



OFFICE OF THE COUNTY EXECUTIVE

1

Milwaukee County

SCOTT WALKER • COUNTY EXECUTIVE

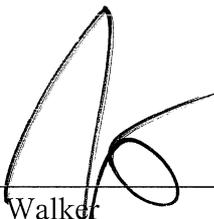
Date: April 14, 2010

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

From: Scott Walker, County Executive

Subject: **Appointment to the Southeastern Wisconsin Regional Planning Commission**

Subject to the confirmation of your Honorable Body and pursuant to the provisions set forth in Section 66.0309 of the Wisconsin State Statutes, I am hereby appointing Mr. William Ryan Drew to the Southeastern Wisconsin Regional Planning Commission (SEWRPC) to replace Mr. Brian Dranzik. Mr. Drew's term will expire September 15, 2014.



Scott Walker
Milwaukee County Executive

SKW:sh

Cc: Supervisor Elizabeth Coggs, Chairman-Finance and Audit Committee
Thomas Buestrin, Chairman-SEWRPC
William R. Drew

WILLIAM RYAN DREW

Born Waukon, Iowa May 3, 1936

Graduated St. Patrick's High School 1954

Graduated Marquette University 1958- B.S.

Completed education requirements for Wisconsin Teaching certificate 1960

Graduated Marquette Law School 1966 – J.D.

Administrative Assistant to Lt. Governor Patrick J. Lucey

Legal council to Senator Proxmire 1966 to 1968

Alderman, City of Milwaukee 1968 to 1974

President of Milwaukee Common Council 1972-1974

Commissioner of City Development, City of Milwaukee 1974-1988

Attorney with O'Neil, Cannon and Hollman, 1988-1992

Director of Administration, Milwaukee County 1992-1995

Executive Director, Milwaukee County Research Park 1998-present

Board of Directors, National Center for Housing Management, 1982- present

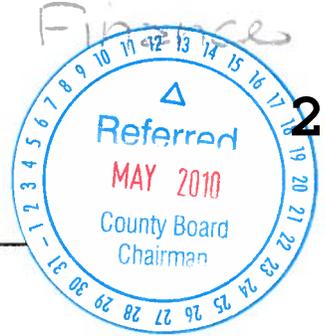
Board of Visitors, Aspin Center of Marquette University 1995- present

Former member of South East Wisconsin Regional Plan Commission
(Approximately 1994 to 2010).

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By Supervisor Coggs

FILE NO. 10-209



A RESOLUTION

Authorizing execution of an Intergovernmental Cooperation Agreement with the City of Milwaukee for continued broadcasting of Milwaukee County Board meetings on the City's cable channel for a period of five years

WHEREAS, in 1998 the County Board adopted a resolution (File No. 98-421) to explore resumption of cable television broadcasts of County Board meetings which had begun in 1988 and were discontinued in 1991 when City Channel staffing was reduced; and

WHEREAS, the Cooperation Agreement that resulted from this exploration was for a 10-year term, which has now expired; and

WHEREAS, both the City of Milwaukee and the Milwaukee County Board are interested in continuing the arrangement of broadcasting County Board meetings, which are beneficial to citizens of the City and the County; and

WHEREAS, City and County Board officials have had recent discussions regarding a new agreement which would be beneficial to both parties, under which the City would telecast Board meetings and County staff, after being trained by City staff, would operate broadcast video equipment and be responsible for any needed replacement of equipment; and

WHEREAS, it is in the best interest of the County Board to authorize the execution of a new agreement with the City of Milwaukee for continued broadcasting of Milwaukee County Board meetings on the City's cable channel; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors does hereby authorize the County Board Chairman and County Clerk to execute an Intergovernmental Cooperation Agreement with the City of Milwaukee, under which the City would telecast County Board meetings, and County staff, after being trained by City cable channel staff, would operate broadcast video equipment, and be responsible for any needed replacement of equipment and for duplication and distribution of video files, said Agreement to be for a term of five years; and

BE IT FURTHER RESOLVED, that efforts will be made to make broadcasts of County Board meetings available to other viewers outside the City of Milwaukee but inside Milwaukee County.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 5/12/10

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Resolution authorizing execution of an Intergovernmental Cooperation Agreement with the City of Milwaukee for continued broadcasting of Milwaukee County Board meetings on the City's cable channel for a period of five years

FISCAL EFFECT:

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

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

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	5,000
	Revenue	0	0
	Net Cost	0	5,000
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.

A. Under this resolution, Milwaukee County and the City of Milwaukee would enter into a new 5-year agreement for the City to broadcast County Board meetings on the City cable channel. The City would train County staff to operate equipment. The County would be responsible for equipment replacement as well as duplicating and distributing video files for use by other municipalities within the County. The County would also make efforts to make County Board broadcasts available in other ways to viewers outside the City of Milwaukee but inside the County.

B. This agreement would result in an annual crosscharge from IMSD to the County Board of up to \$5,000 to operate the video equipment. The alternative would have been to pay \$5,000 to the City of Milwaukee for this service; the proposed agreement keeps these payments within the County. The cost of or method of procurement of replacement equipment, should it be needed, has not yet been determined. There would either be no cost or a nominal cost for duplicating and distributing video files, depending on the method of distribution.

C. No costs are associated with the current year, as IMSD staff will be training for operating the equipment and will not begin charging the County Board for this service until 2011. A crosscharge appropriation would be included in the 2011 Requested County Board Budget.

D. No other assumptions or interpretations were used in developing this fiscal note.

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.

Department/Prepared By Terrence Cooley, County Board Chief of Staff

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

INTERGOVERNMENTAL COOPERATION AGREEMENT

This document is an intergovernmental cooperation agreement between the City of Milwaukee and Milwaukee County. The City and County hereby agree as follows:

1. The City of Milwaukee agrees to telecast on the City's cable channel TV25 the regularly scheduled meetings of the full County Board of Supervisors which are held in the Board chambers (this may not include the Public Hearing on the proposed budget, which is generally held in a different area than the Board Room), either live or on a tape-delayed basis within 7 days of the original meeting date. Dates and times for all telecasts shall be at the determination of the City Clerk.

2. Milwaukee County will provide the staff to operate the cameras and other video production equipment currently at its site. TV25 staff will provide initial training to the Milwaukee County staff to ensure familiarity with the equipment and its operation.

3. Milwaukee County will be responsible for replacing any outdated/broken equipment at its own discretion and expense.

4. Milwaukee County will be responsible for all duplication and distribution of video files.

5. The County agrees to abide by all of the provisions adopted in the City's Municipal Programming guidelines and that the City Clerk has the final determination of programming and procedures which are governed under those guidelines.

6. This agreement requires the approval of the Milwaukee Common Council and the Milwaukee County Board. It shall terminate five years from the date of the last

approval required herein. Either party may terminate this agreement prior to its expiration upon sixty days written notice to the other.

FOR THE CITY:

Date: _____

Mayor

Date: _____

City Clerk

FOR THE COUNTY:

Date: _____

County Board Chairman

Date: _____

County Clerk

1033-2010-1233:157579

SCOTT WALKER, MILWAUKEE COUNTY EXECUTIVE
SUE BLACK, DIRECTOR OF PARKS, RECREATION AND CULTURE

Date: May 5, 2010

To: Chairman Gerry Broderick, Chair, Parks, Energy and Environment Committee

From: Sue Black, Director, Department of Parks, Recreation and Culture

Subject: Informational Report on the Progress of the Farm and Fish Hatchery's Transition from the Community Correctional Facility – South to the Department of Parks, Recreation and Culture

ISSUE

The proposed transfer of the operational oversight and support of the Farm and Fish Hatchery (FFH) to the Department of Parks, Recreation and Culture (DPRC) from Community Correctional Facility - South (CCFS) was included in the 2010 budget. DPRC is currently in the process of researching and evaluating what support is necessary to operate FFH completely within DPRC if resources are made available.

BACKGROUND

As to the transition of FFH from CCFS to DPRC, 2010 Adopted Budget Amendment 1A014 requires the Parks Director to provide to the Committee on Parks, Energy and Environment (PEEC) a quarterly report on the progress of the transition plan beginning March 2010. The DPRC has provided status reports to PEEC each cycle.

1. Administrative Issues:

- a. Personnel.** DPRC would require a new position to oversee the daily operations of FFH. David Mueller, the current Correction Officer employee, is willing to transfer to DPRC although a funding transfer, if not from contingency, before the 4th quarter is prohibited by state statute. In addition, at least one full-time seasonal position is needed to provide coverage due to the seven-day operation of the fish hatchery.
- b. Lease Agreement.** In 2006 CCFS entered into a lease agreement and amendment (the Lease) with the Hunger Task Force (HTF) allowing HTF to utilize approximately 144.6 acres of land, the "warehouse", the "greenhouse", and storage access to the "general store" for HTF operations. The Lease, and all the rights and responsibilities contained therein, would need to be transferred to DPRC. Furthermore, the land on which FFH exists would need to be transferred to DPRC in a jurisdictional land transfer, designating the premises as Park-owned property.

Important Lease Provisions:

- i. Term. The agreement term is for ten (10) years, with two (2) additional five (5) year options, if agreeable to the Parties, expiring in 2026.
 - ii. Rent. Annual rent of twenty thousand dollars (\$20,000).
 - iii. Maintenance and Repair. Landlord is responsible for any and all repairs to FFH facilities, except for those buildings erected by HTF or other damages caused by HTF, its employees or agents.
 - iv. Utilities and Taxes.
 1. Landlord pays all charges for telephone, gas, electric, water, sewer, light, heat, power, and/or other utility services used or charges that are separately metered to the FFH located on site.
 2. Tenant pays all charges for telephone, gas, electric, water, sewer, light, heat, power, and/or other utility services used or charges that are separately metered to the warehouse located on site.
 - v. Landlord's Obligations. During the Term, Landlord shall, at Landlord's sole cost and expense:
 1. Continue to stock the Milwaukee County Park lagoons with fish;
 2. Recruit, screen and assign a CCFS inmate work crew for the operation of the fish hatchery, the greenhouse and site;
 3. Provide training for Tenant's staff and volunteer personnel who are assigned to the operation of the site;
 4. Provide the appropriate number of CCFS correctional officers/agricultural staff members to be assigned to FFH operations at the site, as determined by the Superintendent of the CCFS; and
 5. Provide Milwaukee County water necessary for sufficient irrigation of Tenant's operations at the site.
- c. **DPRC Fish Sales**. Wisconsin statutes section 303.06(1) provides that "no goods, except farm machinery, farm implements and tools, cordage rope and ply goods, manufactured wholly or partly by inmates in any state, city or county penal institution may be offered for sale in the open market". Therefore, while DPRC benefits from using inmate labor to assist in FFH operations, ultimately, the assistance provided DPRC by inmate labor prevents DPRC from realizing a market value on the fish produced. It should be mentioned that Wisconsin statutes section 303.06(5) allows tax-supported institutions or non-profit agencies to offer for sale in the open market products manufactured by inmates in a "state penal institution" as part of a vocational training if the purpose of the

sale is to support the institution's mission and if the sale is a type of product approved by the prison industries board.

- d. **Private Partnerships.** DPRC has explored many potential partnerships with both private and not-for-profit entities to assist DPRC in its operations at FFH. While a number of organizations have expressed an interest in providing support there has been no offer of financial resources.

2. **Budgetary Issues:**

DPRC staff met with CCFS staff to review past budgets and actual expenditures for the FFH to develop a budget for the remaining six (6) months of 2010 and to identify costs for operation in 2011.

On an annualized basis, expenditures of \$282,000 are anticipated with revenues of \$41,000. Revenues include a \$20,000 annual lease payment from the Hunger Task Force, and sales of scrap and wood. Actual revenues in 2008 for these sales were \$26,500, but these activities have since been discontinued. DPRC would need to reinstitute this effort to help offset expenditures.

For the period of July 1 thru December 31, 2010, DPRC would need approximately \$150,000 to continue the programs and operations of the FFH. This amount includes staffing, utilities, and commodities; however, does not account for the hours of administrative costs associated with planning and research.

DPRC attempted to obtain an estimate of the cost of purchasing 40,000 fish for stocking DPRC lagoons annually should the FFH operation be discontinued. A firm estimate was unavailable but sources involved in this industry have indicated a range of \$50,000 to \$70,000 is reasonable; however, the availability of fish is uncertain at any given time.

3. **Options:**

1. **The public services and programs offered by FFH would cease effective July 1, 2010 and would have the following implications:**

- a) Current stock of fish would need to be placed regardless of their size.
- b) Maintenance required for facility closure would be the responsibility of CCFS, as the transfer to the DPRC would not have taken affect.
- c) Current FFH staff would be laid off or CCFS could provide other employment options.
- d) Nursery operations could have the ability to function as it currently does with no changes to the existing arrangement with CCFS.
- e) Farm operations currently leased to HTF would need to be evaluated by County Board staff as neither CCFS nor DPRC would be considered Landlords after June 30.

2. **Proceed with DPRC control of FFH operations July 1, 2010 pursuant to 2010 budget directive, knowing that the following items must be addressed:**

- a) Providing funding of approximately \$150,000 to DPRC for 2010 to cover expenditures including labor, utilities and commodities. Additional funding for administrative costs is needed.
- b) Guaranteeing full funding of approximately \$300,000 for 2011.
- c) Initiating personnel actions, including the transfer and/or creation with funding of one (1) full-time equivalent employee and funding of at least one (1) seasonal position.
- d) Transferring land and structures from CCFS to DPRC authority.
- e) Transferring lease authority from CCFS to DPRC.

To absorb the operation of the FFH is no small task and would be very demanding on our already stretched resources. The addition of this operation will undoubtedly affect other core services and our mission.

RECOMMENDATION

A policy decision needs to be made.

Prepared by: Chuck Ward, Chief of External Affairs

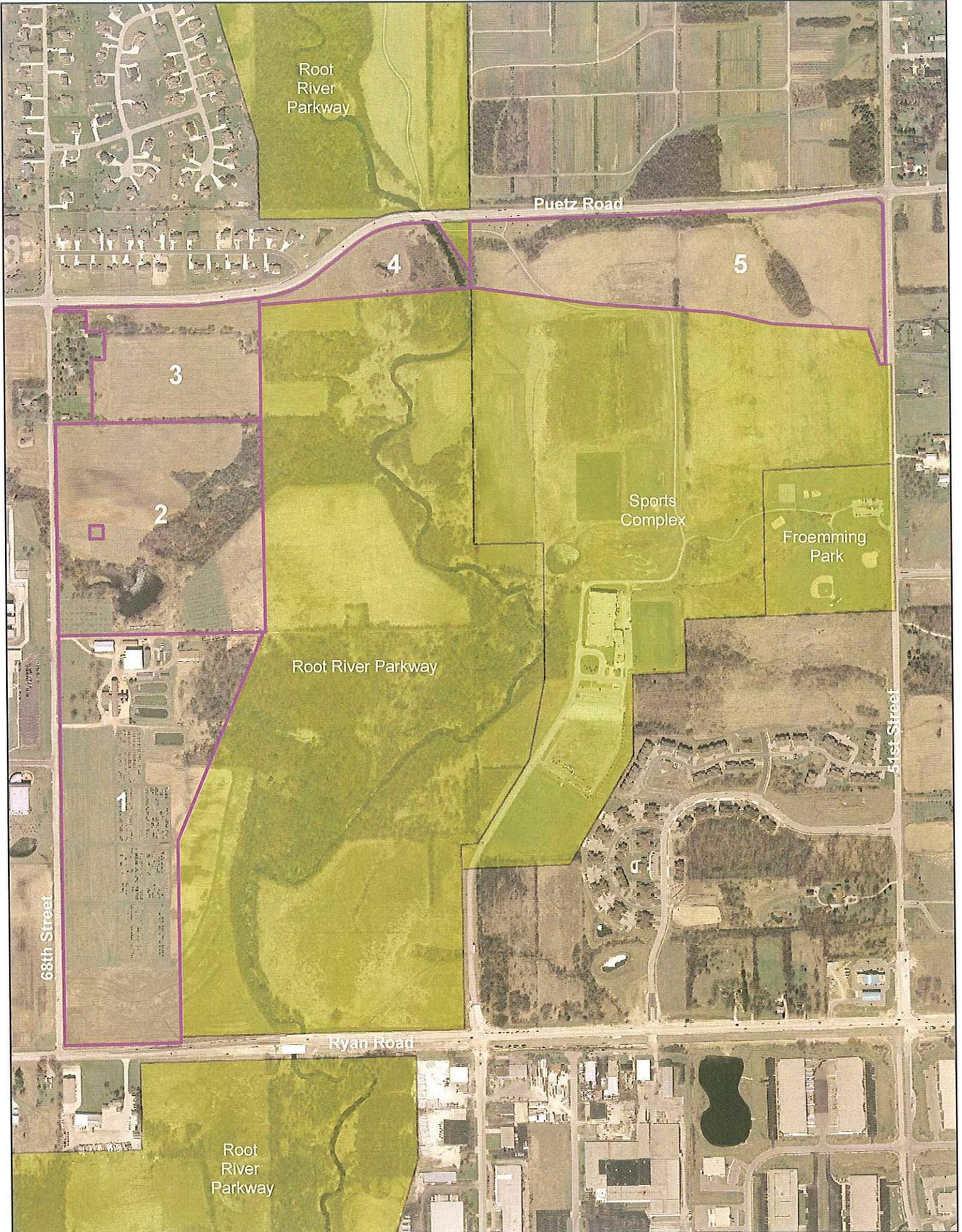
Recommended by:

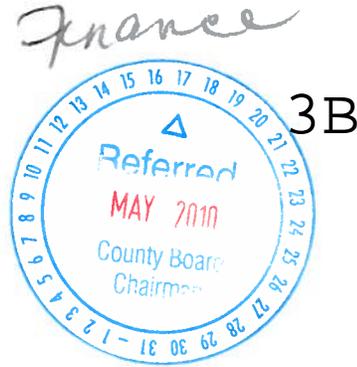
Approved by:

Chuck Ward, Chief of Administration and
External Affairs

Sue Black, Parks Director

cc: County Executive Scott Walker
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director, DAS
Steve Kreklow, Fiscal & Budget Administrator, Admin. & Fiscal Affairs/DAS
Sarah Jankowski, Fiscal Mgt. Analyst, Administration & Fiscal Affairs Division/DAS
Julie Esch, Research Analyst, County Board
Carol Mueller, Parks, Energy & Environment Committee Clerk





1 By Supervisor Broderick

2 FILE NO. 10-215

3
4 **A RESOLUTION**

5
6 Authorizing the transfer of \$150,000 from the Appropriation for Contingencies to the
7 Department of Parks, Recreation and Culture to operate the Farm and Fish Hatchery
8 program for the remainder of 2010
9

10
11 WHEREAS, the Farm and Fish Hatchery Program (FFH) is comprised of
12 approximately 80 acres of land committed to gardens, orchards and nine outbuildings,
13 including storage for forty-eight 700-gallon concrete tanks, along with three outdoor ponds,
14 to propagate various species of fish to primarily stock lagoons throughout the Milwaukee
15 County Parks System; and
16

17 WHEREAS, voluntary inmate labor is utilized throughout the FFH under the
18 supervision of the County Correctional Facility – South (CCF-S, formerly the House of
19 Correction) and managed by the Hunger Task Force, a non-profit organization that operates
20 the FFH under contract with the County; and
21

22 WHEREAS, in a report dated June 30, 2009, the Director of Audits valued the
23 tangible benefits of the FFM at approximately \$211,500 per year, with an additional list of
24 intangible benefits that included, among other things, positive inmate work experience,
25 aesthetic neighborhood buffer from the detention facility and affordable urban fishing
26 opportunities for kids and people with disabilities; and
27

28 WHEREAS, the 2010 Adopted Budget transitions the operation of the Farm and Fish
29 Hatchery program from the Office of the Sheriff to the Department of Parks, Recreation and
30 Culture (“Parks Department”) beginning July 1, 2010; and
31

32 WHEREAS, in a report dated May 5, 2010, the Director of the Parks Department
33 outlined policy alternatives that, among other impacts, include either discontinuation of
34 the FFH after June 30, 2010, or providing \$150,000 to the Parks Department to operate the
35 FFH for the remainder for the year; and
36

37 WHEREAS, in light of the benefits provided by the Farm and Fish Hatchery program
38 to the community, and the obligation to fulfill the terms of the agreement with Hunger
39 Task Force by providing the Parks Department with the necessary resources to do so, an
40 allocation of funds from the Appropriation for Contingencies is in order; now, therefore,

41 BE IT RESOLVED, that the Director of the Department of Administrative Services is
42 authorized and directed to process an appropriation transfer of \$150,000 from Org. Unit
43 1945 – Appropriation for Contingencies to the appropriate accounts in the Parks
44 Department to operate the Farm and Fish Hatchery program from July 1st through the
45 remainder of 2010 as outlined in the Adopted Budget.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: May 14, 2010

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution authorizing the transfer of \$150,000 from the Appropriation for Contingencies to the Department of Parks, Recreation and Culture to operate the Farm and Fish Hatchery program for the remainder of 2010.

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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	150,000	0
	Revenue	0	0
	Net Cost	150,000	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

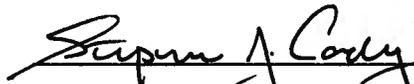
In the space below, you must provide the following information. Attach additional pages if necessary.

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

Approval of this resolution will authorize an appropriation of \$150,000 from Org. 1945 - Appropriation for Contingencies to the Parks Department to offset expenses with operating the Farm and Fish Hatchery program for the last six months of 2010. For the purpose of this fiscal note, no estimate is provided to operate the program for 2011 as that appropriation will be considered as part of the 2011 budget process.

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

Authorized Signature

 _____

Did DAS-Fiscal Staff Review? Yes No

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.

COUNTY OF MILWAUKEE**INTER-OFFICE COMMUNICATION**

DATE: April 29, 2010

TO: Supervisor Theodore Lipscomb, Vice Chair
Committee on Economic & Community Development

Supervisor Elizabeth Coggs, Chairperson
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 update highlights activities taken place since the last report to the Economic and Community Development Committee on April 12, 2010 and the Finance & Audit Committee on April 15, 2010.

The Purchase Agreement contractual time frames are currently as follows:

- Due diligence commencement date –July 1, 2009 (Purchase Agreement executed)
- Escrow Deposit of \$25,000 paid- July 6, 2009
- Contingency Waiver (“CW”) Date Expiration-December 31, 2009
- CW Date Extension w/in Purchase Agreement- March 31, 2010
- CW Date Extension-July 31, 2010 (3/18/10 County Board approval)
- Closing Date- on or before August 31, 2010

The City of Wauwatosa (“City”) Common Council conducted a public hearing on Tuesday, April 20, 2010 after UWM submitted a Preliminary Business Planned Development (“Preliminary Plan”), a request for a change of zoning and a proposed land division by Certified Survey Map (CSM) for the proposed Innovation Park. The public comments expressed at the public hearing were addressed by the City Community Development Committee (“Committee”) on April 27, 2010. In response to and the commitments made by UWM to satisfy those public comments, the Committee recommended approval of the change of zoning, the CSM and the Preliminary Plan, with the Committee recommendation going to the Common Council on May 4, 2010.

Should the Common Council adopt the recommendation of the Committee on May 4th, the approval of the rezoning and the land division by CSM will be final, however, the Preliminary Plan must return to the Common Council for final approval. UWM will work toward submitting the Preliminary Plan for final approval by the Common Council in June. However, if the Preliminary Plan must go to the later Committee date in June then final approval will be considered at the July 6th Common Council meeting.

Staff continues to meet with UWM on a monthly basis to monitor progress and furnish information and assistance needed for UWM to satisfy the conditions of sale and secure the City approvals necessary to close the sale.

Craig C. Dillmann, Manager
Real Estate Services

Meeting Dates: May 17, 2010 (ECD)
May 20, 2010 (F&A)

Attachment

cc: Scott Walker, County Executive
Lee Holloway, County Board Chairman
Cynthia Archer, Director of DAS
Steven Kreklow, Fiscal & Budget Administrator, DAS
Josh Fudge, Fiscal Mgt Analyst-DAS
Jack Takerian, Interim Director- DPTW
Steve Cady, Fiscal and Budget Analyst, County Board

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: April 27, 2010

TO: Lee Holloway – Chairman, Milwaukee County Board of Supervisors
Milwaukee County Board of Supervisors

CC: Patrick Schloss, West Allis Dept. of Development

FROM: Milwaukee County Treasurer Daniel Diliberti 

RE: Waiving Back Taxes for a Property in West Allis

I have recently received a request from the City of West Allis to waive back taxes for a property located at 1536 S. 65th Street to aid in an affordable housing initiative. The back taxes on this property total \$8,697.16.

West Allis has recently purchased this parcel for \$66,762.10. They are willing to invest \$60,000 to \$70,000 for improvements, claiming the value will be around \$120,000 - \$130,000 once the property is up and running. The assessed land value of this property is currently at \$108,000 (before improvements). This raises concerns that West Allis had been over-assessing the property for the past several years, given the advanced deteriorated state of the property. Also, homes in the area have sold for \$160,000 - \$170,000, potentially \$50,000 more than West Allis is anticipating to sell this property, according to the Milwaukee County Real Estate Division.

West Allis purchased the property at a Sheriff's foreclosure sale. It is my opinion that West Allis is legally required to pay the back taxes; just as any other individual or entity would have been responsible if they had made the purchase. The principal amount of what they are asking to be waived (\$6,686.83) has already been paid by Milwaukee County to West Allis under the annual tax settlement process, wherein Milwaukee County pays off all overdue taxes and then acts as a county wide delinquent tax collector. Thus we would be paying twice for these taxes at their over-assessed value.

According to Corporation Counsel, the Milwaukee County Treasurer has no authority to waive taxes, except in cases of contaminated properties. If not granted, West Allis might be able to work the actual back taxes amount into the property sales price, instead of having Milwaukee County waive the taxes. West Allis could also potentially seek a refund from all taxing entities, with the County paying it's portion.

In closing, this is a West Allis affordable housing initiative – not Milwaukee County's. Without any stated county policy on this matter, I have no compelling reason to recommend that Milwaukee County, which has it's own special needs housing program, should contribute to this one program in one suburb. However, the County Board alone has the authority to act on this matter.

UNPAID REAL ESTATE PROPERTY TAX STATEMENT

04/23/2010

TAX YEAR	CERTIFICATE NUMBER	TYPE	NET TAX	PRINCIPAL	INTEREST	PENALTY	TOTAL DUE
2008	3877	General	2518.01	2407.83	385.25	192.63	2985.71
		Special	1469.04	1469.04	235.05	117.52	1821.61
2007	3733	General	2493.74	2408.89	674.49	337.24	3420.62
		Special	401.07	401.07	112.30	56.15	569.52
	TOTALS FOR PROPERTY			6686.83	1407.09	703.54	8797.46

4540237000

CITY OF WEST ALLIS

1536 S 65 ST

AMOUNT DUE FOR MONTH OF MAY

PLEASE RETURN THIS NOTICE WITH YOUR
PAYMENTC/O DELBERT H DETTMANN
CITY OF WEST ALLIS
7525 W GREENFIELD AVE
WEST ALLIS WI 53214DANIEL J. DILIBERTI
MILWAUKEE COUNTY TREAS
BOX 78688
MILWAUKEE WI 53278-0688



Re: 1536 S. 65 St. 

Craig Dillmann to: Patrick Schloss

12/10/2009 03:19 PM

Cc: cdillmann, Gary.Bottoni, jmathy, joe.sanfelippo, jweishan, Gerald Baker, Robert Andrews, Daniel Diliberti

Sender	Date	Subject

Patrick,

Good talking with you and thanks for sharing some background concerning your attached email. As we discussed, I believe any consideration regarding the County waiving property taxes should be initially addressed by the County Treasurer and the County Corporation Counsel's office. Mr. Bob Andrews, Deputy Corporation Counsel will be returning to the office Tuesday, December 15th. Give us an opportunity to discuss this internally before we get back to you. Thereafter, perhaps a meeting between the County Treasurer, Corporation Counsel, our office and Supervisor Weishan, the district supervisor, may be warranted. Happy Holidays to you, Craig

"Patrick Schloss"	Dear Craig:	12/08/2009 12:36:40 PM
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From: "Patrick Schloss" <pschloss@ci.west-allis.wi.us>
 To: <cdillmann@milwcnty.com>
 Cc: <jmathy@milwcnty.com>, <Gary.Bottoni@milwcnty.com>, <jweishan@milwcnty.com>, <joe.sanfelippo@milwcnty.com>
 Date: 12/08/2009 12:36 PM
 Subject: 1536 S. 65 St.

Dear Craig:

The City of West Allis is a partner in the Milwaukee County Home Consortium relative to federal HOME funds. The funds are used to create affordable homeownership opportunities.

The City of West Allis acquired 1536 S. 65 St. at Sheriff's Auction. The City, more specifically, the Community Development Authority of the City of West Allis purchased the property because of a \$9,701 HOME loan we had on the property. The City will use HOME funds to renovate the property and a grant from WE Energies to make the home energy efficient.

We are aware that the property is burdened by some outstanding taxes (2008 and 2007). Not sure on 2009, title listed at not yet due and payable. The City would like to get this property improved quickly to help improve the tax base of the region. However, with a \$66,762.10 purchase price and a renovation budget between \$60-\$75,000, the potential market price of \$120,000 - \$130,000 could not support additional costs such as prior taxes.

low estimate?

The City is requesting that Milwaukee County share in the mission of creating affordable housing as outlined in the Milwaukee County Home Consortium. The waiver or forgiveness of past taxes on the property would help the project be successful, support affordable housing, and return value to the property for future taxes.

where does renovation budget come from?

If you have further questions or comments, please feel free to call my office. Happy Holidays.

Regards,

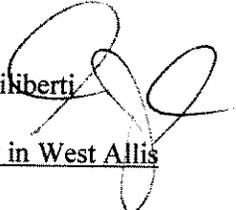
Patrick Schloss
Community Development Manager
City of West Allis
W: 414-302-8468
F: 414-302-8401

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: April 27, 2010

TO: Lee Holloway – Chairman, Milwaukee County Board of Supervisors
Milwaukee County Board of Supervisors

CC: Dan Devine, Mayor of West Allis

FROM: Milwaukee County Treasurer Daniel DiLiberti 

RE: Remediation of Contaminated Property in West Allis

The attached items are being sent to the County Board to provide a recommendation on how to proceed with West Allis' request for partnership in property remediation of a contaminated parcel of land in their municipality.

This communication is being forwarded to recommend the acceptance of West Allis' request for a waiver of back taxes, interest and penalty totaling \$29,900 for the property at 1928 S. 62nd Street (former Plating Engineering Co.). West Allis will use this waiver as a local match for a \$29,900 Wisconsin Department of Natural Resources (WDNR) Site Assessment 50/50 matching grant for this site. West Allis has also received approval from the US EPA Assessment Grant to complete a Phase I & II Environmental Assessment and Remedial Action Plan for the property.

Passage of this resolution will result in Milwaukee County waiving \$29,900 interest, penalties and delinquent taxes to assist West Allis in achieving its goal of a local match to the DNR Grant. By doing so, West Allis will be able to obtain EPA and WDNR grants to pay for the demolition of the building. Furthermore, their remediation of this property will return it into a useable condition and will restore it to the tax roll.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 04-23-10

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Remediation of Contaminated Property in West Allis

FISCAL EFFECT:

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

<input type="checkbox"/> Decrease Operating Expenditures

<input type="checkbox"/> Increase Operating Revenues

<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures

<input type="checkbox"/> Decrease Capital Expenditures

<input type="checkbox"/> Increase Capital Revenues

<input type="checkbox"/> Decrease Capital Revenues

<input type="checkbox"/> Use of contingent funds |
|--|--|

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

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	(\$ 29,900)	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.

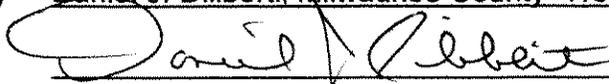
- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current 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.

A waiver of \$20,388 delinquent interest & penalties, and a waiver of \$9,512 in delinquent taxes will aid West Allis in providing a local match for WDNR funds. It makes possible the remediation of a contaminated property, and by providing these matching funds, allows West Allis to begin the remediation work required for this property. This request will cost Milwaukee County \$29,900 in potential revenues, but will save the County the burden of having to deal with remediation and demolition costs. Furthermore, once this property has been remediated, the potential exists to collect the remaining back taxes. It will also return this property to the tax roll. An estimate of \$150,000 in potential demolition costs comes from Mayor Dan Devine of West Allis.

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.

Department/Prepared By Daniel J. Diliberti, Milwaukee County Treasurer

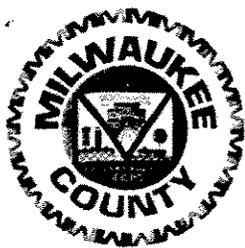
Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No



Joe Sanfelippo

Milwaukee County Supervisor - 17th District

May 12, 2009

Mr. Craig Dillmann
Manager of Real Estate Services
2711 W. Wells Street, Room 532
Milwaukee, WI 53208

RE: 1928 S. 62nd St. West Allis (Former Plating Engineering Co.)

Dear Mr. Dillmann:

I am enclosing a copy of a letter from the City of West Allis requesting waiver of back taxes for the property noted above. While this particular site is not located within my supervisory district, I do represent a significant portion of the City of West Allis as well as reside in the city so I am therefore greatly interested in this situation.

It appears from the letter that approving the waiver as requested would greatly benefit Milwaukee County as we would not be required to front the estimated \$150,000.00 cost of demolition. I strongly urge you to positively consider the city's request, as it will not only save the County money but it will advance the cleanup of an extremely contaminated and hazardous site.

Yours truly,

A handwritten signature in black ink, appearing to read "Joe Sanfelippo", written over a horizontal line.

Joe Sanfelippo

Cc; Dan Devine, West Allis Mayor
John Stibal, West Allis Development Director



MAYOR'S OFFICE

Dan Devine
Mayor

414/302-8290
414/302-8207 (Fax)

City Hall
7525 West Greenfield Avenue
West Allis, Wisconsin 53214

ddevine@ci.west-allis.wi.us
www.ci.west-allis.wi.us

April 28, 2009

The Honorable John Weishan, Jr.,
Milwaukee County Board Of Supervisors
Milwaukee County Courthouse
901 North 9th Street, RM 201
Milwaukee, WI 53233

RE: Request for Waiver of Back Taxes for the property located at 1928 S. 62 St. (Former Plating Engineering Company) (Tax Key No. 475-0039-001)

Dear Supervisor Weishan:

The Plate Engineering Company abandoned the above property in December 2006, prompting action by the City of West Allis, the US Environmental Protection Agency (EPA) and Wisconsin Department of Natural Resources (WDNR). The Plating Engineering Company site has experienced a great deal of environmental degradation throughout the years. The site had operated as a plating facility, which was known to use nickel, copper, chrome, tin, lead and bronze in their processes. Upon the ceasing of operations, the property was abandoned with hazardous chemicals left in place. Over 30 vats of unknown chemicals were documented, many of which had saturated the areas beneath them or spilled over onto the site.

Analysis of vat, container, and drum samples indicated the presence of hazardous waste that are corrosive and ignitable. It was concluded by the EPA that the conditions at this site pose an imminent and substantial threat to human health, welfare, and the environment and as such, a Time-Critical Removal Action was commenced.

While in Bankruptcy the property was abandoned by the Trustee. In May 2007, the city issued a raze order for the dilapidated building. Because of the extremely high environmental risks still associated with any control over the site, the City went to Milwaukee County Circuit Court to obtain a court order directing the demolish of the building.

In the normal course of events, the City will now demolish the building and place a special assessment/charge on the property. With no owner available to pay the property tax bill Milwaukee County would reimburse the City for the demolition cost. In this case, the estimated demolition cost is approximately \$150,000. Milwaukee County typically recovers their special assessment/charge payment to the cities in Milwaukee County by foreclosing on the property. Unfortunately in this case the property is currently in an unmarketable condition. In addition, the EPA already has an approximate \$677,000 Emergency and Rapid Response Superfund lien on the property. It is also currently estimated to cost roughly \$2 million more to complete the demolition and environmental restoration of the property.

Supervisor John Weishan, Jr.
April 28, 2009
Page 2

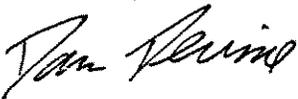
The City of West Allis has received approval for a \$29,900 Wisconsin Department of Natural Resources (WDNR) Site Assessment 50/50 matching grant for this site. The City has also received approval from the US EPA to utilize a portion (approximately \$40,000) of the City's EPA Assessment Grant to complete a Phase I & II Environmental Assessment and Remedial Action Plan for the property. The City has also received approval of an Agreement with the WDNR for the City to manage the demolition and environmental remediation of the site on behalf of WDNR in exchange for WDNR utilization of the Wisconsin Emergency Response Fund to finance the demolition and balance of the environmental cleanup of the property. All funding above is subject to the City of West Allis obtaining funding for the match portion of the WDNR Site Assessment Grant match of \$29,900.

Currently the property taxes owed to Milwaukee County are in excess of \$41,000. The City of West Allis would like to request that Milwaukee County wave \$29,900 in back taxes so as to provide for the WDNR required match funding. By doing this the EPA & WDNR grants will pay for the demolition of the building and thereby saving the County approximately \$150,000 minus the \$29,900 in waved back taxes. As an aside, the City has reduced the assessed value of the taxable improvements on the property down to \$0.00.

Milwaukee County has in the past been excellent public partners in the remediation of a number of brownfield sites in the City of West Allis. Such intergovernmental cooperation on the part of the county has been greatly appreciated. The City of West Allis looks forward to your favorable review of this request.

If you have any questions relative to this matter please feel free to contact my office or Mr. John Stibal, Director of Development at 414-302-8462.

Sincerely,



Dan Devine
Mayor

/dlm

cc Jim Schmitt, Milw. County Supervisor
Joe Sanfelippo, Milw. County Supervisor
John F. Stibal, Director of Development

04/16/2010

UNPAID REAL ESTATE PROPERTY TAX STATEMENT

TAX YEAR	CERTIFICATE NUMBER	TYPE	NET TAX	PRINCIPAL	INTEREST	PENALTY	TOTAL DUE
2008	3949	General	966.26	966.26	144.94	72.47	1183.67
		Special	951.58	951.58	142.74	71.37	1165.69
2007	3808	General	3514.33	3514.33	948.87	474.43	4937.63
		Special	1627.95	1627.95	439.55	219.77	2287.27
2006	2887	General	3450.41	3450.41	1345.66	672.83	5468.90
		Special	1759.24	1759.24	686.10	343.05	2788.39
2005		General	3594.76	3594.76	1833.33	916.66	6344.75
		Special	1717.15	1717.15	875.75	437.87	3030.77
2004		General	3875.16	3875.16	2441.35	1220.68	7537.19
		Special	1504.80	1504.80	948.02	474.01	2926.83
2003		General	3921.21	5047.92	3785.94	1892.97	10726.83
		Other Charge	245.00	245.00	0.00	0.00	245.00
TOTALS FOR PROPERTY				28254.56	13592.25	6796.11	48642.92

T
YF

4750039001

CITY OF WEST ALLIS

1928 S 62 ST

PLATING ENG CO
N30 W23481 GREENFIELD CT B
PEWAUKEE WI 53072-5889

AMOUNT DUE FOR MONTH OF APRIL

PLEASE RETURN THIS NOTICE WITH YOUR
PAYMENT

DANIEL J. DILIBERTI
MILWAUKEE COUNTY TREAS
BOX 78688
MILWAUKEE WI 53278-0688



Daniel J. Diliberti
Milwaukee County Treasurer

DATE: May 3, 2010
TO: Elizabeth M. Coggs, Chair, Finance and Audit Committee
FROM: Daniel J. Diliberti, Milwaukee County Treasurer
RE: 2010 First Quarter Investment Report

A handwritten signature in black ink, appearing to read "D. Diliberti", written over the "FROM" line of the header.

The attached 2010 First Quarter Report of Earnings on Investments is being presented to the Finance Committee as an informational item.

This report, which projects an annual surplus of approximately \$2,000, is a preliminary estimate, compiled and projected from only one quarterly report on investments of the 2010 year. It does indicate a budget that is still on track, but may yet be affected by continuing declines in investment earnings caused by the low Federal reserve rate of approximately $\frac{1}{4}$ % (.25%).

As stated in my last report, Federal Reserve Chairman Ben Bernanke told the House Financial Services Committee that he still expects rates will remain low for an extended period in order to help borrowing costs low to help revive the economy. However, if the current indicators of a mild recovery prove to be sustainable throughout the year, interest rates may rise slightly. That would have a positive effect on our ability to meet our budget goals.

This report is sent to the Finance Committee on a quarterly basis.

Investment Reporting Form

Report for Year-to-Date	<u>03/31/10</u>
Average Net Daily Amount Invested	\$375,129,806
Average Rate of return (year-to-date)	<u>1.59%</u>
Actual Investment Earnings (All Funds)	\$1,077,814

Estimated Year to Date

Projected Earnings on Investments (All Funds)	\$4,311,256
*Projected Earnings on Trusts, Reserves, Capital Fund, Etc.	(\$1,700,000)
Market Adjustment (Unrealized)	\$100,000
General Revenue Fund Earnings	<u>\$2,711,256</u>
Budgeted General Fund Earnings	\$2,709,111
<u>Deficit/Surplus</u>	<u>\$ 2,145</u>

Prepared by: 
Daniel J. Diliberti
Milwaukee County Treasurer

*Information based on estimates of reported earnings provided by the Department of Administration

COUNTY OF MILWAUKEE
Inter-Office Communication

8

Date: April 21, 2010

To: Committee on Finance & Audit

From: Scott Manske, Controller, Department of Administrative Services
Jerome J. Heer, Director of Audits

Subject: Trust Fund for Fleet & Facilities Division Other Post Employment Benefits (OPEB) Costs
(File No. 10-117)

At the March 11, 2010 meeting of the Committee on Finance and Audit, the Committee received a report from the Director of Department of Administrative Services (attached), calling for the establishment of a trust fund to account for the OPEB costs of two Divisions within the Department of Transportation and Public Works that had previously been internal service funds. The Committee laid the matter over and called for a report from Audit and the County's external auditors to provide additional insight and opinions on the matter.

The attached letter from the external auditors, Baker Tilly Virchow Krause LLP, identifies the auditor's concurrence with the accounting approach recommended by DAS. The external auditors also point out that accounting standards may dictate a different treatment of this type of fund in 2011. This should not be viewed as an indication that the proposed accounting method is incorrect. Rather, the definitions of funds under the new accounting standards may require a different classification that achieves the same outcome intended in the creation of this trust. Audit and DAS will work with the external auditors in 2011 to address the new accounting standards in a manner that meets the intent of Milwaukee County.

We recommend approval of the department's recommendation.

Scott Manske, Controller, DAS

Jerome J. Heer, Director of Audits

SM/JJH/cah

Attachments

cc: Scott Walker, Milwaukee County Executive
Cynthia Archer, Director, Department of Administrative Services
Steve Kreklow, Fiscal & Budget Administrator, DAS
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Delores Hervey, Chief Committee Clerk, County Board Staff

MILWAUKEE COUNTY
FINANCE & AUDIT

2010 APR 20 AM 11:17



BAKER TILLY

Baker Tilly Virchow Krause, LLP
115 S 84th St, Ste 400
Milwaukee, WI 53214-1475
tel 414 777 5500
fax 414 777 5555
bakertilly.com

April 15, 2010

Mr. Jerry Heer, Director of Audits
Milwaukee County
City Campus, 9th Floor
2711 West Wells Street
Milwaukee, WI 53208

Dear Mr. Heer:

You have requested our analysis and opinion on the accounting and financial reporting treatment of the accumulated reserves for the other post-employment benefit (OPEB) costs related to the Department of Transportation and Public Works (DTPW) Fleet and DTPW Facilities divisions as recommended to the Milwaukee County Finance & Audit committee by the Department of Administrative Services. As such, we provide the following:

Background

The following information is excerpted from an interoffice communication from Cynthia Archer, Director, Department of Administrative Services to Chairman Lee Holloway, Chairman, County Board of Supervisors and Supervisor Elizabeth Coggs, Chairman, Finance & Audit Committee, dated February 22, 2010, which is incorporated herein by reference.

Prior to January 1, 2009, the County accounted for and reported the activities of the DTPW Fleet and Facilities divisions as internal service funds. In accordance with generally accepted accounting principles the Fleet and Facilities divisions, as internal service funds were required to accrue expenses and create liability accounts to cover the calculated liabilities for OPEB costs related to employees of these divisions. As internal service funds, the costs incurred in the Fleet and Facilities divisions were allocated to many other County departments.

In 2008, the operations of the Fleet and Facilities divisions were reviewed by County management and it was determined that these divisions no longer met the requirements for internal service fund reporting and therefore should no longer be reported as such. Effective January 1, 2009, the divisions became part of the County's general fund. In accordance with generally accepted accounting principles, the general fund does not accrue for OPEB costs.

This change in reporting raises the question as to what to do with the resources that have been accumulated for OPEB costs in the internal service funds?

County management, via the above referenced interoffice communication and related resolution, have proposed creating a trust fund in which the value of the accumulated OPEB costs from the Fleet and Facilities divisions would be deposited. The funds deposited would then be used to reimburse the general fund for OPEB costs incurred related to employees of Fleet and Facilities divisions.

Mr. Jerry Heer
Milwaukee County
April 15, 2010
Page 2

It should be noted that the County has utilized the creation of a trust fund (actually a special revenue fund for annual financial statement reporting purposes) to account for accumulated employee benefits in similar situations. Recent examples include establishing a trust fund to account for the accrued vacation and sick leave of the Fleet and Facilities divisions and creating a trust fund to account for the accrued vacation and sick leave when the financial reporting for the Behavioral Health Division was changed from an enterprise fund to inclusion in the general fund.

Accounting and Financial Reporting Treatment

Generally accepted accounting principles states that a government unit's accounting and reporting policies and procedures should be consistent and applied uniformly to all activities of the government unit. As noted above, the recognition of OPEB expense and related liabilities in the internal service funds was appropriate in the circumstances. Changing the reporting of the Fleet and Facilities division from the internal service fund to the general fund changes the reporting of this liability but does not eliminate the OPEB liability. In other words, the OPEB liability exists for these employees whether they are accounted for in the internal service fund or in the general fund. As noted above, past practice of the County has been to move similar liabilities to a special revenue fund, and then amortize the liability back to the department that originated the liability. As a result, the department that created the liability through an expense charge is the same department that receives a cost offset in the future as the liability is reduced. Any cost allocations or charges from these departments to other departments, who would have originally helped pay for the accrued liability, may now benefit as the liability is reduced.

Conclusion

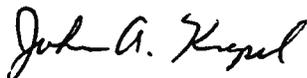
Therefore, in an effort to reflect that these costs have been previously recognized as expenditures and charged to many County departments as well as being consistent with past practices in similar situations, we believe that County management's proposal to create a trust fund (actually a special revenue fund for financial statement reporting purposes) is a reasonable and prudent way to address this situation.

Having said that, it is important to note that for its 2011 financial statements, the County will be required to adopt the provisions of Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting*, which may change the financial statement reporting of this fund. As noted previously, the trust fund will be reported in the annual financial statements as a special revenue fund. GASB Statement No. 54 changes the definition of special revenue funds and given our interpretation of Statement No. 54, we believe that this fund will not meet the new definition for special revenue funds as it does not have a specific revenue source. Accordingly, it would not be appropriate to present this fund as a special revenue fund in the County's 2011 financial statements. We would suggest that County management review the requirements GASB Statement No. 54 as it relates to the definition of special revenue funds.

We would welcome the opportunity to discuss this letter further at your convenience. If you have questions, please contact us.

Very truly yours,

BAKER TILLY VIRCHOW KRAUSE, LLP



John A. Knepel, Partner

jv/JAK

Fin. Services
FEB 2010

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: February 22, 2010

FILE NO. 10-117

TO: Chairman Lee Holloway, Chairman, County Board of Supervisors
Supervisor Elizabeth Coggs, Chairman, Finance & Audit Committee

FROM: Cynthia Archer, Director, Department of Administrative Services
Prepared by: Scott Manske, Controller, DAS – Fiscal Services

SUBJECT: **Requesting Authorization to Create a Trust Fund for the Department of Transportation and Public Works Fleet and Facilities divisions, for the Purposes of Reimbursing the General Fund for Other Post-Employment Benefit Costs Resulting from Employees of those Divisions.**

Policy Issue

Establishment of a Trust Fund requires approval of the County Board per Resolution File No. 86-779(a)(a).

Background

The Department of Transportation and Public Works (DTPW) Fleet and DTPW Facilities divisions have an accrued balance of \$4,989,688 in other post-employment benefit (OPEB) liability accounts as of December 31, 2008. OPEB costs represent the cost of retiree health care and life insurance coverage. An actuary performs an actuarial calculation and provides the County with an actuarial study with an estimate of the County's annual OPEB cost and actuarial accrued liability related to its retiree health care and life insurance.

In accordance with Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB), the Fleet and Facilities divisions, as internal service funds, were required to accrue expenses and create liability accounts to cover the calculated liabilities for OPEB costs. This requirement was established in 2007. As internal service funds, the costs for these divisions were allocated to other County departments. Departments included the costs allocated from the Fleet and Facilities divisions in numerous cost reports for reimbursement from federal and state granting agencies. These cost reports have been audited and accepted by the granting agencies for all the years prior to 2009. These cost reports at this time cannot be amended and are considered final.

In 2008 the operations of the Fleet and Facilities divisions were reviewed and it was determined that these divisions should no longer be reported as internal service funds. As approved in the 2009 Budget, the divisions are now included as part of the General Fund. The General Fund is not required to accrue for OPEB costs. Therefore, the purpose of the account will end, unless the County transfers the funds to a trust fund.

Due to the cost reporting requirements for federal and state grants, these funds can only be used for their previously stated purpose, which was to pay for OPEB costs of the Fleet and Facilities divisions. To comply with the cost reporting requirements, the current balances of the OPEB liabilities should be transferred to a trust fund. The trust will be used to reimburse the General Fund for OPEB costs resulting from Fleet and Facilities employees.

Resolution File No 86-779 (a)(a) requires submission of the following information to the County Board for the creation of a trust fund:

- Total funds to be placed in the trust \$4,989,688
- Source of funds – current balances in the accrued vacation and sick leave accounts (0030-615, 0031-0615)
- Purpose for which the funds can be expended – reimbursement of the General Fund for OPEB costs resulting from employees of the Fleet and Facilities divisions, or who transfer to other County divisions.
- Signed statement from the Controller stating that the establishment of this trust fund would be in accordance with generally accepted accounting principles.
- Estimated length of time the fund would be active – until such time as the fund has been depleted.

The Director does not require separate banking for this trust account, since the trust would reimburse the General Fund by journal entry.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director, Department of Administrative Services, or her designee, to create a trust fund from accrued OPEB funds that are currently held by the Fleet and Facilities divisions. The funds will be used to reimburse the General Fund for OPEB costs resulting from employees of the Fleet and Facilities divisions, and for the transfer of personnel to other County divisions.

Fiscal Effect

There is no effect on the County's fiscal status resulting from the transfer to the trust fund. The Fleet and Facilities divisions currently hold funds of \$4,989,688 that were created to fund their liability for future OPEB costs. These funds will be transferred to a non-interest bearing trust for Milwaukee County. There is no fiscal effect to the County since these funds are restricted due to the previous cost reporting to federal and state granting agencies. The funds currently held by the Fleet and Facilities divisions of \$4,989,688 in the accrued OPEB liability accounts (0030-0615, 0031-0615) would move to the newly created trust fund, or to any fund to which Fleet or Facilities personnel were transferred.

A handwritten signature in black ink, appearing to read 'Cynthia Archer', written over a horizontal line.

Cynthia Archer, Director
Department of Administrative Services

cc: Scott Walker, County Executive
Steven Kreklow, Fiscal and Budget Administrator, DAS
Stephen Cady, County Board Fiscal and Budget Analyst
Jodi Mapp, County Board Staff

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A RESOLUTION

WHEREAS, the Director of the Department of Administrative Services is requesting authorization to create a trust fund to be utilized for reimbursement of the General Fund for other post-employment benefits (OPEB) costs resulting from employees of the Department of Transportation and Public Works (DTPW) Fleet and DTPW Facilities Divisions; and

WHEREAS, establishment of a Trust Fund requires approval of the County Board per Resolution File No. 86-779(a)(a); and

WHEREAS, the DTPW Fleet and DTPW Facilities Divisions have an accrued balance of \$4,989,688.00 in their respective OPEB liability accounts; and

WHEREAS, in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) the DTPW Fleet and DTPW Facilities Divisions, as internal service funds, were required to accrue an expense and create a liability account to cover the calculated cost of OPEB for employees in the DTPW Fleet and DTPW Facilities Divisions; and

WHEREAS, these costs were included in cost reports submitted to granting agencies by divisions which have been charged for DTPW Fleet and DTPW Facilities services, since the County began accruing these costs in 2007. These cost reports have been audited and accepted by granting agencies for all the years prior to 2009. At this time, these cost reports cannot be amended, and are considered final; and

WHEREAS, in 2009, the program and revenue sources of the DTPW Fleet and DTPW Facilities Divisions were reviewed and it was determined that these divisions no longer met the requirements of an internal service fund and therefore the divisions became General Fund departments; and

WHEREAS, since the divisions are General Fund departments, they are no longer required to maintain an accrual for OPEB costs; and

WHEREAS, due to the federal and state cost reporting requirements for grants, these accrued funds can only be used for their previously stated purpose, which was to reimburse the division for OPEB costs payable at retirement for any employee of DTPW Fleet and DTPW Facilities divisions; and

WHEREAS, resolution File No 86-779(a)(a) requires submission of the following information to the county board for the creation of a trust fund:

- Total funds to be placed in the trust \$4,989,688.00

- 45 • Source of funds – current balances in the accrued OPEB accounts (0030-
46 0615, 0031-0615)
47 • Purpose for which the funds can be expended – reimbursement of the
48 General Fund for OPEB costs resulting from employees of the DTPW Fleet
49 and DTPW Facilities divisions, or for employees who transferred from DTPW
50 Fleet and DTPW Facilities to another County division.
51 • Signed statement from the Controller stating that the establishment of this
52 trust fund would be in accordance with generally accepted accounting
53 principles.
54 • Estimated length of time the fund would be active – until such time as the
55 fund has been depleted or all eligible employees retire.

56 and;

57 WHEREAS, the Director does not require any separate banking of this account
58 balance; and

59 WHEREAS, there is no fiscal impact associated with this request; and therefore
60

61 BE IT RESOLVED, that the Director or her appointee, is hereby authorized and
62 directed to establish a non-interest bearing trust fund from funds that are currently held
63 in the DTPW Fleet and Facilities divisions for other post-employment benefits (OPEB);
64 and
65

66 BE IT FURTHER RESOLVED, that the funds in the trust fund will be used to
67 reimburse the General Fund for OPEB costs resulting from DTPW Fleet and DTPW
68 Facilities employees, or for those employees who transferred from DTPW Fleet and
69 DTPW Facilities to another County division, until such time as the trust fund is
70 depleted.
71

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 2/22/10

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request to establish a trust fund account

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

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

DESCRIPTION OF FISCAL EFFECT

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

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

A. The Director of the Department of the Department of Administrative Services, requests the authorization to create a trust fund to be utilized for the reimbursement of the General Fund for other post-employment benefit costs (OPEB) resulting from employees of the Department of Transportation and Public Works (DTPW) Fleet and DTPW Facilities divisions.

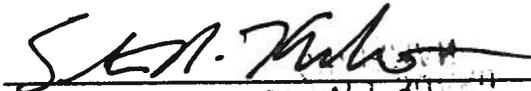
B. There are no direct costs associated with this action.

C. The fiscal impact is zero. Costs have already been accrued, and will be transferred to the trust upon approval.

D. n/a

Department/Prepared By Scott B. Manske, Controller

Authorized Signature


SCOTT B. MANSKE

Did DAS-Fiscal Staff Review?



Yes



No

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.

COMMITTEE ON FINANCE AND AUDIT MARCH 11 2010

15. 10-117 From Director, Department of Administrative Services, requesting authorization to create a Trust Fund for the Department of Transportation and Public Works Fleet and Facilities divisions, for the purposes of reimbursing the General Fund for Other post-employment benefit costs resulting from employees of those divisions.

#B023

APPEARANCES:

Mr. Scott Manske, Controller

Mr. Jerome Heer, Director of Audit

Mr. Steve Kreklow, Fiscal and Budget Administrator, DAS

Discussion ensued.

The Committee requested that our external auditors to provide additional insight and opinion on treating these accumulated reserves for trust funds in a different way and obtain the actuarial assumptions used in establishing the liability.

ACTION BY: (Mayo) Moved layover to the April cycle with a report from Audit that they obtain from the County's external auditors additional insight and opinion on treating the accumulated reserves for post-employment benefits costs in a different way and also obtain the actuarial assumptions used in establishing the liability. Vote 6-0

AYES: Mayo, Schmitt, Johnson, West, Jursik and Thomas (Acting Chair)-6

NOES: None

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: May 14, 2010

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

From: Steven R. Kreklow, Fiscal & Budget Administrator

Subject: Report on Fiscal and Service Impacts of Executive Order 10-1 (10 Additional Furlough Days for Certain Represented Employees)

Request

Adopted Resolution 10-107 (attached) requires the Department of Administrative Services (DAS) to provide a report to the Committees on Finance and Audit and Personnel detailing the participation in the additional furlough program by department, the total fiscal savings from this initiative, and any possible actions that result in reductions to this initiative.

Background

The 2010 Adopted Operating Budget includes initiatives detailing wage and benefit modifications, including furlough days, freezing all step increases in 2010, modifications to overtime, increases in monthly health care premiums and other health care costs, reducing the pension multiplier, and increasing the normal retirement age for all new hires. These initiatives are included in Organizational Unit 1972 and include expenditure reductions of \$25.8 million and revenue reductions of \$5.7 million, for a net tax levy savings of \$20.1 million. The levy reduction for represented employees in 2010 totals \$10.3 million and assumes the initiatives would be implemented on January 1, 2010.

All employees were subject to the 1972 provisions on January 1, 2010. However, with the exception of furlough days, the 1972 provisions were subject to collective bargaining for represented employees and therefore not implemented on January 1, 2010 as required in the 2010 Adopted Budget. On February 25, as a corrective action, the County Executive issued and the County Board endorsed Executive Order 10-1 (attached), implementing a program of 10 additional furlough days for employees in collective bargaining units that had not yet reached an agreement to implement these provisions. This was estimated to affect 1,468 employees, exempting employees in public health and safety roles. The program would reduce personnel services expenditures by an estimated \$2.8 million, offset by a revenue reduction of \$1 million, for a net levy savings of \$1.8 million (see attached report and fiscal note).

Subsequent to implementation of the program, a number of exemptions from the additional 80 hours were provided to departments to maintain critical services related to public health and public safety. At the Behavioral Health Division (BHD), 104 nurses, psychology staff, dietitians, occupational therapists, and other represented staff charged with direct patient care were exempted. At General Mitchell International Airport (GMIA), 16 Airport Operations Coordinators were exempted. All staff at the Medical Examiner's Office was exempted. The Departments of Parks, Recreation and Culture and the Zoo were allowed flexibility to schedule their mandated furlough days based on activity levels.

Two collective bargaining units (TEAMCO and Machinists) reached collective bargaining agreements that included the Org. Unit 1972 provisions since the implementation of the program. On March 23, the County Executive issued Executive Order 10-3 (attached), which rescinded the 10 additional furlough days for members of these two unions, totaling 38 employees.

To help minimize the effects on departments, administrative rules require departments to implement the program so that affected employees take a portion of their total furlough day allocation (12 days included in the Adopted Budget plus the 10 additional days) by June 26.

Summary

Resolution 10-107 requires DAS to provide a report to the Committees on Finance and Audit and Personnel detailing the participation in the additional furlough program by department, the total fiscal savings from this initiative, and any possible actions that result in reductions to this initiative.

With regard to service impacts, DAS distributed a survey to Cabinet-level departments and divisions requesting information and the responses are attached. Departments that provide public safety, such as the Office of the Sheriff, the Courts, the District Attorney, and the Medical Examiner were exempted from the 10 additional furlough days and so are not considered in this report. Constitutional Offices (County Board, Clerk, Treasurer and Register of Deeds) that have implemented alternative furlough plans were also not included in the survey. Two departments within the County Board, Audit and Community Development Business Partners, have eligible employees and are participating in the program.

DAS-Fiscal has also tracked furlough hour usage and associated savings and those figures are shown below. Please note that all hourly data shown below is based on payroll activity through pay period 9, which expired on April 17, 2010.

Departmental Participation

The February 19 report included an estimate of 1,468 affected employees. As noted above, subsequent to the implementation of the program, additional employees have been identified as providing public safety or direct care roles (notably at GMIA and BHD); and other position actions have taken place. Based on data available through pay period 9 (April 17, 2010), there are 1,221 represented employees that are subject to the 10 additional furlough days, as shown by the table below.

Department	Total Employees Affected by EO 10-1 & 10-3	Department	Total Employees Affected by EO 10-1 & 10-3
Audit	3	DTPW-Transp. Svcs.	1
Veteran's Svcs.	1	DTPW-A&E	4
CDBP	2	DTPW-Highways	83
Pers Rev Board	1	DTPW-Fleet	29
Corp Counsel	9	DTPW-Facilities	76
DAS-Risk Mgmt	2	BHD	146
DAS-Fiscal	12	Aging	58
DAS-Procurement	3	Aging-CMO	51
DAS-IMSD	43	DHHS	183
Child Support	114	Parks	138
DTPW-Airport	166	Zoo	96
GRAND TOTAL: 1,221			

These 1,221 employees are required to take a total of 95,754 hours, as shown by department below. Please note the 80 additional hours are prorated for each employee based on actual hours worked (for instance a part-time employee who works 40 hours per pay period is only subject to an additional 40 hours).

Department	Total Furlough Hours Req. by EO 10-1 & 10-3	Department	Total Furlough Hours Req. by EO 10-1 & 10-3
Audit	240	DTPW-Transp. Svcs	80
Veteran's Svcs.	80	DTPW-A&E	320
CDBP	160	DTPW-Highways	6,640
Pers Rev Board	80	DTPW-Fleet	2,320
Corp Counsel	720	DTPW-Facilities	6,080
DAS-Risk Mgmt	160	BHD	11,624
DAS-Fiscal	960	Aging	4,560
DAS-Procurement	240	Aging-CMO	4,080
DAS-IMSD	3,440	DHHS	14,608
Child Support	8,968	Parks	11,024
DTPW-Airport	11,750	Zoo	7,620
GRAND TOTAL: 95,754			

Total Fiscal Savings

Total net savings (less revenue offsets) for the additional 80 furlough hours total approximately \$1,422,285. The net total by department is shown below:

Department	Net Savings	Department	Net Savings
Audit	\$3,978	DTPW-Transp. Svc	\$2,155
Veteran's Svcs.	\$1,310	DTPW-A&E	\$8,116
CDBP	\$4,102	DTPW-Highways	\$30,631
Pers Rev Board	\$2,405	DTPW-Fleet	\$52,516
Corp Counsel	\$30,150	DTPW-Facilities	\$167,214
DAS-Risk Mgmt	\$3,684	BHD	\$254,529
DAS-Fiscal	\$19,784	Aging	\$64,921
DAS-Procurement	\$5,309	Aging-CMO	\$0
DAS-IMSD	\$112,259	DHHS	\$172,255
Child Support	\$70,927	Parks	\$254,281
DTPW-Airport	\$0	Zoo	\$161,758
Grand Total: \$1,422,285			

After the conclusion of the second quarter, when affected employees have taken half of their required furlough hours, DAS-Fiscal can provide an updated projection of fiscal savings related to the 80 additional furlough hours.

Service Impacts

The survey requests that departments provide the following information:

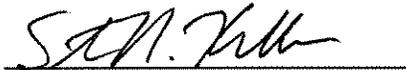
1. Total number of affected full-time employees
2. Total number of additional furlough hours
3. Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts.
4. Describe any program or service impacts resulting from the 10 additional furlough days
5. Identify programs or services eliminated due to additional furlough hours

The departments' or divisions' responses to this survey are attached.

Recommendation

This report is informational only.

Prepared by: Josh Fudge, Fiscal and Management Analyst



Steven R. Kreklow
Fiscal & Budget Administrator

Attachments

cc: Scott Walker, County Executive
Supervisor Elizabeth Coggs, Chair, Finance and Audit Committee
Supervisor Patricia Jursik, Chair, Personnel Committee
Thomas Nardelli, Chief of Staff, County Executive's Office
Cynthia Archer, Director, Department of Administrative Services
Stephen Cady, County Board Fiscal and Budget Analyst
Rick Ceschin, County Board Research Analyst
Jerry Heer, Director of Audits, County Board Department of Audit

1 Supervisor Patricia Jursik, Chairperson,
2 From the Committee on Personnel, reporting on:

3
4
5 File No. 10-107
(Journal, February 25, 2010)

6
7 (ITEM NO. 1) From the Director, Department of Administrative Services (DAS), requesting
8 endorsement of a corrective action to implement a supplemental furlough program for
9 certain employees, by recommending adoption of the following:

10
11 **AN AMENDED RESOLUTION**

12
13 Endorsing the Administration's corrective action plan to implement a supplemental
14 furlough program of up to ten additional furlough days for represented employees beyond
15 those included in the 2010 Adopted Budget.

16
17 WHEREAS, the Adopted 2010 Milwaukee County Budget included initiatives
18 detailing wage and benefit modifications; and

19
20 WHEREAS, those modifications included:

- 21
- 22 • Freezing of all step increases for 2010
 - 23 • Modifications to overtime provisions to bring more in line with the Federal
 - 24 Labor Standards Act
 - 25 • Increasing monthly health care premiums to \$50 single and \$100 family for
 - 26 the HMO and to \$90 single and \$180 family for the PPO Plan
 - 27 • Increasing the out-of-network co-insurance co-payment to 30 percent
 - 28 • Increasing the deductible for the PPO Plan by \$100 for a single and \$300 for
 - 29 a family plan
 - 30 • Increasing the out-of-pocket maximums for the PPO plan by \$500 for single
 - 31 plans and \$1,000 for family plans
 - 32 • Increasing emergency room co-pays to \$100
 - 33 • Reducing the pension multiplier for all members, other than deputy sheriffs
 - 34 and elected officials, from 2.0 percent to 1.6 percent in future years
 - 35 • Increasing the normal retirement age for all new hires, other than deputy
 - 36 sheriffs or elected officials, from age 60 to age 64

37 ; and

38
39 WHEREAS, the 2010 Departmental Budgets were reduced to reflect the savings
40 associated with the above modification; and

41
42 WHEREAS, the 2010 Budget provisions have been implemented for non-
43 represented employees; and

44 WHEREAS, implementation of wage and benefit modifications for represented
45 employees require collective bargaining modifications not yet achieved; and
46

47 WHEREAS, to the extent such modifications were not achieved beginning January 1,
48 2010, the corrective actions necessary to balance the 2010 Budget may be severe; and
49

50 WHEREAS, corrective actions are necessary to achieve required savings from
51 employees not yet impacted by the 2010 Budget reforms; and
52

53 WHEREAS, fairness requires that savings measures imposed upon non-represented
54 employees be likewise shared by represented employees; and
55

56 WHEREAS, steps to be taken to achieve required savings include up to ten (10)
57 "floating" furlough days in addition to those in the Adopted Budget for represented
58 employees; and
59

60 WHEREAS, to insure preservation of public health and safety, these additional
61 furlough days will not be applied to represented employees in Combined Court
62 Operations, Office of the Sheriff, District Attorney's Office, Medical Examiner's Office, and
63 direct patient care personnel at the Behavioral Health Division and in 24/7 operations; and
64

65 WHEREAS, the Committee on Personnel, at its meeting of February 22, 2010,
66 recommended approval of the resolution AS AMENDED (vote 6-1); now, therefore,
67

68 BE IT RESOLVED, that the Milwaukee County Board of Supervisors supports the
69 efforts to impose up to ten (10) additional furlough days beyond those in the 2010 Adopted
70 Budget for represented employees as corrective actions to balance the 2010 Adopted
71 Budget, with the understanding that the Department of Administrative Services will prepare
72 and issue furlough policy guidelines for County departments and employees to implement
73 this additional furlough program; and
74

75 BE IT FURTHER RESOLVED, that to insure preservation of public health and safety,
76 the Department of Administrative Services will include in the furlough policy guidelines a
77 process to exempt represented employees in Combined Court Operations, the Office of the
78 Sheriff, the District Attorney's Office, the Medical Examiner's Office, and direct patient care
79 personnel at the Behavioral Health Division and in 24/7 operations, and other critical
80 functions; and
81

82 BE IT FURTHER RESOLVED, that the Department of Administrative Services shall
83 furnish a report to the Committees on Finance and Audit and Personnel detailing the
84 participation in this additional furlough program by department, the total fiscal savings
85 from this initiative, and any possible actions that result in reductions to this initiative; and
86

87 BE IT FURTHER RESOLVED, in the event that a labor agreement is achieved that
88 reflects the terms of Org. Unit 1972 I the 2010 Adopted Budget, the remaining furlough
89 days outlined in this initiative will be rescinded; and
90

91 BE IT FURTHER RESOLVED, that all Department heads will provide a report to all
92 County Supervisors and respective policy committees detailing projected program and
93 service reductions to be incurred by each department as a resolute of this initiative at the
94 April 2010 committee cycle.
95

96
97 jas
98 2-25-10

County of Milwaukee
Interoffice Communication

Date : February 19, 2010
To : Supervisor Lee Holloway, Chairman, County Board of Supervisors
From : Cynthia Archer, Director, Department of Administrative Services
Subject : Additional Furlough Days for Represented Employees

BACKGROUND

The 2010 Adopted Budget included reductions to departmental budgets that were based upon the implementation of four fixed and eight floating furlough days as well as various modifications to employee wages and benefits. These modifications included:

- Freezing of all step increases for 2010
- Modifications to overtime provisions to be more consistent with the Federal Labor Standards Act
- Increasing monthly health care premiums to \$50 single and \$100 family for the HMO and to \$90 single and \$180 family for the PPO plan
- Increasing the out-of-network co-insurance co-payment to 30%
- Increasing the deductible for the PPO plan by \$100 for a single and \$300 for a family plan
- Increasing the out-of-pocket maximums for the PPO plan by \$500 for single plans and \$1,000 for family plans
- Increasing emergency room co-pays to \$100
- Reducing the pension multiplier for all members, other than deputy sheriffs and elected officials, from 2.0 to 1.6 in future years
- Increasing the normal retirement age for all new hires, other than a deputy sheriff or elected official from age 60 to age 64

The budget reductions made in each department were based on implementation of these wage and benefit modifications on January 1st of 2010. The County Board approved implementation of these modifications for non-represented employees effective January 2010. However the implementation of these modifications for represented employees has yet to be achieved. The reduction to the 2010 Adopted Budget for these wage and benefit modifications for represented employees is \$10.3 million.

DISCUSSION

If the wage and benefit modifications included in the 2010 Adopted Budget are not successfully implemented for represented employees, the corrective actions necessary will likely have

significant impacts. Fairness requires that savings measures be imposed upon non-represented and represented employees in an equitable manner. The implementation of ten additional furlough days for represented employees will result in a tax levy savings of \$1.9 million.

The initiative to implement ten additional furlough days for represented employees detailed in the attached resolution would exempt employees in the Courts, the Sheriff's Office, the District Attorney's Office, the Medical Examiner's Office, staff responsible for direct patient care in 24/7 operations and other critical areas as necessary.

The Department of Administrative Services will provide a report to the Finance & Audit and Personnel Committees detailing the participation in the additional furlough program by department and the total fiscal savings from this initiative as well as any actions that are taken that result in reductions to this initiative

RECOMMENDATION

The Department of Administrative Services recommends that the County Board approve the attached resolution endorsing the Administration's correction action plan to implement up to ten additional furlough days for represented employees beyond those included in the 2010 Adopted Budget.

Please refer this resolution to the Committee on Personnel



Cynthia Archer, Director
Department of Administrative Services

Cc P. Jursik
S. Walker
T. Nardelli
T. Russell
J. Heer
S. Cady
R. Ceschin
S. Kreklow

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 2/19/2010

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Resolution endorsing the Administration's corrective action plan to implement a supplemental furlough program of up to ten additional furlough days for represented employees beyond those included the 2010 Adopted Budget.

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

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

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	-2,771,846	0
	Revenue	-984,356	0
	Net Cost	-1,787,490	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

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

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

A. A resolution has been presented to the County Board requesting support to implement 10 additional furlough days for represented employees. The resolution exempts employees whose duties are directly related to public safety, patient care in 24/7 operations, the Sheriff's Department, the Combined Court Operations, the District Attorney's Office, the Medical Examiner's Office and all non-represented staff.

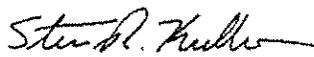
B. Assuming all ten furlough days are implemented, the estimated savings is \$1,787,490. This amount includes estimates for FICA savings, potential unemployment compensation costs and estimates for reduced revenue offsets. The total number of employees who would be required to take additional furlough days under this resolution is 1,468.

C. The estimated savings would achieve a portion of the reductions included in the 2010 Adopted Budget related to wage and benefit modification.

D. The estimated savings are based on employee data as of January 23, 2010. Actual savings will vary due to changes in employment levels and any additional exemptions that are deemed necessary.

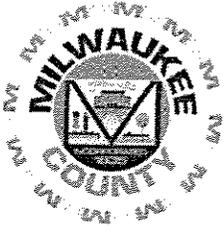
Department/Prepared By Department of Administrative Services - Scott B. Manske

Authorized Signature _____



Did DAS-Fiscal Staff Review? Yes No

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.



OFFICE OF THE COUNTY EXECUTIVE

Milwaukee County

SCOTT WALKER • COUNTY EXECUTIVE

EXECUTIVE ORDER 10-1 ADDITIONAL FURLOUGHS 2010

WHEREAS, the adopted 2010 Milwaukee County budget included initiatives detailing wage and benefit modifications, and,

WHEREAS, those modifications included: Freezing of all step increases for 2010. Modifications to overtime provisions to bring more in line with Federal Labor Standards Act. Increasing monthly health care premiums to \$50 single and \$100 family for the HMO and to \$90 single and \$180 family for the PPO plan. Increasing the out-of-network co-insurance co-payment to 30%. Increasing the deductible for the PPO plan by \$100 for a single and \$300 for a family plan. Increasing the out-of-pocket maximums for the PPO plan by \$500 for single plans and \$1,000 for family plans. Increasing emergency room co-pays for \$100. Reducing the pension multiplier for all members, other than deputy sheriffs and elected officials, from 2.0 to 1.6 in future years. Increasing the retirement age for all new hires, other than a deputy sheriff or elected official from age 60 to age 64, and,

WHEREAS, the 2010 departmental budgets were reduced to reflect the savings associated with the above modification, and,

WHEREAS, the 2010 budget provisions have been implemented for non-represented employees, and,

WHEREAS, implementation of wage and benefit modifications for represented employees require collective bargaining modifications not yet achieved, and,

WHEREAS, to the extent such modifications were not achieved beginning January 1, 2010, the corrective actions necessary to balance the 2010 budget may be severe, and,

WHEREAS, corrective actions are necessary to achieve required savings from employees not yet impacted by the 2010 budget reforms, and,

WHEREAS, fairness requires that savings measures imposed upon non-represented employees be likewise shared by represented employees, and

WHEREAS, steps to be taken to achieve required savings include up to ten (10) "floating" furlough days in addition to those in the adopted budget for represented employees, and,

WHEREAS, to insure preservation of public health and safety, these additional furlough days will not be applied to represented employees in Combined Court Operations personnel, Sheriff's office, District Attorney's office personnel, Medical Examiner's office personnel, and direct patient care personnel at Behavior Health Division and in 24/7 operations, and

NOW, THEREFORE, pursuant to §59.17(2)(a) Wis. Stats., and as County Executive of Milwaukee County,

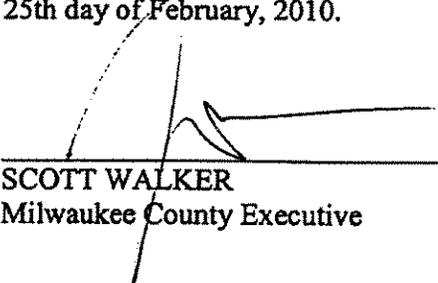
IT IS HEREBY ORDERED that Milwaukee County represented staff, unless exempted, shall schedule an additional ten (10) furlough days commencing March 1, 2010 for the balance of the year.

IT IS HEREBY FURTHER ORDERED that to ensure preservation of public health and safety, these additional furlough days will not be applied to represented employees in Combined Court Operations personnel, Sheriff's office, District Attorney's office personnel, Medical Examiner's office personnel, and direct patient care personnel at Behavior Health Division and in 24/7 operations.

IT IS HEREBY FURTHER ORDERED that the Department of Administrative Services will prepare and issue furlough policy guidelines for County departments and employees to implement this additional furlough program.

This Order shall take effect upon the signing thereof and shall remain in full force and effect until further Order of the Milwaukee County Executive.

Dated at Milwaukee, Wisconsin, this 25th day of February, 2010.



SCOTT WALKER
Milwaukee County Executive



OFFICE OF THE COUNTY EXECUTIVE

Milwaukee County

SCOTT WALKER • COUNTY EXECUTIVE

EXECUTIVE ORDER #10-3

REPEAL OF ADDITIONAL 2010 FURLOUGHS FOR CERTAIN UNION REPRESENTED EMPLOYEES

WHEREAS, the adopted 2010 Milwaukee County budget included initiatives detailing wage and benefit modifications, and,

WHEREAS, the 2010 budget provisions have been implemented for non-represented employees, and,

WHEREAS, implementation of wage and benefit modifications for represented employees require collective bargaining modifications not yet fully achieved, and,

WHEREAS, to the extent such modifications were not achieved beginning January 1, 2010, the corrective actions necessary to balance the 2010 budget may be severe, and,

WHEREAS, fairness requires that savings measures imposed upon non-represented employees be likewise shared by represented employees, and

WHEREAS, steps to be taken to achieve required savings included up to ten (10) "floating" furlough days in addition to those in the adopted budget for represented employees, and,

WHEREAS, budget correction measures included laying off certain employees, and

WHEREAS, two certified collective bargaining units (TEAMCO and Machinists) have reached agreements with Milwaukee County for successor collective bargaining agreements which included incorporation of the budget initiatives contained in the 2010 Milwaukee County budget,

WHEREAS, incorporation of the 2010 Milwaukee County budget initiatives, as they relate to TEAMCO and Machinists unions, no longer require imposition of up to an additional ten (10) "floating" furlough days or layoffs for 2010.

NOW, THEREFORE, I Scott Walker as County Executive of Milwaukee County, by the virtue of the authority vested in me, do hereby order that Milwaukee County represented staff, of TEAMCO and the Machinists unions, shall not be subject to an additional ten (10) furlough days commencing April 1, 2010 for the balance of the year. I further order members of TEAMCO and the Machinists unions subject to layoff, effective March 12, 2010 and March 26, 2010, respectively, shall be recalled and rescinded as soon as administratively possible.

IN TESTIMONY WHEREOF, I have hereunto set my hand in the County of Milwaukee.



Scott K. Walker
County Executive

March 23, 2010

Date

Final

DEPARTMENT: Veterans Service Office

Total # of Full Time Employees in Department: 3

Est. Number of Full Time Employees Affected: 1

% of FTEs Affected: 33%

Total Additional Furlough Hours: 80

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

Furlough days are normally scheduled for Fridays, the least busy day of the week. Not too many options otherwise, as we are a 2-person office.

Describe any program or service impacts resulting from the 10 additional furlough days:

There are no program impacts. On occasion, the customer service window is closed for 30-45 minutes, due to lunch or travel for mail pick-up at courthouse.

Identify programs or services eliminated due to additional furlough hours:

No programs or services have been eliminated.

DEPARTMENT: Procurement 105

Total # of Full Time Employees in Department: 4

Est. Number of Full Time Employees Affected: 3

% of FTEs Affected: 75%

Total Additional Furlough Hours: 240

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The days have been scheduled so that no more than two (2) employees are off on the same day(s)

Describe any program or service impacts resulting from the 10 additional furlough days:

When special information is requested the entire staff may pitch in until the project is completed.

Identify programs or services eliminated due to additional furlough hours:

None

DEPARTMENT: **Employee Benefits Division, #106**

Total # of Full Time Employees in Department: 19

Est. Number of Full Time Employees Affected: 0

% of FTEs Affected: 0%

Total Additional Furlough Hours: 0

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

This Department has no employees subject to the 10 additional furlough days.

Describe any program or service impacts resulting from the 10 additional furlough days:

This Department has no employees subject to the 10 additional furlough days.

Identify programs or services eliminated due to additional furlough hours:

This Department has no employees subject to the 10 additional furlough days.

DEPARTMENT:

DAS-Office for Persons w/ Dis

Total # of Full Time Employees in Department: 3

Est. Number of Full Time Employees Affected: 0

% of FTEs Affected: 0%

Total Additional Furlough Hours: 0

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

This Department has no employees subject to the 10 additional furlough days.

Describe any program or service impacts resulting from the 10 additional furlough days:

This Department has no employees subject to the 10 additional furlough days.

Identify programs or services eliminated due to additional furlough hours:

This Department has no employees subject to the 10 additional furlough days.

DEPARTMENT:

Human Resources, #114

Total # of Full Time Employees in Department: 13

Est. Number of Full Time Employees Affected: 0

% of FTEs Affected: 0%

Total Additional Furlough Hours: 0

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

This Department has no employees subject to the 10 additional furlough days.

Describe any program or service impacts resulting from the 10 additional furlough days:

This Department has no employees subject to the 10 additional furlough days.

Identify programs or services eliminated due to additional furlough hours:

This Department has no employees subject to the 10 additional furlough days.

DEPARTMENT: 1150 - Risk Mgmt & 1151 - DAS-Fiscal

Total # of Full Time Employees in Department: 46

Est. Number of Full Time Employees Affected: 14

% of FTEs Affected: 30%

Total Additional Furlough Hours: 1120

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

Minimum staffing levels are maintained in order to keep regular office hours and perform critical functions. Employees are allowed to schedule furlough days by seniority within minimum staffing levels.

Describe any program or service impacts resulting from the 10 additional furlough days:

Core processes and functions continue to be performed on a timely basis. A backlog of non-critical reports, analysis and filing has developed and would become problematic if furlough days continue indefinitely.

Identify programs or services eliminated due to additional furlough hours:

No programs or services have been eliminated as a result of furlough days.

DEPARTMENT:	IMSD	116
Total # of Full Time Employees in Department:		55.5
Est. Number of Full Time Employees Affected:		43
% of FTEs Affected:		77%
Total Additional Furlough Hours:		3440

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

- Furlough days are scheduled through each IMSD section manager in order to ensure staff coverage of core IT services.
- Core IT functions and the current project portfolio have been prioritized so that work load and service orders can be addressed in a means that prevents/ minimizes impact on client efficiency and mission critical applications.

Describe any program or service impacts resulting from the 10 additional furlough days:

- Possible delay in system support response. IMSD will prioritize requests in order to address mission critical requests.
- Possible delay in PC deployment
- Completion dates for projects listed in the IMSD project portfolio may be extended due to staff availability. The project portfolio has been prioritized in order to ensure on time completion of projects that are public safety in nature, state or federally mandated projects or projects that have a great return on investment for County Departments.

Identify programs or services eliminated due to additional furlough hours:

No program or service has been eliminated in IMSD.

DEPARTMENT:	<u>2430 Child Support</u>
Total # of Full Time Employees in Department:	<u>130</u>
Est. Number of Full Time Employees Affected:	<u>114</u>
% of FTEs Affected:	<u>88%</u>
Total Additional Furlough Hours:	<u>8968</u>

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

Child Support implemented the 10 additional furlough days by requiring affected employees to schedule the additional furlough days through their supervisors. Supervisors were instructed to grant furlough days by seniority, subject to minimum coverage in all areas. Child Support sought to reduce program and service impacts by assigning furlough days to traditionally less busy days (Fridays) and staggering the days to provide minimum coverage levels throughout the week.

Describe any program or service impacts resulting from the 10 additional furlough days:

Wait times for customer service have increased slightly, and delays have occurred in processing referrals and working reports. Child Support has limited its participation in community outreach opportunities to one per month.

Identify programs or services eliminated due to additional furlough hours:

None

DEPARTMENT:	<u>504 - Airport</u>
Total # of Full Time Employees in Department:	<u>219</u>
Est. Number of Full Time Employees Affected:	<u>166</u>
% of FTEs Affected:	<u>76%</u>
Total Additional Furlough Hours:	<u>11750</u>

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The Airport Division is making every effort to accommodate employee furlough requests as submitted; however, final approval is at the discretion of management to ensure that minimum staffing requirements are met. Management will assign furlough days off if an employee requests it, or if an employee has not made an effort to schedule days required.

Describe any program or service impacts resulting from the 10 additional furlough days:

Administrative Staff
 Airport Badging and Security
 Impacts: GMIA monitor effects of maintaining compliance with Federal Transportation Security Regulations and reduced Security Badging Office hours (reduced customer service) overtime may be used in cases where delays could potentially lead to increased costs for the airport customers.

Contract Management
 Impacts: The agreements and contracts development and implementation would be slowed affecting not only airport workload, but also passenger and business activities at the airport. Overtime may be used to offset any negative business impact to the airport and its clients.

Airport Maintenance
 Impacts:
 Facilities maintained by the airport may be lower than the current standard.

Identify programs or services eliminated due to additional furlough hours:

No services will be eliminated due to additional furlough hours.

DEPARTMENT: 507 Transportation Services

Total # of Full Time Employees in Department: 10

Est. Number of Full Time Employees Affected: 1

% of FTEs Affected: 10%

Total Additional Furlough Hours: 80

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The 10 additional scheduled furlough days are:
3/22, 4/9, 5/7, 5/14, 6/4, 7/23, 8/13, 8/27, 9/24 and 10/15.

Informing staff, managers and outside agencies of delays in processing reports, billings, reimbursements, etc.

Describe any program or service impacts resulting from the 10 additional furlough days:

Delays may occur in submitting invoices to the Wisconsin Department of Transportation.

Identify programs or services eliminated due to additional furlough hours:

No services will be eliminated due to additional furlough hours.

DEPARTMENT:

DTPW-AE & ES 508

Total # of Full Time Employees in Department: 35

Est. Number of Full Time Employees Affected: 4

% of FTEs Affected: 11%

Total Additional Furlough Hours: 320

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

Employees affected have reviewed with their supervisor the strategy for implementing the additional 10 furlough days with the intent of minimizing impacts on the work tasks and services provided. Employees have tentatively scheduled their furlough days and reviewed the scheduled days with their supervisor. The supervisor reviews the status each pay period of furlough day implementation.

Use of overtime by employees on non-furlough pay periods may be necessary. Temporary staffing may be used.

Describe any program or service impacts resulting from the 10 additional furlough days:

Distribution and processing may be delayed for some construction contractors, professional services contract and consulting projects. Change orders and processing of payments through DAS Accounts Payable may see a delay. Some GIS projects directed by MCAMLIS Steering Committee might be delayed.

Identify programs or services eliminated due to additional furlough hours:

No programs or services will be eliminated.

DEPARTMENT: DTPW-Highway Maintenance-510

Total # of Full Time Employees in Department: 94

Est. Number of Full Time Employees Affected: 83

% of FTEs Affected: 88%

Total Additional Furlough Hours: 6640

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The Division will reduce staffing by 50% on selected furlough days. Furlough days will be scheduled on Friday's and Monday's in the middle of the pay period. Employees will make their furlough day selections by seniority/classification in order to maintain a safe work environment and continue scheduling state work. Additional furlough days as follows:
April 9 and 12 May 7 and 10
June 4 and 7 June 18 and 21
July 16 and 19
August 13 and 16
Sept 24 and 27
Oct 8 and 11 Oct 22 and 25
Nov 5 and 8

Describe any program or service impacts resulting from the 10 additional furlough days:

Roadway Maintenance Staff
Impacts:
Some delays may occur as it relates to roadway maintenance. This includes operations, accident response or emergency call ins. The division may see a reduction in its state revenue due to reduced services.

Electrical Maintenance Staff
Impacts:
Overtime may be needed to react to all electrical maintenance required by State of Wisconsin.

Identify programs or services eliminated due to additional furlough hours:

No services will be eliminated due to additional furlough hours.

DEPARTMENT:	<u>Fleet Management</u>	<u>530</u>
Total # of Full Time Employees in Department:		<u>32</u>
Est. Number of Full Time Employees Affected:		<u>29</u>
% of FTEs Affected:		<u>91%</u>
Total Additional Furlough Hours:		<u>2320</u>

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The ten additional furlough days have been scheduled with vacations for the rest of the year. The furlough days taken were scheduled so that Fleet did not go over the maximum number of employees allowed off per the work rules. This also helped reduce the amount of impact to user departments.

Describe any program or service impacts resulting from the 10 additional furlough days:

Accounts payables may be processed slower than usual. Annual tests may vary from its current schedule.

Identify programs or services eliminated due to additional furlough hours:

None at this time.

DEPARTMENT: 570 Facilities Management

Total # of Full Time Employees in Department: 87

Est. Number of Full Time Employees Affected: 76

% of FTEs Affected: 87%

Total Additional Furlough Hours: 6080

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The ten additional furlough days along with the original twelve are being scheduled to assure minimal staffing levels are still maintained to keep building operations running.

Describe any program or service impacts resulting from the 10 additional furlough days:

Administrative Staff
Impacts:
Response times will be delayed impacting tenant and customer service. Given some responsibilities are time sensitive, routine work will be delayed even more.

Maintenance Staff
Impacts:
Response times will be delayed impacting tenant and customer service.

Trade Staff
Impacts:
Response times for all routine work will be delayed impacting tenant and customer service. Further, reductions in staffing levels of Plumbers, Electricians, Refrigeration Mechanics, Steam-Fitters/Welders and Elevator Mechanics and reduce their respond time to emergencies.

Identify programs or services eliminated due to additional furlough hours:

No services will be eliminated due to additional furlough hours.

DEPARTMENT:

DHHS - Behavioral Health Division Agency 630
Includes EMS

Total # of Full Time Employees in Department:	<u>665</u>	Full time equivalents, not including pool or hourly employees. data source: 630 furlough report pp08
Est. Number of Full Time Employees Affected:	<u>146</u>	
% of FTEs Affected:	<u>22%</u>	
Total Additional Furlough Hours:	<u>11624</u>	

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The policy exempted all direct patient care and 24/7 staff, therefore only administrative areas and support staff are included in the 10 additional days.

Management has worked diligently to schedule staff furloughs to cause the least amount of disruption to the normal flow of business.

Describe any program or service impacts resulting from the 10 additional furlough days:

Many of the affected employees work in critical areas at BHD, but administrators and management have been working diligently to pool all available resources to cover essential services and provide all necessary coverage. Management staff within BHD have been looking for ways to become more efficient and have successfully kept OT steady while complying with all furlough requirements.

BHD will continue to use all staff resources efficiently; share and combine duties whenever possible; and effectively manage the furlough days.

Identify programs or services eliminated due to additional furlough hours:

No programs or services have been eliminated.

Furlough Impact Report - 5/4/10

DEPARTMENT:	Milwaukee County Department on Aging
Total # of Full Time Employees in Department:	<u>137</u>
Est. Number of Full Time Employees Affected:	<u>109</u>
% of FTEs Affected:	<u>80%</u>
Total Additional Furlough Hours:	<u>8640</u>

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

Administration, Fiscal, Aging Resource Center (ARC) & Area Agency are identifying efficiencies to deal with the loss of staff hours. Fiscal and Administrative staff maintain coverage by utilizing existing coverage back up plans.

In order to minimize the increase in wait times, the ARC call center is scheduling furloughs, abiding by department policy requiring 50% coverage. All other Aging program areas schedule the furlough time to ensure service coverage. Urgent service requests are being triaged and if possible referred to other resources to provide some assistance to the requesters.

In th CMO, the 10 additional furlough days are being implemented as all scheduled time off is. That is, a minmum of 50% coverage is maintained in all units.

Describe any program or service impacts resulting from the 10 additional furlough days:

All program and services continue to be maintained.

All of the Area Agency programs are operated through contracts and continue to be administered by Aging staff.

Compliance with our State/County contract and Federal Medicaid rules, in regard to timelines for responding to assessment requests, are being maintained. The ARC generally operates within these timelines and the furloughs have tightened the use of those timelines.

Represented staff in the CMO must continue to meet the same expectations for care management contacts. 7 staff have been given limited overtime for two pay periods to meet required deadlines for tasks within their unit.

Identify programs or services eliminated due to additional furlough hours:

The ARC operates under several State/County contracts. Services could only be eliminated through negotiation with State Staff. Some of these negotiations have already occurred. To this point the State has been unwilling to grant counties any relief.

In the CMO, no programs or services have been eliminated due to additonal furlough days.

DEPARTMENT:	<u>DHHS - Agency 800</u>
Total # of Full Time Employees in Department:	<u>319</u>
Est. Number of Full Time Employees Affected:	<u>183</u>
% of FTEs Affected:	<u>57%</u>
Total Additional Furlough Hours:	<u>14608</u>

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

<p><u>Disabilities Services Division (DSD)</u> The process for incorporating additional furlough days in DSD is included with the division-wide off-time scheduling procedure and all furlough time is being approved by supervision/management to ensure coverage. It appears that little or no disruption to services has occurred. We requested staff who have 5 or 6 weeks of vacation to schedule shorter vacation periods, including utilizing long weekends, etc. to ensure appropriate staffing. In addition, we have requested that staff try to get their work completed in advance of scheduled vacation time to minimize impact to workload.</p> <p><u>Delinquency & Court Services Division (DCSD)</u> Staff selected 5 days (through June 26) by seniority, within DAS policy guidelines and division staff level standards. Second half 2010 selections will occur mid-May by similar process. Staff were instructed to notify the court of upcoming furlough days, similar to vacation notification, to minimize court appearance/coverage issues. DCSD requested court scheduling considerations to accommodate staff court appearance issues. A summary history report was developed using existing information systems to assist in court coverage issues.</p> <p><u>Housing Division</u> Staff are being allowed to schedule the days around their schedules, with program managers responsible to ensure uninterrupted operation of the programs.</p> <p><u>DHHS Accounting Section & Contract Administration</u> Staff has been scheduled to take days the same way vacation is scheduled (employee seniority and request). Management has worked diligently to schedule the staff furloughs to cause the least amount of disruption to the normal flow of business.</p> <p><u>DHHS Operations</u> Operations is scheduling around vacations and furloughs using the guidelines given in the ordinance. Operations is part of an organization that crosses into other branches and they assist when needed, such as maintenance, mail room and administration. Prior to losing two staff in December, 2009 as part of the State transition, vacation schedules were more flexible as was the use of holiday time and all other accrued time usage. Now, the request for time off is fixed so as not to disrupt service delivery or to minimize impact.</p> <p><u>DHHS Human Resources</u> Two payroll assistants are affected by ten additional furlough days in the Human Resources Bureau. They have worked to ensure that they do not request the same furlough days in order to provide coverage in the payroll area. Additionally, furlough days are not requested during peak payroll processing.</p>

Describe any program or service impacts resulting from the 10 additional furlough days:

Disabilities Services Division (DSD)

DSD is presently implementing a large-scale program to expand the Family Care Program. The result of this expansion has been a sharp decrease in the number of persons served by DSD and those services being provided by Family Care programs instead. During this change, the demands on staff have been somewhat reduced, thereby allowing DSD to manage the furlough days in a more planful way than otherwise would have been possible, without a significant impact on service delivery. During our year-end reconciliation process, DSD had to utilize a few of weeks of overtime to complete this activity. However, this was a one-time occurrence.

Delinquency & Court Services Division (DCSD)

There has been an increase in staff-for-staff coverage, similar to peak vacation periods or elevated levels of FML.

Housing Division

Case processing may slow somewhat, but no significant impacts are experienced.

DHHS Accounting & Contract Administration

Staff has worked diligently to complete tasks in a timely manner by prioritizing.

DHHS Operations

Ability to do off-site work such as recycling and furniture moving has slowed somewhat. Increasing demands with limited personnel, particularly in the area of tenant (State staff) moves, can quickly become overwhelming when a structured State plan is not available. Mail routes and mail delivery is limited to once a day. Vacations and other paid time off have to be adjusted due to the additional furlough days. Some vacation time may be carried over.

DHHS Human Resources

There is somewhat less coverage when one payroll assistant is present.

Identify programs or services eliminated due to additional furlough hours.

Disabilities Services Division (DSD)

None

Delinquency & Court Services Division (DCSD)

None

Housing Division

None

DHHS Accounting & Contract Administration

None

DHHS Operations

Maintenance on all vehicles will have to be spread out during a longer time period.

DHHS Human Resources

None

DEPARTMENT: Parks, Recreation and Culture 900

Total # of Full Time Employees in Department: 202

Est. Number of Full Time Employees Affected: 138

% of FTEs Affected: 68%

Total Additional Furlough Hours: 11024

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

The Parks Department pre-scheduled all 22 furlough days to ensure compliance with the 2010 Furlough Day Plan. The months of April through October have one furlough day per pay period except for pay period 11 which has 2 furlough days (one per week). This schedule ensured that 4 of the additional 10 days were scheduled prior to June 26 which also complied with the directive that 10 of the 22 total days must be scheduled by June 26. Parks Divisions including Operations, Recreation, Skilled Trades, and Safety/Security were given flexibility to schedule alternative days within each pay period to ensure the least impact to programs and services. In addition, seasonal employee hours were reduced 10% in accordance with the directive.

Describe any program or service impacts resulting from the 10 additional furlough days:

- * Trying to prioritize customer service and public use areas.
- * Creative scheduling is key. Staff has been flexible, accommodating, and cooperative
- * Variables in the weather have complicated these efforts.
- * Revenue generating operations remain a priority. Staffing and other resources are flexible and dynamic.
- * All organized sports will be scheduled as usual. Athletic field maintenance remains a priority.
- * Parks Administration remains open using staggered, flexible scheduling. Managers are assisting with functions such as front desk and customer service support.
- * Park field operations remain in effect to accommodate rentals and park maintenance utilizing flexible, staggered scheduling.

Identify programs or services eliminated due to additional furlough hours:

N/A

Full-Time Employees

DEPARTMENT:	<u>Zoo</u>	Agency:	<u>950</u>
Total # of Filled Full Time Employees in Department:			<u>113</u>
Est. Number of Full Time Employees Affected:			<u>96</u>
% of FTEs Affected:			<u>85%</u>
Total Additional Furlough Hours:			<u>7,620</u>

Describe how the 10 additional furlough days are being implemented and scheduled, and strategies for reducing program and service impacts:

- The 10 additional furlough days are made on a month-by-month basis to meet scheduling needs.
- The Zoo was granted flexibility to allow certain employees the ability to take the 10 additional days in four-hour increments. This has allowed to Zoo to provide at least partial day coverage for some areas.
- The Zoo received an exemption from the TAHC approval process for Zookeepers to reduce overtime pay.
- The ability for employees to schedule accrued time off has been significantly reduced.
- The Zoo continues to open every day on time. As crowds increase, the shortage in staff may delay response time to building/grounds maintenance needs and delay the opening of venues.
- Additional vacation days will be carried over due to the additional furlough days, which will continue staff shortages in 2011.

Describe any program or service impacts resulting from the 10 additional furlough days:

- Preventative building and grounds maintenance is delayed.
- Capital Projects that require Zoo staff will need additional time to complete.
- Reduced staff on a furlough day has made it difficult to respond to unexpected large crowds.
- The number of animal demonstrations to the public is reduced.
- Giraffe feedings for the public continue but will no longer be conducted by animal staff.
- The number of animals on public exhibit at any one time is reduced.
- Implementation of some of the modules in the new point-of-sale system has been delayed.
- Based on payroll through 4/17, a greater number of employees are choosing to let their overtime and holiday hours expire for payout instead of taking the time off.
- A greater number of employees are choosing overtime pay instead of compensatory time.
- Longer time is needed to respond to e-mail inquires and complaints. Some inquiries cannot be answered because the Animal Division does not have the staffing levels to assist in answering inquires.
- News releases are sent out later than what is considered a normal lead-time.
- There are gaps in supervision due to the nature of the seven-day-a-week coverage required during the peak season.
- Media alerts promoting new animals are cancelled due to the Animal Division staff inability to facilitate.

Identify programs or services eliminated due to additional furlough hours:

- The Zoo operated two trains Wednesday through Sunday in 2009. For 2010, the Zoo will only run two trains Friday through Sunday. Longer lines may result.
- Two Animal Encounter Shows cancelled daily.
- Pre-scheduled days of compensatory and holiday time off for represented employees is eliminated for the Animal Division.
- Aquatic and Reptile animal demonstrations are eliminated 10 days per month.
- Elephant demonstrations are eliminated up to 12 days a month.
- The public Camel demonstration is eliminated entirely.

The Zoo has two part-time employees that are not included in the Full-time total. One works 20 hours a week and the other works 30 hours per week. The pro-rated hours due to the 10 extra days is 100 hours for these employees.

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

Date: March 2, 2010

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

From: Jack Takerian, Interim Director, Transportation and Public Works

Subject: Projected Program and Service Reductions for 10 additional floating furlough days.

Policy

This report is being presented for informational purposes.

Background

County Board Resolution 10-107, dated February 25, 2010, requires: "that all department heads will provide a report to all County Supervisors and respective policy committees detailing projected program and service reductions to be incurred by each department as a resolute of this initiative at the April 2010 committee cycle." This report describes the potential program and service reduction that may affect Department of Transportation and Public Works divisions.

Airport

Administrative Staff

Responsibilities: Responsible for ensuring airport compliance with Federal Transportations Security Regulations and issue security access credentials to over 6,000 badge holders at GMIA. In addition, administrative staff is responsible for the negotiation of, development of, and administration of over 400 agreements affecting all facets of airport and passenger activity.

Impacts:

GMIA will have difficulty maintaining compliance with Federal Transportation Security Regulations. The reduction in Security Badging Office hours (reduced customer service) could potentially lead to increased costs for the airport customers. The agreements and contracts development and implementation would be severely slowed affecting not only airport workload, but also passenger and business (economic) activities at the airport.

Options:

Failure to maintain regulatory compliance is not an option Milwaukee County can accept. Therefore, overtime will be necessary to backfill for a schedule vacancy due to furlough and there may be periods of reduced customer service. Overtime would be required to service the number of agreements in effect; however, overtime may still be insufficient to accommodate the amount of workload associated with this task.

Public Relations Staff

Responsibilities:

Public Relations staff affected by the increased furlough action performs the following duties: Promote Milwaukee to potential airlines to continue to attract new airlines and expanded air service from current airlines. Marketing Milwaukee to potential travelers, including those in northern Illinois, to attract additional passengers to the Milwaukee market. Acting as the central contact point for media, local government officials and the public. Includes developing and maintaining communications tools/avenues and for crafting the message of the airport to those mentioned before. Oversees and assists the Noise Abatement Office which is responsible for monitoring the effects of noise at Milwaukee on the surrounding neighborhoods. This includes the residential noise insulation programs for local homeowners.

Impacts:

Public relations staff will try to maintain a presence with airlines and potential travelers; however response to requests from either of these groups may be slowed due to staff availability. The airport anticipates delays in the ability for the airport to investigate and react to complaints and concerns brought forth by the traveling public, airlines as well as airport neighbors. If Public Relations staff is not available during emergency situations, Airport Operations will have to answer requests from the public causing a strong burden during emergency situations.

Options:

The airport will monitor the workflow associated with the objectives of the Public Relations divisions. For critical assignments, Public Relations staff may need to perform overtime to complete the objectives of the department and to maintain critical relationships with airlines and key customer groups. For public and media relationships, overtime would be the only option, especially in the event of an emergency at the airport, and could still be insufficient to fill the void left.

Accounting Staff

Responsibilities:

Provide all financial services for an \$80 million Airport Operating Budget including accounts receivable and accounts payable functions, grant accounting, PFC accounting, formulation and monitoring, payroll functions, financial statement reporting and statistical analysis.

Impacts:

The use of overtime would be required to offset additional costs associated with delays effect of unacceptable delays. Payment penalties can be incurred due to delays in payment. Vendors may also impose cash on demand payment if continual delays become a problem.

Options:

Overtime would be the only reasonable alternative.

Public Parking Management

Responsibilities: Provide oversight and financial control over the Airport's largest revenue source, which exceeds \$25,000,000 annually.

Impacts: The potential for GMIA's payment of unnecessary or undocumented expenses and/or the inability to properly administer the Airport's major contractual service.

Options: Reduced contractual oversight. Possible use of overtime.

Architecture and Engineering

Clerical Support

Responsibilities:

Responsible for distribution of specifications and drawings for county-wide capital projects that are being bid out daily; Processing of correspondence between consultants and contractors that are contracted with the county; and maintenance of central project files that track all county capital projects

Impacts:

Distribution and processing of bid documents falls further behind due to clerical shortages, resulting in startup delays for some construction and consulting projects. Filing of documentation and close out of project files will not be maintained at a current level as filing responsibilities lag behind

Options:

Failure to maintain schedules and move capital projects forward for Milwaukee County is not acceptable. Therefore, overtime will be necessary to backfill for a scheduled vacancy due to furlough. There may be periods of reduced customer service. Temporary staffing may be used.

Contract Management

Responsibilities:

Responsible for Certificate of Payments for Consultants and Contractors that effect the contracts for approximately 300 ongoing county-wide capital and major maintenance projects

Impacts:

The payments for the agreements and contracts would be severely slowed, affecting potential late payments to contractors and consultants for services rendered. In addition, change orders and processing of payments with DAS Accounts Payable will not be processed in the current timely manner. This could result in interest payments as penalties for not meeting the 30-day payment turn around policy

Options:

Outsourcing using temporary professional services is possible in the short term. Overtime would be required and may still be insufficient to accommodate the number of contracts and agreements in effect.

Fiscal Monitoring

Responsibilities:

Provide all financial services for monitoring a \$300 million County-wide Capital Budget and a \$8.4 million Operating Budget for DTPW Divisions including accounts receivable

and accounts payable functions, grant accounting, formulation and monitoring, financial statement reporting, maintenance of project cost and scheduling system that monitors capital expenditures and statistical analysis.

Impacts:

The use of overtime would be required to offset the effect of unacceptable delays incurred due to a combination of reduce staff hours and the increasing county-wide capital project initiatives for the ensuing 3 years.

Options:

Overtime would be the only reasonable alternative.

Geographic Information

Responsibilities:

Provide oversight to the Milwaukee County Automated Mapping and Land Information System (MCAMLIS) administration and functions as the County's Land Information Office.

Impacts:

The projects that the Steering Committee directed staff to perform will be delayed and response to critical requests will be negatively impacted. The GIS database and web based mapping environment will experience periodic down time if strategic scheduling of furloughs fails to provide coverage when staff shortages occur.

Options:

Outsourcing is possible in the short term. Use of overtime would be only necessary in critical situations.

Facilities Management

Administrative Staff

Responsibilities:

Administrative staff is responsible for Ceridian payroll, Advantage, budgeting, Facilities Management G1 incoming/emergency telephone and radio calls, parking lot management and daily cash deposits.

Impacts:

All above responsibilities response times will be delayed impacting tenant and customer service. Given some responsibilities are time sensitive, routine work will be delayed even more.

Options:

Workload adjustments will be made; however, delays will likely occur if workload begins to backup.

Maintenance Staff

Responsibilities:

Maintenance staff is responsible for 24/7 work orders through eMaint, building mechanical checks through each 8 hour shift, Countywide interoffice mail delivery, winter snow removal and summer grounds maintenance, Courthouse dock operations and recycling, response to tenant and public complaints and safety concerns.

Impacts:

All above responsibilities response times will be delayed impacting tenant and customer service.

Options:

Prioritization of current workload that will force some requests and tasks to be delayed.

Trade Staff**Responsibilities:**

Trades staff is responsible for operation of the Courthouse, Safety Building, Criminal Justice Facility, Medical Examiner, City Campus, Vel Phillips Juvenile Justice Center, Children's Adolescent Treatment Center, Highway, Fleet and Research Park-Muirdale Building. Responding to emergencies and priority requests 24/7, completing eMaint work orders, performing preventive maintenance, Capital projects, In-house work projects, response to tenant and public complaints and safety concerns.

Impacts:

Response times for all routine work will be delayed impacting tenant and customer service. Further, reductions in staffing levels of Plumbers, Electricians, Refrigeration Mechanics, Steam-Fitters/Welders and Elevator Mechanics and the hindered ability to respond to emergencies may create unacceptable delays in response time. The Criminal Justice Facility and Vel Phillips Juvenile Justice Center Detention emergency calls may be delayed impacting safety and Compliance DOC350 adherence. Reduced progress and revenue on In-house projects.

Options:

Overtime would be needed to respond to emergencies, maintain minimal level of service responding to work orders and call-in priority requests and to keep on schedule with Capital projects. Overtime would be required to maintain response times for safety and regulation requirements in all areas.

Fleet***Administrative Staff*****Responsibilities:**

Provide all accounting services for the \$ 7.8 million Fleet Operating Budget, which includes accounts payable, accounts receivable, assist with paperwork for payroll functions, financial and statistical reporting, prepare monthly journal entries and supporting work papers, assisting auditors with schedules prepared by client, filing of off road fuel tax refund report and preparing budgets and monitoring costs. Also related to accounting is the tracking of the \$ 19,725,000 million dollars of capital monies for vehicle and equipment purchases and processing the related paperwork both in Advantage and the Fleet Focus computer system. In addition to accounting functions other responsibilities include: oversee that fuel system is working properly, gathering fuel leak testing data for State inspectors, coordinating motor pool reservations, key punching fuel data from parks and zoo into the Fleet computer program, key punching motor pool data into the Fleet computer system, ordering fuel, process auction data through Fleet Focus and Advantage, answering phones and other receptionist functions, validating fuel keys for users, assure various licenses and permits remain current and provide reports to other Fleet staff.

Impacts:

Accounts payables will not get processed in a timely manner. New vehicle equipment will not be processed in a timely manner. Annual tests are not getting scheduled in a timely manner causing some testing to be performed after the due date. Critical work is delayed and may not meet deadlines given.

Options:

Overtime to fill the lost hours.

Fleet Maintenance Staff**Responsibilities:**

Daily repair and maintenance of Milwaukee County's Fleet consisting of 1,912 various pieces of equipment. Seasonal preparation of equipment consisting of spring and winter maintenance. Set up of 223 pieces of new equipment purchased through the Fleet replacement Capital project. Organizing the biennial Fleet auction consisting of stripping the Fleet equipment and organizing the equipment other municipalities bring to the auction. Ordering on average of \$100,000 a month in repair parts needed to keep the Fleet equipment useable.

Impacts:

Fleet Management's budget is set up to recover \$3,771,979 in expenditures through 26 employees billing out an average of 1,472.5 hours per person. With the additional ten furlough days Fleet will be losing the ability to bill budgeted hours for user departments, therefore leaving a shortfall in billable hours and reducing our ability to meet the budget number.

The new equipment that is being purchased through the Fleet Capital program will not be going in to service in a timely manner. This delay to the user departments forestalls the old equipment from coming out of service and going to the auction. This delay may force Fleet to make unnecessary repairs that can be very costly on equipment that is going to be auctioned this year.

Options:

Overtime may need to be utilized in order to get the fleet ready for the winter season.

Highway Maintenance***Roadway Maintenance Staff*****Responsibilities:**

Responsible for maintaining 2118 lane miles of roadways, including bridges, drainage systems, pothole patching, roadway sweeping, and winter maintenance on the county trunk highways, state trunk highways and expressway system in the County. Maintain safe roadway conditions and provide a prompt response for accident clean-up and repairs.

Impacts:

Delayed and reduced services on the roadways maintained by the division. Deterioration of roadway infrastructure and esthetic improvements along the roadways. Reduced employee availability for snow and ice removal operations, accident response, and emergency call-ins. Increased payment of out of classification pay when senior employees are not available. Reduction in state revenue due to reduced services.

Options:

Reduced services and related reduction in state revenue is the only option. Maintenance work needs to be performed within a narrow time frame to allow for unrestricted traffic movement during peak hours. Therefore, overtime would be limited to emergency responses.

Electrical Maintenance Staff**Responsibilities:**

Electrical Maintenance staff is responsible for maintaining nearly 80 signalized traffic intersections on highly traveled county trunk highways in Milwaukee County. This staff is also responsible for maintaining freeway lighting systems, including repairs caused by accident damage. Responds to an average of 223 electrical service locates per month in response to Diggers Hotline requests.

Impacts:

Due to the safety related nature of the work performed, services cannot be reduced without a negative impact on the safety of the employees and the motoring public. A prompt response to all electrical maintenance concerns is critical.

Options:

Overtime is the only alternative.

Fiscal Staff**Responsibilities:**

Fiscal staff is responsible for invoicing charges to the Wisconsin Department of Transportation and other entities, and for purchasing and accounts payable functions. Other duties include financial analysis and reporting, as well as budget preparation

Impacts:

Delay in the submittal of monthly invoices to the Wisconsin Department of Transportation that exceed \$13 million annually. Billings for accident damage to county property will not be invoiced, resulting in a reduction in revenue. Delays in processing of accounts payable documents could lead to added costs due to finance charges on past due amounts.

Options:

Overtime would be required to remain current in invoicing and processing of accounts payable.

Transportation Services***Fiscal Staff*****Responsibilities:**

This person is responsible for financial oversight of projects, tracking of product costs, review of charges, preparation of contract payments, preparation of invoices for State and Federally funded projects and budget preparation. This individual also provides fiscal support for DTPW-Transit and DTPW-Administration.

Impacts:

Delays will occur in submitting invoices to the Wisconsin Department of Transportation. A delay in contract payments will lead to additional penalty and finance charges being assessed.

Options:

Overtime is the only alternative, as there is only one employee performing the above fiscal functions so overtime is limited to the extent one person can perform these functions and meet necessary deadlines.

Recommendation

No recommendation is offered at this time.

Approved by:



Jack Takerian, Interim Director
Transportation and Public Works

Cc: Scott Walker, County Executive
Lee Holloway, Chairman, Milwaukee County Board of Supervisors
Tom Nardelli, Chief of Staff – County Executive
Terry Cooley, Chief of Staff – County Board
Cynthia Archer, Director, Department of Administrative Services
Steve Kreklow, Fiscal and Budget Administrator

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 2010 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>1000 – County Board</u>		
6999 _ Sundry Services		\$7,500
4999 _ Miscellaneous Revenue	\$7500	

A fund transfer of \$7,500 is being requested by the Chairman of the County Board to recognize additional revenue and to increase expenditure authority relating to a grant received from Sister Cities International.

This grant is for \$115,000 for the Africa Urban Poverty Alleviation Program (AUPAP), funded by the Bill and Malinda Gates Foundation. The grant is to perform projects that address sanitation, health and water issues in urban areas of Africa. Milwaukee County has a long-standing Sister Cities relationship with Buffalo City, South Africa, where the AUPAP program would take place. Under the terms of the agreement with Sister Cities International, Milwaukee County receives \$10,000 to support program administration, 75% (or \$7,500) initially and the remaining 25% after successful submission of final narratives and financial reports approved by Sister Cities International. In addition, \$115,000 is made available to pay directly for expenditures related to the project; these funds are not processed through the County budget but are expended by the Sister Cities organization. The grant period goes through March 31, 2011.

There is no tax levy impact from this transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
2) <u>4002 – Administration</u>		
7935 – Law Enforcement & Public Safety Supplies		\$ 895
8552 – Mach & Equip New >2,500		31,893
8553 – Vehicles New		285,000
8557 – Computer Equipment New >500		5,500
<u>4010 – Emergency Management Bureau</u>		
8552 – Mach & Equip New >2,500		\$22,800
8557 – Computer Equipment New >500		30,000
2299 – Other State Grants & Reimbursements	\$405,204	
<u>4058 – Bomb Disposal Unit</u>		
7935 – Law Enforcement & Public Safety Supplies		\$21,524
8552 – Mach & Equip New >2,500		7,592

A transfer request from the Office of the Sheriff seeks to recognize \$405,204 in revenue from the State of Wisconsin Office of Justice Assistance and establish expenditure authority of \$405,204 to be used to mitigate property and infrastructure damage, improve multi-agency response and provide for water works physical security enhancements and contamination detection capability.

Under Chapter 99 of the County Ordinances and Wisconsin State Statute 323, County Emergency Management has certain responsibilities in the preparation, mitigation, response, and recovery of emergency situations. The state annually offers opportunities for counties to apply for federal and state homeland security grant dollars to assist with meeting these responsibilities.

Homeland Security grant opportunities that are designated for Milwaukee County under the Urban Area Security Initiative (UASI) grant funding, and are available from the State of Wisconsin Office of Justice Assistance. The County Board voted on March 18, 2010 to authorize the Sheriff to apply for and accept these funds. These grant dollars include:

- Urban Area Security Initiative (UASI): Emergency Operations Center enhancement, \$30,000. Funds will be allocated for the purchasing of laptops, LCD monitors and a videoconference system.
- Urban Area Security Initiative (UASI): Explosive Ordinance Disposal (EOD) mitigation equipment and supplies, \$67,404. These funds will go to a variety of equipment such as a portable X-Ray kit, equipment trailer, and radiation detection equipment.
- Urban Area Security Initiative (UASI): Chemical, Biological, Radiation, Nuclear, Explosive (CBRNE) Response Tactical Command Post, \$285,000. These funds will be allocated towards the purchasing of a vehicle which will provide mobile tactical support to personnel in the field.
- Urban Area Security Initiative (UASI): Alert Warning and Notification system, \$22,800. These funds will be allocated towards a web based system that will allow Milwaukee County to notify residents in the event of an emergency.

Approval of this transfer will result in a \$0 tax levy impact to the Office of the Sheriff and Milwaukee County.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
3) <u>4500 – District Attorney</u>		
6805 – D1B3- Seminar & Conference Registration Fees		\$4,500
6812 – D1B3- County Travel		9,000
6815 – D1B3- Other County Travel		9,000
2422 – D1B3- Recovery Act Grants	\$22,500	

A fund transfer of \$22,500 is requested by the Director of the District Attorney’s (DA) Office to increase revenue and expenditure authority related to a grant received from the Wisconsin Office of Justice Assistance, under the Violence Against Women Act (VAWA) Recovery Act Program.

In March 2010, the DA’s Office received a grant from the Wisconsin Office of Justice Assistance, under the Violence Against Women Act (VAWA) Recovery Act Program in the amount of \$30,000 to be used for training in domestic violence, sexual assault and child abuse cases for DA personnel and DA community partners, such as the Sojourner Family Peace Center and the Alma Center. This grant may be used to fund approved training and travel expenses until March 31, 2011. The 2011 grant expenses will be included in the DA’s 2011 requested budget.

This appropriation will grant the department 2010 budget authority related to expenses for approved travel and training on domestic violence, sexual assault and child abuse cases, as well as the receipt of offsetting federal revenue as reimbursement for these costs.

There is no tax levy impact from this transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
4) <u>4501 – District Attorney</u>		
6090 – D1B3 – Charges from the State		\$112,000
2421 – D1B3 – Recovery Act Grants	\$112,000	

A fund transfer of \$112,000 is being requested by the District Attorney’s Office to increase revenue and expenditure authority related to a grant received from the Wisconsin Office of Justice Assistance, under the Byrne Justice Assistance Grant (JAG) Recovery Act Program.

The Milwaukee Metropolitan Drug Enforcement Group (MMDEG) lost funding in it's 2009 budget due to a reduction in federal Byrne JAG funding, leading to the inability to fund the salaries and fringe benefits of some prosecutors.

In 2010, the DA's Office received a grant under the Byrne JAG Recovery Act Program in the amount of \$356,175 to provide funding for the salaries and fringe benefits of two prosecutors in the Violent Crimes-Drug Unit, which is part of the MMDEG. Of the \$356,175 provided to the DA's Office, \$262,350 is provided for approximately three years (January 1, 2010 to December 31, 2012) to fund the salary and fringe benefit costs of one Drug Team Prosecutor and \$93,825 is provided for approximately 12-15 months to fund the salary and fringe benefit costs for one new position of Assistant District Attorney, which was created by the State and whose focus will be on drug overdose deaths and pharmaceutical diversion cases.

This appropriation will grant the department 2010 budget authority to fund the salaries and fringe benefits of two Prosecutors, as well as the receipt of offsetting federal revenue for these expenditures. The estimated portion of expenses for 2011 and 2012 will be included in the DA's budget request for 2011 and 2012.

There is no tax levy impact from this transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
5) <u>508 – DTPW Architectural Engineering & Environmental Services</u>		
2299 – Other State Grants & Reimbursements	\$74,000	
8528 – Major Maintenance – Land Improvement		\$52,612
9754 – Highway Services		\$21,388

An appropriation transfer of \$74,000 is requested by the Interim Director of the Department of Transportation and Public Works to accept a grant from the State of Wisconsin Department of Transportation (WiDOT), for the purpose of mitigating the impact of increased traffic to be expected on Port Washington Road during the reconstruction of three bridges over I-43.

The WiDOT will be replacing the decks on three bridges along I-43 within the County, at Good Hope Road, Green Tree Road and Brown Deer Road (State project number 12281770). The WiDOT is providing the funding to the County for the purpose of improving signal and communication equipment, and street sweeping, along Port Washington Road, which will likely see increased traffic due to the bridge replacement projects.

The grant is reimbursement based with no local match. There is no tax levy effect.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
6) <u>508 – DTPW Architectural Engineering & Environmental Services</u>		
2299 – Other State Grants & Reimbursements	\$94,360	
6148 – Professional Services – Non-Recurring		\$94,360

An appropriation transfer of \$94,360 is requested by the Interim Director of the Department of Transportation and Public Works to accept a Community Development Block Grant (CDBG) award from the State of Wisconsin Department of Commerce, for the purpose of acquiring LiDar data, performing quality control on the data, and other products to be used for activities related to floodplain mapping improvement.

The project, to be managed by the Architectural Engineering & Environmental Services Division, (A&E) will result in the collection of elevation data that meet Federal Emergency Management Agency (FEMA) requirements for floodplain mapping by providing more accurate topographical information about stream corridors in the County. The project is being managed in cooperation with the Milwaukee County Automated Land Information System (MCAMLIS) board, which provided input on the project and the grant application. There is no local match associated with this grant, and the Milwaukee County Board of Supervisors approved the grant application and acceptance in the March cycle.

The funding is being made available through the Community Development Block Grant Emergency Assistance Program (CDBG-EAP), and was offered to counties that experienced damage caused by severe flooding in June 2008. The County’s grant application is available at:
<http://www.county.milwaukee.gov/ImageLibrary/User/bshaw/80thMeetingMaterials.pdf>

No tax levy impact results from this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
7) <u>5190 DTPW Highway Maintenance</u>		
6329 – Tel and Tel Outside Vendor		\$22,500
7977 – Minor DP Equipment		4,200
2299 – Other State Grants and Reimbursement	\$26,750	

An appropriation transfer of \$26,750 is requested by the Interim Director of the Department of Transportation and Public Works to increase expenditure authority and revenues for the purpose of purchasing and installing Automatic Vehicle Location-Global Positioning Systems (AVL-GPS) in Highway Maintenance Division vehicles.

The Wisconsin Department of Transportation (WisDOT) is financing the purchase of Automatic Vehicle Location-Global Positioning System (AVL-GPS) equipment, sensors, communications and installation on

41 Highway Maintenance Division vehicles for the purpose of research on state maintained roads. This research reflects the state of Wisconsin's efforts to monitor the quality/quantity of winter maintenance services administered to state roadways by County governments. State regulations mandate that Milwaukee County purchase and install AVL-GPS technology in Highway Maintenance Division vehicles by June 2011.

The DTPW Highway Maintenance Division requests to increase expenditure authority and revenues by \$26,750 for the purchase of WI-FI antennas and the communication fees associated with monitoring the AVL-GPS units. This appropriation transfer corresponds with a separate transfer request by the DTPW Fleet Management Division for \$152,910 for the purchase and installation of the equipment and sensors. One hundred percent (100%) of the costs are reimbursable under the project during the term of the pilot project from March 1, 2010 through June 30, 2011. The total reimbursable costs for the project shall not exceed \$189,500.

This appropriation transfer includes the acquisition and installation costs for the equipment, and the communication costs for 2010. An additional \$9,840 will be included for communication costs and reimbursement in the 2011 Highway Maintenance Division requested operating budget.

There is no tax levy impact from this transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

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>WA108012 – HVAC Replacement</u>		
4907 – Bond and Note Proceeds	\$500,000	
8509 – Other Building Impr. (CAP)		\$500,000

An appropriation transfer of \$500,000 is requested by the Interim Director of the Department of Transportation and Public Works to increase expenditure authority and revenues for capital project WA108012 – HVAC Replacement.

The project includes replacement of major components of the airport’s HVAC system and has been ongoing during a five-year period from 2006 to 2010 and is nearly finished. The project has total expenditure authority of \$6.4 million, of which \$5.9 million has been spent or committed and the project, and it is anticipated that it will be completed this year. The original scope of the project includes new ductwork, controls, hot and chilled water piping, and the replacement of 22 air handling and air conditioning units throughout the entire terminal, except the bag claim building. The specific areas include the terminal mall, ticketing, all three concourses and the administration building.

The airport has identified additional work required due to unanticipated effects on other building systems and structures. Specifically, the airport has identified the following needs:

- Add a ducted return in the administration building.
- Lower ceilings in certain areas in order to provide room for ductwork.
- Additional work on nights and weekends.
- Additional temperature controls for greater flexibility and efficiency.
- Unanticipated impacts on the fire alarm system.
- Cost increases since the time of initial planning and design

Debt service for this project is funded through airport revenues. No tax levy impact results from this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
2) <u>WA160012 – GMIA Narrowbanding</u>		
4907 – Bond and Note Proceeds	\$2,000,000	
2699 – Other Federal Grants & Reimb		\$1,500,000
4901 – Passenger Facility Charges Revenue		250,000
2299 – Other State Grants & Reimbursement		250,000

An appropriation transfer of \$500,000 is requested by the Interim Director of the Department of Transportation and Public Works to reallocate budgeted revenues in capital project WA160012 – General Mitchell International Airport (GMIA) Narrowbanding.

The capital project was included in the 2010 Adopted Capital Improvements Budget in order to comply with a federal mandate related to radio-based communications equipment. When the budget was developed, it was anticipated the project would qualify under the Airport Improvement Program (AIP), which would make it eligible for funding with passenger facility charges (PFCs), and state and federal grants. Subsequent to the adoption of the 2010 Adopted Capital Improvements Budget, GMIA was informed the project is not eligible under the AIP program, and therefore must be funded with general airport revenue bonds. It is anticipated that this project will be included in the 2010 General Airport Revenue Bond Issue.

Debt service for this project is funded through airline rates and charges. Therefore, no tax levy impact results from this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
3) <u>WO112014 Fleet Equipment Acquisition</u>		
8554 – Vehicles Replacement		\$152,910
2299 – Other State Grants and Reimbursement	\$152,910	

An appropriation transfer of \$152,910 is requested by the Interim Director of the Department of Transportation and Public Works to increase expenditure authority and revenues for the purpose of purchasing and installing Automatic Vehicle Location-Global Positioning Systems (AVL-GPS) in DTPW Highway Maintenance Division vehicles.

The Wisconsin Department of Transportation (WisDOT) is financing the purchase of Automatic Vehicle Location-Global Positioning System (AVL-GPS) equipment, sensors, communications and installation on 41 DTPW Highway Maintenance Division vehicles for the purpose of research on state maintained roads. This research reflects the state of Wisconsin's efforts to monitor the quality/quantity of winter maintenance services administered to state roadways by County governments. State regulations mandate that Milwaukee County purchase and install AVL-GPS technology in DTPW Highway Maintenance Division vehicles by June 2011.

The DTPW Fleet Management Division requests to increase expenditure authority and revenues by \$152,910 for the purchase and installation of the AVL-GPS equipment and sensors. This appropriation transfer corresponds with a separate transfer request by the DTPW Highway Maintenance Division for \$26,750 for the purchase of WI-FI antennas and the communication fees associated with monitoring the AVL-GPS units. One hundred percent (100%) of the costs are reimbursable under the project during the term of the pilot project from March 1, 2010 through June 30, 2011. The total reimbursable costs for the project shall not exceed \$189,500.

There is no tax levy impact from this transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
4) <u>WO620014 Greenfield Public Safety Communications</u>		
8551 - Machinery and Equipment > \$2,500		\$45,226
<u>WO605014 Phone and Voicemail Replacement – County Grounds</u>		
8557 - Computer Equipment NEW > \$500	\$45,226	

An appropriation transfer of \$45,226 is requested by the Director of the Department of Administrative Services and the Acting Chief Information Officer -- Information Management Services Division (DAS-IMSD) to reallocate \$45,226 in surplus expenditure authority from capital improvement project WO605014 -- Phone and Voicemail Replacement (County Grounds) to capital improvement project WO620014 -- Greenfield Public Safety Communications System. The amount of the transfer represents surplus expenditure authority that occurred when the bids received for the phone and voicemail project were lower than the estimated budget for the project. This transfer is required to provide additional funding for the purchase and installation of radio communication equipment.

The Greenfield Public Safety Communications System project was funded in 2009. This project addresses the relocation of existing public safety radio broadcast site located the water tower at 88th and Waterford currently owned by the City of Greenfield. The current site was damaged during a heavy rainstorm in 2008 and the City has requested that the County remove all radio related equipment from this location. The most recent cost estimate for the relocation of the radio communications equipment is \$240,000, \$40,000 greater than the original estimated cost of \$200,000.

Original funding for the project includes \$126,000 in bond and note proceeds, \$2,000 in earnings, and \$75,000 in insurance proceeds relating to the damage to the site. The insurance proceeds must be spent by November of 2010. If the insurance proceeds are not spent within the required time limit then the County will need to supplement the project funding with other sources. In addition, because this project involves a contract with an outside entity of more than \$100,000, DAS must complete a due diligence report on the contract prior to expending any funds.

No tax levy impact results from this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
5) <u>WO219014 Narrowbanding</u>		
8552 - Machinery & Equipment > \$2,500	\$250,000	
4907 - Bond and Note Proceeds		\$250,000
<u>WO614014 Build Out of Ten Sites to Digital</u>		
4907 - Bond and Note Proceeds	\$250,000	
8552 - Machinery & Equipment > \$2,500		\$250,000

An appropriation transfer of \$250,000 is requested by the Director of the Department of Administrative Services and the Acting Chief Information Officer -- Information Management Services Division (DAS-IMSD) to increase expenditure authority for capital improvement project WO614014 -- Build Out Ten Sites to Digital (Digital Build Out) and decrease expenditure authority by a corresponding amount for project WO219014 -- Narrowbanding.

The 2010 Adopted Capital Improvements Budget included an appropriation of \$1,750,000 (excluding capitalized interest) for the Digital Build Out project for the public safety radio system. This project funds a portion of the conversion of the 800 MHz public safety radio system towers from analog to digital capability. In addition, the 2010 Adopted Capital Improvements Budget included an appropriation of \$2,000,000 (excluding capitalized interest) for the purpose of achieving Federal Communications Commission (FCC) compliance related to the allowable frequency spectrum for radio devices .

IMSD requests that expenditure authority from the Narrowbanding capital improvement project be reallocated to the Digital Build Out capital improvement project. This appropriation transfer would increase expenditure authority for the Digital Build Out project by \$250,000 and decrease expenditure authority by \$250,000 for the Narrowbanding project to ensure that the two projects are funded adequately based on cost estimates.

No tax levy impact results from this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
6) <u>WT048011 – MCTS Administration Building Heating System Replacement</u>		
8551 - Mach & Equip Repl >\$2,500		\$400,000
2699 - Other Federal Grants & Reimb		320,000
<u>WT303014 – MCTS Building Automation System Controller Upgrade</u>		
8551 - Mach & Equip Repl >\$2,500	\$400,000	
2699 - Other Federal Grants & Reimb	320,000	

An appropriation transfer of \$720,000 is requested by the Interim Director of the Department of Transportation and Public Works (DTPW) to transfer expenditure authority and revenues from capital project

WT303011 – MCTS Building Automation System Controller Upgrade to capital project WT048011 – MCTS Administration Building Heating System Replacement.

Work has recently begun on capital project WT048011 – MCTS Administration Building Heating System Replacement, which was included an appropriation transfer in September 2009. A contract for construction of this project was awarded in January 2010 and work began shortly thereafter. During the early stages of construction, it was discovered that the existing ductwork is made of fabricated fiberglass instead of the customary galvanized metal. The fiberglass will not hold up under the pressure from the heating system and therefore needs to be replaced. The DTPW estimates the additional cost to replace the fiberglass ductwork will total approximately \$300,000, and that the MCTS administration building will require a temporary cooling system for the summer months at an estimated cost of \$100,000.

The DTPW therefore requests to transfer \$400,000 in expenditure authority and \$320,000 in federal transit capital grant funding from capital project WT303014 – MCTS Building Automation System Controller Upgrade, which was included in the 2010 Adopted Capital Improvements Budget. MCTS Building Automation System Controller Upgrade project cannot proceed until capital project WT048011 is completed. The project has an available expenditure balance of \$533,000, and an unrealized revenue balance of \$634,473. During replacement of the fiberglass ductwork, some work that had been planned for the second project will be completed, such as installation of computer-based system control and vent hardware. This overlap will result in a cost savings to the second project, however future appropriation transfers will likely have to occur in order to fully fund the project once it can proceed.

If this transfer is not approved and construction cannot proceed, the contractor may have to be paid additional fees to stop work and again to set-up its equipment and facilities at a future date.

No tax levy impact results from this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

Action Required
Finance Committee

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

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

	<u>From</u>	<u>To</u>
1) <u>507 – DTPW Transportation Services</u>		
5199 – Salaries and Wages	\$16,614	
5312 – Social Security	1,271	
6050 – Contract Personal Services - Short		\$17,885

An appropriation transfer of \$17,885 is requested by the Interim Director of the Department of Transportation and Public Works to reallocate expenditure authority from the Personal Services appropriation unit to the Services appropriation unit in order to cover expenses related to contracted temporary staffing services within the Division of Transportation Services.

Two positions of Engineer became vacant in late 2009. In order to fulfill the duties of these two positions, related mainly to the letting and tracking of construction permits, the Division of Transportation Services utilized a temporary employment agency to hire two employees. The Division has begun the process to fill the two vacant engineer positions. These two temporary employees will serve through April 22 and May 14, respectively. The Division of Transportation Services is requesting this fund transfer in order to fund the temporary employment of these two individuals.

This transfer has no tax levy impact

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

	<u>From</u>	<u>To</u>
2) <u>6402 – BHD</u>		
8164 – Purchase of Service 51.42 Board	\$667,590	
7770 – Drugs		\$667,590

A fund transfer for \$667,590 is requested by the Administrator of the Behavioral Health Division (BHD) and the Interim Director of the Department of Health and Human Services (DHHS) to reallocate funding from a contract with the Medical College of Wisconsin to the pharmacy expenditure object.

For many years, BHD has purchased outpatient services for clients through the Medical College of Wisconsin. As part of that contract, pharmaceuticals were provided to clients and billed to BHD as part of the total annual contract amount. In 2010, BHD renegotiated with the Medical College of Wisconsin to reduce their Purchase of Service contract by \$667,590 (from \$1,980,165 to \$1,312,575) and increase the BHD drug allocation by the same amount. This change gives BHD more control over billing, opportunities for cost containment and better client tracking ability. This agreement took effect on April 1, 2010 and the fund transfer reflects the change. A Board Report is also being submitted to increase the contract with Roeschen's Omnicare Pharmacy in order to pay for the additional drugs.

This fund transfer only realigns accounts; no net tax levy change results from this fund transfer.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 05/12/10.

2010 BUDGETED CONTINGENCY APPROPRIATION SUMMARY

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

Approved Transfers from Budget through April 22, 2010

6050-Contract Pers. Serv. Short (Estabrook Dam Stabilization Study) \$ (200,000)

Unallocated Contingency Balance April 22, 2010

\$ 5,600,000

Transfers Pending in Finance & Audit Committee through 5/20/10

Total Transfers Pending in Finance & Audit Committee

\$ -

Net Balance

\$ 5,600,000

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COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

13

DATE : May 3, 2010

TO : County Executive Scott Walker
Supervisor Elizabeth Coggs, Chairperson, Committee on Finance and Audit
Cynthia Archer, Director, Department of Administrative Services

FROM : Lisa Marks, Interim Director, Department of Health and Human Services
John Chianelli, Administrator, Behavioral Health Division

SUBJECT : 2010 Revenue Deficit Report for the Behavioral Health Division

Issue:

Milwaukee County Ordinance 56.02 requires department heads to submit a written report to the County Executive, Finance and Audit Committee, and the Department of Administrative Services when potential revenue deficits of \$75,000 or more are identified.

Background:

After extensive reviews of the projected patient services revenue, BHD is projecting an overall revenue deficit of \$1,587,273, including a projected patient revenue deficit of \$1,382,656 and TRIP projected deficit of \$204,617. Potential shortfalls were reported to the County Board in a January 2010 informational report regarding the State of Wisconsin Medicaid deficit.

As reported in January 2010 (copy attached), Medicaid funding in all the direct patient service areas is decreasing. The State is facing a \$600 million deficit in their Medicaid budget for the 2009-2011 budget years. In 2009 inpatient Medicaid revenue decreased and the trend is continuing in 2010. Medicaid has reduced the way they reimburse services in the two county-run nursing homes, with rate changes coming monthly. Additionally, BHD is beginning to notice other insurance companies (HMOs, private insurance etc) changing their payment schedule to mirror the State's Medicaid payment. Furthermore, the HMO's have received decreased State Medicaid payments and are now passing those reductions onto providers. This is an area where BHD is focusing a lot of effort, including negotiating new contracts with insurance companies, daily monitoring of client census, and proactive monitoring of notifications on the State's Forward Health Plan.

Finally, BHD is working diligently to address known revenue issues, implementing a new electronic billing system and negotiating new contracts with various HMO's and private insurance companies. It is also important to note that BHD, much like the County employee health insurance system, has a 90-day billing cycle. The entire claims processing cycle is 90 days; therefore the first quarter report has limited claims data for 2010. BHD normally relies on prior year data to make the current year's projection. However, very few of the State's sixty-six Forward Health Rate Reform Plans were fully implemented in 2009. BHD will continue to report to the Board any changes that occur in patient revenues.

Recommendation:

This is an informational report required by Section 56.02 of the Milwaukee County Ordinances. No action is necessary.



Lisa Marks, Interim Director, DHHS

cc: Steve Kreklow, Fiscal and Budget Director, DAS
Joseph Carey, Fiscal Management Analyst
Tom Nardelli, County Executive's Office

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: January 4, 2010

TO: Supervisor Lee Holloway, Chairman – Milwaukee County Board of Supervisors

FROM: Lisa Marks, Interim Director, Department of Health and Human Services
Prepared by: Pat Walslager, Associate Administrator, Behavioral Health Division

SUBJECT: **INFORMATIONAL REPORT FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REGARDING A PROJECTED MEDICAID DEFICIT FOR THE STATE OF WISCONSIN**

PROJECTED MEDICAID DEFICIT IN WISCONSIN

The Wisconsin BadgerCare Plus programs and other Medicaid programs in the state, together known as Forward Health, serve as the health care safety net for Wisconsin's most vulnerable citizens. The Medicaid program in Wisconsin currently processes an average of two million claims per month to 30,000 providers. This program, totaling \$12.4 billion in state and federal funding over the biennium is the second largest in GPR funding among state programs.

According to the Milwaukee Health Care Partnership, the Medicaid population in Milwaukee County as of September 30, 2009 was 251,168 consisting of 26% of the County's total population. More specifically, 171,648 were enrolled in BadgerCare plus, 16,079 were enrolled in BadgerCare Plus Core, 10,689 were enrolled in other government programs; and 52,752 were SSI eligible.

During the state's current economic downturn, the unemployment rate has doubled during the last year. This has been accompanied by a 17% increase in the Medicaid caseload. In an effort to alleviate fiscal pressures in the current biennium, the Wisconsin Department of Health Services assumed a \$600 million plus cut in Medicaid funding.

WISCONSIN MEDICAID FISCAL PLAN

The Department of Health Services has proposed the following policies to address the projected Medicaid shortfall:

- Continued monitoring of the Medicaid caseload for impact on the overall Medicaid budget;
- Continued monitoring of efforts at the federal level to provide additional state funding for Medicaid; and
- Implementing the Forward Health Rate Reform to provide program efficiencies.

Forward Health Rate Reform – Impact on Behavioral Health Division

Beginning in March of 2009, DHS began a series of initiatives aimed at developing a Wisconsin Medicaid rate reform plan. Advisory groups and provider surveys were used to

generate ideas and reactions to proposals. The resulting action plan to achieve the Medicaid reductions assumed in 2009 Wisconsin Act 28, the biennial budget, was presented to the Joint Committee on Finance by Karen Timberlake on December 17, 2009. Her testimony and PowerPoint presentation are attached to this report. Additionally, a copy of the Legislative Fiscal Bureau's report outlining the cost savings that can be identified is attached.

The Behavioral Health Division has reviewed the plan and will continue to monitor the initiative as it unfolds. At the present time, the plan is general in nature, and difficult to cost out as it relates to Medicaid revenue for BHD. However, given that the BHD client base consists largely of Medicaid recipients, it is expected that the effect of Forward Health Rate Reform will be substantial. BHD anticipates a fiscal effect from at least the following components of the State plan:

- Managed Care Recommendations – changes to managed care, particularly in Southeastern Wisconsin, are projected to save the State \$122.9 million during the biennium. These changes are not specific to BHD, but it is anticipated that some of the rate reductions will be passed on to BHD.
- Hospital Recommendations
 - Pay for No More Than One 24-hr Period for ER Visit (\$2 million savings to the State).
- Mental Health Recommendations (\$1.6 million in savings to the State)
 - Reduce IMD Hospital Payments to Reflect that Some Drugs Used by IMDs are Billable to Medicare;
 - Accelerate SBIRT Screenings to Increase Estimated Savings in the 2009-11 Biennium; and
 - Authorize MA Billing for Mental Health Treatment Services Provided by Peer Counselors.
- Pharmacy Recommendations (\$199.3 million in savings to the State)
 - Require Providers, Rather than Pharmacies, to Obtain Prior Authorization for Certain Types of Drugs;
 - Impose Quantity Limits for Specific Classes of Drugs (Includes Tablet-Splitting);
 - Designate Oxycodone ER to a “Non-Preferred Drug” to Encourage Use of less Expensive Oxycontin;
 - Conduct More Thorough Reviews of the Preferred Drug List
 - Expand Narcotic Utilization Controls; and
 - Apply Quantity Limits, Prior Authorization, Diagnosis Restrictions to Provider-Administered Drugs.
- Long Term Care Recommendations (\$32.6 million in savings to the State)
 - Reduce Reimbursement for Nursing Home “Bed Hold” Days from 59% to 25% of Average Direct Care Rates;
 - Eliminate Increased Reimbursement for Property portion of NH Rate if Property Costs are Below Target Amounts;
 - Revise Downward Inflation Adjustment for Property Costs; and

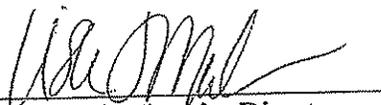
- Update Acuity (RUGS) Status for Residents on a Quarterly Basis, Rather than on an Annual Basis.
- MA Administration Recommendations (\$10.6 million in savings to the State)
 - Use Paperless Media to Produce and Disseminate Payments to Providers
- Program Integrity Recommendations
 - Additional Auditors (\$5 million in savings to the State)
- One-Time Savings and Rescheduled Payments (\$185.4 million in savings to the State) – some payments are being accelerated into 2009 to take advantage of enhanced federal match and some are being delayed into July of 2010.

This list of rate reform actions identifies portions of the proposed plan that appear likely to impact BHD. At this time, the State has provided insufficient information to estimate the fiscal effect on Milwaukee County. The BHD staff will continue to monitor the rate reduction initiative and update fiscal projections as data become available. To date, BHD has only been able to do this in regard to the change in nursing home RUG rates, which could potentially have a negative impact of \$250,000 on revenues. BHD revenues are vulnerable to the rate reduction initiative.

RECOMMENDATION

This report is for information only. No action is necessary.

Respectfully Submitted,



Lisa Marks, Interim Director
Department of Health and Human Services

Cc: County Executive Scott Walker
Tim Russell, Deputy Chief of Staff – County Executive's Office
Cindy Archer, DAS
Joe Carey, DAS
Jennifer Collins, County Board Staff
Jodi Mapp, County Board Staff



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

December 17, 2009

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Forward Health Rate Reform Project and Program Status

This memorandum describes the "Forward Health Rate Reform Project" plan prepared by the Department of Health Services (DHS) to implement provisions in 2009 Wisconsin Act 28 that reduced funding in the medical assistance (MA), BadgerCare Plus, and SeniorCare programs in the 2009-11 biennium. In addition, the memorandum provides updated information regarding enrollment trends in the BadgerCare Plus program and the Childless Adults Core Plan.

Forward Health Rate Reform Project

In total, the funding reductions enacted in Act 28 were anticipated to reduce benefits costs by approximately \$633.1 million (-\$207.7 million in state funds and -\$425.4 million in federal matching funds) in the 2009-11 biennium. This funding reduction represents a reduction of approximately 4.8% of total estimated program benefits costs in the biennium (approximately \$13.3 billion).

In September, DHS made public its plan. The Department's document, which is titled "Forward Health Rate Reform Project," identifies the amount of the Act 28 funding reductions DHS expects to generate, the administration's goals in reaching the plan's savings targets, and the process DHS used to develop the plan to meet these goals. The Department has made several changes to that plan since September. The Department's current plan, which contains 66 items, is provided in the Attachment, which lists each item in one of nine broad categories, together with the Department's estimates of savings the plan will generate, and the primary method by which DHS would generate savings.

The following table summarizes the information in the Attachment.

TABLE 1

**Summary of Current DHS Forward Health Rate Reform Plan
(\\$ in Millions)**

No. of Items	Broad Category	All Funds Savings			GPR Savings			Percent of Savings	
		2009-10	2010-11	2009-11	2009-10	2010-11	2009-11	All Funds	GPR
9	Managed Care	\$25.1	\$97.8	\$122.9	\$7.4	\$33.9	\$41.3	20.2%	18.8%
5	Hospital Services	5.0	17.2	22.2	1.5	6.0	7.5	3.7	3.4
7	Physician/Clinic/Imaging/Acute Care Providers	7.4	19.2	26.6	2.2	6.6	8.8	4.4	4.0
3	Mental Health	-0.9	2.5	1.6	-0.3	0.9	0.6	0.3	0.3
17	Pharmacy	73.3	126.0	199.3	21.7	43.6	65.3	32.8	29.8
12	Long-Term Care	9.2	23.4	32.6	2.7	8.1	10.8	5.4	4.9
2	Administration	0.2	0.4	0.6	0.1	0.1	0.2	0.1	0.1
3	Program Integrity	0.0	6.8	6.8	0.0	2.4	2.4	1.1	1.1
58	Subtotal	\$119.3	\$293.3	\$412.6	\$35.3	\$101.5	\$136.8	67.9%	62.4%
8	Delayed Payments and One-Time Savings	\$15.0	\$180.4	\$195.4	\$4.4	\$78.0	\$82.4	32.1%	37.6%
66	GRAND TOTAL	\$134.3	\$473.7	\$608.0	\$39.7	\$179.5	\$219.2	100.0%	100.0%

The table shows that the administration estimates that the plan will result in savings totaling \$608.0 million (\$219.2 million GPR and \$388.8 million FED) in the 2009-11 biennium. However, the Department's plan includes approximately \$195.4 million of (all funds) savings that will be realized on a one-time basis in the current biennium, including approximately \$82.4 million in one-time GPR savings. These amounts represent approximately 32.1% and 37.6% of the total all funds and GPR savings in the plan, respectively. The one-time savings DHS expects to realize in 2010-11 will increase GPR commitments in the 2011-13 biennium.

BadgerCare Plus

During the first five months of 2009-10, MA enrollment is trending significantly higher than the projections used to establish the level of benefits funding provided in Act 28. Much of that increase has occurred in BadgerCare Plus, which provides healthcare coverage to low-income children and their families, and to pregnant women. (For these purposes, BadgerCare Plus does not include the Childless Adults Core Plan, discussed separately below.) Fiscal year to date, BadgerCare Plus enrollment has averaged 687,000 individuals per month. By comparison, Act 28 assumed the program's monthly enrollment would average 638,000 individuals in 2009-10 and 648,000 individuals in 2010-11. As of November 30, 2009, approximately 700,000 individuals were enrolled in BadgerCare Plus.

In recent months, enrollment increases have moderated, relative to the historically high rates experienced earlier in the year (0.85% per month during the past three months, compared to 1.66%

per month during the first eight months of calendar year 2009). While it is not certain if this trend will continue, it is consistent with the program's historical experience, where enrollment growth has tended to moderate as economic conditions in the state stabilize. Even if the moderating trend continues, however, the program's average monthly enrollment will exceed Act 28 projections. Based on current estimates of the program's average per member costs, the GPR cost overruns associated with that higher-than-projected enrollment could range from \$100 million to \$125 million over the 2009-11 biennium.

In addition to per member costs, the potential GPR shortfalls are based on the state's projected federal medical assistance percentage (FMAP). The American Recovery and Reinvestment Act of 2009 (ARRA) temporarily increased Wisconsin's FMAP for the period October 1, 2008, through December 31, 2010, referred to as the "recession adjustment period". Act 28 assumed this temporary FMAP increase would result in Wisconsin receiving approximately \$317 million in additional federal MA matching funds during state fiscal year 2011. The federal healthcare reform bill recently passed by the United States House of Representatives (H.R. 3962) would extend ARRA's recession adjustment period through June, 2011. That extension, if it becomes law, could result in the state receiving approximately twice the additional federal MA matching funds in fiscal year 2011 as was originally estimated in Act 28. The exact amount of any such additional funding would depend upon the state's MA benefit expenditures during the period and the state's future unemployment rate (to which the temporary FMAP increase would be tied). To the extent that additional one-time federal assistance would be used to fund ongoing commitments, it would need to be replaced with other funding sources in the 2011-13 biennium.

The Patient Protection and Affordable Care Act currently being debated in the U.S. Senate does not contain a comparable extension of the ARRA FMAP. A separate Senate bill, however, titled the "Transitional Federal Medical Assistance Percentage Act," would extend ARRA's FMAP increases through June, 2011, similar to H.R. 3962. In addition, the Senate bill would phase those increases out gradually during the period July, 2011 through December, 2013 (referred to as the "ARRA transitional assistance period"), rather than terminating them altogether in June, 2011. Whether H.R. 3962 or the Transitional Federal Medical Assistance Percentage Act will become law cannot be said at this time.

The Childless Adults Core Plan

The 2007-09 biennial budget act authorized DHS to request a waiver from the federal government that would allow the state's MA program to provide healthcare services to childless adults ages 19 through 64 who have incomes up to 200% of the federal poverty level and who are not eligible for any other MA, Medicare, or SCHIP program. DHS began enrolling individuals in the new childless adults program (the Core Plan) in January, 2009. The first enrollees consisted primarily of individuals previously enrolled in Milwaukee County's general assistance medical program (GAMP). DHS initially planned to expand the program statewide beginning in April, 2009. Budget constraints delayed that statewide expansion until July, 2009.

Act 28 provided \$85.2 million (\$27,286,800 GPR, \$51,134,700 FED, and \$6,799,400 PR) in 2009-10 and \$129.2 million (\$44,415,400 GPR, \$77,936,100 FED, and \$6,799,400 PR) in 2010-11 to support benefits for Core Plan enrollees during the 2009-11 biennium. Subsequent to the

enactment of Act 28, DHS was awarded a grant of \$10 million per year for each of the next five years (beginning in federal fiscal year 2009-10) from the U.S. Department of Health and Human Services Health Resources and Services Administration (HRSA) to further support the program's costs.

Act 28 assumed that monthly enrollment in the Core Plan would average 24,900 individuals in fiscal year 2010 and 39,500 individuals in fiscal year 2011. Because the number of applications quickly exceeded those projections, DHS obtained approval from the federal Centers for Medicare and Medicaid Services (CMS) to limit program enrollment to individuals who applied by October 9, 2009, and who timely paid the program's \$60 annual enrollment fee. DHS received over 76,000 applications for the Core Plan by the October 9th deadline. Individuals who applied for the Core Plan after October 9, 2009 were placed on a wait list.

As of November 30, 2009, 55,000 individuals were enrolled in the Core Plan. Final enrollment figures will not be available until later this month, when DHS completes its review of the applications received prior to the October 9th deadline. Preliminarily, however, DHS estimates that Core Plan enrollment could reach 68,000 individuals when that review process is completed.

Going forward, DHS intends to allow natural attrition in the program to cause enrollment to decline to approximately 54,000 individuals, a level DHS believes is sustainable under the "budget neutrality" requirement of its waiver agreement with CMS. Under that requirement, the amount of federal matching funds available for Core Plan benefits cannot, in any given federal fiscal year, exceed the federal funds the state would have received that year to support disproportionate share hospital (DSH) payments. In federal fiscal year 2010, that amount is approximately \$94 million. If program expenditures during any given federal fiscal year cause DHS to exceed its "budget neutrality" limit, the overspending must be financed totally with state funds. Based on its initial projections, DHS believes it will satisfy the budget neutrality requirements of the CMS waiver agreement in the 2009-11 biennium.

As the foregoing explanation implies, "budget neutrality" in this context does not correlate to Act 28 funding levels. Stated otherwise, program expenditures could satisfy the budget neutrality requirement of the waiver agreement while exceeding the funding provided in Act 28 (even as supplemented by the HRSA grant). Based on current estimates of the Plan's per member costs, and assumptions regarding final enrollment and attrition rates, the GPR cost overrun for the Core Plan during the biennium is currently projected to reach approximately \$20 to \$25 million. This preliminary estimate is subject to ongoing modification as additional program enrollment and cost information becomes available.

The potential GPR cost overruns identified above, both with respect to BadgerCare Plus and the Core Plan, are premised on higher-than-anticipated enrollment. They are, therefore, largely independent of the Department's success in realizing the savings identified in its current Forward Health Rate Reform plan. If the Department does not achieve those savings, and additional federal matching funds are not provided, the MA program's shortfall may exceed the potential overruns identified in this memorandum.

With respect to individuals on the Core Plan wait list, DHS intends to give them an opportunity to enroll in the Core Plan (contingent upon their satisfying the program's eligibility criteria and paying the \$60 annual enrollment fee) when program enrollment falls below the 54,000 level DHS believes is sustainable under the CMS budget neutrality requirement. As of November 14, 2009, there were 7,434 on the Core Plan wait list. DHS is currently developing the BadgerCare Plus Basic plan to provide basic healthcare coverage to individuals while they remain on the Core Plan wait list. It is envisioned that benefits under the Basic Plan will be more limited than those offered through the Core Plan. It is also the Department's stated objective to have the cost of the Basic Plan wholly supported by enrollee premiums. Implementation of the Basic Plan will require statutory authorization.

Prepared by: Charlie Morgan, Eric Peck, and Cory Kaufman

ATTACHMENT

**DHS Savings Plan
(\$ in Millions)**

	<u>DHS Savings Targets</u>			<u>Primary Method of Achieving Savings</u>	
	<u>2009-10</u>	<u>2010-11</u>	<u>Biennium</u>		
Managed Care					
1	Reduce HMO Administrative Reimbursement by 2%	\$15.5	\$17.0	\$32.5	Rate Reduction
2	Reduce HMO Administrative Reimbursement for SSI Populations from 11.3% to 10%	1.4	2.8	4.2	Rate Reduction
3	Hold Capitation Payments at Risk for Pay For Performance Incentives -- Eliminate Funding for Incentives	0.0	4.5	4.5	Rate Reduction
4	Adjust Reimbursement to HMOs to Reward Good Birth Outcomes, Penalize Poor Outcomes	0.0	1.0	1.0	Aggregate Rate Reduction
5	Discontinue Payments Intended to Offset HMO Losses due to Phase-In of Regional Rate Adjustments	0.9	0.9	1.8	Rate Reduction
6	Freeze Capitation Payments in CY 2010 and 2011 at CY 2009 Rates	4.2	14.3	18.5	Rate Reduction
7	Eliminate Payments Initially Provided to Encourage HMO Expansion in Select Counties	0.6	2.2	2.8	Rate Reduction
8	Reduce Capitation Rates for Dual Eligibles	2.5	5.0	7.5	Rate Reduction
9	Issue RFP to Provide Managed Care in Six Counties in Southeastern Wisconsin	<u>0.0</u>	<u>50.1</u>	<u>50.1</u>	Rate Reduction
	Total Estimated Savings				
	All Funds	\$25.1	\$97.8	\$122.9	
	GPR	\$7.4	\$33.9	\$41.3	
Hospital Services					
1	Adopt Outpatient Prospective Payment System Based on Ambulatory Payment Classifications	\$0.0	\$3.0	\$3.0	Aggregate Rate Reduction
2	Require Hospitals to Submit Plan of Care for Readmissions	0.0	2.0	2.0	Reduce Billable Services
3	Reduce Rates for Critical Access Hospitals to Pay Approximately 90% of these Hospitals' Costs	5.0	10.0	15.0	Rate Reduction
4	Pay for No More than One 24-Hour Period for ER Visit	0.0	2.0	2.0	Reduce Billable Services
5	Eliminate MA Reimbursement for "Never Events," such as Wrong Sites for Surgeries	<u>0.0</u>	<u>0.2</u>	<u>0.2</u>	Reduce Billable Services
	Total Estimated Savings				
	All Funds	\$5.0	\$17.2	\$22.2	
	GPR	\$1.5	\$6.0	\$7.5	
Physician/Clinic/Imaging/Acute Care Provider Recommendations					
1	Require Providers to Use Decision Support Software to Assess Appropriateness of Imaging Tests	\$0.0	\$3.2	\$3.2	Reduce Billable Services
2	Reimburse C-Sections at Same Rate As Vaginal Deliveries, Unless C-Section is Medically Necessary	0.3	0.5	0.8	Rate Reduction/Change Service Mix
3	Pay No More than Medicare Rates for all Noninstitutional Services	7.1	9.4	16.5	Rate Reduction
4	Issue RFP to Contract with an Entity to Improve Clinical Care Management to Reduce Hospitalizations	0.0	8.0	8.0	Reduce Billable Services
5	Reimburse Physicians Based on Quality Measures, as Indicated in WHIO Data	0.0	0.0	0.0	No Net Fiscal Effect
6	Reimburse for Recording Body Mass Index	0.0	-2.0	-2.0	Increase Billable Services
7	Eliminate Reimbursement for "Never Events"	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	
	Total Estimated Savings				
	All Funds	\$7.4	\$19.2	\$26.6	
	GPR	\$2.2	\$6.6	\$8.8	

		<u>DHS Savings Targets</u>			<u>Primary Method of</u>
		<u>2009-10</u>	<u>2010-11</u>	<u>Biennium</u>	<u>Achieving Savings</u>
Mental Health					
1	Reduce IMD Hospital Payments to Reflect that Some Drugs Used by IMDs are Billable to Medicare	\$0.0	\$0.2	\$0.2	Rate Reduction
2	Accelerate SBIRT Screenings to Increase Estimated Savings in the 2009-11 Biennium	-0.9	2.3	1.4	Reduce Billable Services
3	Authorize MA Billing for Mental Health Treatment Services Provided by Peer Counselors	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	No Estimated State Fiscal Effect
Total Estimated Savings					
All Funds		-\$0.9	\$2.5	\$1.6	
GPR		-\$0.3	\$0.9	\$0.6	
Pharmacy					
1	Require Providers, Rather than Pharmacies, to Obtain Prior Authorization (PA) for Certain Types of Drugs	\$0.3	\$0.5	\$0.8	Reduce Billable Services/Change Service Mix
2	Impose Quantity Limits for Specific Classes of Drugs	2.0	3.9	5.9	Reduce Billable Services
3	Designate Oxycodone ER as a "Non-Preferred Drug" to Encourage Use of Less Expensive Oxycontin	0.4	0.9	1.3	Change Service Mix
4	Implement the Provider Synergies Diabetic Supply Program to Place Meters & Strips on Preferred Drug List	0.6	1.2	1.8	Change Service Mix
5	Conduct More Frequent Reviews of the Preferred Drug List	4.0	6.0	10.0	Change Service Mix
6	Implement a Web-based Disease Management /Medication Therapy Program	-0.1	-0.1	-0.2	Reduce Billable Services
7	Deny Pharmacy Claims for Claims Submitted Prior to the Recommended Refill Date, Unless PA Approved	0.6	1.3	1.9	Reduce Billable Services
8	Expand Narcotic Utilization Controls	0.7	1.4	2.1	Reduce Billable Services
9	Apply Quantity Limits, Prior Authorization, Diagnosis Restrictions to Provider-Administered Drugs	0.3	0.7	1.0	Reduce Billable Services
10	Provide 100-Day Supplies of Specified Maintenance Drugs	1.9	3.8	5.7	Reduce Billable Services
11	Tablet-Splitting -- Encourage Pharmacies to Dispense Single, Higher-Dose Drugs that can be Split by User	0.3	0.6	0.9	Reduce Billable Services
12	Improve Coordination of Benefits	0.0	0.0	0.0	No Net Fiscal Effect
13	Expand Pharmacy "Lock in" Program (Limits Certain Recipients to Using a Single Pharmacy)	0.1	0.3	0.4	Reduce Billable Services
14	Use Specialty Pharmacies to Dispense Certain Types of High-Cost and Specialty Drugs	1.2	2.3	3.5	Rate Reduction
15	Identify New Generic Drugs, Apply State Maximum Allowable Cost (MAC) Pricing	25.1	46.2	71.3	Change Service Mix
16	Modify MAC Pricing (Used for Multiple Source Drugs)	17.9	33.0	50.9	Rate Reduction
17	Savings Due to Reduced AWP's Reported to First Databank	<u>18.0</u>	<u>24.0</u>	<u>42.0</u>	Rate Increase
Total Estimated Savings					
All Funds		\$73.3	\$126.0	\$199.3	
GPR		\$21.7	\$43.6	\$65.3	
Long-Term Care Recommendations					
1	Reduce Reimbursement for Nursing Home "Bed Hold" Days from 59% to 25% of Average Direct Care Rates	\$0.7	\$0.8	\$1.5	Rate Reduction
2	Eliminate Increased Reimbursement for Property Portion of NH Rate if Property Costs are Below Target Amounts	2.1	2.3	4.4	Rate Reduction
3	Revise Downward Inflation Adjustment for Property Costs	0.4	0.4	0.8	Rate Reduction
4	Increase Threshold for Eligibility for Enhanced Intensity Payments, from 65% to 70% of Medicare and MA Residents	0.6	0.7	1.3	Rate Reduction
5	Update Acuity (RUGS) Status for Residents on a Quarterly Basis, Rather than on an Annual Basis	1.0	12.5	13.5	Rate Reduction
6	Eliminate Reimbursement for Veterans at King Whose Costs are Supported Entirely with USDVA Federal Funds	2.0	1.0	3.0	Reduce Billable Services
7	Reduce NH Payments for Hospitalizations Resulting from Pressure Ulcers, Injury/Hip Fractures, and Urinary Tract Infections	1.0	1.5	2.5	Rate Reduction
8	Discontinue Payments for Care Coordination Provided by Registered Nurses in Independent Practice	0.3	0.3	0.6	Reduce Billable Services

	<u>DHS Savings Targets</u>			<u>Primary Method of Achieving Savings</u>
	<u>2009-10</u>	<u>2010-11</u>	<u>Biennium</u>	
9 Institute Member-Based Prior Authorization for Personal Care, PDN, and Home Health Services	0.0	0.7	0.7	Reduce Billable Services
10 Accelerate NH Relocations to Family Care Counties by Providing Funding to ADRCs and MCOs for Pre-enrollment Costs	0.4	1.7	2.1	Change Service Delivery
11 Contract with State of Michigan for Bulk Purchase of Incontinence and Ostomy Supplies	0.7	1.5	2.2	Rate Reduction
12 Divestment Options	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	No Net Fiscal Effect
Total Estimated Savings	\$9.2	\$23.4	\$32.6	
All Funds	\$2.7	\$8.1	\$10.8	
GPR				
MA Administration				
1 Member Responsibility	\$0.0	\$0.0	\$0.0	No Net Fiscal Effect
2 Use Paperless Media to Produce and Disseminate Payments to Providers	<u>0.2</u>	<u>0.4</u>	<u>0.6</u>	Unknown
Total Estimated Savings	\$0.2	\$0.4	\$0.6	
All Funds	\$0.1	\$0.1	\$0.2	
GPR				
Program Integrity				
1 Expand ClaimCheck Use/Correct Coding Initiative	\$0.0	\$0.5	\$0.5	Reduce Billable Services
2 Add 10.0 Auditors to Increase Recoveries	0.0	5.0	5.0	Reduce Billable Services
3 Expand Casualty Collections	<u>0.0</u>	<u>1.3</u>	<u>1.3</u>	Reduce Billable Services
Total Estimated Savings	\$0.0	\$6.8	\$6.8	
All Funds	\$0.0	\$2.4	\$2.4	
GPR				
One-Time Savings and Rescheduled or Delayed Payments				
1 Accelerate January, 2011 Managed Care Payments	\$0.0	\$10.8	\$10.8	Time Payments to Maximize FFP
2 Reschedule 1 Month of Managed Care Capitation Payments	0.0	107.2	107.2	Delay Payment to 2011-12
3 Reschedule 1 Month of Family Care MCO and WPP Capitation Payments	0.0	19.4	19.4	Delay Payment to 2011-12
4 Accelerate January, 2011 Payments for NH Supplements	0.0	1.8	1.8	Time Payments to Maximize FFP
5 Accelerate January 2011 Capitation Payments for MCOs	0.0	11.2	11.2	Time Payments to Maximize FFP
6 Reschedule June, 2011 Claims Payments (MA Administration)	0.0	20.0	20.0	Delay Payment to 2011-12
7 Revenue Maximization (MA Administration)	0.0	10.0	10.0	Unknown
8 Recover Overpayments to Providers Following Implementation of InterChange (MA Administration)	<u>15.0</u>	<u>0.0</u>	<u>15.0</u>	Reduce Billable Services
Total Estimated Savings	\$15.0	\$180.4	\$195.4	
All Funds	\$4.4	\$78.0	\$82.4	
GPR				
Grand Total of Estimated Savings				
All Funds	\$134.3	\$473.7	\$608.0	
GPR	\$39.7	\$179.5	\$219.2	



State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

Joint Committee on Finance

Testimony of Secretary Karen E. Timberlake

Department of Health Services

December 17, 2009

Senator Miller, Representative Pocan, and members of the Joint Committee on Finance, thank you for the opportunity to provide you with an update about our plan to achieve approximately \$208 million GPR/\$633 million AF in savings in the Medicaid budget, as directed by the Governor and Legislature in the 2009-11 biennial budget, and to review current enrollment and expenditure trends.

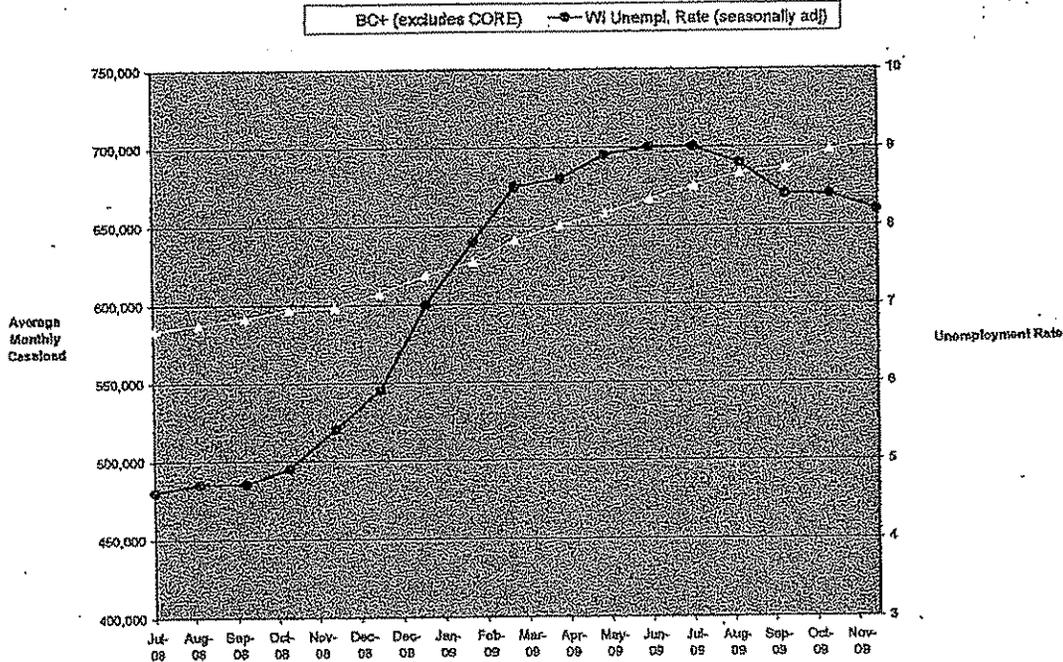
Badger Care Plus and other components of the Medicaid program, known collectively as ForwardHealth, serve as the health care safety net for Wisconsin's most vulnerable citizens. Medicaid currently provides essential health and long term care services for more than one million low income children, families, seniors and people with disabilities across Wisconsin. In an average month, the Medicaid program processes over two million claims to approximately 30,000 providers. The Medicaid budget totals \$12.4 billion in state and federal funding over the biennium, and is the second largest in GPR funding among state programs.

Since Governor Doyle launched the BadgerCare Plus expansion in 2008 with a goal of providing access to affordable health insurance for all eligible children, the program has led to a dramatic increase in access to health care for Wisconsin citizens.

Wisconsin now has the second lowest uninsured rate in the nation, thanks to a combination of coverage expansions under BadgerCare Plus as well as a continuing, strong tradition in this state of employer-sponsored health insurance. The Governor's efforts to insure more children and make the program more accessible have been hugely successful, especially during this difficult economic time.

With unemployment rates in Wisconsin doubling over the past year, more families in Wisconsin have become eligible for and are in need of safety net programs, like BadgerCare Plus, to assist them in difficult times.

Table 1: BC Plus Caseload & Unemployment Rate



The overwhelming majority of people who have enrolled in BadgerCare Plus since February 2008 are pregnant women, children and families with incomes under 200% of the federal poverty level (FPL), which equates to less than \$44,100 a year for a family of four.

The University of Wisconsin Population Health Institute recently found that 94% of all children with family incomes under 150% of the FPL, earning under \$33,072 for a family of four, are enrolled and accessing health care through BadgerCare Plus.

The UW study also found that enrollment of low-income parents—those with incomes under 150% of FPL (\$33,075 for a family of four)—grew from 67% to 85%, indicating that by closing gaps between existing programs and simplifying the application process, low income families are better able to access BadgerCare Plus. Additionally, low-income children and adults are maintaining their coverage with fewer disruptions (program exits declined by 20% for children and 17% for adults). By reducing the rate at which children and families drop and then regain coverage, we expect to see enhanced continuity of care and better health outcomes.

Medicaid Savings Required Through the 2009-11 Biennial Budget

During the 2009-11 biennial budget process, the Governor and Legislature established a significant savings target for the Medicaid program. The Governor's Budget set the savings target at \$415 million AF; the Legislature later increased it to \$633 million AF. These savings must be realized as one important part of the solution to the current biennium's fiscal pressures. At the same time, we are committed to realizing these savings to the greatest extent possible in ways that improve the quality and efficiency of the Medicaid program.

At the Department, our development of a plan to realize these savings is known as the ForwardHealth Rate Reform project. We have worked to identify savings in the program in a thoughtful way, using the best data available and ideas from providers and other stakeholders. The Governor directed us to do so while preserving eligibility and coverage levels for the vulnerable populations the program serves. We also needed to ensure that our providers continue to be reimbursed at a level that enables them to participate in the program.

The approach we have taken to identifying Medicaid savings differs markedly from that taken in other states. Other states have implemented painful across the board provider rate reductions and benefits reductions to address their fiscal problems.

- Washington reduced inpatient and outpatient hospital rates by 4% and physician, dentist, MCOs, and nursing home rates by 5% in FY 10. It also significantly increased premiums and annual deductibles in its state health plan for low income individuals.
- California enacted 7% across the board cuts to service providers, eliminated certain optional Medicaid benefits for members, and ended health care coverage to more than 920,000 children and teens.
- Iowa implemented across-the-board cuts of 10% and closed one of the state's four mental health facilities.
- Michigan enacted 8% across the board cuts to service providers.
- In Minnesota, HMOs saw a 4.5% reduction, hospitals a 1% reduction, and physicians a 6.5% reduction with certain exceptions.

The Governor rejected this approach because difficult economic times are when Medicaid services are most needed by people in Wisconsin. Instead, the goals of our rate reform effort have been to:

- Protect eligibility, coverage, and access to essential services for low-income children and their families, and elderly, blind and disabled children and adults.
- Avoid across the board cuts.
- Identify short term solutions and longer term systemic improvements.
- Ensure that no one provider group is singled out for rate reductions.
- Align payments with value and quality rather than volume.

The ForwardHealth Rate Reform effort, led by Jason Helgeson, the State's Medicaid Director, was launched in late March and was focused on involving a broad range of partners in the process. Specific outreach activities included an all-provider conference call, eight advisory groups comprised of over 200 providers, consumers, advocates, and other stakeholders, and a Web survey to 30,000 providers.

These steps generated over 500 ideas, which Department staff analyzed in late spring and summer. Following a second round of advisory group meetings in July, we released a draft plan to all legislative offices in July and held a briefing on July 16 briefing for legislators and staff which was attended by approximately 25 legislative offices.

We continued to meet with providers throughout the summer to brief them on the plan and hear their feedback. The final plan was released in September to legislative offices and all providers.

I have attached an updated PowerPoint summary of the current plan, reflecting some additional changes since September.

The plan:

- Increases payments for successful outcomes.
- Reduces payments for errors, poor outcomes, and unnecessary complications.
- Builds on previous Medicaid quality improvement efforts including the managed care pay-for-performance initiative.
- Implements care management and coordination strategies.
- Seeks opportunities to maximize federal funding.

Pressures on the Medicaid Program Due to National Recession

Across the country, Medicaid programs experience their greatest demand during difficult economic times. As a result of the sudden, sharp decline in the national economy that began in the fall of 2008, the state's unemployment rate doubled. The Wisconsin Medicaid caseload has increased 17% from November 2008 to November 2009.

This increased demand has also been underscored by the overwhelming response for the new BadgerCare Plus Core plan, for very low income individuals without dependent children in their household. The Core Plan offers basic health care to Wisconsin residents, many of whom have gone years without coverage or who have lost their coverage due to job loss. Sixty percent of all people applying for the Core Plan report no income at all.

As of October 9, 2009, we suspended the BadgerCare Plus Core Plan enrollment process because the total number of applications we had received (76,000) was greater than the number of slots available under the budget neutrality requirements of our federal waiver.

Approximately 55,000 individuals are now receiving health care benefits through the Core Plan. We project that upon completion of all applications received by October 9th at the end of December, Core Plan enrollment could peak at 68,000 and then decline throughout the biennium. The rate of attrition will depend on how many enrollees pay their annual \$60 renewal fee, complete their annual physical, obtain health coverage from other sources, and other factors. We are confident that we will still meet our budget neutrality requirements for this waiver assuming this natural attrition.

Just as the national and state economic outlook is uncertain, it is difficult to predict the level of demand for Medicaid services over the next two years. While BadgerCare Plus caseload grew significantly for the first eight months of CY 09, caseload has moderated and remained relatively constant for the past three months. We are monitoring caseload growth closely and will continue to examine how this impacts the overall Medicaid budget. It is early in the biennium, and there are some signs of the beginning of an economic recovery. It is, therefore, difficult to predict with any certainty what the next 18 months will mean for the Medicaid caseload.

In addition, there are other factors in play at the federal level which will ultimately impact the fiscal outlook for the Medicaid program by the end of the current biennium.

President Obama's American Recovery and Reinvestment Act (ARRA) provided Wisconsin with \$1.2 billion in additional federal Medicaid funding during the 2009-11 biennium. This was accounted for during the biennial budget process and was a significant contribution to solving the state's severe budget deficit.

Currently, the enhanced federal funding is scheduled to end on December 31, 2010. To date, I am aware of four bills that have been drafted, introduced, or have passed one house in Congress, which would provide an extension of the enhanced federal funds, at varying levels.

- (1) The health care reform bill that recently passed the full United States House of Representatives would provide states with a 6 month extension in the enhanced ARRA federal medical assistance percentage (FMAP), through June 30, 2011. For Wisconsin, this extension would provide for \$190 million to \$238 million in additional federal funds, depending on Wisconsin's unemployment rate.
- (2) Yesterday, the House passed the Jobs for Main Street Act, which also includes a six month extension of ARRA Medicaid rates, also worth \$190 million to \$238 million to Wisconsin.
- (3) Senate Majority Leader Harry Reid of Nevada has drafted a bill which would provide states with a 6-month extension in the enhanced ARRA FMAP, through June 30, 2011, at which time the FMAP would begin a phase-down, reaching regular FMAP levels by January 2014, when health care reform is scheduled to be implemented. For Wisconsin, this extension would provide for \$451 million to \$611 million in additional federal funds over four years, again depending on Wisconsin's rate of unemployment.
- (4) Congresswoman Tammy Baldwin has introduced a bill which would provide states with a one-year extension in the enhanced ARRA FMAP, through December 2011. For Wisconsin, this extension would allow for \$350 million - \$490 million in additional federal funds, depending on Wisconsin's level of unemployment.

The pressures on the Wisconsin Medicaid program as a result of the national economic downturn are no different from the pressures facing numerous other states. In light of the significant needs in many states for an extension of enhanced federal support for state Medicaid programs, it seems quite likely that additional federal funding will play a significant role in ensuring that Wisconsin is able to maintain a strong and stable Medicaid program so that eligible individuals can continue to depend on the program in times of economic stress.

Because additional federal support is not guaranteed and will be limited in duration, however, we must continue to do what we can do here in Wisconsin to manage the Medicaid program within the resources available in the current biennium.

Overall, we are on-track to save the full \$633 million AF required by the 2009-11 state budget and are in fact likely to slightly exceed the original target. Because the Medicaid program experiences its greatest need during difficult economic times, and because it is difficult to predict the level of demand for Medicaid services over the next two years, it is important both to implement the current rate reform plan and continue to search for further savings opportunities in program. It will also be important to maximize efficiencies as we prepare for the eventual return of a more traditional level of federal financial participation in Medicaid.

Given these considerations, our Department will reconvene the ForwardHealth Rate Reform advisory groups after the first of the year to identify additional savings in the Medicaid program.

As we move forward to implement the current savings strategies and develop additional ideas, we will maintain our focus on finding efficiencies in the program while preserving eligibility, benefits, and access to care for the vulnerable populations the program serves.



ForwardHealth Rate Reform Project

Department of Health Services
Division of Health Care Access
and Accountability

December 2009

1



Agenda

- Project Overview
 - Context / Guiding Principles
 - Savings Targets
 - Final Package of Recommendations
 - Summary of Changes & Updates
 - Complementary Efforts
 - Ongoing Rate Reform
 - Discussion
- 2

Project Overview



- All-Provider Kick-Off Call (3/23)
- Round 1 Advisory Group Meetings (4/2-4/17)
 - Over 200 advisory group participants
 - Web survey to 30,000 portal users
 - Generated over 500 ideas
 - Highest volume of ideas for Pharmacy, LTC & PA-related changes
- Package Development (4/20-7/11)
 - Balanced approach across all providers
 - State Budget Impact, target grew to \$625 million
- Round 2 Advisory Group Meetings (7/15-7/22)
- Legislative Briefing 7/16
- Implement Recommendations (begin 7/1)

Other States' MA Budget Cuts



- At the start of FY09, at least 25 states had enacted or proposed cuts to Medicaid program provider rates, benefit packages and/or recipient eligibility.
- At least 39 state are either cutting provider rates and/or freezing reimbursement rates for FY10, including:
 - Washington reduced hospital rates by 4% and physician, dentist, MCO and nursing home rates by 5% in FY10. It also significantly increased premiums and annual deductibles in its state health plan for low income individuals.
 - California enacted 7% across-the-board cuts to providers and eliminated certain optional Medicaid benefits for members.
 - Iowa implemented across-the-board cuts of 10% and closed one of the state's four mental health facilities.
 - Michigan enacted 8% across-the-board cuts.
 - Minnesota reduced provider reimbursement rates by 4.5% for HMOs, 1% for hospitals, and 6.5% for physicians, with certain exceptions.
 - Illinois expects \$600 million in cuts, over half of which will come from prescription drugs.

Meeting the Legislative Mandate



- Wisconsin could have reduced Medicaid spending by \$633 million AF by:
 - Across-the-board rate cuts of approximately 5.5% over the biennium; 19% if applied only to non-institutional services
 - Sweeping reductions in benefits and services. Samples of submitted ideas included:
 - Eliminating oral health coverage for BC+ Benchmark plan
 - Expanding use of provider assessments
 - Ending the expansion of Family Care
 - Eliminating SeniorCare
 - Dramatically increasing co-payments for expansion populations

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The Wisconsin Approach



- Protect vulnerable populations: low-income children and their families and the elderly, blind and disabled
- Maintain current eligibility and coverage levels
- Continue program expansions to provide health care to the uninsured
- Avoid across-the-board cuts

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Guiding Principles



- Identify savings to reach targeted reduction levels
- Look for both short-term solutions and long-term systemic changes
 - Short term changes - Implement quickly without overly disrupting members, providers and IT systems
- Ensure that no one provider group is singled out for rate reductions
 - All provider groups must be part of the solution
- Ensure access to care for MA patients
- Align payments with value rather than volume
 - Increase payments for successful outcomes
 - Reduce payments for errors, poor outcomes, unnecessary complications, and less cost-effective procedures
- Build on previous MA quality improvement efforts including the managed care P4P initiative
- Implement care management/coordination strategies

Idea Analysis & Development



- Ideas analyzed and prioritized based on:
 - Short & long term impact
 - Current spend & potential savings
 - Benefit considerations
 - Policy impacts
 - Regulatory parameters
 - Contract changes
- Reviewed and triaged each idea internally
- Developed list of short-term savings ideas for 2009-11 biennium

Template completed for each idea

Idea #	
Idea Description	
Priority	
Impact	
Current Spend	
Potential Savings	
Benefits	
Policy Impacts	
Regulatory Parameters	
Contract Changes	
Other	
Comments	
Status	
Date	

Savings Target



- Original Target (March 2009): Governor's SFY 10-11 Budget
 - \$140 million GPR \$415 million AF

- Revised Target (May 2009): Joint Finance Committee
 - \$191 million GPR \$581 million AF

- Final Target: Conference Committee
 - \$208 million GPR \$633 million AF

Separate Savings Items:

- Hospital assessment
 - \$300 million GPR over three fiscal years, \$235.3 million hospital net gain SFY10.
- Increase in hospital assessment
 - \$83 million GPR (over three fiscal years)
- New ambulatory surgical center assessment
 - \$21 million GPR (2009-11 biennium)
- Increase in nursing home assessment
 - \$23 million GPR (2009-11 biennium)

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Savings Estimates for SFY10-11



- Estimates take into account implementation dates

	SFY10 Savings (\$ millions)	SFY11 Savings (\$ millions)	Biennium Savings (\$ millions)
Total AF	154.5	478.7	608.0
Total GPR Only	28.7	179.6	218.2
Savings Target GPR	57.4	120.3	207.7

- Savings estimates do not include separate assessment savings items

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Managed Care (BC+ and SSI) Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Blended Savings (\$ millions)
Reduce HMO Administrative Reimbursement by 2%	15.5	AF	17.0	32.5
Reduce HMO Administrative Reimbursement for SSI Populations from 11.0% to 10%	1.4	AF	2.8	4.2
Hold Capitation Payments at Risk for Pay For Performance Incentives -- Eliminate Funding for Incentives	0.0	AF	4.5	4.5
Adjust Reimbursement to HMOs to Reward Good Birth Outcomes, Penalize Poor Outcomes	0.0	AF	1.0	1.0
Discontinue Payments Intended to Offset HMO Losses due to Phase-In of Regional Rate Adjustments	0.9	AF	0.9	1.8
Freeze Capitation Payments in CY 2010 and 2011 at CY 2008 Rates	4.2	AF	14.3	18.5
Eliminate Payments Initially Provided to Encourage HMO Expansion in Select Counties	0.6	AF	2.2	2.8
Reduce Capitation Rates for Dual Eligibles	2.5	AF	5.0	7.5
Issue RFP to Provide Managed Care in Six Counties in Southeastern Wisconsin	0.0	AF	60.1	60.1
Total AF	25.1		97.8	122.9
Total GPR	7.4		33.8	41.3

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Goals of Managed Care RFP



- Measurably improve healthcare outcomes for BadgerCare Plus members in the following areas:
 - Childhood Immunizations
 - Blood Lead Screening for one and two year olds
 - Tobacco Cessation
 - Asthma Management
 - Diabetes Management
 - Healthy Birth Outcomes
- Improve care coordination, especially for high cost individuals with chronic illness
- Reduce inappropriate uses of services such as unnecessary ER visits for ambulatory care sensitive conditions
- Lower overall healthcare costs
- Simplify and strengthen healthcare marketplace

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Goals of Managed Care RFP (cont'd)



- Measurably improve healthcare outcomes for BadgerCare Plus members in the following areas:
 - Childhood Immunizations
 - Blood Lead Screening for one- and two-year-olds
 - Tobacco Cessation
 - Asthma Management
 - Diabetes Management
 - Healthy Birth Outcomes
- Improve care coordination, especially for high cost individuals with chronic illnesses
- Reduce inappropriate use of services such as unnecessary EU visits for ambulatory care sensitive hospitalizations
- Lower overall healthcare costs
- Simplify and strengthen healthcare marketplace

13

Goals of Managed Care RFP (cont'd)



- Focus on Milwaukee and Southeast Wisconsin
- End all existing BadgerCare Plus contracts with HMOs in Milwaukee, Washington, Ozaukee, Waukesha, Racine and Kenosha counties and issue an HMO RFP to serve this population. Through the RFP:
 - Realize cost savings through reduced administrative rate.
 - Establish strong incentives to improve performance in targeted quality areas
 - RFP will apply to BC+ Standard and Benchmark plans
- BadgerCare Plus Core Plan and SSI-Medicaid members will be linked and will receive services from current SSI-Medicaid HMOs
- Implement RFP in summer of 2010

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Hospital Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Adopt Outpatient Prospective Payment System Based on Ambulatory Payment Classifications	0.0	AF	3.0	3.0
Require Hospitals to Submit Plan of Care for Readmissions	0.0	AF	2.0	2.0
Reduce Rates for Critical Access Hospitals to Pay Approximately 80% of These Hospitals' Costs	5.0	AF	10.0	15.0
Pay for No More Than One 24-hr Period for ER Visit	0.0	AF	2.0	2.0
Eliminate MA Reimbursement for "Never Events," Such as Wrong Sites for Surgeries (POA)	0.0	AF	0.2	0.2
Total AF	5.0		17.2	22.2
Total GPR	1.5		5.0	7.4

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Physician/Clinic/Imaging/Acute Care Provider Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Require Providers to Use Decision Support Software to Assess Appropriateness of Imaging Tests	0.0	AF	3.2	3.2
Reimburse C-Sections at Same Rate As Vaginal Deliveries, Unless C-Section Is Medically Necessary	0.3	AF	0.6	0.6
Pay No More Than Medicare Rates for all Noninstitutional Services	7.1	AF	9.4	16.5
Issue RFP to Contract with an Entity to Improve Clinical Care Management to Reduce Hospitalizations	0.0	AF	8.0	8.0
Reimburse Physicians Based on Quality Measures, as Indicated in WHO Data	0.0	AF	0.0	0.0
Reimburse for Recording Body Mass Index	0.0	AF	-2.0	-2.0
Implement a Physician Never Events Policy	0.0	AF	0.1	0.1
Total AF	7.4		18.2	28.8
Total GPR	2.2		5.8	8.8

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Mental Health Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Reduce IMD Hospital Payments to Reflect that Some Drugs Used by IMDs are Billable to Medicare	0.0	AF	0.2	0.2
Accelerate SBIRT Screenings to Increase Estimated Savings in the 2009-11 Biennium	-0.9	AF	2.3	1.4
Authorize MA Billing for Mental Health Treatment Services Provided by Peer Counselors	0.0	AF	0.0	0.0
Total AF	-0.9		2.5	1.6
Total GPR	-0.3		0.9	0.6

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Pharmacy Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Require Providers, Rather than Pharmacists, to Obtain Prior Authorization (PA) for Certain Types of Drugs	0.3	AF	0.5	0.8
Impose Quantity Limits for Specific Classes of Drugs (includes Tablet-Splitting)	2.3	AF	4.5	6.8
Designate Oxycodone ER to a "Non-Preferred Drug" to Encourage Use of Less Expensive Oxycodone	0.4	AF	0.9	1.3
Implement the Provider Synoptic Diabetic Supply Program to Place Meters & Strips on Preferred Drug List	0.6	AF	1.2	1.8
Conduct More Thorough Reviews of the Preferred Drug List	4.0	AF	6.0	10.0
Wisconsin Pharmacy Quality Collaborative Program	-0.1	AF	-0.1	-0.2
Deny Pharmacy Claims for Claims Submitted Prior to the Recommended Refill Date, Unless PA Approved (Early Refill)	0.6	AF	1.3	1.9
Expand Narcotic Utilization Controls	0.7	AF	1.4	2.1
Apply Quantity Limits, Prior Authorization, Diagnosis Restrictions to Provider-Administered Drugs	0.3	AF	0.7	1.0

18

Pharmacy Recommendations (cont'd)



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Provide 100-day Supplies of Specified Maintenance Drugs	1.9	AF	3.8	5.7
Improve Coordination of Benefits (COB)	0.0	AF	0.0	0.0
Expand Pharmacy "Lock in" Program (Limits Certain Recipients to Using a Single Pharmacy)	0.1	AF	0.9	0.4
Use Specialty Pharmacies to Dispense Certain Types of High-Cost and Specialty Drugs	1.2	AF	2.3	3.5
Identify New Generic Drugs, Apply State Maximum Allowable Cost (MAC) Pricing	25.1	AF	46.2	71.3
Modify MAC Pricing (Used for Multiple Source Drugs)	17.9	AF	33.0	50.9
Savings Due to Reduced AWP's Reported to First Databank	16.0	AF	24.0	42.0
Total AF	73.3		129.0	199.3
Total GPR	21.7		43.6	65.3

19

Long Term Care Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Reduce Reimbursement for Nursing Home "Bad Hold" Days from 59% to 25% of Average Direct Care Rates	0.7	AF	0.8	1.5
Eliminate Increased Reimbursement for Property Portion of NH Rate if Property Costs are Below Target Amounts	2.1	AF	2.3	4.4
Revise Downward Inflation Adjustment for Property Costs	0.4	AF	0.4	0.8
Increase Threshold for Eligibility for Enhanced Intensity Payments, from 65% to 70% of Medicare and MA Residents	0.6	AF	0.7	1.3
Update Acuity (RUGS) Status for Residents on a Quarterly Basis, Rather than on an Annual Basis	1.0	AF	12.5	13.5
Eliminate Reimbursement for Veterans at King Whose Costs are Supported Entirely with USDVA Federal Funds	2.0	AF	1.0	3.0
Reduce NH Payments for Hospitalizations Resulting from Pressure Ulcers, Injury/Hip Fractures, and Urinary Tract Infections	1.0	AF	1.5	2.5

20

Long Term Care Recommendations (cont'd)



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Discontinue Payments for Care Coordination Provided by Registered Nurses in Independent Practices	0.3	AF	0.3	0.6
Institute Member-based PA for PDN	0.0	AF	0.7	0.7
Accelerate NH Relocations to Family Care Courtyles by Providing Funding to ADRCs and MCOs for Pro-enrollment Costs	0.4	AF	1.7	2.1
Contract with State of Michigan for Bulk Purchase of Incontinence and Ostomy Supplies	0.7	AF	1.5	2.2
Divestment Options	0.0	AF	0.0	0.0
Total AF	1.2		23.4	32.6
Total GPR	2.7		8.1	19.8

21

MA Administration Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Member Responsibility	0.0	AF	0.0	0.0
Use Paperless Media to Produce and Disburse Payments to Providers	0.2	AF	0.4	0.8
Revenue Maximization (MA Administration)	0.0	AF	10.0	10.0
Total AF	0.2		10.4	10.8
Total GPR	0.1		3.6	3.7

22

Program Integrity Recommendations



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Expand ClaimCheck Use / Correct Coding Initiative	0.0	AF	0.5	0.5
Additional Auditors	0.0	AF	5.0	5.0
Expanded Casualty Collections	0.0	AF	1.3	1.3
Total AF	0.0		6.8	6.8
Total GPR	0.0		2.4	2.4

23

One-Time Savings and Rescheduled Payments



	SFY10 AF Savings (\$ millions)		SFY11 AF Savings (\$ millions)	Biennium Savings (\$ millions)
Accelerate January 2011 Payments (HMO)	0.0	GPR	10.8	10.8
Reschedule 1 Month of Capitation Payments (HMO)	0.0	AF	107.2	107.2
Reschedule 1 Month Family Care MCO & WPP Capitation Payments	0.0	AF	19.4	19.4
Accelerate January 2011 Payments for NH Supplements	0.0	GPR	1.8	1.8
Accelerate January 2011 Capitation Payments for MCOs	0.0	GPR	11.2	11.2
Reschedule June 2011 Claims Payments (MA Administration)	0.0	AF	20.0	20.0
Recover Overpayments to Providers Following Implementation of InterCharge (MA Administration)	15.0	AF	0.0	15.0
Total AF	15.0		170.4	185.4
Total GPR	4.4		74.4	75.8

24

Updates & Implementation Dates



DHS is meeting required savings even with changes and updates. Rate reform initiatives are modified as needed based on evolving conditions such as: systems requirements, caseload changes, and coordination opportunities between initiatives. For example, the following initiative have been updated:

- Eliminated the evidence based health care initiative.
- Adjusted Long-term care initiatives relating to personal care and private duty nurse reimbursement to coordinate with care management RFP.
- Updated savings estimates to reflect caseload changes, such as CAH reimbursement, which reduced savings by \$3 million due to reestimate of CAH spending.
- Updated implementation dates for several reform options: some pushed back from 8/1/09 implementation; however, 13 have been implemented and 22 will be implemented by 3/1/2010.

25

Summary of Changes (Since July Draft)



Rate Reform Item Description:	Change	Biennial AF Savings / (Costs)
Physician ER Triage Fee	Eliminated	\$0.9 m
Evidence Based Health Care Initiative	Eliminated	\$28.0 m
Incorporation of Texas Medicaid Algorithm Project (TMAP) and Children's Medicaid Algorithm Project (CMAP) Treatment Algorithms	Eliminated	\$2.7 m
Repackaging Allowance for Dispensing Fees	Eliminated	\$0.8 m
Dispensing Fee Changes for Generics & Brand Name Drugs	Eliminated	(\$0.0) m
Use LPN rate for PDN when appropriate	Eliminated	\$2.7 m
Restructure Rates for PDN Based on # of Hours Worked	Adjusted	\$0.8 m
Restructure PC Payments to an Acuity Based Cap Payment	Adjusted	\$1.8 m
Reimburse for Recording Body Mass Index (V85 Code)	Added	(\$2.0) m
Conduct More Thorough Reviews of the Preferred Drug List	Added	\$10.0 m
Savings Due to Reduced AWP's Reported to First Databank	Added	\$42.0 m
Use Paperless Media to Produce and Disseminate Payments to Providers	Added	\$0.6 m
Impose Quantity Limits (middle) for Specific Drug Classes and Tablet Splitting	Combined	\$0.0 m

26

Implemented by 12/31/09



Recover Overpayments to Providers Following Implementation of InterChange (MA Administration)	7/1/2009	
Designate Oxycodone ER to a "Non-Preferred Drug" to Encourage Use of less Expensive Oxycotin	8/1/2009	
Reduce Reimbursement for Nursing Home "Bed Hold" Days from 59% to 25% of Average Direct Care Rates		
Revise Downward Inflation Adjustment for Property Costs		
Increase Threshold for Eligibility for Enhanced Intensity Payments, from 65% to 70% of Medicare and MA Residents		
Eliminate Reimbursement for Veterans at King Whose Costs are Supported Entirely with USDVA Federal Funds		
Eliminate Increased Reimbursement for Property Portion of NH Rate if Property Costs are Below Target Amounts		
Expand Pharmacy "Lock In" Program (Limits Certain Recipients to Using a Single Pharmacy)		9/1/2009
Savings Due to Reduced AWP's Reported to First Databank		9/26/2009
Pay No More than Medicare Rates for all Noninstitutional Services		10/1/2009
Require Providers, Rather than Pharmacists, to Obtain Prior Authorization (PA) for Certain Types of Drugs		11/1/2009
Update Acuity (RUGS) Status for Residents on a Quarterly Basis, Rather than on an Annual Basis	11/2/2009	
Use Paperless Media to Produce and Disseminate Payments to Providers		
Discontinue Payments for Care Continuation Provided by Registered Nurses in Independent Practice	12/1/2009	
Contract with State of Michigan for Bulk Purchase of Incontinence and Ostomy Supplies		

27

Implement in SFY10 schedule subject to change



Reduce HMD Administrative Reimbursement by 2%	1/1/2010
Reduce HMD Administrative Reimbursement for SSI Populations from 11.3% to 10%	
Discontinue Payments Intended to Offset HMD Losses due to Phase-In of Regional Rate Adjustments	
Reduce Capitation Rates for Dual Eligibles	
Reduce Rates for Critical Access Hospitals to Pay Approximately 90% of These Hospitals' Costs	
Pay for No More than One 24-Hour Period for ER Visit	
Reimburse C-Sections at Same Rate as Vaginal Deliveries, Unless C-Section is Medically Necessary	
Reimburse for Recording Body Mass Index	
Eliminate MA Reimbursement for "Never Events," such as Wrong Sites for Surgeries (FOA)	
Authorize MA Billing for Mental Health Treatment Services Provided by Peer Counselors	
Accelerate SBIRT Screenings to Increase Estimated Savings in the 2009-11 Biennium	
Accelerate NH Relocations to Family Care Counties by Providing Funding to ADRCs and MCCs for Pre-enrollment Costs	
Deny Pharmacy Claims for Claims Submitted Prior to the Recommended Refill Date, Unless PA Approved (Early Refill)	
Provide 100-Day Supplies of Specified Maintenance Drugs	1/20/2010

28

Implement in SFY10 cont'd (schedule subject to change)



Divestment Options	2/1/2010
Reduce NH Payments for Hospitalizations Resulting from Pressure Ulcers, Injury/Trip Fractures, and Urinary Tract Infections	
Improve Coordination of Benefits	3/1/2010
Impose Quantity Limits for Specific Classes of Drugs (Includes Tablet-Splitting)	4/1/2010
Apply Quantity Limits, Prior Authorization, Diagnosis Restrictions to Provider-Administered Drugs	
Use Paperless Media to Produce and Disseminate Payments to Providers	
Implement the Provider Symples Diabetic Supply Program to Place Meters & Strips on Preferred Drug List	
Institute Member-Based Prior Authorization for PDN	5/1/2010
Additional Auditors	

29

Future Implementation Goals



Adopt Outpatient Prospective Payment System Based on Ambulatory Payment Classifications	7/1/2010
Require Hospitals to Submit Plan of Care for Readmissions	
Require Providers to Use Decision Support Software to Assess Appropriateness of Imaging Tests	
Implement a Physician Never Events Policy	
Reduce IMD Hospital Payments to Reflect that Some Drugs Used by IMDs are Billable to Medicare	
Wisconsin Pharmacy Quality Collaborative Program	
Expand Narcotic Utilization Controls	
Modify MAC Pricing (Used for Multiple Source Drugs)	
Expand ClaimCheck Use/Correct Coding Initiative	
Expanded Casuality Collections	
Revenue Maximization (IA Administration)	
Adjust Reimbursement to IMDs to Reward Good Birth Outcomes, Penalize Poor Outcomes	8/1/2010
Issue RFP to Provide Managed Care in Six Counties in Southeastern Wisconsin	
Member Responsibility	
Issue RFP to Contract with an Entity to Improve Clinical Care Management to Reduce Hospitalizations	

30

Future Implementation Goals (cont'd)



Accelerate January, 2011 Managed Care Payments	12/1/2010
Accelerate January, 2011 Payments for NH Supplements	
Accelerate January 2011 Capitation Payments for MCOs	
Hold Capitation Payments at Risk for Pay For Performance Incentives -- Eliminate Funding for Incentives	1/1/2011
Freeze Capitation Payments in CY 2010 and 2011 at CY 2009 Rates	
Eliminate Payments Initially Provided to Encourage HMO Expansion in Select Counties	
Use Specialty Pharmacies to Dispense Certain Types of High-Cost and Specialty Drugs	
Conduct More Thorough Reviews of the Preferred Drug List	4/1/2011
Reschedule 1 Month of Capitation Payments (HMO)	8/1/2011
Reschedule 1 Month of Family Care MCO and WPP Capitation Payments	
Reschedule June, 2011 Claims Payments (MA Administration)	6/1/2011
Identify New Generic Drugs, Apply State Maximum Allowable Cost (MAC) Pricing	7/1/2011
Reimburse Physicians Based on Quality Measures, as Indicated in WHO Data	

21

Exploring Complementary Efforts to Achieve Savings



- Encourage Paperless Medicaid
 - Prior Authorization Re-design
 - Electronic Funds Transfer (complete)
 - Nursing Home Liability Report (complete)
 - Electronic Claims Submission
- Electronic Health Records

32



Ongoing Rate Reform

- Continued internal analysis of rate reform ideas
 - Long-term Medicaid rate reform
 - Continued focus on positive outcomes
 - Cost effective service delivery
 - Clinically effective treatment methods
 - Pricing rationalization & incentives
 - Payment reform such as bundling rates
 - Additional short-term savings
- Will reconvene ad hoc Advisory Groups in January
- Closely monitoring national health care reform efforts and determine impact on Medicaid and overall health care delivery and cost in Wisconsin

33



Discussion

COUNTY OF MILWAUKEE
Behavioral Health Division Administration
INTER-OFFICE COMMUNICATION

14

DATE: April 27, 2010

TO: Supervisor Peggy West, Chairperson, Committee on Health and Human Services
Supervisor Elizabeth Coggs, Chairperson, Committee on Finance & Audit

FROM: Lisa Marks, Interim Director, Department of Health and Human Services
Prepared by: John Chianelli, Administrator, Behavioral Health Division

SUBJECT: INFORMATIONAL REPORT FROM THE INTERIM DIRECTOR OF HEALTH AND HUMAN SERVICES REGARDING THE STATUS OF THE 2010 HOUSEKEEPING OUTSOURCING INITIATIVE AT THE BEHAVIORAL HEALTH AND DELINQUENCY AND COURT SERVICES DIVISIONS

BACKGROUND

The 2010 County Budget included an initiative to contract for housekeeping services at the Behavioral Health Division (BHD) and the Department of Health and Human Services (DHHS) – Delinquency and Court Services Division (DCSD). Through the procurement process, CleanPower LLC was selected as the winning vendor and began providing housekeeping services at BHD on January 10, 2010 and at DCSD on February 1, 2010. At the January 2010 Health and Human Needs Committee meeting, it was requested that DHHS provide a status report regarding the housekeeping outsourcing initiative.

DISCUSSION

In 2009, DHHS, BHD, DTPW-Facilities Management and the Procurement division developed a Request for Proposals (RFP) for housekeeping services countywide. Clean Power LLC was the winning Procurement vendor for the two DHHS sites. Clean Power is a Milwaukee based company that has been in business since 1969. They clean over 38 million square feet everyday and have significant government and medical housekeeping experience.

BHD and DCSD staff worked very closely with Clean Power to plan, coordinate and execute a smooth transition at both sites. CleanPower started cleaning the BHD facility on January 10, 2010 and DCSD on February 1, 2010, with operations running smoothly. BHD retained four housekeeping supervisory positions, that conduct daily inspections of the BHD building and provide weekly inspections at the DCSD facility. In addition, BHD operations and housekeeping staff meet with the CleanPower on-site 1st and 2nd shift managers daily. They also meet with the CleanPower regional manager once a week and conduct spot checks on weekends. BHD and DCSD staff are very pleased with the performance of the vendor and received numerous compliments regarding the cleaning, floor care and the professional demeanor the CleanPower staff. The vendor has been very responsive.

The final negotiated price for 2010 is \$110,833 monthly (\$1.33 million annually) for BHD and \$18,490 monthly (\$221,880 annually) for DHHS – DCSD. It is anticipated that the annual

savings for BHD of \$1.4 million and DCSD of \$106,896 included in the 2010 budget will be achieved.

Recommendation

This is an informational report. No action is necessary.

Respectfully Submitted:



Lisa Marks, Interim Director
Department of Health and Human Services

cc: County Executive Scott Walker
Supervisor Elizabeth Coggs, County Board
Cynthia Archer, Director, DAS
Joseph Carey, Fiscal & Management Analyst, DAS
Dee Hervey, Committee Clerk, County Board Staff
Jodi Mapp, Committee Clerk, County Board Staff
Steve Cady, Analyst, County Board Staff
Jennifer Collins, Analyst, County Board Staff

MEMORANDUM

Date: May 4, 2010

To: Supervisor Lee Holloway, Chairman, Milwaukee County Board
Supervisor Peggy West, Chair, Committee on Health and Human Needs
Supervisor Elizabeth Coggs, Chair, Committee on Finance and Audit

From: Stephanie Sue Stein, Director, Department on Aging

Subject: Request for authorization to create the Milwaukee County Department of Family Care as a free-standing department of county government which, separate from the Department on Aging and the Department of Health and Human Services, shall be responsible for the operation and administration of the Family Care-Care Management Organization (CMO) function as required by the Wisconsin Department of Health Services (DHS) in connection with the expansion of the Family Care program

I respectfully request that the attached resolution be scheduled for consideration by both (1) the Committee on Health and Human Needs at its meeting on May 19, 2010 and (2) the Committee on Finance and Audit at its meeting on May 20, 2010.

The resolution authorizes the creation of a Milwaukee County Department of Family Care as a free-standing department of county government which, separate from the Department on Aging and the Department of Health and Human Services, shall be responsible for the operation and administration of the Family Care-Care Management Organization (CMO) function as required by the Wisconsin Department of Health Services (DHS) in connection with expansion of the Family Care program.

Creation of a Department of Family Care

The Wisconsin Department of Health Services (DHS) requires that as a Family Care CMO, Milwaukee County is required to separate organizationally the Care Management Organization (CMO) from the Aging Resource Center (ARC), currently both divisions of the Milwaukee County Department on Aging.

BACKGROUND

Family Care is an initiative of the State of Wisconsin to reorganize its Long Term Care programs for older adults and persons with disabilities. Family Care consolidates long term care services as funded by the state under Medicaid along with the Community Options Program, Community Options Program Waiver, and other Long Term Care programs and was created as an entitlement to Home and Community Based Care alongside the entitlement to institutional care under Medicaid.

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May 4, 2010
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The major disadvantage of the state's traditional Long Term Care programs was that they funded services through a fixed annual allocation that served only a limited number of persons each year and led to long waitlists of people in need of services throughout the state. By eliminating waitlists, Family Care provides timely services thereby preventing deterioration in client health and functional abilities and reducing the need for costly services later.

To provide access to and to administer its benefits, Family Care created two new entities – the Resource Center (RC) and the Care Management Organization (CMO). Resource Centers provide a single point of access to Family Care by conducting a comprehensive functional and financial eligibility screen on all persons who request assistance. A Care Management Organization administers the Family Care benefit for persons determined to be eligible by a Resource Center. The CMO is responsible for creating a comprehensive plan of care for each client; contracting with a wide range of service providers; and monitoring the quality of services that clients receive.

The Milwaukee County Board of Supervisors has authorized the Milwaukee County Department on Aging to participate as the Care Management Organization (CMO) serving persons age 60 or older under Family Care since 2000. Family Care in Milwaukee County was recently expanded to serve persons age 18 to 59 with physical and development disabilities. Calendar year 2010 is the first full-year in which Milwaukee County operates both an Aging Resource Center (serving individuals age 60 and older) and a Disability Resource Center (serving individuals age 18 to 59). It is also the first full-year the CMO serves both populations in need of long-term care services.

Under Milwaukee County's existing contract with DHS, the CMO must operate separately from both the Aging Resource Center and the Disability Resource Center. A primary reason for the separation is that more than one Care Management Organization now exists within the community to administer the Family Care benefit – Milwaukee County (MCDA-CMO) as well as the nonprofit corporation Community Care, Inc. Since it is the responsibility of a Resource Center to objectively inform persons in need of long-term care about the options available to them if choosing a CMO that can best addresses their needs, DHS considers the organizational separation of the two functions as an essential element in administration of the Family Care benefit and the successful operation of each CMO.

MCDA-CMO

The Milwaukee Country Department on Aging (MCDA) has successfully operated a Family Care program for older adults age 60 and older, has met certification requirements annually, and has entered into a Health and Community Supports contract with the State of Wisconsin annually

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since the inception of the Family Care program. The program serves all target groups in accordance with the home and community-based waivers granted by the State of Wisconsin in order to serve people in need of long-term care services within a managed care environment.

Flexibility has and remains an essential element to the successful administration of the Family Care program, including (1) the ability to respond to challenges, foreseen and unforeseen; (2) the ability to provide cost-effective program administration consistent with a capitated rate structure, (3) maintaining adequate risk reserves, and (4) retaining the support of Family Care members, elected offices, and the community.

For nearly ten years, the MCDA-CMO has delivered member-centered, community-based, outcome-focused, managed long-term care services and member-centered care planning for all Family Care members. The MCDA-CMO developed and has refined systems, policies, procedures, and training to ensure its members receive individualized services that maintain both member independence and choice. In addition, the MCDA-CMO is critically linked to community needs through established relationships with universities, advocacy groups, and service providers, along with active community involvement through participation in public meetings and informational forums.

The MCDA-CMO has successfully served more than 15,000 members during the past ten years by embracing a set of core values and a philosophy that is the foundation of the Family Care program.

ORGANIZATIONAL SEPARATION

With the introduction of an additional CMO operating within Milwaukee County, the Wisconsin Department of Health Services has stated as part of the certification process:

The Department will contract for managed long-term care only in areas that are served by an ADRC. It is the intent of the Department to contract only with an MCO that is organizationally separate from the ADRC, or will be organizationally separate within twelve months of the MCO signing a contract for the provision of long-term care services with the Department. Organizationally separate means that while the ADRC and the MCO may report to the same county board, they may not be operated by the same county agency.

In the statement above, DHS clarified that “agency” means a department of county government. At present, the CMO is not organizationally separate from the Milwaukee County Department on Aging Resource Center. The creation of a Department of Family Care would resolve that issue.

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During the past several months the CMO and Department on Aging have worked collaboratively in developing a transition plan to ensure a smooth operation of internal and external services once separation is completed. All positions within the CMO will continue in the new department (see attached organization chart). In addition to maintaining current positions, the CMO will add the positions of Deputy Director of Finance and Deputy Director of Administration. Both Deputy Director positions will report to the Director of Family Care who in turn will report to the County Executive. The Department on Aging will continue with its existing organizational structure and positions minus the CMO.

The CMO Governing Board, per Milwaukee County Ordinance 16.02, will continue to provide the CMO with oversight and guidance in carrying out its mission under the Family Care program as provided under Wis. Stats. s. 46.284, including developing policy recommendations, seeking improvements in operations and fiscal accountability, required reporting, and maintaining quality assurance.

Under the existing Family Care contract between DHS and Milwaukee County, the Department of Family Care must be created and operational by November 1, 2010. If you have questions, please contact me at 2-6876.

Respectfully submitted,



Stephanie Sue Stein, Director
Milwaukee County Department on Aging

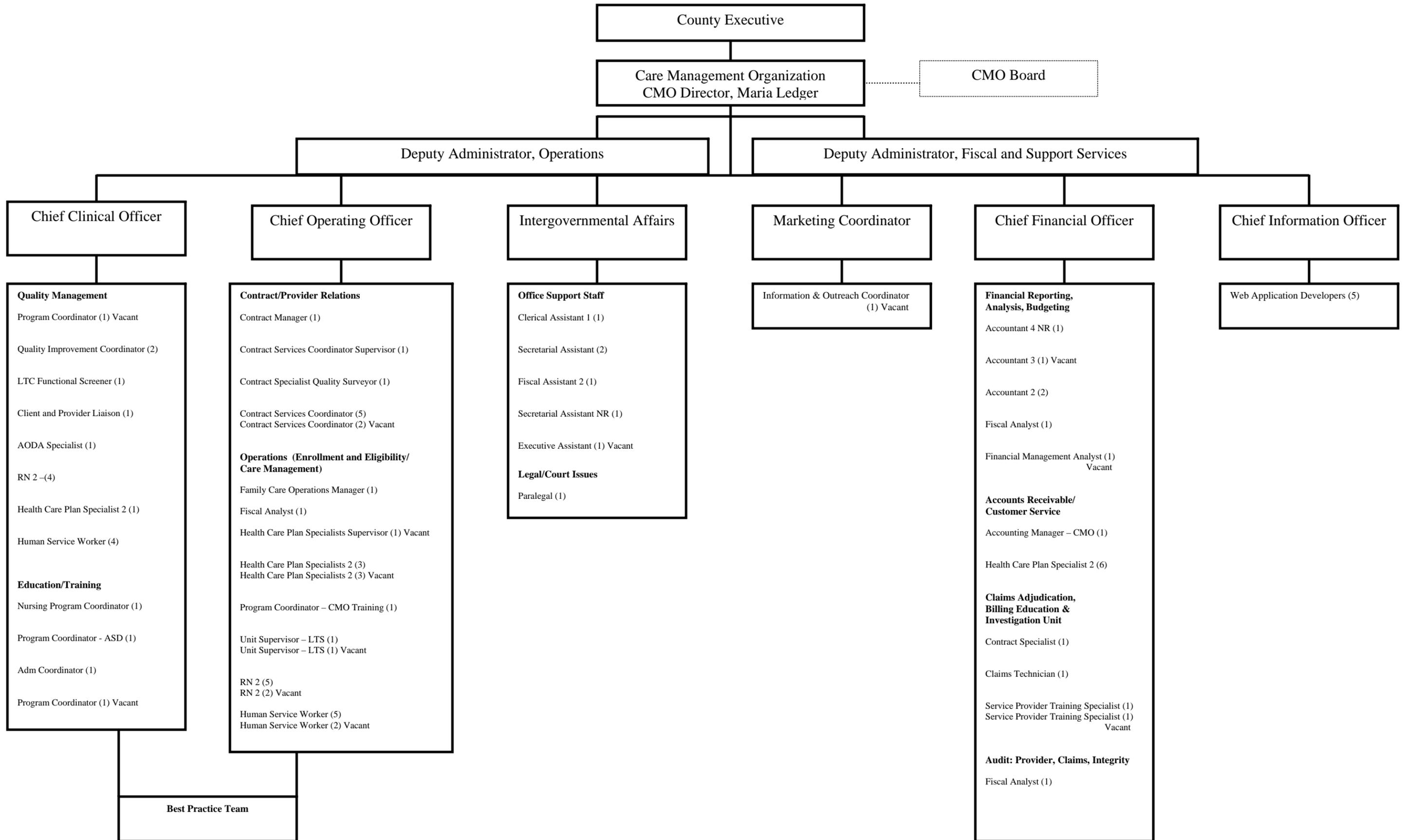
Attachments

cc: County Executive Scott Walker
Tom Nardelli
Terry Cooley
Cynthia Archer
Steve Kreklow
John Ruggini
Joseph Carey
Toni Bailey-Thomas

Steve Cady
Jennifer Collins
Maria Ledger
Jim Hodson
Linda Murphy
Eva Williams
Edward Eberle
Lisa Marks

Geri Lyday
Jeanne Dorff
Jonette Arms
Mary Proctor Brown
Nubia Serrano
Gary Portenier
Greg Reiman
Pat Rogers

Milwaukee County Care Management Organization - Organizational Chart 2010



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A RESOLUTION

To Create the Milwaukee County Department of Family Care as a free-standing department of county government, separate from the Department on Aging and the Department of Health and Human Services, which shall be responsible for the operation and administration of the Family Care-Care Management Organization (CMO) function as required by the Wisconsin Department of Health Services (DHS) in connection with the expansion of the Family Care program.

WHEREAS, For over nine years, the Department on Aging-Care Management Organization (MCDA-CMO) has been delivering member-centered, community-based, outcome-focused, managed long-term care services and member-centered care planning to all Family Care target groups; and

WHEREAS, The MCDA-CMO developed and refined systems, policies and procedures, and training to ensure its members receive individualized services that maintain member independence and choice; and

WHEREAS, the Department on Aging-Care Management Organization is required by the State of Wisconsin to formally separate from the Department on Aging as part of the long term care program expansion; and

WHEREAS, the CMO, currently a division of the Milwaukee County Department on Aging, will reorganize no later than November 1, 2010 by becoming an independent department within Milwaukee County Government; and

WHEREAS, the initiative to create a separate department to administer the CMO has been reviewed and approved by the CMO Governing Board at its meeting on March 23, 2010; and

WHEREAS, the newly created entity of the Milwaukee County Department of Family Care will have a Director appointed by the County Executive and confirmed by the County Board to serve at the County Executive's pleasure as part of the Executive Branch; and

WHEREAS, the newly created Milwaukee County Department of Family Care will continue managing the service delivery component of the Family Care program for residents of Milwaukee County; and

45 WHEREAS, The CMO staff will draft language to change the charter of the
46 MCDA-CMO Governing Board and all sub committees to reflect the newly
47 created department; and

48
49 WHEREAS, the CMO contracts will be updated as necessary to reflect these
50 changes; and

51
52 WHEREAS, the Members, providers, advocates, and stakeholders will be
53 notified of the change; now, therefore,

54
55 BE IT RESOLVED, that the Milwaukee County Board of Supervisors does
56 hereby authorize and establish the Milwaukee County Department of Family
57 Care as a separate department of county government, distinct from the
58 Department on Aging and the Department of Health and Human Services,
59 which shall be responsible for the operation and administration of the Family
60 Care-Care Management Organization (CMO) function as required by the
61 Wisconsin Department of Health Services (DHS) in connection with the
62 expansion of the Family Care program, as required by the Wisconsin
63 Department of Health Services (DHS), and will be part of the contract
64 Milwaukee County executed with DHS; and

65
66 BE IT FURTHER RESOLVED, that the Milwaukee County Board of
67 Supervisors approves the structure outlined in the organization chart for the
68 new department, allowing for the transfer of those positions that have no
69 change in classification, position description or title code and their incumbents
70 from the Department on Aging to the new department as soon as
71 administratively practicable, and for new positions required to staff the
72 management structure described in the org chart be created, including
73 establishing the qualifications, duties, titles and compensation for those
74 positions, in conformity with the applicable ordinances and rules; and

75
76 BE IT FURTHER RESOLVED, that the Milwaukee County Board of
77 Supervisors does hereby adopt the following ordinance:

78
79

80 **AN ORDINANCE**

81

82 To amend Section 16.03 of the General Ordinances of Milwaukee County
83 relating to the local care management organization governing board.

84

85 The County Board of Supervisors of the County of Milwaukee does ordain
86 as follows:

87

88 Milwaukee County ordinance 16.03 be amended to read:

89

90 **SECTION 1.** The local care management organization governing board
91 shall consist of sixteen (16) members, reflecting the ethnic and economic
92 diversity of Milwaukee County. The total membership of the board will include
93 representation by at least five (5) ~~elder~~ people or their family members,
94 guardians, or other advocates who are representative of the CMO membership.
95 The remaining board membership will consist of people residing in Milwaukee
96 County with recognized ability and demonstrated interest in long-term care and
97 managed care and up to three (3) members of the Milwaukee County Board of
98 supervisors or other elected officials. Designation of representatives on the
99 governing board shall be in accordance with section 16.02 of the chapter
100 unless otherwise amended by the county board as a result of federal, state, or
101 county requirements.

102
103 **SECTION 2.** The ordinance shall become effective upon passage and
104 publication.

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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: May 5, 2010

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request for authorization to create the Milwaukee County Department of Family Care as a free-standing department of county government which, separate from the Department on Aging and the Department of Health and Human Services, shall be responsible for the operation and administration of the Family Care-Care Management Organization (CMO) function as required by the Wisconsin Department of Health Services (DHS) in connection with the expansion of the Family Care program

FISCAL EFFECT:

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

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

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

DESCRIPTION OF FISCAL EFFECT

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

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

The resolution authorizes the creation of a Department of Family Care as a free-standing department of Milwaukee County government which, separate from the Department on Aging and the Department of Health and Human Services, shall be responsible for the operation and administration of the Family Care Care Management Organization (CMO) function as required by the Wisconsin Department of Health Services (DHS) in connection with the recent expansion of the Family Care program.

Most of the funding is derived from prospective per member per month (pmpm) capitated payments by the State. The remainder of the funding is provided, where applicable, through member costs shares, and/or room and board payments of patient liabilities paid by members. The newly created Department of Family Care (DFC) must maintain restricted reserve to guarantee that they can meet contractual requirements to provide continuity of care for enrolled CMO members in the event of an operating deficit.

No county positions will be lost as a result of the creation of the new department and the separation of the CMO from Aging. All applicable cross-charges (IMSD, Corporation Counsel, Central Accounting etc) will be charged directly to the appropriate department based on established allocation methods. There will be continuing discussions about the allocations of responsibilities and resources between the two departments.

The adoption of this resolution will not require the expenditure of any County Tax Levy not previously authorized in the 2010 Adopted Budget.

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.

This resolution has no fiscal impact on 2010 other than the allocation of staff time required to prepare the accompanying report and resolution.

Department/Prepared By Department on Aging / Gary W. Portenier, Program Planning
Coordinator

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

APR 22 2010

File No. 10-148
(Journal, April 22, 2010)

Clergy
moved
approval
Person
moved
refer back
to JS&S
Cmtt. and
to Finance
Cmtt.

(ITEM 2) From the Sheriff's Office, requesting authorization to execute a contract with The G4S Wackenhut Corporation to provide inmate transportation services at the County Correctional Facilities Central and South, by recommending adoption of the following:

A RESOLUTION

WHEREAS, currently Milwaukee County provides transportation services utilizing Milwaukee County staff and vehicles owned by Milwaukee County and trips are provided between the CCFS, CCFC, Vel Phillips Juvenile Justice Center, all state and county institutions, US Marshall's, medical appointments and any other inmate transport of inmates that may be needed; and

WHEREAS, Milwaukee County currently provides approximately 17,000 inmates transported statewide per year, approximately 360,000 state miles travel per year and approximately 43,000 inmates moved between the CCFC and the CCFS per year; and

WHEREAS, the current transportation staffing plan for the agency includes 15 Deputy Sheriff 1s, two Clerical Assistant 2s and seven FTEs Correctional Officer 1s and the contract will allow for the abolishment of all positions although the incumbents will be placed within existing vacancies in the department resulting in no layoffs from the issuance of the contract; and

WHEREAS, in September of 2009 a request for proposals to provide inmate transportation services for the Sheriff was released; and

WHEREAS, the G4S Wackenhut Corporation was selected by the evaluation committee and negotiations began between Milwaukee County's Sheriff's Office and the G4S Wackenhut Corporation and the Sheriff is anticipating entering into a contract with the successful vendor by May 1, 2010 pending board approval; and

WHEREAS, the contract will be for a thirty-six (36) month period with Milwaukee County having the sole option to renew for an additional 4th and 5th year and the Wackenhut Corporation will subcontract with The Nisha Group LLC for 17% of the contract to provide armed security personnel; and

WHEREAS, contract option two includes 3 buses and 9 vans with the G4S Wackenhut Corporation purchasing six vehicles from Milwaukee County as a part of the contract and all staffing provided by the G4S Wackenhut Corporation; now, therefore,

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on
motion
11-6

APPROVED AS TO FORM
Timothy R. Schauer
CORPORATION COUNSEL

39 BE IT RESOLVED, that the Sheriff is hereby authorized to execute a three-year
40 contract, with two one-year renewal options, with the G4S Wackenhut Corporation for
41 inmate transportation services, including staffing and vehicles, at a three-year cost of
42 \$5,814,540, and is also authorized to sell six fully equipped vans used for inmate
43 transportation to the G4S Wackenhut Corporation at a cost of \$15,000 each.
44

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/29/10

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Authorization to execute a contract (option two) with G4S Wackenhut Corporation for inmate transportation services at the County Correctional Facility Central and South

FISCAL EFFECT:

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

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

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	-292,393	-643,169
	Revenue	90,000	
	Net Cost	-382,393	-643,169
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

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

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

The Sheriff is requesting authorization to execute a contract with G4S Wackenhut Corporation for inmate transportation services for the County Correctional Facilities Central and South. Contract with The Wackenhut Corporation for staffing and vehicles at a three-year cost of \$5,814,540. The Milwaukee County Sheriff's Office currently has six fully equipped vans used for inmate transportation that could be sold to Wackenhut. If Milwaukee County sold these vehicles to Wackenhut at a cost of \$15,000 each, the County would receive a payment of \$90,000 from the sale. In addition, the annual cost of the inmate transportation contract would be reduced by approximately \$43,000 per year for the first three years of the contract. The contract will allow Milwaukee County to purchase the vans and buses at their depreciated value from the G4S Wackenhut Corporation should the contract be terminated at any time during the three year period. This results in a cost savings of \$1,885,506 over the three-year term of the contract.

Department/Prepared By Molly Pahl, Public Safety Fiscal Analyst

Authorized Signature

David A. Clarke Jr.

Did DAS-Fiscal Staff Review? Yes No

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.

COMMITTEE ON JUDICIARY, SAFETY AND GENERAL SERVICES – APRIL 8, 2010

Board Day (April 22, 2010).

Chairman Johnson requested that an outline of transportation experiences from Wackenhut be provided before Board Day.

The following individuals provided comments:

Penni Secore - Against privatization.

Roy Felber – Concerns about the following: security and safety of Milwaukee County citizens and citizens of Wisconsin; liability; med runs;

Jerry Reider – Against privatization.

Chairman Johnson requested information pertaining to the history of the Milwaukee Rangers be provided ASAP. Inspector Carr advised that he would contact The Nisha Group, LLC and attain additional information about their security program for the past five years.

Discussion ensued relative to the RFP.

Inspector Carr advised that the RFP was posted on the website and that he would provide a copy of the RFP responses to Committee members.

Vote on the layover motion: 3-3

AYES: Broderick, Larson and Johnson (Chair) – 3

NOES: Cesarz, Jursik and Sanfelippo – 3

EXCUSED: De Bruin – 1

Layover motion failed.

MOTION BY: (CESARZ) Approve Option two, with a request for additional information from G4S Wackenhut and the Sheriff's Office as soon as possible.

AYES: Cesarz, Jursik and Sanfelippo – 3

NOES: Broderick, Larson and Johnson (Chair) – 3

EXCUSED: De Bruin – 1

This item will go to the Board without a recommendation.

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

17

DATE: May 4, 2010

TO: Elizabeth Coggs, Chairwomen of Finance and Audit Committee

FROM: Jack H. Takerian, Interim Director of Transportation & Public Works

SUBJECT: **BACKGROUND CHECKS FOR HOUSEKEEPING AND SECURITY
CONTRACTS WITHIN DTPW-FACILITES MANAGEMENT**

POLICY

Informational report.

BACKGROUND

The housekeeping contractor, Mid American, and security contractor, G4S Wackenhut, are required to perform background checks to screen their employees prior to employing in Milwaukee County facilities. In light of the G4S Wackenhut employee with questionable background working within the Courthouse, Facilities Management has reviewed and changed the process in which this information is received and reviewed.

Mid American

At the start of the contract in January, Mid American submitted a list of their staff names to Facilities Management. Those names were then checked by the Milwaukee County District Attorney's Office and reviewed with Facilities Management. Any felony conviction immediately disqualified a person from being able to work. As per the RFP, the housekeeping vendor is required to perform backgrounds on all staff. Because the District Attorney's office was able to conduct a more detailed background, the vendor backgrounds were not reviewed.

Once cleared by the District Attorney's office, ID Card Requests for staff could be processed. All vendor employees are required to be in company uniform and ID. In secure areas such as the Courthouse Complex, vendor employees are required to obtain County ID's. In areas that are not secure, the Mid-American employees are not required to wear their County ID's.

Any temporary individuals that Mid American seeks to add to the Milwaukee County contract must be subject to this same process.

G4S Wackenhut

Prior to the start of the contract in April, G4S Wackenhut submitted a list of their staff names to Facilities Management. It prohibited those individuals with felony convictions

from employment within Milwaukee County facilities was a mutual guideline so details of the backgrounds were not reviewed. Facilities Management looked at the list of background checks G4S Wackenhut was doing on each employee as well as each employee received and additional check by the State of Wisconsin and felt comfortable that a proper background was being performed on each employee of G4S Wackenhut.

Security employees are in G4S Wackenhut security uniforms and are not required to have picture ID on them while working.

Facilities Management has re-evaluated its background procedure as it relates to Wackenhut and determined that any new potential G4S Wackenhut staff will have their company background attached to an ID Card Requests. Facilities Management will review the company background checks prior to the name being submitted to the District Attorney's office. Once reviewed, they will be approved to work on the Milwaukee County contract.

Furthermore, all current G4S Wackenhut employees have gone through a similar process as of the writing of this report.

Submitted by:

Jack Takerian, Interim Director
Public Works & Transportation

cc: Scott Walker, County Executive
Lee Holloway, Chairman, County Board of Supervisors
Michael Mayo, Sr., Chairman, Transportation and Public Works Committee
Tom Nardelli, Chief of Staff, County Executive
Terry Cooley, Chief of Staff, County Board of Supervisors
Cindy Archer, Director, DAS
Steven Kreklow, Fiscal and Budget Administrator, DAS
Dave Schaning, Interim Director, DTPW-Facilities Management
Brian Dranzik, Director, DTPW-Administration

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

18

DATE: April 19, 2010

TO: Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee
Elizabeth Coggs, Chairperson, Finance and Audit Committee

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

SUBJECT: **AIRPORT INFORMATIONAL REPORT – SEMI-ANNUAL RESPONSE TO 2007
ADOPTED BUDGET AMENDMENT 1B027 ON AIRPORT CAPITAL IMPROVEMENT
PROJECTS**

POLICY

Airport Informational Report – Semi-annual response to 2007 adopted budget Amendment 1B027 on Airport Capital Improvement Projects.

BACKGROUND

Based on discussions held during the Finance Committee’s review of the Airport’s Capital Improvement Budget in late 2006, the 2007 budget included Amendment 1B027 relating to the Airport Capital Improvement Projects. The directive from the amendment includes that:

“The Airport Director shall submit quarterly reports to the Committees on Finance and Audit and Transportation and Public Works on the status of all currently authorized Capital Improvement Projects. In a form pre-approved by the DAS Capital Finance Manager, County Board staff and Director of Audits, the report shall provide the following information for each authorized Capital Improvement Project:

- Date of initial County Board approval
- Brief description of scope of project
- Estimated completion date
- Expenditures and revenues summary, including reconciliation of each revenue source (e.g. Passenger Facility Charges, Airport Reserve, Bonds and Miscellaneous Revenue) and amount of committed funds for each.
- Date, purpose and amount of any approved appropriation transfers

Subsequently, Airport staff met with representatives from the Department of Audit, County Board, Department of Administrative Services, and Public Works Administration to define a format for the reports to be submitted in response to this amendment.

At the first meeting of the above representatives, a draft summary report of Airport Capital Projects was provided by Airport staff and discussed. The document provided was a working document and Airport staff sought suggestions and recommendations from the various staff

present. The initial Summary of Airport Capital Projects report reflecting the changes suggested at the meeting, was then presented to the County Board in February 2007.

The Finance Committee later recommended that the presentation of this capital improvement report be adjusted to biannual rather than quarterly as originally directed. Semi-annual reports have since been provided.

The attached semi-annual report indicates the expenditure and revenue summaries of the Airport's active Capital Improvement projects through December, 2009. The capital projects shown are at various stages of development, several of which are nearing completion and will be closed out during the year indicated. In addition, approved 2010 Airport Capital Budget projects are listed for informational purposes.

RECOMMENDATION

This report is informational only.

Prepared by: Tom Heller, Airport Accounting Manager

Approved by:

Jack Takerian, Interim Director of
Transportation and Public Works

C. Barry Bateman
Airport Director

Cc: Lee Holloway, Chairman, County Board of Supervisors
Scott Walker, County Executive
Cynthia Archer, Acting Director, Department of Administrative Services
Pamela Bryant, Capital Finance Manager
Jack Takerian, Interim Director of Director of Transportation & Public Works
Delores Hervey, Committee Clerk, Finance & Audit Committee

**GMIA Capital Projects
Summary of Revenue Funding by Source**

Project #	Project Name	Manager	Proj Approved	Proj Complete	GARB BONDS A/C 4907	INTEREST ON BONDS A/C 1841	STATE GRANT A/C 2299	FEDERAL GRANT A/C 2699	PFC REVENUE A/C 4901	CAPITAL RESERVE	Other	TOTAL FUNDING	Approved by way of Capital Budget	Fund Transfer Revisions	Number of Fund Transfers
ACTIVE PROJECTS 2007 and prior															
WA005	Master Plan Update	Kevin Demitros	7/19/2001	transfer					1,787,160			1,787,160	-	1,787,160	4
WA006	C concourse, Four Gate Expansion	Ed Baisch	1999	adopted budget	59,645,422	1,079,000			3,992,854	583,300		65,300,576	32,915,070	32,385,506	15
WA042	Baggage Claim Remodeling	Jim Zsebe	2006	Adopted Budget			On Hold		1,695,750			1,695,750	1,695,750		
WA044	In-line Bag Screening, Phase 1 - BMU Reconfigurat	Tim Kipp	2002	Adopted Budget	17,462,300	289,500	393,312	17,289,018	5,065,000			40,499,130	40,499,130		
WA048	D Concourse Improvements	Ed Baisch	2003	Adopted Budget	10,791,950	318,000			7,165,164	375,000		18,650,114	10,084,950	8,565,164	6
WA061	E Concourse Stem Remodeling & Electrical	Ed Baisch	2004	Adopted Budget	9,472,299	4,000			350,000	1,204,000		11,030,299	9,455,299	1,575,000	2
WA072	LJT Runway Crack Repair and Sealcoating	Paul Montalto	2006	Adopted Budget			38,900	1,351,470	15,125	25,775		1,431,270	1,154,418	276,852	3
WA089	Air Cargo Roof Replacement	Bernie Mielcarek	11/7/2006	adopted budget	890,900	23,600						914,500	914,500		
WA091	Terminal Mail Public Restrooms- design	Jim Zsebe	11/7/2006	adopted budget					1,822,550			1,822,550	1,584,550	238,000	1
WA094	Runway Safety Area Improvements - RSA-Runway	Jim Zsebe	2005	Adopted Budget	6,019,000		3,932,250	25,583,500	947,750			36,482,500	13,721,000	22,761,500	4
WA098	Equipment Storage Building - Design and Constructi	Jim Zsebe	11/7/2006	adopted budget			115,000	690,000	119,510			924,510	924,510		
WA100	Security Sys Fiber Optic Cable Replacement	Steve Dragosz	11/7/2006	adopted budget			186,375	1,118,250	522,375			1,827,000	1,827,000		
WA103	Interactive Training Kiosks	Airport Ops	4/15/2007	fund transfer					562,000			562,000		562,000	1
WA104	Southside Trituration Building- design	P. Hung	11/7/2006	adopted budget					35,000	472,980		507,980	507,980		
WA108	HVAC Equipment Replacement	Mehta	5/31/2006	Fund transfer	5,912,700	46,700				400,000		6,359,400	5,915,150	444,250	2
WA122	Airfield Pavement Rehabilitation	Paul Montalto	11/7/2006	adopted budget			317,500	1,905,000	581,600		490,000	3,294,100	2,444,100	850,000	1
WA123	Airfield Safety Improvements	Tim Kipp	11/7/2006	adopted budget			189,500	1,137,000	65,250	128,250		1,520,000	494,000	1,026,000	1
WA320	LJT Master Plan	Kevin Demitros	1996	Adopted Budget			113,000		113,000			226,000	226,000		
	subtotal	Sub total		18 projects	110,194,571	1,760,800	5,285,837	49,074,238	24,840,088	3,189,305	490,000	194,834,839	124,363,407	70,471,432	40
2008 PROJECTS															
WA130	Noise Barrier Study	Ed Baisch	11/3/07	Adopted Budget				18,000	144,000	18,900		180,900	180,900		
WA131	Part 150: Ramp Electrification	Ed Baisch	11/3/07	Adopted Budget			27,000	216,000	26,500			269,500	269,500		
WA069	Rebuild Taxiway M at B to E	Jim Zsebe	11/3/2007	Adopted Budget			105,000	630,000	111,100			846,100	846,100		
WA097	Air Cargo Way Reconstruction and Relighting	Tim Kipp	11/3/07	Adopted Budget			274,250.00	1,656,890.00	274,250			2,205,390.00	2,205,390		
WA106	Recarpet Terminal Mall and Ticketing	Phillip Hung	11/3/07	Adopted Budget						981,000		981,000.00	981,000		
WA124	Concourse E Ground Power	Ed Baisch	11/3/07	Adopted Budget			126,000.00	1,008,000.00	135,400			1,269,400.00	1,269,400		
WA125	Security and Wildlife Perimeter Fence	Paul Montalto	11/3/07	Adopted Budget			84,125.00	504,750.00	83,575			672,450.00	357,450	315,000	1
WA126	Stormwater Box Tunnel Repairs	Mac Malas	11/3/07	Adopted Budget			72,500.00	435,000.00	75,730			583,230.00	583,230		
WA128	Recarpet Concourse D	Phillip Hung	11/3/07	Adopted Budget						791,093		791,093.00	457,840	333,253	1
WA135	Runway 1L/19R & 7R/25L Intersection- Design	P. Montaito	10/8/2008	Transfer			82,375.00	494,250.00	82,375			659,000.00		659,000	2
	subtotal	Sub total		10 projects			771,250	4,962,890	932,930	1,790,993		8,458,063	7,150,810	1,307,253	4
2009 PROJECTS															
WA090	FIREHOUSE ROOF REPLACEMENT	W. Wilson	11/11/2008	Adopted Budget						351,000		351,000	351,000		
WA133	D HAMMERHEAD RESTROOM REMODEL	J. Zsebe	11/11/2008	Adopted Budget	2,190,000				221,000			2,411,000	221,000	2,190,000	1
WA134	PERIMETER & ARFF ROAD CONFIGURATION	P. Montalto	11/11/2008	Adopted Budget			212,500	1,275,000	213,500			1,701,000	225,000	1,476,000	1
WA137	OPERATIONS CONTROL CENTER RENOVATION		11/11/2008	Adopted Budget					806,000			806,000	806,000		
WA139	REDUNDANT MAIN ELECTRICAL FEED		11/11/2008	Adopted Budget					321,000			321,000	321,000		
WA140	PARKING STRUCTURE MEMBRANE, FLOOR 6	J. Bastin	11/11/2008	Adopted Budget	761,250							761,250	761,250		
WA141	ADMIN BUILDING GROUND LEVEL BUILD OUT		11/11/2008	Adopted Budget						184,000		184,000	184,000		
WA143	CARGO RAMP 3D ACCESS SECURITY	S. Dragosz	11/11/2008	Adopted Budget			33,750	202,500	33,750			270,000	270,000		
WA144	SOUTH ESCALATOR REORIENTATION	J. Zsebe	11/11/2008	Adopted Budget	1,915,000					198,000		2,113,000	198,000	1,915,000	1
WA145	RUNWAY GUARD LIGHTS	T. Kipp	11/11/2008	Adopted Budget			168,000	1,008,000	168,000			1,344,000	1,344,000		
WA146	WEST FBO RAMP RECONSTRUCTION	T. Kipp	11/11/2008	Adopted Budget			191,875	1,151,250			191,875	1,535,000	1,535,000		
WA148	EXPAND FLEET BUILDING		9/15/2009	amendment design					250,000			250,000	250,000		
	subtotal, projects initiated in 2009	subtotal		12 projects	4,866,250		606,125	3,636,750	2,013,250	733,000	191,875	12,047,250	5,122,250	6,925,000	5
2010 Projects (included due to the 2 year financing approved in Sept 2009)															
WA 149	Snow Equipment Storage Building	P. Montalto	11/10/2009	adopted budget					330,000			330,000	330,000		
WA151	Part 150 Noise Monitoring System	K. Berry	11/10/2009	adopted budget			29,000	232,000	29,000			290,000	290,000		
WA152	Part 150 Vacant land Acquisition	K. Berry	11/10/2009	adopted budget			52,000	416,000	52,000			520,000	520,000		
WA153	Purchase non-owned Jet Bridges		11/10/2009	adopted budget	3,000,000							3,000,000	3,000,000		
WA154	Runway Improvements - LJT Obstructions	E. Baisch	11/10/2009	adopted budget			5,000	190,000	5,000			200,000	200,000		
WA022	Abrasive Storage Building- Design	E. Baisch	11/10/2009	adopted budget			25,375	152,250	25,375			203,000	203,000		
WA064	Phase II Mitigation Program	Kim Berry	11/10/2009	adopted budget			1,027,500	8,220,000	1,027,500			10,275,000	10,275,000		
WA095	Terminal Cable Tray System	T. Heller	9/15/2009	transfer						347,000		347,000		347,000	1
WA096	Parking Structure Relighting- Study	T. Kipp	11/10/2009	adopted budget					195,000			195,000	195,000		
	subtotal			9	3,000,000		1,138,875	9,210,250	1,663,875	347,000		15,360,000	15,013,000	347,000	1
	Grand total			49 projects	118,060,821	1,760,800	7,802,087	66,884,128	29,450,143	6,060,298	681,875	230,700,152	151,649,467	79,050,685	50
												ok	ok	ok	

Data shown is as of end of December 2009

Date: April 30, 2010

To: Chairman L. Holloway
Supervisor E. Coggs
Supervisor G. Broderick

CC: Daniel M. Finley

**Subject: Report From MPM
Unaudited 1st Half Fiscal 2010 Financial Update**

Summary

The first half of fiscal 2010 has shown mixed results. While museum attendance has been up over 18% versus the prior year, theater and special exhibit attendance has been less than planned. Donations to the annual campaign are 12% below plan but MPM also received \$1 million in estate gifts to its endowment trust as permanently restricted funds. Sales in retail and facility rental operations are also down but we have also held operating expenses 9% below plan. Finally, improvements in the financial markets have provided paper gains of nearly \$0.3 million through February.

Programmatically, the major consuming activity was the development and construction of the Dead Sea Scrolls exhibit. This was an enormous undertaking that involved nearly every department in the museum.

Outside of this work, the Museum Programs area achieved the following over the last quarter:

- A total of 374 educational/public programs were delivered to 12,907 participants.
- Staff attended 9 conferences and workshops and presented 7 professional talks.
- Staff published 7 scientific papers. 2 more were in-press and 3 were submitted.
- 307 items were accessioned into the collections and 275 were accessioned into the library.
- 125 items were donated to the collections this quarter and 556 objects were cataloged.
- 69 objects were loaned to other institutions for research or exhibit purposes; more than 5,000 specimens for research projects were returned to loaning institutions upon completion.
- Staff served on 9 professional boards and 5 staff are adjunct at local universities.
- Staff reviewed 19 manuscripts for professional journals and two grant proposals.

Financial Results (unaudited)

Total unrestricted revenues in the first six months are \$7.3 million (see attached statements). The revenue includes \$1.2 million in net assets released from restriction. Released assets include \$0.5 million the Dead Sea Scrolls exhibit, \$0.4 million for debt reduction and endowment replenishment, and \$0.3 million for various exhibits and education programs.

Milwaukee Public Museum

Operating expenses of \$7.3 million are down \$0.7 million from plan. MPM took additional steps to keep wages and benefits in check. Non-represented staff members received no wage increases in the fall and have not since September 2008. In addition, many employees have voluntarily provided additional furlough days to reduce expenditures. 401k contribution and match benefits were suspended for the first 3 months of the current fiscal year.

Expenditures for capital and vendors have been managed below plan. Some of these are timing differences that have been delayed but not eliminated.

Through the first half, MPM has earned a positive \$421k in net assets.

Looking Forward

MPM opened the exhibition, “*The Dead Sea Scrolls and the Bible*,” January 22nd, 2010 and it will run through June 6th, 2010. We will use the summer to continue renovations to the museum’s HVAC systems and creation of the new permanent exhibit space on the 3rd floor. In October, the “Frogs” exhibit will open and run through January 2, 2011. We will also be opening a new major traveling exhibit in December which will be announced in the near future. Both of these exhibits should be well received by the community.

MPM continues work on its capital campaign and those efforts will continue over the next several years. This campaign will result in improvements to museum programs and facilities so we may continue to serve the community in new and exciting ways.

Please contact me if you have any questions or concerns with the enclosed materials.

Sincerely,

Michael A. Bernatz

Michael A. Bernatz
Chief Financial Officer
Milwaukee Public Museum

Milwaukee Public Museum

	YTD	YTD		Prior Year	Prior Year
	Actual	Budget	Dev	Actual	Change
Revenue:					
Contributions and Membership	1,741,672	1,988,829	(247,157)	2,152,339	(410,667)
Special Event Revenue	357,378	451,811	(94,433)	0	357,378
Public Support	1,751,188	1,801,188	(50,000)	1,751,834	(646)
Admissions	1,352,372	1,598,776	(246,404)	1,525,677	(173,305)
IMAX/Planetarium	355,945	498,915	(142,970)	516,678	(160,733)
Programs	72,746	94,795	(22,049)	72,013	734
Restaurant and Facility Rental	135,417	186,070	(50,653)	189,543	(54,126)
Retail	297,848	356,043	(58,195)	284,591	13,257
Other income	96,309	101,140	(4,831)	25,776	70,533
Net assets released from restrictions	1,158,603	1,496,159	(337,556)	1,029,508	129,094
Total Unrestricted Revenue	7,319,478	8,573,725	(1,254,248)	7,547,959	(228,482)
Operating Expenses:					
Curatorial	516,263	537,895	(21,632)	510,215	6,048
Exhibits	1,494,415	1,674,090	(179,674)	617,467	876,949
Special Events	119,008	146,603	(27,595)	0	119,008
Imax/Planetarium	404,659	460,929	(56,270)	380,778	23,881
Programs	274,309	347,701	(73,392)	314,490	(40,181)
Restaurant and Facility Rental	17,352	15,641	1,711	57,417	(40,066)
Retail	246,463	287,300	(40,837)	243,985	2,479
Fundraising	449,509	604,707	(155,198)	459,304	(9,796)
Administrative	1,417,266	1,427,244	(9,978)	1,350,975	66,292
Facilities	1,372,136	1,506,123	(133,988)	1,426,962	(54,827)
Interest	173,251	166,762	6,489	174,308	(1,057)
Marketing	218,612	237,358	(18,746)	198,944	19,668
Depreciation	673,813	675,864	(2,051)	675,565	(1,751)
Total Operating Expenses	7,377,056	8,088,217	(711,161)	6,410,409	966,647
Inc (dec) in unrestricted net assets before non operating items	(57,578)	485,509	(543,087)	1,137,550	(1,195,129)
Non Operating Items:					
Pension & Post Retirement Benefits Expense	(311,804)	(298,575)	(13,229)	(350,623)	38,820
Investment Earnings	116,488	0	116,488	(402,698)	519,186
Total Non Operating Items	(195,316)	(298,575)	103,259	(753,321)	558,005
Inc (dec) in unrestricted net assets	(252,894)	186,934	(439,828)	384,229	(637,123)
Changes in Temporarily Restricted Net Assets:					
Contributions	663,359	1,365,000	(701,641)	346,532	316,828
Investment Earnings	174,481	0	174,481	(152,796)	327,278
Net assets released from restrictions for operations	(1,158,603)	(1,496,159)	337,556	(1,279,508)	120,905
Inc (dec) in temporarily restricted net assets	(320,762)	(131,159)	(189,603)	(1,085,772)	765,011
Changes in Permanently Restricted Net Assets:					
Contributions	995,000	0	995,000	0	995,000
Net assets released from restrictions for operations	0	0	0	250,000	(250,000)
Inc (dec) in permanently restricted net assets	995,000	0	995,000	250,000	745,000
Inc (dec) in Net Assets	421,344	55,774	365,570	(451,543)	872,887
Total Net Assets at Beginning of Period	698,643	698,643	0	1,202,144	(503,501)
Total Net Assets at End of Period	1,119,987	754,417	365,570	750,601	369,386

Milwaukee Public Museum

	Consolidated	Consolidated		Consolidated	Prior Year
	2/28/10	8/31/09	Change	2/28/09	Change
Assets:					
Cash and cash equivalents	3,600,893	2,833,532	767,361	3,086,636	514,256
Investments	267,279	246,744	20,535	192,847	74,431
Accounts Receivable	28,313	52,537	(24,224)	62,808	(34,496)
Contributions Receivable - Current	743,101	1,230,249	(487,148)	1,104,575	(361,474)
Due From Other Entities	0	0	0	0	0
Inventories	171,186	145,803	25,383	125,094	46,092
Prepaid Expenses	231,202	196,935	34,267	264,870	(33,668)
Total Current Assets	5,041,973	4,705,800	336,173	4,836,831	205,142
Other Assets:					
Cash and investments held for endowment	5,548,141	3,955,285	1,592,856	1,789,050	3,759,091
Contributions Receivable - Long Term	1,032,719	1,032,719	0	2,682,505	(1,649,786)
Beneficial Interest	0	0	0	60,311	(60,311)
Other Long Term Assets	152,110	152,110	0	152,110	0
Total Other Assets	6,732,970	5,140,114	1,592,856	4,683,975	2,048,995
Property & Equipment:					
Gross Property & Equipment	29,348,263	29,241,342	106,921	29,833,673	(485,410)
Less-Accumulated depreciation	(11,743,410)	(11,069,597)	(673,813)	(11,235,740)	(507,670)
Net Property & Equipment	17,604,853	18,171,745	(566,892)	18,597,933	(993,080)
Total Assets	29,379,796	28,017,659	1,362,137	28,118,738	1,261,056
Liabilities and Net Assets:					
Accounts Payable	858,431	387,710	470,721	611,366	247,065
Accrued Payroll & Benefits	716,039	659,176	56,863	577,008	139,030
Deferred Revenue	1,254,177	1,025,709	228,468	1,190,431	63,747
Interest Payable	57,010	55,860	1,150	56,200	810
Accrued Postretirement Benefits - Current	87,123	87,123	0	80,131	6,992
Notes Payable - Current	121,713	121,713	0	119,343	2,370
Capital Leases - Current	22,436	22,436	0	21,521	915
Total Current Liabilities	3,116,929	2,359,727	757,202	2,656,000	460,929
Capital Leases	2,188	13,406	(11,218)	25,081	(22,893)
Accrued Postretirement Benefits	8,858,692	8,608,535	250,157	8,288,822	569,870
Due to Other Entities	0	0	0	0	0
Notes Payable	16,281,999	16,337,348	(55,349)	16,398,236	(116,236)
Total Liabilities	28,259,809	27,319,016	940,793	27,368,139	891,670
Net Assets:					
Unrestricted	(5,614,567)	(5,361,673)	(252,894)	(6,735,023)	1,120,456
Temporarily Restricted	3,106,261	3,427,023	(320,762)	4,852,330	(1,746,069)
Permanently Restricted	3,628,293	2,633,293	995,000	2,633,293	995,000
Total Net Assets	1,119,987	698,643	421,344	750,600	369,387
Total Liabilities and Net Assets	29,379,796	28,017,659	1,362,137	28,118,738	1,261,057

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

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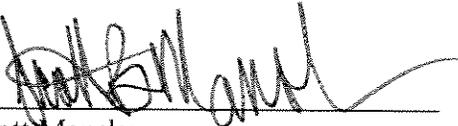
DATE : May 18, 2010

TO : Supervisor Patricia Jursik, Chair, Personnel Committee
Supervisor Elizabeth Coggs., Chair, Finance and Audit Committee

FROM : Scott Manske, Controller

SUBJECT : Fiscal Note on the Tentative Agreement for the 2009-2011 Contract between Milwaukee County and the Association of Milwaukee County Attorneys (Attorneys)

Attached to this memo is the fiscal note on the above-mentioned contract that will be considered by the Personnel Committee and Finance and Audit Committee.



Scott Manske
Controller

Attachment

cc: Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors
Personnel Committee Members
Finance and Audit Committee Members
Dr. Karen Jackson, Director, DAS – Human Resources Division
Greg Gracz, DAS – Labor Relations
Terrence Cooley, Chief of Staff, County Board
Cynthia Archer, Director, Department of Administrative Services
Jerome Heer, Director of Audits
Steven Kreklow, DAS - Fiscal and Budget Administrator
Jodi Mapp, Personnel Committee Clerk
Delores Hervey, Chief Committee Clerk, County Board Staff
Stephen Cady, Fiscal and Budget Analyst, County Board Staff
Rick Ceschin, Senior Research Analyst, County Board Staff
Tom Nardelli, Chief of Staff, Office of County Executive

FISCAL NOTE

The following provides a summary of the fiscal impact of the proposed Association of Milwaukee County Attorneys (Attorneys) contract agreement for the years 2009-2011. The impact estimates are inclusive of all wage-related negotiated items for title codes under the Attorneys Union. The following estimates are based upon current personnel in the union and negotiated changes impacting the wages and other benefit costs. The actual fiscal impact may be greater than or less than the impact that is estimated below.

The following table presents the key wage and benefit elements of the proposed contract:

**Table 1: Wage and Benefit Proposals
Attorneys Contract 2009 - 2011**

Wage Rate Increases:

No wage rate increases proposed for 2009-2011

Other Wage Related Items

Replace Pay Range 24C with Pay Range 28Z	<u>Effective</u> 12/26/2010
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Step Increases:

Step increases shall be eliminated for a twelve month period.	<u>Effective</u> 6/1/2010*
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Health Care Plan Changes

Increase PPO Out of Network Percentage from 20% to 30%	<u>Effective</u> 6/1/2010*
Increase PPO Deductibles (\$100 single, \$300 family)	6/1/2010*
Increase PPO Out of Pocket Maximums (\$500 single, \$1,000 family)	6/1/2010*
Increase PPO and HMO Emergency Room Co-pay by \$50	6/1/2010*

Employee Contributions to Health Insurance Premiums

Proposed Contribution Rates:

	<u>Single</u>		<u>Family</u>
PPO Plan 2010	\$ 90	\$	180
HMO Plan 2010	50		100
PPO Plan 2011	110		220
HMO Plan 2011	70		140

Current Contribution Rates:

PPO Plan 2009	\$ 75	\$	150
HMO Plan 2009	35		70

Pension Plan Changes

Decrease multiplier from 2.0% to 1.6% prospectively for all employees	<u>Effective</u> 6/1/2010*
Increase normal retirement age from 60 to 64 for employees hired after 1/1/2010	1/1/2010

* An effective date of June 1, 2010 has been used to estimate the costs savings related to the changes in the health care plan, health care contributions and pension multiplier.

Table 1: Wage and Benefit Proposals
Attorneys Contract 2009 - 2011
(continued from previous page)

Seminar Reimbursement

Increase annual reimbursement for continuing education from \$600 to \$700 per employee. This would apply to 49 employees. 1/1/2011

Increase reimbursement for membership dues for the Wisconsin Bar Association to include the special assessment amount, which are currently \$247 per year. This would apply to 23 employees. 1/1/2011

2010 Furlough Days

If the 2009-2011 contract with the Attorneys is ratified and the County Executive grants an exemption to the Attorneys for the furlough days required by Executive Order 10-1, the fiscal impact would be additional costs to the County of an estimated \$46,971.

Retiree Health Care Savings

Adoption of the changes in health care benefits described above would result in additional savings related to retirees. The estimated annual savings related to retirees from the Attorneys is \$23,930. The retiree health care savings are likely to increase due to increases in overall health care costs.

The following tables present the fiscal impact summary by year:

**Table 2: Fiscal Impact by Year
 Attorneys Contract 2009 - 2011**

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Wage Rate Increases			
2009, 2010, 2011	\$ -	\$ -	\$ -
Postpone Step Increases	-	(54,620)	(31,430)
24Z to New Pay Grade 28Z	-	-	7,250
Sub-Total Wages	-	(54,620)	(24,180)
7.65% FICA	-	(4,180)	(1,850)
8.90% Pension	-	(4,860)	(2,150)
Sub-Total Wages, FICA & Pension	-	(63,660)	(28,180)
Health Care Plan Changes			
Increase PPO Out of Network Percentage	-	(9,200)	(20,060)
Increase PPO Deductibles	-	(285)	(570)
Increase PPO Out of Pocket Maximums	-	(285)	(570)
Increase PPO and HMO Emergency Room Co-pay	-	(1,860)	(1,860)
Contributions to Health Insurance			
PPO	-	(3,600)	(16,800)
HMO	-	(2,880)	(13,440)
Pension Plan Changes			
Decrease multiplier from 2.0% to 1.6%	-	(25,700)	(51,400)
Increase retirement age from 60 to 64	-	(3,240)	(3,240)
Seminar Reimbursement			
Increase in continuing education reimbursement	-	-	4,900
Increase in annual dues reimbursement	-	-	5,681
Total Wage and Benefit Change	<u>\$ -</u>	<u>\$ (110,710)</u>	<u>\$ (125,539)</u>
Amounts Used in Calculations:			
Full-time equivalents	49.0	49.0	49.0
Total calculated wages	\$ 5,062,565	\$ 5,007,945	\$ 5,038,385
Average wage rate/hour	\$ 49.67	\$ 49.14	\$ 49.43
Total base wages	\$ 5,062,565	\$ 5,062,565	\$ 5,062,565
Annual Lift Pcntg Wages on base wage	0.00%	-1.08%	0.60%
Cumulative Lift Pcntg Wages on base wage	0.00%	-1.08%	-0.48%
Annual Lift Pcntg All Costs on base wage	0.00%	-2.19%	-0.29%
Cumulative Lift Pcntg All Costs on base wage	0.00%	-2.19%	-2.48%

CHANGES IN PROPOSED OFFER:

Following are the changes that are in the tentative contract agreement for the Attorneys:

1. Wage Rate Increases

The tentative agreement does not include any provisions for wage rate increases in 2009-2011.

2. Step Increases

The tentative agreement eliminates scheduled step increases for a twelve month period following the effective date of the contract. For purposes of this fiscal note, we have assumed an effective date of June 1, 2010. Postponing step increases for twelve months would result in a total costs savings of \$86,050 in 2010 and 2011.

3. Movement of all members in Pay Grade 24C to Pay Grade 28Z

The proposed agreement calls for all members currently in pay grade 24C to be moved to pay grade 28Z effective December 26, 2010. There is currently one (1) member at step 4 in pay grade 24C. This member would be moved to step 5 of pay grade 28Z.

Below is a comparison between pay grades 24C and 28Z:

Step	Pay Grade 24C	Pay Grade 28Z	Increase in Hourly Rate	Increase in Annual Pay
1	\$ 23.75	\$ 25.93	\$ 2.18	\$4,542.72
2	24.62	26.27	1.65	3,435.33
3	25.49	27.52	2.03	4,219.90
4	26.64	28.74	2.10	4,357.81
5	26.64	30.13	3.49	7,259.20

*Step 4 is the highest step for pay grade 24C.

4. Changes in Health Care Benefits

The tentative agreement calls for the following changes to the health care plan with an estimated effective date of May 1, 2010:

Item	Health Care Plan	Annual Cost Impact 2011
1	PPO: Patients share of out-of-network costs increase from 20% to 30%	\$ (20,060)
2	PPO: Deductibles increase by \$100/month for a single plan and \$300/month for a family plan	\$ (570)
3	PPO: Increase out-of-pocket maximums by \$500/year for a single plan and \$1,000/year for a family plan	\$ (570)
4	PPO and HMO: Increase emergency room co-pay by \$50/occurrence	\$ (1,860)

There are currently 23 members who are in the County PPO plan and 22 members in the County HMO plan. The County-wide cost estimates for the changes in the health care plan were prepared by an outside consultant and then allocated to all health care members in the PPO and HMO plans based on active employees and retirees. The expected cost savings are estimated based on the implementation date of the proposed changes and the current membership in the PPO and HMO plans. The amounts above exclude savings related to retirees. The estimated 2011 savings related to changes in health care benefits for Attorney retirees is \$23,930.

5. Change in Employee Contribution for Health Care:

Table 1 is self-explanatory with regards to the changes in health care contributions by employees of the union.

6. Changes in Pension Benefits

The tentative agreement proposes the following changes to the pension plan:

Item	Effective Date	Pension Plan	Annual Cost Impact 2011
1	6/1/2010	The annual multiplier on future years of pension service credits shall decrease from 2.0% to 1.6%	\$ (51,400)
2	1/1/2010	The normal retirement age shall be increased from 60 to 64 for employees hired after 1/1/2010	\$ (3,240)

7. Changes in Seminar Reimbursement:

Table 1 is self-explanatory with regards to the changes in seminar reimbursement for employees of the union.

Budgetary Fiscal Impact

Based on the data provided in the previous tables, the following provides a summary of the budgetary fiscal impact for the years 2009-2011:

**Table 3: Budgetary Fiscal Impact
 Attorneys Contract 2009 - 2011**

	<u>County Offer</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Cost			
Wage Contract Cost	\$ -	\$ (63,660)	\$ (28,180)
Health Care Plan Changes	-	(11,630)	(23,060)
Contributions to Health Insurance	-	(6,480)	(30,240)
Pension Plan Changes	-	(28,940)	(54,640)
Increase in Seminar Reimbursement	-	-	10,581
Total Cost	<u>-</u>	<u>(110,710)</u>	<u>(125,539)</u>
Funding Source			
Prior Year Funds	-	-	-
Current Year Appropriations	-	(252,819)	-
Pension Budget Appropriations	-	-	-
Total Sources	<u>-</u>	<u>(252,819)</u>	<u>-</u>
Additional Resources Required	<u>\$ -</u>	<u>\$ 142,109</u>	<u>\$ (125,539)</u>

The 2009 budget was adopted without including a projection for 2009 wage contract settlements in departmental budgets. There are no wage rate increases proposed in the tentative agreement; therefore, ratification of this contract would have no fiscal impact on 2009.

The 2010 departmental budgets for personnel services were reduced by the estimated cost savings related to the elimination of step increases, health care plan changes, increases in health care contributions and changes to the pension plan. The 2010 budget included \$252,819 in estimated cost savings related to active Attorney employees. The savings in the 2010 budget were estimated based on an implementation date of January 1, 2010 for wage and benefit changes. The estimated savings of \$110,710 for this tentative agreement are based on an implementation date of July 1, 2010. The delay in implementation accounts for approximately \$126,400 of the \$142,109 budget deficit for 2010. The remaining budget deficit is due primarily to changes in estimated pension savings based upon a more current actuarial calculation.

Wage and Benefit Lift for 2009 - 2011

The following table projects the cumulative dollar change and percentage lift in costs for the proposed contract. It includes costs for 2012 while the previous tables only reflected cost impacts on the 2009, 2010 and 2011 budget years. The 2012 budget year is included to illustrate the full impact of the proposed changes as wage increases made in 2011 will not be fully realized until 2012.

**Table 4: 2009 - 2011 Cumulative Lift for 2012
 Attorneys Contract 2009 - 2011**

As if all costs were annualized

	<u>Final Offer</u>	
	<u>Cumulative</u>	<u>Cumulative</u>
	<u>Total Lift</u>	<u>Lift %</u>
Continuing Cost Increase (Decrease) Over Prior Year		
2009	\$ -	0.00%
2010	-	0.00%
2011	-	0.00%
Sub-total Wage Rate Increase	-	0.00%
Postpone Step Increases	-	0.00%
24Z to New Pay Grade 28Z	<u>7,250</u>	0.14%
Sub-total Wage Increase	7,250	0.14%
FICA	550	0.14%
Pension	<u>650</u>	0.01%
Total Lift from Wages	8,450	0.17%
Health Care Plan Changes	(24,870)	-0.49%
Contributions to Health Insurance	(30,240)	-0.60%
Pension Plan Changes	(54,640)	-1.08%
Increase in Tuition/Dues Reimbursement	<u>10,581</u>	0.21%
Total Lift	<u>\$ (74,299)</u>	-1.47%
 Lift as a Percentage of Base Wages		
Annual Lift Percentage		-0.49%
Cumulative Lift Percentage		-1.47%
Base Wages	\$ 5,062,565	

Administrative Costs Associated with Implementing this Contract

To implement this contract, personnel in the Department of Administrative Services and MSD will have to input the rate changes into the Ceridian HPW System. Employee benefits will have to ensure changes to retirement benefits are entered into the Vitech system. For wage rates, and health plan changes, the implementation will require internal time and effort. Health plan changes for current union members will be effectuated during a special open enrollment process which is expected to be concluded by July 1, 2010. A similar open enrollment period will be needed for retirees. The number of personnel hours to complete this task has not been determined yet, but other projects may be delayed to implement this contract.

The above information was prepared by the Department of Administrative Services and will be reviewed by the Department of Audit and County Board Fiscal and Budget Analyst. A separate report will be issued by them based upon their review.

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

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Date: April 8, 2010
To: Supervisor Lee Holloway, Chairman
Milwaukee County Board of Supervisors
From: Gregory L. Gracz, Director of Labor Relations 
RE: Ratification of the 2009-2011 Memorandum of Agreement between Milwaukee County and
the Association of Milwaukee County Attorneys

Milwaukee County has reached an understanding with the bargaining team for the Association of Milwaukee County Attorneys that establishes a memorandum of agreement for 2009-2011.

I am requesting that this item be placed on the next agenda for the meeting of Finance and Audit Committee and the Personnel Committee as an action item. If the Committees' would like to meet in closed session to discuss the changes first, please request that the Committee make appropriate arrangements when noticing the meeting.

The following documents will be provided to the Committees for their review:

- 1) A comparison copy agreed upon language for each MOA. These copies contain both the old and new contract language. The old language will be indicated with "~~strike through~~" and the new language will be "underlined";
- 2) A Union notification that the MOAs was ratified by the membership;
- 3) A draft Resolution approving the MOAs, this will also be provided electronically to the appropriate committee clerks;
- 4) The Department of Administrative Services (DAS) is preparing a fiscal note, which will be reviewed by the Department of Audit and County Board Staff. The finalized fiscal note will be sent to the Committees by DAS as soon as it is completed.

If you have any questions, please call me at 223-1933.

cc: County Board of Supervisors
Stephen Cady, County Board Staff
Richard Ceschin, County Board Staff
Terrence Cooley, Chief of Staff, County Board
Jerome Heer, Director, Dept. of Audit
Scott Manske, Controller, DAS
Karen R. Jackson, Ph.D. Director of Human Resources
Timothy Schoewe, Corporation Counsel
Cynthia Archer, Director, Dept. of Administrative Services.
Thomas G. Nardelli, Chief of Staff, Office of the County Executive
Jodi Mapp, Personnel Committee Clerk
Delores Hervey, Finance and Audit Committee Clerk

PART 2

2.01 WAGES

- (1) ~~Effective November 4, 2007 the wages of the bargaining unit shall be increased by one percent (1%).~~
- (2) ~~Effective April 6, 2008 the wages of the bargaining unit shall be increased by one percent (1%).~~
- (3) ~~Effective June 29, 2008 the wages of the bargaining unit shall be increased by one percent (1%).~~
- (4) ~~Effective October 5, 2008 the wages of the bargaining unit shall be increased by one percent (1%).~~
- (5) ~~A \$250 per employee lump sum payment, shall be made to employees who have an assigned work week of twenty (20) or more hours per week, and who were on the payroll as of the first pay period following ratification of the 2007-2008 contract.~~
- (61) Employees shall advance from one step in the range to the next higher step based upon meritorious performance at each step of at least 2080 straight time hours paid, and upon completion of a performance appraisal by the appointing authority or designee.
- (72) Effective January 1, 2006 employees in the Legal Counsel Child Support I, Legal Counsel Criminal, and Legal Counsel I Adoptions classifications shall be allowed to advance to any and all steps beyond Step 12 in the range based upon meritorious performance at each step of the range of at least 2080 straight time hours paid and upon completion of a performance appraisal by the appointing authority or designee. Employees who have been at Step 12 for at least 2080 hours shall move to Step 13 at the beginning of the pay period following the day and month of the employee's hire date upon completion of a performance appraisal by the appointing authority.
- (83) The appointing authority may, at his/her discretion, advance an employee more than one step after completing 2080 straight time hours paid for outstanding

1 performance he/she feels is deserving of such advancement as determined by a
2 performance appraisal completed by the appointing authority or designee.

3 (94) Employees may, at the discretion of the appointing authority, be held at their
4 current step or be demoted as much as two steps upon unsatisfactory
5 performance as determined by a performance appraisal completed by the
6 appointing authority or designee.

7 (405) The appointing authority may at the time of hire appoint an individual to any
8 step in the pay range.

9 (446) Except as otherwise provided, pay range 34Z applies to employees in all
10 attorney classifications governed by the WERC certification, including, the
11 classifications of Principal Assistant Corporation Counsel, Assistant Family
12 Court Commissioner, Judicial Court Commissioner, Fulltime Court
13 Commissioner, Probate Court Commissioner, Legal Counsel I Child Support,
14 Legal Counsel Criminal, Legal Counsel Adoptions and Deputy Register in
15 Probate. The wages of the bargaining unit pay range 34Z for the calendar
16 years 2007 and 2008 shall be specified in Appendix 1 attached hereto and
17 incorporated herein by this reference.

18 (427) Pay range 24C applies to employees in the classification of Court Research
19 Coordinator. The wages of the bargaining unit pay range 24C for the calendar
20 years 2007 and 2008 shall be specified in Appendix 1 attached hereto and
21 incorporated herein by this reference.

22 ~~(13) The first step of pay ranges 24C and 34Z shall be dropped effective January 1,~~
23 ~~2008.~~

24 (8) All step increases identified in 2.01 (1), (2) and (3) and as provided for in
25 Chapter 17 of the Milwaukee County General Ordinances are eliminated for a
26 twelve (12) month period commencing on June, 1, 2010.

27 (9) Effective Pay Period One (1) 2011, (December 26, 2010), pay range 28Z is
28 created with the following steps:

<u>Step</u>	<u>Hourly Pay</u>
<u>1</u>	<u>25.93</u>
<u>2</u>	<u>26.27</u>

1 ~~(c) All employees enrolled in the Patient Choice PPO will pay health~~
2 ~~insurance premiums of \$75.00 per month for single plan coverage and~~
3 ~~\$150.00 per month for family plan coverage effective following~~
4 ~~ratification of the 2007-2008 contract and an open enrollment period~~
5 ~~with a target date of May 1, 2007.~~

6 ~~(d) Each eligible employee enrolled in the WPS Statewide/National PPO~~
7 ~~will pay health insurance premiums of \$100.00 per month for single~~
8 ~~plan coverage and \$200.00 per month for family plan coverage~~
9 ~~effective following ratification of the 2007-2008 contract and an open~~
10 ~~enrollment period with a target date of May 1, 2007.~~

11 (a) Effective January of 2009, employees enrolled in the PPO shall pay
12 seventy-five dollars (\$75.00) per month toward the monthly cost of a
13 single plan and one hundred fifty dollars (\$150.00) per month toward the
14 monthly cost of a family plan.

15 (b) Employees enrolled in the PPO shall pay ninety dollars (\$90.00) per month
16 toward the monthly cost of a single plan and one hundred eighty dollars
17 (\$180.00) per month toward the monthly cost of a family plan effective
18 following ratification of the 2009-2011 contract and an open enrollment
19 period with a target date of June 1, 2010.

20 (c) Effective January of 2011, employees enrolled in the PPO shall pay one
21 hundred ten dollars (\$110.00) per month toward the monthly cost of a single
22 plan and two hundred twenty dollars (\$220.00) per month toward the
23 monthly cost of a family plan.

24 (d) Effective January of 2009, employees enrolled in the HMO shall pay thirty-
25 five dollars (\$35.00) per month toward the monthly cost of a single plan and
26 seventy dollars (\$70.00) per month toward the monthly cost of a family
27 plan.

28 (e) Employees enrolled in the HMO shall pay fifty dollars (\$50.00) per month
29 toward the monthly cost of a single plan and one hundred dollars (\$100.00)
30 per month toward the monthly cost of a family plan effective following

1 ratification of the 2009-2011 contract and an open enrollment period with a
2 target date of June 1, 2010.

3 (f) Effective January of 2011, employees enrolled in the HMO shall pay
4 seventy dollars (\$70.00) per month toward the monthly cost of a single plan
5 and one hundred forty dollars (\$140.00) per month toward the monthly cost
6 of a family plan.

7 (eg) The appropriate payment shall be made through 24 equal payroll
8 deductions. When there are not enough net earnings to cover such a
9 required contribution, and the employee remains eligible to participate in a
10 health care plan, the employee must make the payment due within ten
11 working days of the pay date such a contribution would have been
12 deducted. Failure to make such payment will cause the insurance coverage
13 to be canceled effective the first of the month for which the premium has
14 not been paid.

15 (fh) The County shall deduct employees' contributions to health insurance on a
16 pre-tax basis pursuant to a Section 125 Plan. Other benefits may be
17 included in the Section 125 Plan as mutually agreed upon by the County
18 and the Union. Such agreement would be by collateral agreement to this
19 contract.

20 (gi) The County shall establish and administer Flexible Spending Accounts
21 (FSA's) for those employees, who desire to pre-fund their health
22 insurance costs as governed by IRS regulations. The County retains
23 the right to select a third party administrator.

24 (4) In the event an employee who has exhausted accumulated sick leave is placed
25 on leave of absence without pay status on account of illness, the County shall
26 continue to pay the monthly cost or premium for the Health Plan chosen by the
27 employee and in force at the time leave of absence without pay status is
28 requested, if any, less the employee contribution during such leave for a period
29 not to exceed one (1) year. The 1-year period of limitation shall begin to run
30 on the first day of the month following that during which the leave of absence
31 begins. An employee must return to work for a period of sixty (60) calendar

1 days with no absences for illness related to the original illness in order for a
2 new 1-year limitation period to commence.

3 (5) Where both husband and wife are employed by the County, either the husband
4 or the wife shall be entitled to one family plan. Further, if the husband elects to
5 be the named insured, the wife shall be a dependent under the husband's plan, or
6 if the wife elects to be the named insured, the husband shall be a dependent
7 under the wife's plan. Should neither party make an election the County
8 reserves the right to enroll the less senior employee in the plan of the more
9 senior employee. Should one spouse retire with health insurance coverage at no
10 cost to the retiree, the employed spouse shall continue as a dependent on the
11 retiree's policy, which shall be the dominant policy.

12 (6) Coverage of enrolled employees shall be in accordance with the monthly
13 enrollment cycle administered by the County.

14 (7) Eligible employees may continue to apply to change their health plan to one of
15 the options available to employees on an annual basis. This open enrollment
16 shall be held at a date to be determined by the County and announced at least
17 forty-five (45) days in advance.

18 (8) The County shall have the right to require employees to sign an authorization
19 enabling non-County employees to audit medical and dental records.
20 Information obtained as a result of such audits shall not be released to the
21 County with employee names unless necessary for billing, collection, or
22 payment of claims.

23 (9) The County reserves the right to terminate its contracts with its health plans
24 and enter into a contract with any other administrator. The County may
25 terminate its contract with its current health plan administrator and enter into a
26 replacement contract with any other qualified administrator or establish a self-
27 administered plan provided:

28 (a) That the cost of any replacement program shall be no greater to individual
29 group members than provided in par. (3) above immediately prior to
30 making any change.

- 1 (b) That the coverages and benefits of such replacement program shall remain
2 the same as the written Plan Document currently in effect for employees
3 ~~and retirees.~~
- 4 (c) Prior to a substitution of a Third Party Administrator (TPA)
5 or implementing a self-administered plan, the County agrees to provide
6 the Association with a full 60 days to review any new plan and/or TPA.
- 7 (10) The County reserves the right to establish a network of Preferred Providers.
8 The network shall consist of hospitals, physicians, and other health care
9 providers selected by the County. The County reserves the right to add,
10 modify or delete any and all providers under the Preferred Provider Network.
- 11 (11) Upon the death of any retiree, only those survivors eligible for health insurance
12 benefits prior to such retiree's death shall retain continued eligibility for the
13 Employee Health Insurance Program.
- 14 (12) Employees hired on and after January 01, 2006 may upon retirement opt to
15 continue their membership in the County Group Health Benefit Program upon
16 payment of the full monthly cost.
- 17 (13) All eligible employees enrolled in the PPO shall have a deductible equal to the
18 following:
- 19 (a) The in-network deductible shall be one hundred fifty dollars (\$150.00) per
20 insured, per calendar year; four hundred fifty dollars (\$450.00) per family,
21 per calendar year.
- 22 (b) The out-of-network deductible shall be four hundred dollars (\$400.00)
23 per insured, per calendar year; one thousand two hundred dollars
24 (\$1,200.00) per family, per calendar year.
- 25 (c) Following ratification of the 2009-2011 contract and an open
26 enrollment period with a target date of June 1, 2010, the in-network
27 deductible shall be two hundred fifty dollars (\$250.00) per insured, per
28 calendar year; seven hundred fifty dollars (\$750.00) per family, per
29 calendar year.
- 30 (d) Following ratification of the 2009-2011 contract and an open enrollment
31 period with a target date of June 1, 2010, the out-of-network deductible

1 shall be five hundred dollars (\$500.00) per insured, per calendar year; one
2 thousand five hundred dollars (\$1,500.00) per family, per calendar year.

3 (14) All eligible employees and/or their dependents enrolled in the PPO shall be
4 subject to a twenty dollar (\$20.00) in-network office visit co-payment or forty
5 dollar (\$40.00) out-of-network office visit co-payment for all illness or injury
6 related office visits. The in-network office visit co-payment shall not apply to
7 preventative care, which includes prenatal, baby-wellness, and physicals, as
8 determined by the plan.

9 (15) All eligible employees and/or their dependents enrolled in the PPO shall be
10 subject to a co-insurance co-payment after application of the deductible and/or
11 office visit co-payment.

12 (a) The in-network co-insurance co-payment shall be equal to ten percent
13 (10%) of all charges subject to the applicable out-of-pocket maximum,

14 (b) The out-of-network co-insurance co-payment shall be equal to twenty
15 percent (20%) of all charges subject to the applicable out-of-pocket
16 maximum,

17 (c) Effective following ratification of the 2009-2011 contract and an open
18 enrollment period with a target date of June 1, 2010, the out-of-network
19 co-insurance co-payment shall be equal to thirty percent (30.00%) of all
20 charges subject to the applicable out-of-pocket maximum,

21 (16) All eligible employees enrolled in the PPO shall be subject to the following
22 out-of-pocket expenses including any applicable deductible and percent co-
23 payments to a calendar year maximum of

24 (a) one thousand five hundred dollars (\$1,500.00) in-network under a
25 single plan.

26 (b) two thousand five hundred dollars (\$2,500.00) in-network under a
27 family plan.

28 (c) three thousand dollars (\$3,000.00) out-of-network under a single plan.

29 (d) five thousand dollars (\$5,000.00) out-of-network under a family plan.

1 (e) Effective following ratification of the 2009-2011 contract and an open
2 enrollment period with a target date of June 1, 2010, two thousand dollars
3 (\$2,000.00) in-network under a single plan.

4 (f) Effective following ratification of the 2009-2011 contract and an open
5 enrollment period with a target date of June 1, 2010, three thousand five
6 hundred dollars (\$3,500.00) out-of-network under a single plan.

7 (g) Effective following ratification of the 2009-2011 contract and an open
8 enrollment period with a target date of June 1, 2010, three thousand five
9 hundred dollars (\$3,500.00) in-network under a family plan.

10 (h) Effective following ratification of the 2009-2011 contract and an open
11 enrollment period with a target date of June 1, 2010, six thousand dollars
12 (\$6,000.00) out-of-network under a family plan.

13 ~~(e)~~(i) Office visit co-payments are not limited and do not count toward the
14 calendar year out-of-pocket maximum(s).

15 ~~(f)~~(j) Charges that are over usual and customary do not count toward the
16 calendar year out-of-pocket maximum(s).

17 ~~(g)~~(k) Prescription drug co-payments do not count toward the calendar year
18 out-of-pocket maximum(s).

19 ~~(h)~~(l) Other medical benefits not described in 16 ~~(e)~~, ~~(f)~~, and ~~(g)~~ (i), (j), (k) shall
20 be paid by the County at 100% after the calendar year out-of-pocket
21 maximum has been satisfied.

22 (17) All eligible employees and/or their dependents enrolled in the PPO shall pay a
23 fifty dollar (\$50.00) emergency room co-payment in-network or out-of-network.
24 Effective following ratification of the 2009-2011 contract and an open
25 enrollment period with a target date of June 1, 2010, the emergency room co-
26 payment in-network or out-of-network shall increase to one hundred dollars
27 (\$100.00). The co-payment shall be waived if the employee and/or their
28 dependents are admitted directly to the hospital from the emergency room. In-
29 network and out-of-network deductibles and co-insurance percentages apply.

30 (18) All eligible employees enrolled in the PPO or HMO shall pay the following for
31 a thirty (30) day prescription drug supply at a participating pharmacy or a ninety

1 (90) day mail-order prescription drug supply:

2 (a) Five dollar (\$5.00) co-payment for all generic drugs.

3 (b) Twenty dollar (\$20.00) co-payment for all brand name drugs on the
4 formulary list.

5 (c) Forty dollar (\$40.00) co-payment for all non-formulary brand name
6 drugs.

7
8 (d) Non-legend drugs may be covered at the five dollar (\$5.00) generic co-
9 payment level at the discretion of the plan.

10 (e) The plan shall determine all management protocols.

11 (19) All eligible employees and/or their dependents enrolled in the HMO shall be
12 subject to a ten dollar (\$10.00) office visit co-payment for all illness or injury
13 related office visits. The office visit co-payment shall not apply to
14 preventative care. The County and/or the plan shall determine preventative
15 care.

16 (20) All eligible employees and/or their dependents enrolled in the HMO shall pay
17 a one hundred dollar (\$100.00) co-payment for each in-patient hospitalization.
18 There is a maximum of five (5) co-payments per person, per calendar year.

19 (21) All eligible employees and/or their dependents enrolled in the HMO shall pay
20 fifty percent (50%) co-insurance on all durable medical equipment to a
21 maximum of fifty dollars (\$50.00) per appliance or piece of equipment.

22 (22) All eligible employees and/or their dependents enrolled in the HMO shall pay
23 a fifty dollar (\$50.00) emergency room co-payment (facility only). Effective
24 following ratification of the 2009-2011 contract and an open enrollment period
25 with a target date of June 1, 2010, the emergency room co-payment (facility
26 only) shall increase to one hundred dollars (\$100). The co-payment shall be
27 waived if the employee and/or their dependents are admitted to the hospital
28 directly from the emergency room.

29 (23) All eligible employees and/or their dependents benefits for the in-patient and
30 out-patient treatment of mental and nervous disorders, alcohol and other drug
31 abuse (AODA) are as follows:

- 1 (a) If the employee and the dependent use an in-patient PPO facility,
2 benefits are payable at eighty percent (80%) of the contracted rate for
3 thirty (30) days as long as the PPO approves both the medical necessity
4 and appropriateness of such hospitalization.
- 5 (b) If the employee and the dependent use a non-PPO facility, benefits are
6 payable at fifty percent (50%) of the contracted rate for a maximum of
7 thirty (30) days. The hospitalization is still subject to utilization review
8 for medical necessity and medical appropriateness.
- 9 (c) The first two (2) visits of outpatient treatment by network providers will
10 be reimbursed at one hundred percent (100%) with no utilization review
11 required. Up to twenty-five (25) further visits for outpatient treatment
12 when authorized by the PPO, will be reimbursed at ninety-five percent
13 (95%) of the PPO contracted rate. In addition, when authorized by the
14 PPO, up to thirty (30) days per calendar year, per insured, of day
15 treatment or partial hospitalization shall be paid at ninety five percent
16 (95%) of the contracted rate for all authorized stays at PPO facilities.
- 17 (d) The first fifteen (15) visits of out-patient treatment authorized by the
18 PPO but not provided by a PPO provider shall be paid at fifty percent
19 (50%) of the contracted rate for all medically necessary and appropriate
20 treatment as determined by the PPO. When authorized by the PPO, up to
21 thirty (30) days per calendar year, per insured, of day treatment or partial
22 hospitalization shall be paid at fifty percent (50%) of the contracted rate
23 for all authorized stays at non-PPO facilities.

24 (24) Each calendar year, the County shall pay a cash incentive of five hundred
25 dollars (\$500.00) per contract (single or family plan) to each eligible employee
26 who elects to dis-enroll or not to enroll in a Milwaukee County Health Plan.
27 Any employee who is hired on and after January 1 and who would be eligible to
28 enroll in health insurance under the present County guidelines who chooses not
29 to enroll in a Milwaukee County health plan shall also receive five hundred
30 dollars (\$500.00). Proof of coverage in a non-Milwaukee County group health
31 insurance plan must be provided in order to qualify for the five hundred dollars

1 (\$500.00) payment. Such proof shall consist of a current health enrollment
2 card.

3 (a) The five hundred dollars (\$500.00) shall be paid on an after tax basis.
4 When administratively possible, the County may convert the five
5 hundred dollars (\$500.00) payment to a pre-tax credit which the
6 employee may use as a credit towards any employee benefit available
7 within a flexible benefits plan.

8 (b) The five hundred dollars (\$500.00) payment shall be paid on an annual
9 basis by payroll check no later than April 1st of any given year to
10 qualified employees on the County payroll as of January 1st. An
11 employee who loses his/her non-Milwaukee County group health
12 insurance coverage may elect to re-join the Milwaukee County
13 Conventional Health Plan. The employee would not be able to re-join
14 an HMO until the next open enrollment period. The five hundred
15 dollars (\$500.00) payment must be repaid in full to the County prior to
16 coverage commencing. Should an employee re-join a health plan
17 he/she would not be eligible to opt out of the plan in a subsequent
18 calendar year.

19 (25) The County shall implement a disease management program. Such program
20 shall be designed to enhance the medical outcome of a chronic illness through
21 education, treatment, and appropriate care. Participation in the program by the
22 patient shall be strictly voluntary, and the patient can determine their individual
23 level of involvement. Chronic illness shall be managed through a variety of
24 interventions, including but not limited to contacts with patient and physician,
25 health assessments, education materials, and referrals. The County shall
26 determine all aspects of the disease management program. The County and the
27 Association agree to reopen the 2007–2008 contract to negotiate the
28 implementation of a Wellness and Disease Management Program if the County
29 is successful in establishing a Wellness and Disease Management Program.

30 (26) The County shall provide a Dental Insurance Plan equal to and no less than is
31 currently available to employees. Each eligible employee enrolled in the

1 Milwaukee County Dental Benefit Plan shall pay two dollars (\$2.00) per month
2 toward the cost of a single plan, or six dollars (\$6.00) per month toward the cost
3 of a family plan. Employees may opt not to enroll in the Dental Plan.
4

5 2.07 SEMINAR REIMBURSEMENT

- 6 (1) ~~Effective January 1, 2006~~ Milwaukee County agrees to provide seminar
7 reimbursement of six hundred dollars (\$600.00) per year per employee to be
8 used for the payment of registration fees or other reasonable and necessary
9 expenses for courses approved by the Continuing Legal Education Board and
10 related to the employee's work and taken in the current year or the preceding
11 year. Reimbursement of course fees shall be made on a voucher system. Each
12 employee shall account, as may be reasonably required by the County, for the
13 use of any funds from the Employee Continuing Legal Education Account.
14 Effective January 1, 2011, this seminar reimbursement amount will be
15 increased to seven hundred dollars (\$700.00) per year per employee. Should
16 management exercise discretion to purchase an Ultimate Pass product through
17 the State Bar of Wisconsin, the cost of the product will reduce the seminar
18 reimbursement amount available to any affected employee.
- 19 (2) Any unused funds as described in paragraph (1) above may be carried over for
20 use in the subsequent year. ~~Any unused hours necessary to complete the CLE~~
21 ~~requirement for the previous year may be carried over for the first 4 months of~~
22 ~~the subsequent year.~~
- 23 (3) Any unused portion of the amount contributed annually to each employee's
24 CLE account by the County may be used by the employee for the payment of
25 the costs of periodicals and other publications or payment toward professional
26 association dues related to the employee's work and purchased in the current
27 year or the preceding year. Payment toward such costs shall be made in the
28 pay period following the pay period in which the request for payment is made
29 or as soon thereafter as practical.
- 30 (4) Requests to use the money herein set forth shall be subject to the approval of
31 the Department Head. Such approval shall not be unreasonably denied.

1 (5) Upon termination of employment, an employee's right to any unused portion of
2 the funds remaining in the employees' Continuing Legal Education Account
3 shall also terminate. Any unused funds shall revert to the County.

4
5 (6) ~~Effective January 1, 2006~~ employees shall be reimbursed for one hundred percent
6 (100%) of the cost of the minimum required mandatory membership dues in the
7 Wisconsin Bar Association. Effective January 1, 2011, this one hundred percent
8 (100%) reimbursement will include the special assessments that are included in the
9 annual dues statement from the Wisconsin Bar Association.

10 11 2.11 RETIREMENT SYSTEM

12 (1) For employees hired on and after January 1, 1982, the provisions of Chapter
13 2.01.24, Employee Retirement System shall be modified as follows:

14 (a) Final average salary means the average annual earnable compensation
15 for five consecutive years of service during which the employee's
16 earnable compensation was the highest or, if he should have less than
17 five years of service, then his average annual earnable compensation
18 during such period of service. Effective December 22, 2002 (Pay
19 Period one of 2003), the word "five" in the preceding sentence shall be
20 replaced with "three".

21 (b) An employee who meets the requirements for a normal pension shall
22 receive an amount equal to 1-1/2% of his final average salary
23 multiplied by the number of years of service.

24 (c) All pension service credit earned on and after January 1, 2001 shall be
25 credited in an amount equal to 2% of the employee's final average
26 salary. For each year of service credit earned after January 1, 2001,
27 eight (8) years of service credit earned prior to January 1, 2001 shall be
28 credited at 2% of the employee's final average salary. Said credit shall
29 be awarded on a daily basis.

30 (d) Any employee whose last period of continuous membership began on
31 or after January 1, 1982, shall not be eligible for a deferred vested

1 pension if his employment is terminated prior to his completion of five
2 (5) years of service.

- 3 (2) Retention Incentive Bonus. Members of the system whose membership began
4 prior to January 1, 1982, and as of January 1, 2001, are either actively
5 employed or on an approved leave of absence, shall have their final average
6 salary increased by a bonus of 7.5% for each year of pension service credit
7 earned after January 1, 2001. Said bonus shall be credited on a daily basis and
8 the maximum bonus which can be added to an eligible member's final average
9 salary shall not exceed 25%. This provision shall not apply to a member of the
10 employee's Retirement System who became a member of the system prior to
11 January 1, 1982, and as of January 1, 2001 is either for a deferred vested
12 benefit under 201.24 (4.5) or is receiving a pension benefit, unless such
13 member returns to active County employment on or after January 1, 2001 and
14 is eligible to earn additional pension service credit.
- 15 (3) For employees who retire after January 1, 1986 overtime shall not be included
16 in the computation of final average salary.
- 17 (4) A member of the retirement system shall be eligible for an accidental
18 disability pension pursuant to Milwaukee County Ordinances.
- 19 (5) Veterans Service Credit. Employees retiring on or after November 22, 1989
20 shall be entitled to pension service credit for military service under Section
21 2.01.24 II(10) of the Employees Retirement System as amended by the County
22 Board of Supervisors through File #85-583(a) notwithstanding the effective
23 date indicated in the amendment.
- 24 (6) Members who retire on or after January 1, 2001 and whose membership in the
25 Employees' Retirement System began before January 1, 2006 shall be eligible for a
26 normal pension when the age of the member when added to his/her years of service
27 equals 75, but this provision shall not apply to any member eligible for a deferred
28 vested retirement benefit under 4.5 Chapter 201, Employees' Retirement System of
29 the County of Milwaukee. Nor shall this provision apply to any employee whose
30 membership in the Employees' Retirement System began on or after January 1,
31 2006.

1 (7) Members who hold positions for which membership in the Employees' Retirement
2 System is optional and opt for such membership, shall have pension service credit
3 earned after January 1, 2001 credited at 2%. However, such service credit shall not
4 result in a multiplier increase for service credit earned prior to January 1, 2001 nor
5 shall such service credit qualify the member for a retention incentive bonus.

6 (8) For all employees who became members of the employees retirement system after
7 January 1, 1971, all pension service credit earned on and after the date of execution
8 of this agreement shall be credited in an amount equal to 1.6% of the member's
9 final average salary, who at the time the service credit is earned, is covered by the
10 terms of this agreement.

11 (9) An employee whose initial membership in the retirement system began on or after
12 January 1, 2010 and began while covered by the terms of this agreement shall be
13 eligible for a normal pension if his employment is terminated on or after he has
14 attained age fifty-five (55) and has completed thirty (30) years of service, or if his
15 employment is terminated on or after he has attained age sixty-four (64).

16
17 2.19 DIRECT PAYROLL DEPOSIT

18 Effective as soon as administratively practicable after the execution of a successor agreement
19 all employees in the bargaining unit shall utilize The Milwaukee County Direct Deposit
20 Program.



Milwaukee County
Department of Labor Relations
Gregory L. Gracz, Director

Milwaukee County Courthouse
Labor Relations, Rm. 210
901 N. 9th St.
Milwaukee, WI 53233

Telephone: (414) 278-4852
Fax: (414) 223-1930

Side Letter

This is a side letter agreement between the Association of Milwaukee County Attorneys and Milwaukee County. The purpose of this letter is to set forth certain understandings not expressed in the recently agreed to Memorandum of Agreement for 2009-2011.

The parties agree that in the event any other group of Milwaukee County employees (excluding those employees represented by the Building Trades and FNHP), receives a wage increase for 2011, the parties may reopen collective bargaining on the existing labor agreement on the sole topic of wages for 2011.

The parties further agree that the ten (10) additional furlough days approved by the Milwaukee County Executive and County Board for 2010 shall be rescinded. The twelve (12) furlough days included in the adopted 2010 Milwaukee County remain in full force and effect.

The parties further agree that there shall be no layoffs of bargaining unit employees in 2010 unless the funding source for such employees is diminished by actions of the state and/or federal government.

Finally, the parties agree that in the event collective bargaining agreements or arbitration decisions covering a majority of represented Milwaukee County employees include pension modifications that are not in agreement with the provisions of Org. Unit 1972, revisions to these ordinances shall be drafted within ninety (90) days to match those settled or arbitrated pension modifications, subject to approval by the County Board and County Executive.

Execution of this Side Letter by the respective signers, below, represents that each of them is authorized to both execute this Letter and commit their respective principals.

David Pruhs Date
President
Association of Milwaukee County Attorneys

Gregory L. Gracz Date
Director of Labor Relations

May 6, 2010

David Pruhs
President
Association of Milwaukee County Attorneys
901 N. 9th St., Room 707
Milwaukee, WI 53233
(414) 278-4413

Mr. Greg Gracz
Milwaukee County Director of Labor Relations
901 N. 9th St., Room 210
Milwaukee, WI 53233

Dear Mr. Gracz:

The Association of Milwaukee County Attorneys Association (Association) has ratified the contract proposal and side letter made by Milwaukee County on March 29, 2010. Please contact me regarding arrangements to sign the contract. My phone number is 278-4413, and my email is david.pruhs@wicourts.gov. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "David Pruhs", with a long horizontal flourish extending to the right.

David Pruhs

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(ITEM) From Director, Division of Labor Relations, submitting documents relating to the tentative agreement with Association of Milwaukee County Attorneys, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the negotiation staff of the Personnel Committee of the Milwaukee County Board of Supervisors and the Association of Milwaukee County Attorneys, have reached agreements on all issues relating to wages, hours, and conditions of employment for employees in the bargaining unit represented by the Association of Milwaukee County Attorneys, and for the period January 1, 2009 through December 31, 2011, modifying the previous agreement in the following respects:

- (1) Providing for the termination of the Agreement on December 31, 2011.
- (2) Providing for no step increases for a twelve month period commencing on approximately June 1, 2010.
- (3) Providing for the creation of a new pay range called 28Z, with the following steps and hourly rates: step 1-\$25.93, step 2-\$26.27, step 3-\$27.52, step 4-\$28.74, step 5-\$30.13, effective December 27, 2009. Providing, for all positions of Court Researcher Coordinator (pay range 24C) being reallocated to the newly created pay range 28Z in step four (4) effective December 26, 2010.
- (4) Effective on the execution date of this agreement all members shall have future years of pension service credited at a one point six percent (1.6%) annual multiplier.
- (5) Normal retirement age for a member whose initial membership in the retirement system began on or after January 1, 2010 shall be age sixty-four (64).
- (6) Providing for all employees enrolled in the PPO health insurance plan shall pay ninety dollars (\$90.00) per month toward the monthly cost of a single plan and one hundred eighty dollars (\$180.00) per month toward the monthly cost of a family plan effective following ratification of the 2009-2011 contract and an open enrollment period with a target date of June 1, 2010.
- (7) Providing for all employees enrolled in the PPO health insurance plan shall pay one hundred ten dollars (\$110.00) per month toward the monthly cost of a single plan and two hundred twenty dollars (\$220.00) per month toward the monthly cost of a family plan effective January of 2011.
- (8) Providing for all employees enrolled in the HMO health insurance plan shall pay fifty dollars (\$50.00) per month toward the monthly cost of a single plan and one hundred dollars (\$100.00) per month toward the monthly cost of a family plan effective following ratification of the 2009-2011 contract and an open enrollment period with a target date of June 1, 2010.

- 44 (9) Providing for all employees enrolled in the HMO health insurance plan shall pay
45 seventy dollars (\$70.00) per month toward the monthly cost of a single plan and
46 one hundred forty dollars (\$140.00) per month toward the monthly cost of a
47 family plan effective January of 2011.
- 48 (10) Providing for all employees and/or their dependents enrolled in the PPO health
49 insurance plan the out-of-network co-insurance co-payment shall be equal to
50 thirty percent (30.00%) of all charges subject to the applicable out-of-pocket
51 maximum effective following ratification of the 2009-2011 contract and an open
52 enrollment period with a target date of June 1, 2010.
- 53 (11) Providing for all employees and/or their dependents enrolled in the PPO health
54 insurance plan shall have an in network deductible equal to two hundred fifty
55 dollars (\$250) per insured, per calendar year, seven hundred fifty dollars (\$750)
56 per family, per calendar year, effective following ratification of the 2009-2011
57 contract and an open enrollment period with a target date of June 1, 2010.
- 58 (12) Providing for all employees and/or their dependents enrolled in the PPO health
59 insurance plan shall have an out-of-network deductible equal to five hundred
60 dollars (\$500) per insured, per calendar year, one thousand five hundred dollars
61 (\$1,500) per family, per calendar year, effective following ratification of the 2009-
62 2011 contract and an open enrollment period with a target date of June 1, 2010.
- 63 (13) Providing for all employees in the HMO and PPO health insurance plan, the
64 emergency room co-payment in-network or out-of-network shall increase to one
65 hundred dollars (\$100), effective following ratification of the 2009-2011 contract
66 and an open enrollment period with a target date of June 1, 2010.
- 67 (14) Providing for all employees enrolled in the PPO health insurance plan the
68 maximum out-of-pocket expenses shall increase to two thousand dollars (\$2,000)
69 in network under a single plan, three thousand five hundred dollars (\$3,500) out-
70 of-network under a single plan, three thousand five hundred dollars (\$3,500) in
71 network under a family plan, six thousand dollars (\$6,000) out-of-network under a
72 family plan effective following ratification of the 2009-2011 contract and an open
73 enrollment period with a target date of June 1, 2010.
- 74 (15) Effective January 1, 2011 the Seminar Reimbursement will be increased to
75 \$700.00 from \$600.00. Effective January 1, 2011 the Seminar Reimbursement
76 will include the special assessments that are included in the annual dues
77 statement from the Wisconsin Bar Association
- 78 (16) Providing as soon as administratively practicable after the ratification and
79 adoption of this agreement, The Milwaukee County Direct Deposit Program shall
80 be utilized by all employees in the bargaining unit.

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82 WHEREAS, such agreement was ratified by the membership of Association of
83 Milwaukee County Attorneys on May 06, 2010; and

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85 WHEREAS, the Committee on Finance and Audit, on XXXX XX, 2010,
86 recommended approval (vote X-X) of the Association of Milwaukee County Attorneys
87 agreement; and

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WHEREAS, the Committee on Personnel, on ZZZZ ZZ, 2010, recommended approval (vote X-X) of the Association of Milwaukee County Attorneys agreement; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby approves the agreement on wages, benefits and conditions of employment with Association of Milwaukee County Attorneys which is incorporated herein by reference to this File No. 10-XXX, and hereby authorizes and directs the County Executive and the County Clerk to execute the agreement; and

BE IT FURTHER RESOLVED that the Director of the Department of Administration is hereby authorized and directed to prepare and submit appropriation transfer requests reflecting this agreement at a later date, if necessary.