



**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

Office of the Comptroller  
**Scott B. Manske, Comptroller**

**DATE :** September 8, 2016  
**TO :** Theodore Lipscomb, Sr., Chairman, County Board of Supervisors  
**FROM :** Scott Manske, Milwaukee County Comptroller  
**SUBJECT :** Update on Financials for My Choice Family Care transition

County Board File No. 16-199 authorized the execution of an Asset Transfer Agreement (ATA) between Milwaukee County and My Choice Family Care (MCFC) as a part of the separation of the My Choice Family Care Program from Milwaukee County. This informational report was requested to inform the Committee of the financial transactions being undertaken to complete the separation of My Choice Family Care from Milwaukee County. The table below provides an update to the figures estimated in the ATA.

<b>My Choice Family Care Asset Transfer Balance</b>			
<b>Description:</b>	<b>Feb-16 Estimated Costs</b>	<b>Aug-16</b>	<b>Variance</b>
Appraised value of tangible personal property.	\$ 38,010.00	\$ 38,010.00	\$ -
Appraised value of computer hardware and software.	\$ 195,770.00	\$ 195,770.00	\$ -
Appraised value of the information technology platform utilized by MCFC for care. Per S. Manske, P. Bargren, M. Ledger, K. Kreklow memo dated 5/23/16.	\$ 1,024,824.00	\$ 1,240,000.00	\$ 215,176.00
Payment equal to the actuarially determined unfunded pension obligation (legacy costs) for current and retired Program employees, as established by Buck Consulting. This amount includes a proportionate share of the Pension Obligation Bonds issued by Milwaukee County. Per Buck memo dated 7/22/16.	\$ 2,029,190.00	\$ 2,182,784.00	\$ 153,594.00
Payment equal to the accumulated sick leave payout of current Program employees, as established by Milwaukee County Retirement Plan Services and the Comptroller.	\$ 192,501.38	\$ 104,737.35	\$ (87,764.03)
Healthcare premium obligations for now-retired Program employees for which the county will be liable and My Choice employees for which the county will be liable, as 110 established by Willis of Wisconsin Inc. Per Willis memo dated 2/22/16.	\$ 2,113,528.00	\$ 2,057,729.00	\$ (55,799.00)
<b>Total (cash consideration to Milwaukee County)</b>	<b>\$ 5,593,823.38</b>	<b>\$ 5,819,030.35</b>	<b>\$ 225,206.97</b>

The following table depicts the first transfer to My Choice Family Care, net of remaining liabilities to Milwaukee County on September 1, 2016. The final amount to be transferred will be adjusted over the next several months. The final adjustment is not expected to exceed \$250,000. The adjustments would include invoices for services provided to My Choice Family Care prior to the transfer.

<b>My Choice Family Care</b>	<b>Closing Transfer Balance</b>
Adjusted Balance Sheet Balance as of August 24, 2016	\$ 40,081,954.75
Less amount due to Milwaukee County per the Asset Transfer Agreement	\$ (5,819,030.35)
Less remaining WPS payment to be made by Milwaukee County	\$ (2,922,318.54)
Less PP17 payroll actual	\$ (111,787.04)
Less PP18 payroll estimated	\$ (111,787.04)
Less estimated remaining misc. costs	\$ (62,924.40)
<b>Total amount transferred to My Choice Family Care</b>	<b>\$ 31,054,107.38</b>

In addition, Milwaukee County and My Choice Family Care are finalizing two remaining contracts. The first is a Contract for Employee Services to accommodate the remaining staff from Family Care who chose to remain Milwaukee County employees. This contract has an initial term of September 1, 2016 through December 31, 2017 and thereafter it is eligible for two mutually agreed upon one-year renewals. The agreement establishes reimbursement of salaries, health care, pension and crosscharges for payroll and human resources services for the remaining Milwaukee County employees.

The other contract is a lease agreement between Milwaukee County and My Choice Family for the months of September 2016 through December 2016 to enable My Choice Family Care to remain in their current space at the Courthouse. It is anticipated that My Choice Family Care will relocate at the end of December 2016 to an outside entity. The agreement establishes reimbursement for space rental and relevant IMSD charges for computer and telephone usage.

**Committee Action:**

This is an informational report only. The report should be referred to and reviewed by the Committee on Health and Human Needs.



Scott Manske, Milwaukee County Comptroller