

COUNTY EXECUTIVE'S 2009 BUDGET

DEPT: DEPARTMENT OF ADMINISTRATIVE SERVICES-
ADMINISTRATION & FISCAL AFFAIRS DIVISION

UNIT NO. 1151
FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

The Department of Administrative Services is created pursuant to Section 59.52 (1) of the Wisconsin Statutes and Chapter 32 of the Milwaukee County Ordinances. The position of Director is authorized in the Fiscal Affairs Division and is responsible for the execution of the duties and powers assigned to the Department as specified in Chapter 32 of the Milwaukee County General Ordinances for the major divisions of Procurement, Information Management Services and Fiscal Affairs. Also reporting to the Director are Human Resources, Labor Relations, Office for Persons with Disabilities, Property Management, and Employee

Benefits. The Fiscal Affairs Division is responsible for preparing and monitoring the County's annual operating and capital budgets and for preparing the County's Official Statements relating to debt issuance. It performs the County's accounting functions, which include centralized payroll, accounts payable, preparation of County financial statements, and determination of financial and cost accounting policies. Management of Community Development Block Grants (CDBG) is also a function of the Fiscal Affairs Division.

BUDGET SUMMARY				
Account Summary	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Personal Services (w/o EFB)	\$ 2,760,828	\$ 3,019,490	\$ 3,036,351	\$ 16,861
Employee Fringe Benefits (EFB) Services	1,518,782	1,801,459	1,939,726	138,267
Commodities	154,957	307,235	142,389	(164,846)
Other Charges	14,213	14,118	13,959	(159)
Debt & Depreciation	241,478	1,361,200	1,360,000	(1,200)
Capital Outlay	0	0	0	0
Capital Contra	17,302	716	0	(716)
County Service Charges	0	0	0	0
Abatements	680,564	775,627	596,725	(178,902)
Total Expenditures	\$ (1,703,050)	\$ (1,223,823)	\$ (1,391,794)	\$ (167,971)
Direct Revenue	\$ 3,685,074	\$ 6,056,022	\$ 5,697,356	\$ (358,666)
State & Federal Revenue	25,233	11,000	551,000	540,000
Indirect Revenue	0	1,700,000	1,700,000	0
Total Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Direct Total Tax Levy	\$ 25,233	\$ 1,711,000	\$ 2,251,000	\$ 540,000
	3,659,841	4,345,022	3,446,356	(898,666)

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Central Service Allocation	\$ 12,485	\$ 0	\$ 0	\$ 0
Courthouse Space Rental	242,292	0	0	0
Tech Support & Infrastructure	186,964	0	0	0
Distribution Services	8,734	0	0	0
Telecommunications	12,498	0	0	0
Record Center	4,013	0	0	0
Radio	0	0	0	0
Computer Charges	12,744	0	0	0
Applications Charges	109,316	0	0	0
Apps Charges - Network	0	0	0	0
Apps Charges - Mainframe	0	0	0	0
HRIS Allocation	14,748	0	0	0
Total Charges	\$ 603,794	\$ 0	\$ 0	\$ 0
Direct Property Tax Levy	\$ 3,659,841	\$ 4,345,022	\$ 3,446,356	\$ (898,666)
Total Property Tax Levy	\$ 4,263,635	\$ 4,345,022	\$ 3,446,356	\$ (898,666)

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* In 2007, these costs were included in other charging departmental and non-departmental budgets. They were reflected here to show the “total” amount of tax levy support for this Department. In 2008 and 2009, these costs are budgeted within the receiving department to show the tax levy cost in the department.

PERSONNEL SUMMARY				
	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Personal Services (w/o EFB)	\$ 2,760,828	\$ 3,019,490	\$ 3,036,351	\$ 16,861
Employee Fringe Benefits (EFB)	\$ 1,518,782	\$ 1,801,459	\$ 1,939,726	\$ 138,267
Position Equivalent (Funded)*	44.2	47.0	47.1	(0.1)
% of Gross Wages Funded	97.5	96.7	93.1	(3.5)
Overtime (Dollars)**	\$ 37,234	\$ 0	\$ 0	\$ 0
Overtime (Equivalent to Position)	0.7	0.0	0.0	0.0

* For 2007 Actuals, the Position Equivalent is the budgeted amount.

** Delineated for information. (Also included in personal services.)

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Social Security & Fringe)
Accounting Manager	Create	1/0.5	Accounting Admin	\$ 35,360
Administrative Intern	Create	1/0.85	Fiscal & Strategic Svcs	19,970
Economic Development Coord *	Transfer-In	1/1.0	Fiscal & Strategic Svcs	70,578
Housing Program Analyst *	Transfer-In	1/1.0	Fiscal & Strategic Svcs	45,670
Housing Program Analyst	Abolish	1/1.0	Fiscal & Strategic Svcs	(45,670)
			TOTAL	\$ 125,908

* As part of the reorganization of DAS – Economic and Community Development (ECD), these positions are transferred to DAS – Fiscal. ECD (org 1192) was subsequently abolished. As a result, the transfer-out of these positions from ECD is not shown in the budget.

MISSION

Provide quality, efficient and responsive financial services and administrative business functions to the County Executive, County Board and County departments to enable the delivery of financially sound and effective services to the community.

- Continue development of strategic planning initiatives that are deemed essential to the county’s ability to responsibly and effectively address its long-term fiscal challenges and facility needs.

OBJECTIVES

- Expand and enhance the County Financial Website and other automation initiatives.
- Centralize and coordinate debt collection activities.

- Working with the Division of Human Resources to reconcile list of authorized positions between the County Budget system and DHR’s position control system.

- Review and improve the County’s operating and capital budgeting process and document. Implement a multi-year capital improvement plan.

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- Revise and improve long range financial forecasting and budgeting.
- Improve collaboration and facilitate sharing of ideas among county fiscal staff.
- Create a work group of finance and budget staff from overlapping taxing bodies in Milwaukee County to identify opportunities for intergovernmental collaboration and cost savings.

DEPARTMENT DESCRIPTION

Administration. The Director is responsible for coordinating the operations of the divisions, including Procurement, Information Management Services, Fiscal Affairs, Risk Management, Human Resources, Labor Relations, Employee Benefits, Office for Persons with Disabilities, and Property Management.

The primary responsibilities of the **Fiscal and Strategic Services Section** are budget preparation and fiscal control for both operations and capital. All budget requests are analyzed with recommendations submitted to the County Executive. Assistance is provided both to the County Executive in preparing and presenting the Executive Budget, and to the Finance and Audit Committee in its review of the County Executive's recommended budget, including the preparation of budget amendments approved by the Finance and Audit Committee and the County Board. During the year, all appropriation transfer requests are analyzed and a recommendation submitted to the County Executive. In conjunction with the Accounting Section, County departmental accounts are analyzed to determine potential expenditure deficits or revenue shortfalls, with department administrators required to submit a corrective plan of action. Other major duties include (a) the study of all new position requests, with reports and recommendations submitted to County Board committees; (b) fiscal studies for the County Executive and County Board committees, including fiscal impact of legislative bills; and (c) special studies for the County Executive and County Board committees.

In addition, **Reimbursement Services** is responsible for the County-wide Tax Refund Intercept Program.

Central Accounting functions include Accounting Administration, Accounting, Accounts Payable and Payroll. A brief description of the responsibilities of each area follows:

Accounting Administration is responsible for the overall management and coordination of Central Accounting activities, the development of special studies and reports and technical assistance to both Central Accounting and other County departments and the publishing of the Comprehensive Annual Financial Report and the Single Audit Report.

Accounting is responsible for the timely and accurate preparation of countywide monthly financial reports, publication of the Comprehensive Annual Financial Report, the State of Wisconsin Financial Report Form, and the Single Audit Report and development of the indirect cost allocation plan. In addition, Accounting is responsible for adherence to Generally Accepted Accounting Principles (GAAP), the development and maintenance of the Advantage financial information system, the fixed-asset system and the grant system, conducting budget performance reviews on an ongoing basis to identify potential year-end deficits so that problems can be resolved in a timely manner, and ongoing training and technical assistance to departments.

Accounts Payable is responsible for establishment of countywide payment procedures, coordination with the Procurement Division, encumbrances of purchases, payment of vendor invoices, development and maintenance of the accounts payable system, and technical assistance to departments. In addition, Accounts Payable monitors payments to ensure that purchasing regulations have been followed by departments and unencumbered appropriation balances to ensure that the County has sufficient appropriations available for each payment.

Payroll is responsible for establishment of County-wide payroll procedures, coordination

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with the Division of Human Resources, implementation of the new Ceridian system including monitoring the preparation of payroll checks and maintenance of all earnings and deductions records, ensuring that County payroll practices meet Federal, State and contractual requirements, and filing of all required Federal and State reports on a timely basis.

Block Grant Section is responsible for managing, monitoring and distributing Federal Community Development Block Grant funds throughout 16 participating County Municipalities. This federal funding source provides approximately \$1.36 million annually for economic development, public works, housing, and other services that principally benefit low and moderate income individuals and families in participating communities.

BUDGET HIGHLIGHTS

- Personal Services expenditures without fringe benefits increase \$16,861, from \$3,019,490 to \$3,036,351.
- In 2007, DAS – Fiscal Affairs requested an opinion from the County's Bond Counsel regarding charging staff costs (including salary, social security and active fringe) for capital finance matters related to the bond financings. Based on the opinion, approximately 42 percent of staff time in the DAS Capital Finance Section and a small portion of DAS management time is allocated to capital finance related tasks and is charged to the bond issues. An abatement of \$176,349 is included to account for eligible charge-back costs.
- A position of Accounting Manager was budgeted in 2008 at 0.5 FTE for one half of the year. An additional 0.5 FTE is budgeted in 2009 to fund the position for the entire year at a cost of \$51,069 including salary and active fringe costs. An additional 0.85 FTE of Administrative Intern is also budgeted in 2009 for a cost of \$21,498 including salary and social security, which will be funded through salary savings from a Fiscal & Management Analyst position that will remain vacant during 2009. This will result in a net tax levy savings of \$59,471.
- As part of a larger reorganization, the Division of Economic and Community Development (ECD) is dissolved with the former ECD Community Block Grant Program moved to DAS Fiscal Affairs and the Land Sales/Real Estate function formerly in ECD moving to the Real Estate Services section in the newly created DAS– Division of Property Management. See the narrative for DAS – Property Management (org 5700) for a complete description of this reorganization.
- In order to provide greater fiscal oversight responsibility, the CDBG program is transferred to DAS Fiscal, from the dissolved Economic Community Development department. CDBG accounting responsibilities will be absorbed by Central Accounting and programmatic administration will be coordinated by Fiscal and Strategic Services. 2.0 FTE positions are transferred to DAS Fiscal as part of the reorganization. One of these positions, the Housing Program Analyst, is subsequently abolished, with no net impact on this budget. The remaining position, 1.0 FTE Economic Development Coordinator, represents a cost increase of \$100,084 (including salary and active fringe costs) to this budget. Countywide, the net fiscal impact of these actions is a reduction in expense of \$69,648 (including salary and active fringe costs).
- Expenditures for contractual services decrease by \$168,910 from \$278,500 to \$109,590. This is because the 2008 budget included additional funding for a Strategic Planning initiative, a Space and Facilities initiative, specialized Accounting services, and additional funding for a BRASS consultant. The 2009 budget removes one time expenditures so to be consistent with actual spending for contractual services in years prior to 2008.
- The TRIP program continues to be housed within the Fiscal Affairs Division in 2009. All revenue collected through this program is budgeted in County Department budgets and is offset with a crosscharge to recover the administrative costs associated with this program. The County anticipates net revenue of approximately \$392,271 for this program in 2009, an increase of \$250,271 from 2008.

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- DAS Fiscal will implement a Collections and Receivables Program initiative in 2009 that will focus on collection of approximately \$62 million of outstanding County receivables, with an expected return of \$500,000 in additional revenue. Elements of the program include implementation of a TRIP administration fee of \$50 and a new, comprehensive collections contract. Another component of the program will be development of an intercept program directed at County Accounts Payable. This program will identify those vendors to the County that also owe the County money. Similar to a program at the State level, the internal intercept will capture outstanding debt from any payments to these vendors.
- The 2009 Capital Improvements budget includes \$150,000 for automation of financial reports and processes.
- As a result of the 2009 reorganization of the Fleet Management Division, vehicle-owning and leasing departments no longer pay for vehicles and equipment through rental rates (crosscharged from Fleet), but are allocated a maintenance appropriation to pay for vehicle maintenance and repairs provided by the County's maintenance provider. Departments are now responsible for vehicle repair and replacement decisions in consultation with the Fleet Division. This restructuring results in a decrease in crosscharges from Fleet Management of \$282. The Division is allocated \$113 for maintenance and repairs of its vehicles and equipment for 2009. The 2009 maintenance appropriation is less than the 2008 crosscharge amount as overhead is no longer allocated to departments but budgeted centrally as part of the contract costs.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."