

2
3
4 **A SUBSTITUTE RESOLUTION/ORDINANCE**

5
6 amending Chapter 13 of the Milwaukee County Code of General Ordinances to require
7 Milwaukee County Board of Supervisors approval for all agreements and partnerships
8 with Milwaukee County support groups
9

10
11 WHEREAS, Chapter 13 of the Milwaukee County Code of General Ordinances
12 outlines the procedures by which Milwaukee County engages with outside groups that
13 provide financial or volunteer support to departments; and
14

15 WHEREAS, any group that provides financial assistance to Milwaukee County,
16 including a friends group partnership, must be a nonprofit, obtain 501(c)(3) status, and
17 enter into a written agreement approved by the Milwaukee County Board of Supervisors
18 and Milwaukee County Executive; and
19

20 WHEREAS, those agreements must also include:

- 21
- 22 (a) A statement of purpose and outlining its program activities and related
- 23 utilization of county facilities, personnel, utilities and equipment.
- 24 (b) A provision that if the friends groups participate in a capital improvement
- 25 program, they be a party to a separate written contract setting forth the
- 26 nature, scope and ownership of the improvements, together with the
- 27 responsibility and accountability for planning, fundraising and
- 28 construction.
- 29 (c) Recognition that the county board endorses a policy of open meetings,
- 30 open records, affirmative action and its code of ethics, and expects
- 31 county employes to understand and comply with such policies in working
- 32 with friends groups. Friends groups, their agents and employes shall
- 33 comply with all applicable federal, state and county laws and regulations
- 34 governing conflicts of interest. Recognition that county employes are
- 35 responsible to disclose promptly to the county executive and county
- 36 board information concerning proposed capital plans, operating support,
- 37 promotional plans, programs and activities of friends groups.
- 38 (d) Filing annually, with the office of the comptroller, for public record:
- 39 (1) If the organization's annual gross receipts exceed four thousand
- 40 dollars (\$4,000.00), a copy of its state form 308 (charitable
- 41 organization annual report) submitted to the state department of
- 42 regulation and licensing to comply with s. 440.41, Wis. Stats.

- 43 (2) In addition, if the organization's annual gross receipts exceed
44 twenty-five thousand dollars (\$25,000.00), a copy of its IRS form
45 990 (return of organization exempt from income tax).
46 (3) In addition, if the organization's annual gross receipts exceed fifty
47 thousand dollars (\$50,000.00), a certified, independently audited,
48 financial statement reporting an audit performed in accordance
49 with generally accepted accounting principles.
- 50 (e) Limiting its employees to those engaged in the administration of friends
51 groups and those providing interpretive, educational and visitor services
52 where such activities are specifically set forth in the agreement and are
53 not within the jurisdiction of the county employees. All other persons
54 engaged in county department activities, or who control county funds,
55 assets, employes or programs, shall be county employes whose
56 compensation may be funded by friends group allocations.
- 57 (f) Encouraging all county employes to be a member of friends groups, but
58 avoiding any conflict of interest; employes shall not serve as officers or
59 directors of the friends groups.
- 60 (g) Designating a coordinator or liaison person for the department and the
61 friends group. The department head or designee shall be the county
62 coordinator and shall have authority to administer the agreement on
63 behalf of the county. Friends representative shall be available to county
64 for consultation and assistance.

65
66 ; and

67
68 WHEREAS, all cash or gift donations to Milwaukee County by any group or
69 individual must be approved by the Milwaukee County Board of Supervisors; and

70
71 WHEREAS, department heads may agree to a memorandum of understanding
72 with groups that provide only volunteer services, but do not provide any financial
73 assistance or fiscal support, which does not require approval of the County Board or
74 County Executive and are not subject to the provisions laid out above related to
75 nonprofit, 501(c)(3) status, public financial disclosures or open meetings laws; and

76
77 WHEREAS, all agreements that Milwaukee County holds with support groups
78 should be subject to review and oversight by the Milwaukee County Board of
79 Supervisors regardless of whether they provide financial support; and

80
81 WHEREAS, to ensure appropriate stewardship of public assets, all support
82 groups should be required to adhere to the same relationship guidelines and fund
83 management practices and should be aligned with state requirements for nonprofits;
84 and

85

86 WHEREAS, the Committee on Judiciary, Safety, and General Services (JSGS)
87 laid over File No. 21-558 for one meeting (vote 5-0); and
88

89 WHEREAS, the Committee on JSGS, on September 9, 2021, laid over File No.
90 21-558 for one meeting (vote 5-0); and
91

92 WHEREAS, the Committee on JSGS, on October 12, 2021, postponed File No.
93 21-558 to a date certain (October 21, 2021) (vote 5-0); and
94

95 WHERAS, the Committee on JSGS, postponed File No. 21-558 to a date certain
96 (October 29, 2021) (vote 5-0); and
97

98 WHEREAS, the Committee on JSGS, at its meeting of October 29, 2021, laid
99 over File No. 21-558 for one meeting (vote 5-0); and
100

101 WHEREAS, the Committee on JSGS, at its meeting of December 2, 2021,
102 recommended adoption of File No. 21-558 as substituted (vote 5-0); and
103

104 WHEREAS, the Milwaukee County Board of Supervisors, at its meeting of
105 December 16, 2021, referred File No. 21-558 to the Committee on Parks, Energy, and
106 Environment (vote 14-3); and
107

108 WHEREAS, the Committee on PE&E, at its meeting of January 25, 2022,
109 recommended adoption of File No. 21-558 as substituted (vote 4-0); now, therefore,
110

111 BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby
112 requests that all agreements with support groups comply with the provisions of Chapter
113 13 of the Milwaukee County Code of General Ordinances; and
114

115 BE IT FURTHER RESOLVED, that the Milwaukee County Board of Supervisors
116 hereby amends Chapter 13 of the Milwaukee County Code of General Ordinances by
117 adoption of the following:
118

119 **AN ORDINANCE**
120

121 The County Board of Supervisors of the County of Milwaukee does ordain as follows:
122

123 **SECTION 1.** Chapter 13.01 of the Milwaukee County Code of General Ordinances is
124 amended as follows:
125

126 13.01. – Declaration of policy.

127 The role of ~~friends groups~~ **Support Groups** is important to **the success of**
128 many county departments. Some departments ~~possibly could~~ **might** not survive
129 without full participation of the private sector in furnishing additional funding for capital

130 projects, special programs, and operating needs. ~~Friends groups~~ Support Groups
131 add substantially to the limited resources available from the tax base. The general
132 public is greatly benefited through improved facilities and programs. The county has
133 always welcomed and encouraged the establishment of ~~friends groups~~ Support
134 Groups. By establishing these guidelines, the county hopes to enhance mutual
135 understanding of particular needs and concerns with its ~~friends groups~~ Support
136 Groups, and establish a fair and consistent policy with them, while maintaining a
137 clear separation between the county and the Support Group, thus assuring a
138 successful, cooperative effort and relationship.

139
140 **SECTION 2.** A new Chapter 13.02 of the Milwaukee County Code of General
141 Ordinances is added as follows:

142
143 **13.02. - Definitions**

144
145 **(a) Support Group means any nonprofit organization with its own governance**
146 **and fiscal structure that exists primarily to support or enhance county**
147 **programs and/or county property either financially and/or through**
148 **volunteer services. Support Group shall also include nonprofit**
149 **organizations with their own governance and fiscal structure that carry**
150 **out Services that are typically performed by the county.**

151
152 **(b) Services include, but are not limited to capital projects, programming, or**
153 **operating activities.**

154
155 **SECTION 3.** Chapter 13.02 of the Milwaukee County Code of General Ordinances is
156 amended as follows:

157
158 **13.023. – Applicability.**

159
160 **(a) The provisions of this policy are applicable to all county department and agency**
161 **heads ~~in interacting with private support organizations (friends groups)~~**
162 **~~formed to provide financial support and volunteer services for an activity of~~**
163 **~~the county or any of its departments or agencies partnering with a Support~~**
164 **~~Group, which partnership is expected to last longer than one year.~~**

165
166 **(b) ~~The relationships with these private support organizations that provide~~**
167 **~~only volunteer services, interpretive and educational assistance, and~~**
168 **~~additions to collections, but do not provide financial support or have a fiscal~~**
169 **~~relationship, shall be established in a memorandum of understanding with~~**
170 **~~the county department head.~~**

171
172 **SECTION 4.** Chapter 13.03 of the Milwaukee County Code of General Ordinances is
173 amended as follows:

174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217

13.034. - Organization—County.

The county public facilities are owned and managed for the benefit of the people of the entire community. Responsibility, authority and accountability for their activities lie in the county executive and the county board; active management lies in the designated department head. The county cannot delegate or contract away its statutory powers and responsibilities. Accordingly, organizational internal controls within a county department are the responsibility of the department head who must adhere to all applicable ordinances, procedures, and ethical standards of county government. Acceptance of all **monetary** gifts to county departments by department heads shall be conditioned upon approval by the county executive and county board, or within parameters established by ordinance. **Acceptance of gifts of physical property with an estimated value of greater than ten thousand dollars (\$10,000) shall be conditioned upon approval by the county executive and county board.**

SECTION 5. Chapter 13.04 of the Milwaukee County Code of General Ordinances is amended as follows:

13.045. - Organization—~~Friends groups~~**Support Groups**.

~~Friends groups are independent organizations having their own governance and fiscal structure.~~ In order to achieve county-wide consistency and fiscal accountability, all ~~friends groups~~ **Support Groups** shall be or shall conduct their fiscal affairs through a nonprofit, nonstock Internal Revenue Code 501(c)(3) tax exempt corporation, structured through articles of incorporation and bylaws, ~~to a~~ **Support Group can** support, assist and promote the activities of a county department or agency under the provisions of a written agreement approved by the department head, the county executive, and the county board.

SECTION 6. Chapter 13.05 of the Milwaukee County Code of General Ordinances is amended as follows:

13.056. - Role of ~~friends groups~~**Support Groups**.

~~Friends groups~~ **Support Groups**, in cooperation with the county department head and within policies, programs, and goals of the department, may raise funds and may provide volunteer assistance and support, both in terms of physical facilities and programs. ~~Friends groups~~**Support Groups** may be considered by the county department head to be the lead volunteer organization for the department, but it shall not prevent the department head from accepting assistance from other ~~groups~~ **Support Groups** where there will be no conflict with agreements executed with ~~friends groups~~ **Support Groups**.

SECTION 7. Chapter 13.06 of the Milwaukee County Code of General Ordinances is

218 amended as follows:

219 **13.067. - Relationship—~~Friends groups~~Support Groups.**

220 Because of their close relationship with public institutions, ~~friends groups acquire~~
221 ~~a quasipublic status. The~~ public often perceives ~~them~~ **Support Groups** to be a
222 functional part and representative of a county department. Public confidence and
223 support is best maintained by adequate disclosure of all activities ~~Basic of the Support~~
224 **Group and clear delineation of roles and responsibilities** to ~~the quasipublic nature~~
225 ~~of friends groups~~ **ensure the independence and separation of the county and**
226 **Support Group. If an organization meets the definition of a Support Group**, the
227 department head shall negotiate a written agreement with ~~each friends group the~~
228 **Support Group** for approval by the county executive and the county board, ~~including:~~
229 **If a Support Group is unable or unwilling to enter into a written agreement with**
230 **the county, the department head shall notify the county board and county**
231 **executive. The requirements of this Chapter may only be waived by action of the**
232 **county board and county executive. The written agreement shall include, at a**
233 **minimum:**

- 234
- 235 (a) A statement of purpose and ~~outlining its an outline of the Support Group's~~
236 program activities and related utilization of county facilities, personnel, utilities,
237 and equipment.
 - 238 (b) A provision that if the ~~friends groups~~**Support Group** participates in a capital
239 improvement program, they be a party to a separate written contract setting forth
240 the nature, scope, and ownership of the improvements, together with the
241 responsibility and accountability for planning, fundraising, and construction.
 - 242 (c) Recognition that the county board endorses a policy of open meetings, open
243 records, affirmative action and its code of ethics, and expects county employes to
244 understand and comply with such policies in working with ~~friends~~
245 ~~groups~~**Support Groups**. ~~Friends groups~~**Support Groups**, their agents and
246 employes shall comply with all applicable federal, state and county laws and
247 regulations governing conflicts of interest. Recognition that county employes are
248 responsible to disclose promptly to the county executive and county board
249 information concerning proposed capital plans, operating support, promotional
250 plans, programs, and activities of ~~friends groups~~**Support Groups**.
 - 251 (d) **Filing A Support Group must file** annually, with the ~~department and the~~ office
252 of the comptroller, for public record:

253

254 (1) If the ~~organization's~~ **Support Group's** annual gross receipts ~~exceed~~
255 ~~four are under twenty-five~~ thousand dollars (~~\$4~~**\$25,000.00**), ~~or under~~
256 ~~fifty thousand dollars (\$50,000.00) if it only solicited contributions in~~
257 ~~the county where its principal office is located,~~ a copy of its state form
258 ~~308 (charitable organization annual report 1943I (affidavit in lieu of~~
259 **Annual Financial Report**) submitted to the state department of regulation
260 and licensing to comply with ~~s. 440.41~~ **Chapter 202**, Wis. Stats.
261 **Subchapter II.**

262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305

(2) In addition, if the ~~organization's~~ **Support Group's** annual gross receipts exceed twenty-five thousand dollars (\$25,000.00), a copy of its IRS form 990 (return of organization exempt from income tax~~-~~) **and a copy of its state form 1952 (Wisconsin Supplement to Financial Report), or state form 308 (Charitable Organization Annual Report), submitted to the state department of regulation and licensing to comply with Chapter 202, Wis. Stats. Subchapter II.**

(3) In addition, if the organization's annual gross receipts ~~exceed fifty thousand dollars (\$50,000.00),~~ **are in excess of three hundred thousand dollars (\$300,000.00), but not more than five hundred thousand dollars (\$500,000.00), a financial statement for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles, and a review of the financial statement by an independent certified public accountant.**

(4) In addition, if the Support Group's annual gross receipts exceed five hundred thousand dollars (\$500,000.00) in the most recently completed fiscal year, a certified, independently audited, financial statement reporting an audit performed in accordance with generally accepted accounting principles, and the opinion of an independent certified public accountant on the financial statement.

(5) The Support Group's adopted budget for the coming year.

(6) A report detailing the amount of the Support Group's pecuniary support and the nature of its operations and hours of volunteer support for the previous year.

(7) An accounting of all single charitable donations over five thousand dollars (\$5,000.00) received by the Support Group in support of its work with the county, which shall include a general description of the amount of the donation, and, if applicable, any donor intent.

(8) An updated copy of the Support Group's bylaws, any amendments to its articles of incorporation, and a list of its officers and directors.

(9) A copy of the Support Group's policies and procedures for internal controls. Internal controls are systems of policies and procedures that protect the assets of an organization, create reliable financial reporting, promote compliance with laws and regulations, and achieve effective and efficient operations.

306 ~~(e) Limiting its employees to those engaged in the administration of~~
307 ~~friends groups and those providing interpretive, educational and~~
308 ~~visitor services where such activities are specifically set forth in the~~
309 ~~agreement and are not within the jurisdiction of the county employes. All~~
310 ~~other persons engaged in county department activities, or who control~~
311 ~~county funds, assets, employes or programs, shall be county employes~~
312 ~~whose compensation may be funded by friends group allocations.~~

313
314 (f) ~~(e) Encouraging all county employes to be a member of~~ Recognition that
315 county employees may be members of friends groups Support Groups, but
316 avoiding shall avoid any conflict of interest ~~employes~~; County employees
317 shall not serve as officers or directors of ~~the friends groups~~ any Support
318 Group.

319
320 (g) ~~(f) A provision~~ designating a coordinator or liaison person for the
321 department and the ~~friends group~~ Support Group. The department head or
322 designee shall be the county coordinator and shall have authority to administer the
323 agreement on behalf of the county. ~~Friends-The Support Group~~ representative
324 shall be available to the county for consultation and assistance.

325
326 (g) A statement that any person who controls county funds, county
327 employees, or other county assets shall be a county employee. If a
328 Support Group wishes to fund such a position, it will do so through the
329 transfer of funds to the Milwaukee County Treasurer rather than direct
330 payments to the employee.

331
332 (h) A statement that the county and Support Group agree that, as
333 independent and separate entities, each shall maintain a staff,
334 management, and fiscal structure independent of the other.

335
336 (i) A provision that allows the county to terminate the agreement for cause.

337
338 (j) A statement that the Support Group understands and will abide by the
339 requirements of Chapter 34 of the ordinances.

340
341 **SECTION 8.** Chapter 13.07 of the Milwaukee County Code of General Ordinances is
342 amended as follows:

343
344 13.078. - Fund management.

345
346 (a) ~~Friends groups~~ Support Groups have authority to solicit, retain, and expend
347 funds they determine are appropriate to their programs and goals. Funds
348 donated to the county by ~~friends groups~~ Support Groups shall be managed ~~so~~
349 ~~as to assure funds raised are used as intended by~~ consistent with the

350 ~~donors~~ **donor's intentions and** consistent with ch. 59, Wis. Stats. Funds
351 transmitted to the county treasurer by ~~friends-groups~~ **Support Groups**, with a
352 description of the intended use, shall be identified as deposited for that purpose
353 and shall be expended only after a fund transfer consistent therewith is
354 authorized.

- 355
- 356 (b) The department head and designees have authority to solicit funds they
357 determine are appropriate to their programs and goals. Such funds shall be
358 payable to the county and may not be accepted by ~~friends-groups~~ **a Support**
359 **Group, unless the donor directs the funds to the Support Group.** Funds
360 payable to the county shall be immediately deposited with the county treasurer
361 in accordance with county procedures. An "appropriation transfer request" by
362 the department head will be required for the release of such funds. The
363 department head, and designees, may participate in solicitations when
364 requested by a ~~friends-group~~ **Support Group.**
- 365 (c) There shall be an accounting with the department **in writing** of the use by each
366 of the other's real or personal property, personnel, utilities, equipment and
367 similar expenses, and provision for the reimbursement of reasonable value
368 thereof, **or explanation if fees are waived.**

369

370 **SECTION 9.** The provisions of this Ordinance shall be effective upon passage and
371 publication.

372
373
374
375
376

01/25/22
s:\committees\2022\january\pe&e\resolutions\21-558 substitute resolution ordinance.docx