

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: March 28, 2014

To: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

From: Josh Fudge, Director, Office of Performance, Strategy and Budget; Department of Administrative Services, on behalf of the Innovation Fund Workgroup

Subject: Recommended Innovation Fund Allocations

Issue

The 2014 Adopted Budget for Non-Departmental Revenues created the Milwaukee County Innovation Fund (Innovation Fund), for the purpose of providing resources for "...one-time projects that will enhance operational efficiencies, reduce ongoing operating or debt service costs, and improve service delivery and the County's long-term fiscal sustainability". The 2014 Adopted Budget created a workgroup (Innovation Fund Workgroup) to solicit applications for projects under the Innovation Fund, which included representatives from the County Board, the Office of the Comptroller, and the Department of Administrative Services – Office of Performance, Strategy and Budget (DAS-PSB). The Innovation Fund Workgroup presents its recommendations for project funding in the attached resolution.

Background

The 2014 Adopted Budget envisioned that funding for such projects would come from a \$5,000,000 payment from the UWM Innovation Park LLC (UWM) for the 2011 sale of 88.9 acres of land in the Northeast Quadrant of the County Grounds for the development of a new College of Engineering and Applied Sciences (Innovation Park); and from an estimated \$680,000 payment by UWM from its sale of land at Innovation Park which is also part of the adopted payment plan.

ITEM	AMOUNT
UWM Payment Per Adopted Payment Plan	\$5,000,000
Proceeds from Hotel Sale	\$680,000
TOTAL Resources:	\$5,680,000
Less: 25 Percent Allocation to Economic Development Fund:	(\$1,420,000)
Less: Allocation for 2014 Adopted Capital Projects	(\$156,000)
NET RESOURCES AVAILABLE:	\$4,104,000

Of the total \$5,680,000 in revenue, the 2014 Adopted Budget directs that 75 of the total, or \$4,260,000, be directed to the Innovation Fund, with the remainder directed to the Economic Development Fund. Of the \$4,260,000 available for the Innovation Fund, \$156,000 is dedicated to two capital projects included in the 2014 Adopted Capital Budget - WO23401-Liquid

Chromatograph Tandem Mass Spectrometer (\$126,000) and WC09501-Courthouse-Masonry (\$30,000). This leaves a net total of \$4,104,000 available for the Innovation Fund, as shown in the chart above.

The County received the \$5,000,000 payment referenced above from UWM on February 6. Seventy-five percent of these funds (\$3,750,000) were transferred to the Allocated Appropriation for Contingencies in the March cycle.

The Innovation Fund Workgroup met in January to agree on evaluation criteria and a scoring process, and solicited project requests from departments. The evaluation criteria awarded points on a 1-10 point scale for:

- Operational Need (Urgency)
- Impact on Customers
- Impact on Operational Efficiency & Budget

In addition, a 5-point bonus was awarded to projects submitted by a combination of two or more departments. The highest score that could be earned by a project therefore was 105 (or 35 points per Innovation Fund Workgroup member).

A total of 35 projects were requested by the deadline of February 28 that would require \$19.4 million in County funding.

The Innovation Fund Workgroup members reviewed and scored the projects individually based on the established criteria, and subsequently met on March 11 to discuss the proposals. A number of follow-up questions were submitted to requesting departments, and based on responses to these questions members finalized their project scores. The total scores earned by projects ranged from 83 to 35. There were projects that scored highly but were not recommended by the Innovation Fund Workgroup, in some cases due to cost considerations or if it was determined that the project was more of an on-going service than a one-time investment.

Recommendation

The Innovation Fund Workgroup recommends funding the following projects in 2014. It is recommended that the projects be split into two tiers of funding. The first tier would be funded with proceeds from the \$5,000,000 payment by UWM that has been actually received. Net of the 2014 Adopted Capital Projects noted above, that amount is approximately \$3,594,000. The second tier would be funded contingent upon the receipt of proceeds from the sale by UWM of land related to the hotel development. This amount is \$510,000. If the funds are not received by the County during 2014, the projects would not be funded and not permitted to commence.

Additionally, it is recommended that projects with a cost of greater than \$50,000 be created as capital projects. The attached resolution authorizes the Office of the Comptroller to create new capital project numbers and then would allow DAS-PSB to transfer the funds from the Allocated Appropriation for Contingencies into these capital projects. Projects with a cost of less than \$50,000 would be funded through departmental operating budgets, and the attached resolution allows DAS-PSB to implement the required fund transfers.

Tier One Recommended Projects:

Department	Project Title	Funding Amount
DAS-Facilities Management (A&E)	Project Management Software	\$200,000
DHHS – Housing Division	AODA Housing Construction	\$500,000
Child Support Services	Data Flow Consulting & Call Center Upgrade	\$187,000*
Zoo	LED Lighting Upgrade	\$8,520
House of Correction & Sheriff	Jail Management System	\$1,165,000
DOT – Highways	Highway Maintenance Billing Software	\$688,675
DAS-PSB, DAS-Procurement, HR	LEAN Government Consulting	\$30,000
DHHS – Disabilities Svcs	Core Competency Training	\$75,000
Parks	Lincoln Memorial Drive Lighting Retrofit	\$128,420
Parks	Tennis Court Lighting Retrofits	\$601,385
TOTAL		\$3,584,000

* = Sixty-six percent of the funding for this project would be provided by federal child support program reimbursement, for a total funding level of \$550,000. The fund transfer that would be authorized in the attached resolution would include \$187,000 in land sales revenue and \$363,000 in federal child support reimbursement.

Tier Two Recommended Projects:

Department	Project Title	Funding Amount
Combined Courts	CCAP Scanning Equipment	\$70,000
Behavioral Health Division	Acute & Children's' Unit Whiteboard Units	\$145,000
Medical Examiner	iSTAT Chemical Analyzer	\$15,000
Medical Examiner	Digital Dental X-Ray Equipment	\$40,000
Parks	Amenities Matching Fund	\$250,000
TOTAL		\$520,000

As noted above, the attached resolution would allow DAS-PSB to process a fund transfer to provide funding to the tier two projects once the proceeds are actually received by the County.

The attached resolution also requires the departments listed above to provide informational reports to the policy committees of the County Board of Supervisors and to the County Executive by the October 2014 committee cycle. The resolution requires that these reports provide information on the progress towards implementation, impacts on service, etc.

The Innovation Fund Workgroup would like to thank all of the departments and offices that submitted projects. All of the requests had merit and these allocations represent our best effort to ensure the best return on investment for the County, the best improvement in operations for departments, and the best improvement in services for impacted customers.

Prepared by:

Josh Fudge, Director
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