	WP167051	VETERANS PARK PAVILION AND RR	\$785.33			
1400	WP167052	VETERANS PARK PAVILION AND RR	\$405,896.67		8/28/2013	6/30/2014
1400	WP172092	KOSCI AQUATIC CNTR BLDG ROOF	\$76,520.00	T&M	10/31/2013	12/31/2013
1400	WP197012	HUMBOLDT BANDSHELL ROOF	\$7,311.00	6/13/2013	8/13/2013	8/13/2013
1400	WP200012	JACKSON BOAT HOUSE ROOF	\$106,312.00	6/13/2013	10/13/2013	10/13/2013
1400	WP229012	DINEEN PARKING LOT AND WALKWAY	\$25,195.24			11/30/2013
1400	WP230012	OAKWOOD GC CLUBHOUSE ROOF	\$16,181.00			
1400	WP281012	SCOUT LAKE PAVILION ROOF REPL	\$34,367.00		8/31/2013	12/31/2013
1575	WZ073012	ZOO SOUTH END SERVICE GARAGE	\$255,387.99			11/13/2013
1575	WZ078012	ELEPHANT YARD SHADING STRUCT.	\$152,529.00			8/13/2013
1575	WZ083012	ZOO PAVEMENT AND LIGHTING	\$1,127,699.54			11/13/2013
1575	WZ093012	ZOO STORM DRAINS AND MANHOLES	\$12,971.41		5/17/2013	
1625	WS035011	COGGS ROOF REPLACEMENT	\$113,312.31		7/30/2013	
1750	WC023012	CH COMPLEX AUTOMATION & ACCESS	\$450,000.00	6/30/2005	10/13 est.	2013 est.
1800	WJ021011	ACC HVAC SYSTEM	\$4,000.00			4/30/2013
1850	WO060112	KK RIVER PRKWAY 57TH TO 60TH	\$185,458.77	4/17/2013	6/28/2013	11/30/2013
1850	WO060132	GRANT PK-FORK, NW TO LAKEDRIVE	\$26,233.27			11/30/2013
1850	WO060142	LAKE PK-RAV NORT TO SERV DRIV	\$13,462.78	6/21/2013	11/1/2013	6/1/2014
1850	WO114052	MUSEUM FACADE REPLACEMENT	\$992,114.23	Complete	10/13/2013	11/13/2013
1850	WO114062	SAFETY BUILDING IMPROVEMENTS	\$621,610.92	6/13/2013	10/13/2013	10/13/2013
1850	WO614014	BUILD OUT TEN SITES TO DIGITAL	\$1,759,329.00	Oct-12	31-Dec-13	
1850	WO129012	W-O-W UNDERWOOD WADING POOL	\$86,685.42			6/13/2013
		Total	\$23,605,863.00			

Attachment 2

2013 Adopted Projects Financed with Reallocated Unspent Bond Proceeds

2013 ADOPTED PROJECTS FINANCED WITH REALLOCATED UNSPENT BOND PROCEEDS

Project	Description	Reallocated Unspent Bond Amounts	Bond Issue
WH01017	South 76th St. (W. Puetz Rd. to W. Imperial Dr.)	\$108,886	1999-2008
WT04901	Replace Bus Vacuum System at Kinnickinnic Garage	\$150,000	2009C
WT05201	Replace Fire Alarm System at Fond Du Lac Garage	\$50,000	2009C
WT05301	Replace Bus Vacuum System at Fiebrantz Garage	\$146,921	2009C
WT05401	Replace Bus Wash System at Kinnickinnic Garage	\$112,462	2009E
WT05401	Replace Bus Wash System at Kinnickinnic Garage	\$37,538	2009F
WT05601	Replace HVAC System at Kinnickinnic Garage	\$106,000	2009F
WT06601	Replace Bus Wash System at Fiebrantz Garage	\$11,421	2009F
WT06601	Replace Bus Wash System at Fiebrantz Garage	\$71,579	2010A
WT06901	Replace Underground Storage Tanks at MCTS Fleet	\$55,000	2010A
WV02201	Franklin Landfill Infrastructure	\$70,140	2010A
WP12904	Basketball Courts	\$80,000	2010A
WP16705	Veterans Park Pavilion and Restroom Replacement	\$400,000	2010A
WP24701	Greenfield Park Shelter #3 RR Replacement	\$50,000	2010A
WP24702	Greenfield Park Shelter RR #5 Replacement	\$50,000	2010A
WP25401	Whitnall Park Golf Course Pedestrian Bridges	\$173,400	2010A
WP26001	Holler Park Pool- Conversion to Sand Filtration	\$120,000	2010A
WP26701	Oak Leaf Parkway- Oak Leaf Trail Program	\$273,700	2010A
WP27201	Noyes Pool Roof Replacement	\$129,900	2010A
WP27301	Grobschmidt Park Pool Rehabilitation	\$162,000	2010A
WP27401	Hales Corners Pool Main Drain Replacement	\$20,000	2010A
WP28001	Menomonee River Parkway Reconstruction	\$100,000	2010A
WZ05701	Aviary Roof Replacement	\$77,300	2010A
WZ07801	Zoo Elephant Yard Shading Structure	\$152,529	2010A
WZ10301	Zoo Train Garage Overhead Crane	\$82,800	2010A
WZ10401	Zoo Giraffe Building Upper Roof Replacement	\$85,000	2010A
WE04801	EMS- Zoll Cardiac Monitor/Defibrillator Z Series	\$1,125,000	2010A
WS03801	Coggs Canopy Renovation	\$96,000	2010A
WC01301	Criminal Justice Center Deputy Workstations	\$384,775	2010A
WC08101	Safety Building Cooling Tower Replacement	\$151,200	2010A
WC08601	City Campus Cooling Tower	\$151,800	2010A
WO11501	Steam to Natural Gas Conversion- Fleet,CCC,Parks	\$1,000,000	2010A
Grand Total 2013 Adopted Capital Improvements		\$5,785,351	

Attachment 3

Projects with Bond Proceeds to be Reallocated

Reallocated Unspent Bond Proceeds

Org.	Project	Project Description	Bond Issue	Reallocated Bonds
1200	WH222021	NHS E COLLEGE/S HOWELL TO PENN	1999	\$14,852.00
1200	WH201032	LAYTON 108TH-84TH PE	2000	\$694.97
1200	WH080031	LAKE PARK BRIDGE OVER DRAINAGE	2007	\$47,949.45
1200	WH084011	S. 76th St. W. Parkview Dr. to	2007	\$1,140.57
1200	WH086021	W. Good Hope Rd. Little Menom	2007	\$12,220.75
1200	WH030032	Milwaukee River Parkway Bridge	2008	\$7,792.40
1200	WH030072	MILWAUKEE RIVER PARKWAY BRIDG	2008	\$4,000.00
1200	WH030162	W. OAK AVE. OVER HONEY CREEK	2008	\$18,751.20
1200	WH080041	KK RIVER PARKWAY BRIDGE	2008	\$1,484.20
1400	WP171012	POOL LINERS MCCARTY PARK POOL	2010C	\$22,536.00
1850	WO114012	O'DONNELL PARK IMPROVEMENTS	2010C	\$19,482.53
1750	WC071011	DA SECURITY CARD SYSTEM	2010A	\$48,647.28
1850	WO606024	BHD WIRELESS INFRASTRUCTURE	2010A	\$14,999.40
1400	WP172072	WILSON REC CNTR LOWER ROOF	2009E	\$850.00
1200	WH080032	LAKE PARK BRIDGE OVER DRAINAGE	2009C	\$67,395.58
1850	WO619014	Disaster Recovery Site	2009C	\$5,986.00
1400	WP105022	LINCOLN AQUATIC CENTER PHASE 2	2009C	\$38,357.50
1400	WP167032	JACKSON PK BOAT HOUSE PAVILION	2009C	\$96,578.00
1375	WV013012	MCKINLEY BEACH SW OUTFALL	2009C	\$15,213.00
1575	WZ014512	PRIMATE HOUSE SKYLIGHT & ROOF	2009C	\$11,318.00
1575	WZ014592	Australian Building Renovation	2009C	\$5,558.00
1200	WH020042	MILL RD 91ST TO STH 45BASIC PL	2009E	\$6,984.80
1850	WO423014	Security Cameras in CJFBasic P	2009E	\$44,351.00
1850	WO444012	MCSO - ELEC MEDICAL REC SYSTEM	2009E	\$33,390.00
1850	WO618012	Franklin Public Safety Communi	2009E	\$18,907.00
1850	WO620014	GREENFIELD PUBLIC SAFETY COM.	2009E	\$3,497.47
1400	WP132032	MITCHELL PK DOMES REFLEC POOL	2009E	\$4,895.19
1575	WZ029012	Special Exhibits Building Roof	2009E	\$436.00
1850	WO062014	Additional Capacity - Public S	2009F	\$62,436.00
1850	WO509012	VILLA TERRACE - SECURITY SYST.	2009F	\$43,779.62
1850	WO511012	CHARLES ALLIS - SECURITY SYST.	2009F	\$48,743.04
1600	WE033012	BEHAVIORAL HEALTH FACILITY REN	2010A	\$10,455,835.00
1850	WO221014	DATA CNTR EQUIPMNT AND CONSTRU	2010A	\$13,958.74
1400	WP173012	HOYT PARK POOL IMPROVEMENTS	2010A	\$22,729.00
1550	WM003012	ELECTRICAL DISTRIBUTION REPLAC	2010B	\$13,941.85
1200	WH020021	COLLEGE AVENUE - 13TH TO 20TH	2010C	\$7,190.80
1800	WJ021011	ACC HVAC SYSTEM	2010C	\$15,916.00
1800	WJ056011	CCFS VIDEO VISITATION SYSTEM	2010C	\$9,900.00
1850	WO060072	HAMPTON AVENUE - I-43 TO GB	2010C	\$182,896.00
1850	WO060072	HAMPTON AVENUE - I-43 TO GB	2010C	\$4,000.00

Reallocated Unspent Bond Proceeds

Org.	Project	Project Description	Bond Issue	Reallocated Bonds
1850	WO060092	JUNEAU PK - LANDFILL TO MARINA	2010C	\$10,000.47
1850	WO060102	LAKE PK-NEWBERRY TO PAVILION	2010C	\$19,594.00
1850	WO106014	FLEET GEN/TRANSFER SWITCH REPL	2010C	\$91,131.00
1400	WP063022	ESTABROOK DAM REHABILITATION	2010C	\$1,629,371.17
1400	WP131022	LEON TERRACE - BRIDGE	2010C	\$7,229.61
1400	WP167062	WILSON COMFORT/SHELTER RESTRM	2010C	\$6,096.00
1400	WP172082	WASHINGTON PARK BOATHOUSE ROOF	2010C	\$13,158.77
1400	WP228012	BOAT LAUNCH PIERS REPLACEMENT	2010C	\$27,602.50
1250	WT031011	Roof Top Air Conditioning - Tr	2010C	\$0.32
1375	WV012012	Pond and Lagoon Demonstration	2010C	\$9,235.77
1375	WV014012	DRETZKA PK GRNDWATER AND SOIL	2010C	\$13,641.21
1375	WV016012	NR216 Stormwater TSS Controls	2010C	\$18,352.21
1850	WO038012	MARCUS CENTER HVAC UPGRADE	2010D	\$13,546.71
				\$13,308,554.65

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : May 24, 2013
TO : Supervisor Dimitrijevic, Chairwoman, County Board of Supervisors
FROM : Scott B. Manske, Comptroller, Office of the Comptroller
SUBJECT : Reallocation of Unspent Bond Proceeds to 2013 Authorized Capital Projects

REQUEST

To comply with the Internal Revenue Service (IRS) expenditure rules for bonds, the Office of the Comptroller is seeking approval to reallocate 1999-2010 unspent bonds from capital projects that continue to be delayed to capital projects that were approved as a part of the 2013 Adopted Capital Improvements Budget. The delayed capital projects are not compliant with IRS expenditure rules because the County has not been able to demonstrate a consistent pattern of spending that reflects a commitment to implementation. Therefore, the request from the Office of the Comptroller relating to the transfer of unspent bond proceeds on capital projects is being done to comply with IRS rules and does not change any of the policy decisions relating to the projects.

BACKGROUND

In April 2013, the Office of the Comptroller included language in the 2012 to 2013 Carryover Report informing policymakers that the County was not in compliance with IRS expenditure rules for bonds. At year-end 2012, the estimated total unspent bond balance was \$44,239,151 for 219 capital projects.

After review by the Office of the Comptroller, \$13.3 million is recommended to be reallocated. The reallocation will occur in two phases. The first phase reallocates \$5.8 million in unspent bond proceeds to finance projects in the 2013 Adopted Capital Improvements Budget. The second phase will be brought to the Committee in July and reallocates the remaining balance of \$7.5 million to projects in the Five Year Capital Improvements Plan.

IRS Expenditure Rules for Tax Exempt Bonds

The IRS regulations dictate the expenditure of bond proceeds within three years. If the bond proceeds are not expended within three years, the County cannot invest the unspent bond proceeds in investments having a rate greater than the interest rate on the bonds. The County is complying with the requirement regarding investment rates since the investment rate is currently lower than the interest rate on the bonds. The County is not in compliance with IRS expenditure rules regarding expending the bond proceeds with due diligence within three years. If investment rates increase, the County could have a problem identifying investments with rates lower than the interest rate on the bonds. The penalty for not complying with the investment rate restriction could be monetary or could be a loss of the subsidy payments on the Build America Bonds.

In addition to the interest rate, the County is limited in terms of the type of investments of bond proceeds that are beyond the IRS expenditure timeline. The bond proceeds cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code), or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States of America (except obligations of the United States Treasury or investments in obligations issued

pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (e.g., Refcorp Strips).

Although the proceeds have not been expended within three years, according to Chapman and Cutler (the County's Bond Counsel), the IRS expectation is that the County will proceed or demonstrate a consistent pattern of spending to reflect a commitment to implementing the projects. Projects that the Office of the Comptroller was able to establish a commitment for are not included in the reallocation request. However, projects where the County will not be able to demonstrate this consistent pattern or commitment are requested to have the bond proceeds reallocated to an existing project or new project that can expend the bond proceeds.

ANALYSIS

Since the IRS expectation is that the County will proceed or demonstrate a consistent pattern of spending to reflect a commitment to spending, the remaining \$13.3 million is recommended to be reallocated. The County had to determine which projects would not meet the IRS expectation of a commitment to project spending.

As reported to the Finance, Personnel and Audit Committee in April 2013, there was \$44 million in unspent bond proceeds as of February 2013. The initial \$44 million in unspent bond proceeds amount has been reduced to \$36.9 million due to departments expending on projects in the first four months of the year, and closing out projects that were completed.

The Office of the Comptroller and the Department of Administrative Services – Fiscal Affairs Division (DAS-Fiscal) met with departments to discuss the status of the projects. The departments indicated when the projects that are financed with the unspent bonds will be completed. Based on information from departments \$23.6 million of the unspent bond proceeds would be expended in 2013, with some carryover into 2014. Attachment 1 provides estimated project timelines for the completion of these projects.

	Unspent Bond Amount
Total from April Report	\$ 44,000,000
Funds Expended in 2014 or Project Closed due to Completion	(7,100,000)
Unspent Bond Proceeds Total as of May 10, 2013	36,900,000
Existing Capital Projects Scheduled for Completion in 2013	(23,600,000)
Total Bond Proceeds to be Reallocated	\$ 13,300,000
Phase 1 - 2013 Adopted Projects to be Financed with Reallocated Unspent Bond Proceeds - Approval Requested - June cycle	\$ 5,800,000
Phase 2 - 2014 projects in 5 Year Capital Plan to be Financed with Reallocated Unspent Bond Proceeds - Approval Requested - July cycle	7,500,000
Total Reallocated Unspent Bond Proceeds	\$ 13,300,000

Two projects represent 90.8 percent of the total unspent bond proceeds reallocation amount: Behavioral Health Division (BHD) Facility Renovation Project (\$10.5 million) and Estabrook Dam Rehabilitation (\$1.6 million). The status of these projects is discussed later in the report. The remaining \$1.2 million represents unspent bond proceeds for 50 capital projects.

<u>Project Description</u>	<u>Unspent Bond Amount</u>
BHD Facility Reonvation	\$10,500,000
Estabrook Dam Improvements	\$1,600,000
Other Projects	\$1,200,000
	\$13,300,000

The recommendations of the Office of the Comptroller relate to complying with IRS rules and not policy decisions relating to the projects. Therefore, since policymakers approved the projects it is assumed that the budgets will be re-established in a future year when the projects can be implemented to avoid violating IRS rules.

The Office of the Comptroller has reviewed the 2013 Adopted Capital Improvements Budget with departments, resulting in a decrease to the bond amount of an additional \$3 million. Reasons for this change include: delays in project implementation for the 2013 War Memorial Renovation Project (\$571,341) and the Estabrook Dam Impoundment Sediment Remediation project (\$1.2 million). Also affecting this decrease is the Grounds South Reservoir Rehabilitation project (\$1,219,200).

There are no adjustments to the budgets for the aforementioned projects. The Estabrook Dam Impoundment Sediment Remediation and the War Memorial Renovation projects would not be included in the 2013 Corporate Purpose Issue since significant portions of these projects are anticipated to occur in 2014. The Grounds South Reservoir Rehabilitation project is postponed until the Water Utility Initiative is addressed. A Memorandum of Understanding between Milwaukee County and the City of Wauwatosa, relating to the Milwaukee County Water Utilities has been submitted by the Department of Administrative Services to the Finance, Personnel, and Audit Committee for the June cycle.

Exclusion of these projects from the 2013 Corporate Purpose Bond Issue will allow the County to assist with minimizing future violations of the IRS rules regarding tax-exempt bond proceeds.

RECOMMENDATION

The Office of the Comptroller has identified projects from the 2013 Adopted Capital Improvements Budget that total \$5.8 million that are able to be financed with the previously issued bonds. The projects that were identified will be able to spend down the funds in a timely manner. This will reduce the approved not-to-exceed amount of \$36.1 million in bonding for the 2013 projects. The sale of the 2013 bonds is scheduled for July 2013.

The attached resolution authorizes the reallocation of \$5.8 million of unspent bonds to selected 2013 Adopted Capital Improvements projects listed in Attachment 2. The \$5.8 million represents the most that can be allocated to 2013 Adopted Capital projects. Due to the nature of the remaining 2013 projects, additional unspent bonds are not able to be allocated to further decrease the size of the 2013 issuance.

<u>2013 Debt Issuance</u>	<u>Principal Amount</u>
Original Issuance Size	\$36,100,000
Projects Financed by Unspent Bonds	(\$5,800,000)
Delayed Projects from 2013 Adopted Capital Budget	(\$3,000,000)
	\$27,300,000

The remaining \$7.5 million will need to be reallocated to other capital projects. In July, the Office of the Comptroller will submit a report to the Finance, Personnel and Audit Committee requesting approval to reallocate the remaining unspent bonds to various capital projects that are continuing projects and/or contained in the Five Year Capital Improvements Plan. This could reduce the size of future bond issues.

In an effort to avoid future non-compliance, the Office of the Comptroller will be meeting with departments monthly to discuss the status and update the timetable of the capital projects. The Office of the Comptroller will report to Finance and Audit Committee any projects that are not in compliance with the IRS regulations and suggest compliance measures.

In addition, the Office of the Comptroller will work with the Treasurer's Office to segregate the unspent bond proceeds to ensure that they are yield restricted, which would be in compliance with the IRS rules.

BHD Facility Renovation

The Behavioral Health Facility has the largest unspent bond proceeds amount, with a balance of \$10.5 million. This amount represents 79 percent of the 13.3 million to be reallocated to 2013 adopted capital projects.

The Behavioral Health Division Facility Renovation Project was budgeted in 2010 and financed with Build America Bonds. The date by which the bonds should have been expended was May 13, 2013. The scope of work in the 2010 Adopted Capital Improvements Budget consisted of the following:

The \$12,596,494 appropriation was approved for the planning, design and construction of a new facility and/or the renovation of the current facility. The renovation of the facility is comprised of four components: Planning/Strategic Master Plan, Psychiatric Crisis Services/Observation Unit Renovation, Patient Unit Refurbishing and Office Space Update/Renovation. In addition, the entire project appropriation is placed into the allocated contingency fund, which requires review by the Committee on Finance and Audit after the committee receives a recommendation from the Committee on Health and Human Needs, and approval of the County Board by a two-thirds vote.

Over the years some of the funds have been used to finance improvements for Statement of Deficiency (SOD) issues identified by the State of Wisconsin and other improvements such as replacing patient furniture, kitchen equipment, doors, concrete stairs, fireproofing of the medical records room, etc. The BHD staff indicated that the State of Wisconsin has submitted other citations that will need to be addressed. It is likely that these citations, similar to the SODs, are mainly operating items and therefore are not eligible for bond financing. The Office of the Comptroller will work with BHD and DAS-Fiscal to provide financing for the citations.

Estabrook Dam Rehabilitation

The Estabrook Dam Rehabilitation project has an unspent bond proceeds balance of \$1.6 million. This amount represents 12 percent of the 13.3 million to be reallocated to 2013 adopted capital projects.

The Estabrook Dam Rehabilitation project was budgeted in 2010 and financed with Build America Bonds. The date by which the bonds should be expended is December 21, 2013. As the discussion below indicates, construction will not begin until 2014.

The 2010 Adopted Capital Improvements Budget included \$2.1 million to repair the Estabrook Dam in accordance with the 2006 report by STS Consultants, LTD. Financing for the projects was provided from Build America Bonds. The scope of work consists of general improvements (erosion control, site restoration, etc.), gated spillway concrete repairs, gated spillway gate repairs, ice breakers concrete repairs, overflow spillway, slope protection, debris removal & handling of sediment for spillway repairs, engineering and contingencies.

Portions of the Estabrook Dam are located on Federal land, which has additional requirements prior to commencing construction. Therefore, the 2010 improvements have not begun since the County must meet the Federal Bureau of Land Management and the Wisconsin Department of Natural Resources (WDNR) requirements before they can begin to implement the 2010 improvements to the dam. According to the Parks Department, the County is going through the Environmental Assessment process required by the United States Bureau of Land Management, as required, so that access to the island located between the gated dam section and fixed crest spillway can be granted for construction. In addition, public meetings and time for public comment are required as a part of obtaining construction access and required permits. Therefore, the Parks Department is anticipating that construction to repair the dam will begin in 2014, with project completion in 2015.

Estabrook Dam Environmental Remediation

In 2013, an appropriation of \$4.2 million was budgeted to provide the matching local funds (35 percent) of the total project costs of the Environmental Protection Agency (EPA) Phase 2 project for Lincoln Creek/Milwaukee River. Financing was provided from \$1.2 million in general obligation bonds and \$3 million in sales tax revenue. The grant would be provided by the Great Lakes Legacy Act Program providing the remaining 65 percent. There are no available funds for Fiscal Year 2013, so the County will apply for Fiscal Year 2014.

The EPA and WDNR have completed Phase 1 of the environmental cleanup of Lincoln Park and Milwaukee River Channels. The coordination and implementation of the EPA Phase 2 improvements may address the sediment removal for the area around the dam and upstream.

According to the Parks Department, the United States Environmental Protection Agency (USEPA) and WDNR have committed the funding for all preliminary work up to and including the preparation of construction/bid documents. The County does not have to provide any funds for the preliminary work. Approximately, \$1.4 million of the \$4.2 million local match for work associated with EPA Phase 2 will be needed in 2013 if the grant application is approved. The second payment would be due midway through the construction period, approximately June 2014. The balance of the payment would be due after all of the construction is completed, approximately late 2014 or mid-year 2015.



Scott Manske
Comptroller

Attachments

pc: Chris Abele, County Executive
Supervisor Willie Johnson, Co-Chair, Committee on Finance, Audit and Personnel
Supervisor David Cullen, Co-Chair, Committee on Finance, Audit and Personnel
Daniel Diliberti, Treasurer, Office of the Treasurer
Don Tyler, Director, Department of Administrative Services
Amber Moreen, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Raisa Koltun, County Executive's Office
Pamela Bryant, Capital Finance Manager
Stephen Cady, County Board Fiscal and Budget Analyst
Justin Rodriguez, Fiscal and Management Analyst
David Anderson, Public Financial Management
Chuck Jarik, Chapman and Cutler LLP

Attachment 1

Existing Capital Projects Scheduled To Be Completed in 2013

Existing Capital Projects Scheduled to Be Completed in 2013

Org.	Project	Project Description	Unspent Bonds for	Design	Project	Final
1200	WH010052	COLLEGE AVENUE S 51ST TO S 27	\$85,610.91		8/30/2013	
1200	WH030022	Oak Creek Parkway Bridge 741	\$35,286.00		8/30/2013	
1400	WP070252	LINDBERG PARK WADING POOL ROOF	\$104,862.73		7/31/2013	6/15/2014
1400	WP090082	GREENFIELD COPING STONE	\$9,862.50	Done	11/1/2013	12/31/2013
1400	WP147012	SHERMAN PARK BOYS AND GIRLS CL	\$19,844.00			
1200	WH002012	INTER-JURISDICTIONAL TRAFFIC S	\$71,312.74		11/30/2013	
1200	WH010073	Reconstruct CTH "V" South 13th	\$48.15		8/30/2013	
1200	WH010173	S.76TH ST. - PUETZ TO IMPERIAL	\$153,023.00		10/30/2013	
1200	WH082013	Reconstruct CTH ZZ College Ho	\$42,206.67		8/30/2013	
1200	WH083032	W. SILVER SPRING DRIVE OVER LI	\$32,414.38		8/30/2013	
1200	WH086012	W. GOOD HOPE RD	\$39,883.00		8/30/2013	
1200	WH086013	W. GOOD HOPE RD	\$7,777.00		8/30/2013	
1200	WH086022	W. Good Hope Rd. Little Menom	\$34,124.74		8/30/2013	
1400	WP129042	Basketball Courts	\$352,797.00	6/24/2013	9/31/13	6/1/2014
1400	WP129052	TENNIS COURTS	\$599,945.99	6/24/2013	9/31/13	6/1/2014
1625	WS032012	VARIABLE AIR VOLUME BOXES - UP	\$854,962.00			
1400	WP172182	MLK COMMUNITY CENTER ROOF REPL	\$570,751.68	6/13/2013	10/13/2013	10/13/2013
1850	WO057012	Wil-O-Way Storage Room	\$40,448.00			11/13/2013
1200	WH010072	Reconstruct CTH "V" South 13th	\$3,344.30		8/30/2013	
1200	WH022011	N. 107TH ST. BROWN DEER TO NCL	\$287,057.36		11/30/2013	
1200	WH030061	WHITNALL PK BRDG - ROOT RIVER	\$29,986.21		11/30/2014	
1200	WH080042	KK RIVER PARKWAY BRIDGE	\$31,924.87		8/30/2013	
1200	WH082012	Reconstruct CTH ZZ College Ho	\$15,832.70		8/30/2013	
1200	WH083011	W. SILVER SPRING DRIVE-N 124TH	\$455,295.71		8/30/2013	
1200	WH083012	W. SILVER SPRING DRIVE-N 124TH	\$126.31		8/30/2013	
1400	WP132032	MITCHELL PK DOMES REFLEC POOL	\$3,586.00	N/A	N/A	N/A
1400	WP167051	VETERANS PARK PAVILION AND RR	\$39,214.67			
1400	WP170012	BIKE TRAIL REHABILITATION	\$58,315.00		5/17/2013	12/31/2013
1400	WP172172	MITCHELL PARK DOMES ROOF	\$50,626.59	N/A	5/17/2013	N/A
1400	WP181012	LAKE PRK SOUTH LIONS BRDG REPL	\$16,426.00			Closed
1400	WP251012	PARKS MAINTENANCE SHOP ROOF	\$111,099.61	7/12/2013	8/23/2013	9/20/2013
1400	WP252012	ROOT RIVER PRKWY LIGHTING SYST	\$56,554.80		3/13/2013	11/30/2013
1575	WZ014622	ARC HVAC REPLACEMENT	\$30,937.75			7/31/2013
1575	WZ014632	SEAL POOL FILTER ROOM REHAB	\$74,028.89			9/13/2013
1575	WZ038012	PECK CENTER HVAC REPLACEMENT	\$14,638.00		5/17/2013	11/30/2013
1575	WZ041012	AVIARY FIRE & SMOKE DETECTION	\$104,306.83			11/13/2013
1575	WZ042012	PRIMATE HSE FIRE & SMKE DETECT	\$84,435.70			11/13/2013
1575	WZ045012	AHC ELECTRICAL SERV EXTENSION	\$18,095.00		5/17/2013	
1575	WZ059012	PACHYDERM WEST SERV AREA ROOF	\$63,340.00			8/13/2013

Existing Capital Projects Scheduled to Be Completed in 2013

Org.	Project	Project Description	Unspent Bonds for	Design	Project	Final
1575	WZ063012	WINTER QUARTERS MAIN ROOF REPL	\$612,828.23			11/13/2013
1575	WZ067012	ZOO SEAL LION POOL COATING	\$123,270.50			11/13/2013
1575	WZ078012	ELEPHANT YARD SHADING STRUCT.	\$2,498.39			8/13/2013
1575	WZ099012	ZOO ARC CHIMNEY BASES REHAB	\$28,597.00			11/13/2013
1575	WZ100012	ELEPHANT SVC AREA UTILITY PROT	\$100,803.94			8/13/2013
1575	WZ107012	BEAR SERVICE AREA IMPROVEMENTS	\$80,998.00			11/13/2013
1575	WZ110014	PENGUIN CHILLER REPLACEMENT	\$14,913.91		5/17/2013	
1575	WZ601011	Point of Sale Replacement 2008	\$88,592.00			
1625	WS032012	VARIABLE AIR VOLUME BOXES - UP	\$95,671.53			
1700	WG012012	1000 MG WATERSPHEROID (190` TC	\$341,696.88		10/1/2012	10/31/2013
1750	WC013012	Criminal Justice Center Deputy	\$559,810.02	6/7/2010	10/24/2013	11/22/2013
1750	WC023012	CH COMPLEX AUTOMATION & ACCESS	\$253,450.52	6/30/2005	10/13 est.	2013 est.
1750	WC025012	COURTHOUSE RESTROOM RENOVATION	\$188,700.92	On Hold	On Hold	On Hold
1800	WJ051012	HOC SECURITY CAMERA SYSTEM	\$916,014.67			
1625	WS034012	WASHNGTN PK SR CTR - ROOF REPL	\$170,691.68	9/1/2012	5/29/2013	6/14/2013
1850	WO064012	WIL-O-WAY REC CENTER ENTRANCE	\$95,559.00			11/13/2013
1850	WO065012	WIL-O-WAY GRANT REC CNTR RENOV	\$13,465.12			11/13/2013
1850	WO509012	VILLA TERRACE - SECURITY SYST.	\$5,000.00		5/17/2013	
1575	WZ040012	POLAR BEAR & SEAL EXHIBIT STRU	\$154,954.94			8/13/2013
1575	WZ058011	WINTER QUARTERS BARN RENOVATIO	\$85,904.98			11/13/2013
1575	WZ067012	ZOO SEAL LION POOL COATING	\$20,883.83			11/13/2013
1575	WZ089012	ZOO SOUTH END HAY BARN ROOF	\$177,480.00			8/13/2013
1575	WZ107012	BEAR SERVICE AREA IMPROVEMENTS	\$96,429.00			11/13/2013
1600	WE033022	BHD FURNITURE	\$295,998.00			
1750	WC027012	Courthouse Light Court Window	\$601,158.94	6/14/2013	10/23/2013	11/13/2013
1750	WC038012	COURTHOUSE ROOF DRAIN	\$86,693.00	3/20/2014	N/A	
1750	WC070012	DOMESTIC VIOLENCE AREA RECONST	\$230,741.58			
1850	WO219014	NARROWBANDING	\$26,347.11	1-Jan-12	31-Dec-12	
1850	WO606014	Rewire County Facilities	\$873,281.83	Oct-12	1-Jul-13	31-Dec-13
1400	WP227012	GRANT PARK PEDESTRIAN BRIDGES	\$58,881.64		2/28/2013	11/30/2013
1550	WM005012	MUSEUM AIR HANDLING AND PIPING	\$64,739.76		5/17/2013	
1200	WH001092	WEST HAMPTON 60TH TO N124TH	\$26,561.94		8/30/2013	
1200	WH010023	RECONSTRUCT MILL RD 43 TO TEUT	\$187,077.34		8/30/2013	
1200	WH010053	COLLEGE AVENUE S 51ST TO S 27	\$15,148.00		8/30/2013	
1200	WH010171	S.76TH ST. - PUETZ TO IMPERIAL	\$38,273.47		6/30/2014	
1200	WH010172	S.76TH ST. - PUETZ TO IMPERIAL	\$938,955.60		7/30/2015	
1200	WH022012	N. 107TH ST. BROWN DEER TO NCL	\$462,350.79		6/30/2014	
1200	WH022013	N. 107TH ST. BROWN DEER TO NCL	\$2,254.67		8/30/2013	
1200	WH030062	WHITNALL PK BRDG - ROOT RIVER	\$107,074.00		11/30/2014	

Existing Capital Projects Scheduled to Be Completed in 2013

Org.	Project	Project Description	Unspent Bonds for	Design	Project	Final
1250	WT026034	BUS REPLACEMENT PROGRAM (110)	\$3,339,913.80		9/30/2013	
1375	WV012012	Pond and Lagoon Demonstration	\$1,600.00	2/1/2013	7/1/2013	9/1/2013
1375	WV014012	DRETZKA PK GRNDWATER AND SOIL	\$19,637.67			
1375	WV016012	NR216 Stormwater TSS Controls	\$95,092.79			
1375	WV018012	FRANKLIN LANDFILL FEMA MITIGAT	\$157,856.88			12/31/2013
1400	WP069012	Countywide Play Area Redevelop	\$47,992.41	9/30/2013	6/30/2014	10/31/2014
1400	WP090122	MCCARTY PARK POOL IMPROVEMENTS	\$47,298.73		5/17/2013	12/31/2013
1400	WP090132	SHERIDAN PRK POOL IMPROVEMENTS	\$73,200.00		5/17/2013	12/31/2013
1400	WP090142	WASH PRK POOL IMPROVEMENTS	\$71,155.26		5/17/2013	12/31/2013
1400	WP090152	JACK PRK POOL IMPROVEMENTS	\$73,762.00		5/17/2013	12/31/2013
1400	WP090162	KOSCI PRK POOL IMPROVEMENTS	\$17,820.00		6/30/2013	12/31/2013
1400	WP131012	BLUEMOUND - RAINBOW PARK	\$206,257.47	10/17/2013	6/28/2013	11/30/2013
1400	WP131032	NW SIDE TO DOWNTOWN	\$97,833.58		6/30/2013	6/1/2014
1400	WP167022	GREENFIELD GOLF 15TH TEE RESTR	\$34,994.00			
1400	WP167051	VETERANS PARK PAVILION AND RR	\$785.33			
1400	WP167052	VETERANS PARK PAVILION AND RR	\$405,896.67		8/28/2013	6/30/2014
1400	WP172092	KOSCI AQUATIC CNTR BLDG ROOF	\$76,520.00	T&M	10/31/2013	12/31/2013
1400	WP197012	HUMBOLDT BANDSHELL ROOF	\$7,311.00	6/13/2013	8/13/2013	8/13/2013
1400	WP200012	JACKSON BOAT HOUSE ROOF	\$106,312.00	6/13/2013	10/13/2013	10/13/2013
1400	WP229012	DINEEN PARKING LOT AND WALKWAY	\$25,195.24			11/30/2013
1400	WP230012	OAKWOOD GC CLUBHOUSE ROOF	\$16,181.00			
1400	WP281012	SCOUT LAKE PAVILION ROOF REPL	\$34,367.00		8/31/2013	12/31/2013
1575	WZ073012	ZOO SOUTH END SERVICE GARAGE	\$255,387.99			11/13/2013
1575	WZ078012	ELEPHANT YARD SHADING STRUCT.	\$152,529.00			8/13/2013
1575	WZ083012	ZOO PAVEMENT AND LIGHTING	\$1,127,699.54			11/13/2013
1575	WZ093012	ZOO STORM DRAINS AND MANHOLES	\$12,971.41		5/17/2013	
1625	WS035011	COGGS ROOF REPLACEMENT	\$113,312.31		7/30/2013	
1750	WC023012	CH COMPLEX AUTOMATION & ACCESS	\$450,000.00	6/30/2005	10/13 est.	2013 est.
1800	WJ021011	ACC HVAC SYSTEM	\$4,000.00			4/30/2013
1850	WO060112	KK RIVER PRKWY 57TH TO 60TH	\$185,458.77	4/17/2013	6/28/2013	11/30/2013
1850	WO060132	GRANT PK-FORK, NW TO LAKEDRIVE	\$26,233.27			11/30/2013
1850	WO060142	LAKE PK-RAV NORT TO SERV DRIV	\$13,462.78	6/21/2013	11/1/2013	6/1/2014
1850	WO114052	MUSEUM FACADE REPLACEMENT	\$992,114.23	Complete	10/13/2013	11/13/2013
1850	WO114062	SAFETY BUILDING IMPROVEMENTS	\$621,610.92	6/13/2013	10/13/2013	10/13/2013
1850	WO614014	BUILD OUT TEN SITES TO DIGITAL	\$1,759,329.00	Oct-12	31-Dec-13	
1850	WO129012	W-O-W UNDERWOOD WADING POOL	\$86,685.42			6/13/2013
		Total	<u>\$23,605,863.00</u>			

Attachment 2

2013 Adopted Projects Financed with Reallocated Unspent Bond Proceeds

2013 ADopted Projects Financed with Reallocated Unspent Bond Proceeds

Project	Description	Reallocated Unspent Bond Amounts	Bond Issue
WH01017	South 76th St. (W. Puetz Rd. to W. Imperial Dr.)	\$108,886	1999-2008
WT04901	Replace Bus Vacuum System at Kinnickinnic Garage	\$150,000	2009C
WT05201	Replace Fire Alarm System at Fond Du Lac Garage	\$50,000	2009C
WT05301	Replace Bus Vacuum System at Fiebrantz Garage	\$146,921	2009C
WT05401	Replace Bus Wash System at Kinnickinnic Garage	\$112,462	2009E
WT05401	Replace Bus Wash System at Kinnickinnic Garage	\$37,538	2009F
WT05601	Replace HVAC System at Kinnickinnic Garage	\$106,000	2009F
WT06601	Replace Bus Wash System at Fiebrantz Garage	\$11,421	2009F
WT06601	Replace Bus Wash System at Fiebrantz Garage	\$71,579	2010A
WT06901	Replace Underground Storage Tanks at MCTS Fleet	\$55,000	2010A
WV02201	Franklin Landfill Infrastructure	\$70,140	2010A
WP12904	Basketball Courts	\$80,000	2010A
WP16705	Veterans Park Pavilion and Restroom Replacement	\$400,000	2010A
WP24701	Greenfield Park Shelter #3 RR Replacement	\$50,000	2010A
WP24702	Greenfield Park Shelter RR #5 Replacement	\$50,000	2010A
WP25401	Whitnall Park Golf Course Pedestrian Bridges	\$173,400	2010A
WP26001	Holler Park Pool- Conversion to Sand Filtration	\$120,000	2010A
WP26701	Oak Leaf Parkway- Oak Leaf Trail Program	\$273,700	2010A
WP27201	Noyes Pool Roof Replacement	\$129,900	2010A
WP27301	Grobschmidt Park Pool Rehabilitation	\$162,000	2010A
WP27401	Hales Corners Pool Main Drain Replacement	\$20,000	2010A
WP28001	Menomonee River Parkway Reconstruction	\$100,000	2010A
WZ05701	Aviary Roof Replacement	\$77,300	2010A
WZ07801	Zoo Elephant Yard Shading Structure	\$152,529	2010A
WZ10301	Zoo Train Garage Overhead Crane	\$82,800	2010A
WZ10401	Zoo Giraffe Building Upper Roof Replacement	\$85,000	2010A
WE04801	EMS- Zoll Cardiac Monitor/Defibrillator Z Series	\$1,125,000	2010A
WS03801	Coggs Canopy Renovation	\$96,000	2010A
WC01301	Criminal Justice Center Deputy Workstations	\$384,775	2010A
WC08101	Safety Building Cooling Tower Replacement	\$151,200	2010A
WC08601	City Campus Cooling Tower	\$151,800	2010A
WO11501	Steam to Natural Gas Conversion- Fleet,CCC,Parks	\$1,000,000	2010A
Grand Total 2013 Adopted Capital Improvements		\$5,785,351	

Attachment 3

Projects with Bond Proceeds to be Reallocated

Reallocated Unspent Bond Proceeds

Org.	Project	Project Description	Bond Issue	Reallocated Bonds
1200	WH222021	NHS E COLLEGE/S HOWELL TO PENN	1999	\$14,852.00
1200	WH201032	LAYTON 108TH-84TH PE	2000	\$694.97
1200	WH080031	LAKE PARK BRIDGE OVER DRAINAGE	2007	\$47,949.45
1200	WH084011	S. 76th St. W. Parkview Dr. to	2007	\$1,140.57
1200	WH086021	W. Good Hope Rd. Little Menom	2007	\$12,220.75
1200	WH030032	Milwaukee River Parkway Bridge	2008	\$7,792.40
1200	WH030072	MILWAUKEE RIVER PARKWAY BRIDG	2008	\$4,000.00
1200	WH030162	W. OAK AVE. OVER HONEY CREEK	2008	\$18,751.20
1200	WH080041	KK RIVER PARKWAY BRIDGE	2008	\$1,484.20
1400	WP171012	POOL LINERS MCCARTY PARK POOL	2010C	\$22,536.00
1850	WO114012	O'DONNELL PARK IMPROVEMENTS	2010C	\$19,482.53
1750	WC071011	DA SECURITY CARD SYSTEM	2010A	\$48,647.28
1850	WO606024	BHD WIRELESS INFRASTRUCTURE	2010A	\$14,999.40
1400	WP172072	WILSON REC CNTR LOWER ROOF	2009E	\$850.00
1200	WH080032	LAKE PARK BRIDGE OVER DRAINAGE	2009C	\$67,395.58
1850	WO619014	Disaster Recovery Site	2009C	\$5,986.00
1400	WP105022	LINCOLN AQUATIC CENTER PHASE 2	2009C	\$38,357.50
1400	WP167032	JACKSON PK BOAT HOUSE PAVILION	2009C	\$96,578.00
1375	WV013012	MCKINLEY BEACH SW OUTFALL	2009C	\$15,213.00
1575	WZ014512	PRIMATE HOUSE SKYLIGHT & ROOF	2009C	\$11,318.00
1575	WZ014592	Australian Building Renovation	2009C	\$5,558.00
1200	WH020042	MILL RD 91ST TO STH 45BASIC PL	2009E	\$6,984.80
1850	WO423014	Security Cameras in CJFBasic P	2009E	\$44,351.00
1850	WO444012	MCSO - ELEC MEDICAL REC SYSTEM.	2009E	\$33,390.00
1850	WO618012	Franklin Public Safety Communi	2009E	\$18,907.00
1850	WO620014	GREENFIELD PUBLIC SAFETY COM.	2009E	\$3,497.47
1400	WP132032	MITCHELL PK DOMES REFLEC POOL	2009E	\$4,895.19
1575	WZ029012	Special Exhibits Building Roof	2009E	\$436.00
1850	WO062014	Additional Capacity - Public S	2009F	\$62,436.00
1850	WO509012	VILLA TERRACE - SECURITY SYST.	2009F	\$43,779.62
1850	WO511012	CHARLES ALLIS - SECURITY SYST.	2009F	\$48,743.04
1600	WE033012	BEHAVIORAL HEALTH FACILITY REN	2010A	\$10,455,835.00
1850	WO221014	DATA CNTR EQUIPMNT AND CONSTRU	2010A	\$13,958.74
1400	WP173012	HOYT PARK POOL IMPROVEMENTS	2010A	\$22,729.00
1550	WM003012	ELECTRICAL DISTRIBUTION REPLAC	2010B	\$13,941.85
1200	WH020021	COLLEGE AVENUE - 13TH TO 20TH	2010C	\$7,190.80
1800	WJ021011	ACC HVAC SYSTEM	2010C	\$15,916.00
1800	WJ056011	CCFS VIDEO VISITATION SYSTEM	2010C	\$9,900.00
1850	WO060072	HAMPTON AVENUE - I-43 TO GB	2010C	\$182,896.00
1850	WO060072	HAMPTON AVENUE - I-43 TO GB	2010C	\$4,000.00

Reallocated Unspent Bond Proceeds

Org.	Project	Project Description	Bond Issue	Reallocated Bonds
1850	WO060092	JUNEAU PK - LANDFILL TO MARINA	2010C	\$10,000.47
1850	WO060102	LAKE PK-NEWBERRY TO PAVILION	2010C	\$19,594.00
1850	WO106014	FLEET GEN/TRANSFER SWITCH REPL	2010C	\$91,131.00
1400	WP063022	ESTABROOK DAM REHABILITATION	2010C	\$1,629,371.17
1400	WP131022	LEON TERRACE - BRIDGE	2010C	\$7,229.61
1400	WP167062	WILSON COMFORT/SHELTER RESTRM	2010C	\$6,096.00
1400	WP172082	WASHINGTON PARK BOATHOUSE ROOF	2010C	\$13,158.77
1400	WP228012	BOAT LAUNCH PIERS REPLACEMENT	2010C	\$27,602.50
1250	WT031011	Roof Top Air Conditioning - Tr	2010C	\$0.32
1375	WV012012	Pond and Lagoon Demonstration	2010C	\$9,235.77
1375	WV014012	DRETZKA PK GRNDWATER AND SOIL	2010C	\$13,641.21
1375	WV016012	NR216 Stormwater TSS Controls	2010C	\$18,352.21
1850	WO038012	MARCUS CENTER HVAC UPGRADE	2010D	\$13,546.71
				\$13,308,554.65

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(ITEM *) A resolution to authorize the Office of the Comptroller to reallocate approximately \$5.8 million of unspent bonds to selected 2013 Adopted Capital Improvements projects, adjust the 2013 Corporate Purpose Bond Issue and work with the Treasurer’s Office to establish separate accounts for all of the bond issues:

A RESOLUTION

WHEREAS, in April 2013, the Office of the Comptroller included language in the 2012 to 2013 Carryover Report informing policymakers that the County was not in compliance with Internal Revenue Service (IRS) expenditure rules for bonds; and

WHEREAS, the IRS regulations dictate the expenditure of bond proceeds within three years; and

WHEREAS, the IRS regulations limit the rate and types of investments that the County can access for bond proceeds that have not been expended within three years; and

WHEREAS, in the past, the County would use the unspent bonds to pay interest on the individual bonds to the extent that the County had an upcoming debt service payment on those bonds; and

WHEREAS, the majority of the unspent bonds are Build America Bonds (BABs) and can be used to finance capital improvement projects only; and

WHEREAS, although the proceeds have not been expended within 3 years, according to Chapman and Cutler (the County’s Bond Counsel), the IRS expectation is that the County will proceed or demonstrate a consistent pattern of spending to reflect a commitment to implementing the projects; and

WHEREAS, capital projects where the County will not be able to demonstrate this consistent pattern or commitment shall have the bond proceeds reallocated to an existing project or new project that can; and

WHEREAS, there is approximately \$13.3 million balance of unspent bonds that have not demonstrated a pattern or commitment that the bonds will be spent; and

WHEREAS, two projects represent 92 percent of the total unspent bond proceeds reallocation amount: Behavioral Health Facility Division (BHD) Renovation Project (\$10.5 million) and Estabrook Dam Rehabilitation (\$1.6 million); and

44 WHEREAS, the Office of the Comptroller has identified projects from the 2013
45 Adopted Capital Improvements Budget that total an estimated \$5.8 million that are able to
46 be financed with the previously issued bonds, and

47
48 WHEREAS, reallocation of approximately \$5.8 million will reduce the approved
49 not-to-exceed amount of \$36.1 million in bonding for the 2013 projects; and

50
51 WHEREAS, the remaining estimated \$7.5 million will need to be reallocated to
52 other capital projects; and

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54 WHEREAS, the remaining estimated \$7.5 million will need to be reallocated to
55 other capital projects; and

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57 WHEREAS, in July, the Office of the Comptroller will submit a report to the Finance,
58 Personnel and Audit Committee requesting approval to reallocate the remaining unspent
59 bonds to various capital projects that are continuing projects and/or contained in the Five
60 Year Capital Improvements Plan; and

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62 WHEREAS, in an effort to avoid future non-compliance, the Office of the
63 Comptroller will be meeting with departments monthly to discuss the status and update the
64 timetable of the capital projects; now, therefore,

65
66 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby authorizes
67 the Comptroller to reallocate approximately \$5.8 million of unspent bonds to finance
68 selected projects from the 2013 Adopted Capital Improvements projects; and

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70 BE IT FURTHER RESOLVED, the Department of Administrative Services (DAS),
71 based on information from the Office of the Comptroller, is directed to process an
72 administrative appropriation transfer that reallocates approximately \$5.8 million of unspent
73 bonds to selected projects from the 2013 Adopted Capital Improvements Budget; and

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 05/24/13

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Unspent Bond Proceeds

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input checked="" type="checkbox"/> Decrease Operating Revenues | |

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	See explanation
Capital Improvement Budget	Expenditure	\$0	
	Revenue	\$0	
	Net Cost	\$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.

- A. In April 2013, the Office of the Comptroller included language in the 2012 to 2013 Carryover Report informing policymakers that the County was not in compliance with IRS expenditure rules for bonds. At year-end 2012, the estimated total unspent bond balance was \$44,239,151 for 219 capital projects. The Office of the Comptroller and Department of Administrative Services – Fiscal Affairs met with departments to determine the status of the projects and timeline for project completion for each project that was financed with the unspent bond proceeds. The initial \$44 million in unspent bond proceeds has been reduced to \$36.9 million. Approximately \$23.6 million in projects financed with the unspent bond proceeds will be able to be completed in 2013. Of the remaining \$13.3 million, \$5.8 million will be reallocated to finance 2013 adopted capital projects and \$7.5 million will be reallocated to projects in the Five Year Capital Improvements Plan.

In addition, the County is limited in terms of the type of investments of bond proceeds that are beyond the IRS expenditure timeline. The bonds must be yield restricted. In other words, the County cannot invest the unspent bond proceeds in investments having a rate greater than the interest rate on the bonds. The Office of the Comptroller will work with the Treasurer's Office to establish separate accounts for all of the bond issues to insure compliance.

The IRS expectation is that the County will proceed or demonstrate a consistent pattern of spending to reflect a commitment to implementing the projects. Therefore, projects where the County will not be able to demonstrate this consistent pattern or commitment shall have the bond proceeds reallocated to an existing project or new project that can. Since the bonds have to be yield restricted or cannot invest the unspent bond proceeds in investments having a rate greater than the interest rate on the bonds, the Office of the Comptroller will work with the Treasurer's Office to establish separate accounts for all of the bond issues.

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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

- B. Reallocating the \$5.8 million in unspent bond proceeds to finance selected projects in the 2013 Capital Improvements Budget will allow the County to decrease its debt service costs for the 2013 Corporate Purpose Bond Issue.
- C. The estimated debt service costs for the 2013 Corporate Purpose Issue would be reduced by \$11.9 million. This is a result of using \$5.8 million in unspent bond proceeds to finance 2013 Adopted Capital projects. The reduction was utilized by removing the last 4 years from the projected debt service schedule for the 2013 Corporate Purpose Bond Issue. The estimated principal amount would be \$27 million.
- D. In addition, as a part of the analysis for reallocating the unspent bond proceeds, the Office of the Comptroller reviewed the 2013 Adopted Capital Improvements Budget with departments, which decreased the bond amount by an additional \$3 million. This was due to partial funding due to project implementation for 2013 for the War Memorial Renovation project (\$571,341) and the delay of the Estabrook Dam Impoundment Sediment Remediation project (\$1.2 million) and Grounds South Reservoir Rehabilitation project (\$1,219,200).

There are no adjustments to the budgets for these projects. The projects would not be included in the 2013 Corporate Purpose Issue since project implementation for these amounts are anticipated to occur in 2014 for the War Memorial Renovation project and the Estabrook Dam Impoundment Sediment Remediation project. The Grounds South Reservoir Rehabilitation project is delayed until the Water Utility Initiative is addressed. A Memorandum of Understanding between Milwaukee County and the City of Wauwatosa, relating to the Milwaukee County water utilities, has been submitted by the Department of Administrative Services to the Finance, Personnel and Audit Committee for the June cycle.

Excluding these projects from the 2013 Corporate Purpose Bond Issue will allow the County to assist with minimizing future violations of the IRS rules regarding tax-exempt bond proceeds.

Department/Prepared By Pamela Bryant

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : May 23, 2013

TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Scott B. Manske, Comptroller

SUBJECT: Monthly Update of the 2012 Fiscal Projection of Milwaukee County (May 2013 Report) (For Information Only)

Policy Issue

County Ordinance 56.02(2) was modified to reflect changes adopted under 2011 Wisconsin Act 62 which created the Office of the Comptroller. A new requirement calls for a monthly update of the fiscal condition of the County to the County Board. To comply with this ordinance, the Comptroller is providing the County Board with a monthly update to the projection of 2012 year-end financial results fiscal report that was submitted to the County Board and County Executive during the March 2013 cycle of the County Board.

Updated 2012 Year-end Fiscal Projection – December 2012

Based on financial results through the 4th quarter of 2012, updated information from certain departments, and analysis performed by the Office of the Comptroller, the County is projected to have a 2012 surplus \$23,025,976. The March 2013 update to the committee, reported that the projected surplus was \$24.6 million.

Based on the resolution approved by the County Board in the April 2013 committee cycle, the surplus would be split into two balances: Reserve for 2014 Budget, and Debt Service Reserve. The County Board has authorized that \$5.0 million of the surplus would be placed into a Reserve for 2014 budget. This \$5.0 million represents the remainder surplus after transfers are made to the Debt Service Reserve of \$18,025,976. Per State Statute, the 2012 remaining surplus shall be placed into a reserve to offset the 2014 budget.

Anticipated 2012 Surplus	\$23.0 million
Amount to be Transferred to Debt Service Reserve	\$18.0 million
Amount Applied to 2014 Budget as a result of the 2012 Surplus	\$5.0 million
Amount Applied to 2013 Budget as a result of the 2011 Surplus	\$5.5 million
2013 vs 2014 Budget tax levy impact	\$.5 million Increase in tax levy

This is a *preliminary estimate* and should not be considered the final results for 2012. The 2012 year-end results will be audited by the outside auditing firms during April and May 2013. Any adjustments requested by them will be reviewed by the Comptroller Office and impacted departments for adjustment to the surplus reported to the Committee.

Committee Action

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



Scott B. Manske
Comptroller

cc: Chris Abele, County Executive
Supervisor Willie Johnson, Jr., Co-Chairman, Finance, Audit and Personnel Committee
Supervisor David Cullen, Co-Chairman, Finance, Audit and Personnel Committee
Finance, Audit and Personnel Committee
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Interim Fiscal and Budget Administrator
Stephen Cady, Fiscal and Budget Analyst, County Board
Department Heads

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : May 23, 2013

TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Scott B. Manske, Comptroller

SUBJECT: Monthly Update of the 2013 Fiscal Projection of Milwaukee County (April 2013 Report) (For Information Only)

Policy Issue

County Ordinance 56.02(2) was modified to reflect changes adopted under 2011 Wisconsin Act 62 which created the Office of the Comptroller. A new requirement calls for a monthly update of the fiscal condition of the County to the County Board. To comply with this ordinance, the Comptroller has provided the County Board with monthly updates to the projection of 2013 year-end financial results. The County's 2013 fiscal year ends on December 31, 2013. 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 April 30, 2013 and quarterly reports submitted by departments, Milwaukee County's projected 2013 year-end fiscal status remains at the amount reported in April 2013 with a surplus of \$6.1 million. The projected surplus assumes that the available balance in the contingency fund of \$4.6 million is applied to offset departmental and non-departmental deficits. To the extent the contingency fund is used during the year for deficit reduction, the projected surplus will decrease.

This following table reports significant changes in department's projected year end. Attachment A lists department's projected year end as of the first quarter and as of April 30, 2013.

Org Unit	Department	As of 1 st Quarter	As of April 30	Change
2000& 2900	Courts	(\$118,000)	(\$204,000)	(\$86,000)
3400	Register of Deeds	\$101,000	(\$144,000)	(\$245,000)
4000	Sheriff	(\$1,395,800)	(\$1,251,600)	\$144,200
6300	BHD	(\$195,800)	(\$670,800)	(475,000)
8000	DHHS	\$342,000	\$1,431,700	\$1,089,700

Committee Action

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



Scott B. Manske
Comptroller

cc: Chris Abele, County Executive
Supervisor William Johnson, Co-Chairman, Finance, Audit and Personnel Committee
Supervisor David Cullen, Co-Chairman, Finance, Audit and Personnel Committee
Finance, Audit and Personnel Committee
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Interim Fiscal and Budget Administrator
Stephen Cady, Fiscal and Budget Analyst, County Board
Department Heads

Attachment A

Milwaukee County			
Projection for 2013 - Based on Activity as of April 30, 2013			
Dept	Department Name	<i>Prior Report</i> 03/30/13	<i>Current Proj</i> 04/30/13
✓ 1150	DAS - Risk Management	\$ -	\$ -
✓ 1160	Information Management Services Division	-	-
1135	Labor Relations	103,000	103,100
2000	Combined Courts	(271,300)	(335,500)
2900	Pre Trial Services	153,300	131,000
✓ 3400	Register of Deeds	101,000	(143,900)
✓ 4000	Sheriff's Office	(1,395,800)	(1,251,600)
✓ 4500	District Attorney	-	74,300
✓ 4900	Medical Examiner	136,400	136,400
5100	DOT Highway	(130,600)	(130,600)
✓ 5600	DOT - Transit/Paratransit System	74,800	74,800
✓ 5800	DOT - Administration	23,000	23,000
✓ 6300	Behavioral Health Division	(195,800)	(670,800)
✓ 7900	Department on Aging	-	-
✓ 7990	Department of Family Care (CMO)	546,200	546,200
✓ 7990	Contribution From/(To) Family Care Reserve	(546,200)	(546,200)
✓ 8000	Department of Health and Human Services	342,000	1,431,700
✓ 9000	Department of Parks, Recreation and Culture	-	-
9500	Zoological Department	(535,300)	(578,300)
	Other Departments not shown above	580,891	88,417
	Departmental Total	(1,014,409)	(1,047,983)
	Capital Projects Funding	-	-
✓ 1945	Unallocated Contingency Fund	4,660,829	4,660,829
✓ 1950	Fringe Benefits	3,000,000	3,000,000
✓ 1991	Reserve for Delinquent Property Taxes	(500,000)	(500,000)
✓ 1993	State Shared Revenue	-	-
✓ 1996	Sales Tax Revenue	-	-
✓ 9960	Debt Service Fund/Froedtert Lease Payment	-	-
	Non-Departmental Total	7,160,829	7,160,829
	Projected County Surplus (Deficit)	\$ 6,146,420	\$ 6,112,846

COUNTY OF MILWAUKEE
Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : May 24, 2013
TO : Committee on Finance, Personnel & Audit
FROM : Rick Ceschin, Deputy Director of Human Resources 
SUBJECT : **Informational Report for 06/13/2013**
Finance, Personnel & Audit Committee Meeting

Attached are a series of informational reports listing various personnel transactions that the Director of Human Resources intends to approve for implementation.

These reports (*reclassifications, advancements within the pay range, reallocations, and revisions to Executive Compensation Plan [ECP]*) are provided in accordance with the provisions of Chapter 17 and may be included on the agenda of the June 13, 2013 Finance, Personnel & Audit Committee Meeting for informational purposes.

In the event the Finance, Personnel & Audit Committee takes no action, the transactions noted on the reports will be implemented.

RC:jam

Copy: HR Managers

AMENDED

Finance, Personnel & Audit Committee Meeting Compensation Report June 2013

In accordance with the provisions of Chapter 17 of the Milwaukee County General Ordinances, the Director of Human Resources intends to approve for implementation. The Department of Administration has verified that funds are available within the adopted budget to cover the cost associated with these actions.

(Reclassifications, Advancements Within The Pay Range and Reallocations)

*Change in Duties has to reflect a weight of 25% or more.

Item #	ORDINANCE TYPE	REQUESTOR	HIGH ORG	CURRENT	RECOMMENDED	NO. OF POSITIONS	CURRENT		RECOMMENDED		JUSTIFICATION		
				JOBCODE /	JOBCODE / POSITION #		PAY RANGE	ANNUAL PAY RATE	PAY RANGE	ANNUAL PAY RATE			
1	ADVANCEMENT WITHIN THE PAY RANGE 17.10	DAS - Fiscal Affairs	1151	Fiscal & Strat Asset Coord 00009417 / 000001	N/A	1	38M	01	\$82,032.08	38M	01	\$82,032.08	Significant Level of Additional Responsibilities / Retention
								02	\$85,490.08		02	\$85,490.08	
								03	\$88,948.70		03	\$88,948.70	
								04	\$93,517.01		04	\$93,517.01	
								05	\$99,264.67		05	\$99,264.67	
2	ADVANCEMENT WITHIN THE PAY RANGE 17.10	DAS - Fiscal Affairs	1151	Fiscal Mgt Analyst 3 00012220 / 000003	N/A	1	33JM	01	\$57,667.38	33JM	01	\$57,667.38	Retention due to Significant Experience and recent departmental turnover
								02	\$60,232.02		02	\$60,232.02	
								03	\$63,133.62		03	\$63,133.62	
								04	\$65,974.48		04	\$65,974.48	
								05	\$68,873.38		05	\$68,873.38	
								06	\$71,721.10		06	\$71,721.10	
								07	\$75,175.98		07	\$75,175.98	
								08	\$78,631.90		08	\$78,631.90	

RECLASS
DAS FISCAL FORM
5/14/2013

ADVANCEMENT IN PAY RANGE DAS FISCAL FORM

Department: Administrative Services - Fiscal Division
 Date of Advancement Request: 4/30/2013
 Date of anticipated advancements: 6/23/2013

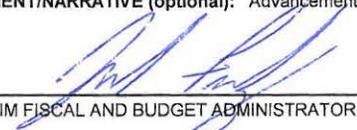
Item	Org Unit	Low Org	Title Code	Position Name	Pay Range	Step	No. of Positions	FTEs	Hrly Rate	Biweekly Salary	Social Security	Fringe Benefits**	Pay Periods Remaining	2012 total	Annual Total
1	1151	1157	00009417	Fiscal & Strategic Asset Coord	38M	1	1	1.0	39.4385	3,155	241	1,069	14	62,521	116,111
2	1151	1157	00012220	Fiscal & Management Analyst III	33JM	2	1	1.0	28.9577	2,317	177	939	14	48,064	89,262
													SUBTOTAL:	110,585	205,372
NEW PAY STEPS															
1	1151	1157	00009417	Fiscal & Strategic Asset Coord	38M	4	1	1.0	44.9601	3,597	275	1,138	14	70,138	130,256
2	1151	1157	00012220	Fiscal & Management Analyst III	33JM	3	1	1.0	30.3527	2,428	186	957	14	49,988	92,835
													SUBTOTAL:	120,126	223,091
													TOTAL COST:	9,541	17,718

* Pension Fixed Rate for 2013 = 15.51% of salary

DOES THE DEPARTMENT HAVE SUFFICIENT FUNDS FOR THE RECLASS: Yes

DOES DAS APPROVE THE ABOVE MENTIONED RECLASSIFICATIONS? Yes

COMMENT/NARRATIVE (optional): Advancement is requested for retention purposes



 INTERIM FISCAL AND BUDGET ADMINISTRATOR

5-13-13

 DATE

REVISIONS TO Executive Compensation Plan (ECP) REPORT
Finance, Personnel & Audit Committee Meeting
June 13, 2013

Currently, there are no "Revisions to ECP" to report.

COUNTY OF MILWAUKEE
Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : MAY 24, 2013

To : Committee on Finance, Personnel & Audit

FROM : Rick Ceschin, Deputy Director of Human Resources *RTC*

SUBJECT : **Informational Reports 06/13/13**
For Finance, Personnel & Audit Committee Meeting

Attached is an informational report listing *appointments at an advanced step of the pay range*, which the Director of Human Resources has approved.

These reports are provided in accordance with the provisions of Chapter 17 of the County General Ordinances and may be included on the agenda of the June 13, 2013 Finance, Personnel & Audit Committee Meeting for informational purposes

RC:jam

Attachment

Finance, Personnel & Audit Committee Report

June 2013

REQUESTOR	ORG UNIT	PREVIOUS CLASSIFICATION	CURRENT CLASSIFICATION	PAY GRADE	# OF STEPS ^	REQUESTED HOURLY RATE	ANNUALIZED SALARY BY STEPS	APPOINTED STEP	APPOINTED DATE	EST. FISCAL YEAR IMPACT^^	JUSTIFICATION
DAS - Fiscal Affairs	1151	Prog Anlayst MH	Fiscal Mgt Analyst 2	26JM	01	\$ 21.0472	\$ 43,778.18	03	04/29/2013	\$2,200.94	Promotional Transfer / 2+ Years BHD Fiscal Experience
					02	\$ 21.9060	\$ 45,564.48				
					03	\$ 22.6193	\$ 47,048.14				
					04	\$ 23.3635	\$ 48,596.08				
					05	\$ 24.2487	\$ 50,437.30				
					06	\$ 24.9938	\$ 51,987.10				
					07	\$ 26.1252	\$ 54,340.42				
					08	\$ 26.4650	\$ 55,047.20				
					09	\$ 27.7247	\$ 57,667.38				
Facilities Management Division	5700	N/A	Engineering Technician Surveyor	30A	01	\$ 18.5956	\$ 38,678.85	03	04/22/2013	\$2,172.82	New Hire Appointment / 7+ Years Experience
					02	\$ 19.3552	\$ 40,258.82				
					03	\$ 20.1045	\$ 41,817.36				
					04	\$ 20.8641	\$ 43,397.33				
					05	\$ 21.6238	\$ 44,977.50				
					06	\$ 22.3730	\$ 46,535.84				
					07	\$ 23.1326	\$ 48,115.81				
					08	\$ 23.8923	\$ 49,695.98				
					09	\$ 24.6416	\$ 51,254.53				
					10	\$ 25.4011	\$ 52,834.29				
					11	\$ 26.1504	\$ 54,392.83				
					12	\$ 26.9100	\$ 55,972.80				
Facilities Management Division	5700	N/A	Construction Cost Estimator	28A	01	\$ 26.0879	\$ 54,262.83	03	04/29/2013	\$3,394.44	New Hire Appointment / 5+ Years Experience
					02	\$ 27.2222	\$ 56,622.18				
					03	\$ 28.5125	\$ 59,306.00				
					04	\$ 29.7822	\$ 61,946.98				
					05	\$ 32.9560	\$ 68,548.48				
					06	\$ 33.2681	\$ 69,197.65				
BHD - Behavioral Health Division	6300	N/A	House Physician I - Hourly	40XM	01	\$ 57.4578	\$ 119,512.22	03	05/31/2013	\$4,910.88	New Hire Appointment / 3 Years Experience
					02	\$ 59.4687	\$ 123,694.90				
					03	\$ 61.5502	\$ 128,024.42				
					04	\$ 63.7044	\$ 132,505.15				
					05	\$ 65.9339	\$ 137,142.51				
					06	\$ 68.2418	\$ 141,942.94				
					07	\$ 70.6302	\$ 146,910.82				

Appointments at an Advanced Step of the Pay Range
Finance, Personnel & Audit Committee Report
June 2013

REQUESTOR	ORG UNIT	PREVIOUS CLASSIFICATION	CURRENT CLASSIFICATION	PAY GRADE	# OF STEPS ^	REQUESTED HOURLY RATE	ANNUALIZED SALARY BY STEPS	APPOINTED STEP	APPOINTED DATE	EST. FISCAL YEAR IMPACT^^	JUSTIFICATION
DHHS - Dept. Health and Human Services	8000	N/A	Disabilities Benefits Specialist	13	01	\$ 16.2414	\$ 33,782.11	02	05/06/2013	\$696.73	New Hire Appointment / 2+ Years Experience Handling Human Service Benefits Case Loads
					02	\$ 16.7537	\$ 34,847.70				
					03	\$ 17.2648	\$ 35,910.78				
					04	\$ 17.7536	\$ 36,927.49				
					05	\$ 18.2252	\$ 37,908.42				
Zoo	9500	Locomotive Engineer Zoo Seasonal	Machinery Operator Engineer Welder	15Z	01	\$ 14.9380	\$ 31,071.04	05	05/12/2013	\$1,046.27	Promotional Transfer / 4+ Years of Zoo and 10+ Years of Welding Experience
					02	\$ 15.7554	\$ 32,771.23				
					03	\$ 16.2414	\$ 33,782.11				
					04	\$ 17.7536	\$ 36,927.49				
					05	\$ 19.9404	\$ 41,476.03				
					06	\$ 21.7287	\$ 45,195.70				
					11	\$ 18.2250	\$ 37,908.00				
14	\$ 20.4976	\$ 42,635.01									

^Bold/shaded border denotes rates of incumbents

^^Current Year fiscal impact amount is based upon number of weeks remaining in 2013 from date of appointment and the difference from the required rate to the advanced rate. Based on 40 Hour Work Week.

COUNTY OF MILWAUKEE
Department of Human Resources
INTER-OFFICE COMMUNICATION

DATE : May 24, 2013
To : Committee on Finance, Personnel & Audit
FROM : Rick Ceschin, Deputy Director of Human Resources 
SUBJECT : **Informational Reports 06/13/2013**
For Finance, Personnel & Audit Committee Meeting

Attached are a series of informational reports relative to ***dual employment, emergency appointment, and temporary appointment.*** Also included is an informational report relative to ***temporary assignments to a higher classification,*** which is updated through May 22, 2013.

These reports are provided in accordance with the provisions of Chapter 17 of the County General Ordinances.

RC:jam

Attachments

Dual Employment Report
Finance, Personnel & Audit Committee Meeting
June 13, 2013

Organizational Unit	Name	Current Classification	Current Pay Range	Dual Employment	Dual Employment Pay Range
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Currently, there are no "Dual Employments" to report.

Emergency Appointment Report
Personnel Committee Meeting
June 13, 2013

Requestor	Dept	Last Name	First Name	Title Description	Employee Class	Status	Emergency Appt Date	Pay Range
HR	1144	Braatz	Lynda	Mgmt Asst - Human Res	F	A	1/14/2013	06PM
DHHS	8525	Collura	Andrew	Housing Prog Asst Rent Asst	F	A	12/10/2012	16Z
Sheriff	4316	Rowling	Kenneth	Power Plant Operator	F	A	4/1/2013	20

Temporary Appointment Report
Finance, Personnel & Audit Committee Meeting
June 13, 2013

Requestor	Dept	Last Name	First Name	Title Code	Title Description	Emp Class	Status	# of Hours in Payroll Period	Temporary Appt Date	Appt Type
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Currently, there are no "Temporary Appointments" to report.

Temporary Assignment to a Higher Classification (TAHC) Report
Finance, Personnel & Audit Committee Meeting
June 13, 2013

DEPT	FIRST NAME	LAST NAME	CURRENT JOB TITLE	OLD PAY RANGE	NEW PAY RANGE	TAHC JOB TITLE	ORIG START	EXTENDED/ NEW DATE	END DATE	TYPE OF EXT	REASON
BHD	Patricia	Meehan	Quality Impr & Risk Coord	28MN	902E	ExDir2-Associate Admin of Nursing	12/31/2012	4/1/2013	6/29/2013	adm	Incumbent new position
BHD	Jeanine	Joe	Clerical Asst 1	03P	04P	Fiscal Asst II*	1/21/2013	4/1/2013	6/29/2013	adm	Vacant position
BHD	Jennifer	Savasta	Office Support Asst 2	02P	04P	Payroll Asst*	5/20/2013		7/19/2013		Vacant position
DA Office	Hazel	Lindsey	Clerical Asst 1	03P	04P	Secretarial Asst*	4/14/2013	5/12/2013	6/15/2013	adm	Incumbent medical leave
DAS-Fiscal Affairs	Josh	Fudge	Director of Strategic Planning	901E	903E	Fiscal & Budget Administrator	4/29/2013		7/27/2013		Incumbent resigned
DAS - Facilities Mgmt	Gerald	Otto	Electrical Mechanic	54	54	Electrical Mech Supervisor	1/4/2013	4/2/2013	6/15/2013	adm	Vacant position
DAS - Facilities Mgmt	Gary	Waszak	Facilities Mtce Manager	916E	902E	Facilities Management Director	4/15/2013		7/13/2013		Vacant position
DOT-Airport	Patrick	Harrington	Airport Mtce Worker Asst	16Z	14M	Asst Facilities Supervisor*	3/24/2013		6/21/2013		Incumbent promoted
DOT-Airport	Kenneth	Skowronski II	Asst Airport Mtce Supvr	26M	28M	Maintenance Supvr Airport*	4/22/2013		7/20/2013		Incumbent resigned
DOT-Airport	Rahsaan	Gibson	Airport Mtce Worker	15KZ	15KZ	Airport Mtce Worker IC*	5/7/2013		7/8/2013		Incumbent resigned
Parks	Amy	Popp	Park Patrol Seasonal	1	7PM	Park Ranger IC*	2/17/2013	5/17/2013	7/6/2013	adm	Incumbent resigned
Parks	Ryan	Peters	Park Worker 3 Seas	5108	18Z	Park Mtce Wrkr 2-IC*	3/18/2013		6/15/2013		Incumbent promoted
Parks	Jon	Peltonen	Park Mtce Worker II IC	18Z	22M	Park Unit Coord I-Golf*	12/27/2012	3/17/2013	6/14/2013	adm	Incumbent resigned
Parks	Jim	Keegen	ExDir2Chief of PlantPartPo	902E	903E	Interim Parks Director	8/27/2012	4/9/2013	8/13/2013	File No. 13-227	Incumbent termed
Parks	Jill	Organ	Engineer	32A	902E	Chief of Planning & Development	9/14/2012	4/9/2013	8/13/2013	File No. 13-227	TAHC of incumbent
Parks	Charlotte	Kurzawa	Office Asst 3 Seas	07PM	12DC	Senior Executive Asst.		4/9/2013	8/13/2013	File No. 13-227	TAHC of incumbent
Parks	Michael	Stein	Park Mtce Worker II IC	18Z	24M	Park Unit Coord I-Golf*	3/18/2013		6/15/2013		Incumbent promoted
Parks	Susie	Devcich	Asst. Chief of Rec/Bus Op	916E	902E	Chief of Rec & Bus Ops	4/7/2013		7/5/2013		Incumbent resigned
Parks	Wayne	Stollenwerk	Park Worker 3 Seas	5108	06	Office Asst I*	4/15/2013		7/13/2013		Incumbent medical leave
Parks	Stephen	Gallam	Park Worker 3	5108	18Z	Parks Maint Wrkr 2 IC*	4/14/2013		7/12/2013		Incumbent termed
Parks	Nickolas	Goryl	Parks/Hwy Maint	13P	18Z	Parks Maint Wrkr 2 IC*	4/14/2013		7/12/2013		Incumbent resigned
Parks	Frank	Corona	Park Worker 3	5108	5103	Ironworker*	4/1/2013		6/29/2013		Incumbent medical leave
Parks	Christopher	Stritchko	Park Worker 3 Seas	5108	18Z	Park Mtce Wrkr 2-IC*	5/4/2013		8/1/2013		Incumbent in TAHC
Parks	Ross	Milton	Park Mtce Worker II IC	18Z	24M	Park Unit Coord II*	5/4/2013		8/1/2013		Vacant position
Parks	Christian	Kovnesky	Ironworker	5103	5104	Ironworker Supervisor*	4/1/2013		6/29/2013		Incumbent medical leave
Sheriff Dept	Mary	Sawczuk	Deputy Sheriff I	17BZ	22B	Dep. Sheriff Sergeant*	9/21/2012	3/21/2013	6/18/2013	adm	No Cert list
Sheriff Dept	Daniel	Carter	Deputy Sheriff I	17BZ	22B	Dep. Sheriff Sergeant*	9/21/2012	3/21/2013	6/18/2013	adm	No Cert list
Sheriff Dept	Fred	Gladney	Deputy Sheriff I	17BZ	22B	Dep. Sheriff Sergeant*	9/21/2012	3/21/2013	6/18/2013	adm	No Cert list
Sheriff Dept	Brandy	Lester	Deputy Sheriff I	17BZ	22B	Dep. Sheriff Sergeant*	9/21/2012	3/21/2013	6/18/2013	adm	No Cert list
Sheriff Dept	Aaron	Dobson	Deputy Sheriff I	17BZ	22B	Deputy Sheriff Sergeant*	1/8/2013	4/9/2013	7/7/2013	adm	Hiring process begun
Sheriff Dept	Debra	Burmeister	Sheriff Dept Captain	915E		ExDir1-Sheriff Deputy Inspector	4/1/2013		6/29/2013		No Cert list
Sheriff Dept	Jeffrey	Andrykowski	CO 1	14Z	23CM	CO Lieutenant	11/24/2012	3/17/2013	6/14/2013	adm	Hiring process begun
Sheriff Dept	Daniel	Dittberner	Deputy Sheriff I	17BZ	22B	Deputy Sheriff Sergeant*	2/10/2013	5/12/2013	8/9/2013	adm	No Cert list
Sheriff Dept	April	Johnson	Deputy Sheriff I	17BZ	22B	Deputy Sheriff Sergeant*	2/15/2013	5/18/2013	8/15/2013	adm	No Cert list
Zoo	Amanda	Ista	Zookeeper	15	17A	Zoo Area Supervisor*	4/24/2013		6/24/2013		Vacant position
Zoo	Raymond	Hren	Zookeeper	15	17A	Zoo Area Supervisor*	6/4/2013		7/18/2013		Medical Coverage
Zoo	Joan	Pappas	Zookeeper	15	17A	Zoo Area Supervisor*	4/26/2013		6/26/2013		Medical Coverage

The TAHC has been extended by the Director of DHR. The County Board of Supervisors and the County Executive must approve the second extension to a vacant unclassified position through adoption of a resolution.

*Individual has a TAHC according to provisions of labor contracts

**INTEROFFICE COMMUNICATION
COUNTY OF MILWAUKEE**

DATE: May 30, 2013

TO: Theodore Lipscomb Sr., Chairman
Committee on Judiciary, Safety and General Services

Willie Johnson & David Cullen, Co-Chairmen
Committee on Finance, Personnel and Audit

FROM: Mark A. Grady, Deputy Corporation Counsel

SUBJECT: Status update on pending litigation

The following is a list of some of the significant pending cases that we believe may be of interest to the Committees. New information and additions to the list since the last committee meetings are noted in **bold**. However, our office is prepared to discuss any pending litigation or claim involving Milwaukee County, at your discretion.

1. *DC48 v. Milwaukee County* (Rule of 75)
Case No. 11-CV-16826 (temporary stay of case **until November 25, 2013**)
2. *MDSA v. Milwaukee County* (overturn arbitration award on 2012 deputy layoffs)
Case No. 12-CV-1984
3. Retiree health plan (co-pays, deductibles, etc.) cases:
Hussey v. Milwaukee County (Retiree health)
Case No. 12-C-73 (U.S. District Court, appealed by Hussey to U.S. Seventh Circuit Court of Appeals)
MDSA prohibited practice complaint
WERC Case No. 792 No. 71690 MP-4726
Rieder & MDSA v. Milwaukee County
Case No. 12-CV-12978
DC48 prohibited practice complaint
WERC Case No. 762 No. 70685 MP-4657
DC48 et al. v. Milwaukee County et al.
Case No. 12-CV-13612 (stayed pending outcome of *Hussey* case)
4. Medicare Part B premium reimbursement cases:
FNHP and AMCA v. Milwaukee County
Case No. 12-CV-1528 (appealed to WI Court of Appeals by Milwaukee County)
DC48 et al. v. Milwaukee County et al.
Case No. 12-CV-13612 (stayed pending outcome of cases above)

5. 1.6% Pension Multiplier cases:
Stoker & FNHP v. Milwaukee County
Case No. 11-CV-16550 (appealed to WI Court of Appeals by Milwaukee County)
AFSCME v. Milwaukee County
Case No. 12-CV-9911 (stayed pending above appeal)
Brillowski & Trades v. Milwaukee County
Case No. 12-CV-13343 (stayed pending outcome of *Stoker* above)
6. Sheriff Captain Lay-off cases:
McKenzie & Goodlette v. Milwaukee County (captains layoffs)
Case No. 12-CV-0079
Rewolinski v Milwaukee County (captain layoff)
Case No. 12-CV-0645
Clarke v. Civil Service Commission (captains promotions and layoffs)
Case No. 12-CV-3366 (Commission affirmed)(appealed by Sheriff to Court of Appeals)
7. *DC48 v. Milwaukee County* (seniority in vacation selection and CO1 transfer rights under Sheriff)
Case No. 12-CV-3944
8. *Wosinski et al. v. Advance Cast Stone et al.* (O'Donnell Park)
Case No. 11-CV-1003 (consolidated actions)(**trial: October 7, 2013, six weeks**)
9. *Christensen et al. v. Sullivan et al.*
Case No. 96-CV-1835 (court ordered contract with Armor)
10. *Milwaukee Riverkeeper v. Milwaukee County* (Estabrook dam)
Case No. 11-CV-8784
11. *Milwaukee County v. Federal National Mortgage Ass'n. et al.* (transfer taxes)
Case No. 12-C-732 (U.S. District Court)
12. *Midwest Development Corporation v. Milwaukee County* (Crystal Ridge)
Case No. 12-CV-11071
13. Retirement sick allowance payment for employees not represented at retirement, but previously represented
Pasko v. Milwaukee County
Case No. 11-CV-2577 (appealed to WI Court of Appeals by Milwaukee County)
Porth v. Milwaukee County
Case No. 11-CV-4908 (consolidated with Pasko case, appealed to WI Court of Appeals by Milwaukee County)

- Koehn v. Milwaukee County*
Case No. 12-CV-1402 (stayed in circuit court pending appeal of other cases)
- Marchewka v. Milwaukee County*
Case No. 13-CV-969
14. *Clarke v. Milwaukee County* (House of Correction transition)
Case No. 12-CV-13388 (appealed by Sheriff to Court of Appeals)
15. *Calderon v. Milwaukee County*
Case No. 12-C-1043 (U.S. District Ct.)(deputy assault of person in custody)
16. Froedtert Hospital petition to disturb burial sites – petition granted by State.
17. FNHP, AMCA & AFSCME v. Milwaukee County and ERS (backdrop modification)
Case No. 13-CV-3134