

-COUNTY OF MILWAUKEE-
INTEROFFICE COMMUNICATION

DATE : February 19, 2014

TO : Supervisor Marina Dimitrijevic, Chairwoman, Board of Supervisors

FROM : Josh Fudge, Fiscal & Budget Administrator, DAS-Fiscal

SUBJECT : Clarification of Budget Policies Adopted in 2014

REQUEST

During discussion of the fund transfer packet at the January 30 meeting of the County Board Committee on Finance, Personnel and Audit, there was some confusion over the intent and interpretation of financial policies adopted by the County as part of the 2014 budget. The attached resolution seeks to refine that policy to avoid future confusion.

BACKGROUND/ANALYSIS

At the January 30 meeting of the Committee on Finance, Personnel, and Audit, the Comptroller indicated that payments to vendors working on the Courthouse fire project could be disrupted due to a financial policy adopted as part of the 2014 budget. That policy reads in part,

*“Similar to the policy related to land sales, large one-time revenues such as settlements, awards, donations, etc. shall be utilized for one-time projects or acquisitions and **shall not** be used to offset ongoing operating costs. Such revenues shall be budgeted only upon receipt. If no appropriate one-time projects are identified and approved by DAS-PSB, the funds shall supplement the Appropriation for Contingencies.”*

The Office of the Comptroller interpreted this policy to apply to insurance proceeds that are being remitted to the County as reimbursement for eligible costs related to the Courthouse fire recovery project (capital project WO150012), because the proceeds are one-time revenues. Because the proceeds are on a reimbursement-basis, they could not be received before associated expenditures are authorized because they are not received until the expenditures are made.

The Office of the Corporation Counsel has indicated that, for this reason, the above financial policy is not applicable to reimbursable insurance proceeds. However, in order to avoid future confusion surrounding reimbursable proceeds or other occurrences, the attached resolution amends the financial policy to read as follows:

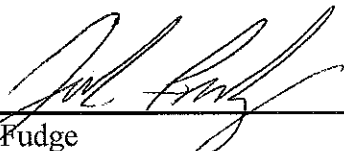
“It shall be the general policy of Milwaukee County that unanticipated one-time revenues shall be applied to one-time expenses, such as a capital project, operating capital project or repayment of outstanding debt. If no suitable one-time use is identified, the funds shall be deposited into the Appropriation for Contingencies”

RECOMMENDATION

In order to avoid future confusion over the use of one-time revenues, it is respectfully requested that the language in the 2014 Adopted Budget be amended as indicated.

FISCAL NOTE

There is no fiscal impact to this change.



Josh Fudge
Director, Office of Performance, Strategy & Budget
Department of Administrative Services

cc: Chris Abele, County Executive
Supervisor Willie Johnson Jr., Co-Chair, Finance, Personnel & Audit Committee
Supervisor David Cullen, Co-Chair, Finance, Personnel & Audit Committee
Scott Manske, Milwaukee County Comptroller
Amber Moreen, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board