

COUNTY EXECUTIVE'S 2008 BUDGET

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

UNIT NO. 1151
FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

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

Resources, Labor Relations, Office for Persons with Disabilities, Economic and Community Development, and Employee Benefits. The Fiscal Affairs Division is responsible for preparing and monitoring the County's annual operating and capital budgets and for preparing the County's Official Statements relating to debt issuance. It performs the County's accounting functions, which include centralized payroll, accounts payable, preparation of County financial statements, and determination of financial and cost accounting policies.

BUDGET SUMMARY				
Account Summary	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Personal Services (w/o EFB)	\$ 2,455,151	\$ 2,528,506	\$ 2,886,853	\$ 358,347
Employee Fringe Benefits (EFB)	1,383,083	1,642,698	1,753,002	110,304
Services	144,101	180,202	299,410	119,208
Commodities	17,550	10,520	10,970	450
Other Charges	1,045	1,200	1,200	0
Debt & Depreciation	0	0	0	0
Capital Outlay	7,747	0	0	0
Capital Contra	0	0	0	0
County Service Charges	633,546	623,570	575,509	(48,061)
Abatements	(1,425,598)	(1,687,170)	(1,223,823)	463,347
Total Expenditures	\$ 3,216,625	\$ 3,299,526	\$ 4,303,121	\$ 1,003,595
Direct Revenue	62,780	11,000	11,000	0
State & Federal Revenue	0	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 62,780	\$ 11,000	\$ 11,000	\$ 0
Direct Total Tax Levy	3,153,845	3,288,526	4,292,121	1,003,595

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Central Service Allocation	\$ 13,278	\$ 12,485	\$ 0	\$ (12,485)
Courthouse Space Rental	243,480	242,289	0	(242,289)
Tech Support & Infrastructure	194,295	156,163	0	(156,163)
Distribution Services	2,577	5,638	0	(5,638)
Telecommunications	11,047	7,771	0	(7,771)
Record Center	5,941	8,459	0	(8,459)
Radio	0	0	0	0
Computer Charges	30,304	17,634	0	(17,634)
Applications Charges	85,893	86,143	0	(86,143)
Apps Charges - Network	0	0	0	0
Apps Charges - Mainframe	0	0	0	0
HRIS Allocation	11,681	13,306	0	(13,306)
Total Charges	\$ 598,496	\$ 549,888	\$ 0	\$ (549,888)
Direct Property Tax Levy	\$ 3,153,845	\$ 3,288,526	\$ 4,292,121	\$ 1,003,595
Total Property Tax Levy	\$ 3,752,341	\$ 3,838,414	\$ 4,292,121	\$ 453,707

* In 2006 and 2007, these costs were included in other charging departmental and non-departmental budgets. They were reflected here to show the "total" amount of tax levy support for this Department. In 2008, these costs are budgeted within the receiving department to show the tax levy cost in the department.

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PERSONNEL SUMMARY				
	2006 Actual	2007 Budget	2008 Budget	2007/2008 Change
Personal Services (w/o EFB)	\$ 2,455,151	\$ 2,528,506	\$ 2,886,853	\$ 358,347
Employee Fringe Benefits (EFB)	\$ 1,383,083	\$ 1,642,698	\$ 1,753,002	\$ 110,304
Position Equivalent (Funded)*	44.6	44.2	47.0	2.8
% of Gross Wages Funded	96.3	97.5	96.6	(0.9)
Overtime (Dollars)**	\$ 25,843	\$ 0	\$ 0	\$ 0
Overtime (Equivalent to Position)	0.5	0.0	0.0	0.0

* For 2006 Actuals, the Position Equivalent is the budgeted amount.

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

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Social Security & Fringe)
Accounting Manager	Create	1/0.5	Accounting Admin	\$ 33,127
Capital Budget Analyst	Abolish	1/1.0	Fiscal Affairs - Admin	(46,235)
Admin Spec. (Fiscal Affairs) NR	Fund	1/1.0	Fiscal Affairs - Admin	46,770
Capital Finance & Plan Analyst	Create	1/1.0	Fiscal & Strategic Svcs	46,235
			TOTAL	\$ 79,897

MISSION

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

OBJECTIVES

- Reconcile list of authorized positions between the County Budget system and DHR's position control system.
- Expand and enhance the County Financial Website and other automation initiatives.
- Coordinate a set of strategic planning initiatives that are deemed essential to the county's ability to responsibly and effectively address its long-term fiscal challenges and facility needs.

DEPARTMENT DESCRIPTION

Administration. The Director is responsible for coordinating the operations of the divisions, including Procurement, Information Management

Services, Fiscal Affairs, Risk Management, Human Resources, Labor Relations, Employee Benefits, Office for Persons with Disabilities, and Economic and Community Development.

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

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all new position requests, with reports and recommendations submitted to County Board committees; (b) fiscal studies for the County Executive and County Board committees, including fiscal impact of legislative bills; and (c) special studies for the County Executive and County Board committees.

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

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

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

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

Accounts Payable is responsible for establishment of County-wide payment procedures, coordination with the Procurement Division, encumbrances of purchases, payment of vendor invoices, development and maintenance of the accounts payable system, and technical assistance to departments. In addition, Accounts Payable monitors payments

to ensure that purchasing regulations have been followed by departments and unencumbered appropriation balances to ensure that the County has sufficient appropriations available for each payment.

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

BUDGET HIGHLIGHTS

- Personal Services expenditures without fringe benefits increase \$358,347, from \$2,528,506 to \$2,886,853.
- DAS – Fiscal Affairs requested an opinion from the County's Bond Counsel regarding charging staff costs (including salary, social security and fringe benefits) for capital finance matters related to the bond financings. Based on the opinion, DAS estimates that approximately 60 percent of staff time in the DAS Capital Finance Section is allocated to capital finance related tasks eligible to charge to the bond issues. As part of this initiative, 1.0 FTE position of Capital Analyst is abolished, 1.0 FTE position of Capital Finance Planning Analyst is created, with no net fiscal effect, and an adjustment to Vacancy and Turnover is made. An abatement of \$202,185 is included to account for eligible charge-back costs. The net savings from this initiative is \$116,411.
- In prior years, 1.0 FTE Budget Manager – Aging position was dedicated solely to the Department on Aging. In 2008, this position will be split between the Department on Aging (Non-CMO) and the DAS-Economic and Community Development Division.
- One (1.0 FTE) position of Administrative Specialist (Fiscal Affairs) NR, which was unfunded in 2007, is funded in 2008, for a cost

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of \$70,081 including salary, social security and the active portion of fringe benefits costs.

- The 2008 Fiscal Affairs Budget includes a appropriation of \$80,000 for a set of strategic planning initiatives that are deemed essential to the County's ability to responsibly and effectively address its long-term fiscal challenges. There are three main areas of focus for this initiative in 2008:

- Long-Range Strategic Planning: \$40,000 is included for consulting assistance to be used to assist an anticipated newly formed Long Range Strategic Plan Steering Committee (LRPSC) in defining core County services, and ranking and prioritizing those services so that difficult budget decisions can be made in the context of the County's overall strategic priorities and mission.
- County Government Space and Facilities Plan: \$40,000 is budgeted to hire a professional real estate consultant to assist the Directors of DAS, Economic Development and Transportation and Public Works in developing a countywide space and facilities plan. While the size of the County's full-time workforce has shrunk by nearly 20% during the past five years, it has made few strategic decisions regarding its future space needs. This initiative will include a comprehensive inventory of existing County space used by County departments and leased to outside entities, a comprehensive inventory of parking facilities and needs, an assessment of potential physical consolidation of County departments, and the development of a list of real estate challenges and guiding principles to assist the County in addressing space and real estate needs.
- County Grounds/Milwaukee Regional Medical Center Master Plan: Milwaukee County will work with other members of the Milwaukee Regional Medical Center (MRMC) and community leaders to determine an overall vision for the County Grounds. Milwaukee County played a critical role in planning and developing the MRMC, which is one of the premier

economic engines for the region. Today, key questions have surfaced regarding the County's role as a member of the MRMC and its overall presence on the County Grounds. The Director of Administrative Services is authorized and directed to initiate discussion with the MRMC members regarding their current planning efforts and how those impact the issues the County is facing as it determines its future on the County Grounds, and to report back to the Finance and Audit and Economic and Community Development Committees during 2008 regarding those discussions.

- DAS-Fiscal Affairs has undertaken a review of central fiscal and accounting staff during 2007 in response to issues that have arisen regarding county-wide fiscal monitoring and accounting oversight. That review resulted in the creation of a Deputy Controller position, a Fiscal and Management Analyst position in DAS-Fiscal Affairs and an Accountant IV position in DAS-Economic and Community Development during 2007. The 2008 Budget recommends the following additional actions to enhance central accounting and fiscal oversight:
 - Creation of 1.0 FTE position of Accounting Manager at mid-year (0.5 FTE for 2008) for a cost of \$46,672 including salary, social security and active fringe benefits. This position will work under the direction of the County Controller and the newly created Deputy Controller to provide day to day supervision and monitoring of the accounting and financial reporting activities of departments and to update accounting procedures plus provide training and assistance to County-wide fiscal staff.
 - Increased professional services funding of \$73,500 for specialized accounting services as needed.
 - Creation of 1.0 FTE Capital Finance Planning Analyst position in DAS (noted above) to ensure that the Capital Finance Manager has adequate resources to account for bond proceeds, monitor financing of capital projects and complete

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- due diligence on financing proposals as required by County Ordinance.
- In addition, DAS-Fiscal Affairs has worked with departments to review their accounting and budget staff capacity. The following additional position actions are contained in departmental budgets to further enhance fiscal oversight:
 - Creation of 1.0 FTE Accountant 1 in the County Treasurer's Office to handle basic accounting tasks, freeing higher level accounting staff to manage internet banking and more advanced reporting and monitoring tasks (see Org. 3090 - County Treasurer budget).
 - Creation of 1.0 FTE Quality Assurance Specialist (Billing and Payment) in the Department on Aging - Care Management Organization to focus on reimbursement of State and Federal revenue (see Org. 7990 - Department on Aging – Care Management Organization budget).
 - Creation of 1.0 FTE Performance Evaluator 3 in the Department on Aging - Care Management Organization to monitor regulatory compliance and perform audits of health care claims (see Org. 7990 - Department on Aging – Care Management Organization budget).
 - Creation of 1.0 FTE Public Safety Fiscal Analyst in the Sheriff's Department to assist with fiscal monitoring, budget analysis, and budget compilation (see Org. 4000 – Office of the Sheriff budget).
 - Creation of 1.0 FTE Operations Manager in the HOC that will assume responsibility for fiscal monitoring and budgeting (see Org. 4300 – House of Correction budget).
 - Contractual services increase \$119,208, primarily due to the new Accounting Initiative and the Strategic Planning Initiative. Funding is maintained for outside agency services for the Tax Refund Intercept Program (TRIP) and for consultant services for the BRASS budgeting system.
 - The TRIP program continues to be housed within this Division. All revenue collected through this program is budgeted in County Department budgets and is offset with an administrative crosscharge to recover the administrative costs associated with this program. The County anticipates net revenue of approximately \$142,000 for this program in 2008.
 - Departments have the authority to fill unfunded positions provided they do not incur a salary deficit.
 - ECP positions are not provided step increases or performance awards in 2008 as allowed in County Ordinance Section 17.265 (3).
 - The abatement of Countywide crosscharges is discontinued in 2008. The tax levy previously held in the servicing department is redistributed to the recipient departments in an amount corresponding to the crosscharges. This results in a tax levy redistribution equal to the change in abatements. Due primarily to this change in methodology, direct tax levy for this department increased \$1,003,595. The actual change in tax levy for this department from 2007 is an increase of \$453,707.
 - All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

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