

**COUNTY OF MILWAUKEE**  
**INTEROFFICE COMMUNICATION**

Date: February 21, 2012  
To: Lee Holloway, Chairman, County Board of Supervisors  
From: Chris Abele, County Executive  
Subject: Creation of the Office of the Comptroller

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## **POLICY**

A new Office of the Comptroller was created by 2011 Wisconsin Act 62 (Act 62), which also defines the specific duties and responsibilities of the Comptroller as well as expands the duties of Corporation Counsel. After a full review of current Wisconsin Statutes, Milwaukee County General Ordinances (M.C.G.O.) and current County procedures, the recommendations described below will effectuate Act 62 in Milwaukee County. The actions necessary to effectuate Act 62 are broken down by the specific duties and responsibilities of the Comptroller and Corporation Counsel as defined in Wisconsin Statutes through Act 62.

## **BACKGROUND/ANALYSIS**

### **SECTION A**

**STATUTE:** Wis. Stats. 59.255(2)(a). The comptroller is the chief financial officer of the county, and the administrator of the county's financial affairs. The comptroller shall oversee all of the county's debt.

**RECOMMENDATION:** **Controller.** Strike language in M.C.G.O. 36.02(1) referring to controller so that the position of controller remains until vacated or December 31, 2012, whichever is earlier for purposes of transition if necessary. The Controller position, currently authorized in the Department of Administrative Services – Fiscal Affairs Division will be transferred to the new Office of the Comptroller.

Create 1.0 FTE Comptroller position effective April 1, 2012 (requested under separate action item). As stated above, the position of

controller will remain authorized until vacated by the incumbent or December 31, 2012, whichever is earlier to allow time for transition if necessary.

**Debt.** Debt oversight by the comptroller will be maintained at the level of oversight held by the previous controller, including all year-end reconciliations and audit review of banking transactions. The comptroller will maintain access to all records created in the Department of Administrative Services (DAS) pursuant to Wisconsin Statutes 59.60(4) and 59.60(5) and M.C.G.O. 56.26 regarding capital financing. Daily management of the capital finance budget and debt service budget will remain with the DAS. Pursuant to Wisconsin Statutes, DAS will continue to issue bonds with authority from the County Board.

**IMPACT:** The change in Wisconsin Statutes does not require any change in current duties and responsibilities within the County for capital financing and debt management. Therefore, there is no anticipated impact from this change.

## **SECTION B**

**STATUTE:** Wis. Stats. 59.255(2)(b). The comptroller shall appoint one deputy to aid the comptroller, under the comptroller's direction, in the discharge of the duties of the office of comptroller. A deputy appointed under this paragraph may be removed only for just cause. The appointment shall be in writing and shall be filed and recorded in the comptroller's office. Such deputy, in the absence of the comptroller from the comptroller's office or in case of a vacancy in said office or any disability of the comptroller to perform the duties of the office of comptroller, unless another is appointed therefor as provided in par. (c), shall perform all of the duties of the office of comptroller until such vacancy is filled or such disability is removed. The person so appointed shall take and file the official oath. The person shall file his or her appointment with the clerk. The board may, at its annual meeting or at any special meeting, provide a salary for the deputy.

**RECOMMENDATION:** Retitle 1.0 FTE Deputy Controller to 1.0 FTE Deputy Comptroller. A request has been made under a separate report to effectuate this recommendation.

**IMPACT:** The position of deputy controller, anticipated to be retitled deputy comptroller, is currently authorized in the DAS – Fiscal Affairs Division and is classified as an Executive Compensation Plan (ECP) position indicating that the position is at will. The position will be transferred to the new Office of the Comptroller. Any attempts to remove any individual appointed to the deputy comptroller position will have to be made pursuant to Wisconsin Statutes which allows removal only for just cause.

### **SECTION C**

**STATUTE:** Wis. Stats. 59.255(2)(c). If any comptroller is incapable of discharging the duties of the office of comptroller, the county executive shall appoint a person, subject to confirmation by the board, comptroller who shall serve until such disability is removed. A person so appointed or appointed to fill a vacancy in the office of comptroller, upon giving an official bond with like sureties as are required of such comptroller, shall perform all the duties of such office, and thereupon the powers and duties of any deputy performing the duties of the last comptroller shall cease.

**RECOMMENDATION:** None.

**IMPACT:** The provisions of Wis. Stats. 59.255(2)(c) will govern any incident where the comptroller is incapable of performing his duties.

### **SECTION D**

**STATUTE:** Wis. Stats. 59.255(d). Each month, at the board's first meeting, the comptroller shall report to the board and the county executive, in writing, the condition of the county's outstanding contracts and of each of the county's funds and the claims payable from the funds. The comptroller shall also file with the county executive and the board each year on or before October 1 a certified and detailed statement of the receipts and disbursements on account of each fund of the county during the preceding fiscal year, specifying the source of each receipt

and the object of each disbursement, and also an estimate of the receipts and disbursements for the current fiscal year.

**RECOMMENDATION: Contracts Reporting.** Amend M.C.G.O. Chapters 32, 44 and 46 to include language that all contracts issued under these chapters must be reported to the comptroller who shall report to the county board and county executive monthly on the condition of these contracts. Modify language in M.C.G.O. 56.30(8) to accurately reflect monthly rather than quarterly reporting of the County's outstanding professional services contracts from the Comptroller and not the DAS under Chapter 56.

**Financial Condition Reporting.** Modify language in M.C.G.O. 56.02(2) to accurately reflect monthly, rather than quarterly, reporting of the County's financial condition from the comptroller and not the DAS and to further define that such reports should continue at minimum the condition of the County's funds, the claims payable from those funds, and the current year receipts and disbursements.

**Year-end Reporting.** Remove the language in M.C.G.O. 32.86 and recreate the language in M.C.G.O. 34.05 to reflect that comptroller shall prepare a year-end report and not the DAS, and to add that the year-end report shall contain a certified and detailed statement of the receipts and disbursements on account of each fund of the county during the preceding fiscal year, specifying the source of each receipt and the object of each disbursement.

**IMPACT:** The controller currently provides a quarterly report on professional services contracts issued pursuant the M.C.G.O. 56.30. Per Corporation Counsel opinion, this role is expanded for the comptroller to include a monthly report of professional services contracts issued pursuant to. M.C.G.O 56.30, blanket contracts issued pursuant to M.C.G.O. Chapter 32, public works contracts issued under M.C.G.O. Chapter 44 and purchase of service contracts issued under M.C.G.O. Chapter 46. This provision will create additional responsibilities for the comptroller on contracts reporting and additional reporting responsibilities of the departments issuing contracts under these chapters.

Per Wisconsin Statutes, the comptroller will be required to provide monthly reports instead of the previously provided quarterly reports on the County's financial condition. The level of financial information required will be more detailed than that provided in previous reports.

## SECTION E

**STATUTE:** Wis. Stats. 59.255(e). The comptroller shall countersign all contracts with the county if he or she determines that the county has, or will have, the necessary funds to pay the liability that the county may incur under the contract. No contract is valid until so countersigned.

**RECOMMENDATION:** Create language in M.C.G.O. Chapters 32, 44, 46 and 56 that no contract is valid until the comptroller has determined that the county has sufficient funds to pay the liability under the contract and that no contract is valid until countersigned by the comptroller.

There is no recommendation to define "countersign." It is the assumption that the newly elected comptroller will define countersign so as to create efficiencies while maintaining fiscal responsibility throughout the county.

**IMPACT:** Contracts issued under M.C.G.O. Chapters 32, 44 and 46 were not previously subject to the review of the controller. Departments issuing contracts under these chapters and Chapter 56 will have additional requirements in validating contracts, including the requirement for the comptroller's countersignature. This amendment to M.C.G.O. Chapter 56 will also apply to all contracts issued by the county board and county executive who were previously exempt from those requirements.

## SECTION F

**STATUTE:** Wis. Stats. 59.255(f). At least monthly the comptroller shall examine the treasurer's accounts as reported and as kept, and shall report to the county executive and board as to their correctness and as to any violation by the treasurer of the treasurer's duty in the manner of keeping accounts or disbursing moneys.

**RECOMMENDATION:** Modify M.C.G.O 15.15 to accurately reflect that the Comptroller shall reconcile all of the treasurer's bank accounts, and that the comptroller shall report an irregularities or violations to the county executive and county board.

**IMPACT:** This responsibility and the employees responsible for this duty are moved from the Department of Audit where they were previously performed to the Office of the Comptroller.

## **SECTION G**

**STATUTE:** Wis. Stats. 59.255(g). Whenever requested to do so by the county executive or board, the comptroller shall provide an independent fiscal analysis of any matter affecting the county, and shall provide the county executive and board with a fiscal note for all proposed legislation.

**RECOMMENDATION:** Modify M.C.G.O. 1.10 to reflect that no resolution or ordinance from any county officer, board or commission shall be considered by the county board, or by any committee thereof to which it has been referred, unless it has attached as a note a reliable estimate of the fiscal effect which has been reviewed and verified by the comptroller.

Modify M.C.G.O 79.02(1) to reflect that the comptroller, and not the DAS, shall have responsibility for providing a fiscal note for all labor contracts.

**IMPACT:** No ordinance currently requires final review of fiscal notes by either the DAS – Fiscal Affairs Division or the controller. In order for any resolution or ordinance to be considered by the county board upon passage of this ordinance change, the resolution or ordinance must contain a fiscal note that has been reviewed and verified by the comptroller.

## **SECTION H**

**STATUTE:** Wis. Stats. 59.255(h). Annually, the comptroller shall prepare a written 5-year financial condition forecast for the county, which shall be distributed to the county executive and the board.

**RECOMMENDATION:** None.

**IMPACT:** This function is currently performed by the DAS – Fiscal Affairs Division. Under Wisconsin Statutes, the comptroller will perform this function. The DAS – Fiscal Affairs Division anticipates working closely with the Office of the Comptroller to ensure the forecast is done in a timely and consistent manner.

## **SECTION I**

**STATUTE:** Wis. Stats. 59.255(i). The comptroller shall perform all audit functions related to county government. The comptroller shall also have the duties and all the powers and responsibilities conferred upon the clerk as auditor under s. 59.47 (1), and shall perform any additional duties and shall have any additional powers as are imposed and conferred upon him or her from time to time by resolution adopted by the board. Audit functions under this paragraph shall be performed in accordance with governmental auditing standards issued by the comptroller general of the United States and generally accepted auditing standards.

**RECOMMENDATION:** Pursuant to Corporation Counsel opinion, strike M.C.G.O Chapter 57 in its entirety to reflect that all audit functions will be the responsibility of the comptroller. Amend M.C.G.O. Chapter 34 to reflect the audit responsibilities the comptroller, as well as all other relevant sections to effectuate the transfer of duties from the director of audit to the comptroller or the from the Department of Audit to the Office of the Comptroller.

**IMPACT:** The duties and responsibilities previously held by the Department of Audit are transferred to the Office of the Comptroller. The current Department of Audit is restructured so that it no longer reports to the County Board but to the Office of the Comptroller; all positions are transferred.

## SECTION J

**STATUTE:** Wis. Stats. 59.255(j). The comptroller shall administer and oversee all shared services contracts.

**RECOMMENDATION:** Create language in M.C.G.O 34.08 defining the responsibility of the comptroller and defining shared services contracts as those defined in Wis. Stats. 66.0301(2).

**IMPACT:** Departments who previously administered and had oversight for shared services contracts will need to work closely with the comptroller to confirm that the terms of the contracts are being met.

## SECTION K

**STATUTE:** Wis. Stats. 59.255(k). The comptroller may in writing, filed in the office of the clerk, appoint a deputy who shall act under the comptroller's direction and in the comptroller's absence or disability, or in case of a vacancy shall perform the comptroller's duties. The deputy shall receive such compensation as the board provides. The acts of a deputy shall be covered by official bond as the board directs.

**RECOMMENDATION:** None.

**IMPACT:** The County currently has 1.0 FTE Deputy Controller in pay grade 902E authorized. A review by the Department of Human Resources has confirmed that this position is duplicative of the deputy comptroller position, so a separate action has been submitted to retitle 1.0 FTE Deputy Controller to 1.0 FTE Deputy Comptroller at the 902E pay grade.

## SECTION L

*(note that this section only refers the Office of the Corporation Counsel)*

**STATUTE:** Wis. Stats. 59.42(2)(b)(5). Review and countersign all contracts to verify that the contracts comply with all statutes, rules, ordinances,

and the county's ethics policy. This subdivision applies only in a county with a population of 750,000 or more.

**RECOMMENDATION:** Modify M.C.G.O. 59.30 to reflect that Corporation Counsel shall be reviewing all contracts for compliance with statutes, rules, ordinances, and the county's ethics policy, and that this policy is applicable to all contracts signed including those in the County Board and County Executive's Office.

**IMPACT:** This provision will create additional review for the Office of Corporation Counsel on contracts. Previously, corporation counsel was reviewing contracts as to form and to determine if they meet the definition of a professional service. Corporation counsel will now need to review to that verify that all contracts are in compliance with all statutes, rules, ordinances, and the county's ethics policy.

## **SECTION M**

**STATUTE:** Wis. Stats. 59.85(2)(d)(2). Annually, the county comptroller under s. 59.255 shall submit to the governor, the department of revenue, and the department of administration, and to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report that includes all of the following:

**RECOMMENDATION:** Modify M.C.G.O. 32.09 and create M.C.G.O 34.10 to accurately reflect that the comptroller, rather than the DAS, is responsible for reporting the following to the State with regards to the pension obligation notes issued: the county's progress in meeting the benchmarks in the strategic and financial plan; any proposed modifications to the plan; the status of any stabilization fund that is established under s. 59.87 (3); the most current actuarial report related to the county's employee retirement system; the amount, if any, by which the county's contributions to the employee retirement system for the prior year is less than the normal cost contribution for that year as specified in the initial actuarial report for the county's employee retirement system for that year; and, the amount that the actuary determines is the county's required contribution to the employee retirement system for that year.

**IMPACT:** This responsibility is moved from the DAS – Fiscal Affairs Division to the Office of the Comptroller.

## **SECTION N**

In order to effectuate the changes in 2011 Wisconsin Act 62, the following position transfers will occur:

From	Low Org	Position #	Title	First	Last	Status
DAS-Fiscal	1158	00004120000001	Accountant 1 - Fiscal Affairs			Unfunded
DAS-Fiscal	1158	00004300000015	Accountant 3	Jannette	Steinke	Funded
DAS-Fiscal	1158	00004300000019	Accountant 3			Funded
DAS-Fiscal	1158	00004350000001	Accountant 4-NR			Unfunded
DAS-Fiscal	1158	00004350000002	Accountant 4-NR			Funded
DAS-Fiscal	1158	00004355000001	Accountant 4 - Treasury Ser NR	Kathy	Sarandos	Funded
DAS-Fiscal	1158	00076980000002	Accting Manager DOA	William	Lochemes	Funded
DAS-Fiscal	1159	00000004000001	Office Supp Asst 1			Funded
DAS-Fiscal	1159	00000007000002	Office Supp Asst 2	Ingrid	Majovski	Funded
DAS-Fiscal	1159	00000073000004	Admin Spec - Fiscal Affairs NR	Eileen	Rossow	Funded
DAS-Fiscal	1159	00004040000001	Fiscal Asst 1			Unfunded
DAS-Fiscal	1159	00004041000002	Fiscal Asst 2	Stephanie	King	Funded
DAS-Fiscal	1159	00004041000003	Fiscal Asst 2	Linda	Williams	Funded
DAS-Fiscal	1159	00004041000004	Fiscal Asst 2	Richard	Tracy	Funded
DAS-Fiscal	1159	00004041000005	Fiscal Asst 2	Linda	Grant	Funded
DAS-Fiscal	1159	00004041000006	Fiscal Asst 2	Catrina	Rodgers	Funded
DAS-Fiscal	1159	00004041000007	Fiscal Asst 2			Unfunded
DAS-Fiscal	1159	00004490000001	Accts Payable Supv Fa	Carprester	Hickmon	Funded
DAS-Fiscal	1159	00004605000001	Accting Manager	Susan	Walker	Funded
DAS-Fiscal	1182	00000068000001	Secretary Nr	Connie	Arnold	Funded
DAS-Fiscal	1182	00004370000001	Accountant 5	Ellen	Ihlenfeldt	Funded
DAS-Fiscal	1182	00004605000004	Accting Manager			Unfunded
DAS-Fiscal	1182	00076150000001	Accting Manager Aging			Unfunded
DAS-Fiscal	1182	00080012000001	Exdir2-Controller	Scott	Manske	Funded
DAS-Fiscal	1182	00080088000001	Exdir1-Deputy Controller			Funded
DAS-Fiscal	1187	00004131000001	Admin Spec - Payroll	Jennifer	Romero	Funded
DAS-Fiscal	1187	00004131000002	Admin Spec - Payroll			Unfunded
DAS-Fiscal	1187	00004151000001	Payroll Specialist 2	Deborah	Delaney	Funded
DAS-Fiscal	1187	00004151000002	Payroll Specialist 2			Funded
DAS-Fiscal	1187	00004605000002	Accting Manager	Sue	Drummond	Funded
Audit	1001	00000007000001	Office Supp Asst 2			Unfunded
Audit	1001	00000017000001	Clerical Asst 2 Nr			Funded
Audit	1001	00004510000001	Perform Evaluator 3			Funded
Audit	1001	00004510000002	Perform Evaluator 3			Unfunded
Audit	1001	00004510000003	Perform Evaluator 3			Unfunded
Audit	1001	00004510000004	Perform Evaluator 3	Sandra	Swan	Funded
Audit	1001	00004510000005	Perform Evaluator 3	Linda	Seroyer-Bryant	Funded
Audit	1001	00004510000006	Perform Evaluator 3			Unfunded
Audit	1001	00004510000007	Perform Evaluator 3			Unfunded
Audit	1001	00004510000008	Perform Evaluator 3	Kaoyouapang	Xiong	Unfunded
Audit	1001	00004671000001	Auditor Asst 3			Funded
Audit	1001	00004671000002	Auditor Asst 3	Laura	Elsinger	Funded
Audit	1001	00076180000001	Dep Dir Audits	Douglas	Jenkins	Funded
Audit	1001	00076190000001	Dir Audits	Jerome	Heer	Funded
Audit	1001	00084910000001	Adm Sec Audit Adm Asst	Cheryl	Hosp	Funded
Audit	1001	00085460000001	Adm Sec Lead Auditor	Narcisia	Bland	Funded
Audit	1001	00085460000002	Adm Sec Lead Auditor			Funded
Audit	1001	00085460000003	Adm Sec Lead Auditor	Lolita	Davis-Spears	Funded
Audit	1001	00085460000004	Adm Sec Lead Auditor			Unfunded
Audit	1001	00085460000005	Adm Sec Lead Auditor	Joseph	Williams	Funded
Audit	1001	00085770000001	Student Intern			Unfunded
Audit	1001	00086750000001	Adm Sec Forensic Audit			Unfunded
Audit	1001	00088590000001	Adm Sec Audit Mgr	James	Felde	Funded
Audit	1001	00088590000002	Adm Sec Audit Mgr	Jere	Trudeau	Funded
Audit	1001	00089870000001	Adm Sec Audit Comp Mgr	Paul	Grant	Funded

Memo re: Creation of the Office of Comptroller

## **RECOMMENDATION**

I respectfully request the approval of the attached resolution and ordinance changes to effectuate the changes necessary for Milwaukee County to be compliant with Wisconsin Statutes.

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Chris Abele, County Executive