

ADOPTED 2007 BUDGET

DEPT: DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS –
FACILITIES MANAGEMENT

UNIT NO. 5700

FUND: Internal Service Fund - 0031

OPERATING AUTHORITY & PURPOSE

The Facilities Management section of the Department of Transportation and Public Works (DTPW) provides property management, tenant services and maintenance, security and skilled trades services to various private entities and County departments. Facilities Management is the steward of such County owned properties as the Courthouse Complex (Courthouse, Safety Building,

Criminal Justice Facility, St. Anthony's, 6th & State Parking Area and the surface lot located at the former Annex site), County Grounds buildings (Child Adolescent Treatment Center (CATC) and Children's Court), City Campus and the Electric, Sanitary Water & Sewer and Storm systems on the County Grounds.

BUDGET SUMMARY				
Account Summary	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Personal Services (w/o EFB)	\$ 8,474,934	\$ 8,772,503	\$ 6,917,827	\$ (1,854,676)
Employee Fringe Benefits (EFB)	4,965,041	5,033,919	8,482,501	3,448,582
Services	6,505,399	6,620,755	5,521,730	(1,099,025)
Commodities	1,427,008	1,186,620	659,691	(526,929)
Other Charges	1,114,916	1,238,361	1,231,862	(6,499)
Debt & Depreciation	4,839,729	2,619,900	2,555,200	(64,700)
Capital Outlay	680,130	637,373	800,000	162,627
Capital Contra	0	0	0	0
County Service Charges	18,306,594	16,914,176	16,413,972	(500,204)
Abatements	(15,706,659)	(14,430,229)	(14,399,792)	30,437
Total Expenditures	\$ 30,607,092	\$ 28,593,378	\$ 28,182,991	\$ (410,387)
Direct Revenue	4,796,583	4,978,094	5,390,679	412,585
State & Federal Revenue	0	0	0	0
Indirect Revenue	8,709,540	8,275,393	5,393,608	(2,881,785)
Total Revenue	\$ 13,506,123	\$ 13,253,487	\$ 10,784,287	\$ (2,469,200)
Direct Total Tax Levy	17,100,969	15,339,891	17,398,704	2,058,813

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Central Service Allocation	\$ 329,543	\$ 308,271	\$ 274,754	\$ (33,517)
Courthouse Space Rental	0	0	0	0
Tech Support & Infrastructure	54,040	40,007	42,411	2,404
Distribution Services	103	50	44	(6)
Telecommunications	32,001	36,813	24,184	(12,629)
Record Center	0	0	0	0
Radio	230,712	198,125	211,977	13,852
Computer Charges	17,250	18,820	9,308	(9,512)
Applications Charges	56,354	29,268	36,329	7,061
Total Charges	\$ 720,003	\$ 631,354	\$ 599,007	\$ (32,347)
Direct Property Tax Levy	\$ 17,100,969	\$ 15,339,891	\$ 17,398,704	\$ 2,058,813
Total Property Tax Levy	\$ 17,820,972	\$ 15,971,245	\$ 17,997,711	\$ 2,026,466

* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the "total" amount of tax levy support for this Department.

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PERSONNEL SUMMARY				
	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Personal Services (w/o EFB)	\$ 8,474,934	\$ 8,772,503	\$ 6,917,827	\$ (1,854,676)
Employee Fringe Benefits (EFB)	\$ 4,965,041	\$ 5,033,919	\$ 8,482,501	\$ 3,448,582
Position Equivalent (Funded)*	164.5	172.0	148.9	(23.1)
% of Gross Wages Funded	93.4	96.0	95.0	(1.0)
Overtime (Dollars)**	\$ 319,190	\$ 67,044	\$ 67,045	\$ 1
Overtime (Equivalent to Position)	1.7	1.4	1.4	0.0

* For 2005 Actuals, the Position Equivalent is the budgeted amount.

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

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Fringe Benefits)
Administrative Asst	Transfer	1/1.0	Parks	\$ (35,037)
Clerical Assistant 1	Transfer	1/1.0	Facilities Operations	36,580
Administrative Asst 4	Create	1/1.0	Facilities Operations	71,133
Facility Wkr 4-Hourly	Create	12/12.0	Facilities Operations	0
Facility Wkr Security (HRLY)	Abolish	12/12.0	Security	(121,380)
Stores Clerk 3	Abolish	1/1.0	Facilities Operations	(38,400)
Carpenter	Abolish	1/1.0	Facilities Operations	(58,250)
Steamfitter Welder	Abolish	1/1.0	Facilities Operations	(66,956)
			TOTAL	\$ (212,310)

MISSION

The mission of DTPW – Facilities Management is to ensure that all County owned buildings are clean, safe, user-friendly, and meet the needs of all tenants, employees and the general public.

DEPARTMENT DESCRIPTION

DTPW – Facilities Management provides services and performs functions in two areas: maintenance operations and property management.

The Maintenance Operations Unit is responsible for buildings, grounds and mechanical systems for all facilities under the stewardship of Facilities Management. The functions include daily custodial and repair services, grounds care and snow removal, provision of centralized electrical, mechanical and engineering services, security operations, and maintenance of the various utility distribution systems.

The Management Services Unit is responsible for property management and lease administration functions for Facilities Management. Unit functions include management of land and building leases for the Courthouse, Criminal Justice Facility, Safety Building, St. Anthony's, City Campus, Children's Court Center and Child & Adolescent Treatment Center (CATC). In addition, this unit acts as a liaison between the County and major tenants, such as the Milwaukee Regional Medical Center (MRMC) and We Energies.

Facilities Management is responsible for operating all buildings on a 24/7 basis. Especially, the County facilities (Criminal Justice Facility, Community Corrections, Children's Court and CATC) that have service activity on a constant basis.

BUDGET HIGHLIGHTS

- Personnel Services increased by \$1,593,906, from \$13,806,442 to \$15,400,328.

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- For 2007, Facilities Management has the following position actions: transfer out of one Administrative Assistant, transfer in one Clerical Assistant 1, create one Administrative Assistant IV, create 12 Facility Worker IV-Hourly, abolish 12 Facility Worker Security-Hourly, abolish one Stores Clerk III, abolish one Carpenter, abolish one Steamfitter Welder.
- One position of Clerical Assistant 1 will be transferred from the Parks to Facilities Management and one position of Administrative Assistant will be transferred from Facilities Management to Parks, to realize staff as a part of the de-merger of the Department of Parks and Public Infrastructure (DPPI).
- A significant number of positions, including 68 positions for housekeeping and security functions in Org. 5700 – DPW – Facilities Management, and 58 positions of Park Maintenance Worker I and one position of Horticulturist in Org. 9000 – Parks Department, are authorized in the 2007 Budget but are either not funded or only partially funded. The American Federation of State, County and Municipal Employees (AFSCME) union represents the employees currently serving in these positions. Due to countywide fiscal constraints, including a strict state-imposed tax levy limit, full funding for these positions is not achievable. It is recognized, however, that these services are vital to the successful operation of Milwaukee County government and the citizens it serves.

The Directors of DPW and Parks, upon approval of this Budget, are authorized and directed to develop alternative plans to providing these services in 2007. The Directors of DPW and Parks are directed to furnish an informational report to the County Board's Committees on Finance and Audit, Parks, Energy and Environment and Transportation, Public Works and Transit for their January 2007 meetings as to the status of such efforts to provide these services in 2007.

At the time the 2007 Budget was adopted, Milwaukee County was involved in interest arbitration proceedings with its employees

represented by AFSCME for a labor agreement covering 2005-06. All of the County's other represented and non-represented employees and retirees are operating under a new wage and fringe benefit package that concludes at the end of 2006. (The Milwaukee County Fire Fighters' Association has agreed to the fringe benefit package, but is arbitrating its wage increase.) The 2007 Budget for Org. Unit 1950 – Employee Fringe Benefits is funded under the presumption that health care savings from the new health care plan design will not be realized from AFSCME members in 2007. In addition, wages for AFSCME positions contained in the 2007 Budget do not include the 4% (2% + 2%) raises that are anticipated to be provided as part of the 2005-06 labor agreement.

Each budget narrative recites state law that "departments are required to operate within their expenditure appropriations and their overall budgets." In light of this language, it is likely that layoff notices will be issued to employees in affected positions prior to the beginning of 2007. If the County prevails in interest arbitration, or a voluntary settlement is reached that approximates the savings anticipated by the County in its last final offer, sufficient monies may be available on an annualized basis to fund the housekeeping/security, park maintenance worker and horticulturist positions. This is primarily due to savings associated with the new health care design changes that are anticipated in Org. 1950– Employee Fringe Benefits budget.

It is important to note, however, that the savings anticipated from the health care design changes must first pay for the 4% wage "lift" anticipated for all AFSCME positions that is anticipated in the 2005-06 labor agreement. Additional savings, if any, could be used to help offset the cost of funding the affected positions, as noted above. However, the timing of such a decision by the arbitrator, or voluntary settlement, and any actual savings to the County, will dictate the number of positions that will need to be laid off, if any, in order to operate within the expenditure appropriations provided to the department. If neither an interest arbitration nor a voluntary settlement is reached prior to January 1, 2007, it is highly unlikely that actual savings will be sufficient to fully fund the housekeeping/security

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park maintenance worker and horticulturist positions for the entire year.

- The Governmental Accounting Standards Board (GASB) statement number 45 (GASB-45), issued in 2004, will become effective for Milwaukee County in 2007. This statement establishes standards for the measurement, recognition, and display of Other Post Employment Benefits (OPEB) expenditures and related liabilities. For the County, this OPEB cost is for post retirement health insurance and life insurance benefits for eligible employees. Beginning in 2007, Milwaukee County is required to accrue for the annual cost of OPEB earned by an employee during the year (normal cost) plus the amortization of past service costs earned by an employee prior to the effective date of the new governmental accounting standard. In order to comply with Wisconsin state statutes, proprietary fund departments must follow governmental accounting rules and use accrual accounting. Facilities Management has a budgeted amount of \$1,747,400 for OPEB liability.
- In 2007, Parks Maintenance Services (5730) will be transferred from Facilities Management to the Parks Department. There are 26 skilled trade positions impacted by this transfer (See Parks, Recreation and Culture-Org. 9000, page 9000-5 for details.)
- Facilities Management is responsible for the oversight of the Milwaukee County Grounds including: reviews and approvals for current and future grounds development, oversight of the electric, water & sanitary sewer systems, contractor monitoring, and the management of the storm water basins.
- Facilities Management will examine alternatives for the operation of the Muirdale Building, located in the Milwaukee County Research Park. Operational arrangements could include selling the property, returning the property to the Research Park Board or adjusting revenues to a 'full cost' reimbursement. Currently, the Research Park Board pays Milwaukee County approximately \$223,000 in space rental based on a portion of square footage charges to existing tenants. Annual expenditures to Milwaukee County are estimated at \$444,350, resulting in tax levy support of \$221,350. Facilities Management has raised the issue with the Research Park Board to discuss a possible modification to the current lease.
- For 2007, Milwaukee County discontinues the use of the Eschweiler Buildings (located on the County Grounds) in anticipation of a land sale that includes this property. A tax levy of \$43,869 is budgeted in 2007 to operate the building utilities as required by State and local building codes.
- Parking revenues decrease \$112,523 from \$700,789 in 2006 to \$588,266 in 2007. The revenues consist of the following:
 - New surface lot (former site of Courthouse Annex) of \$89,909 (\$80/month),
 - 6th & State monthly parking of \$68,182 (\$75/month),
 - 6th & State Daily Parking of \$26,515 (35 slots at \$4/day),
 - 6th & State Special Event Parking of \$106,938,
 - Museum lot of \$14,091 (\$75/month),
 - Code 10 Garage, Medical Examiner area and the St. Anthony's dock area of \$18,182 (\$80/month),
 - MacArthur Square parking of \$102,000 (\$85/month), The MacArthur Square parking is directly offset with an expense of \$102,000, which Milwaukee County pays the City of Milwaukee to rent the stalls.
- In 2007, Facilities Management is creating (12) positions of Facility Worker IV – Hourly to deliver meals for the County dietary and food assistant program. Facilities Management has a service contract with the Behavioral Health Division for this function. The positions will only be filled if offsetting revenues from the

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interdepartmental agreement are available to completely offset expenditures

- Contractual Services decreased \$1,099,025, from \$6,620,755 to \$5,521,730
- Commodities decreased \$526,929, from \$1,186,620 to \$659,691. The primary reason is due to the transfer of Parks Maintenance Services skilled trades and reduction in cleaning supplies.
- Capital Outlay increased \$162,627 from \$637,373 to \$800,000 for the first year of a ten-year replacement program for valves and other minor non-capital items. This allocation is associated with the County Grounds water utility, which is fully paid for by all County and non-County users. In addition, \$288,730 has been budgeted to address unanticipated repairs.
- Depreciation decreased \$64,700, from \$2,619,900 to \$2,555,200.
- Crosscharges decrease \$501,681, from \$16,914,176 to \$16,412,495. This is primarily due to the transfer of Parks Maintenance Services to the Department of Parks and reductions in the Fleet Management services.
- Revenues decrease by approximately \$2,469,200, from \$13,253,487 to \$10,784,287.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

ACTIVITY AND STATISTICAL SUMMARY

	2005 <u>Actual</u>	2006 <u>Budget</u>	2007 <u>Budget</u>
Work Orders Logged on System*	26,575**	21,500	N/A
Time and Materials Orders - Facilities Related	71	55	150
Time and Materials Orders - Non-Facilities Related	62	49	150

Time & Material 2005 Numbers do not include items done for the Parks Department
 Time & Material 2007 increase primarily related to staffing loses and the greater use of T&M vendors.
 ** Work Orders for 2005 include Parks Services Work Orders