

## (SUGGESTED SCRIPT FOR PUBLIC HEARING)

This public hearing is being held pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. The purpose of the public hearing is to give all interested persons an opportunity to express their views on the proposed issuance of general obligation bonds by Milwaukee County to refund bonds issued to finance certain projects and the location and nature of the projects. Notice of this public hearing was published in the Milwaukee Journal-Sentinel on February 21, 2011 and in The Daily Reporter on February 22, 2011, and reference is made to said published notice and the details contained therein.

The purpose of the public hearing is to consider the issuance by Milwaukee County of general obligation bonds to refund bonds issued for the following purposes:

(i) Proceeds in an amount not to exceed \$450,000 to finance improvements to the elevators, fire/life safety system, river walk area and related improvements, all at the Marcus Center for the Performing Arts which is owned by the County, operated by both Milwaukee County War Memorial, Inc., a Wisconsin non-stock, non-profit corporation (the "*Operating Company*"), and Marcus Center for the Performing Arts, Inc., a Wisconsin, non-stock, non-profit corporation, as a performing arts center and located at 929 North Water Street, Milwaukee, Wisconsin;

(ii) Proceeds in an amount not to exceed \$1,000,000 to finance improvements to the electrical distribution system, the plumbing system, the fire/life safety system, and related improvements, all at the Milwaukee Public Museum which is owned by the County, operated by Milwaukee Public Museum, Inc., a Wisconsin non-stock, non-profit corporation, as a public museum and located at 800 West Wells Street, Milwaukee, Wisconsin;

(iii) Proceeds in an amount not to exceed \$600,000 to finance improvements to the War Memorial Center and the Milwaukee Art Museum which are both owned by the County, leased to and operated by the Operating Company, as a meeting center and office space and an art museum, respectively, and located at 750 North Lincoln Memorial Drive, Milwaukee, Wisconsin, and 700 North Art Museum Drive, Milwaukee, Wisconsin, respectively;

(iv) Proceeds in an amount not to exceed \$550,000 to finance improvements to the Villa Terrace Art Museum which is owned by the County, operated by the Operating Company as an art museum and located at 2220 North Terrace Avenue, Milwaukee, Wisconsin;

(v) Proceeds in an amount not to exceed \$450,000 to finance structural and other building improvements at the Milwaukee County Historical Society owned by the County, operated by Milwaukee County Historical Society, a Wisconsin non-stock, non-profit corporation, as an historical museum and located at 910 North Old World 3rd Street, Milwaukee, Wisconsin;

(vi) Proceeds in an amount not to exceed \$150,000 to finance the acquisition of land which is owned by the County, operated by Milwaukee Kickers Soccer Club, Inc., a Wisconsin non-stock, non-profit corporation, as a soccer training facility and located at 7101 West Good Hope Road, Milwaukee, Wisconsin;

(vii) Proceeds in an amount not to exceed \$3,200,000 to finance the construction of a visitors center at Boener Botanical Gardens which is owned by the County and operated as a visitors center and educational facility at a botanical gardens and located at 5879 South 92nd Street, Hales Corners, Wisconsin;

(viii) Proceeds in an amount not to exceed \$1,500,000 to finance road and street improvements in the southeast quadrant of the Milwaukee County Grounds which is owned by the County, and operated as a health care center and located at 1000 North 92nd Street, Milwaukee, Wisconsin;

(ix) Proceeds in an amount not to exceed \$1,000,000 to finance a new roof for a building, life/safety improvement, a new emergency generator and related improvements owned by the County and leased in part to and operated by St. Charles Youth and Family Services, Inc., a Wisconsin non-stock, non-profit corporation ("*St. Charles*"), as educational, residential, health and related facilities serving challenged youths and located on the County Grounds at 9501 Watertown Plank Road, Wauwatosa, Wisconsin;

(x) Proceeds in an amount not to exceed \$1,600,000 to finance improvements to the Washington Park Senior Center which is owned by the County, operated by Interfaith Older Adult Programs, Inc., a Wisconsin non-stock, non-profit corporation, as a senior center and located at 4420 West Vliet Street, Milwaukee, Wisconsin;

(xi) Proceeds in an amount not to exceed \$500,000 to finance improvements to the heating, ventilation and air conditioning system at the Wilson Park Senior Center which is owned by the County, operated by Interfaith Older Adult Programs, Inc., a Wisconsin non-stock, non-profit corporation, as a senior center and located at 2601 West Howard Avenue, Milwaukee, Wisconsin;

(xii) Proceeds in an amount not to exceed \$500,000 to finance improvements to the heating, ventilation and air conditioning system at the Gordon and Berniece Rose Park Senior Center which is owned by the County, operated by Interfaith Older Adult Programs, Inc., a Wisconsin non-stock, non-profit corporation, as a senior center and located at 3045 North Dr. Martin Luther King Drive, Milwaukee, Wisconsin; and

(xiii) Proceeds in an amount not to exceed \$600,000 to finance life/safety improvements, a new emergency generator and related improvements, all at the Day Hospital which is part of the Behavioral Health Complex owned by the County and leased in part to and operated by St. Charles, My Home, Your Home, Inc., a Wisconsin non-stock, non-profit corporation, and Willowglen Community Care, a Wisconsin non-stock, non-profit corporation, as health and related facilities serving challenged youths

and located on the County Grounds at 9201 Watertown Plank Road, Wauwatosa, Wisconsin;

Does anyone wish to be heard concerning these projects or the issuance of the County's bonds or notes to finance them?

[Pause for comments by public]

The public hearing on this subject is now closed.

**COUNTY OF MILWAUKEE**  
INTEROFFICE COMMUNICATION

Date: February 22, 2011

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

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

Subject: Reconciliation of Road Project Funding through 2012 and Future Road Project Funding Needs (Informational Only)

**POLICY**

The Department is providing an informational report about the status of scheduled road projects and funding necessary to complete these projects for 2011, 2012, and 2013.

**BACKGROUND**

In 2009, Milwaukee County was in the unique position of accelerating its traditional year-to-year bonding program to a three-year program in order to take advantage of low interest rates available through the Build America Bond Program. In addition, the American Reinvestment and Recovery Act (ARRA) program was introduced providing funding for projects that were construction ready. While these two programs have been helpful in getting projects completed, it has exposed some long standing funding issues within the Transportation Services Division. It has also highlighting significant issues with how the Transportation Services Division must commit local funds for projects that may not get state funding approval.

The Transportation Services Division is dependant on state funded programs to offset the costs associated with design, right-of-way acquisition and construction. Based on established rules for these state and federally funded programs available to the county, the state will fund 80% of design, right-of-way and construction of a Surface Transportation Program funds (STP) project, and 50% of a County Highway Improvement Program (CHIP) funded project. In order for the County to receive reimbursement for STP related projects, an agreement must be in place with the State. If the County were to perform this work prior to having a signed agreement, the County would absorb all costs associated for the work done before the agreement was signed.

The County's budget timeframe requires Transportation Services to make its best guess on what projects will be funded by the State before these amounts are known or agreements are in place. In addition, the State may ask the County to re-prioritize a road project based on other construction projects in the area. The conflicting funding

schedules of the State and County has lead to funds being transferred from projects that have been approved by the County to those that have been approved by the State in order to maximize non-County project dollars. While this process has happened over a significant period of time and has been sustainable with year-to-year capital budgets, it has not provided a high level of certainty to public officials that projects expected to be done based on County authorized budgets may not get done based on the project's funding status from the state.

The availability of \$8 million in ARRA funds in 2009 allowed the County to accelerate a number of projects into construction that otherwise would have been scheduled in future years when funding was made available under the STP process. In turn, this accelerated road projects meant for future years of the STP program into the design, right-of-way acquisition and construction phases in order to meet the schedule of bond issuances established in the three-year capital program. These projects were put into the County's bonding program without knowing which projects the State may fund; however, work was not started until funding for these projects was secured. In February of 2011 SEWRPC released the list of projects eligible for STP funding. The projects that the County had put forward for funding of S. 13 South County Line to Ryan Road, S. 13<sup>th</sup> Street Ryan Road to Rawson Avenue, Layton Avenue from Loomis to 27<sup>th</sup> Street and College Avenue S. 27<sup>th</sup> Street to S. 51<sup>st</sup> Street were not chosen for funding.

In order to maximize state and federal funds that will lapse at the end of the year, the Department is requesting a funding shift from certain projects in order to cover others. These projects are identified on the attachment to this report. In addition, the Department is requesting additional bonding. The two projects that are at greatest risk are Mill Road 84<sup>th</sup> to 91<sup>st</sup> and 43<sup>rd</sup> to 56<sup>th</sup> and Oklahoma Avenue 108<sup>th</sup> to 76<sup>th</sup> Street. Both projects are financed under the CHIP program requiring a 50% county match.

The Oklahoma Avenue 108<sup>th</sup> to 76<sup>th</sup> Street project is scheduled to go into construction this year. It has \$1,443,510 in CHIP funds that are set to expire on September 30, 2011. This project was accelerated because the City of Milwaukee is doing major water main construction in this road segment. A total of \$2,548,381 of CHIP funds are available for this project. Milwaukee County needs \$2,507,819 of funding in order to meet the construction need of \$6,500,000 for this project phased over 2011 and 2012.

Mill Road is at a 90% complete level in design. The project total for design and construction is \$2,573,860. DTPW is requesting that funds from Port Washington Road, Daphine to Good Hope are shifted to support this project. We are requesting a shift in funding because the pavement on Port Washington Road is in better condition then Mill Road.

Finally, there are sufficient funds remaining from other projects to repair 107<sup>th</sup> Street from County Line Road to Brown Deer Road. County funds from S. 13<sup>th</sup> Street County Line to Ryan Road, 13<sup>th</sup> Street Ryan Road to Rawson Avenue, Layton Avenue from 27<sup>th</sup> Street to Loomis Road and College Avenue 27<sup>th</sup> to 51<sup>st</sup> Street will be shifted to this project since State funding was not provided for these projects.

The Department has submitted a fund transfer for the March 2011 cycle requesting the appropriate changes be made to fund the previously identified projects.

**RECOMMENDATION**

This report is informational and is provided to help better understand the current funding situation of road projects for 2011 and 2012. The Department is in the process of formulating a policy change to how road and bridge projects are funded in the future and anticipates providing this policy change to the board for approval in the 2012 budget process.

Prepared for the Transportation Services Division by: Brian Dranzik Director of Administration, DTPW

Approved by:



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Jack Takernan, Director  
Transportation and Public Works

Cc: Marvin Pratt, County Executive  
Lee Holloway, Chairman, Milwaukee County Board of Supervisors  
Terry Cooley, Chief of Staff  
E. Marie Broussard, Deputy Chief of Staff  
John Ruggini, Interim Fiscal and Budget Administrator  
Pam Bryant, Capital Finance Manager  
Justin Rodriguez, Capital Finance Analyst  
Josh Fudge, Fiscal Management Analyst  
Martin Weddle, County Board Research Analyst  
Rollin Bertran, Director Highway Operations  
Ben Eruchalu, Manager of Transportation Design

**Surface Transportation Program – Urban (STP-U)** reimbursement 80% federal and 20% local follows a very specific set of federal and state requirements. Projects must comply with Federal and state requirements to be eligible for reimbursement. Failure to comply will forfeit any reimbursement.

### **Project process timeline:**

- Application for funding in Biennial Budget (every 2 years) for 80/20 funding.
- WisDot process applications and notice of project approval. (6 months)
- Prepare State/Municipal agreement. (3-6 months)
- WisDot issues notice to proceed. (1-2 months)

### **Any project work before this date not eligible for reimbursement.**

- Prepare and approve work order. (6-9 months)
- Preliminary design including preparation and approval of environmental document and design study report.
- Prepare right of way plat.

### **Right of Way acquisition cannot begin until DSR is approved and funds are released by WisDOT & FHWA.**

- Acquire right of way. (12-18 months)
- Final design including PS&E documents. (9-11 months)
- PS&E submittal to WisDot – project LET. (3 months)
- Project LET to begin construction. (3 months)

Total time from application to begin construction is approximately 54 to 84 months.

## **County Highway Improvement Program (CHIP)**

### **Funding Process Timeline**

- After July, when the State of Wisconsin biennial budget is approved, WisDOT receives the 1st year's funds.
- July and August, WisDOT publishes LRIP Guidelines and Requirements on the LRIP home page.
- By November County selects and prepares project applications.
- January of the following year, statutory deadline for county highway commissioners to submit CHIP applications to WisDOT.
- By mid March, WisDOT reviews and approves project applications and mails State/Municipal Agreements to counties for approved projects for State fiscal year funding.
- By July WisDOT receives the 2nd year's funds and mails State/Municipal Agreements to counties for approved projects for State funding.
- Agreements need a turn around time of three months, for execution.
- Governor sends notifications to Counties. (three months).
- County match is requested to take effect January of the following year (six months)
- Project design done (One Year)
- Construction the following year.

Total time from application to begin construction is approximately 24 to 36 months.

## County Funding Requirement for Proposed Project Timeline

### 2011

<b>Project Description</b>	<b>County Funding Needed</b>
Oklahoma Avenue 108th to 76th Street	\$2,507,819
Mill Road N. 84th to N. 91st & N. 43rd to N. 56th	\$1,296,680
<b>Total for 2011</b>	<b>\$3,804,499</b>

### 2012

<b>Project Description</b>	<b>County Funding Needed</b>
107th Street Brown Deer Rd. to County Line Rd	\$0

### 2013

<b>Project Description</b>	<b>County Funding Needed</b>
76th St. Puetz to Imperial	\$540,656
Mill Rd. 43rd to Teutonia	\$812,550
Repayment of 2011 Advance	\$3,804,499
<b>Total for 2013</b>	<b>\$5,157,705</b>

## ***Detail of Funding Required by Project***

### **Oklahoma Avenue 108<sup>th</sup> to 76<sup>th</sup> Street**

Total funding needed for Oklahoma Ave is \$7,410,000

\$2,548,381	CHIP funds
\$1,113,800	Local funds from S. 13 <sup>th</sup> Ryan to Rawson
\$750,000	Local funds from W. Hampton Ave 92 <sup>nd</sup> to 124 <sup>th</sup> Street
\$490,000	County funds available on Oklahoma Ave
\$2,507,819	County funds needed to complete the project.

### **Mill Road N. 84<sup>th</sup> Street to N. 91<sup>st</sup> Street & N. 43<sup>rd</sup> St. to N.56<sup>th</sup> St.**

Total funding needed for Mill Rd is \$2,573,860

These segments of roadway have not been approved for funding by the County Board of Supervisors; even though design and community meetings were already completed.

Funding for the Mill Road project will be comprised of the following projects:

\$1,087,180	CHIP funds from Port Washington Road Daphine to Good Hope
\$ 190,000	County funds from Port Washington Road Daphine to Good Hope
\$1,296,680	County funds needed to complete the project.

### **N. 107<sup>th</sup> Street**

### **Brown Deer to N. County Line Road**

Total funding needed for N. 107<sup>th</sup> St. is \$2,487,200

Funding for the N. 107<sup>th</sup> Street project will be comprised of the following projects:

\$1,296,700	CHIP funds
\$176,000	Local funds from S. 13 <sup>th</sup> County Line to Ryan
\$420,000	Local funds from College Avenue 27 <sup>th</sup> to 51 <sup>st</sup> Street
\$248,000	Local funds from Layton Ave 27 <sup>th</sup> to Loomis
\$346,500	County funds available on N. 107 <sup>th</sup>

This project is currently in the early design phase. City of Milwaukee indicated interest in cleaning out remnants of City streets in the middle of County highways through jurisdictional transfer and this project is one of them under discussions. Milwaukee County will work with the City on the design elements, once an agreement is reached. Construction is tentatively scheduled for 2012.

## **Projects with Full Funding**

<b><u>S.13<sup>th</sup> Street</u></b>	<b><u>Rawson to College Avenue</u></b>
Total construction Cost	\$6,900,000
Total Local Bond Funds Available for this Project	\$1,560,000
Total Amount Needed in Bonds by the County Board	\$0
Total State/Federal Funds Available for this Project	\$6,240,000
Total Amount Need by the State in STP funds	\$0

WisDOT is overseeing construction of this project with an anticipated completion in 2011.

<b><u>West College Avenue</u></b>	<b><u>Howell to Pennsylvania</u></b>
Total Project Cost	\$7,100,400
Total Local Bond Funds Available for this Project	\$408,200
Total Amount Needed in Bonds by the County Board	\$0
Total State/Federal Funds Available for this Project	\$5,351,960
Total Amount Need by the State in STP funds	\$0

Construction has been moved up to 2011 by WisDOT so that construction can coincide with an ARRA funded project of College from Pennsylvania to Packard.

<b><u>West College Avenue (ARRA)</u></b>	<b><u>Pennsylvania to Packard</u></b>
Total Project Cost	\$2,010,572
Total Local Bond Funds Available for this Project	\$150,000
Total Amount Needed in Bonds by the County Board	\$0
Total State/Federal Funds Available for this Project	\$1,860,572
Total Amount Need by the State in STP funds	\$0

WisDOT is overseeing construction of this project with an anticipated to start spring 2011.

## **Projects with Partial Federal Funding and Partial County Funding**

<b><u>S.76<sup>th</sup> Street</u></b>	<b><u>Puetz to Imperial</u></b>
Total construction Cost	\$11,413,282
Total Local Bond Funds Available for this Project	\$1,570,000
Total Amount Needed in Bonds by the County Board	\$540,656
Total State/Federal Funds Available for this Project	\$3,600,000
Total Amount Need by the State in STP funds	\$4,842,626

Project schedule moved at the request of the City of Franklin so that sidewalks and signals could be added to the project. Franklin will fund their request estimated at \$860,000 at 100%. In case the City chose to do a jurisdictional transfer by accepting proposed remnant County roads, the County will pay for their request with 80% Federal funds and 20% Bonds. These changes require additional design and revisions to the

WisDOT project agreement. Local bond funds of \$540,656 will be needed in 2013 when construction is scheduled to begin.

**W. Mill Road N. 43<sup>rd</sup> Street to N. Teutonia Avenue**

Total Project Cost	\$4,865,000
Total Local Bond Funds Available for this Project	\$160,450
Total Amount Needed in Bonds by the County Board	\$812,550
Total State/Federal Funds Available for this Project	\$3,880,000
Total Amount Need by the State in STP funds	\$12,000

The amount listed above represents design and right-of-way acquisition and construction costs. A delay by WisDOT in the execution of the work order process has meant that a re-scoping of the project was required to add new Federal mandated elements such as bike lanes and pedestrian accommodations. Construction is tentatively scheduled for 2013 currently estimated at \$4,025,000 of which local bond proceeds of \$812,550 will be needed at that time.

**Projects Where Funding will be pursued at a Later Date**

**N. Port Washington Road Daphne to Good Hope**

Total Project Cost	\$0
Total Local Bond Funds Available for this Project	\$0
Total Amount Needed in Bonds by the County Board	\$0
Total State/Federal Funds Available for this Project	\$0
Total Amount Need by the State in CHIP funds	\$0

Road condition is in better shape than Mill Road (84th Street to N. 91st Street & N. 43rd St. to N.56th St.). WisDOT bridge construction on Good Hope affecting the Port Washington intersection will be completed in early 2011 as well. CHIP funds will be moved to Mill Road project due to funds expiring on September 30, 2011.

**Projects Not Funded in Recent STP Allocation**

**S. 13<sup>th</sup> Street Ryan to Rawson Avenue**

Total Project Cost	\$0
Total Local Bond Funds Available for these Phases	\$0
Total Amount Needed in Bonds by the County Board	\$0
Total State/Federal Funds Available for this Project	\$0
Total Amount Need by the State in STP funds	\$0

This project was not selected for funding in the recent STP program. \$1,113,800 of local funds provided for this project has been shifted to the Oklahoma Avenue project.

**S. 13<sup>th</sup> Street** **South County Line to Ryan Road**

Total Project Cost \$0

Total Local Bond Funds Available for these Phases \$0

Total Amount Needed in Bonds by the County Board \$0

Total State/Federal Funds Available for this Project \$0

Total Amount Need by the State in STP funds \$0

This project was not selected for funding in the recent STP program. \$176,000 of local funds provided for this project has been shifted to the 107<sup>th</sup> Street project.

**W. College Avenue** **S. 51<sup>st</sup> Street to S. 27<sup>th</sup> Street**

Total Project Cost \$0

Total Local Bond Funds Available for these Phases \$0

Total Amount Needed in Bonds by the County Board \$0

Total State/Federal Funds Available for this Project \$0

Total Amount Need by the State in STP funds \$0

This project was not selected for funding in the recent STP program. \$420,000 of local funds provided for this project has been shifted to the 107<sup>th</sup> Street project.

**W. Layton Ave.** **S. 27<sup>th</sup> Street to W. Loomis Avenue**

Total Project Cost \$0

Total Local Bond Funds Available for these Phases \$0

Total Amount Needed in Bonds by the County Board \$0

Total State/Federal Funds Available for this Project \$0

Total Amount Need by the State in STP funds \$0

This project was not selected for funding in the recent STP program. \$248,000 of local funds provided for this project has been shifted to the Mill Road (84th Street to N. 91st Street & N. 43rd St. to N.56th St.) project.

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE** : February 28, 2011

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

**FROM** : Pamela Bryant, Capital Finance Manager

**SUBJECT** : **Initial Authorizing and Reimbursement Resolutions for Highway Projects**

**Request**

The Department of Administrative Services (DAS) is requesting the approval of the attached initial authorizing and reimbursement resolutions to authorize the issuance of a not-to-exceed amount of \$4,100,000 to finance reconstruction costs for capital projects WH02005 – West Oklahoma – South 108<sup>th</sup> Street to South 76<sup>th</sup> Street and WH02301 – West Mill Road (84<sup>th</sup> to 91<sup>st</sup> and 56<sup>th</sup> to 43<sup>rd</sup>) and to express the County's intent to reimburse the projects for expenditures incurred prior to the issuance of General Obligation Corporate Purpose Bonds or Notes.

The Department of Transportation and Public Works submitted an informational report during this cycle which provides additional information on the justification for the projects. This report focuses on the financing necessary for the projects.

**West Oklahoma Avenue**

In the 2010 Adopted Capital Improvements Budget, the County Board of Supervisors approved \$913,000 for planning and design for the reconstruction of the West Oklahoma Avenue roadway, 108<sup>th</sup> Street to 76<sup>th</sup> Street. The Milwaukee County Department of Transportation and Public Works (DTPW) changed the construction schedule for the West Oklahoma Avenue roadway from 2013 to 2011. The County Highway Improvement Program (CHIP) funds allocated for the project will be expiring in September of 2011 (\$1,443,510) and March of 2012 (\$1,104,871), which is prior to the next scheduled bond financing in 2013.

In addition, the City of Milwaukee is scheduled to repair the water main along West Oklahoma Avenue in 2011. The West Oklahoma Avenue roadway is within the City of Milwaukee and West Allis geographic area. The DTPW plans to reconstruct the West Oklahoma Avenue roadway from South 108<sup>th</sup> Street to Beloit Road while the City of Milwaukee is replacing the water main. Once the water main is replaced, DTPW will reconstruct the West Oklahoma Avenue roadway from Beloit Road to 76<sup>th</sup> Street.

An appropriation transfer for \$6,920,000 has been submitted for the March cycle to reallocate expenditure authority and revenues, including CHIP funds, from delayed highway projects. In addition to the \$2,548,381 in County Highway Improvement Program funds mentioned above, project financing will be provided from \$1,113,800 in existing general obligation bonds and \$2,507,819 in new bonds or notes to be issued in the future. (See the appropriation transfer packet for the March cycle of the Finance and Audit Committee for details on the project scope).

**West Mill Road**

In 2009 and 2010, appropriation transfers totaling a net amount of \$190,000 were approved to design the reconstruction of West Mill Road, North 84<sup>th</sup> Street to North 56<sup>th</sup> Street. The State of Wisconsin Department of Transportation (WisDOT), through the American Recovery and Reinvestment Act (ARRA), will fund project construction which is scheduled to begin in 2011.

In 2010, the DTPW anticipated that the WisDOT would also fund West Mill Road, 84<sup>th</sup> Street to 91<sup>st</sup> Street and 56<sup>th</sup> Street to 43<sup>rd</sup> Street and, without approval from the County Board of Supervisors or the County Executive, proceeded to incur costs for the design of the roadway. Unfortunately, the WisDOT did not approve the project for funding. The County has incurred design costs of \$125,924, which reflects the 90 percent completion of the project design. The DTPW is in the process of determining if any of the \$125,924 that was incurred in 2010 is eligible for reimbursement by the State of Wisconsin.

Assuming that the County Board of Supervisors approve the appropriation transfer described below, in addition to the expenditures incurred in 2010, \$2,573,860 in expenditure authority is needed to reconstruct the West Mill Road segments of 91<sup>st</sup> Street and 56<sup>th</sup> Street to 43<sup>rd</sup> Street. Financing for the \$2,573,860 will be provided from \$190,000 in existing bonds, \$1,087,180 in CHIP funds and \$1,296,680 in new bond financing. Similar to the West Oklahoma Avenue project mentioned above, the CHIP funds will expire in September of 2011.

An appropriation transfer of \$2,573,860 has been submitted for the March Cycle of the Finance and Audit Committee to obtain approval for the project, establish a budget and authorize expenditures that have been incurred. (See the appropriation transfer packet for the March cycle of the Finance and Audit Committee for details on the project scope).

**\$4,100,000 General Obligation Bonds/Notes**

The DAS has prepared estimated debt service schedules with total estimated debt services costs are \$5,399,750. The 2013 or another future issuance will include an estimated principal amount of \$4,100,000 in bonds or notes, with estimated interest amounts of \$829,688. The reimbursement resolution that is included gives the County the option to use proceeds from the next regularly scheduled bond issuance in 2013 for these projects.

**COUNTY TAX RATE LIMIT**

For the purpose of preparing the attached resolutions authorizing the issuance of the bonds or notes, it was assumed that approval of borrowing for the highway capital projects mentioned above would result in an increase in the County's debt service tax rate. Based on this assumption, and to comply with Section 59.605, Wis. Stats., regarding property tax rate limits for debt service, adoption of the attached resolutions will require approval by a minimum of three-fourths of the members-elect of the County Board. Based on the current County Board membership, 15 votes will be required for authorization to issue the bonds.

## **DEBT ISSUANCE EXPENSES**

The attached resolution authorizes and directs the Director, Department of Administrative Services to request credit ratings and to pay all professional services and other issuance expenses related to the issuance of the bonds from debt proceeds. An administrative appropriation transfer will be processed to increase expenditure authority to pay for the cost of issuance once the bonds are issued. Anticipated expenses include bond counsel, financial auditor and financial advisory fees, official statement printing and mailing costs, credit rating fees and expenses and other issuance costs such as publication costs and express mail.

## **AUTHORIZING RESOLUTIONS**

Attached is the authorizing resolution for the bonds or notes. Each of the items in the resolution requires Finance and Audit Committee and County Board approval.

## **U.S. Treasury Regulation Compliance**

Based on adopted County policy, the next bond financing would occur in 2013. Therefore, since the reason for the request to issue new bonds to finance the highway capital projects is proposed to avoid losing CHIP revenue that is due to expire in September of 2011 and March of 2012, expenditures will likely occur prior to the issuance of bonds in 2013.

U.S. Treasury Regulation Section 1.150-2 describes the conditions under which the County may expend County funds on a project currently and later reimburse itself with bond proceeds. The first step in providing for such reimbursement to occur is an expression of intent by the County to reimburse itself for expenditures incurred prior to issuing the bonds. Therefore, the attached resolution expresses that intent.

Expressing this intent will allow the County to reimburse itself for expenditures incurred as far back as 60 days prior to the approval of the attached reimbursement resolution. Any work on the project that is done earlier than 60 days prior to the approval date would not be eligible for reimbursement.

Approval of the attached reimbursement resolution will allow the County to reimburse itself with proceeds from bonds issued in 2013 or another date in the future.

## **Recommendation**

The DAS recommends that the Finance and Audit Committee approve the accompanying resolutions that authorizes the issuance of a not-to-exceed amount of \$4,100,000 in general obligation bonds or notes and expresses the County's intent, in accordance with U.S. Treasury Regulation Section 1.150-2, to reimburse itself for expenditures that will occur prior to the issuance of the bonds.

**Please note that DAS is only recommending establishing expenditure authority and revenues now and issuing \$4,100,000 in bonds or notes at a later date to avoiding losing \$3,635,561 in CHIP funding. In essence, until bonds are issued in 2013, the County will be**

**expending funds out of the existing general fund. To continue this practice could cause cash flow problems for the County which is why DAS is presenting this recommendation as an exception or extenuating circumstance. The DTPW will be providing an expenditure plan for both projects so that DAS and the Treasurer's Office can monitor the draws on the general fund.**



Pamela Bryant  
Capital Finance Manager

Attachments

pc: Marvin Pratt, Interim County Executive  
John Thomas, Vice-Chair, Finance and Audit Committee  
Joe Czarnetzki, County Clerk  
Dan Diliberti, County Treasurer  
E. Marie Brossard, Deputy Chief of Staff, County Executive's Office  
Terrence Cooley, Chief of Staff, County Board  
John Ruggini, Interim Fiscal and Budget Administrator, DAS  
Rex Queen, Accounting Manager, Treasurer's Office  
Stephen Cady, County Board Fiscal and Budget Analyst  
David Anderson, Public Financial Management, Inc.  
Chuck Jarik, Chapman and Cutler LL

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(ITEM \*)

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**A RESOLUTION**

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**INITIAL RESOLUTION AUTHORIZING THE  
ISSUANCE OF  
\$4,100,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS**

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11 BE IT RESOLVED by the County Board of Supervisors of Milwaukee County, Wisconsin,  
12 that there shall be issued the general obligation bonds of said County in an aggregate principal  
13 amount not exceeding \$4,100,000 for the public purpose of providing for the construction of  
14 highways and highway improvements and the construction and improvement of bridges. For the  
15 purpose of paying the various installments of principal of and interest on said bonds as they  
16 severally mature, prior to the issuance and delivery of said bonds there shall be levied on all  
17 taxable property in said County a direct annual irrevocable tax sufficient for that purpose..

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**A RESOLUTION**

**RESOLUTION authorizing the advertisement for public sale and the sale of General Obligation Corporate Purpose Bonds of Milwaukee County, Wisconsin, in an aggregate principal amount not to exceed \$4,100,000, and related matters.**

WHEREAS, counties are authorized by Chapter 67 of the *Wisconsin Statutes*, as supplemented and amended, to borrow money and to issue bonds and promissory notes to finance any project undertaken for a public purpose and to refund municipal obligations, including interest thereon; and

WHEREAS, it has previously been determined that it was necessary and desirable to issue general obligation bonds of Milwaukee County, Wisconsin (the "*County*"), for the public purposes of financing the construction of highways and highway improvements and the construction and improvement of bridges in the aggregate principal amount of \$4,100,000, pursuant to Chapter 67 of the *Wisconsin Statutes*, as supplemented and amended; and

WHEREAS, it is now necessary and desirable for the County to issue its General Obligation Corporate Purpose Bonds in an aggregate principal amount not to exceed \$4,100,000 by combining some or all of the public purposes set forth above;

NOW, THEREFORE, Be It Resolved by the County Board of Supervisors of Milwaukee County, Wisconsin, as follows:

*Section 1.* There shall be issued the General Obligation Corporate Purpose Bonds of the County in an aggregate principal amount not to exceed \$4,100,000 (the "*Bonds*"). The Bonds shall be issued for some or all of the purposes aforesaid in one or more series (which are hereby combined into one or more issues of the Bonds); *provided*, that the County may issue

29 promissory notes instead of some or all of the Bonds; *provided further*, that some or all of the  
30 Bonds may be combined with other issues of bonds or notes of the County; *provided further*, that  
31 the Director of the Department of Administrative Services of the County is hereby authorized to  
32 make all such changes to the resolutions adopted by the County Board of Supervisors of the  
33 County relating to the Bonds and the financing structure of the Bonds to conform to any changes  
34 to such resolutions and financing structures, which are approved by the Finance and Audit  
35 Committee of the County Board of Supervisors of the County.

36         *Section 2.* For the purpose of offering the Bonds for sale, pursuant to  
37 Section 67.08(2), *Wisconsin Statutes*, as supplemented and amended, the Director of the  
38 Department of Administrative Services of the County is hereby authorized and directed to cause  
39 to be circulated the Official Terms of Offering for the Bonds and to disseminate appropriate  
40 notices of the sale of the Bonds at such times and in such manner as the Director of the  
41 Department of Administrative Services of the County may determine and to receive bids for the  
42 Bonds at such time or times as the Director of the Department of Administrative Services of the  
43 County may determine. The Director of the Department of Administrative Services of the  
44 County shall also cause to be prepared and distributed an Official Statement or Official  
45 Statements, including the Official Terms of Offering, with respect to the Bonds.

46         *Section 3.* After receipt of bids for the Bonds and consideration thereof by this  
47 County Board of Supervisors, this County Board of Supervisors will consider resolutions  
48 awarding the Bonds to the best bidder or bidders, prescribing the terms thereof and the form of  
49 Bond, and levying taxes in the specific amount necessary to pay the principal of and interest on  
50 the Bonds.

51         *Section 4.* Proceeds of the Bonds shall be applied at the direction of the Director of  
52 the Department of Administrative Services of the County to the payment of issuance expenses

53 with respect to the Bonds. An administrative appropriation transfer will be processed to increase  
54 expenditure authority in the non-departmental Debt Issue Expense budget to pay such issuance  
55 expenses. The issuance expenses cover the fees for the following services provided in  
56 connection with the issuance of the Bonds as well as the out-of-pocket disbursements of the  
57 County: credit rating agencies, bond insurance, official statement printing and mailing, financial  
58 advisory services, bond counsel services, financial auditor services and other fees related to the  
59 issuance of the Bonds.

60           *Section 5. Copies of Resolution to Bond Counsel.* The County Clerk is directed to  
61 send certified copies of this resolution to the County's co-bond counsel, Chapman and Cutler  
62 LLP, 111 West Monroe Street, Chicago, Illinois 60603, Attention: Charles L. Jarik, and Emile  
63 Banks & Associates, LLC, Suite 290, 1200 North Mayfair Road, Milwaukee, Wisconsin 53226,  
64 Attention: Emile Banks, and to the Department of Administrative Services, Attention: Pamela  
65 Bryant.

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(ITEM \*)

**A RESOLUTION**

**RESOLUTION Directing the Publication of a Notice to the Electors Regarding the Adoption of an Initial Resolution.**

WHEREAS, the County Board of Supervisors of Milwaukee County, Wisconsin (the “County”) has adopted an initial resolution regarding the issuance of general obligation bonds of the County to provide for the construction of highways and highway improvements and the construction and improvement of bridges on March 17, 2011; and

WHEREAS, Section 67.05(4) of the *Wisconsin Statutes*, as supplemented and amended, provides for the electors of the County to submit a petition requesting the submission of such initial resolution to the electors of the County for approval, and requires that notice be given to the electors of the County of the adoption of said initial resolution and said right to submit a petition;

NOW, THEREFORE, BE IT RESOLVED by the County Board of Supervisors of Milwaukee County, Wisconsin, that the County Clerk of the County is hereby directed to publish notice of the adoption of said initial resolutions one time in the *The Daily Reporter* and in the *Milwaukee Journal Sentinel*, within fifteen (15) days of the adoption of said initial resolution (to-wit, April 1, 2011), such notice to be in substantially the form as follows:

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**OFFICIAL NOTICE TO ELECTORS  
OF MILWAUKEE COUNTY, WISCONSIN  
OF ADOPTION OF AN  
INITIAL RESOLUTION**

An initial resolution was adopted at the adjourned regular meeting of the County Board of Supervisors of Milwaukee County, Wisconsin, on March 17, 2011, and promptly recorded, providing for the issuance of general obligation bonds of the County, as follows:

BE IT RESOLVED by the County Board of Supervisors of Milwaukee County, Wisconsin, that there shall be issued the general obligation bonds of said County in an aggregate principal amount not exceeding \$4,100,000 for the public purpose of providing for the construction of highways and highway improvements and the construction and improvement of bridges. For the purpose of paying the various installments of principal of and interest on said bonds as they severally mature, prior to the issuance and delivery of said bonds there shall be levied on all taxable property in said County a direct annual irrevocable tax sufficient for that purpose.

The bonds authorized to be issued by said initial resolution set out above shall be issued by Milwaukee County, Wisconsin, unless, before 4:30 P.M., on April 18, 2011, a petition is filed in the office of the County Clerk of said County by electors of said County numbering at least ten percent (10%) of the votes cast for governor in the County at the last general election requesting that the initial resolution be submitted to the electors, as provided in Section 67.05(4) of the *Wisconsin Statutes*, as supplemented and amended.

Dated: March 17, 2011

/s/ Joseph J. Czarnecki  
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County Clerk

By order of the County Board of Supervisors

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(ITEM \*)

**A RESOLUTION**

**RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from the proceeds of an obligation.**

**WHEREAS** Milwaukee County, Wisconsin (the “*Issuer*”) now wishes to advance moneys from available funds to pay the costs of a capital project described in *Exhibit A* attached hereto and made a part hereof (the “*Project*”); and

**WHEREAS** all or a portion of the expenditures relating to the Projects and to be made from such funds (the “*Expenditures*”) (i) have been paid within the sixty (60) days prior to the passage of this Resolution, or (ii) will be paid on or after the passage of this Resolution; and

**WHEREAS** the Issuer reasonably expects to reimburse itself or pay for the Expenditures with the proceeds of general obligation bonds or notes;

**NOW THEREFORE** Be It Resolved by the County Board of Supervisors of Milwaukee County, Wisconsin, as follows:

*Section 1.* The Issuer reasonably expects to reimburse or pay the Expenditures with proceeds of general obligation bonds or notes.

*Section 2.* The maximum principal amount of the obligations expected to be issued for the Projects and to be made from the funds is \$4,100,000 in general obligation bonds or notes.

*Section 3.* All actions of the officers, agents and employees of the Issuer that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and approved.

*Section 4.* This Resolution shall be in full force and effect immediately upon its adoption.

**EXHIBIT A**

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<b>PROJECT</b>	<b>AMOUNT</b>
WH02005 – West Oklahoma – South 108 <sup>th</sup> Street to South 76 <sup>th</sup> Street	\$2,702,605
WH023012 – West Mill Road, North 84 <sup>th</sup> Street to North 56 <sup>th</sup> Street	\$1,397,395

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 2/28/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: Initial Authorizing and Reimbursement Resolutions for Highway Projects**

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact   | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(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 checked="" type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures  | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues  |  |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	See explanation
	Revenue	0	
	Net Cost	0	See explanation
<b>Capital Improvement Budget</b>	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.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. The Department of Administrative Services is requesting approval of initial authorizing resolutions to issue Corporate Purpose Bonds or Notes for a not-to-exceed amount of \$4,100,000 in 2013. Two separate appropriation transfers have been submitted for West Oklahoma Avenue and West Mill Road (84<sup>th</sup> to 91<sup>st</sup> and 56<sup>th</sup> to 43<sup>rd</sup>). Expenditure authority of \$6,920,000 is requested through an appropriation transfer for the March cycle of the Finance and Audit Committee, with new bond financing of 2,507,819 for the West Oklahoma Avenue project. Expenditure authority of \$2,573,860 is also requested through an appropriation transfer for the March cycle of the Finance and Audit Committee, with new bond financing of 1,296,680 for the West Mill Road project.
- B. The County will pledge to levy taxes to pay the debt service payments.
- C. The estimated total debt service cost is \$5,399,750. The first debt service payment amount, the following year after the bonds are issued, which reflects current County practice. For example, if the bonds are issued in 2013, the first debt service payment would occur in 2014. Therefore, if the County approves the appropriation transfer and proceeds in accordance with County practice regarding bond financing, the 2014 budget will include approximately \$453,000 in debt service costs relating to the Highway projects discussed in the attached memo.
- D. The estimated interest rates for the debt service payments are based on rates from the week of February 1, 2011 and increased by 20 basis points.

Department/Prepared By Pamela Bryant

<sup>1</sup> 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.

Authorized Signature



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Did DAS-Fiscal Staff Review?

Yes

No

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

Finance  
Personnel 5

Referred  
FEB 2011  
County Board  
Chairman

DATE : February 23, 2011

FILE NO. 08-279(a)(b)

TO : Chairman Lee Holloway, County Board of Supervisors

FROM : Gerald J. Schroeder, Interim Director-Employee Benefits Division



SUBJECT : **Report from the Interim Director, Employee Benefits Division, requesting authorization to execute a three-year contract extension for administration of Milwaukee County's prescription drug coverage.**

Issue/Background

In July of 2008, the Personnel Committee and the Finance & Audit Committee authorized the Director of the Employee Benefits Division to execute a contract with Medco Health Solutions for Pharmacy Benefits Management (PBM) services. The contract was awarded for January 1, 2009 through December 31, 2011, with the intention to reevaluate the market for 2012.

Since that time, Medco has proven their value as a partner in Milwaukee County's efforts to control healthcare costs. The improvements to pricing have contributed to the overall healthcare savings realized in 2009 and 2010. Medco's support through enhancements to our clinical management initiatives have also helped to ensure appropriate and efficient use of the funds the County invests in providing pharmacy coverage. The Employee Benefits Division is satisfied with the service Medco has provided to employees and administrators.

In December 2010, at the County's request, Cambridge Advisory Group initiated discussions with Medco to explore an extension of the current agreement from 2011 through 2014. The primary objective of the extension was to secure immediate and ongoing price concessions from Medco in exchange for the additional guaranteed contract years.

In addition to the savings, the Employee Benefits Workgroup requested, and Medco has agreed to include the following stipulations:

- Extending the contract term to expire on 12/31/2014 in order to keep the pharmacy contract expiration date consistent with the expiration of the next medical contract.
- A market check provision allowing the County to solicit alternative bids following the 2012 plan year. Medco is required to keep their pricing within 1% of the most favorable alternative bid.
- A provision recognizing the County's right to re-open the contract if the County engages in a cooperative purchasing coalition that increases the total number of covered lives.

### **Summary of Financial Impact**

Cambridge Advisory Group estimates savings of approximately \$2.6 million for claims processed from 4/1/2011 through 12/31/2011 due to improvements over the current pricing for brand name and generic drugs, guaranteed rebates, and dispensing fees. This figure is based on a reduction to the total cost of generic medications of 6.3%, and a reduction to the total cost of brand name medications of 4.0% applied over the 9-month period. It is also based on 2010 claims experience adjusted for inflationary trend.

An additional \$200,000 credit will be applied to the County in lieu of retroactively applying the improved terms to the first three months of the year. Finally, a renewal credit of up to \$4.00 per covered household (approximately \$44,000) is available to the County to offset administrative costs incurred by the County (e.g. consulting fees related to the renewal, communications, open enrollment charges, etc.). The total estimated savings for 2011 as a result of the proposed renewal is \$2,844,000.

Further price concessions take effect in 2012 and 2013 to ensure competitive rates throughout the life of the contract. The breakdown of subsequent year savings is provided in the accompanying fiscal note.

### **DBE Commitment**

Medco has consistently met Milwaukee County's requirements for the participation of disadvantaged business enterprises and will be obligated to continue with full compliance in this program throughout the duration of the contract. The Benefits Division will work with the Community Business Development Partners to adjust DBE participation goals to reflect the proposed fee schedule.

### **Additional Considerations**

The Employee Benefits Workgroup noted potential concern regarding the award of a multi-year contract of this significance without soliciting competing bids. Typical process would require an RFP. However, the proposed extension creates a unique opportunity to capture savings in 2011 that can only be attained by extending with Medco. A proposed contract with any other PBM would only be effective beginning in 2012. Further, Medco's unique therapeutic resource centers and clinical management initiatives are key components to the pharmacy savings included in the 2011 adopted budget. As such, the workgroup felt that a sole source contract would be appropriate.

The workgroup also discussed the possibility of attaining greater price concessions in the competitive RFP process. However, both the Employee Benefits Division and Cambridge Advisory Group agree that the proposed pricing is best in class. Given the limited competition among major PBMs, it is unlikely that the competitive RFP process would yield a significant improvement over the terms of the proposed extension. The opportunity cost of forgoing the bidding process is also mitigated by the improvements to pricing in 2012 and 2013, and the County's ability to exercise the market check provision of the contract.

February 23, 2011

Chairman Lee Holloway, County Board of Supervisors

**Report from the Interim Director, Employee Benefits Division,  
requesting authorization to execute a three-year contract extension  
for administration of Milwaukee County's prescription drug coverage**

Page 3

**Recommendation**

The proposed extension of the Medco PBM contract provides the County with a unique opportunity to achieve an estimated \$2.8 million in pharmacy savings in 2011, while also securing best in class pricing for 2012 through 2014. Financial and contractual terms of the extension are favorable, and we are not likely to see significant improvements by waiting for 2012 and issuing an RFP. The proposed extension includes provisions allowing the County to re-evaluate the market during the life of the contract.

As such, the Employee Benefits Workgroup and Employee Benefits Division concur with the recommendation by Cambridge Advisory Group to pursue the extension of the Medco PBM service contract in lieu of publishing a request for proposal.

Therefore, it is requested that the County Board of Supervisors authorize the Interim Director, Employee Benefits Division, to extend the contract Medco Health Solutions for the administration of Milwaukee County's prescription drug coverage through the conclusion of the 2014 plan year.

GJS/MH:hmf

Attachments

Cc: County Executive Marvin E. Pratt  
Supervisor Johnny L. Thomas, Vice-Chair, Finance & Audit Committee  
Supervisor Patricia Jursik, Chair, Personnel Committee  
E. Marie Broussard, Deputy Chief of Staff, County Executive's Office  
John Ruggini, Acting Fiscal & Budget Administrator  
Timothy Schoewe, Corporation Counsel  
Fred Bau, Interim Director of Labor Relations  
Rick Ceschin, Senior Research Analyst, County Board  
Steve Cady, Fiscal and Budget Analyst, County Board  
Carol Mueller, Chief Committee Clerk  
Jodi Mapp, Personnel Committee Clerk

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5 (ITEM) From the Interim Director, Division of Employee Benefits, requesting authorization  
6 to execute a contract with Medco Health Solutions for Pharmacy Benefits Manager  
7 services for the 2011 through 2014 plan years by recommending adoption of the following:  
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10 **A RESOLUTION**

11 WHEREAS, Milwaukee County utilizes the services of a Pharmacy Benefits  
12 Manager (PBM) for the administration of Milwaukee County's prescription drug coverage;  
13 and  
14

15 WHEREAS, Medco Health Solutions is under contract for PBM services for the  
16 2009 through 2011 plan years; and  
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18 WHEREAS, Medco has proven to be a valuable partner in Milwaukee County's  
19 efforts to manage pharmacy costs and has met or exceeded all performance expectations  
20 under their current contract; and  
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22 WHEREAS, Medco Health Solutions is uniquely positioned to provide cost  
23 reductions in the 2011 plan year while continuing the savings initiatives adopted in the  
24 2011 operating budget; and  
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26 WHEREAS, Cambridge Advisory Group on behalf of Milwaukee County has  
27 engaged Medco Health Solutions in negotiating a contract extension in advance of the  
28 expiration of the current contract; and  
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30 WHEREAS, Medco Health Solutions' proposed extension included immediate  
31 price concessions, fee reductions in subsequent years, and a market-check provision  
32 ensuring continued best-in-class pricing over the full term of the contract; and  
33

34 WHEREAS, Medco Health Solutions' proposed extension was also evaluated on  
35 performance guarantees, patient services, client services, implementation, formulary  
36 impact, clinical services, and compliance with Milwaukee County disadvantaged business  
37 enterprise goals; and  
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39 WHEREAS, The Employee Benefits Division, the Employee Benefits Workgroup,  
40 and Cambridge Advisory Group recommend accepting the proposed extension; now,  
41 therefore  
42

43 BE IT RESOLVED, that the Interim Director, Employee Benefits Division,  
44 Department of Administrative Services and the Office of Corporation Counsel, is hereby  
45 authorized to execute a contract extension with Medco Health Solutions for the  
46 administration of Milwaukee County's group prescription drug benefit coverage for active  
47 employees and retirees commencing January 1, 2011 and continuing through December  
48 31, 2014.

## MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: February 16, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request authorization for the Interim Director of Employee Benefits to execute a contract with Medco Health Solutions for pharmacy benefit management services for the plan years 2011 through 2014.

**FISCAL EFFECT:**

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| <input type="checkbox"/> No Direct County Fiscal Impact<br><br><input checked="" type="checkbox"/> Existing Staff Time Required<br><br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><br><input checked="" type="checkbox"/> Decrease Operating Expenditures<br><br><input type="checkbox"/> Increase Operating Revenues<br><br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><br><input type="checkbox"/> Decrease Capital Expenditures<br><br><input type="checkbox"/> Increase Capital Revenues<br><br><input type="checkbox"/> Decrease Capital Revenues<br><br><input type="checkbox"/> Use of contingent funds |
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*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
<b>Operating Budget</b>	Expenditure	-\$2,840,000	-\$3,760,000
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	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.<sup>1</sup> 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.) Approval of this request would enable the Division of Employee Benefits to contract with Medco Health Solutions for the administration of Milwaukee County's prescription drug coverage through the 2014 plan year.

B.) Current year costs related to this action are limited to the time of existing staff.

C.) This contract would reduce the current year costs of the County's prescription drug coverage by an estimated \$2,840,000. The contract provides additional savings vs. the current pharmacy pricing of \$3,760,000 in 2012, and \$3,900,000 in 2013, and \$4,100,000 in 2014.

D.) The estimated cost reduction assumes enrollment and drug utilization will remain similar to 2010. Significant changes to employee demographics, drug mix, headcount, or utilization could positively or negatively impact the estimate. The savings estimates for 2012 through 2014 are vs. the County's current pricing, and are not incremental annual budget savings. Normal inflationary trend will likely offset savings in future years.

Department/Prepared By Matthew Hanchek, Fiscal Benefits Manager

Authorized Signature



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Did DAS-Fiscal Staff Review?  Yes  No

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

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

DATE : February 28, 2011

TO : Supervisor John Thomas, Vice-Chair, Finance & Audit Committee  
 Supervisor Patricia Jursik, Chair, Personnel Committee

FROM : Gerald Schroeder, Interim Director – Employee Benefits Division *MSH/L*  
*on behalf of G.S.*

SUBJECT : **Informational Report from the Interim Director, Employee Benefits Division, Regarding Dependent Eligibility Audits. (Informational Only)**

In the 2011 Operating Budget, the Department of Audit and the Employee Benefits Division were tasked with developing the process for an audit of dependent benefits eligibility and releasing an RFP for an external administrator to conduct the audit on the County's behalf.

The Department of Audit and the Employee Benefits Division have discussed scope and common practices for an eligibility audit, including the option for allowing an amnesty period prior to the audit to allow employees to self-report covered ineligible dependents without fear of disciplinary action. Further, we have confirmed that there are a number of firms with extensive experience in these types of initiatives, including many of the County's existing benefits vendors, who are able to provide reliable expectations for the return on investment.

However, despite progress on this item, the pending budget actions at the State level could have a significant impact on the timing of our efforts to conduct this audit and the potential outcome. As such, the Employee Benefits Division and Department of Audit intend to return to the committees in the April cycle to discuss any changes that arise from the State's action and the next steps for issuing an RFP.

Cc: Jerome Heer, Director of Audits  
 John Ruggini, Acting Fiscal & Budget Administrator  
 Timothy Schoewe, Corporation Counsel  
 Rick Ceschin, Senior Research Analyst, County Board  
 Steve Cady, Fiscal and Budget Analyst, County Board  
 Carol Mueller, Chief Committee Clerk  
 Jodi Mapp, Personnel Committee Clerk

**COUNTY OF MILWAUKEE**  
INTER-OFFICE COMMUNICATION

**DATE:** February 25, 2011

**TO:** Supervisor Johnny Thomas, Vice Chair, Committee on Finance and Audit  
Supervisor Patricia Jursik, Chairwoman, Committee on Personnel

**FROM:** Employee Benefits Workgroup  
*Prepared by Stephen Cady, Fiscal and Budget Analyst, County Board*

**SUBJECT:** **Status Report on a Voluntary Employee Benefits Association (VEBA)**

**Background**

In 2009 the County Board established the Employee Benefits Workgroup to review and analyze the Milwaukee County benefit package and to assess opportunities to reduce costs associated with those benefits. The Workgroup is comprised of staff from Corporation Counsel, Audit, County Board and the Department of Administrative Services (Fiscal, and Benefits) and Labor Relations, and outside health care, pension and legal consultants as needed. The Workgroup continues to meet to discuss budget directives and other fringe benefit cost saving opportunities.

**Request**

The 2011 Adopted Budget directed the Employee Benefits Workgroup to “examine and develop recommendations for the possible implementation of a voluntary employee benefits associations (VEBA), or similar program, to allow the County to make to make tax deferred employee payments (i.e. sick payouts) that can be used for post-retirement health care expenditures or other eligible expenses.” These types of programs can reduce both the employer’s and employee’s tax obligations. A report from the Workgroup is due in the March 2011 cycle.

**Discussion**

Wisconsin State Senate Bill 11 (budget repair bill) proposes numerous changes to employee fringe benefits and collective bargaining laws. Subsequent to this bill, the Governor will be issuing the proposed biannual budget for the State of Wisconsin. The Workgroup is focusing its efforts on trying to understand the issues related to the potential implementation of these changes for Milwaukee County employees. Quite simply, the VEBA initiative is a lower priority than focusing our efforts on meeting the 2011 budget targets.

**Recommendation**

The Employee Benefit Workgroup recommends that the development of a possible VEBA program be postponed until the impacts of the budget repair bill and the biannual budget can

be understood and, where required, properly implemented per statutory deadlines. The Workgroup will provide an update on the VEBA initiative as soon as practicable.

cc: County Executive Marvin Pratt  
Milwaukee County Board of Supervisors  
E. Marie Broussard, Deputy Chief of Staff, County Executive's Office  
Terry Cooley, Chief of Staff, County Board  
Jodi Mapp, Personnel Committee Clerk  
Carol Mueller, Finance and Audit Committee Clerk

**COUNTY OF MILWAUKEE**  
INTER-OFFICE COMMUNICATION

**DATE:** February 28, 2011

**TO:** Supervisor Johnny Thomas, Vice Chair, Committee on Finance and Audit  
Supervisor Patricia Jursik, Chair, Personnel Committee

**FROM:** Employee Benefits Workgroup  
*Prepared by Mark Grady, Principal Assistant Corporation Counsel*

**SUBJECT: Fund Request for Employee Benefits Workgroup**

**Background**

In 2009 the County Board established the Employee Benefits Workgroup to review and analyze the Milwaukee County benefit package and to assess opportunities to reduce costs associated with those benefits. The Workgroup is comprised of staff from Corporation Counsel, Audit, County Board and the Department of Administrative Services (Fiscal, Benefits and Labor Relations), and outside health care, pension and legal consultants as needed. The Workgroup continues to meet to discuss budget directives and other fringe benefit cost saving opportunities.

**Request**

The 2011 Adopted Budget, Org. Unit 1972, directed the Employee Benefits Workgroup to “study what steps must occur in order to cap the backdrop pension benefit at a future point in time. This includes legal guidance as to how best to proceed and an actuarial study of the impact of such an action.” A report is due in the June 2011 cycle. No funding provision for the actuarial study was provided in Org. Unit 1972.

In addition, the Committee on Personnel referred to the Workgroup, among others, a resolution directing the Workgroup to develop a graduated defined contribution pension plan (i.e 401(k) type) to replace the existing defined benefit plan and to report back with a final plan for implementation. No funding was provided in this referral to the Workgroup for actuarial assistance.

The 2011 Adopted Budget, Org. Unit 1950, directs the Workgroup to study a number of initiatives, including healthcare cost containment, wellness, disease management, prescription drug management and the creation of a VEBA related to the use of sick allowance to pay for health care premiums in retirement, among others. An appropriation of \$350,000.00 was set forth in Org. Unit 1950 “to retain outside consultants, actuaries, and other professional services to assist staff in actuarial analysis, ad hoc reporting, request for proposals preparation, contract and rate negotiations, annual enrollment processing and other areas where additional expertise in health care advisory services may be needed, including for the Employee Benefits Work Group.”

The Wisconsin State Senate Bill 11 (budget repair bill) proposes numerous changes to State employee fringe benefits, and to Milwaukee County pension contributions. The State biannual budget and negotiations with unions may require the County to request an actuarial analysis of the possible changes to contributions. For that reason the County will need to add additional funds to the contract with the pension fund actuary.

### **Discussion**

The Workgroup has received estimates from Buck Consultants of approximately \$7,000 – \$10,000 for actuarial services needed to analyze the impact of the resolution related to the creation of a defined contribution pension plan. In addition, Buck Consultants has provided an estimate of approximately \$15,000 - \$30,000 for actuarial services related to the study of capping the backdrop. The range is broad given that at this time the precise nature of any such proposals is unknown. Further actuarial analysis of State proposed changes to employee contributions to the County ERS will require additional time of the actuary. We are estimating this could be \$10,000 – \$15,000 for this work

The org unit 1950 – Fringe Benefits includes an appropriation for professional services of \$350,000. DAS-Fiscal staff has estimated that the entire appropriation will be used for health care cost analysis in the 2011 budget year. As a result, funds are not available in this appropriation for these services. A fund transfer is recommended to transfer \$50,000 from Org. 1945 – Appropriation for Contingencies to DAS – Fiscal Affairs to provide funding for this contract. The Employee Benefit Workgroup would like to contract this work with Buck Consultants, on a sole source basis, using current contract rates that are in effect for the consultant, from a previous three year contract. Buck Consultants is the actuary for the pension plan, and holds all of the actuarial data that is needed to perform the studies needed by Milwaukee County. The Employee Benefit Workgroup would also be looking for a waiver from DBE requirements in order to enter into this professional service contract.

### **Recommendation**

The Employee Benefit Workgroup recommends that a sole source contract be entered into with Buck Consultants for actuarial services in the amount of \$50,000. The funding would be allocated from monies appropriated in Org. 1945 – Appropriation for Contingencies. The contract would be waived from any DBE requirements.

cc: County Executive Marvin Pratt  
Milwaukee County Board of Supervisors  
E. Marie Broussard, Deputy Chief of Staff, County Executive's Office  
Terry Cooley, Chief of Staff, County Board  
Jodi Mapp, Personnel Committee Clerk  
Carol Mueller, Finance and Audit Committee Clerk

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From the Department of Administrative Services, requesting approval of a contract with Buck Consultants for \$50,000, to perform actuary services for the Milwaukee County Employee Benefits Workgroup to meet County Board requested items and which would be exempt from DBE requirements due to the sole source nature of the contract, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, Section 56.30 of the Milwaukee County Ordinances provides that professional service contracts that are \$50,000 or above require the approval of the County Board, prior to execution of the contract; and

WHEREAS, Section 56.30 of the Milwaukee County ordinances also require a waiver from DBE requirements if the department wishes to enter into a sole source contract with a vendor for professional services; and

WHEREAS, in 2009 the County Board established the Employee Benefits Workgroup to review and analyze the Milwaukee County benefit package and to assess opportunities to reduce costs associated with those benefits; and

WHEREAS, the Workgroup is comprised of staff from Corporation Counsel, Audit, County Board and the Department of Administrative Services (Fiscal, and Benefits) and Labor Relations, and outside health care, pension and legal consultants as needed; and

WHEREAS, the 2011 Adopted Budget, Org. Unit 1950 – Employee Fringe Benefits, directs the Workgroup to study a number of initiatives, including healthcare cost containment, wellness, disease management, prescription drug management and the creation of a VEBA related to the use of sick allowance to pay for health care premiums in retirement, among others; and

WHEREAS, the Wisconsin State Senate Bill 11 (budget repair bill) proposes numerous changes to State employee fringe benefits, and to Milwaukee County pension contributions; and

WHEREAS, an appropriation of \$350,000 was set forth in Org. Unit 1950 “to retain outside consultants, actuaries, and other professional services to assist staff in actuarial analysis, ad hoc reporting, request for proposals preparation, contract and rate negotiations, annual enrollment processing and other areas where additional expertise in health care advisory services may be needed; and

46 WHEREAS, Buck Consultants, the County actuary for the Employee Retirement  
47 System, currently is performing actuarial work for the County, because of their knowledge  
48 of the County, and their access to the actuarial data used to perform analysis; and  
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50 WHEREAS, Milwaukee County wishes to enter into a sole source contract with  
51 Buck Consultants to perform the actuarial work needed to complete the tasks requested by  
52 the Personnel Committee and included in the 2011 Adopted Budget and State Budget  
53 Repair Bill; and  
54

55 WHEREAS, the \$350,000 in funds included in Org. Unit 1950 – Employee  
56 Fringe Benefits are earmarked for other purposes per the 2011 Adopted Budget; hence the  
57 \$40,000 estimated to complete two actuarial projects could be allocated from Org. Unit  
58 1945 – Appropriation for Contingencies; and  
59

60 WHEREAS, the three actuarial studies include \$30,000 to complete a study of  
61 capping the backdrop benefit, \$10,000 to analyze the creation of a defined contribution  
62 (401 (k) type) pension plan and \$10,000 to study the impact of the changes proposed in  
63 the Budget Repair Bill; now, therefore,  
64

65 BE IT RESOLVED, that the Milwaukee County Board of Supervisors does hereby  
66 authorize the Department of Administrative Services – Fiscal Affairs to enter into a sole  
67 source contract with Buck Consultants for \$50,000, which would be exempt from DBE  
68 requirements under Chapter 56 and Chapter 42 of Milwaukee County Ordinances; and  
69

70 BE IT FURTHER RESOLVED, that the Department of Administrative Services is  
71 authorized to process an appropriation transfer for \$50,000 from Org. Unit 1945-  
72 Appropriation for Contingencies to the Fiscal Affairs Division in order to reimburse Buck  
73 Consultants for the services outlined in this resolution.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 02/28/2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Buck Consultants Actuarial Services

**FISCAL EFFECT:**

- |   |   |
|---|---|
| <input type="checkbox"/> No Direct County Fiscal Impact   | <input type="checkbox"/> Increase Capital Expenditures      |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures      |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(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 type="checkbox"/> Decrease Operating Expenditures  | <input checked="" type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues  |   |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	50,000	0
	Revenue		
	Net Cost	50,000	0
<b>Capital Improvement Budget</b>	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. <sup>1</sup> 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 County Board is being requested to authorize, by resolution, the approval of a contract with Buck Consultants for actuarial services of a sole source nature. The actuarial services are needed to meet requests of the Personnel Committee, the 2011 Adopted Budget and the 2011 State Budget Repair Bill. Specifically, \$30,000 would be provided to study capping the backdrop benefit, \$10,000 to analyze the implementation of a defined contribution pension (401(k)) alternative and \$10,000 to assess the impact of the State Budget Repair Bill. These amounts are initial estimates only and are subject to change depending on the complexity of the actuarial work required. Funding would be appropriated from Org. 1945 - Appropriation for Contingencies.

B. Approval of this resolution will authorize DAS-Fiscal Affairs to enter into a contract for \$50,000 from 2011 Appropriation for Contingency (Org. 1945) funds. This is a one-time cost for payment of the contract work.

C. This would decrease the amount of funds contained in the Appropriation for Contingencies to offset other shortfalls or to pay for other unanticipated needs.

D. No assumptions or interpretations were utilized to calculate this fiscal note, since actual invoices were used.

Department/Prepared By Steve Cady, County Board Fiscal and Budget Analyst

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

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

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

9

**DATE:** February 23, 2011

**TO:** Peggy West, Chairperson – Health & Human Needs Committee  
Johnny Thomas, Vice Chair – Finance & Audit Committee

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

**SUBJECT: FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, SUBMITTING AN INFORMATION REPORT REGARDING THE 2010 BEHAVIORAL HEALTH DIVISION CAPITAL BUDGET PROJECT AND ISSUES REGARDING THE RECENT STATEMENT OF DEFICIENCY**

**BACKGROUND**

On June 3, 2010 BHD received a Statement of Deficiency (SOD) from the State of Wisconsin as a result of a recent State Centers for Medicaid and Medicare Services (CMS) survey. This was BHD's routine four-year survey that encompasses a comprehensive review of the physical plant and its operations. The majority of the citations BHD received were regarding the physical building. BHD was required to respond with an initial plan for corrective action by June 14, 2010 and an immediate corrective action on specified citations by June 25, 2010.

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

**DISCUSSION**

Since the last report in January 2011, BHD Operations has continued to work on pending projects and BHD is on track to meet all the deadlines included in the Plan of Correction. The State has not been to BHD in 2011 to review progress on the pending items. There also have been no significant changes in overall spending. BHD Operations and DAS have met to review all expenditures to determine what items (including staff time) are allowable under the capital budget and the DAS Capital Finance Manager has completed a fund transfer to move costs from the BHD budget to the capital project.

BHD has been working over the last several months for a solution to the issues in the SOD regarding the Dish Room, Tray Line and Laundry facilities. As noted in prior reports, the Dish Room and Laundry facility repairs are a significant project within the SOD

citations and the cost projections of \$200,000 were based on a conceptual plan only. BHD has worked on a plan and is now proposing to consolidate space within the complex to streamline operations. It has been determined by BHD, DAS and DTPW that the best approach is to change the use of the Dish room at BHD to avoid costly reconstruction and instead move food and tray line operations from the main BHD facility to the Food Service Building. This will require BHD to purchase new equipment for food service including dietary carts, combi ovens, blast chillers and new trays and smallwares. It will also change some processes for food delivery. This consolidation will further streamline processes, increase efficiency and monitoring, thereby improving overall quality of dietary services for BHD patients and avoiding significant construction costs. BHD has worked with A'viands to get some preliminary cost estimates. They include all the necessary equipment to make the change and also include estimates for installation costs by County staff. These cost estimates were included in the original Capital Expenditure Requests submitted to address the Statement of Deficiencies.

BHD plans to move forward with this change by working with the State to ensure that the move out of the Dish Room will satisfy the Citation. At the same time BHD plans to work with Procurement to get bids and also work with DTPW, DAS and A'viands to establish a reasonable time frame, plan for installation and make any other necessary changes. BHD anticipates that the cost of this change would be significantly less than repairing the Dish Room and also that the cost can be absorbed within the original allocation from the County Board for the total SOD repairs. BHD plans to return to the Board in the April cycle with final estimates for the change and any necessary fund transfers.

BHD has worked diligently to address immediate SOD Conditions and continues to move forward with the long-term projects to ensure all corrections are completed by the State deadline of April 1, 2011. BHD and DAS will provide the Board with informational reports as work progresses.

#### **RECOMMENDATION**

This is an informational report. No action is necessary.

  
\_\_\_\_\_

Geri Lyday, Interim Director  
Department of Health and Human Services

Cc: Interim County Executive Marvin Pratt  
Terrence Cooley, Chief of Staff – County Board  
John Ruggini, Interim Fiscal & Budget Administrator  
Antionette Thomas-Bailey, Analyst – DAS  
Jennifer Collins, Analyst – County Board

Jodi Mapp, Committee Clerk – County Board  
Steve Cady, Analyst – County Board  
Carol Mueller, Committee Clerk – County Board

DATE: March 4, 2011

TO: Lee Holloway, Chairman, County Board of Supervisors

FROM: John Ruggini- Fiscal and Budget Administrator

SUBJECT: Due Diligence Report for the allocation of funds from the Special Needs Housing Program (SNHP) to Community Advocates for a supportive housing development.

### **Request**

The Department of Administrative Services is recommending approval of the attached resolution to adopt additional requirements for participation in the Milwaukee County Special Needs Housing Program (SNHP) and the approval of a \$260,000 grant for Community Advocates' Autumn West project to provide 21 transitional living housing units for Milwaukee County Behavioral Health clients.

### **Special Needs Housing Program**

In 2007, Milwaukee County created the SNHP for the purpose of providing partial financing for the development of supportive housing in Milwaukee County. The SNHP is financed through loans from the Board of Commissioner's State Trust Fund Loan program. The SNHP project scope for the loans consists of the following: acquisition of land and construction and or renovation of facilities for the purposes of providing housing for persons with mental illness and/or others served by the Milwaukee County Department of Health and Human Services (DHHS) - Behavioral Health Division (BHD). When the fund was created, the County Board also adopted specific criteria that are required for a project to be eligible to receive funds from this program. The criteria are as follows:

- **Eligible Applicants-** non-profit developers or agencies who have the capacity and experience to develop and own the housing and whose project team includes members, who have experience providing housing/services to adults living with serious and persistent mental illness. Eligible applicants may partner with an appropriate service agency to provide the services necessary to support people living with serious and persistent mental illness in permanent housing.
- **Eligible Projects-** new construction or rehabilitation projects that provide permanent housing where:
  - At least 40% of the units developed are (in accordance with applicable fair housing laws) primarily set aside for use by Behavioral Health Division consumers living with serious and persistent mental illness (as determined by Behavioral Health Division), and
  - Who are under 30% of median income
- **Eligible funding requests-** grants for any given year may not exceed 10% of the total development costs for units set aside for Behavioral Health Division consumers living with serious and persistent mental illness. The dwelling unit set aside shall be for 10 years or the term of the tax credit commitment, whichever is longer.
  - Minimum request of \$100,000
  - Maximum request of \$500,000

- **Eligible Activities-** project costs related to new construction, rehabilitation, acquisition of real property, clearance and demolition, removal of architectural barriers, and other activities necessary for the development of the project.
- **Disadvantaged Business Enterprise (DBE) participation-** in order to be considered for County funding, project developer must agree to meet or exceed County DBE requirements pertaining to construction projects.

The Department of Health and Human Services (DHHS) has submitted a report for the March cycle to the committees on Economic Development, Health and Human Needs, and Finance and Audit. The DHHS is requesting County Board approval to allocate \$625,000 from the Milwaukee County Special Needs Housing Program to Community Advocates to partially fund the Autumn West supportive housing development. The development will be located at 3412 West Lisbon Avenue.

The Department of Administrative Services in accordance with Administrative Procedure 7.92 Due Diligence, has conducted a due diligence review of Community Advocates request for funding from the SNHP.

### **Background**

Community Advocates is a nonprofit organization that has been in existence since 1976. They provide a number of services to at-risk individuals and families in the Milwaukee area that have low-income, are homeless, and also have chronic mental illness. Some of the services they provide are health care advocacy, case management and protective payee services, homelessness prevention, energy assistance, disability advocacy services, and housing/case management services.<sup>1</sup> The organization currently works with Milwaukee County through purchase of service contracts to provide most of these services.

In 2009, Community Advocates assumed operations of the Autumn West (supportive housing program) and Transitional Housing Program (THP) that were previously run by the American Red Cross. Autumn West serves as an entry point to housing and the mental health system for single mentally ill clients. This program currently contains 27 beds, seven of which are for the Transitional Housing Program (THP) and are funded by Milwaukee County's Behavioral Health Division (BHD) and 20 for single homeless adults that are mentally ill. The THP serves BHD consumers with the intention of providing temporary residence to these clients after they are discharged from the Behavioral Health Complex. Clients come to the Autumn West program through referrals made to Safe Haven from homeless shelters and outreach workers. Safe Haven is a program that provides supportive housing services to homeless individuals. The individuals that come into this program have no income and are not receiving case management services, which means that at the time of entry, these people have not been receiving any support services. Once they are in the program, they are offered on-site assistance with activities of daily living and coordination with contract case management agencies. Clients can stay up to 24 months but the average length of stay is 6-8 months. These consumers successfully leave the program when they are placed in permanent housing facilities including Milwaukee County's Shelter Care program.

Currently, these programs are operated in a temporary location, which is the Former Hillview Nursing Home. The organization was given a period of two years to operate in this facility with an agreement that

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<sup>2</sup> | <sup>1</sup><http://communityadvocates.net/>

they would find an alternate site by the end of the two-year period. The two-year period began October 2008 and ended September 2010. The organization has been allowed to remain in this facility due to their progress in relocating these programs to a permanent site.

The development to be known as “Autumn West” originally consisted of 21 units, with five designated for BHD clients. However, this was not within the criteria which states that 40% of the units developed must be designated for BHD clients. DAS worked with Community Advocates and Housing to determine the true need of the BHD population. As a result, it was determined that all 21 beds would be designated for BHD clients, and each client’s file would include supporting documentation. BHD would continue to support the services for five of these units and services for the remaining 16 units would be covered by funds from Housing and Urban Development (HUD). The total cost of this development is \$2.6 million. In addition to their request to Milwaukee County for \$625,000 towards the development costs of this project, they have also requested \$172,000 from the City of Milwaukee’s Housing Trust Fund, which is contingent upon the receipt of funds from the County, and they will receive \$1.5 million in Community Development Block Grant (CDBG) Disaster Recovery Funds. However, the project still includes a gap of approximately \$668,000. It is up to the organization as to how the additional funds will be obtained.

Having a permanent location for these programs would be beneficial to Milwaukee County, as it would be an increase in services for the mentally ill. In addition, it provides temporary housing for BHD clients until permanent housing is available, which decreases the number of clients that would otherwise go to BHD if these services were not available.

### **Review & Analysis**

The Department of Administrative Services (DAS)- Fiscal Affairs has reviewed the project proposal from Community Advocates and prepared the analysis that follows.

### **Financial Impact**

The County created a Special Needs Housing Fund in its capital program in 2007. A total of \$3,000,000 has been allocated to the Fund since its inception: \$1,000,000 in 2007 and \$2,000,000 in 2009, for approved supportive housing development projects. There is approximately \$632,000 remaining in this fund. The County is currently paying approximately \$425,000 annually through 2017 to retire the loan from the State Trust Fund Loan Program. The annual amount decreases to \$278,000 each year for the two remaining years, 2018 and 2019. Community Advocates is requesting \$625,000 of these funds for the development of Autumn West. However, the project is only eligible for \$260,000 based upon the approved criteria, which states that grant amounts for any given year may not exceed 10% of the total development costs for units set aside for BHD consumers. The \$260,000 is 10% of the total project costs which is \$2.6 million. If the County approves the \$260,000 grant to Community Advocates, the remaining available balance in the SNHP will be \$372,000.

The original request was to issue these funds in the form of a no-interest, deferred payment, 10-year loan. After reviewing the financial statements of the organization and the program, DAS has concluded and Community Advocates agreed that the organization does not have the ability to repay this loan. The program will not receive any revenue that could be used towards the repayment of this loan. The clients that come into this program have no income. As a result, Community Advocates does not have the ability to repay the County for the loan.

### **Recommendation**

The DAS has reviewed the last three years (2007-2009) of the audited financials for Community Advocates. Although, the DAS has concerns regarding the financial impact of the organization's recent acquisitions of non-profits, the concerns do not prohibit Community Advocates from proceeding with the Autumn West project.

DAS has contacted the City of Milwaukee regarding the agreement with the Wisconsin Department of Commerce to obtain \$1.5 million in CDBG Disaster Recovery funds. Community Advocates provided a letter from the Wisconsin Department of Commerce that communicates to the City of Milwaukee that the Autumn West project is eligible to receive CDBG Disaster Recovery funds. The letter also states that the City of Milwaukee must adopt a Citizen Participation Plan and Authorizing Resolution prior to entering into an agreement with the Wisconsin Department of Commerce. The City of Milwaukee indicated that the Citizen Participation Plan and Authorizing Resolution have been approved and agreed to provide documentation to the County. The City of Milwaukee also verified that the Autumn West project was approved for \$172,000 from the City of Milwaukee Housing Trust Fund.

The DAS is recommending approval of the \$260,000 grant to Community Advocates for the Autumn West project because of the importance of providing services to clients in the community and maintaining an independent life in proximity to supportive services. This is the continuation of an initiative that was started four years ago to expand affordable housing to individuals with mental illness in this community.

Acknowledging DAS's review of pertinent documents, DAS recommends that the due diligence be approved with the following conditions:

### **Relating to Community Advocates/Autumn West Request**

1. Community Advocates receives \$260,000 as opposed to the \$625,000 requested in order to meet the criteria required to obtain funds from the SNHP. Recommendation of the grant is contingent upon Community Advocates providing formal documentation that they have obtained total funding for the project. County funds will not be released until the documentation has been provided to the following committees: Economic and Community Development, Finance and Audit, and Health and Human Needs. The organization has until March 31, 2011 to obtain additional funds to complete the project.
2. Funds will be allocated to the organization as a grant instead of a loan since they have no means to repay a loan.
3. Development agreement includes language that specifies that all 21 units would house BHD clients. Community Advocates/Autumn West will provide an annual report to the County relating to the number of BHD clients served/living at Autumn West.
4. Development agreement includes language that specifies that if for some reason the building or land is sold, the County will recover 10% of the sale proceeds or \$260,000, whichever is greater.

### **Relating to SNHP**

In addition, DAS recommends that the Housing Division require the following information from future applicants for SNHP funds upon initial submission of the request:

1. County reviews criteria for the program and implements an application process in order for an organization to apply and be approved to receive funds from the SNHP.

2. County requires comprehensive financial information similar to information provided for a bank loan to include: capital needs assessment policy and standards, market study guidelines (revised October 2006), developer scope of work requirements, developer fee policy, operating reserves, and debt service ratios.
3. County revises formal agreement that is entered with organizations to include language that specifies that if for some reason the building or land is sold, the County will recover 10% of sale proceeds or the amount that was given to the organization for the construction of the development, whichever is greater.
4. The Housing Division of the DHHS will conduct an analysis to determine if funds should be allocated as a grant or a loan. If it is decided that the funds will be allocated as a loan, the County should further conduct an analysis where repayment is pursued.

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**(ITEM NO. ) : The Department of Administrative Services is recommending approval of the attached resolution to adopt additional requirements for participation in the Milwaukee County Special Needs Housing Program (SNHP) and the approval of a \$260,000 grant for Community Advocates’ Autumn West project to provide 21 transitional living housing units for Milwaukee County Behavioral Health clients.**

A RESOLUTION

WHEREAS, the County Board adopted Resolution 07-74 which approved criteria for the allocation of budgeted appropriations for housing for persons with mental illness; and

WHEREAS, Community Advocates has requested a grant of \$625,000 from the County’s Special Needs Housing Program, for the Autumn West project, that would provide 21 transitional living housing units for Milwaukee County behavioral health clients; and

WHEREAS, the Department of Administrative Services prepared a due diligence report based on the requirements in Section 7.92 of the Administrative Procedures; and

WHEREAS, based on the criteria approved in 2007 in Resolution 07-74 the Autumn West project would qualify for a maximum of \$260,000 from the County’s Housing Trust Fund; NOW THEREFORE,

BE IT RESOLVED, based on the requirements set forth in Resolution 07-74, Community Advocates receive a grant of \$260,000 for the Autumn West project contingent on the following:

- Community Advocates providing formal documentation that they have obtained total funding for the project and present the documentation to the Committees of Economic and Community Development, Finance & Audit and Health and Human Needs. The organization has until March 31, 2011 to obtain additional funds to complete the project.
- Development agreement includes language that specifies that all 21 units would house BHD clients. Community Advocates/Autumn West will provide an annual report to the County relating to the number of BHD clients served/living at Autumn West.
- Development agreement includes language that specifies that if for some reason the building or land is sold, the County will recover 10% of the sale proceeds or \$260,000, whichever is more.

BE IT FURTHER RESOLVED, that the County amend the process for applying for the County’s Special Needs Housing Program with the following changes:

- Review criteria for the program and implement an application process in order for an organization to apply and be approved to receive funds from the Special Needs Housing Program.
- County requires comprehensive financial information similar to information provided for a bank loan to include: capital needs assessment policy and standards, market study guidelines (revised October 2006), developer scope

- 53 of work requirements, developer fee policy, operating reserves, and debt  
54 service ratios.
- 55 - County revises formal agreement that is entered with organizations to  
56 include language that specifies that if for some reason the building or land is  
57 sold, the County will recover 10% of sale proceeds or the amount that was  
58 given to the organization for the construction of the development,  
59 whichever is greater.
  - 60 - The Housing Division of the DHHS will conduct an analysis to determine if  
61 funds should be allocated as a grant or a loan. If it is decided that the funds  
62 will be allocated as a loan, the County should further conduct an analysis  
63 where repayment is pursued.
- 64

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 3/2/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE COUNTY'S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(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 type="checkbox"/> Decrease Operating Expenditures  | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues   |  |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	260,000
	Revenue	0	260,000
	Net Cost	0	0
<b>Capital Improvement Budget</b>	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.<sup>1</sup> 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 Interim Director, Department of Health and Human Services, is requesting County Board approval to allocate \$260,000 of financing from the County's Allocation of State Trust fund dollars to Community Advocates for the Supportive Housing Development to be known as Autumn West.

Community Advocates is seeking to relocate the Autumn West and Transitional Housing Program from its current temporary quarters in the former Hillview nursing home at 1615 S. 22<sup>nd</sup> Street, to a newly-constructed facility. The Autumn West program serves as an entry point into housing and the mental health system for individuals who are homeless and have a diagnosis of mental illness.

- B. This expenditure of \$260,000 is 100% offset by revenue from the County's allocation of State Trust fund dollars.
- C. There is no tax levy impact associated with approval of this request.
- D. No assumptions are made.

---

<sup>1</sup> 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.

Department/Prepared By DAS - Thomas F. Lewandowski

Authorized Signature *Levi A. Sydnor*

Did DAS-Fiscal Staff Review?  Yes  No

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**DATE:** March 2, 2011

**TO:** Supervisor Lee Holloway, Chairman, Milwaukee County Board

**FROM:** Geri Lyday, Interim Director – Department of Health & Human Services  
*Prepared by: James Mathy, Special Needs Housing Manager – Housing Division*

**SUBJECT: FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE COUNTY'S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST**

**Policy Issue**

County Board approval is required for expenditures of funds from the State Trust Fund through the Commissioners of Public Lands. The Interim Director, DHHS, requests Board approval for an allocation of \$260,000 from the Fund to Community Advocates for the partial financing of the supportive housing development to be known as Autumn West.

**Background**

In February of 2007, the County Executive proposed and the County Board approved creation of a Special Needs County Housing Trust Fund (CHTF) to provide partial financing for the development of supportive housing in Milwaukee County. The fund is currently financed through low-interest loans from the State of Wisconsin Trust Funds Loan Program.

*Autumn West Project Description*

**Project Name:** Autumn West

**Location:** 3412 W. Lisbon Ave.

**Service Provider:** Community Advocates

**# Units:** 21

**Total Project Cost:** \$2,600,000 (est.)

**County Contribution:** \$260,000 (recommended). This will be in the form of a no interest, deferred payment, 10 year loan

**Other Assistance:**

- \$1,500,000 in Community Development Block Grant Disaster Recovery Funds from the Wisconsin Department of Commerce
- Community Advocates has submitted an application for City of Milwaukee Housing Trust Fund dollars

Community Advocates is seeking to relocate the Autumn West and Transitional Housing Program from its current temporary quarters in the former Hillview nursing home at 1615 S. 22<sup>nd</sup> St, to a newly constructed facility. Community Advocates took over the operation of these programs from the American Red Cross. The Autumn West program is primarily funded by HUD to serve as an entry point into housing and the mental health system for individuals who are homeless and have a diagnosis of mental illness. This is accomplished by getting these individuals into housing as soon as possible, provide case management to assist them in applying for Social Security benefits, and to allow them to live as independently as possible. The Safe Haven program receives referrals from homeless shelters and outreach workers. This program admits individuals who do not have any source of income and who are not receiving case management.

The Transitional Housing Program (THP) is a seven bed transitional program that serves Milwaukee County Behavioral Health Division consumers. The intention of the program is to provide individuals with a temporary residence after they are discharged from the Milwaukee County Mental Health Complex. Once in the program, individuals are offered on-site assistance with activities of daily living and coordination with contracted case management agencies. Consumers successfully leave the program when they are placed into permanent housing.

Community Advocates has done extensive outreach in the neighborhood including community meetings. They have received letters of support for the proposed development, including Washington Park Partners (WPP). WPP is a collaborative group of stakeholders in the area that includes residents, businesses, organizations, and government officials.

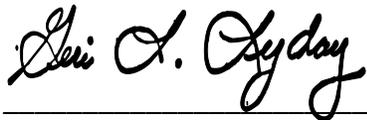
On October 15' Community Advocates was granted a Special Use Permit and Variances from the Board of Zoning Appeals to construct this development to include a social service facility and transitional housing.

**Recommendation**

Staff recommends that the Board approve an allocation of \$260,000 from the County Housing Trust Fund to Community Advocates to support development of this project. The actual alloca-

tion of funds from the CHTF will occur only when the developer provides evidence to the county indicating that it has obtained all other commitments of financial resources for the project.

Staff further recommends that the Interim Director, DHHS, or designee be authorized to negotiate and execute an agreement with the developer to ensure compliance with the terms and conditions governing the use of trust fund monies and to accomplish such other objectives as will best serve the county and its clients.



---

Gerri Lyday, Interim Director  
Department of Health and Human Services

cc: Marvin Pratt, Interim County Executive  
Terrence Cooley, Chief of Staff – County Board  
John Ruggini, Interim Fiscal & Budget Administrator  
Antionette Thomas-Bailey, Analyst - DAS  
Jennifer Collins – County Board Staff  
Jodi Mapp, Committee Clerk – County Board

1  
2  
3  
4 (ITEM ) FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, RE-  
5 QUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE  
6 COUNTY'S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR  
7 THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST, by adoption of  
8 the following:  
9

10 **A RESOLUTION**

11  
12 WHEREAS, in February of 2007, the County Executive proposed and the County Board ap-  
13 proved receiving funding from the State Trust Fund Loan Program to provide gap financing to  
14 assist in developing units of supportive housing in Milwaukee County; and  
15

16 WHEREAS, Community Advocates has operated the Autumn West Program for homeless  
17 adults and the Transitional Housing Program in partnership with the County Housing Division;  
18 and  
19

20 WHEREAS, Trust Fund financing in the amount of \$260,000 has been requested to support  
21 the development of 21 units of decent, safe, affordable housing with support services in a pro-  
22 ject known as Autumn West; and  
23

24 WHEREAS, this development project will, when completed, make 21 units available to  
25 serve the housing needs of consumers in the county's behavioral health system as well as the  
26 emergency shelter system. Now, therefore,  
27

28 BE IT RESOLVED, that the Milwaukee County Board of Supervisors approves and authoriz-  
29 es an allocation of \$260,000 from the Trust Fund to Community Advocates to support the de-  
30 velopment project known as Autumn West; and be it  
31

32 FURTHER RESOLVED, that the Interim Director, DHHS or designee is authorized to negoti-  
33 ate and execute an agreement with the developer which ensures compliance with the terms  
34 and conditions governing the use of Trust Fund monies and which accomplishes such other  
35 objectives as will best serve the county and the housing needs of our behavioral health sys-  
36 tem's consumers; and be it  
37

38 FURTHER RESOLVED, that the allocation of Trust Fund dollars is contingent on the devel-  
39 oper providing evidence to the satisfaction of Department staff that the developer has re-  
40 ceived or will receive funding and subsidies sought from other sources and identified in the  
41 development proposal.  
42

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 3/2/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE COUNTY'S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(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 type="checkbox"/> Decrease Operating Expenditures  | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues   |  |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	260,000
	Revenue	0	260,000
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

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- 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.
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- 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.
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- B. This expenditure of \$260,000 is 100% offset by revenue from the County's allocation of State Trust fund dollars.
- C. There is no tax levy impact associated with approval of this request.
- D. No assumptions are made.

---

<sup>1</sup> 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.

Department/Prepared By DAS - Thomas F. Lewandowski

Authorized Signature *Levi A. Sydnor*

Did DAS-Fiscal Staff Review?  Yes  No



*County of Milwaukee*  
**Office of the Sheriff**

---

David A. Clarke, Jr.  
*Sheriff*

DATE: February 25, 2011

TO: Marvin Pratt, County Executive  
 Supervisor Lee Holloway, County Board Chairman  
 Supervisor Johnnie Thomas, Chair, Finance and Audit Committee  
 Supervisor Willie Johnson, Jr., Chair, Judiciary, Public Safety and General Services Committee  
 John Ruggini, Fiscal and Budget Administrator, Department of Administrative Services

FROM: Jon C. Priebe, Public Safety Fiscal Administrator

SUBJECT: Projected Revenue Deficit in Excess of \$75,000

Milwaukee County Ordinance 56.02 requires each person in charge of any County Office, department agency, or any non-departmental account to submit a written report to the County Executive, the Finance Committee of the County Board and the Department of Administrative Services, whenever such person has reason to know or believe that a deficit of \$75,000 or more in any revenue account will occur for the division of county government under the supervision of that person.

## **BACKGROUND**

### **Huber/Home Detention**

The Office of the Sheriff assumed operation of the home detention and Huber programs formerly run by the House of Correction (HOC) with the adoption of the 2009 Budget. Employed Home detention and Huber inmates pay a daily fee of \$24.00, as established by County Ordinance. For 2011, the Sheriff's Requested Budget included revenue of \$788,400 based on 90 employed Huber/Work Release inmates paying \$24.00 per day. This amount was increased in the County Executive's Recommended budget by \$578,160 to reflect a projected increase in employed inmates of 66 to a total projected employed Huber/Work

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Release inmate count of 156 and total revenue of \$1,366,560. The 2011 Adopted Budget retained the increased revenue amount proposed by the County Executive.

During the first five months of 2010, the number of employed Huber/Work Release inmates averaged 81 inmates per day. The number of employed Huber/Work Release inmates during the most recent five months from October 2010 through February 2011 has averaged only 52 inmates per day. If the number of employed Huber/Work Release inmates remains at this level for the remainder of 2011, a Huber Board revenue deficit of approximately \$911,000 will be realized for 2011.

## **CORRECTIVE ACTION PLAN**

In order to offset this projected revenue deficit, the Sheriff has discontinued the three contracts with Wisconsin Community Services for assessment, job seeking skills and development; job placement; and Print Shop Training. WCS has been notified that the contracts are terminated effective March 1, 2011. The annual costs for the contracts are as follows: Assessment = \$58,401, Job Seeking Skills and Development = \$242,217 and Print Shop Training and Job Placement Program = \$48,745. It is estimated that the termination of these contracts will result in savings of \$291,135 for the remainder of 2011.

In addition, the Sheriff is requesting that the County Board establish the following fees for services provided by the Sheriff's Office:

1. Implement a charge of \$75 for each Sheriff Sale adjournment. Currently, the Sheriff's Office charges a fee of \$75 to set up a Sheriff's Sale of real estate and another \$75 for completing the sale. There is no charge for an adjournment request of the sale. Each adjournment requires reprocessing similar to setting up an initial Sheriff's Sale. In 2010, there were 1,696 adjournments which would have resulted in revenue of \$127,200 if an adjournment fee of \$75 would have been charged. It is projected that this change would result in revenue for the remainder of 2011 of approximately \$100,000.
2. Change the fee for Civil Process service from \$35 per attempt to a one-time non-refundable payment of \$60 for up to 3 attempts. Currently, the Sheriff's Office requires a prepayment of \$35 for the service of Civil Process. The deputy attempting service logs the date and time of each service attempt and prepares an affidavit of service. This service information is used by fiscal staff to prepare approximately 200 invoices per month for additional service attempts. Approval of this proposed fee change will reduce staff time associated with billing and collections and is projected to result in a revenue increase of \$25,000 to \$50,000 in 2011.
3. Implement a set-up fee for all participants in home detention and an equipment fee for all participants. Currently, the Sheriff's Office monitors inmates on home detention via voice print monitoring, GPS monitoring or GPS/SCRAM monitoring. Employed home detention inmates are charged \$24 per day. Unemployed home detention inmates are not

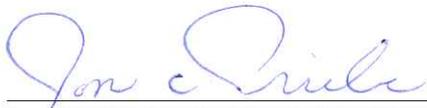
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charged anything. The pre-trial offenders who are on home detention under the jurisdiction of the Courts are charged an assessment and installation fee. The fees are \$50 for GPS installation and assessment and \$110 for SCRAM installation and assessment. If the Sheriff's Office charged \$50 for each voice print or GPS setup and \$110 for each SCRAM setup for the remainder of 2011, it is projected to result in additional revenue of \$90,000 for the remainder of 2011.

In addition, the Sheriff's Office pays an outside vendor \$1.25 per day for each inmate on voice print, \$5.00 per day for each inmate on GPS and \$8.25 per day for each inmate on SCRAM. If the Sheriff's Office charged the unemployed home detention inmates for these equipment costs, it is projected to result in additional revenue of \$290,000 for the remainder of 2011.



Jon C. Priebe, Public Safety Fiscal Administrator  
Office of the Sheriff, Milwaukee County

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1 A Resolution / Ordinance

2 Amending Chapter 20 of the Milwaukee County Code of General Ordinances, to  
3 implement a set-up fee for all participants in the home detention program and an  
4 equipment fee for all employed participants in the home detention program and  
5 implementing a fee for each Sheriff Sale Adjournment and changing the fee for Civil  
6 Process service.

7 WHEREAS, the Office of the Sheriff requests to implement a charge of \$75 for each  
8 Sheriff Sale adjournment and Wisconsin State Statute 814.705 grants the County Board to  
9 establish such fee at a rate higher than cited in State Statute 814.70; and

10 WHEREAS, currently, the Sheriff's Office charges a fee of \$75 to set up a Sheriff's  
11 Sale of real estate and another \$75 for completing the sale, however, there is no charge for  
12 an adjournment request of the sale and each adjournment requires reprocessing similar to  
13 setting up an initial Sheriff's Sale and it is projected that this change would result in  
14 revenue for the remainder of 2011 of approximately \$100,000; and

15 WHEREAS, the Office of the Sheriff requests to change the fee for Civil Process  
16 service from \$35 per attempt to a one-time non-refundable payment of \$60 for up to 3  
17 attempts and Wisconsin State Statute 814.705 grants the County Board to establish such fee  
18 at a rate higher than cited in State Statute 814.70; and

19 WHEREAS, currently, the Sheriff's Office requires a prepayment of \$35 for the  
20 service of Civil Process and the deputy attempting service logs the date and time of each  
21 service attempt and prepares an affidavit of service and this service information is used by  
22 fiscal staff to prepare approximately 200 invoices per month for additional service attempts  
23 and approval of this proposed fee change will reduce staff time associated with billing and  
24 collections and is projected to result in a revenue increase of \$25,000 to \$50,000 in 2011;  
25 and

26 WHEREAS, the Office of the Sheriff is requesting to implement a set-up fee for all  
27 participants in home detention and an equipment fee for all unemployed participants and  
28 currently, the Sheriff's Office monitors inmates on home detention via voice print  
29 monitoring, GPS monitoring or GPS/SCRAM monitoring; and

30 WHEREAS, employed home detention inmates are charged \$24 per day per County  
31 Board Ordinance 20.01 and unemployed home detention inmates are not charged; and

32 WHEREAS, the pre-trial offenders who are on home detention under the jurisdiction  
33 of the Courts are charged an assessment and installation fee of \$50 for GPS installation and  
34 assessment and \$110 for SCRAM installation and assessment; and

35 WHEREAS, if the Sheriff's Office charged \$50 for each voice print or GPS setup and  
36 \$110 for each SCRAM setup for the remainder of 2011, it is projected to result in  
37 additional revenue of \$90,000 for the remainder of 2011; and

38 WHEREAS, in addition, the Sheriff's Office pays an outside vendor \$1.25 per day for  
39 each inmate on voice print, \$5.00 per day for each inmate on GPS and \$8.25 per day for  
40 each inmate on SCRAM and if the Sheriff's Office charged the unemployed home detention  
41 inmates for these equipment costs, it is projected to result in additional revenue of  
42 \$290,000 for the remainder of 2011; now, therefore,

43 BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby  
44 authorizes the Office of the Sheriff to implement a charge of \$75 for each Sheriff Sale  
45 adjournment; and

46 BE IT FURTHERED RESOLVED, that the Milwaukee County Board of Supervisors  
47 hereby authorizes the Office of the Sheriff to change the fee for Civil Process service from  
48 \$35 per attempt to a one-time non-refundable payment of \$60 for up to three attempts; and

49 BE IT FURTHERED RESOLVED, that the Milwaukee County Board of Supervisors  
50 hereby amends Chapter 20.01 of the Milwaukee County Code of General Ordinances by  
51 adopting the following:

52

53 AN ORDINANCE

54 The Milwaukee County Board of Supervisors ordains as follows:

55 20.01. Cost of maintaining prisoners at county jail and house of correction.

56 The cost of maintenance for prisoners confined in county jail or the house of correction for  
57 violation of city or village ordinances, resolutions or bylaws is hereby fixed at the per diem  
58 cost of each establishment as determined by the county department of administration on  
59 April 1 of each year and based upon out of pocket expenses of the preceding calendar year  
60 for each separate institution. The sheriff and superintendent of the house of correction,  
61 respectively, shall at regular intervals bill cities and villages for the above maintenance  
62 charges of their prisoners, and shall specify therein such data as may reasonably be  
63 required for such purposes.

64

65 Each prisoner listed in s. 303.08(4), Wis. Stats. is liable for charges in an amount of twenty-  
66 four dollars (\$24.00) per day, which represents the cost of his/her board in the jail or house  
67 of correction if confined pursuant to s. 303.08, Wis. Stats., Huber Law or s. 973.09(4), Wis.  
68 Stats., conditions of probation. In addition, those inmates on electronic surveillance shall  
69 be charged a rate of twenty four dollars (\$24.00) per day. The ~~superintendent of the house~~  
70 ~~of correction~~ Sheriff is authorized to accept credit cards for the payment of board provided  
71 that any charges imposed by the credit card firm are added to the daily board rate. In  
72 addition, the ~~superintendent of the house of correction~~ Sheriff is authorized to impose a  
73 reasonable charge, not to exceed costs, for random urine tests for controlled substances,  
74 which result in a positive finding. And if the result of the random test is positive, the  
75 ~~superintendent~~ Sheriff may impose a reasonable charge, not to exceed the cost for regular

76 follow-up urine tests for all controlled substances. The county department of administration  
77 on April 1 of each year shall render a report to the county board detailing the costs of  
78 maintenance and board experienced for the preceding calendar year. The sheriff and  
79 superintendent of the house of correction shall charge the account of each prisoner  
80 gainfully employed accordingly and shall collect and disburse to the county treasurer all  
81 such proceeds from the wages or salaries of employed prisoners. In addition, each inmate  
82 shall pay a set-up and equipment fee of \$50 for GPS and voice print installation and  
83 assessment and \$110 for SCRAM installation and assessment. Unemployed home  
84 detention inmates shall pay equipment costs per day of the following: \$1.25 per day for  
85 each inmate on voice print, \$5.00 per day for each inmate on GPS and \$8.25 per day for  
86 each inmate on SCRAM.

87

88

89 SECTION 4.

90 The provisions of this Ordinance shall become effective upon passage and publication.

91

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 2/28/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** The Sheriff of Milwaukee County requests the authority to implement a corrective action plan adjusting various fees to offset a projected revenue deficit

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(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 type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues  |  |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	
	Revenue	530,000	636,000
	Net Cost	530,000	636,000
<b>Capital Improvement Budget</b>	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.<sup>1</sup> 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.

The Office of the Sheriff is projected a revenue deficit of \$911,000 due to a lower than budgeted number of employed Huber/Work Release inmates in 2011. The Office of the Sheriff has constructed a corrective action plan to offset the loss of revenue that includes the discontinuation of contracts with Wisconsin Community Services and the implementation of revenue changes.

The Sheriff of Milwaukee County is requesting the authority to implement a set-up and equipment fee for all participants in the home detention program and implementing a fee for each Sheriff Sale Adjournment and changing the fee for Civil Process service as detailed below:

1. Implement a charge of \$75 for each Sheriff Sale adjournment. Currently, the Sheriff's Office charges a fee of \$75 to set up a Sheriff's Sale of real estate and another \$75 for completing the sale. There is no charge for an adjournment request of the sale. Each adjournment requires reprocessing similar to setting up an initial Sheriff's Sale. In 2010, there were 1,696 adjournments which would have resulted in revenue of \$127,200 if an adjournment for of \$75 would have been charged. It is projected that this change would result in revenue for the remainder of 2011 of approximately \$100,000.
2. Change the fee for Civil Process service from \$35 per attempt to a one-time non-refundable payment of \$60 for up to 3 attempts. Currently, the Sheriff's Office requires a prepayment of \$35 for the service of Civil Process. The deputy attempting service logs the date and time of each service attempt and prepares an affidavit of service. This service information is used by fiscal staff to prepare approximately 200 invoices per month for additional service attempts. Approval of this proposed fee change will reduce staff time associated with billing and collections and is projected to result in a revenue increase of \$25,000 to \$50,000 in 2011.

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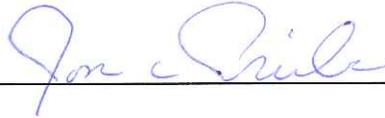
<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

3. Implement a set-up fee for all participants in home detention and an equipment fee for all participants. Currently, the Sheriff's Office monitors inmates on home detention via voice print monitoring, GPS monitoring or GPS/SCRAM monitoring. Employed home detention inmates are charged \$24 per day. Unemployed home detention inmates are not charged anything. The pre-trial offenders who are on home detention under the jurisdiction of the Courts are charged an assessment and installation fee. The fees are \$50 for GPS installation and assessment and \$110 for SCRAM installation and assessment. If the Sheriff's Office charged \$50 for each voice print or GPS setup and \$110 for each SCRAM setup for the remainder of 2011, it is projected to result in additional revenue of \$90,000 for the remainder of 2011.

In addition, the Sheriff's Office pays an outside vendor \$1.25 per day for each inmate on voice print, \$5.00 per day for each inmate on GPS and \$8.25 per day for each inmate on SCRAM. If the Sheriff's Office charged the unemployed home detention inmates for these equipment costs, it is projected to result in additional revenue of \$290,000 for the remainder of 2011.

Department/Prepared By Molly Pahl, Fiscal Operations Manager

Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No



OFFICE OF CORPORATION COUNSEL

# Milwaukee County

TIMOTHY R. SCHOEWE  
Acting Corporation Counsel

**13** ROBERT E. ANDREWS  
Deputy Corporation Counsel

JOHN F. JORGENSEN  
MARK A. GRADY  
JOHN E. SCHAPEKAHM  
TIMOTHY R. KARASKIEWICZ  
JEANEEN J. DEHRING  
ROY L. WILLIAMS  
COLLEEN A. FOLEY  
LEE R. JONES  
MOLLY J. ZILLIG  
Principal Assistant  
Corporation Counsel

DATE: February 15, 2011

TO: Johnny L. Thomas, Chairman, Committee on Finance and Audit

FROM: Mark A. Grady, Principal Assistant Corporation Counsel

SUBJECT: Pension benefits related to proposed Correctional Officer Lieutenant positions; File No. 11-77

This memo is provided in response to the Committee's referral to Corporation Counsel related to File No. 11-77 to discuss ramifications related to the pension benefits of the proposed Correction Officer Lieutenant positions. For the purpose of this memo, I am assuming that these proposed positions will not be covered by a collective bargaining agreement; that is, that they will be non-represented positions. If these positions were covered by the AFSCME bargaining agreement (or some other bargaining agreement), then the answers set forth below would be different. Pension benefits for positions covered by collective bargaining agreements cannot be modified by ordinance amendments and can only be modified through collective bargaining.

In the interest of brevity, I have only analyzed the movement of a current AFSCME or DSA employee into a CO Lt. position. I have not analyzed the movement of an employee in one of the other unions into one of these positions. Although not impossible, such a move would be an unlikely scenario.

### **Pension multiplier**

Any employee who works in these positions will have a multiplier of 1.6% for each year of service during their service in these positions. It is not possible for any employee moving into one of these positions to have any multiplier apply to their service as a CO Lt. other than 1.6%. The multiplier that applies to the service in any county position is based on the status of the position at the time of the service. Stated differently, an employee who serves in different positions will often have more than one multiplier that applies to their county service. For example, a correction officer who has worked for the County for 15 years and who then works as a correction officer lieutenant for another 15 years will have a total

pension multiplier of 54% of their final average salary (15 years X 2.0 = 30%; 15 years X 1.6 = 24%, total is 54%).

Currently, there are employees serving in various positions that have multipliers of 2.5% per year, 2.0% per year or 1.6% per year. Any employee moving into one of these CO Lt. positions will have a multiplier that is the same or lower than their current multiplier.

The 0.5% multiplier “enhancement” adopted in 2000 will not apply to service as a CO Lt., pursuant to §201.24(5.15) (“The provisions of this section [the 0.5% multiplier increase and 25% final average salary bonus] shall not apply to years of service earned on or after January 1, 2010 by a member, who at the time the service is earned, is not covered by the terms of a collective bargaining agreement and who is not an elected official.”)

### **Backdrop**

A new employee hired into one of these positions is not eligible for a backdrop pursuant to §201.24(5.16), M.C.G.O. (“The provisions of this [backdrop] section . . . shall not apply to any member of the employees retirement system who began membership in said system after March 15, 2002.”)

A member of AFSCME, such as a correction officer, who was hired after January 31, 2007 is not eligible for a backdrop. If such a CO were to become a CO Lt., that employee will remain ineligible for a backdrop benefit.

A member of AFSCME hired after March 15, 2002 and prior to February 1, 2007 is eligible for a backdrop if they retire as a member of AFSCME, but will not be eligible for a backdrop if they retire as a non-represented employee such as a CO Lt. When a CO Lt. retires, their right to a backdrop will be governed by the ordinance that applies to non-represented employees; that ordinance states that if their membership in ERS began after March 1, 2002, they are not eligible for a backdrop. Thus, a member of AFSCME hired after March 15, 2002 and prior to February 1, 2007 will no longer be eligible for a backdrop if they retire from the CO Lt. position. The decision to accept one of these positions is a voluntary choice by the employee that includes the implied choice to relinquish the backdrop in this situation.

A member of AFSCME hired prior to March 15, 2002 is eligible for a backdrop. If they become a CO Lt., they will remain eligible for a backdrop, in the same way that non-represented employees hired prior to that date are eligible.

Deputy sheriffs are not eligible for a backdrop if they retire as a deputy sheriff. If a deputy sheriff is hired into one of these non-represented positions, the deputy sheriff will not become eligible for a backdrop as a CO Lt., pursuant to §201.24(5.16). (“The provisions of this [backdrop] section . . . shall not apply to a member who was formerly a represented deputy sheriff who was appointed to a non-represented position effective after June 30, 2009.”)

### **Rule of 75**

A non-represented employee hired prior to January 1, 2006 is eligible for the Rule of 75 pursuant to §201.24(4.1); a non-represented employee hired after that date is not eligible for the Rule of 75. Thus, a newly hired employee for the CO Lt. position will not be eligible for the Rule of 75 and will be eligible to retire upon either reaching age 64 or age 55 with 30 years of service.

An AFSCME employee hired prior to January 1, 1994 is eligible for the Rule of 75 if they retire from a position covered by their union contract. An AFSCME employee hired prior to January 1, 1994 who becomes a CO Lt. will remain eligible for the Rule of 75.

Because the Rule of 75 did not end for new non-represented employees until January 1, 2006, an AFSCME employee hired on or after January 1, 1994, but prior to January 1, 2006, who becomes a CO Lt. will be eligible for the Rule of 75 when they otherwise would not have been. Thus, an employee who falls into this factual situation and who remains in a non-represented position at the time of retirement will be entitled to the Rule of 75.

Deputy sheriffs hired prior to January 1, 1994 are eligible for the Rule of 75 if they retire from a position covered by their union contract. A deputy sheriff hired prior to January 1, 1994 who becomes a CO Lt. will remain eligible for the Rule of 75.

A Deputy sheriff who was hired after January 1, 1994 (regardless of whether they were hired prior to January 1, 2006) and who becomes a CO Lt. will not become eligible for the Rule of 75, pursuant to §201.24(4.1). (“This [rule of 75] provision shall not apply to a member who was formerly a represented deputy sheriff who was hired as a deputy sheriff after December 31, 1993 and who was appointed to a non-represented position effective after June 30, 2009.”)

### **Final Average Salary – Number of Years Included**

A person who retires from one of the proposed CO Lt. positions will have their pension calculated on an average of their three highest years of compensation.

A current AFSCME member’s pension is also based on a three-year average. Therefore, this will not change if they become a CO Lt.

A deputy sheriff’s pension is based on an average of their five highest years of compensation. However, §201.24(2.8) provides that the three-year average for non-represented employees does not apply “to a member who was formerly a represented deputy sheriff who was appointed to a non-represented position after June 30, 2009.” Thus, a deputy sheriff who became a CO Lt. will continue to have their pension based on a five-year average.

### **Final Average Salary – Inclusion of Overtime**

A newly hired employee into a CO Lt. position does not have overtime included in the calculation of their final average salary.

A non-represented employee hired prior to September 1, 1985 has overtime included in their final average salary. An AFSCME member hired prior to October 30, 1987 has overtime included in their final average salary. However, an AFSCME employee hired after September 1, 1985 who becomes a CO Lt. and retires from that position will not have overtime included in their final average salary. When a CO Lt. retires, their right to include overtime in their final average salary is governed by the ordinance that applies to non-represented employees; that ordinance states that if their membership in ERS began after September 1, 1985, they are not eligible to include overtime. As discussed previously, a decision by an AFSCME employee to accept one of these positions is a voluntary

choice by the employee that includes the implied choice to relinquish the inclusion of overtime.

A deputy sheriff hired prior to November 12, 1987 has overtime included in their final average salary. Thus, a deputy sheriff hired between September 1, 1985 and November 12, 1987 who becomes a CO Lt. and retires from that position will not have overtime included in their final average salary.

### **Final Average Salary – 25% bonus**

A newly hired employee into a CO Lt. position is not eligible for the 25% final average salary bonus in §201.24(5.15)(2), as the bonus only applies to a non-represented employee hired prior to January 1, 1982.

A current AFSCME member is also eligible for the 25% final average salary bonus if they were hired prior to January 1, 1982. Such a current AFSCME member will remain eligible for that bonus if they become a CO Lt.

A current AFSCME member hired after January 1, 1982 is not eligible for the 25% final average salary bonus and will remain ineligible for that bonus if they become a CO Lt.

In other words, the fact that an AFSCME member might become a CO Lt. will not affect their eligibility for the 25% bonus.

A deputy sheriff is not eligible for the 25% final average salary bonus. A deputy sheriff hired prior to January 1, 1982 who becomes a CO Lt. will remain ineligible for the 25% bonus pursuant to §201.24(5.15)(“The provisions of this section [the 0.5% multiplier increase and 25% final average salary bonus] shall not apply to years of service earned on or after January 1, 2010 by a member, who at the time the service is earned, is not covered by the terms of a collective bargaining agreement and who is not an elected official.”)

### **Vesting**

A newly hired employee into a CO Lt. position becomes vested (that is, eligible to receive a deferred vested pension) after five years of county service pursuant to

§201.24(5.15)(1)(b). The same is true of AFSCME employees, so the fact that an AFSCME member might become a CO Lt. will not affect their vesting period.

A deputy sheriff hired after January 1, 1982 must have ten years of service in order to be eligible for a deferred vested pension. Thus, a deputy sheriff who becomes a CO Lt. will become eligible for a deferred vested pension after five years of county service rather than ten. This scenario would only apply to a deputy sheriff with less than ten years of experience who became a CO Lt. and then terminates county employment with between five and ten years of total county service. There may not be any deputy sheriff employees actually in this situation.

### **Miscellaneous**

There are likely to be additional effects on other retirement benefits, such as eligibility for and the amount of an accidental disability pension and the treatment of sick allowance balances at retirement. In addition, this memo does not address the variety of possible situations that could occur related to a former county employee returning to county service as a CO Lt. This memo addresses only the situations and pension benefits discussed above.

### **Disclaimer**

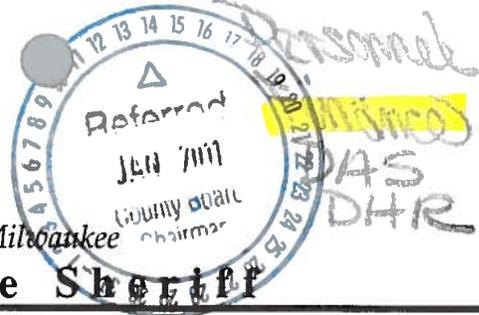
Finally, to the extent there are any differences between the ordinances and collective bargaining agreements and the statements in this memo, the ordinances and collective bargaining agreements control and govern. Nothing in this memo can or does modify those provisions.

cc: Carol Mueller  
Steve Cady  
Rick Ceschin  
Inspector Richard Schmidt  
Timothy Schoewe  
John Ruggini  
Candace Richards



David A. Clarke, Jr.  
Sheriff

County of Milwaukee  
**Office of the Sheriff**



14

FILE NO. 11-47

**DATE:** January 3, 2011  
**TO:** Supervisor Michael Mayo, Sr., Acting Chairman, County Board of Supervisors  
**FROM:** Richard Schmidt, Inspector, Milwaukee County Office of the Sheriff  
**SUBJECT:** Request to Abolish 18 Positions of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18 Positions of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) for the County Correctional Facility Central of the Office of the Sheriff effective February 21, 2011. Abolishment of the positions would occur upon the filling of Correctional Officer Lieutenant positions

**REQUEST**

The Sheriff of Milwaukee County requests the abolishment of eighteen positions of Deputy Sheriff Sergeant and the creation of eighteen positions of Correctional Officer Lieutenant for the County Correctional Facility Central (CCFC) of the Office of the Sheriff.

**BACKGROUND**

As a part of the 2005 Adopted Budget, the Office of the Sheriff began a program of eliminating Deputy Sheriff positions in the County Correctional Facility Central (CCFC) upon vacancy and replacing them with Correctional Officers. This initiative was implemented for a variety of reasons including the realization that Deputies were working in the CCFC as officers in the housing units, which is the same function that Correctional Officers served at the County Correctional Facility South. Typically, new Deputies would spend the first five years of their service as a housing office in the CCFC.

A newly hired Deputy was spending 20 weeks in training before being deployed while Correctional Officers were spending four weeks in training since Deputies required training in all areas of law enforcement instead of just corrections. Transitioning to Correctional Officers in the CCFC meant that substantial training hours could be saved. This change led

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to a reduction of approximately 32,000 hours of overtime staffing that had previously occurred while deputies were in recruit training. In 2005, there were 37.5 Correctional Officers budgeted in the CCFC, in 2011 there are 212 Correctional Officers budgeted. During the same time period, deputies have decreased in the Jail from 292 in 2005 to 39 in 2011. The remaining Deputies in the CCFC will be replaced by Correctional Officers upon vacancy. Eventually, all budgeted positions in the CCFC currently filled by a Deputy Sheriff will be staffed by a Correctional Officer.

The other major change that has occurred in the Office of the Sheriff is that the 2009 Adopted Budget transferred administration of the House of Correction to the Office of the Sheriff. This was done primarily due to the use of excessive mandatory overtime at the House of Correction in recent years, a history of tax levy deficits and an audit report from the National Institute of Corrections that identified serious operational deficiencies at the House of Correction. One major tenant of the audit report suggested that establishing a single correctional department under the Office of the Sheriff would be a significant step toward correcting problems at the House of Correction. The Office of the Sheriff has worked in 2009 and 2010 toward establishing the agency as one detention unit, comprised of the County Correctional Facility South (CCFS) (formerly the HOC) and the County Correctional Facility Central (CCFC), which has resulted in changes both at the South and Central Correctional Facilities.

These two majors changes have resulted in a large increase in correctional staff at the CCFC. The CCFS has Correctional Officer Lieutenant positions that serve as the immediate supervisor to Correctional Officers. In recognition of a single correctional department under the Office of the Sheriff, the large increase in Correctional Officers at the CCFC and the need for a career ladder for the correctional staff, the Sheriff desires to abolish the Deputy Sheriff Sergeant positions currently budgeted in the CCFC and create Correctional Officer Lieutenant positions instead. The use of Correctional Officer Lieutenants as the immediate supervisory staff in the CCFC is consistent with the staffing patterns at the CCFS.

Currently, 20 Deputy Sheriff Sergeant positions in the Sheriff's Office are filled by Deputy Sheriff 1s on Temporary Assignment to Higher Classifications (TAHC).

It is requested that the abolishment of the positions occur upon the filling of the Correctional Officer Lieutenant positions. The Office of the Sheriff does not want a situation to occur where there are no filled supervisory positions in the CCFC due to the timing of the recruitment and filling of the new CO Lieutenant positions. Enabling the TAHCs to stay in place until the Lieutenant positions are filled would allow for a seamless transition from Sergeants to Lieutenants in the CCFC.

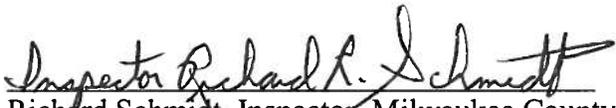
#### FISCAL NOTE

The abolishment of eighteen positions of Deputy Sheriff Sergeant and the creation of eighteen positions of Correctional Officer Lieutenant will result in decreased costs of \$114,008 for 2011 for salary and social security costs and \$134,737 in 2012 for salary and social security

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costs. Additional overtime savings may be achieved due to Correctional Officer Lieutenants accruing overtime on a straight time basis versus Deputy Sheriff Sergeants accruing overtime on a time and a half basis.



Richard Schmidt, Inspector, Milwaukee County Office of the Sheriff

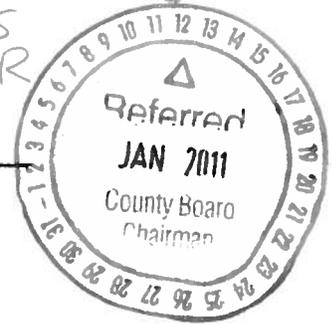
cc: Chairman, Finance and Audit Committee  
Patricia Jursik, Chairman, Personnel Committee  
Candice Richardson, DAS-Division of Human Resources  
Deputy Inspector Kevin Nyklewicz, Office of the Sheriff  
Jon Priebe, Public Safety Fiscal Administrator

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**COUNTY OF MILWAUKEE**  
INTEROFFICE COMMUNICATION

Finance  
Personnel  
DAS  
DMR



DATE : January 6, 2011 FILE NO. 11-47

TO : Supervisor Michael Mayo, Chairman, County Board of Supervisors

FROM : John Ruggini, Assistant Fiscal and Budget Administrator, DAS - Fiscal

SUBJECT : Request to Abolish 18.0 FTE of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18.0 FTE of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) for the County Correctional Facility Central of the Office of the Sheriff effective February 21, 2011. Abolishment of the positions would occur upon the filling of Correctional Officer Lieutenant positions

**REQUEST**

The Sheriff of Milwaukee County requests the abolishment of eighteen positions of Deputy Sheriff Sergeant and the creation of eighteen positions of Correctional Officer Lieutenant for the County Correctional Facility Central (CCFC) of the Office of the Sheriff.

**BACKGROUND/ANALYSIS**

As a part of the 2005 Adopted Budget, the Office of the Sheriff began a program of eliminating Deputy Sheriff positions in the County Correctional Facility Central (CCFC) upon vacancy and replacing them with Correctional Officers. This initiative was implemented for a variety of reasons including the realization that Deputies were working in the CCFC as officers in the housing units, which is the same function that Correctional Officers served at the County Correctional Facility South (CCFS). Typically, new Deputies would spend the first five years of their service as a housing office in the CCFC.

A newly hired Deputy was spending 20 weeks in training before being deployed while Correctional Officers were spending four weeks in training since Deputies required training in all areas of law enforcement instead of just corrections. Transitioning to Correctional Officers in the CCFC meant that substantial training hours would be saved. This change led to a reduction of approximately 32,000 hours of overtime staffing that had previously occurred while deputies were in recruit training. In 2005, there were 37.5 Correctional Officers budgeted in the CCFC; in 2011 there are 212 Correctional Officers budgeted. During the same time period, deputies have decreased in the Jail from 292 in 2005 to 39 in 2011. The remaining Deputies in the CCFC will be replaced by Correctional Officers upon vacancy. Eventually, all budgeted positions in the CCFC currently filled by a Deputy Sheriff will be staffed by a Correctional Officer.

The other major change that has occurred in the Office of the Sheriff is that the 2009 Adopted Budget transferred administration of the House of Correction to the Office of the Sheriff. This was done primarily due to the use of excessive mandatory overtime at the House of Correction in recent years, a history of tax levy deficits and an audit report from the National Institute of Corrections that identified serious operational deficiencies at the

House of Correction. One major tenant of the audit report suggested that establishing a single correctional department under the Office of the Sheriff would be a significant step toward correcting problems at the House of Correction. The Office of the Sheriff has worked in 2009 and 2010 toward establishing the agency as one detention unit, comprised of the County Correctional Facility South (CCFS), (formerly the House of Correction) and the County Correctional Facility Central (CCFC), which has resulted in changes both at the South and Central Correctional Facilities.

These two major changes have resulted in a large increase in correctional staff at the CCFC. The CCFS has Correctional Officer Lieutenant positions that serve as the immediate supervisor to Correctional Officers. In recognition of a single correctional department under the Office of the Sheriff, the large increase in Correctional Officers at the CCFC and the need for a career ladder for the correctional staff, the Sheriff desires to abolish the Deputy Sheriff Sergeant positions currently budgeted in the CCFC and create Correctional Officer Lieutenant positions instead. The use of Correctional Officer Lieutenants as the immediate supervisory staff in the CCFC is consistent with the staffing patterns at the CCFS.

The Sheriff's Office has requested that the abolishment of the positions occur upon the filling of the Correctional Officer Lieutenant positions. Currently, 20.0 FTE Deputy Sheriff Sergeant positions in the Sheriff's Office are filled by Deputy Sheriff 1s on Temporary Assignment to Higher Classifications (TAHC). The Office of the Sheriff does not want a situation to occur where there are no filled supervisory positions in the CCFC due to the timing of the recruitment and filling of the new CO Lieutenant positions. Enabling the TAHCs to stay in place until the Lieutenant positions are filled would allow for a seamless transition from Sergeants to Lieutenants in the CCFC. No filled positions will be abolished through this action.

### **FISCAL EFFECT**

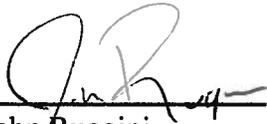
The abolishment of eighteen positions (18.0 FTE) of Deputy Sheriff Sergeant and the creation of eighteen positions (18.0 FTE) of Correctional Officer Lieutenant will result in decreased costs of \$109,698 for 2011 for salary and social security costs and \$135,817 in 2012 for salary and social security costs. Additional overtime savings may be achieved due to Correctional Officer Lieutenants accruing overtime on a straight time basis versus Deputy Sheriff Sergeants accruing overtime on a time and a half basis.

### **RECOMMENDATION**

In light of the ongoing transition from Deputy Sheriff's to Correctional Officer's in the CCFS, the recognition of the correctional facilities being operated within the same department, and the necessity to create a career ladder position for staff entering into these positions, it is

recommended that the request to create eighteen positions (18.0 FTE) of Correctional Officer Lieutenant and abolish eighteen (18.0 FTE) positions of Deputy Sheriff Sergeant be approved effective May 1, 2010.

DAS Analyst: Joe Carey

  
\_\_\_\_\_  
John Ruggini

Assistant Fiscal and Budget Administrator

CC:

Lee Holloway, Interim County Executive  
Candace Richards, Interim-Director of Human Resources  
Terrence Cooley, Chief of Staff, County Board  
Rick Ceschin, County Board Fiscal and Budget Analyst  
Richard Schmidt, Inspector, Office of the Sheriff  
Renee Booker, Interim Director, Department of Administrative Services

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(ITEM ) Request to Abolish 18 Positions of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18 Positions of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) in the Office of the Sheriff

**A RESOLUTION**

8 WHEREAS, as a part of the 2005 Adopted Budget, the Office of the Sheriff began a program of  
9 eliminating Deputy Sheriff positions in the County Correctional Facility Central (CCFC) upon vacancy  
10 and replacing them with Correctional Officers.

11  
12 WHEREAS, in 2005, there were 37.5 Correctional Officers budgeted in the CCFC, in 2011 there are 212  
13 Correctional Officers budgeted. During the same time period, deputies have decreased in the Jail from  
14 292 in 2005 to 39 in 2011.

15  
16 WHEREAS, an audit report from the National Institute of Corrections suggested establishing a single  
17 correctional department under the Office of the Sheriff The Office of the Sheriff has worked in 2009 and  
18 2010 toward establishing the agency as one detention unit, comprised of the County Correctional Facility  
19 South (CCFS), (formerly the House of Correction) and the County Correctional Facility Central (CCFC),  
20 which has resulted in changes both at the South and Central Correctional Facilities.

21  
22 WHEREAS, in recognition of a single correctional department under the Office of the Sheriff, the large  
23 increase in Correctional Officers at the CCFC and the need for a career ladder for the correctional staff,  
24 the Sheriff requested to abolish the Deputy Sheriff Sergeant positions currently budgeted in the CCFC  
25 and create Correctional Officer Lieutenant positions instead.

26  
27 WHEREAS, the Sheriff's Office has requested that the abolishment of the positions occur upon the filling  
28 of the Correctional Officer Lieutenant positions. Currently, 20.0 FTE Deputy Sheriff Sergeant positions  
29 in the Sheriff's Office are filled by Deputy Sheriff 1s on Temporary Assignment to Higher Classifications  
30 (TAHC).

31  
32 WHEREAS, the Office of the Sheriff does not want a situation to occur where there are no filled  
33 supervisory positions in the CCFC due to the timing of the recruitment and filling of the new CO  
34 Lieutenant positions.

35  
36 WHEREAS, enabling the TAHCs to stay in place until the Lieutenant positions are filled would allow for  
37 a seamless transition from Sergeants to Lieutenants in the CCFC, NOW THEREFORE,

38  
39 **BE IT RESOLVED**, that the following position actions are approved for the  
40 Office of the Sheriff effective February 21, 2011:

		<b>No. of</b>	<b>Pay</b>
<u>Action</u>	<u>Title</u>	<u>Positions</u>	<u>Range</u>
42 Create	Correctional Officer Lieutenant	18.0	23CM
44 Abolish	Deputy Sheriff Sergeant	18.0	22B

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 1/11/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request to Abolish 18.0 Positions of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18.0 Positions of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) in the Office of the Sheriff

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(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 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	(\$109,698)	(\$135,817)
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	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. <sup>1</sup> 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. Request to Abolish 18.0 FTE of Deputy Sheriff Sergeant (Title Code 00061700) (PR 22B) and Create 18.0 FTE of Correctional Officer Lieutenant (Title Code 00058610) (PR 23CM) for the County Correctional Facility Central of the Office of the Sheriff effective February 21, 2011. Abolishment of the positions would occur upon the filling of Correctional Officer Lieutenant positions

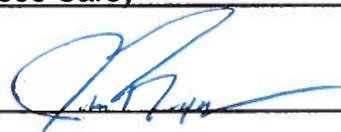
B. The abolishment of eighteen positions (18.0 FTE) of Deputy Sheriff Sergeant and the creation of eighteen positions (18.0 FTE) of Correctional Officer Lieutenant will result in decreased costs of \$109,698 for 2011 for salary and social security costs and \$135,817 in 2012 for salary and social security costs. Additional overtime savings may be achieved due to Correctional Officer Lieutenants accruing overtime on a straight time basis versus Deputy Sheriff Sergeants accruing overtime on a time and a half basis.

C. There is no budgetary impact other than the reduction in expenditures stated in "B".

D. It is assumed that the positions will not be filled until there are vacancies within the Deputy Sheriff Sergeant classification. The 2011 expenditure reduction assumes the creation and abolishment of the position at the start of pay period 21. The 2012 expenditure reduction assumes a full year implementation. The fringe benefit rate assumed was \$15,984 for health and 22.43% of salary for pension.

Department/Prepared By Joe Carey

Authorized Signature



<sup>1</sup> 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.

Did DAS-Fiscal Staff Review?

Yes

No

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

DATE : January 19, 2011

TO : Committee on Personnel

*Candace M. Richards*

FROM : Candace Richards, Interim Director of Human Resources

SUBJECT : **Creation Recommended by Finance Committee**

A review of the duties to be assigned to the new positions requested by the Office of the Sheriff has resulted in the following recommendation:

<b>Org. Unit</b>	<b>Title Code</b>	<b>No. of Positions</b>	<b>Recommended Title</b>	<b>Pay Range</b>	<b>Min/Max of Pay Range</b>
4000	58610	18	Correction Officer Lieutenant	23CM	\$47,638-\$59,044

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

DATE: February 16, 2011

TO: Committee on Economic & Community Development  
Committee on Finance and Audit

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

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

This is an update from the last report to the Economic and Community Development Committee on January 24, 2011 and the Finance & Audit Committee on January 27, 2011.

On Tuesday, February 15, 2011, the land sale to UWM Innovation Park, LLC was finalized.

Net proceeds to the County at closing from the initial \$5 million payment was \$4,899,999 (Per the Purchase Agreement the Milwaukee County Research Park Corporation received \$100,000 for the release of their interests in the land and UWM Innovation Park, LLC received a \$1.00 credit as the lease payment for the Parks Administration Building, which accommodates the Department of Parks, Recreation and Culture).

---

Craig C. Dillmann, Manager  
Real Estate Services

Meeting Dates: March 7, 2011 (ECD committee)  
March 10, 2011 (F&A committee)

cc: Marvin Pratt, County Executive  
Lee Holloway, County Board Chairman

Supervisor James Schmitt, District 19  
Jack Takerian, Director- DPTW  
John Ruggini, Interim Fiscal & Budget Administrator, DAS  
Josh Fudge, Fiscal Mgt Analyst-DAS

cd\UWM Finance/ECD update March 2011

## COUNTY OF MILWAUKEE

## INTER-OFFICE COMMUNICATION

DATE : February 17, 2011

TO : Lee Holloway, County Board Chairman

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

SUBJECT : Request to amend the Professional Service Contract Agreement with the law firm of Lichtsinn & Haensel, S.C. for legal services required for the UWM Innovation Park land sale in the Northeast Quadrant of the County Grounds.

**POLICY:**

Section 56.30, Milwaukee County Ordinances ("Section 56.30") provides that a professional service contract to be extended or amended that provides additional reimbursement to the same vendor and extends the total reimbursement beyond fifty thousand dollars (\$50,000) to the same vendor requires County Board approval.

**BACKGROUND:**

In November 2007 the office of Milwaukee County Corporation Counsel entered into the attached Professional Services Agreement ("Agreement"), in the amount of \$30,000, with the law firm of Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman). The Agreement was to provide the County legal assistance for the sale of County-owned land in the Northeast Quadrant of the County Grounds to UWM Innovation Park, LLC. By the attached amendment, the subject Agreement was amended in December 2009, increasing the Agreement amount to a not to exceed amount of \$49,500.

The \$50,000 limit under Section 56.30 is insufficient to compensate Lichtsinn & Haensel, S.C. for the professional legal services required to close the sale on February 15, 2011 and to provide post-closing legal maintenance and contractual oversight of the County's interests. Therefore, staff is proposing to amend the Agreement with Lichtsinn & Haensel, S.C., by adding funds in the amount of \$15,500, thus increasing the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000.

Staff will also be increasing the professional service contract agreement with Attorney Roy Bradford Evans by \$3,450 to a not to exceed amount of \$11,050,

since Attorney Evans has also provided legal assistance for the UWM Innovation Park transaction. Attorney Evans is a Disadvantaged Business Enterprise vendor, as certified by Milwaukee County's Community Business Development Partners.

**RECOMMENDATION:**

Staff recommends amending the Agreement with Lichtsinn & Haensel, S.C. (Attorney Michael D, Orgeman), by increasing the existing Agreement by \$15,500, thus increasing the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000.

**FISCAL NOTE:**

The necessary funds to increase the Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman) Agreement by \$15,500 and to increase the Attorney Roy Bradford Evans professional service agreement by \$3,450 are available in the Real Estate Division's operating budget (Agency 580, Org. Unit 5804 and Object No. 6149).

---

Craig C. Dillmann, Manager  
Real Estate Services

ECD Committee Meeting Date: March 7, 2011  
Attachments

cc: Marvin Pratt, County Executive  
Supervisor James Schmitt, District 19  
Jack Takerian, Director, Transportation and Public Works  
Freida Webb, Director, Community Business Development Partners  
John Schapekahm, Principal Assistant-Corporation Counsel  
John Ruggini, Interim Fiscal & Budget Administrator-DAS  
Josh Fudge, Fiscal Mgt Analyst

cd\committee\Lichtsinn&HaensealamendmemoMarch2011

PROFESSIONAL SERVICES AGREEMENT  
MADE BY AND BETWEEN

LICHTSINN & HAENSEL, S.C.  
(by Michael D. Orgeman)

AND

THE COUNTY OF MILWAUKEE  
(Referred to as County)  
(by William J. Domina)

In consideration of the mutual promises contained in this Agreement, Lichtsinn & Haensel, S.C., by Attorney Michael D. Orgeman, and the County, by Attorney William J. Domina, Corporation Counsel, agree that the County will pay the law firm of Lichtsinn & Haensel, S.C., no more than \$30,000 to provide legal assistance with the UWM project on the NE quadrant of the County grounds. Said services are to be provided by Attorney Orgeman to Attorney Domina.

For our internal purposes, the cost related to such legal assistance will be assigned to Agency 113, Org. Unit 1131 and Object Nos. 6106 and 8405. At such time as the fees for such professional services approach the \$30,000 amount, the parties will discuss entering into a further extension or amendment of this Agreement. Such services should commence as soon as this Agreement is executed and continue thereafter as determined by Attorney Domina. Lichtsinn & Haensel, S.C., shall provide the County with a bill that shall include the name of the individual attorney or paralegal who performed services, the actual hours worked, the task(s) performed (e.g., research, conferences, etc.), and hourly billing rate.

Nothing contained in this contract shall constitute, or be construed to create, a partnership or joint venture between the County and Attorney Orgeman. In entering into this Agreement and in performing the acts required under the Agreement, Attorney Orgeman will be acting at all times as an independent contractor.

Attorney Orgeman also agrees to permit authorized representatives of the Milwaukee County Auditor, after reasonable notice, the right to inspect and audit all records relating to the carrying out of this Agreement for a period of up to three years

after completion of the Agreement. Attorney Orgeman further understands that the matters discussed between him, Attorney Domina and other Lichtsinn & Haensel, S.C., attorneys regarding the legal services to be provided is confidential. Attorney Orgeman further agrees that he will not discuss any aspect of the subject matter of the representation with any individual other than Attorney Domina unless Attorney Domina provides authorization for such discussion.

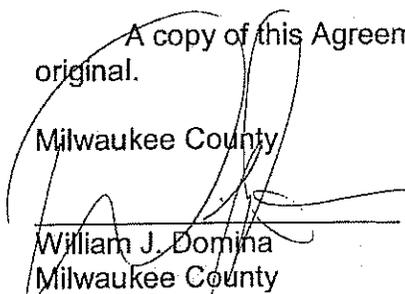
All reports, correspondence, data and other material provided, furnished, or assembled by Lichtsinn & Haensel, S.C., shall be the exclusive property of the County.

The County reserves the right to terminate this Agreement at any time by giving Attorney Orgeman three days' written notice of such termination. Upon termination, Lichtsinn & Haensel, S.C., shall cease providing legal services and shall turn over all work product to Attorney Domina.

Assignment of any portion of the work covered by this Agreement may not be subcontracted out without the prior written consent of Attorney Domina.

A copy of this Agreement shall be binding and regarded as if signed in the original.

Milwaukee County

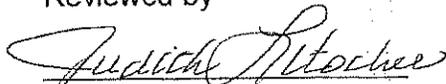
  
\_\_\_\_\_  
William J. Domina  
Milwaukee County  
Corporation Counsel  
Dated:

Lichtsinn & Haensel, S.C.

  
\_\_\_\_\_  
Michael D. Orgeman  
Attorney at Law

Dated: 11/15/07

Reviewed by

  
\_\_\_\_\_  
Judith Litscher  
Milwaukee County Risk Manager

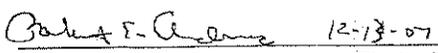
Approved as to Ch. 42 DBE Provisions

  
\_\_\_\_\_  
Freida Webb  
Milwaukee County Director of Community  
Business Development Partners

Dated:

Dated:

Approved as to form, appropriate use of professional service contract and independent contractor status

  
\_\_\_\_\_  
Robert F. Orgeman  
Corporation Counsel

12-13-07  
Dated

AMENDMENT TO AGREEMENT

THIS IS AN AMENDMENT to an Agreement between William J. Domina, Corporation Counsel, on behalf of Milwaukee County, and Attorney Michael D. Orgeman of the law firm of Lichtsinn & Haensel, S.C. dated November, 2007.

WHEREAS, the above parties had entered into an Agreement in November, 2007, which stated that the County would pay Orgeman and/or his associates up to \$30,000 for professional services, and

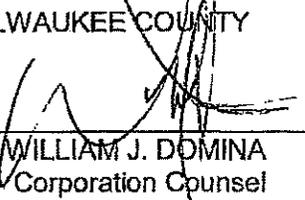
WHEREAS, the same Agreement provided that the parties were to discuss an amendment to the Agreement when the said \$30,000.00 was insufficient to compensate Orgeman and/or his associates to complete the requested professional services, and

WHEREAS, the professional services provided by Orgeman and/or his associates have not been completed, and

IT IS HEREBY AGREED, between the parties that the cap of \$30,000.00 stated in the aforementioned Agreement is hereby amended to indicate a not-to-exceed amount of \$49,500. For our internal purposes, the costs related to these professional services will be assigned to Agency 580, Org. Unit 5804 and Object No. 6149.

MILWAUKEE COUNTY

By:

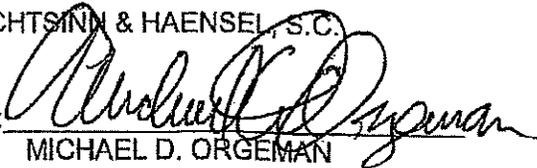
  
WILLIAM J. DOMINA  
Corporation Counsel

Dated:

12/22/09

LICHTSINN & HAENSEL, S.C.

By:

  
MICHAEL D. ORGEMAN

Dated:

12/22/09

1  
2  
3  
4 (ITEM ) Request to amend the Professional Service Contract Agreement with the law  
5 firm of Lichtsinn & Haensel, S.C., for legal services required for the UWM Innovation Park  
6 land sale in the Northeast Quadrant of the County Grounds, by recommending adoption of  
7 the following:  
8

9  
10  
11 **A RESOLUTION**

12 WHEREAS, Section 56.30, Milwaukee County Ordinances (Section 56.30") provides  
13 that a professional service contract to be extended or amended that provides additional  
14 reimbursement to the same vendor and extends the total reimbursement beyond fifty  
15 thousand dollars (\$50,000) to the same vendor requires County Board approval; and,  
16

17 WHEREAS, in November 2007 the office of Milwaukee County Corporation  
18 Counsel entered into a Professional Services Agreement ("Agreement"), in the amount of  
19 \$30,000, with the law firm of Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman);  
20 and

21 WHEREAS, the Agreement was to provide the County with legal assistance for the  
22 sale of County-owned land in the Northeast Quadrant of the County Grounds to UWM  
23 Innovation Park, LLC; and

24  
25 WHEREAS, the Agreement was amended in December 2009, increasing the  
26 Agreement amount to a not to exceed amount of \$49,500; and

27  
28 WHEREAS, the \$50,000 limit under Section 56.30 is insufficient to compensate  
29 Lichtsinn & Haensel, S.C. for the professional legal services required to close the sale on  
30 February 15, 2011 and to provide post-closing legal maintenance and contractual oversight  
31 of the County's interests; and

32  
33 WHEREAS, staff is proposing to amend the Agreement with Lichtsinn & Haensel.  
34 S.C., by adding funds in the amount of \$15,500 to the existing Agreement, thus increasing  
35 the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000; and  
36

37 WHEREAS, staff will be increasing the professional service contract agreement with  
38 Attorney Roy Bradford Evans by \$3,450 to a not to exceed amount of \$11,050, since  
39 Attorney Evans has also provided legal assistance in addition to Lichtsinn & Haensel, S.C.  
40 for the UWM Innovation Park transaction. Attorney Evans is a Disadvantage Business  
41 Enterprise vendor, as certified by Milwaukee County's Community Business Development  
42 Partners; and

43  
44 WHEREAS, the Committee on Economic and Community Development, at their  
45 meeting on March 7, 2011, recommended amending the Agreement with Lichtsinn &

46 Haensel, S.C. by adding funds in the amount of \$15,500 to the Agreement, thus increasing  
47 the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000 ; now,  
48 therefore,

49

50 BE IT RESOLVED, the County Board hereby approves amending the Agreement with  
51 Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman), by increasing the Agreement by  
52 \$15,500, thus increasing the \$49,500 cap stated in the Agreement to a not to exceed  
53 amount of \$65,000.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 17, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request to amend the Professional Service Contract Agreement with the law firm of Lichtsinn & Haensel, S.C. for legal services required for the UWM Innovation Park land sale in the Northeast Quadrant of the County Grounds.

**FISCAL EFFECT:**

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

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	18,950	0
	Revenue	0	0
	Net Cost	18,950	0
<b>Capital Improvement Budget</b>	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.<sup>1</sup> 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.

The necessary funds to increase the Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman) Agreement by \$15,500 and to increase the professional service agreement for Attorney Roy Bradford Evans by \$3,450 are available in the Real Estate Division's operating budget (Agency 580, Org.Unit 5804 and Object No. 6149).

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

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

**Milwaukee County**  
**Information Management Services Division**  
INTEROFFICE COMMUNICATION

17

Date : February 16, 2011

To : Lee Holloway, Chairman, Milwaukee County Board of Supervisors

From : Laurie Panella, Interim Chief Information Officer, Information Management Services Division

Subject : Proposed Resolution Regarding Amendment to Increase the Value of a Professional Services Contract between IMSD and Kraly Solutions, LLC for Project Management Services

**REQUEST**

Per Section 56.30 (4) of the Milwaukee County General Ordinances (MCGO), County Board approval is required for professional services contracts exceeding \$50,000.

The Department of Administrative Services – Information Management Services Division (IMSD) respectfully requests an amendment to the professional services contract between Milwaukee County (represented by IMSD) and Kraly Solutions, LLC (Kraly) for project management services. The amendment increases the cost of the contract by \$11,200 bringing the total value of the contract from \$47,600 to \$58,800.

**BACKGROUND**

IMSD has established and operates a Project Management Office (PMO). The overall goal of the PMO is to standardize all aspects of information technology (IT) project management ensuring that IT projects are consistently delivered on time, on budget and with minimal risk. The PMO continues to be a critical function within IMSD due to the significant number of IT projects and initiatives that continue to be requested by all departments county-wide.

Currently, the position that directs the efforts of the PMO is vacant and temporarily filled using a professional services contract with Kraly Solutions, LLC (Kraly), a certified DBE vendor. Recruitment efforts to permanently place an employee into the position of IT Manager – Project Management Office are currently in process. The requested amendment to the professional services contract will increase the cost of the contract by \$11,200 bringing the total value of the contract from \$47,600 to \$58,800. The requested action to amend the professional services contract serves to ensure the continuity of IT project management services during recruitment for a permanent employee. In addition, the amendment also allows for an estimated transition period of approximately one month once the permanent employee is onboard to transition knowledge from the contractor to the new hire.

Request to Amend Professional Services Agreement with Kraly Solutions, LLC

**RECOMMENDATION**

To ensure continuity and successful completion of IT related projects and initiative within IMSD and Milwaukee County as a whole, I am respectfully requesting approval to amend the professional services contract with Kraly Solutions, LLC for project management services. Approval of this contract amendment request will result in an increased cost of approximately \$11,200, bringing the total contract value from \$47,600 to \$58,800. The additional cost of \$11,200 will ultimately be absorbed within IMSD's 2011 budgeted appropriation.

The required resolution and fiscal note are attached for your consideration and referral to the appropriate standing committee of the County Board of Supervisors.

Sincerely,

---

Laurie Panella, Interim Chief Information Officer, IMSD

cc: Marvin Pratt, County Executive  
E. Marie Broussard, Deputy Chief of Staff, County Executive's Office  
Supervisor Johnny Thomas, Chair, Committee on Finance and Audit  
Steve Cady, Fiscal and Budget Analyst, County Board  
Carol Mueller, Committee Clerk, Committee on Finance and Audit  
John Ruggini, Interim Fiscal and Budget Administrator, Dept. of Admin Svcs.  
Davida Amenta, Fiscal and Management Analyst, Dept. of Admin Svcs.  
James H. Martin, Interim IT Director – Governance, IMSD

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(ITEM \*) From the Interim Chief Information Officer, IMSD, requesting authorization to amend a professional services contract with Kraly Solutions, LLC for project management services, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, per Section 56.30 (4) of the Milwaukee County General Ordinances (MCGO), County Board approval is required for professional services contracts exceeding \$50,000; and

WHEREAS, the Milwaukee County Information Management Services Division (IMSD) has established and operates a Project Management Office (PMO); and

WHEREAS, the goal of the PMO is to standardize all aspects of information technology (IT) project management to ensure IT projects that are consistently delivered on time, on budget and with minimal risk; and

WHEREAS, the PMO is a critical function within IMSD due to the significant number of IT projects and initiatives that continue to be requested by countywide user departments; and

WHEREAS, the position of IT Manager – Project Management Office is currently vacant and the role is being temporarily filled through a professional services contract with Kraly Solutions, LLC (Kraly) valued at \$47,600; and

WHEREAS, an additional \$11,200 is requested to extend the contract with Kraly bringing the grand total of the contract value to \$58,800; and

WHEREAS, the professional services contract extension with Kraly is requested during the recruitment and placement process for a permanent employee in the position of IT Manager – Project Management Office and the additional cost represents a transition period of approximately one month wherein both a contractor and permanent employee will be compensated by the County;

now, therefore,

BE IT RESOLVED, that the Interim Chief Information Officer is authorized to amend the professional services contract with Kraly Solutions, LLC for project management services with the purpose of extending the contract at an additional cost of approximately \$11,200; and

45           BE IT FURTHER RESOLVED, this professional services contract extension at an  
46 additional cost of \$11,200 continues during the recruitment and placement of a permanent  
47 employee in the position of IT Manager – Project Management Office and allows for a  
48 transition period of 160 hours (approximately one month) from the date of hire during  
49 which time both Kraly Solutions, LLC and the permanent employee will be compensated.

50

51 **FISCAL NOTE:** The cost of this action totals \$11,200 and will be absorbed within the  
52 exiting 2011 budget appropriation for the Information Management Services Division  
53 (IMSD – Org Unit 1160).

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 2/16/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** REQUEST AUTHORIZATION TO AMEND A PROFESSIONAL SERVICES CONTRACT BETWEEN KRALY SOLUTIONS, LLC AND THE INFORMATION MANAGEMENT SERVICES DIVISION (IMSD)

**FISCAL EFFECT:**

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

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	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.<sup>1</sup> 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.

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

- A. Approval of the requested amendment to extend the professional services contract between Kraly Solutions, LLC and the Information Management Services Division (IMSD) of Milwaukee County will result in an increased cost of \$11,200 bringing the value of the current contract from \$47,600 to \$58,800.
- B. The cost related to the proposed contract amendment is an additional \$11,200 during the remainder of 2011. However, the additional cost will be absorbed into IMSD's budget and therefore the proposed contract extension will have no fiscal impact.
- C. No fiscal impacts are anticipated for current or the subsequent fiscal year. See above.
- D. It is assumed that this position needs to be filled to ensure critical business continuity within the IMSD.

Department/Prepared By DAS Fiscal Affairs

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?       Yes       No

03-10-11 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS  
 A CAPITAL IMPROVEMENTS

File No. 10-1  
 (Journal, December 17, 2009)

Action Required  
 Finance Committee  
 County Board (Majority Vote)

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

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

	<u>From</u>	<u>To</u>
1) <u>WH02005 West Oklahoma, 108<sup>th</sup> to 76<sup>th</sup> Street</u>		
6146 – Professional Services- Capital/Major Maintenance		\$6,920,000
4907 – Bond Notes and Proceeds	\$2,507,819	
2299 – Other State Grants and Reimbursement	2,548,381	
4915 – Build America Bond Proceeds	1,113,800	
<u>WH01016 S. 13<sup>th</sup> Street (Ryan Road to Rawson Road)</u>		
9706 – Professional Division Services	\$1,650,900	
9780 – Interest Allocation	4,000	
6146 – Professional Services- Capital/Major Maintenance	120,000	
2699 – Other Fed Grants and Reimbursement		\$ 657,100
1843 – Interest Earnings		4,000
4907 – Bond Notes and Proceeds		1,113,800
<u>WH01009 Hampton Avenue (92<sup>nd</sup> Street to 124<sup>th</sup> Street)</u>		
8530 – Roadway Planning & Construction (CAP)	\$750,000	

An appropriation transfer of \$6,920,000 is requested by the Director of the Department of Transportation and Public Works (DTPW) to increase expenditure authority and revenue for Project WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street) and to decrease expenditure authority and revenue for Project WH01016 South 13<sup>th</sup> Street (Ryan Road to Rawson Road) and Project WH01009 Hampton Avenue (92<sup>nd</sup> Street to 124<sup>th</sup> Street).

The 2010 Adopted Budget included an appropriation of \$913,000 for the basic design phase of Project WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street).

This March 2011 appropriation transfer would increase expenditure authority and revenue for Project WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street) so that construction can begin in 2011. The increase in revenue and expenditure authority includes \$2,507,819 of new general obligation bond financing. An initial authorizing resolution and a reimbursement resolution will be presented to the County Board that grants the authority for the new bond financing included in this fund transfer to be added to the next debt issuance and allow for the County to reimburse itself for expenditures that are incurred prior to the next bond issuance. The project has \$1,443,510 in County Highway Improvement Program (CHIP) funding that is set to expire on September 30, 2011.

The 2010 Adopted Budget included an appropriation of \$880,000 for the basic planning and design for Project WH01016 South 13<sup>th</sup> Street (Ryan Road to Rawson Road). In February 2011, the Southeastern Wisconsin Regional Planning Commission (SEWRPC) released a list of projects eligible for Surface Transportation Program (STP) funding. Although Milwaukee County had included the South 13<sup>th</sup> Street in its request for STP funding, the project was not chosen for financing. Since the construction phase of the project was contingent on the STP funding, the County's portions of the funds are being reallocated to Project WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street). The South 13<sup>th</sup> Street Project is being abandoned until additional funding becomes available at a later date.

The 2008 Adopted Budget included an appropriation of \$4,092,690 for the construction phase of Project WH01009 West Hampton Avenue (North 102<sup>nd</sup> Street to Highway 100). Work on the project has been completed and the project has an estimated surplus of \$750,000. This March 2011 appropriation transfer would reallocate \$750,000 in expenditure authority from West Hampton Avenue to Project WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street).

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	<u>From</u>	<u>To</u>
2) <u>WH02201 N. 107<sup>th</sup> St. (Brown Deer Road to North County Line)</u>		
9706 – Professional Division Services		\$ 337,035
6146 – Professional Services- Capital/Major Maintenance		1,803,665
2699 – Other Fed Grants and Reimbursement	\$1,296,700	
4915 – Build America Bond Proceeds	656,000	
<u>WH01013 S. 13<sup>th</sup> Street (South County Line to Ryan Road)</u>		
9780 – Interest Allocation	\$ 2,000	
9706 – Professional Division Services	760,000	
6146 – Professional Services- Capital/Major Maintenance	96,000	
2699 – Other Fed Grants and Reimbursement		\$680,000
1843 – Interest Earnings		2,000
4907 – Bond Notes and Proceeds		176,000

	<u>From</u>	<u>To</u>
<u>WH01005 West College Avenue (South 51<sup>st</sup> Street to South 27<sup>th</sup> Street)</u>		
9706 – Professional Division Services	\$1,288,366	
9780 – Interest Allocation	2,000	
8526 – Land (Capital)	746,800	
2699 – Other Fed Grants and Reimbursement		\$1,615,166
1843 – Interest Earnings		2,000
4907 – Bond Notes and Proceeds		420,000
<u>WH01006 W. Layton Ave. (27<sup>th</sup> Street to Loomis Road)</u>		
6146 – Professional Services- Capital/Major Maintenance	\$ 90,000	
9706 – Professional Division Services	660,000	
9780 – Interest Allocation	2,550	
8526 – Land (CAP)	450,000	
1843 – Interest Earnings		\$ 2,550
2699 – Other Fed Grants and Reimbursement		952,000
4907 – Bond Notes and Proceeds		60,000

An appropriation transfer of \$2,140,700 is requested by the Director of the Department of Transportation and Public Works (DTPW) to increase expenditure authority and revenue for Project WH02201 N. 107<sup>th</sup> St. (Brown Deer to North County Line) and to decrease expenditure authority and revenue for Project WH01013 S. 13<sup>th</sup> Street (South County Line to Ryan), Project WH01005 West College Avenue (South 51<sup>st</sup> Street to South 27<sup>th</sup> Street), and Project WH01006 W. Layton Ave. (27<sup>th</sup> Street to Loomis Road).

A September 2009 appropriation transfer included \$701,000 for Project WH02201 N.107<sup>th</sup> Street (Brown Deer Road to North County Line). The pavement on the road has severely deteriorated and failed. Design on the project is currently ongoing. This appropriation transfer will provide funds for construction. Construction is tentatively scheduled for 2012.

In February of 2011, the Southeastern Wisconsin Regional Planning Commission (SEWRPC) released the list of projects that would be eligible for Surface Transportation Program (STP) funding. Project WH01013 South 13<sup>th</sup> Street (South County Line to Ryan Road) and Project WH01006 West Layton Avenue (South 27<sup>th</sup> Street to Loomis Road) that were adopted as part of the County's 2010 Budget were not included in the list released by SEWRPC.

Available funds are being transferred from the projects listed below. These projects are being abandoned until additional funding becomes available at a later date.

- **Project WH01013 South 13<sup>th</sup> Street (South County Line to Ryan Road):** The 2010 Adopted Budget included an appropriation of \$880,000 budgeted for the basic planning and design for the reconstruction of South 13<sup>th</sup> Street.

- **Project WH01005 West College Avenue (South 51<sup>st</sup>. Street to South 27<sup>th</sup> Street):** The 2010 Adopted Budget included an appropriation of \$2,100,000 for the basic planning, design, and right-of-way for the reconstruction West College Avenue.
- **Project WH01006 West Layton Avenue (South 27<sup>th</sup> Street to Loomis Road):** The 2009 and 2010 Adopted Budgets included a total appropriation of \$1,240,000 for the basic planning, design, and right-of-way for the reconstruction of West Layton Avenue.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	<u>From</u>	<u>To</u>
3) <u>WH02301 West Mill Road (84<sup>th</sup> to 91<sup>st</sup>, 56<sup>th</sup> to 43<sup>rd</sup>)</u>		
9706 – Professional Division Services		\$ 628,329
6146 – Professional Services- Capital/Major Maintenance		1,945,531
2699 – Other Fed Grants and Reimbursement	\$1,087,180	
4915 – Build America Bond Proceeds	190,000	
4907 – Bond Notes and Proceeds	1,296,680	
<u>WH01014 North Port Washington Road (Daphne Road to Good Hope Road)</u>		
9780 – Interest Allocation	\$ 2,000	
9706 – Professional Division Services	830,000	
6146 – Professional Services- Capital/Major Maintenance	120,000	
2699 – Other Fed Grants and Reimbursement		\$760,000
1843 – Interest Earnings		2,000
4907 – Bond Notes and Proceeds		190,000

An appropriation transfer of \$2,573,860 is requested by the Director of the Department of Transportation and Public Works (DTPW) to increase expenditure authority and revenue for Project WH02301 West Mill Road (84<sup>th</sup> to 91<sup>st</sup>, 56<sup>th</sup> to 43<sup>rd</sup>) and to decrease expenditure authority and revenue for Project WH01014 North Port Washington Road (Daphne Road to Good Hope Road).

The design work for Project WH023 West Mill Road (84<sup>th</sup> Street to 91<sup>st</sup> Street, 56<sup>th</sup> Street to 43<sup>rd</sup> Street) is about 90% complete. Although design work is 90% complete, no approval from the County Board or County Executive was granted to perform work on the project. Additional funds are needed for West Mill Road so that the construction phase of the project can begin. There is a risk that County Highway Improvement Program (CHIP) funding that the project has received may lapse if construction does not begin.

This appropriation transfer will increase expenditure authority by \$2,573,860 for Project WH02301 West Mill Road (84<sup>th</sup> to 91<sup>st</sup>, 56<sup>th</sup>. to 43<sup>rd</sup>). Financing is being provided from \$190,000 in Build America Bonds from Project WH01014 North Port Washington Road, \$1,087,180 in County Highway Improvement Program, and \$1,296,680 in new general obligation bond financing. An initial authorizing resolution and a reimbursement resolution will be presented to the County Board that grants the authority for the new bond financing included

in this fund transfer to be added to a future issuance and allow for the County to reimburse itself for expenditures that are incurred prior to the bond issuance.

The 2010 Adopted Budget included a \$952,000 appropriation for the basic planning and design for Project WH01014 North Port Washington Road (Daphne Road to Good Hope Road). Funds are being transferred from this project and the project is being abandoned until additional funding becomes available at a later date

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	From	To
4) <u>WC054012 CJF Lobby Elevator</u>		
8551 – Mach & Equip-Repl>\$2,500		\$144,650
4915 – Build America Bond Proceeds	\$100,828	
<u>WC027012 Courthouse Light Court Window Replacement</u>		
8551 – Mach & Equip-Repl>\$2,500	\$43,822	

An appropriation transfer of \$144,650 is requested by the Director of the Department of Transportation and Public Works (DTPW) to establish expenditure authority and revenue to create Project WC054012 CJF Lobby Elevator and to decrease expenditure authority for Project WC027012 Courthouse Light Court Window Replacement.

The Director of Transportation and Public Works has notified the County Executive and the County Board Chairman of an emergency replacement of Criminal Justice Facility (CJF) Elevator #5 pursuant to Milwaukee County Ordinance Section 44.14 (6). The ordinance allows the department to move forward on an emergency repair or construction within seventy-two hours of submittal of the report.

This is the only elevator from the lobby that allows for magnetometer and weapons screening. Currently, the alternative elevators require using a combination of public elevators and secure and public stairwells as well as a deputy escort. The following are the users of elevator: Police, Public Defenders, District Attorney, Investigators for the Public defenders, Investigators for the District Attorney's office, Medical personal, Department of Probation and Parole, U.S. Census Bureau, U.S. Marshalls, U.S. Immigration and Volunteers.

This appropriation transfer creates expenditure authority for the CJF Lobby Elevator to replace the elevator.

Financing is provided from \$100,828 of over realized Build America Bond proceeds and 43,822 from capital project WC027012 - Courthouse Light Court Window Replacement. The Courthouse Light Court Window Replacement is an extensive project that is currently being implemented. The emergency replacement of the elevator and the lack of available funds from other capital projects has resulted in the use of \$43,822 from the Courthouse Light Court Window Replacement project. The available balance for the project is approximately \$1.4 million. Since the project is in the early stages of implementation, the \$43,822 may need to be replaced.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	<u>From</u>	<u>To</u>
5) <u>WO110012 – Fleet Car Wash</u>		
4907 – Bond Notes and Proceeds	\$75,000	
8501 – Building/Structures New- (CAP)		\$75,000
<u>WO112014 – Fleet Vehicle and Equipment Replacement</u>		
4907 – Bond Notes and Proceeds		\$75,000
8554 – Vehicles - Replacement	\$75,000	

An appropriation transfer of \$75,000 is requested by the Director of the Department of Transportation and Public Works (DTPW) to reallocate expenditure authority from Project WO112 Fleet Vehicle and Equipment Replacement to Project WO110 Fleet Car Wash in order to construct and install a new fleet car wash.

The current fleet car wash was installed in 1981 and has outlived its useful life. The supports for the car wash have substantial amounts of rust, which has created a risk that the structure may collapse. It has breakdowns and parts must be custom manufactured. During times when the car wash is not functioning, departments must take vehicles to commercial car washes. In addition, the current car wash has a tendency to scratch and damage the vehicles.

The new car wash will eliminate the safety issue that is associated with the current car wash and also provide service to departments that is not interrupted by breakdowns.

The 2010 Adopted Budget included an appropriation \$14,449,000 for Project WO112 Fleet Vehicle and Equipment Replacement. Surplus funds are available from this project due to lower rates than anticipated for vehicle purchases. Additional parks equipment was purchased with some of the surplus funds. The parks equipment totaled approximately \$430,000 and included mowing equipment and a tractor for beach clean up. Remaining surplus funds are available for the reallocation of \$75,000 to Project WO110 Fleet Car Wash.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	<u>From</u>	<u>To</u>
6) <u>WO221011 Data Center Equipment and Construction</u>		
4907 – Bond Notes and Proceeds	\$40,000	
6146 – Prof. Serv. (CAP-Major Mtce.)		\$40,000
<u>WO221014 Data Center Equipment and Construction</u>		
4907 – Bond Notes and Proceeds	\$290,000	
8558 – Computer Equip. Replacement >\$500		\$290,000
<u>WO216014 Thin Client</u>		
4907 – Bond Notes and Proceeds		\$330,000
8557 – Computer Equip. New > \$500	\$330,000	

An appropriation transfer of \$330,000 is requested by the Chief Information Officer of the Department of Administrative Services- Information Management Services Division (IMSD) to create expenditure authority and revenue for Project WO221 Data Center Equipment and Construction and to decrease expenditure authority and revenue for Project WO216 Thin Client.

The appropriation transfer is being requested to ensure that sufficient capacity is available within the IT infrastructure to meet the projected demand for both current and in-process IT initiatives. Currently, Courthouse Room G2A is being utilized to house the County's data center. The County has begun to exceed the physical capacity at G2A. The Mechanical and Electrical Room (MER) at the Criminal Justice Facility will serve as a better location for the data center since it has sufficient floor space; available capacity for electrical, fire suppression, and HVAC; a raised floor for better air circulation and more space for cabling.

This appropriation transfer would provide sufficient funding to complete Phase One of the project: implementation of a replicated environment in the MER. This phase will include a new power feed, an uninterruptible power supply (UPS), and in line air conditioning. Two HVAC units will be purchased and installed. The HVAC units are needed to keep servers and other equipment at acceptable temperatures so that they function properly. The UPS serves as a temporary back up in the event of a loss of power before the generator takes over. If the appropriation transfer is approved electrical work can be completed by May and Phase One of the project will be completed by December.

The next phase of the project will take place over the next 2-3 years. It will include the gradual removal of equipment in G2A and placing the newly purchased equipment in the MER. The next phase will also include the development of a disaster recovery (DR) site. A DR site is necessary to ensure the continuity of operations and availability of critical resources in the event of a disaster. It is anticipated a DR plan will be part of IMSD's 2013 Requested Capital Budget.

The 2010 Adopted Capital Improvement Budget included an appropriation of \$451,200 for Project WO216 Thin Client. Completion of the Thin Client project would have enabled all Milwaukee County personal computing applications that operate using server technology to be installed centrally on a server and remotely deployed to desktop terminals. However, during the initial planning for implementation of a virtual desktop environment (Thin Client), it was determined that Milwaukee County did not have the necessary infrastructure in place for implementation and that an analysis was necessary prior to proceeding with the project. Therefore, the project is delayed until an analysis can be completed. Due to the delay, estimated expenditure authority of \$330,000 is proposed to be reallocated from Thin Client project to finance the Data Center Equipment and Construction project described above.

This appropriation transfer request has no tax levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	<u>From</u>	<u>To</u>
7) <u>WT303014 – HVAC Control Systems</u>		
8551 – Mach & Equip Repl > \$2500		\$421,681
4905 – Sale of Capital Assets	\$421,681	

An appropriation transfer of \$421,681 is requested by the Director of the Department of Transportation and Public Works (DTPW) to increase and expenditure authority for Project WT303 HVAC Control Systems.

The 2007 Adopted Capital Improvements Budget included an appropriation of \$320,000 for the replacement of HVAC Control Systems at all Milwaukee County Transit System Facilities. These facilities included the MCTS Administration Building, the Fleet Maintenance Facility, the Downtown Transit Center; and the Fiebrantz, Kinnickinnic and Fond du Lac Garages and Transportation Buildings.

In September 2009 an appropriation transfer included an appropriation of \$502,000 in additional funding was approved to provide updated hardware at the transit facilities.

A May 2010 appropriation transfer reallocated \$400,000 from the HVAC Control Systems project in order to replace the ductwork at the MCTS Administration Building.

This appropriation transfer will allow for the completion of Project WT303 HVAC Control Systems. The completion of the project will link remote sites by intranet to allow central monitoring and adjusting of temperatures at all facilities. Off-site programming capabilities will maximize efficiency and ultimately reduce utility costs.

Financing for the project is provided from proceeds from the sale of the Mill Road Transfer Center. The Mill Road Transfer Center was originally purchased in the early 1990's, but has not been in use for approximately 10 years. The facility was sold in August 2010. Federal regulations require that the proceeds must be used to finance a Transit capital project. The Federal Transit Administration (FTA) has approved Milwaukee County's request to finance the HVAC project with the proceeds from Mill Road Transfer Center sale.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

## 2010 BUDGETED CONTINGENCY APPROPRIATION SUMMARY

2010 Budgeted Contingency Appropriation Budget \$5,800,000

### Approved Transfers from Budget through February 3, 2011

6050-Contract Pers. Serv. Short (Estabrook Dam Stabilization Study)	\$ (200,000)
9000-Parks (Farm & Fish Hatchery)	\$ (54,500)
9910-UW Extension (Settlement Agreement)	\$ (47,000)
WP187012 – O'Donnell Park Parking Structure Repairs	\$ (422,000)
1945 - Froedtert Hospital Land Lease Payment	\$ 2,175,000

Unallocated Contingency Balance February 3, 2011

\$ 7,251,500

Transfers Pending in Finance & Audit Committee through 03/10/11

Total Transfers Pending in Finance & Audit Committee

\$ -

Net Balance

\$ 7,251,500

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

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

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2011 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>4000 – Office of the Sheriff</u>		
6149 – Professional Services –Nonrecur. Oper		\$43,875
2699 – Federal Revenue	\$43,875	

A transfer request from the Office of the Sheriff seeks to recognize \$43,875 in revenue for the development and testing of an emergency shelter located in Franklin. County Board File 10-314 granted the Office of the Sheriff authorization to apply for and accept homeland security grant funding. A fund transfer in December of 2010 allocated funding of \$85,000 for catastrophic event planning which would result in enhancements to planning for special needs populations evacuation and shelter. However, not all funds and subsequent revenue were expended or received in 2010, necessitating this transfer.

This grant provides funding for the development and testing of an emergency shelter to be located at the Sports Complex in Franklin for special needs population in preparation for a catastrophic event. Work on the plans began in fall of 2010 at a cost of \$41,125. However, the work has not been completed. This transfer seeks to recognize the remaining \$43,875 in grant funding and to establish expenditure authority of \$43,875.

There is no local match required and there is no tax levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	<u>From</u>	<u>To</u>
2) <u>4000 – Office of the Sheriff</u>		
8552 – Machinery & Equipment New		\$67,046
7935 – Law Enforcement & Pub Safety Supplies		42,293
2699 – Federal Revenue	\$109,339	

A transfer of \$109,339 is requested by the Office of the Sheriff to recognize Federal Department of Homeland Security grant money for the purchase of equipment for a special population emergency shelter located at the Milwaukee County Sports Complex in Franklin.

The initial grant allocation provided funding of \$161,821 to be used to fund equipment for a special population shelter and a casualty tracking system. A portion of the funds were expended during fiscal year 2010. This transfer seeks to recognize the remaining revenue of \$109,339 and establish expenditure authority of \$109,339. The funds will be used for the following purposes:

- Equipment Trailer to transport special shelter equipment supplies
- 250 cots
- 250 pillows with case, sheet and blanket for each specialty cot.
- 20 tables and chairs
- 60 Wheel chairs
- 60 walkers
- 3-day survival kit for 600 people
- 160 emergency supplies kit
- 250 person triage supply kit
- six medical supplies kit
- a portable generator connection and transfer switch for Milwaukee County Sports Complex

There is no match requirement and there is no tax levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

**2011 BUDGETED CONTINGENCY APPROPRIATION SUMMARY**

2011 Budgeted Contingency Appropriation Budget \$8,650,000

Approved Transfers from Budget through February 3, 2011

Unallocated Contingency Balance February 3, 2011 \$ 8,650,000

Transfers Pending in Finance & Audit Committee through 03/10/11

Total Transfers Pending in Finance & Audit Committee \$ -

Net Balance \$ 8,650,000

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03-10-11 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS  
 B CAPITAL IMPROVEMENTS

File No. 11-1  
 (Journal, December 16, 2010)

Action Required  
 Finance Committee  
 County Board (Majority Vote)

WHEREAS, your committee has received from the Department of Administrative Services, Fiscal Affairs, departmental requests for transfer to the 2011 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 2011 capital improvement appropriations:

	<u>From</u>	<u>To</u>
1) <u>WH02201 N. 107<sup>th</sup> St. (Brown Deer Road to North County Line)</u>		
9706 – Professional Division Services		\$ 337,035
6146 – Professional Services- Capital/Major Maintenance		1,803,665
4907 – Bond Notes and Proceeds	\$2,140,700	
<u>WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street)</u>		
6146 – Professional Services- Capital/Major Maintenance		\$6,920,000
4907 – Bond Notes and Proceeds	\$6,920,000	
<u>WH02301 West Mill Road (84<sup>th</sup> Street to 91<sup>st</sup> Street, 51<sup>st</sup> Street to 43<sup>rd</sup> Street)</u>		
9706 – Professional Division Services		\$ 628,329
6146 – Professional Services- Capital/Major Maintenance		1,945,531
4907 – Bond Notes and Proceeds	\$2,573,860	

An appropriation transfer of \$11,634,560 is requested by the Director of the Department of Transportation and Public Works (DTPW) to temporarily increase expenditure authority and revenue for Project WH02201 107th Street (Brown Deer Road to North County Line), Project WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street) and Project WH02301 West Mill Road (84<sup>th</sup> Street to 91<sup>st</sup> Street, 51<sup>st</sup> Street to 43<sup>rd</sup> Street).

The March 2011 fund transfer packet includes three 2010 appropriation transfers that provide for the reallocation of funds and additional general obligation bond financing for Project WH2201 107<sup>th</sup> Street (Brown Deer Road to North County Line), Project WH02005 West Oklahoma (108<sup>th</sup> Street to 76<sup>th</sup> Street) and Project WH02301 West Mill Road (84<sup>th</sup> Street to 91<sup>st</sup> Street, 51<sup>st</sup> Street to 43<sup>rd</sup> Street).

This appropriation transfer will provide DTPW with expenditure authority in the first half of the year prior to the approval of the carryovers. This is being done so that work can proceed on these projects without having to wait until May.

Subsequent, to the final approval of the carryovers, this fund transfer will be reversed through an administrative appropriation transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

	<u>From</u>	<u>To</u>
2) <u>WJ051 HOC Security Camera System</u>		
6030 – Advertising		\$ 500
6050 – Contract Pers Serv- Short		1,000
6080 – Postage		500
6146 – Professional Services- Capital/Major Maintenance		257,544
7930 – Photo, Prtg, Repro, Bindg		1,000
9706 – Professional Division Services		172,800
8551 – Mach & Equip-Repl>\$2,500		1,420,415
8552 – Mach & Equip-New>\$2,500		6,658
9780 – Interest Allocation		2,000
4907 – Bond Notes and Proceeds	\$1,862,417	
<u>WO950 Milwaukee County Public Art</u>		
6146 – Professional Services- Capital/Major Maintenance		\$ 4,553
8509 – Other Building Imprvt- (CAP)		814,943
9780 – Interest Allocation		1,000
4907 – Bond Notes and Proceeds	\$820,496	
<u>WT303 HVAC Controls at MCTS Facilities</u>		
8551 – Mach & Equip-Repl>\$2,500		\$421,681
4907 – Bond Notes and Proceeds	\$421,681	
<u>WC054 CJF Lobby Elevator</u>		
8551 – Mach & Equip-Repl>\$2,500		\$144,650
4907 – Bond Notes and Proceeds	\$144,650	

An appropriation transfer of \$3,249,244 is requested by the Director of the Department of Transportation and Public Works (DTPW) to temporarily increase expenditure authority and revenue for Project WJ051 HOC

Security Camera System, Project WO950 Milwaukee County Public Art, Project WT303 CJF HVAC Controls at MCTS Facilities, and Project WC054 CJF Lobby Elevator.

This appropriation transfer will provide expenditure authority in the first half of the year prior to the approval of the carryovers. This is being done so that work can proceed on these projects without having to wait until May.

Funds are being requested for Project WO950 Milwaukee County Public Art so that Public Art projects at the Milwaukee County Courthouse and/or the Children's Court Center can begin construction after artist selection occurs in the spring.

Funds are being requested for Project WJ051 HOC Security Camera System so that the 300 new IP HD capable cameras can be installed in multiple buildings in the HOC as well as around the entire fence line of the facility. Bids will be issued by the end of March. The purchase, installation, configuration, and training will be done by the end of the year.

Funds are being requested for Project WT303 HVAC Controls at MCTS Facilities so that work on the project can begin as soon as possible. The completion of the project will link remote sites by intranet to allow central monitoring and adjusting of temperatures at all facilities. Off-site programming capabilities will maximize efficiency and ultimately reduce utility costs.

Funds are being requested for Project WC054 CJF Lobby Elevator so that work on the project is beginning immediately. A Notification of Emergency Repair was submitted to the County Executive and the County Board Chairman so that replacement of elevator #5 in the CJF can occur.

Subsequent, to the final approval of the carryovers, this fund transfer will be reversed through an administrative appropriation transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

03-10-11 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS  
 C DEPARTMENTAL-CAPITAL OUTLAY

File No. 11-1  
 (Journal, December 16, 2010)

Action Required  
 Finance Committee  
 County Board (Majority Vote)

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

THEREFORE, BE IT RESOLVED, that the Director, Department of Administration, is hereby authorized to make the following transfers in the 2011 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>4500 District Attorney</u>		
6815 – Transportation Non-County Employees	\$7,000	
8557 – Computer Equipment – New		\$7,000

The District Attorney’s Office has a long record of maintaining a commitment to operating within the fiscal constraints of Milwaukee County while continuing to provide a high level of prosecutorial services to the community. Unfortunately, from time to time unanticipated needs arise and waiting to meet them until the next regular budget cycle would cause severe disruption to ongoing operations. This fund transfer is requested to purchase four (4) advanced network-attached storage devices. These technology resources will reduce the need for significant staff hours that would otherwise be needed to perform work manually, and for which this office does not have sufficient personnel to perform in any event.

This fund transfer request, which has no property tax levy effect, takes funds from the account used for extraditions of defendants who are arrested out of state and transfers the funds to the capital account used for computer equipment purchases. The transfer is necessary because the need for this equipment was unanticipated when the 2011 budget was submitted in mid-2010.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 03/02/11.

COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION

**DATE:** February 28, 2011

**TO:** Supervisor Johnny Thomas, Chair, Finance & Audit Committee

**FROM:** Steve Cady, Fiscal and Budget Analyst, County Board  
John Ruggini, Acting Fiscal and Budget Administrator

**SUBJECT:** Alternative Funding for Office of Sustainability

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In the January 2011 Committee cycle the request to create an Office of Sustainability was laid over to the March 2011 cycle and staff was directed to look into alternative funding sources for the Director of this office. The original request was to fund a new position through the Appropriation for Contingencies.

At this time we were unable to identify grant opportunities to fund this position. There are also no other funding sources within the current operating budget given the uncertainty surrounding labor negotiations and the pending State Budget. If the County Board decides to move forward with creating an Office of Sustainability the new position would need to be funded through the Appropriation for Contingencies.

Cc: Lee Holloway, County Board Chair  
Marvin Pratt, County Executive  
Supervisor Michael Mayo  
Supervisor Marina Dimitrijevic  
Terry Cooley, Chief of Staff, County Board  
E. Marie Broussard, Deputy Chief of Staff, County Executive  
Damon Dorsey, Director of Economic Development

1 By Supervisors Dimitrijevic, Lipscomb, Harris, Broderick and Weishan

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**A RESOLUTION**

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Creating an Office of Sustainability under the Office of the County Executive’s and a new, full-time position of Director of Sustainability that would directly report to the County Executive, retitling the existing position of Sustainability and Environmental Engineer to Managing Environmental Engineer and funding the new position with funds from the Appropriation for Contingencies account.

WHEREAS, on July 26, 2007 the Milwaukee County Board of Supervisors voted unanimously to approve a resolution creating the “Green Print” environmental and conservation initiative for Milwaukee County government; and

WHEREAS, a provision of the Green Print authorized the Director of Human Resources to develop a position of Director of Sustainability and report back to the Personnel and Finance and Audit Committees in September of 2007; and

WHEREAS, instead, the 2008 adopted budget for the Architectural, Engineering and Environmental Services division (AE&ES) abolished the vacant position of Director of Energy and Environmental Services and created the position of Director of Sustainability and Environmental Engineer; and

WHEREAS, the job duties associated with the Director of Sustainability and Environmental Engineer position that relate to sustainability include providing effective, rational and cost conscious leadership on environmental sustainability issues, working closely with county departments to identify opportunities to apply “green” building concepts, performing cost benefit and/or life cycle analysis on proposed major maintenance and capital public works projects and monitoring results on implemented projects; and

WHEREAS, the job duties associated with the Director’s position that relate to environmental services responsibilities include providing environmental services assistance to county departments, overseeing Milwaukee County’s NR216 county-wide stormwater permit, management of landfill gas control systems and groundwater monitoring, serving as the County land conservationist and overseeing environmental services section staff; and

WHEREAS, given the diverse workload of the Sustainability Director’s position, the County Board adopted a resolution (File No. 08-238) in June of 2008 requesting that the Green Print Workgroup recommend changes to the position based upon the existing and evolving job duties and report back in September of 2009, in anticipation of the 2010 budget deliberations; and

47 WHEREAS, the Green Print Workgroup submitted a report (dated September 15,  
48 2009) recommending the creation of a “Director of Sustainability” position as a new  
49 department head reporting directly to the County Executive and retitling of the existing  
50 position of Sustainability and Environmental Engineer to “Environmental Engineer”; and  
51

52 WHEREAS, the recommendation was based on several advantages including  
53 the allowance of full-time dedication to both sets of priorities, the appropriate elevation  
54 of the Director of Sustainability position to provide more countywide visibility and to  
55 increase the likelihood of securing more grants for sustainability and environmental  
56 services of the existing position; and  
57

58 WHEREAS, the County Executive’s recommended budget for 2010 did not  
59 include the Green Print Workgroup’s recommendations and an amendment to create an  
60 Office of Sustainability within the County Board failed; and  
61

62 WHEREAS, the duties of the existing position of Director of Sustainability and  
63 Environmental Engineering are extensive and the combined position does not allow for  
64 many opportunities to expand sustainability efforts; therefore, creating a new position of  
65 Director of Sustainability is warranted; and  
66

67 WHEREAS, the City of Milwaukee has an Office of Environmental Sustainability  
68 managed by a full-time position and the Milwaukee Metropolitan Sewerage District also  
69 funds full-time position for environmental sustainability efforts; and  
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71 WHEREAS, the position of Director of Sustainability for Milwaukee County will be  
72 funded by the Appropriation for Contingencies Account to be reimbursed by grants and  
73 other outside revenues; and  
74

75 WHEREAS, the considerable amount of savings already achieved through  
76 implementation of the Green Print program would increase significantly more by  
77 dedicating a full-time position to these efforts; now, therefore,  
78

79 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby creates a  
80 new Office of Sustainability within the Office of the County Executive and a new full-time  
81 position of Director of Sustainability that will directly report to the County Executive; and  
82

83 BE IT FURTHER RESOLVED, that the County Board authorizes and directs the  
84 Director of the Division of Human Resources to retitle the existing position of  
85 Sustainability and Environmental Engineer to Managing Environmental Engineer; and  
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87 BE IT FURTHER RESOLVED, that the County Board authorizes and directs the  
88 Director of the Department of Administrative Services to initiate a fund transfer in the  
89 amount of \$129,000 for salary, fringe benefits and supplies from Org. Unit 1945-  
90 Appropriation for Contingencies Account to the new Office of Sustainability; and  
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FEB 03 2011

*Adopted*  
*16-0*

*RETO*  
*EA PER*  
*DAS HR*

(ITEM 2) A resolution by Supervisors Dimitrijevic, Lipscomb, Harris, Broderick and Weishan, creating an Office of Sustainability under the Office of the County Executive's and a new, full-time position of Director of Sustainability that would directly report to the County Executive, retitling the existing position of Sustainability and Environmental Engineer to Managing Environmental Engineer and funding the new position with funds from the Appropriation for Contingencies account, by recommending adoption of the resolution, as appearing in the February 3, 2011 Journal of Proceedings. (Vote 3-2)

The Committee on Finance and Audit, at its meeting on January 27, 2011, voted (5-1) to lay this item over until the March cycle.

92 BE IT FURTHER RESOLVED, that the County Board authorizes and directs the  
93 Sustainability Director to seek and receive grants or other revenues that would offset  
94 the cost of the position.

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January 7, 2011

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Dimitrijevic.doc

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** January 7, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Creating an Office of Sustainability and a new, full-time position of Director of Sustainability that would directly report to the County Executive, retitling the existing position of Sustainability and Environmental Engineer to Managing Environmental Engineer and funding the new position with funds from the Appropriation for Contingencies account.

**FISCAL EFFECT:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input checked="" type="checkbox"/> Existing Staff Time Required<br><input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input checked="" 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
<b>Operating Budget</b>	Expenditure	129,000	0
	Revenue	0	0
	Net Cost	129,000	0
<b>Capital Improvement Budget</b>	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. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. Adoption of the resolution would result in the creation of a new position, Director of Sustainability, to carry out the Green Print program.
- B. The Director of Sustainability position is anticipated to be created at the mid-point of 902 ECP range, at a total personnel cost (salary and benefits) of \$124,000 and an additional \$5,000 for office supplies and services for a total cost of \$129,000. Retitling of the existing position will have no fiscal effect.
- C. The position will be funded through a fund transfer from the Appropriation for Contingencies Account. Any grant revenues or other outside revenues received for the purpose of implementing the Green Print program will be applied to the Appropriation for Contingencies Account to offset the cost of the position.

Department/Prepared By Julie Esch, Legislative Research Analyst

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

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<sup>1</sup> 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.

Date: February 8, 2011

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

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

Subject: **O'Donnell Park Parking Structure Improvements – Project Status Report #2 (Informational Only)**

### **Background**

The 2011 Adopted Capital includes O'Donnell Park Improvements with an appropriation of \$6,557,830. During the 2011 budget deliberations the County Board requested a detailed plan for these improvements. In November of 2010 the Department of Transportation and Public Works (DTPW) on behalf of the Department of Parks submitted an informational report highlighting the details of the recommended scope of work for the O'Donnell Park Parking Structure improvements. This report was received by the Committees on Transportation, Public Works and Transit and on Finance and Audit and placed on file. Subsequent project status reports were requested by the Committee.

### **Status on the Façade Restoration Component**

#### **Scope**

The project includes the removal of the precast panels on the parking structure, with the exposed cast-in-place concrete surfaces needing some patching repairs and some form of aesthetic treatment. The pre-cast panels at the stairwells and pavilion structure will remain in place since they are attached to the structure differently. The existing railings will need to be revised to meet current code requirements and will be replaced with new railings that meet code and/or another type of vehicle barrier.

#### **Planning and Design Activities To Date**

A project kick off meeting was held on 12/28/2010. The project was divided up into two separate bidding processes, one for Demolition and one for Envelope Improvement. This allows the removal of the existing pre-cast panels to begin as soon as possible while the façade restoration design and bidding is being completed. The Demolition contract bid documents have been completed and are currently out for bid with bids being opened on 2/09/2011. The design and preparation of bid documents for the facade restoration is ongoing. The base bid documents will include an application of uniform cementitious finish on the existing structure surfaces exposed by removal of the pre-cast concrete panels, installation of stainless steel cable vehicle barriers on the inside walls and metal or pre-cast coping on the existing horizontal wall surfaces with new railing secured to the coping on the uppermost level. An alternative bid will include the same scope as above but substituting for the cementitious coating, will be an installation of decorative aluminum perforated panels mounted in aluminum framing secured to the existing exterior vertical surfaces with stainless steel hardware. These panels will cover all the existing structure surfaces exposed by removal of the pre-cast concrete panels thereby reducing the amount of existing concrete surface leveling and re-finishing

#### **Project Schedule**

Milestone dates in the proposed schedule remain as previously reported. This includes a Demolition construction start on 2/23/2011 with completion on 4/20/2011 and Envelope Improvement construction start on 3/28/2011 with completion on 6/22/2011. See the attached updated schedule for further details.

## **O'Donnell Park Parking Structure Improvements – Project Status**

### **Report #2 (Informational Only)**

February 8, 2011

Page 2 of 3

#### DBE Participation and Residency Goal

A goal of 25% DBE participation was established for the professional services portion of this project. Carl Walker Inc. is meeting this goal using K. Singh & Associates, Inc. and M&E Architects and Surveyors, LLC. A goal of 25% DBE participation was established for the construction contract portion of this project and the bid documents specify this goal. A residency goal of 50% was established for the construction contract portion of this project and bid documents specify this goal for both the demolition contract and the envelope improvement contract.

#### Status on the Internal Repair Component

##### Scope

Several areas within the complex are in need of maintenance repairs. These repairs include monitoring, injection and sealant of existing cracks, repair of storm drainage system, expansion joint repair, handrail repair, concrete spall repair, caulking and sealant and replacement of disturbed landscaping and pavement. Additionally, the project anticipates certain general maintenance costs for continued operation of the parking structure. This includes re-sealing of the parking deck. This is to be included in the overall repairs while the structure is closed. The concrete wearing surface and the post-tensioned slab should be sealed to keep water from penetrating. Based on the results of testing on the concrete deck, this may be an elastomeric coating or membrane that resists wear from traffic.

##### Planning and Design Consultant Selection

A project kickoff meeting was held in the first week in January, 2011. The design and preparation of bid documents for the Internal Repair contract bid documents is substantially completed. The base bid documents will include all of the scope items mentioned above except for the membrane to be applied over the concrete deck. The results of the testing conducted on the concrete deck indicated that the deck was in better than anticipated condition as regards the penetration of salt ions into the concrete. Therefore, a membrane will not be required and a clear chemical sealant will be specified instead.

##### Project Schedule

Milestone dates in the proposed schedule remain as previously reported and include the Internal Repair construction start on 3/21/2011 with completion on 6/3/2011. See the attached updated schedule for further details.

##### DBE Participation and Residency Goal

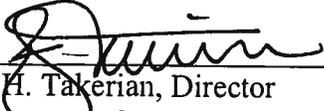
A goal of 10% DBE participation was established for the professional services portion of this project. This goal is a lower than most County projects but opportunity for sub-consulting is limited due to the extreme schedule. Graef USA is meeting this goal using K. Singh & Associates, Inc. A goal of 25% DBE participation was established for the construction contract portion of this project and the bid documents specify this goal. The residency goal was waived for the construction contract for this component of the project only due to repair efforts requiring specialized contractors certified by the material manufacturer as a qualified installer.

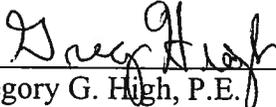
Approved by:

**O'Donnell Park Parking Structure Improvements – Project Status  
Report #2 (Informational Only)**

February 8, 2011

Page 3 of 3

  
\_\_\_\_\_  
Jack H. Takirian, Director  
Department of Transportation & Public Works

 2/9/11  
\_\_\_\_\_  
Gregory G. High, P.E.  
Director, AE&ES Div., DTPW

- Attachments: 1. Projected Façade Restoration Project Schedule  
2. Projected Internal Repair Project Schedule

cc: County Executive Marvin Pratt  
Supervisor Lee Holloway, Chairperson, County Board of Supervisors  
Supervisor John Weishan, Vice-Chair Transportation, Public Works & Transit Committee  
Terry Cooley, Chief of Staff  
E. Marie Broussard, Deputy Chief of Staff  
Jerry Heer, Director, Department of Audit  
Sue Black, Director, Department of Parks  
Timothy Schoewe, Interim Corporation Counsel  
John Schapekahm, Principal Assistant Corporation Counsel  
Jason Gates, Director, Risk Management  
Steve Cady, Fiscal & Budget Analyst, County Board  
Brian Dranzik, Director, Administration Division, DTPW  
Jodi Mapp, TPW/T Committee Clerk  
Martin Weddle, Research Analyst, County Board  
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS



Donnell Park  
 Parking Structure Repairs  
 GRAEF  
 December 15, 2010



Task	January					February				March				April				May			June	
	3	10	17	24	31	7	14	21	28	7	14	21	28	4	11	18	25	2	9	16	23	30

1 Project kickoff meeting																								
2 Bi-weekly project status meetings																								
3 Review historical data and reports																								
4 Prepare base sheets for field use and for construction documents																								
5 Site visit to view conditions and verify quantities																								
6 Investigate drainage leaks (See note below)																								
7 Determine areas for exploration																								
8 Meet with contractor to set up exploration																								
9 Site visits to view conditions exposed																								
10 Investigate major concrete spalled areas/cracks on structural members																								
11 Develop repair approach for deterioration/repairs																								
12 Prepare drawings to describe repairs																								
13 Prepare specifications																								
14 Prepare opinion of probable cost																								
15 Internal team Quality Assurance Review and coordination of const. docs.																								
16 Submit five sets for County review																								
17 Incorporate review comments and finalize documents																								
18																								
19 Prepare annual parking structure maintenance plan																								
20 Internal team Quality Assurance Review of maintenance plan																								
21 Submit five sets for County review																								
22 Incorporate review comments and finalize documents																								
23																								
24 Determine locations for crack monitors																								
25 Install crack monitors																								
26 Create crack monitor document																								
27																								
28 Take concrete samples for chloride testing																								
29 Provide report giving test results and membrane recommendations																								

1 Bidding																								
2 Construction																								
3 Substantial completion																								
4 Prepare record drawings																								

Note: Although excavation to confirm Plaza leak locations is scheduled after the ground thaws, it will not delay the completion of the work and the reopening of the garage.  
 The proposed project schedule in the RFP can be met.

REPAIRS

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**25**

Date: February 11, 2011

To: Supervisor Michael Mayo, Chairman, Committee on Transportation, Public Works

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

Subject: **2011 Adopted Capital Budget – Internal and External Building Evaluation and Repair Project Status – Informational Report**

In the Adopted 2011 Capital Improvement Budget, there are two projects that involve internal and external building evaluations and exterior façade repairs on selected Milwaukee County buildings. One project is WO114 - Countywide Infrastructure Improvements. Financing for this project is provided from the reallocation of expenditure authority and revenues of \$8,169,849 in General Obligation Bonds issued in 2010, \$2,848,381 of University of Wisconsin-Milwaukee (UWM) Land Sale Revenue, \$636,400 of airport miscellaneous revenue, and \$240,000 of Insurance Proceeds. The other project is WO949 Inventory and Assessment of County Buildings. Financing for this project is provided from \$1,168,319 of University of Wisconsin-Milwaukee (UWM) Land Sale Revenue for general county facilities and \$422,400 of airport miscellaneous revenue for Airport Facilities.

**Background**

In the January 2011, the County Board approved the revision of the agreement involving the University of Wisconsin-Milwaukee (UWM) Land Sale Revenue used to fund a portion of these projects. This report discusses the impacts of this action as regards the project budget and schedule for this critical infrastructure related work. A brief description of the work and the potential impacts are presented below.

**WO114 – Countywide Infrastructure Improvements**

An appropriation of \$11,894,631 is budgeted for infrastructure improvements of various County facilities as detailed for each sub-project below.

**WO11401 O'Donnell Park Improvements**

An appropriation of \$6,557,830 is budgeted for repairs to the O'Donnell Park parking structure. Financing is provided from \$6,019,849 in general obligation bonds and \$540,382 in UWM land sale revenue. As the project proceeds, some of the work items currently identified as eligible for bond financing may be determined to be major maintenance and therefore would require cash financing. Preliminary indications are that the \$6 million in general obligation bonds should be sufficient to complete the work.

**WO11403 City Campus Façade and Other Inspections**

An appropriation of \$260,000 is budgeted to repair the façade at City Campus and to inspect the facades of the General Mitchell International Airport (GMIA) Parking Structure, the Marcus Center PAC Office Tower, the Criminal Justice Facility and the Safety Building, as required in compliance with the City of Milwaukee Ordinance 275-23-13e. Financing is provided from \$220,000 in UWM land sale revenue and \$40,000 in airport miscellaneous revenue for the GMIA parking structure inspection. All of these work items are identified major maintenance and therefore require cash financing. The Department of

Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for the major maintenance work items not located at the airport.

**WO11405 Museum Façade Repair and Replacement**

An appropriation of \$1,400,000 is budgeted for the cleaning/replacement of shelf angles and the repair/replacement of the marble veneer panels at the Milwaukee Public Museum. In addition, a new flashing system will be designed, detailed, and installed. As this project proceeds, some of the work currently identified as eligible for bond financing may be determined to be major maintenance and therefore would require cash financing. Financing is provided from the reallocation of \$1,400,000 in general obligation bonds. This project is proceeding on schedule with the budget in place.

**WO11406 Safety Building Restoration**

An appropriation of \$750,000 is budgeted for restoring the existing exterior masonry at the facades on the roof area and the interior wall surfaces of the Safety Building. This work will also include tuckpointing and restoration of the brick masonry of the exterior walls in the Sheriff's Gym Light Court #1. New metal copings will be installed on the parapet walls around light court. Also, the interior room finishes and upper floor of light court will be repaired. As this project proceeds, some of the work currently identified as eligible for bond financing may be determined to be major maintenance and therefore would require cash financing. Financing is provided from the reallocation of \$750,000 in general obligation bonds. This project is proceeding on schedule with the budget in place.

**WO11407 GMIA & LJT Airport Improvements**

An appropriation of \$596,400 is budgeted for infrastructure improvements at General Mitchell International Airport (GMIA) and Lawrence J. Timmerman Airport. A majority of the appropriation (\$360,000) is for epoxy sealant for the walls of the GMIA D Concourse. Other improvements include installing roof flashing caps, caulking, repairing masonry, repairing/replacing windows, replacing metal panels, and performing close up examinations. Financing is provided from airport miscellaneous revenue. This project is proceeding on schedule with the budget in place.

**WO11409 Research Park Infrastructure Improvements**

An appropriation of \$27,600 is budgeted for infrastructure improvements at the Technology Innovation Center. These improvements include the repairing of a concrete soffit, the securing of the roof flashing, the repairing of a stone parapet cap, and the repairing of the sealant of the stone parapet caps. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

**WO11410 County Grounds Improvements**

An appropriation of \$120,000 is budgeted to repair a balcony and spalled brick masonry at the Vel R. Phillips Juvenile Justice Center. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

**WO11411 Courthouse Complex Improvements**

An appropriation of \$996,000 is budgeted for infrastructure improvements at the Criminal Justice Facility and the Safety Building. The majority of the appropriation (\$960,000) is budgeted to caulk all building faces of the Criminal Justice Facility. Other improvements include repairing panels, anchoring bird

#### **WO11412 HOC Infrastructure Improvements**

An appropriation of \$62,400 is budgeted for infrastructure improvements at the House of Corrections. These improvements include repairing cracks in precast panels, replacing/tightening silo steel bars, repairing a roof guardrail, repairing masonry coping, repairing a glass block window, repairing a lintel plate, and other minor items. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

#### **WO11413 DHHS Infrastructure Improvements**

An appropriation of \$6,000 is budgeted for infrastructure improvements at the Marcia P. Coggs Human Services Center. The improvements include repairing an exterior insulation finishing system, securing a metal panel, securing a cable enclosure, and replacing a missing drain gate. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

#### **WO11414 Senior Center Infrastructure Improvements**

An appropriation of \$36,000 is budgeted to repair the wood decking at the Washington Park Senior Center. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

#### **WO11415 Trimborn Farm Infrastructure Improvements**

An appropriation of \$24,000 is budgeted to repair a concrete structure at Trimborn Farm. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

#### **WO11416 Transit Infrastructure Improvements**

An appropriation of \$355,200 is budgeted for infrastructure improvements at various Transit Center locations. A majority of the appropriation (\$240,000) is for the repair of connections for the south precast panel at the Downtown Transit Center. Other improvements that are being done throughout the network of buildings include repairing a plaster ceiling, repairing cracked precast beams, repairing mortar joint cracks, rebuilding a masonry pier, tuckpointing, replacing signage, repairing cracked brick pilasters, reattaching metal panels, removing deteriorated light fixtures, and resetting/repairing concrete coping. Financing is provided from \$240,000 of anticipated insurance proceeds and \$115,200 of UWM land sale revenue. All of these work items are identified major maintenance and therefore require cash financing that is provided in part by the land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for the major maintenance work items not covered by the insurance proceeds.

#### **WO11417 Parks Infrastructure Improvements**

An appropriation of \$466,800 is budgeted for infrastructure improvements at various Parks. A bulk of the appropriation (\$342,000) is for improvements at the Sheridan Park Bathhouse, the South Shore Pavilion, and for the repair of concrete at the Brown Deer Park Clubhouse. Improvements at the Sheridan Park Bathhouse include repairing the cornice stones, repairing the cornice sealant joints, repairing the chimney, repairing the brick corner pier, tuckpointing, repairing the lintel, and repairing spalled brick. Improvements at the South Shore Pavilion include cleaning/repairing the gutters, removing the loose

brick faces, replacing brick/stone, and replacing lintels. The improvements in the rest of the Parks system include replacing broken glass panes, replacing cracked concrete, repairing/replacing chimneys, repairing concrete soffits, patching removed concrete, repairing wood/stucco, repairing sealant joints, stabilizing concrete panels, repairing leaky pipes, and repairing a concrete beam. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

#### **WO11418 Zoo Infrastructure Improvements**

An appropriation of \$234,000 is budgeted for infrastructure improvements at the Milwaukee County Zoo. These improvements include blasting clean steel tubing, replacing sealant joints, cleaning/repairing columns, tuckpointing, repairing spalls, resetting/replacing loose stone. The appropriation will also be used to complete additional inspections and to perform minor repairs. Financing is provided from UWM land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for these major maintenance work items.

#### **WO949 Inventory and Assessment of County Buildings**

An appropriation of \$1,590,719 is requested to complete the county-wide Inventory & Assessment program at various Milwaukee County building locations. This assessment will provide data that is necessary for the development of a 5-year capital improvement plan along with life cycle analysis for the facilities. Financing is provided from \$1,168,319 of University of Wisconsin-Milwaukee (UWM) Land Sale Revenue for general county facilities and \$422,400 of airport miscellaneous revenue for Airport Facilities. All of these work items are identified as relating to building major maintenance and therefore require cash financing that is provided in part by the land sale revenue. The Department of Transportation and Public Works (DTPW) is working with the Department of Administrative Services (DAS) to secure alternative funding sources for the major maintenance work items not located at the airport.

#### **Summary**

##### **WO114 – Countywide Infrastructure Improvements**

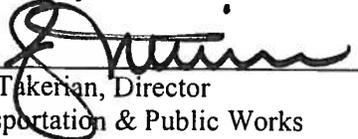
In the Fall of 2010, the County completed an emergency façade evaluation of 106 additional County buildings meeting the City of Milwaukee Ordinance criteria for façade inspection as well as buildings meeting other criteria to include all buildings with masonry facades. This façade “evaluation”, while not as detailed as the façade “inspection”, is intended to discover and remove immediately any hazardous conditions on the building exteriors. A summary of the results of these façade evaluations indicated that there were substantial repairs that need to take place within the next year. The work described above was included in the 2011 Adopted Capital Improvement Budget because of the urgency in completing these repairs

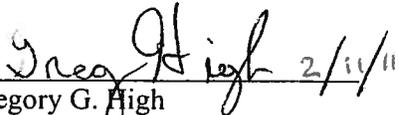
##### **WO949 Inventory and Assessment of County Buildings**

The way infrastructure is used or operated by County departments is essential in developing a comprehensive county capital improvement needs assessment. Setting capital improvement and major maintenance priorities County wide is extremely complicated. The work described above was included in the 2011 Adopted Capital Improvement Budget because of the urgency in completing the Inventory and Assessment so policy makers can make informed decisions in setting priorities for the future.

Prepared by: Gregory G. High

Approved by:

  
\_\_\_\_\_  
Jack Takerian, Director  
Transportation & Public Works

  
\_\_\_\_\_  
Gregory G. High  
Director, AE&ES Div., DTPW

cc: County Executive Marvin Pratt  
Supervisor Lee Holloway, Chairperson, County Board of Supervisors  
Supervisor John Weishan, Vice-Chair Transportation, Public Works & Transit Committee  
Terry Cooley, Chief of Staff  
E. Marie Broussard, Deputy Chief of Staff  
Jerry Heer, Director, Department of Audit  
Jason Gates, Director, Risk Management  
Steve Cady, Fiscal & Budget Analyst, County Board  
Brian Dranzik, Director, Administration Division, DTPW  
Jodi Mapp, TPW/T Committee Clerk  
Martin Weddle, Research Analyst, County Board  
Pam Bryant, Capital Finance Manager, Administration & Fiscal Affairs Division, DAS

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** February 7, 2011

**TO:** Supervisor Lee Holloway, Chairperson, County Board of Supervisors  
Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works Committee

**FROM:** Jack Takerian, Director of Transportation and Public Works

**SUBJECT: DTPW STAFFING PLAN/CONSULTANT USE FOR 2011 CAPITAL IMPROVEMENTS**

**POLICY**

Milwaukee County Professional Services Ordinance 56.30 (4)(a)(1) requires that the Department of Transportation and Public Works (DTPW) shall provide in February each year to the Committee on Finance and Audit, and the Committee on Transportation, Public Works and Transit an updated report on public works capital projects requiring the use of any professional services contract.

**BACKGROUND**

The Department of Transportation and Public Works (DTPW) has reviewed the approved 2011 adopted capital projects and has established the attached updated staffing and consultant use plan proposals for each. There are no significant changes to this staffing plan from that proposed in the adopted capital budget.

We have also indicated on the attached spreadsheets our recommendations to the Director of DAS for signature authority delegation to other County Departments for certain capital projects that will not be managed by DTPW. County Board approval of the indicated signature authority recommendation will provide the appropriate signature authority for each project.

**RECOMMENDATION**

DTPW recommends approval of the DTPW staff and consultant use plan for approved 2011 adopted capital projects.

Supervisor Lee Holloway

Page 2

Date: February 7, 2011

Prepared by: Rollin M. Bertran

Approved by:



Jack H. Takerian, Director  
Transportation & Public Works  
Division, DTPW



Rollin Bertran  
Director, Highway Operations

JT:GGH:

Attachments (3): 2011 Capital Project Staffing Plan  
Chapter 56, Section 56.20  
Chapter 56, Section 56.30 (4)(a)(1)

cc: County Executive Marvin Pratt  
Terry Cooley, Chief of Staff  
E. Marie Broussard, Deputy Chief of Staff  
Barry Bateman, Director, Airport Division/DTPW  
Brian Dranzik, Administration Division/DTPW  
Ben Eruchalu, Manager, Transportation Division/DTPW  
Rollin Bertran, Director of Hwy. Operations, DTPW  
John Ruggini, Interim Budget Director, DAS  
Pam Bryant, Fiscal Affairs, DAS  
Scott Manske, Controller, DAS

Department of Transportation and Public Works Staffing Plan 2011 Adopted Capital Improvements Milwaukee County															
Proj	Sub- Proj	Project Description	2011 Adopted	SIGNATURE AUTHORITY		Construction Start	Construction Finish	COUNTY PROJECT MANAGER	CONSULT PROJECT MANAGER	DESIGN			CONSTRUCTION MANAGEMENT		
				OWNER	DTPW					COUNTY STAFF	CNTY & CONSUL	CONSUL	RFP	COUNTY STAFF	CNTY & CONSUL
<b>TRANSPORTATION AND PUBLIC WORKS</b>															
<b>Highway</b>															
<b>WH</b>		<b>Total Highway</b>													
<b>Transit</b>															
<b>WT</b>		<b>Total Transit</b>													
<b>Airports</b>															
WA042	WA04201	GMIA Bag Claim Remodeling	5,436,000		X	2012	2013	Zsebe				Engberg Anderson	X		X
WA044	WA04401	GMIA - In-line Baggage Screening Phase 2	11,589,000		X	Summer 2011	2013	Kipp				Graef	X		Amer. Design Build, Inc
WA127	WA12701	GMIA Terminal Expansion Design Study	500,000		X	N/A		Baisch				X	X	N/A	
WA131	WA13101	GMIA Part 150 Study-Ramp Electrification	188,500		X	TBD by VALE funding		Baisch				X	X	N/A	
WA139	WA13901	GMIA - Redundant Main Electric Svc Feed	321,000		X	See note 1 below		Turner				HGA	X	N/A	
WA141	WA14101	GMIA Training Facility	489,000		X	2012	2012	Mielcarek				X	X	N/A	
WA142	WA14201	LJT RW 15L-33R Extension	260,000		X	2013	2014	Zsebe			X	X	X	N/A	
WA161	WA16101	GMIA Terminal Roadway Signage	250,000		X	2012	2012	Baisch				MTP (HNTB)	X	N/A	
WA162	WA16201	GMIA Cessna Service Apron Reconstruction	95,000		X	2012	2012	Zsebe		X				N/A	
WA163	WA16301	GMIA Perimeter Road Bridge over Howell Ave.	300,000		X	2012	2012	Stave				X	X	N/A	
<b>WA</b>		<b>Total Airport</b>	<b>\$19,428,500</b>			note 1: originally scheduled for 2012 constr but may be moved up to later 2011									
<b>Environmental</b>															
<b>WV</b>		<b>Total Environmental</b>													
<b>Total Transportation and Public Works</b>															
			<b>\$19,428,500</b>												
<b>PARKS, RECREATION AND CULTURE</b>															
<b>Milwaukee Public Museum</b>															
<b>WM</b>		<b>Total Milwaukee Public Museum</b>													
<b>Department of Parks, Recreation &amp; Culture</b>															
WP070		Lindbergh Park Pavilion	189,518		X	Sep-11	Mar-12	Wilson			X		X	X	
WP174	WP17402	Parks Building Painting	0												
WP174	WP17403	Domes HVAC Repairs & Upgrades	100,000		X	Sep-11	Mar-12	Wilson				X	X	X	
WP174	WP17405	Tennis Court Color Coatings	0												
WP174	WP17406	Parking Lot and Crosswalk Maintenance	0												
WP17408		MLK Center HVAC Replacement	0												
WP17409		Kosciuszko Center HVAC Replacement	0												
WP17410		MLK and Kosciuszko Community Center Security System	0												
WP174	WP174	Parks Major Maintenance	100,000												
WP18401	WP18401	Smith Park Retaining Wall Repairs	0												
WP18402	WP18402	Oak Creek Parkway Stream Retaining Wall Repairs	0												
WP18403	WP18403	Honey Creek Parkway Retaining Wall Repairs	0												
WP18404	WP18404	Hanson Golf Course Retaining Wall Repairs	0												
WP18405	WP18405	Lincoln Park Lagoon Retaining Wall Repairs	0												
WP18406	WP18406	Lake Park Ravine Retaining Wall Repairs	0												
WP18407	WP18407	Estabrook Park Boardwalk & Retaining Wall Replacement	50,000			<b>PARKS</b>	Apr-11	May-11	Parks Staff		X			N/A	
WP184	WP184	Park Retaining Wall Repairs and Replacement	50,000												
WP18501	WP18501	Stone Pedestrian Bridge (Hoyt Park) Tuckpointing	0												
WP18502	WP18502	South Shore Pavilion Tuckpointing	0												
WP18503	WP18503	River Stone Bridges Tuckpointing	0												
WP18504	WP18504	Pulaski Indoor Pool Tuckpointing	0												
WP18505	WP18505	Noyes Indoor Pool Building Tuckpointing	0												
WP18506	WP18506	Mill Pond Pavilion Tuckpointing	0												
WP18507	WP18507	Brown Deer Clubhouse and Boat House Tuckpointing	0												
WP185	WP185	Parks Tuckpointing - Walls and Buildings	0												

Department of Transportation and Public Works Staffing Plan 2011 Adopted Capital Improvements Milwaukee County															
Proj	Sub- Proj	Project Description	2011 Adopted	SIGNATURE AUTHORITY		Construction Start	Construction Finish	COUNTY PROJECT MANAGER	CONSULT PROJECT MANAGER	DESIGN			CONSTRUCTION MANAGEMENT		
				OWNER	DTPW					COUNTY STAFF	CNTY & CONSUL	CONSUL	RFP	COUNTY STAFF	CNTY & CONSUL
WP186	WP18601	Parks Naturalization	61,000	PARKS		Apr-11	Nov-11	Parks Staff		X				N/A	
WP190		South Shore Relocation Study	80,000		X	N/A	N/A	Stave			X	X	N/A		
WP191		Moody Pool Renovation	5,008,380		X	Jan-12	May-13	Wilson			X	X	X		X
<b>WP</b>		<b>Total Department of Parks, Recreation &amp; Culture</b>	<b>\$5,488,898</b>												
<b>WP</b>		<b>Total McKinley Marina</b>													
		<b>Zoo</b>													
WZ600	WZ60001	Zoo Master Plan	400,000	ZOO		N/A	N/A	Hung			X	X	N/A		
<b>WZ</b>		<b>Total Zoo</b>	<b>\$400,000</b>												
		<b>Total Parks Recreation and Culture</b>	<b>\$5,888,898</b>												
		<b>HEALTH AND HUMAN SERVICES</b>													
		<b>DHS-Behavioral Health Division</b>													
<b>WE</b>		<b>Total DHS-Behavioral Health Division</b>													
		<b>DPW County Grounds</b>													
<b>WG</b>		<b>Total DPW County Grounds</b>													
		<b>Department of Human Services</b>													
<b>WS</b>		<b>Total Department of Human Services</b>													
		<b>Total Health and Human Services</b>													
		<b>GENERAL GOVERNMENT</b>													
		<b>Courthouse Complex</b>													
WC070	WC07001	Domestic Violence Area Reconstruction	459,000		X	Jul-11	Nov-11	Wilson			X	X	X		
WC071	WC07101	District Attorney Office Security Card System	83,000		X	Jul-11	Nov-11	Dragosz			X	X	X		
WC073		Courthouse Canopy	0												
<b>WC</b>		<b>Total Courthouse Complex</b>	<b>\$542,000</b>												
		<b>House of Correction</b>													
<b>WJ</b>		<b>Total House of Correction</b>													
		<b>Other County Agencies</b>													
WO112	WO11202	Fleet Airport Equipment Aquisition	375,000		X	N/A	N/A	Goeden		N/A				N/A	
WO114	WO11401	O'Donnell Park Improvements	6,560,231		X	16-Feb-11	30-Jun-11	Wilson/Stave			Carl Walker / Graef USA	X		X	X
WO114	WO11403	City Campus Facade and Other Inspections	260,000		X	N/A	N/A	High			X	X	N/A		
WO114	WO11405	Museum Façade Repair & Replacement	1,400,000		X	Jul-11	Nov-11	Wilson			X	X	X		
WO114	WO11406	Safety Building Restoration	750,000		X	Jul-11	Nov-11	Wilson			X	X	X		
WO114	WO11407	GMIA & LJT Airport Improvements	596,400		X	Apr-11	Nov-11	High		X	X	X	X	X	X
WO114	WO11409	Research Park Infrastructure Improvements	27,600		X			High		X	X	X	X	X	X
WO114	WO11410	County Grounds Improvements	120,000		X			High		X	X	X	X	X	X
WO114	WO11411	Courthouse Complex Improvements	996,000		X			High		X	X	X	X	X	X
WO114	WO11412	HOC Infrastructure Improvements	62,400		X			High		X	X	X	X	X	X
WO114	WO11413	DHHS Infrastructure Improvements	6,000		X			High		X	X	X	X	X	X
WO114	WO11414	Senior Center Infrastructure Improvements	36,000		X			High		X	X	X	X	X	X
WO114	WO11415	Trimborn Farm Infrastructure Improvements	24,000		X			High		X	X	X	X	X	X
WO114	WO11416	Transit Infrastructure Improvements	355,200		X			High		X	X	X	X	X	X
WO114	WO11417	Parks Infrastructure Improvements	466,800		X			High		X	X	X	X	X	X
WO114	WO11418	Zoo Infrastructure Improvements	234,000		X			High		X	X	X	X	X	X
WO114		Countywide Infrastructure Improvements	11,894,631												
WO205	WO20502	Fiscal Automation Program	175,000	IMSD											
WO444	WO44401	BHD/MCSO Electronic Medical Records System	500,000	IMSD											
WO514	WO51401	War Memorial Window Replacement and Reseal	42,000		X			Wilson		X			X		
WO515	WO51501	War Memorial Window Ledge Leak Repairs	15,300		X			Wilson		X			X		
WO870	WO87001	County Special Assessments	250,000		X	N/A	N/A	Eruchalu		N/A			N/A		

Department of Transportation and Public Works Staffing Plan															
2011 Adopted Capital Improvements															
Milwaukee County															
Proj	Sub- Proj	Project Description	2011 Adopted	SIGNATURE AUTHORITY		Construction Start	Construction Finish	COUNTY PROJECT MANAGER	CONSULT PROJECT MANAGER	DESIGN			CONSTRUCTION MANAGEMENT		
				OWNER	DTPW					COUNTY STAFF	CNTY & CONSUL	CONSUL	RFP	COUNTY STAFF	CNTY & CONSUL
WO949	WO94901	Inventory and Assessment of County Buildings	1,590,719	X		N/A	N/A	Zylka				VFA		N/A	
WO950	WO95001	Milwaukee County Public Art Program	20,000	X		N/A	N/A	High				Quorum	X	N/A	
<b>WO</b>		<b>Total Other County Agencies</b>	<b>\$14,862,650</b>												
<b>Total Capital Improvements</b>			<b>\$40,722,048</b>												

(7) Statement as to relationship between facility and adjacent traffic and pedestrian circulation.

(4) The cost of any additional surveys, studies or tests requested by the county board, to assist in arriving at a recommendation on the proposal that must be purchased by the county from a vendor or consultant, and paid for with sponsor funds, shall be approved by the sponsor prior to expenditure. Any refusal by the sponsor shall be considered a withdrawal of the proposal, and it shall be filled by the county board, the bond cancelled after the county is reimbursed for any additional expenses, as outlined previously, or the unspent deposit returned to the sponsor.

## 56.20. Centralized administration of public works contracts and construction.

(1) *Policy.* Uniformity of bid documents, contracts and procedures for construction of public works projects and centralization in one (1) office of related activities is essential to efficient management of public construction programs.

(2) *Definitions.* As used in this ordinance:

(a) "Public work project" means all projects for construction, repair, remodeling or major maintenance or capital improvements subject to s. 59.08, Wis. Stats., and authorized by the county board or departments of county government, including boards and commissions.

(b) "Administration" means preparation of preliminary and final plans, specifications, project and professional service cost estimates, and bid documents; analysis of bids, preparation of schedules for plans, bidding and construction completion, making recommendations for award of contract, contract drafting, inspection of construction during work progress and reporting scheduled progress to responsible department on a monthly basis; drafting and recommending contract change orders and certificates of payment, and maintaining project records; establishment of a program for maintaining structural integrity of all capital improvements and routine major maintenance; recommending professional architectural, engineering and specialized trade consultants, drafting contracts and issuance of certificates of payment for such professional service, and review of all plans and specifications prepared by such professional consultants.

(3) *Central office.* Administration of all public work projects shall be the function of, and centralized in, the department of public works.

(4) *Service charge.* The cost of all services performed by the department shall be charged, where applicable, against the project account, the department for which the services are rendered, or the revolving fund established in conformity with section 56.12 of the Code.

## 56.21. Procedure to seek county financial participation in sponsoring a professional conference or convention.

(1) "Professional conference or convention" means the annual meeting of a professional organization, or a major division thereof, which is open to attendance by all members and other interested parties, at which subjects of general interest to the entire group, or a major division thereof, are reviewed.

(2) Any county official, officer, employe or member of a board or commission desiring to solicit the selection of the county as the site for a professional conference or convention in which the county is required to provide financial participation, either in terms of money or in-kind services, shall first obtain the approval of the county board. Such request shall be in the form of a communication to the county board, indicating the following:

(a) Name of organization.

(b) Its goals and purposes.

6. Each authority and/or legal custodian shall require prepayment by a requester of any fee(s) imposed under this subsection if the total amount exceeds five dollars (\$5.00).

(d) Each authority and/or legal custodian in acting upon a request for any record shall respond within the times and according to the procedures set out in s. 19.35(4), Wis. Stats.

(5) *Separation of information.* If a record contains information that may be made public and information that may not be made public, the authority and/or legal custodian having custody of the record shall provide the information that may be made public and delete the information that may not be made public from the record before release. Each authority and/or legal custodian shall consult with the county corporation counsel before releasing any information under this subsection. Notwithstanding the foregoing, records of the following personnel matters are generally not public and should not be disclosed to the public without prior consultation with the corporation counsel:

- (a) Evaluations of applicants.
- (b) Names of applicants other than those certified for employment.
- (c) Pay survey data obtained from identifiable nonpublic employers.
- (d) Names of nonpublic employers contributing pay survey data.
- (e) Performance evaluations of individual employees.

In addition, all patient health care records shall remain confidential and are nonpublic, and may be released only to persons in accordance with the provisions of ss. 146.82 and 905.04, Wis. Stats.

### 56.30. Professional services.

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

- (a) "Professional services" means services, the value of which is substantially measured by the professional competence of the person performing them and which are not susceptible to realistic competition by cost of services alone. The services provided must be materially enhanced by the specific expertise, abilities, qualifications and experience of the person that will provide the service. Professional services shall typically include services customarily rendered by architects; engineers; surveyors; real estate appraisers; certified public accountants; attorneys; financial personnel; medical services, except when such services are delivered to clients of the general assistance-medical program or to county employees as part of a workers compensation claim and social services; system planning; management and other consultants; and services for promotional programs.
- (b) "Services" means the furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than usual reports and/or drawings which are incidental to the required performance.
- (c) "Request for proposal" means all documents, whether attached or incorporated by reference, used for soliciting proposals.
- (d) "Contractor" means a firm or individual who formally undertakes to do anything for another.
- (e) "Contract" means an agreement between two (2) or more persons to do or not to do something.
- (f) "Medical services" means services provided by a licensed or recognized health care professional, professional group, ambulance or medical transportation services operated

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

[(2) *Reserved.* ]

[(3) *Reserved.* ]

(4) *Professional services procedures.* It shall be the responsibility of the administrator to conform with the following provisions when entering into a professional services contract and expending budgeted funds:

(a) *Professional services--Capital improvements.* The following conditions shall apply to all capital projects.

(1) During its annual budget process, departments shall provide a list to the county board of which capital projects contained in the recommended budget are intended to require the assistance of a professional services consultant. Departments are authorized to enter into contractual services or professional services agreements as may be required for specific capital improvement projects which have been approved by the county board through the budget process. Expenditures shall only be for those projects and professional services specifically identified in the budget write-up reviewed by the committee on finance and audit during the budget review process and approved by the county board, or for those projects approved by action of the county board. The budget write-up shall contain specific information as to the scope of the project, professional services required and estimated cost of the professional services work to be performed. The department of public works shall provide in February of each year to the committee on finance and audit and the committee on transportation, public works and transit an updated report on public works capital projects requiring the use of a professional services contract. Any professional services work costing more than twenty thousand dollars (\$20,000.00) which is not identified in the February report shall require county board approval.

(2) All contracts in excess of twenty thousand dollars (\$20,000.00) shall be solicited following a request for proposal process as outlined further in this ordinance.

(b) *Professional services--Non-Capital.*

(1) For professional services resulting in an expenditure of two thousand dollars (\$2,000.00) or less, a departmental purchase order or purchase card may be used for the purchase of professional services. County board approval is not required provided monies are available in the appropriate budget account.

(2) For a professional services contract with a value greater than two thousand dollars (\$2,000.00) and less than fifty thousand dollars (\$50,000.00), county board approval is not required provided monies are available in the appropriate budget account for the expenditures required by the contract.

(3) County board approval.

(a) If a professional services contract with a value greater than two thousand dollars (\$2,000.00) and less than fifty thousand dollars (\$50,000.00), entered into by a department administrator is to be extended or amended to provide additional reimbursement which extends the total reimbursement beyond fifty thousand dollars (\$50,000.00) to the same vendor, county board approval shall be required for each extension.

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(ITEM ) From Director of Transportation and Public Works recommending approval of the Department of Transportation and Public Works staff and consultant use plan for the 2011 adopted capital projects, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, Milwaukee County General Ordinances Chapter 56.30(4) (a) (1) requires that the Department of Transportation and Public Works provide a final list of staff and consultant assignments for capital projects in February each year to the Committees on Finance and Audit and Transportation, Public Works and Transit; and

WHEREAS, the Department of Transportation and Public Works has reviewed the 2011 Adopted Capital Improvements Budget and established a staffing and consultant use plan for the projects; and

WHEREAS, the Committee on Transportation, Public Works and Transit at its meeting on \_\_\_\_\_, 2011, recommended approval of the staffing plan by a vote of \_\_\_\_\_; and

WHEREAS, the Finance and Audit Committee at its meeting on \_\_\_\_\_, 2011, recommended approval of the staffing plan by a vote of \_\_\_\_\_; now, therefore

BE IT RESOLVED, that the Milwaukee County Board of Supervisors does hereby approve the staffing and consultant use plan for the 2011 adopted capital projects under the signature authority of the Department of Transportation and Public Works as recommended by the Department of Transportation and Public Works.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 7, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** STAFFING PLAN/CONSULTANT USE FOR 2011 CAPITAL IMPROVEMENTS PROJECTS

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" 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<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget                                    | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure		
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	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.<sup>1</sup> 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. Milwaukee County Professional Services Ordinance 56.30 (4)(a)(1) requires that the Department of Transportation and Public Works shall provide in February each year to the Committee on Finance and Audit, and the Committee on Transportation, Public Works and Transit, an updated report on public works capital projects requiring the use of any professional services contract. DTPW recommends approval of the DTPW staff and consultant use plan for 2011 adopted capital projects. Adoption of this resolution will not require an expenditure of funds in excess of the adopted 2011 Adopted Capital Budget amounts.

B. Adoption of this resolution will have no direct fiscal impact to the 2011 County Adopted Budget. The 2011 Capital Budget project appropriations are fixed and cannot be exceeded without County Board approval. Resolution deals with details on how planning, design and construction funding is spent, particularly as to whether the work is performed by in-house staff or consultants and if consultants are used, what process will be used to hire them.

C. None

D. None

Department/Prepared By Department of Transportation and Public Works Gary E. Drent

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<sup>1</sup> 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.

Recommended By:

\_\_\_\_\_  
Gregory G. High Director, AE& ES

Authorized Signature

\_\_\_\_\_  
Jack Takerian, Director DTPW

Did DAS-Fiscal Staff Review?

Yes

No

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** February 7, 2011

**TO:** Supervisor Lee Holloway, Chairperson, County Board of Supervisors  
Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works Committee

**FROM:** Jack Takerian, Director of Transportation and Public Works

**SUBJECT: DTPW STAFFING PLAN/CONSULTANT USE FOR 2011 CAPITAL IMPROVEMENTS**

POLICY

Milwaukee County Professional Services Ordinance 56.30 (4)(a)(1) requires that the Department of Transportation and Public Works (DTPW) shall provide in February each year to the Committee on Finance and Audit, and the Committee on Transportation, Public Works and Transit an updated report on public works capital projects requiring the use of any professional services contract.

BACKGROUND

The Department of Transportation and Public Works (DTPW) has reviewed the approved 2011 adopted capital projects and has established the attached updated staffing and consultant use plan proposals for each. There are no significant changes to this staffing plan from that proposed in the adopted capital budget.

We have also indicated on the attached spreadsheets our recommendations to the Director of DAS for signature authority delegation to other County Departments for certain capital projects that will not be managed by DTPW. County Board approval of the indicated signature authority recommendation will provide the appropriate signature authority for each project.

RECOMMENDATION

DTPW recommends approval of the DTPW staff and consultant use plan for approved 2011 adopted capital projects.

Supervisor Lee Holloway

Page 2

Date: February 7, 2011

Prepared by: Gregory G. High

Approved by:

  
\_\_\_\_\_  
Jack H. Takerian, Director  
Transportation & Public Works

 2/3/11  
\_\_\_\_\_  
Gregory G. High  
Director, AE&ES Division, DTPW

JT:GGH:

Attachments (3):      2011 Capital Project Staffing Plan  
                                 Chapter 56, Section 56.20  
                                 Chapter 56, Section 56.30 (4)(a)(1)

cc:      County Executive Marvin Pratt  
            Terry Cooley, Chief of Staff  
            E. Marie Broussard, Deputy Chief of Staff  
            Barry Bateman, Director, Airport Division/DTPW  
            Brian Dranzik, Administration Division/DTPW  
            Ben Eruchalu, Manager, Transportation Division/DTPW  
            Rollin Bertran, Director of Hwy. Operations, DTPW  
            John Ruggini, Interim Budget Director, DAS  
            Pam Bryant, Fiscal Affairs, DAS  
            Scott Manske, Controller, DAS



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(ITEM    ) From Director of Transportation and Public Works recommending approval of the Department of Transportation and Public Works staff and consultant use plan for the 2011 adopted capital projects, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, Milwaukee County General Ordinances Chapter 56.30(4) (a) (1) requires that the Department of Transportation and Public Works provide a final list of staff and consultant assignments for capital projects in February each year to the Committees on Finance and Audit and Transportation, Public Works and Transit; and

WHEREAS, the Department of Transportation and Public Works has reviewed the 2011 Adopted Capital Improvements Budget and established a staffing and consultant use plan for the projects; and

WHEREAS, the Committee on Transportation, Public Works and Transit at its meeting on \_\_\_\_\_, 2011, recommended approval of the staffing plan by a vote of \_\_\_\_\_; and

WHEREAS, the Finance and Audit Committee at its meeting on \_\_\_\_\_, 2011, recommended approval of the staffing plan by a vote of \_\_\_\_\_; now, therefore

BE IT RESOLVED, that the Milwaukee County Board of Supervisors does hereby approve the staffing and consultant use plan for the 2011 adopted capital projects under the signature authority of the Department of Transportation and Public Works as recommended by the Department of Transportation and Public Works.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 7, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** STAFFING PLAN/CONSULTANT USE FOR 2011 CAPITAL IMPROVEMENTS PROJECTS

**FISCAL EFFECT:**

- |  |   |
|--|---|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input checked="" type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures            |
| <input type="checkbox"/> Increase Operating Expenditures<br>(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 type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds                  |
| <input type="checkbox"/> Increase Operating Revenues   |   |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure		
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure	\$3,804,499	
	Revenue	\$3,804,499	
	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.<sup>1</sup> 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.

Department of Transportation and Public Works is submitting a fund transfer in March to the Committee on Finance and Audit, and the Committee on Transportation, Public Works and Transit requesting additional county funds for the amount of \$3,804,499. These funds will be used to finance W. Oklahoma Avenue and W. Mill Road construction projects. This fiscal note coincides with staffing plan.

Department/Prepared By    Department of Transportation and Public Works    Rollin M. Bertran

Recommended By:

\_\_\_\_\_  
Rollin M. Bertran, Director, Highway Operations

Authorized Signature

\_\_\_\_\_  
Jack Takerian, Director DTPW

Did DAS-Fiscal Staff Review?        Yes        No

<sup>1</sup> 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.

**2010 Annual Report  
Audit Hotline and Audit Activity  
Related to Fraud, Waste and Abuse**

**February 2011**

**Committee on Finance and Audit**

Johnny L. Thomas, Vice-Chair  
Michael Mayo, Sr.  
Jim 'Luigi' Schmitt  
Willie Johnson, Jr.  
Peggy West  
Patricia Jursik

**Milwaukee County Department of Audit**

---

**Jerome J. Heer, Director of Audits**  
**Douglas C. Jenkins, Deputy Director of Audits**

**Investigative Team:**  
James Felde, CPA, CFE

**Administrative Support Team:**  
Catherine Remiszewski  
Cheryl Hosp



Department of Audit

# Milwaukee County

Jerome J. Heer • Director of Audits  
Douglas C. Jenkins • Deputy Director of Audits

February 25, 2011

To the Honorable Chairman  
of the Board of Supervisors  
of the County of Milwaukee

We have completed an annual report concerning operation of the Department of Audit Hotline and other related audit activities undertaken by the Department of Audit during 2010.

The attached report includes a statistical summary of these activities, as well as a brief narrative describing the nature of various categories of cases resolved during the year. In addition, some of the more interesting cases closed during 2010 are presented in greater detail. Direct savings to taxpayers of Milwaukee County and other jurisdictions attributed to Audit Hotline and audit activity related to fraud, waste and abuse in 2010 totaled \$144,675. In addition, we experienced continued success from our proactive procedures to reduce the number of unauthorized electronic banking transactions perpetrated on County accounts.

You will note from the 2010 case highlights that the nature of alleged improprieties presented to the Department of Audit for investigation has remained complex and continue to involve inter-agency cooperation with numerous governmental entities. As the Department of Audit begins its 18th year of operating the Hotline, the experience gained from working cooperatively with County departments, the District Attorney's Office, the Sheriff's Office and other law enforcement agencies has improved the effectiveness of our efforts to combat waste, fraud and abuse in Milwaukee County government. We believe the attached report demonstrates the value of the department's activities in this regard.

Please refer this report to the Committee on Finance and Audit.

Handwritten signature of Jerome J. Heer in black ink.

Jerome J. Heer  
Director of Audits

JJH/DCJ/cah

Attachment

cc: Milwaukee County Board of Supervisors  
Marvin Pratt, Interim Milwaukee County Executive  
Terrance Cooley, Chief of Staff, Milwaukee County Board  
John Ruggini, Interim Director, Department of Administrative Services  
Stephen Cady, Fiscal and Budget Analyst, County Board Staff  
Carol Mueller, Chief Committee Clerk, County Board Staff

City Campus, 9th Floor • 2711 West Wells Street  
Milwaukee, Wisconsin 53208 • Telephone (414) 278-4206 • Fax (414) 223-1895

**2010 Annual Report  
Audit Hotline and Audit Activity  
Related to Fraud, Waste and Abuse**

**Background**

The Milwaukee County Board of Supervisors approved the establishment of an Audit Hotline on September 23, 1993. The Hotline was created for concerned citizens and other interested individuals to report suspected instances of fraud, waste or abuse in County government. Callers are not required to identify themselves and, if they wish, may remain anonymous.

A County Board Resolution (File No. 95-210) directs the Department of Audit to submit annual reports on Hotline activities to the Committee on Finance and Audit. This report provides a statistical summary of Hotline and other audit activity during the past year, a description of various categories of resolved cases, as well as details of selected cases closed during 2010. Direct savings attributed to Audit Hotline and audit activity related to fraud, waste and abuse in 2010 totaled \$144,675.

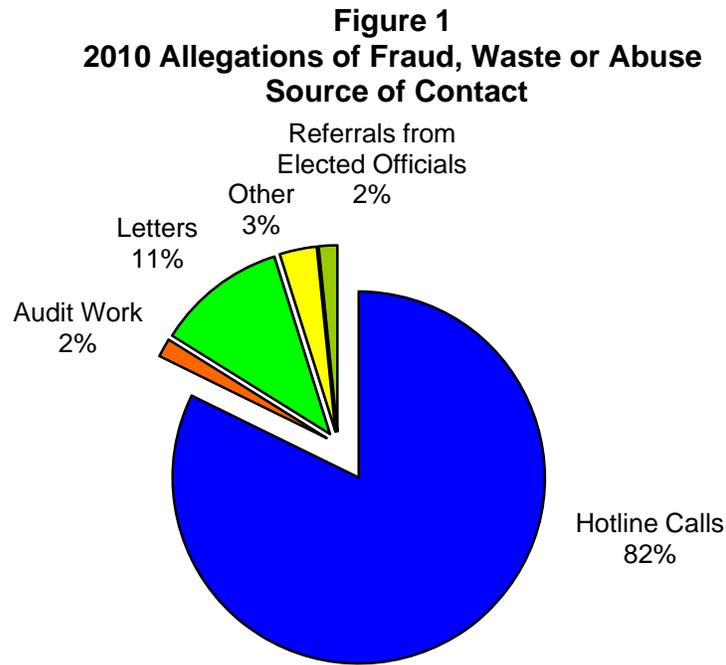
**Statistical Summary**

The Department of Audit received 62 contacts concerning allegations of fraud, waste or abuse in 2010. These contacts are categorized by source in **Table 1**.

**Table 1  
2010 Allegations of Fraud, Waste or Abuse  
Source of Contact**

Hotline Calls	51
Letters	7
Referrals from Elected Officials	1
Leads from Audit Work	1
Other	2
<b>Total</b>	<b>62</b>

This same information is presented graphically as **Figure 1**.



Cases Opened

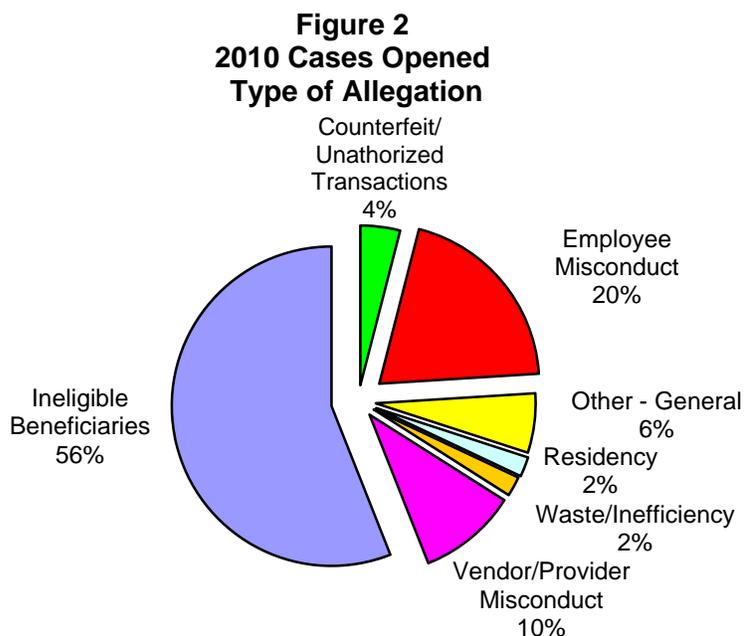
Cases opened in 2010 concerned allegations of individuals receiving benefits to which they were not entitled, employee fraud or misconduct, and counterfeit or unauthorized transactions, among others. When allegations involve issues beyond the jurisdiction of County government, they are referred to appropriate non-County agencies. All allegations of Wisconsin Works (W-2) fraud are referred to the State of Wisconsin Department of Children and Families' Fraud Hotline to avoid duplication.

**Table 2** identifies, by complaint type, Hotline cases opened in 2010.

**Table 2**  
**2010 Cases Opened**  
**Type of Allegation**

Ineligible Recipients	28
Employee Misconduct	10
Vendor/Provider Misconduct	5
Counterfeit/Unauthorized Transactions	2
Waste/Inefficiencies	1
Residency	1
Other	3
<b>Total</b>	<b>50</b>

This same information is presented graphically as **Figure 2**.



Cases Closed

During 2010, 48 cases were closed for a variety of reasons. Of these, four cases were opened in 2009, while the remaining 44 were opened during 2010. As of year-end 2010, six cases remained active.

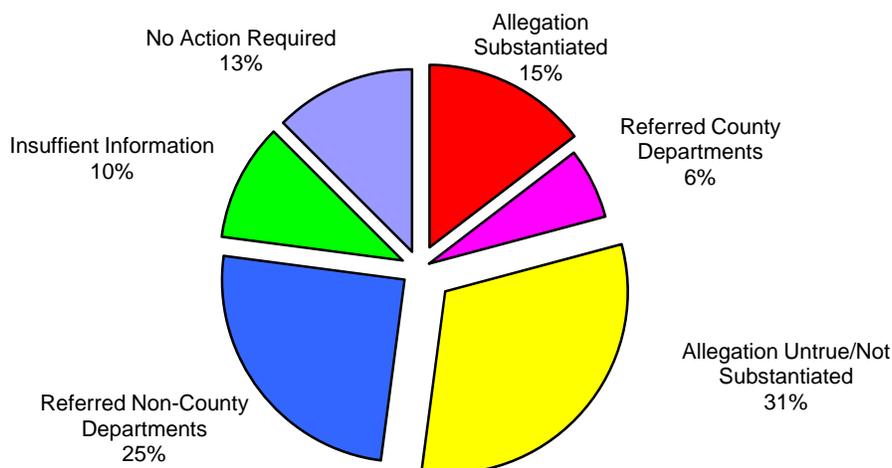
**Table 3** categorizes the 48 cases closed in 2010. Seven cases were closed because the allegations were determined to be either correct or substantially correct, and corrective measures were either implemented or in the process of being implemented. Fifteen cases were determined to be either incorrect allegations or we were unable to substantiate the allegation. Of the remaining 33 cases closed in 2010, 12 were referred to non-County agencies; seven cases were substantiated; there was no action required in six cases; there was insufficient information to proceed in five cases and three cases were referred to a County department for additional review and action.

**Table 3  
2010 Cases Closed  
Reason for Closing**

Allegation Untrue/Not Substantiated	15
Referred to Non-County Agencies	12
Allegation Substantiated	7
No Action Required	6
Insufficient Information	5
Referred to County Department	3
<b>Total</b>	<b>48</b>

This same information is presented graphically as **Figure 3**.

**Figure 3  
2010 Cases Closed  
Reason for Closing**



## **Case Highlights**

Following are descriptions of some of the more interesting cases closed during 2010. The diverse nature of these cases demonstrates the value Countywide of maintaining the Audit Hotline.

### Update on Wiser Choice Program—Alcohol and Other Drug Abuse

In 2009, the Milwaukee County District Attorney's Office contacted the Department of Audit to obtain assistance related to a service provider that was billing the Milwaukee County Behavioral Health Division's Wiser Choice Program for counseling sessions that did not take place. A Wiser Choice Program participant had informed the Greenfield Police Department that a substance abuse counselor had the participant pre-sign attendance sheets and billed the Wiser Choice program for counseling sessions that did not occur. In addition, the counselor solicited controlled substances such as morphine and oxycodone from the program participant.

To assist the District Attorney's Office with this investigation, we:

- Identified and made copies of all checks issued by the Behavioral Health Division to the service provider in 2008 and 2009.
- Obtained the names of the clients and the dates of service related to the checks issued and cross-referenced the checks to dates of service.
- Worked with the Greenfield Police Department to identify dates of service that did not occur. Greenfield police interviewed program participants that we identified as having been billed to the program. The participants reviewed the sign-in sheets and identified forged signatures. They also identified dates that they did not attend counseling sessions. Based on participants' statements, we identified the types of service and the corresponding dates that services were not provided.

We provided the compiled documentation to the District Attorney's Office and charges were issued in November 2009. Fraudulent billings and payments identified totaled \$4,823. We also requested that the staff of the Department of Health and Human Services, Contract Administration perform a complete review of all payments to the service provider from March 1, 2008 through August 31, 2009. An additional \$109,696 in payments was disallowed primarily because of missing or incomplete documentation.

The counselor pleaded guilty to the charges and was sentenced to six years of imprisonment. The court stayed the sentence and placed the counselor on probation for a period of three years with various conditions which included restitution of the \$4,823.

The counselor and his attorney are currently in the process of reviewing the additional \$109,696 in disallowed payments. Ultimately, the disallowed payments will be referred to Corporation Counsel to start the collection process.

### Rent Assistance

Tips relating to the federal Section 8 Housing Choice Voucher Program (Rent Assistance) continue to account for a relatively high percentage of the allegations reported to the Hotline. For the three-year period 2008 through 2010, Rent Assistance tips accounted for 35.5% of all Hotline tips.

In 2010, a total of 27 tips received (43.5% of the total) related to Rent Assistance. Nine of the tips were referred to the City of Milwaukee's Fraud Hotline, as the names of the participants and addresses provided were not in Milwaukee County's program.

Milwaukee County's Rent Assistance Program provides rent and utility subsidies based on a participant's income and family size. The Hotline tips relating to the program in 2010 consist primarily of allegations that participants have not reported all of their income, or that they have not disclosed other individuals with additional income that are living at the residence.

We were able to substantiate two of the allegations received. The program violations included the following:

- A tip alleged that multiple individuals resided at a residence and the program participant had not reported the additional residents as required by program policy. Based on the names provided, we were able to locate multiple court records related to two individuals who had provided the address in question as their residence.

This information was submitted to the Rent Assistance program staff and an administrative hearing was held to determine whether program policies were violated. The hearing officer ruled that the program had failed to meet its burden of proof. As a result, we obtained additional documentation from the State of Wisconsin Department of Transportation to initiate another administrative

hearing. One of the individuals was issued a Wisconsin identification card bearing the address of the program participant. The hearing is pending at the time of this report.

- Another tip indicated that a program participant was delinquent in paying the participant's portion of the rent for three months and was in the process of being evicted. We were able to verify the allegation through the Wisconsin Circuit Court Automation Program. We provided the documentation to the Rent Assistance program and the individual was terminated from the program. We estimate resulting savings to the program of \$34,905.

Due to the number of Hotline allegations related to the Rent Assistance program, in May 2010, the Department of Audit issued an audit report, *Better Management Oversight Needed for the County Administered Federal Rent Assistance Program*. The report identified the need for improved management oversight and additional program resources to reduce errors and omissions in the calculation of rent subsidies paid on behalf of program participants. Errors and omissions resulted in estimated annualized overpayments of \$328,000 in the \$11.9 million Milwaukee County Rent Assistance program. The report also recognized an estimated \$355,000 in future program savings achieved by management, while noting the opportunity for enhanced program integrity efforts.

#### Counterfeit Checks

With assistance from the Department of Audit's Bank Reconciliation staff, our Forensic Auditor continues to work closely with bank officials and law enforcement investigators to identify and track counterfeit check activity and unauthorized transactions against Milwaukee County bank accounts.

During 2010, we identified one unauthorized transaction (\$74) posted to a Milwaukee County bank account. Bank officials were contacted immediately to report the unauthorized transaction and to obtain reimbursement. The small dollar amount of this unauthorized transaction represents a substantial reduction in the County's exposure to this type of activity compared to prior years. For instance, the 2001 Annual Hotline Report noted that the Department of Audit's Forensic Auditor assisted in the County being held harmless for \$108,000 in unauthorized bank transactions. We believe the reduction is due to our constant vigilance over Milwaukee County's bank accounts, as

well as implementation of our previous recommendations to place restrictive controls on various accounts to combat unauthorized transactions.

As we have noted in previous Hotline reports, theft by unauthorized electronic fund transfer and counterfeit checks is a nationwide problem. Easy access to sophisticated computer graphics printing capabilities, as well as increasing reliance on electronic fund transfers, creates an environment of greater risk of bogus transactions. Early detection is key to avoiding losses from unauthorized transactions, as timely notification places the liability on the accepting party and/or the bank. Proactive procedures implemented by the Department of Audit to identify questionable transactions on County bank accounts continue to pay dividends.

### **Ongoing Hotline Benefits**

We frequently have been approached by *other audit organizations* audit shops at both the state and local levels for advice in the establishment of hotline functions in their respective jurisdictions. We provide the following information regarding the ongoing benefits of the Fraud Hotline to Milwaukee County citizens. This information has been updated to reflect 2010 activity.

- **Milwaukee County Hotline Savings (1994—2010)**
  - Total Direct = \$4,550,007
  - Total Direct/Indirect = \$9,100,014
  
- **Intangible Benefits**
  - Someone's Watching: the Audit Hotline has a deterrent effect for both internal and external sources of fraud, waste and abuse.
  - Someone Cares: a public message of 'zero tolerance' for fraud, waste and abuse is sent by allocating resources to a Hotline function.
  - Beneficial Contacts: interaction with the District Attorney's Office, police/sheriff departments, state and federal data sources, and even corporate security staff help forge alliances beneficial to the pursuit of eradicating fraud, waste and abuse from government.

- **Future Audit Project Leads**

- Hotline tips often point to areas in need of review. Our current audit of the Milwaukee County Rent Assistance Program is an example of using data from the Hotline to identify areas of County operations at risk for potential fraud, waste or abuse.

As the Milwaukee County Department of Audit proceeds with its 18<sup>th</sup> year of operating a Hotline, the benefits described above continue to play an important part in the department achieving its stated mission:

**Department of Audit Mission Statement**

Through independent, objective and timely analysis of information, the Milwaukee County Department of Audit assists both policy makers and program managers in providing high-quality services in a manner that is honest, efficient, effective and accountable to the citizens of Milwaukee County.

**Historic Hotline Data**

**Tables 4** through **7** present annual Hotline statistics from its inception in 1994 through 2010.

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

**Date:** February 18, 2011  
**To:** Supervisor Johnny Thomas, Vice Chair, Committee on Finance and Audit  
**From:** Jerome J. Heer, Director of Audits  
**Subject:** Status Report - Audit of MCTS's Fare & Data Collection Systems (File No. 09-84)

Attached is an updated status report from Milwaukee County Transit System (MCTS) management describing its progress toward implementation of recommendations made in our report "An Audit of the Milwaukee County Transit System's Fare and Data Collection Systems."

The audit report was reviewed by the Committee on Finance and Audit at its meeting on March 12, 2009, where action was taken to receive and place it on file.

As noted in the current status report (three status reports, dated December 15, 2009, June 2, 2010, and September 7, 2010 have previously been submitted to the Committee), MCTS management continues working toward implementation of the outstanding recommendations. We have no concerns with this progress.

This status report is informational and we recommend it be received and placed on file. Given the long-term nature of the outstanding recommendations, we suggest the Committee request a status report due for its meeting in September 2011.

Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Finance and Audit Committee Members  
Marvin Pratt, Interim Milwaukee County Executive  
John Ruggini, Acting Fiscal & Budget Administrator, Dept. of Admin. Services  
Jack Takerian, Director, Department of Transportation and Public Works  
Anita Gulotta-Connelly, Managing Director, Milwaukee County Transit System  
Terrence Cooley, Chief of Staff, County Board Staff  
Steve Cady, Fiscal & Budget Analyst, County Board Staff  
Carol Mueller, Chief Committee Clerk, County Board Staff

**STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS**

**Audit Title: An Audit of the Milwaukee County Transit System's Fare and Data Collection Systems**

**File Number: 09-84**

**Audit Date: February 2009**

**Status Report Date: February 15, 2011**

**Department: MTS/DTPW**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. Develop strategies for verifying, on a spot-check basis, key elements of its ridership profile, including the number of rides per week for various weekly pass fare categories, ratios and percentages used for allocating cash receipts, as well as those affecting transfer and free ride estimates. This should involve seeking resources outside of MTS for incorporating sound sampling techniques.		X				X	<p>Auditee:</p> <p><i>Transit has retained the services of IBI Group as a consultant for the fare collection project. The consultant has reviewed the current fare policy and made a recommendation to proceed with a fare collection system that utilizes contact-less fare media (smart cards). The consultant is currently developing a specification for that technology and we expect to have a draft copy of the specification by the end of February 2011.</i></p> <p><i>After review and approval of the specification, a request for proposal will be issued and a contract awarded to a qualified vendor in late spring/early summer.</i></p> <p><i>The new system will provide statistical data for all ridership. This data will be used to update the current ridership profile, including rides per pass, ratios for cash receipts, and free ride calculations.</i></p> <p><i>Our goal continues to limit driver interaction with the system to the extent possible with available technology.</i></p>
2. Once a sound and reliable strategy for verifying key elements of its ridership profile is implemented, use a consistent ridership profile for calculating revenue-ride estimates, fare structure analyses and for estimating the fiscal impact of route and service level adjustments.		X				X	<p>Auditee:</p> <p><i>New fare collection equipment will provide ridership data by route which will be used when costing the fiscal impacts of route or service level adjustments.</i></p>

**STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS**

**Audit Title: An Audit of the Milwaukee County Transit System's Fare and Data Collection Systems**

**File Number: 09-84**

**Audit Date: February 2009**

**Status Report Date: February 15, 2011**

**Department: MTS/DTPW**

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
3. Work with the County Executive and County Board to establish a capital expenditure plan for implementing a swipe-care system for MCTS buses.	N/A				X		Auditee: <i>New fare collection equipment will be procured using Federal ARRA funds. This item is included in the County's 2010 Capital Budget.</i>
4. Install additional security cameras in the interior of the print shop to record and deter potential theft, vandalism or sabotage.	N/A				X		Auditee: <i>Security cameras were installed in the Print Shop in January 2011.</i>
5. Institute a schedule of periodic inventory counts of finished products in the print shop that can be matched against source documents for greater accountability.		X				X	Auditee: <i>The Print Shop manager has incorporated additional recordkeeping of finished fares to better track fare form production. If it is determined that the Print Shop will continue to be involved with the production or handling of fare forms after the new automated fare collection system is implemented, a procedure will be developed to periodically inventory the finished fare forms against source documents for greater accountability.</i>
6. Void or mutilate previously redeemed CVCs upon receipt at MTS for storage until they are destroyed.	N/A				X		Auditee: <i>All Commuter Value Certificates are stamped VOID when remitted to the Cashier's Division.</i>
7. Initiate a competitive bidding process for contracted ticket and revenue transport services.	N/A				X		Auditee: <i>A competitive bidding process was carried out earlier this year and an award was made to the most qualified bidder.</i>
8. Employ a written contractual agreement for ticket and revenue transport services.	N/A				X		Auditee: <i>A written contract has been issued as a result of the competitive bidding process for delivery services.</i>