

COUNTY EXECUTIVE'S 2009 BUDGET

DEPT: PROPERTY MANAGEMENT

UNIT NO. 5700

FUND: General Fund - 0031

OPERATING AUTHORITY & PURPOSE

The Property Management Division of the Department of Administrative Services (DAS) is comprised of two sections: Facility Operations and Real Estate Services. The Facility Operations section provides comprehensive services related to property management and space allocation. Services provided by the Facility Operations section include maintenance, housekeeping, security and skilled trades services to various County Departments and private entities. The Real Estate Services section will provide guidance, oversight and advise departments on building leases whether the County is the lessee or lessor and provide services related to the sale and leasing of County owned land.

Property Management is the steward of such County owned properties as the Courthouse Complex (Courthouse, Safety Building, Criminal Justice Facility, St. Anthony's, 6th & State Parking Area and the surface lot located at the former Courthouse Annex site), County Grounds buildings (Child Adolescent Treatment Center (CATC) and Children's Court), City Campus, Muirdale Building, Eschweiler Buildings and the electrical system on the County Grounds. In addition, effective September 1, 2009 Facilities Operations will assume oversight of the

Marcia P. Coggs Center and the Behavioral Health Division complex (BHD).

Pursuant to Section 59.82 of the Wisconsin Statutes, Milwaukee County may participate in the development of a research and technology park through a nonprofit corporation organized specifically for this purpose. The Milwaukee County Research Park Corporation (MCRPC) was incorporated on May 18, 1987; with a mandate from Milwaukee County to develop a research park on approximately 172 acres of County land in the southwest quadrant of the County Grounds adjacent to the Milwaukee Regional Medical Center.

The development objective of the MCRPC is the establishment of a quality research and technology park that will complement, to the greatest extent possible, the Milwaukee Regional Medical Center, the University of Wisconsin-Milwaukee, the Milwaukee School of Engineering, Marquette University and the Medical College of Wisconsin, and enhance the economy of the City of Wauwatosa, Milwaukee County and the State of Wisconsin.

BUDGET SUMMARY				
Account Summary	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Personal Services (w/o EFB)	\$ 8,108,141	\$ 8,359,164	\$ 6,656,210	\$ (1,702,954)
Employee Fringe Benefits (EFB)	8,089,221	7,323,314	4,702,229	(2,621,085)
Services	6,621,869	6,063,380	6,681,483	618,103
Commodities	836,031	762,799	706,708	(56,091)
Other Charges	15,761,184	1,481,139	1,301,139	(180,000)
Debt & Depreciation	2,464,171	2,357,418	0	(2,357,418)
Capital Outlay	298,629	151,173	750,000	598,827
Capital Contra	0	0	0	0
County Service Charges	17,163,330	16,439,763	18,544,665	2,104,902
Abatements	(17,826,542)	(14,282,404)	(17,098,449)	(2,816,045)
Total Expenditures	\$ 41,516,034	\$ 28,655,746	\$ 22,243,985	\$ (6,411,761)
Direct Revenue	5,389,721	6,020,803	5,405,179	(615,624)
State & Federal Revenue	17,180,463	0	0	0
Indirect Revenue	5,236,126	21,761,481	18,639,879	(3,121,602)
Total Revenue	\$ 27,806,310	\$ 27,782,284	\$ 24,045,058	\$ (3,737,226)
Direct Total Tax Levy	13,709,724	873,462	(1,801,073)	(2,674,535)

(For comparison purposes, each column in the Budget Summary and all subsequent tables reflect amounts for the 2009 reorganization.)

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ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2007 Actual	2008 Budget	2009 Budget	2008/2009 Change
Central Service Allocation	\$ 480,263	\$ 0	\$ 0	\$ 0
Courthouse Space Rental	250,128	0	0	0
Tech Support & Infrastructure	147,942	0	0	0
Distribution Services	9,108	0	0	0
Telecommunications	45,408	0	0	0
Record Center	1,767	0	0	0
Radio	313,055	0	0	0
Computer Charges	12,392	0	0	0
Applications Charges	121,943	0	0	0
Apps Charges - Network	0	0	0	0
Apps Charges - Mainframe	0	0	0	0
HRIS Allocation	35,943	0	0	0
Total Charges	\$ 1,417,949	\$ 0	\$ 0	\$ 0
Direct Property Tax Levy	\$ 13,709,724	\$ 873,462	\$ (1,801,073)	\$ (2,674,535)
Total Property Tax Levy	\$ 15,127,673	\$ 873,462	\$ (1,801,073)	\$ (2,674,535)

* 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)	\$ 8,108,141	\$ 8,359,164	\$ 6,656,210	\$ (1,702,954)
Employee Fringe Benefits (EFB)	\$ 8,089,221	\$ 7,323,314	\$ 4,702,229	\$ (2,621,085)
Position Equivalent (Funded)*	148.9	163.4	126.1	(37.3)
% of Gross Wages Funded	75.2	95.3	97.2	1.9
Overtime (Dollars)**	\$ 309,165	\$ 67,057	\$ 0	\$ (67,057)
Overtime (Equivalent to Position)	6.5	1.5	0.0	(1.5)

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

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

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PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Social Security & Fringe)
Painter Bldgs	Unfund	3/3.0	Operations	(159,795)
Electrical Mechanic	Unfund	3/3.0	Operations	(183,618)
Carpenter	Unfund	5/5.0	Operations	(279,965)
Steamfitter Welder	Unfund	2/2.0	Operations	(134,746)
Elevator Constr	Unfund	1/1.0	Operations	(77,779)
Plumber	Unfund	1/1.0	Operations	(67,442)
Machinist	Unfund	2/2.0	Operations	(113,926)
Asbestos Worker	Unfund	1/1.0	Operations	(62,308)
Sheet Metal Wkrs	Unfund	2/2.0	Operations	(136,304)
Mechanical Tech (Hourly)	Unfund	6/3.0	Operations	(95,904)
Carpenter Supv	Unfund	1/1.0	Operations	(61,884)
Painter Supv	Unfund	2/2.0	Operations	(109,018)
Electrical Mechanic DOT	Unfund	1/1.0	Operations	(61,206)
Machinist Lead	Unfund	1/1.0	Operations	(62,660)
Refrigeration Mech	Unfund	2/2.0	Operations	(134,746)
Park Maint Wrkr/Mudmix	Unfund	1/1.0	Operations	(50,559)
Mechanical Serv Mgr	Unfund	1/1.0	Operations	(76,979)
Climate Control Lead	Unfund	1/1.0	Operations	(74,092)
Custodial Work Supv 2	Unfund	1/1.0	Operations	(37,673)
Facilities Maint Supv	Unfund	2/2.0	Operations	(79,766)
Facilities Wrkr 4	Unfund	5/5.0	Operations	(209,145)
Facilities Wrkr 4 In-Charge	Create	5/5.0	Operations	233,830
DAS-Budget Mgr-Property Svcs	Create	1/1.0	Operations	68,758
Facilities/Grnds Supv	Create	2/2.0	Operations	102,892
Admn Specialist (Econ Dev) NR	Transfer-In	1/1.0	Real Estate	46,743
Real Estate Agent	Transfer-In	1/1.0	Real Estate	56,748
Econ Dev Spec	Transfer-In	1/1.0	Real Estate	53,946
Mgr of Real Estate Serv	Transfer-In	1/1.0	Real Estate	76,232
Assoc Dir-DAS Prpty Mgmt	Create	1/1.0	Real Estate	94,134
ExDir2 Dir of Econ Dev	Abolish*	1/1.0	Econ Dev-Admn	(91,389)
		32/29.0	TOTAL	\$ (1,627,621)

*The position of ExDir2 Director of Economic and Community Development will be abolished upon transfer to DAS – Property Management.

MISSION

To provide services focused on property management that will increase knowledge of space availability and implement as well as coordinate space needs planning across all County departments. The function of this Division will be to centralize facility operations, planning, leasing, and property disposition countywide. The responsibility

of this Division will be to define, create and maintain a comprehensive property database/information system that will meet the building, structures and land information needs of various organizational units within the County and ensure the most efficient and best use of County assets.

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OBJECTIVES

- Operate within established budgets while maximizing the quality and timeliness of services provided in a centralized format for all properties.
- Establish a formalized approach to space planning and utilization to ensure the most efficient and best use of County assets.
- Create a single information repository for marketing the availability of vacant properties and lease space.
- Provide guidance, oversight, and advise departments, as well as have final approval authority of all leases/lease extensions, prior to submission to the County Board of Supervisors.
- Work aggressively to seek and implement opportunities to market and sell County property and utilize such opportunities to enhance economic growth in Milwaukee County.

DEPARTMENT DESCRIPTION

DAS – Property Management Division performs functions in two sections: Facility Operations and Real Estate Services.

The Facility Operations section of the DAS – Property Management Division is responsible for building space, associated grounds, and mechanical systems for all facilities under its management. The functions include custodial and repair services, grounds care and snow removal, provision of centralized electrical, mechanical and engineering services, security operations, and maintenance of the various utility distribution systems (including providing staff and services to the Water Utility). In addition, this section acts as a liaison between the County and major tenants, such as the Milwaukee Regional Medical Center (MRMC) and WE Energies. DAS – Property Management is responsible for operating all buildings as necessary on a 24/7 basis, especially County facilities (i.e. Criminal Justice Facility, Community Corrections, Children's Court, BHD, and CATC) that have activity on a constant basis.

The Real Estate Services section is responsible for property management, oversight and approval of lease/lease extensions for all County-owned facilities. To facilitate the review and approval process, departments will be required to notify DAS Property Management prior to the commencement of negotiations of leases or lease extensions.

The DAS – Property Management Division will establish and provide the due diligence procedures and standards, which are the sole responsibility of the departments to follow prior to executing lease agreements.

BUDGET HIGHLIGHTS

- In 2009, the Department of Administrative Services (DAS) – Property Management Division is created. This Division is comprised of a Facility Operations section and a Real Estate Services section.
- The DAS – Property Management Division will have the sole responsibility for establishing and implementing a space allocation standard for all Milwaukee County buildings. This Division will work with all departments to ensure that a formalized countywide approach to management of space utilization is employed.
- The DAS Property Management Division will also assume responsibility for County lease management including the review and approval of all County leases/lease extensions to protect the financial interest of the County and to ensure that leases are coordinated with the countywide space plan.
- The DAS – Economic and Community Development Division (ECD) is eliminated and the Real Estate Services section is transferred to DAS – Property Management Division. The former ECD Administration section is eliminated including the abolishment of 1.0 FTE ExDir2 Director of Economic Development. 1.0 FTE Associate Director (Real Estate) is created within the DAS – Property Management Real Estate Services section.
- The Department of Transportation and Public Works (DTPW) – Facilities Management Division is converted to a General Fund department and transferred to the DAS –

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Property Management Division as the Facility Operations section. The exception to the transfer is the Water Utility, which becomes a standalone (Internal Service Fund) Division within DTPW with oversight by the DAS – Property Management Division's Facility Operations section.

- Due to conversion of DTPW – Facilities Management to a General Fund department, Other Post Employment Benefit (OPEB) tax levy savings total approximately \$1,670,000 for 2009.
 - Effective April 1, 2009, the Department of Health and Human Services (DHHS) begins oversight of Maintenance and Housekeeping for the Behavioral Health Division (BHD); however, contract funds for these functions remain in BHD (refer to Org. Unit 6300).
 - Effective September 1, 2009, the DHHS Operations Section (excluding Front Desk and Mail Operations) will report to the DAS – Property Management Division. These staff and appropriations will be transferred to DAS – Property Management in 2010.
 - Personal Services expenditures, without fringe benefits, decrease \$1,702,954, from \$8,359,164 to \$6,656,210. The decrease in Personal Services expenditures is primarily due to the unfunding of Skilled Trades positions. Remaining trades staff will provide services based on emergency status and priorities, as staff levels permit.
 - Due to an initiative by BHD, DAS Property Management Facility Operations section was informed that its Skilled Trades Services provided to BHD would no longer be required. For 2009, BHD will procure Skilled Trades services through a contract already in place at DHHS. The funds for the contract services are included in the BHD operating budget (Org. Unit 6300) and a net tax levy savings of \$498,312 is reflected in the BHD budget for this contracting initiative. The following positions in Facilities Management that are no longer utilized by BHD and are unfunded in 2009 as follows:
 - o BHD related position actions – 11.0 FTE Skilled Trades positions that previously serviced BHD are unfunded for a total salary and active fringe savings of \$996,767.
- BHD related skilled trades positions that are unfunded include the following: 1.0 FTE Carpenter, 2.0 FTE Painter Buildings, 1.0 FTE Asbestos Worker, 1.0 FTE Plumber, 1.0 FTE Elevator Constructor, 1.0 FTE Machinist, 1.0 FTE Steamfitter Welder, 1.0 FTE Sheet Metal Worker, 1.0 FTE Refrigeration Mechanic, and 1.0 FTE Electrical Mechanic.
- DAS - Property Management Facility Operations has unfunded 19.0 FTE Skilled Trades positions for a total salary and active fringe savings of \$1,675,452. These unfunded positions include the following: 4.0 FTE Carpenter, 1.0 FTE Painter Buildings, 1.0 FTE Machinist, 1.0 FTE Steamfitter Welder, 1.0 FTE Sheet Metal Worker, 1.0 FTE Carpenter Supervisor, 1.0 FTE Climate Control Lead, 1.0 FTE Mechanical Service Manager, 1.0 FTE Electrical Mechanic (DOT), 1.0 FTE Park Maintenance Worker/Mudmixer, 1.0 FTE Machinist Lead, 1.0 FTE Refrigeration Mechanic, 2.0 FTE Painter Supervisor, and 2.0 FTE Electrical Mechanic.
 - An appropriation of \$391,000 is included to cover unemployment expenditures due to positions that are unfunded and abolished.
 - An appropriation of \$600,000 is included for Time and Materials contractors to provide services on an as-needed basis for preventative maintenance. These funds are to be used at the discretion of the Chief of Operations for the DAS – Property Management Division. This funding is expected to minimize the service impact of unfunding of 19.0 FTE of Skilled Trades positions from DAS Property Management Division.
 - 1.0 FTE DAS Budget Manager – Property Services is created at a cost of \$97,860, including salary and active fringe. This position is created for financial oversight purposes and will become increasingly important for this Division as the County begins to concentrate further on the strategic use of its space, facilities consolidation, the sale of assets, and countywide lease oversight and approval.
 - 5.0 FTE Facility Worker 4 In-Charge positions are created and 5.0 FTE Facility Worker 4 positions are unfunded for a net salary and active fringe cost of \$30,160. In addition, 2.0

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FTE Facilities Grounds Supervisors are created and 1.0 FTE Custodial Worker Supervisor 2 and 2.0 FTE Facility Maintenance Supervisors are unfunded for a net salary and active fringe savings of \$31,618. The position actions detailed above will allow increased supervision of housekeeping & maintenance staff. As the positions of Facility Worker 4, Facilities Maintenance Supervisor and Custodial Worker Supervisor 2 become vacant, due to promotion to the Facilities In-Charge or Facilities Grounds Supervisor positions, these positions will continue to be held unfunded.

- Budgeted utility costs increase by approximately \$475,000 over the 2008 appropriation for utility increases based on projections from vendors for costs associated with heat, steam, water, sewer and electricity.
- The DAS – Property Management Facility Operations section previously provided meal delivery service for BHD. At the request of BHD, this service is discontinued in 2009 and as result 3.0 FTE (6 positions total) Mechanical Technician Hourly are unfunded for a total of \$257,851 in the DAS Property Management – Facilities Operations section. The BHD proposal to contract out dietary services includes funding for meal delivery services (for further information refer to Org. Unit 6300)
- An appropriation of \$50,000 is included for consultant services to assist DAS – Property Management in formalizing a countywide approach to the strategic use of its space, facilities consolidation and the sale of assets.
- Included among charges for 2009 is \$1,285,639, which is the estimated cost for the Wauwatosa Fire contract.
- In 2009, the DAS – Property Management Division will participate in the implementation of a Guaranteed Energy Savings Performance Contract (GESPC) pilot project to improve the County's energy efficiency and promote environmental sustainability. As part of the pilot, the Division has undertaken work with an approved vendor to retrofit light fixtures throughout the Courthouse Complex in order to reduce electricity consumption and realize utility cost savings. The budgeted cost of the DAS – Property Management Division project is \$195,175. This cost represents the approximate amount of debt service that will be paid in 2009 on a loan for the new fixtures and equipment.
- Revenues decrease \$3,737,226 for 2009 primarily due to Skilled Trades service reductions provided to BHD and other user departments from the Facility Operations section of the DAS – Property Management Division. In addition, revenue decreases from the discontinuation of crosscharging Courthouse Complex users for the Community Correctional Center as well as revenues related to OPEB charge backs.
- Parking revenues increase by \$1,500,000 (due to the transfer-in of parking revenues from the former Economic and Community Development Division) for net revenue of \$1,870,137.
 - Annex Surface lot of \$82,727 (\$80/month).
 - 6th & State parking revenues of \$133,375. The budgeted revenue anticipates that the 6th & State lot will be sold and unavailable for the second half of 2009.
 - Museum lot of \$28,977 (\$75/month),
 - Code 10 Garage of \$909 (\$80/month).
 - Medical Examiner area and the St. Anthony's dock area of \$16,193 (\$75/month).
 - MacArthur Square parking of \$107,955 (\$95/month). The MacArthur Square parking is directly offset with an expense of \$107,955, which Milwaukee County pays the City of Milwaukee to rent the stalls.
- Major capital improvement projects for the Courthouse Complex total \$2,445,316 and include items such as an Automation and Access Control Upgrade, Courthouse Light Court Windows and continued renovation of Courthouse Restrooms and Courtroom Bullet Resistant Glass Walls in misdemeanor courts. Project management of capital improvement projects will be handled through DTPW – Architecture and Engineering and Environmental Services Division.
- 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

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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 \$306,009. The Division is allocated \$92,765 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.

- As a result of the 2009 reorganization of the Fleet Management Division, vehicle-owning and leasing departments no longer pay Fleet space rental rates (crosscharged from Fleet). Overhead costs are now budgeted centrally in the Fleet Management Division. This restructuring results in a decrease in crosscharges from Fleet Management of \$7,506.
- 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 severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

ACTIVITY AND STATISTICAL SUMMARY			
	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2009 Budget</u>
Work Orders Logged on System*	6,600	30,000*	15,000* **
Time and Materials Orders - Facilities Related	67	100	150
Time and Materials Orders - Non-Facilities Related	39	50	80
*Includes Building Trades and Maintenance Work Orders.			
**Reduced staff will mean more T&Ms will be issued by Facilities assuming funding.			