

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: March 18, 2021

TO: Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Joe Lamers, Director, Office of Performance, Strategy and Budget,
Department of Administrative Services

SUBJECT: Amendment 1A042 – Overtime and Deficit Reporting Requirements

Request

The Department of Administrative Services – Office of Performance, Strategy, and Budget (DAS-PSB) requests that the County Board approve the attached revision to County Ordinance 56.02 based on Amendment 1A042

Background

Amendment 1A042 to the 2021 Adopted Budget includes the following language:

Beginning in 2021, the Office of Performance, Strategy and Budget shall communicate to department heads and fiscal staff a new policy requiring departments to report to the County Board as soon as its overtime expenditures are projected to exceed either \$1 million or 100 percent of the department's annual overtime appropriation. Departments that have not exceeded their budgeted overtime by 100 percent in two of the four previous fiscal years are exempt from this reporting requirement. DAS-PSB shall develop a proposed ordinance to codify this fiscal reporting policy, similar to the reporting requirement for revenue shortfalls greater than \$75,000 in MCGO Section 56.02, for review and approval by the County Board no later than the April 2021 meeting cycle.

Currently, deficit reporting requirements for departments can be found in both in ordinance and resolution. Departments are to report to the Finance Committee when they expect to deficit in revenue by \$75,000 (MCGO 56.02) or surplus in revenue by \$100,000 (File 86-666). There are no reporting requirements related to expenditures deficits or overtime deficits. The result of the current policies has been a low compliance rate by departments.

Discussion at the November 4, 2020 meeting of the Finance Committee indicated interest in DAS-PSB reviewing department reporting requirements in Ordinance and making recommendations to the Finance Committee in this report. DAS-PSB, in consultation with the Office of the Comptroller, recommends replacing existing departmental reporting requirements with the attached updates to Ordinance 56.02. The two major changes are:

- Departments shall submit a report to the Finance Committee once a net deficit of at least \$100,000 is projected. This report will include the reason for the deficit and the department's plan to offset the deficit. Departments are also required to submit a follow-up report updating the Committee on

the status of the deficit and any changes to their plan to offset the deficit. These reports can be read in conjunction with the monthly year-end projection reports from the Office of the Comptroller.

- Departments are asked to submit a report to the Finance Committee once they project a deficit of at least \$1,000,000 in overtime costs.

Recommendation

PSB recommends that the attached revision to County Ordinance 56.02 be approved.

JOSEPH LAMERS

Joseph Lamers, Director
Office of Performance, Strategy and Budget
Department of Administrative Services