

MILWAUKEE COUNTY BOARD

INTEROFFICE MEMO

TO: Fellow County Board Supervisors

FROM: Deanna Alexander, 18th District Supervisor

DATE: Tuesday, February 5, 2013

SUBJECT: Resolution under Suspension of the Rules

Dear Colleagues,

I have today submitted a resolution to the Chairwoman with a request that she add it to the agenda for our next board meeting, for potential consideration under Suspension of the Rules. I write to you today in an earnest attempt to explain why I am requesting suspension, to answer common questions, and to offer you as much opportunity for discussion as possible prior to the meeting.

WHAT IS THE RESOLUTION?

Adoption of the resolution would result in the County Board requesting that the State of Wisconsin's Legislative Audit Bureau conduct a performance audit of both the County Executive's Department and the County Board's Department. In the event that the Bureau was unable to perform the audit, our own internal audit department would be authorized to create an RFP to identify an external auditor. Corporate Counsel has reviewed and approved the resolution and its fiscal note for cohesiveness in content, purpose, and legality.

WHAT WILL THE AUDIT TELL US?

A performance audit is not the same thing as a financial audit. This audit would essentially tell us what staff functions the County Executive and the County Board have available to them, if the work of the staff is being performed in an efficient and effective manner, if there are any concerns about our practices in training and succession planning, how the salaries in our departments (including our own) compare to similar positions in the private sector, and whether or not there are any gaps where either department actually needs more staff or investment, amongst other important metrics.

WHY ARE YOU ASKING FOR A STATE AUDIT?

We received reports from our own audit department in 2002, 2004, and 2007 providing information about legislative and executive compensation, staffing, and departmental expenses. In those reports, our own auditor (Jerry Heer) recommended that we utilize a more thorough audit, performed by an external auditor if we had further questions and wanted more details. We have never followed up on that recommendation, despite the fact that these departments are currently under an enormous public microscope. Further, as cited in the "WHEREAS clauses," Government Auditing Standards would require us to avoid conflicts of interest and impairments to independence in such an audit.

The state has just recently announced on January 31st that a Joint Legislative Audit Committee (JLAC) (composed of both Senators and Representatives from both the Democratic and Republican parties) is now accepting requests for audits. If we as the County were to make such a

request, and the JLAC were to agree, the Legislative Audit Bureau (LAB) would then be assigned the task of performing the audit.

WHY DIDN'T YOU SUBMIT THIS REQUEST THROUGH COMMITTEE?

As I mentioned above, I have just become aware of the January 31st opening for audit requests, thus I had no knowledge of this potential action at the time the Chairwoman was accepting items for committee referral. Corporate Counsel has confirmed that the timeliness of today's submission to the Chairwoman is in compliance with public meetings laws, County Ordinances, and the rules of this body.

WHY DON'T YOU JUST WAIT UNTIL NEXT CYCLE?

The fact that the JLAC put out a notice for audit requests, and only meets on certain days throughout the legislative cycle tells us that its agenda could fill up quickly. It is in our best interest to have this performance audit completed sooner rather than later. Not only will the information we receive from it help us to become more efficient and do more with the human and financial resources we have, but it will be an excellent tool in navigating the surely continuing public debate of the size and status of our department. It will also help put focus on the County Executive's department, so that ours is not the only department properly scrutinized.

If we were to wait until next cycle to take up this resolution, I fear that we will miss an opportunity to demonstrate to the public and the media that we are serious about self-examination, but also want to ensure that what we review is true and reliable information.

TELL ME MORE ABOUT SUSPENSION OF THE RULES

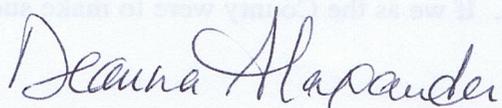
At the end of our board meeting, the County Clerk will announce an opportunity to discuss any items to be presented under suspension of the rules. At that time, we will be able to vote on whether or not we will suspend the rules in order to take up any items that are added to the agenda under that section (presumably, the resolution discussed in this memo). If at least 2/3 of the board votes affirmatively (saying "aye") then the rules will be suspended and we will be allowed to make motions on and have debate on the resolution. If less than 2/3 of the board votes in the negative, the rules will not be suspended and we will not take up the item.

WHY SHOULD I SUPPORT SUSPENSION AND POTENTIALLY, THIS RESOLUTION?

I am respectfully asking for your support because it was not possible for this item to be presented sooner, and it would defeat the purpose of the resolution to delay it. We need to ask the JLAC for this right now—time is of the essence! I mean no harm by offering it to you under suspension, only expedience in allowing us the opportunity to move forward with what I hope you will find to be a good idea. Further, I am sure that with as much information as the public is receiving about the County Board and the County Executive these days, the public would be supportive of us submitting ourselves to an external audit. What better way to say that we are honest, well-intentioned, and transparent? *Please vote to suspend the rules to allow this discussion.*

I will make myself available to meet with Supervisors to answer any questions or concerns. You may also call or text me on my cell phone at 414/939-9339 to arrange a time to talk if we do not see each other in the courthouse between now and the Board meeting.

Thank you,



1 By Supervisor Alexander
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3

4 **A RESOLUTION**
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6 Requesting the State of Wisconsin's Joint Legislative Audit Committee to direct the
7 nonpartisan Legislative Audit Bureau to conduct an audit in relation to the efficiency
8 and effectiveness of the Departments of the County Executive and the Milwaukee
9 County Board of Supervisors; and authorizing and directing the Milwaukee County
10 Comptroller's Audit Services Division to participate, as much as is necessary and
11 proper, in conducting such an audit.
12

13 WHEREAS, Chapter 59 of the Wisconsin State Statutes outlines the
14 organization, powers, duties, and allowable budgets of Counties; and the governance
15 of Milwaukee County was created by and remains under the jurisdiction of the State
16 of Wisconsin; and
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18 WHEREAS, a former Milwaukee County Supervisor and current Representative
19 to the State Assembly has publicly voiced intentions to introduce a bill that would
20 affect the expenditure authority and compensation structure of the Milwaukee
21 County Board; and
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23 WHEREAS, the 2013 Adopted Budget provides 9 County support staff for the
24 Milwaukee County Executive and a budget of over \$950,000 for salary and benefits
25 within Org Unit 1011; and
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27 WHEREAS, the 2013 Adopted Budget provides 39 County support staff for the
28 eighteen-member Milwaukee County Board and a budget of over \$4.4 Million for
29 salary and benefits within Org Unit 1000; and
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31 WHEREAS a 2002 report by the Department of Audit, *Salary Survey of Top*
32 *Managers and Elected Officials*, recognized that the issue of compensation has
33 become entangled with questions concerning the level of trust and confidence the
34 public places in elected officials and that there is a need to take steps to address
35 such concerns; and
36

37 WHEREAS a 2004 report by the Department of Audit, *Form of Governance*
38 *Survey, Legislative and Executive Branches*, demonstrated that the staffing levels and
39 budget expenditures of the Department of the County Executive were significantly
40 (50%) lower than the averages of corresponding departments in peer governments;

41 and that the staffing levels and budget expenditures of the Department of the
42 County Board were significantly (70%) higher than the averages of corresponding
43 departments in peer governments; and

44
45 WHEREAS a 2007 report by the Department of Audit, *Salary Survey of*
46 *Legislative and Executive Positions*, stated that the authorized salaries for elected
47 positions are "significantly lower than comparable positions in other jurisdictions,"
48 and recommended that an adjustment be adopted to keep salaries in line with
49 similarly sized counties; and

50
51 WHEREAS the 2007 report concluded by stressing that none of the three
52 reports in 2002, 2004, or 2007 took into account the numerous and significant
53 factors, such as variances in responsibility, that may limit the ability to make
54 meaningful direct comparisons between jurisdictions; and

55
56 WHEREAS the 2002 report recommended that if the compensation of elected
57 officials were in need of further consideration, the County should retain outside
58 expertise to perform a more detailed review, taking into account all factors that
59 contribute to salary differences, including but not limited to job duties and
60 responsibilities, management structure, and other employment benefits; and

61
62 WHEREAS, an essential component of the government function is to address
63 the challenges of increasing productivity and enhancing services to the public for the
64 benefit of citizens, businesses, taxpayers, and employees while resisting the
65 corresponding urge to increase taxes; and for these reasons, it is important to have
66 assurance on the extent to which appropriate structures are in place for managing
67 and assessing the performance of both human and financial resources; and

68
69 WHEREAS, Government Auditing Standards precludes auditors from auditing
70 their own work in order to avoid conflicts of interest and impairments to
71 independence, and thus an audit is always conducted by people who are not
72 involved in the process under review; and until 2012, the County's audit department
73 was housed within the structure of the County Board; and

74
75 WHEREAS, the State of Wisconsin Legislative Audit Bureau, under direction of
76 the Joint Legislative Audit Committee, does have the requisite experience,
77 qualifications, and statutory authority to perform an audit of the Executive and
78 Legislative branches of Milwaukee County government; and

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80 WHEREAS, the Milwaukee County Board of Supervisors seeks to demonstrate
81 good faith in leadership by requesting an audit by the State of Wisconsin,
82 customized to the specific needs and unique challenges of improving the County as
83 an organization;

84
85 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby requests
86 the State of Wisconsin's Joint Legislative Audit Committee to direct the nonpartisan
87 Legislative Audit Bureau to expediently conduct an audit, or multiple audits
88 segregated appropriately by objective and scope, of Milwaukee County's
89 Departments of the County Executive and the County Board of Supervisors, in
90 relation to their performance, specifically incorporating examination as to the
91 efficiency and effectiveness of the two departments in the following areas:

- 92
- 93 • Review the scope of services provided to evaluate the relationship to
94 statutory authority and mandated objectives; and
 - 95 • Determine where the departments complement, duplicate, overlap, or
96 conflict with each other and make recommendations on ways in which
97 the County might realize long term fiscal savings through
98 reorganization or restructuring of the two departments;
 - 99
 - 100 • Consider the nature and scope of work performed by:
 - 101
 - 102 a. Review staffing by roles to determine the level of work required
103 as compared to the level of work actually performed; and
 - 104 b. Determine the optimum amount of resource allocation in
105 delivering the appropriate quantity and quality of services in a
106 timely manner, while focusing on economy, efficiency, and
107 effectiveness; and
 - 108 c. Identify duplicative or underused services that could be reduced
109 or eliminated to achieve cost savings, as well as gaps in service
110 requiring additional investment to achieve proper effectiveness
111 and efficiencies; and
 - 112 d. Identify compensation data for comparable private sector
113 positions requiring similar levels of education, effort, energy,
114 and/or commitment; and
 - 115 e. Identify any notable concerns about departmental practices of
116 talent management, training, and succession planning; and
117
 - 118 • Using objective analysis to compare the current conditions against
119 statutory and comparable criteria of ideal conditions; provide

120 information to improve public accountability and a road map to
121 facilitate decision-making by parties with responsibility to initiate
122 corrective action; and
123

124 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors does
125 hereby authorize and direct the Comptroller's Audit Services Division to participate,
126 as much as is necessary and proper, in conducting such an audit; and
127

128 BE IT FURTHER RESOLVED, in the event the Joint Legislative Audit Committee
129 is unable or unwilling to conduct said audit, the Milwaukee County Board of
130 Supervisors does hereby authorize and direct the Comptroller's Audit Services
131 Division to issue an RFP for retaining the services of an independent external auditor
132 to conduct such an audit.
133

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: February 5, 2013

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution requesting an audit by the Legislative Audit Bureau of the operations of the departments of the County Board of Supervisors and the County Executive.

FISCAL EFFECT:

- X No Direct County Fiscal Impact Increase Capital Expenditures
- X Existing Staff Time Required Decrease Capital Expenditures
- Increase Operating Expenditures Increase Capital Revenues
- (If checked, check one of two boxes below)
- Absorbed Within Agency's Budget Decrease Capital Revenues
- Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures Use of contingent funds
- Increase Operating Revenues
- Decrease Operating Revenues

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

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

DESCRIPTION OF FISCAL EFFECT

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

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

Approval of this Resolution will not require the expenditure of County funds, but will require staff time.

Department/Prepared By Supervisor Deanna Alexander

Authorized Signature *Deanna Alexander*

Did DAS-Fiscal Staff Review? Yes X No

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

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