

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: April 18, 2013

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution to reform and define the roles and responsibilities of the Milwaukee County Board of Supervisors as the policy-making body and the administrative duties of the County Executive, as determined locally

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will adopt a package of reforms related to the Milwaukee County Board of Supervisors, including better defining the roles and responsibilities of the policy-making Board and the administrative duties of the County Executive.

It should be noted that this resolution outlines a series of reforms that are expected to yield significant fiscal savings; however, the actual savings will be authorized in future resolutions (e.g. 2014 and subsequent annual budgets) as these reforms are enacted. For the purpose of this fiscal note, the fiscal impact of adopting this resolution is \$0.

A 50 percent reduction in the County Board Budget (Org. 1000) is approximately \$3,328,221 based on the 2013 Adopted Budget. Excluding legacy costs of \$1,115,471 allocated to the County Board, a 50 percent budget reduction is approximately \$2,770,485. (See legacy cost below) A 50 percent reduction in authorized staff is approximately 19.2 FTE positions based on the 2013 Adopted Budget. These reductions, per the resolution, will be part of the 2014 Adopted Budget. Savings for the 20 percent reduction in Supervisor salaries and no pension service credit will begin with the new term of office in 2016. Based on an analysis of the 2013 Adopted Budget, a 20 percent reduction in pay with no pension service costs for 18 Supervisors would yield approximately \$351,794 in additional savings on a full-year basis.

This resolution calls for supporting or opposing state legislation that will require existing Intergovernmental relations staff time. This includes:

- Supporting Administrative Home Rule for Milwaukee County
- Opposing Assembly Bill 85 and Senate Bill 95
- Supporting two-year terms for Supervisors

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

- Supporting the deletion of obsolete statutory provisions related to Milwaukee County

In addition, staff time will be required for the following reforms included in the resolution. This includes the following initiatives and impacted department(s):

- Placing County Board research staff into civil service (County Board & Human Resources)
- Abating legacy costs from departments (Comptroller & DAS-Fiscal Affairs)
- Training and informational sessions (County Board & County Executive + various departments)
- County Clerk assumption of Committee Clerk and Committee support staff functions (County Board & County Clerk)
- Examining Comptroller staff needs in order to provide adequate analysis, guidance and advice on County fiscal matters (Comptroller)
- Examining County contracting for further efficiencies (Comptroller)
- Examining merits of County Executive signing or countersigning contracts (Comptroller)
- Adopting conforming County Ordinances to effectuate the portions of this resolution that so require ordinance modifications (County Board and various department staff)

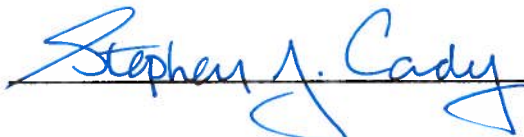
There are also provisions within the resolution that are expected to reduce various county employee staff time. These items include:

- Refraining from referring files, resolutions, reports, etc. to more than one standing committee of the County Board unless otherwise required.
- Increasing the threshold for County Board approval of professional service contracts from \$50,000 to \$100,000.

This resolution transfers Community Business Development Partners (Org. Unit 1040) as a department under the authority of the County Board to the Office of the Comptroller as a separate division effective July 1, 2013. This fiscal note assumes that the fiscal impact of this transfer is neutral. In addition, Intergovernmental Relations staff currently located within the County Board budget would be reclassified and transferred to a new department effective January 1, 2014. Also, the County Clerk would assume Committee Clerk and Committee support functions beginning in 2014. In both of these cases, it is expected that these reductions in County Board expenses will be offset with increased expenses in the new departments for no net fiscal impact.

This resolution also calls for reverting to past practice on the treatment of legacy pension and health costs by abating them out of all county departments, subject to the recommendation of the Comptroller. For 2013, the County Board's legacy cost allocation is \$1,115,471. Previously, legacy costs were presented as part of the Employee Fringe Benefits budget (Org. Unit 1950). These costs would remain a county commitment, subject to the annual changes in these amounts as determined by the County's health care and pension actuaries and verified by the Comptroller.

Department/Prepared By Stephen Cady, Fiscal and Budget Analyst, County Board

Authorized Signature  _____

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required