



DEPARTMENT OF ADMINISTRATIVE SERVICES
Milwaukee County

ACTION REPORT

TO: Chairman Theodore Lipscomb, Sr.

FROM: Teig Whaley-Smith, Director, Department of Administrative Services

RE: Service Cuts related to Amendments 1A001 and 1A035

DATE: December 12, 2017

I. BACKGROUND

The Milwaukee County Board passed Amendment 1A001 (“Amendment 1”) which required \$15.7 Million in cuts to specific departments in the 2018 Milwaukee County Budget.¹ The Milwaukee County Board also passed Amendment 1A035 (“Amendment 35”) which requested:

Prior to enacting any direct service cuts, departments will work with the Department of Administrative Services – Performance, Strategy, and Budget to identify opportunities to re-organize, streamline, consolidate, eliminate, or otherwise reduce duplication and the cost of administrative expenditures within County government. The initiative shall include a review of prior internal and external audits, consulting reports, workgroup activities, and studies. In addition, the effort should include a critical reassessment of any expenditure of contract funds for non-core services.²

¹ See Milwaukee County Board File 17-674 (1A001). Available at <https://milwaukeecounty.legistar.com/LegislationDetail.aspx?ID=3180277&GUID=FF599F65-8F15-47E4-8DF8-FAA7239F5521&Options=ID|Text|&Search=17-674>. See also Memo from DAS Director to Chairman Lipscomb. Informational Report Regarding County Board File 17-674 – 1A001 (Oct. 30, 2017).

² See Milwaukee County Board File 17-674 (1A035). Available at <https://milwaukeecounty.legistar.com/LegislationDetail.aspx?ID=3180277&GUID=FF599F65-8F15-47E4-8DF8-FAA7239F5521&Options=ID|Text|&Search=17-674>.

Since Amendment 35 was passed, the Department of Administrative Services has worked with all departments in the County that received a cut from Amendment 1 to identify opportunities to “re-organize, streamline, consolidate, eliminate, or otherwise reduce duplication and the cost of administrative efforts” by reviewing “prior internal and external audits, consulting reports, workgroup activities, and studies,” as required by Amendment 35. This work has identified approximately \$8.3 of the \$15.7 million cuts that can be made by utilizing 2017 funds or delaying projects to 2019 (See Category 2 below). This is not a recommended strategy as it increases the deficit for 2019 making revenue decisions and expense decisions even more difficult for 2019. This due diligence work has also identified approximately \$6.3 million of identified service cuts which are consistent with the cuts identified in DAS’s October 30 memo to the Board (See Category 4 below). Fund transfers are necessary to restore the services cut by County Board Amendment 1.

The following are the five categories of cuts required by Amendment 1 and their status.

1. **Category 1: Service Cuts Required by Amendment 1, that were resolved by subsequent Board Amendment.** The total of these items is \$1,469,492.
2. **Category 2: Service Cuts Required by Amendment 1, resolved by Administrative Changes.** The total of these items is \$8,336,953. Some of these require action by the Board (e.g. Airport), but do not have a negative impact on the tax levy.
3. **Category 3: Service Cuts Required by Amendment 1, that remain unspecified.** These items total \$477,054.
4. **Category 4: Service Cuts that cannot be handled administratively and will be implemented pursuant to Amendment 35 unless otherwise directed by the Board.** These items total \$6,287,487.

Category 1 items do not require any fund transfers or other action by the Board. Some Category 2 items require approval by the Board, but do not rely on contingency for funding, and have been submitted together with this Report. Category 3 items are unspecified and do not currently require a decision by the Board but may in the future. Category 4 items require fund transfers to be approved by the Board because they rely on contingency. There are not sufficient funds in contingency to cover all Category 4 items, consequently each request has been submitted as a separate file, and the Board will have to prioritize which funding is restored.

II. Category 1: Service Cuts Required by Amendment 1, that were resolved by subsequent board Amendment.

The following items were included as required cuts in Amendment 1, but later either partial or fully restored by subsequent Board Amendment. Consequently, there is no further action required by the Board.

<u>Org Unit</u>	<u>Department</u>	<u>Cut required by Amendment 1</u>	<u>Subsequent Amendment(s)</u>	<u>Description</u>
4000	Sheriff	\$371,292	1A027	\$371,292 restored by increasing inmate call

				from historical high of \$.21 to \$.25 per minute
4300	HOC	\$467,646	1A027	\$467,646 restored by increasing inmate call from historical high of \$.21 to \$.25 per minute
7900	Aging	\$105,554	1A010 1A033	\$130,000 restored Additional \$130,000 added to allocated contingency
Varies	Hwy Projects	\$525,000	1A030	\$525,000 moved to Allocated Contingency to avoid loss of federal funds
	Total	\$1,469,492		

III. Category 2: Service Cuts Required by Amendment 1, resolved by Administrative Changes.

The following items were included as required cuts in Amendment 1, but have been resolved by administrative changes. No further Board approval is required.

<u>Org Unit</u>	<u>Department</u>	<u>Cut required by Amendment 1</u>	<u>Description</u>
WT10401	DOT-Transit	\$1,500,000	Elimination of 3 Replacement buses as specified by amendment.
WH09201	DOT-Hwy	\$440,000	Elimination of Traffic Safety Signal replacement at 76th & Layton. Will request funds from allocated contingency if needed for federal funding, otherwise project will be delayed.
WH09401	DOT-Hwy	\$1,200,000	Elimination of Intersection Replacement at Rawson & 6th/10 th . Will request funds from allocated contingency if needed for federal funding, otherwise project will be delayed.
WH09501	DOT-Hwy	\$460,000	Elimination of Road Improvement on Rawson from 20th - 27th. Will request funds from allocated contingency if needed for federal funding, otherwise project will be delayed.
WH10801	DOT-Hwy	\$250,000	Elimination of Culvert/Railing Project at College & 31st/34th. Will request funds from allocated contingency if needed for

			federal funding, otherwise project will be delayed.
WH24001	DOT-Hwy	\$300,000	Elimination of Road Improvement USH45 to Hawthorne Land. Will request funds from allocated contingency if needed for federal funding, otherwise project will be delayed.
9910	UWEX	\$3,845	Reduction in rent.
1120	PRB	\$2,118	Reduce office supply expenditure
1151	DAS-Facilities	\$64,975	Elimination of Coordinator Administrative position
3010	Election Commission	\$4,798	Change of Retention Schedule
3090	Treasurer	\$186,828	Assumed increase in Investment, Further Unspecified Reductions
3270	County Clerk	\$16,620	Reduction in Membership Fees
3400	Register of Deeds	\$75,600	Abolish 1 Position, Reduce Overtime
5300	DOT - Fleet	\$30,471	Reduction in expense line for Parts
5800	DOT - Admin	\$6,901	Reduce commodities expenditure
2430	Child Support Services	\$84,851	To implement cut would require elimination of 4.5 FTE's (.5 Legal Counsel I, Office Support Assistant I, Child Support coordinator, Paralegal, Child Support Assistant). Impact on CSS is tripled due to 2:1 federal match for program. To avoid cuts additional revenue has been identified.
4000	Sheriff	\$2,200,000	In lieu of Reduction of Deputy Pay to 2014 Levels for 2014-2017, funds have been accrued by Comptroller and will be paid from accrued funds.
WO31101	Snow Plowing and Mowing Equipment	\$1,150,000	Elimination of Front End Loader, 5 tractors, Zamboni, 3 forklifts
	Total	\$7,977,077	

Additionally, there are two other administrative changes that will resolve Amendment 1 required cuts. These changes do not rely on contingency, but require Board approval.

<u>Org Unit</u>	<u>Department</u>	<u>Cut required by Amendment 1</u>	<u>Description</u>
5040	DOT - Airport	\$359,876	To implement cut would require elimination of 5 positions, Including 2 Security. To avoid cuts additional revenue has been identified but requires a fund transfer approved by the Board.
	Total	\$359,876	

Fund transfers on these items have been submitted to the Board.

IV. Category 3: Service Cuts Required by Amendment 1, that remain unspecified

The following items were included as required cuts in Amendment 1, but have not yet been specified by the Board or the Department. No action by the Board is needed at this time, but may require approval in the future. The Board may wish to include these amounts in an allocated contingency to avoid future deficits.

<u>Org Unit</u>	<u>Department</u>	<u>Cut required by Amendment 1</u>
2000	Combined Court Operations	\$196,283
2900	Pretrial Services	\$36,944
1000	County Board	\$ 8,789
1011	County Executive	\$201,121
1021	Gov Affairs	\$1,487
3700	Comptroller	\$32,430
	Total	\$477,054

V. Category 4: Service Cuts that cannot be handled administratively and will be implemented pursuant to Amendment 35 unless otherwise directed by the Board.

The following items were included as required cuts in Amendment 1, but cannot be resolved administratively. These cuts were communicated to the Board on October 30, 2017 prior to the Board approval on November 6, 2017. These cuts were communicated as necessary “unless otherwise directed by the Board.” The Board’s only further action was to implement cuts only after due diligence required by Amendment 35. This due diligence has been completed and as stated above in Category 2 a total of \$8,336,953 of cuts can be administratively handled but will have an adverse impact on the 2019 budget and the delay of projects. This leaves \$6,287,487 of cuts that cannot be resolved administratively and will result in service cuts identified in the October 30, 2017 memo. To avoid these cuts fund

transfers have been submitted to replace these services. Unfortunately, the only available revenue is the one time use of contingency. Furthermore, there is not sufficient contingency to replace all of these services, consequently the Board will have to prioritize which services it restores.

<u>Org Unit</u>	<u>Department</u>	<u>Cut required by Amendment 1</u>	<u>Cut to be implemented unless fund transfer approved by County Board.</u>
4500	District Attorney	\$127,456	Abolish 2 positions
4900	Medical Examiner	\$30,015	Delay Hiring of Assistant Medical Examiner, Eliminate Forensics Science Seminar
4800	Office of Emergency Management	\$55,089	Eliminate 71% Training for Paramedics Cadets at MATC
5100	DOT - Highway	\$20,505	Eliminate Trash Pick Up in Medians and Special Events
5100	DOT - Highway	\$54,303	Reduce Mowing operations by 35%
5600	DOT - MCTS	\$184,786	Eliminate Route 17 - Extra Service Planned
5600	DOT - MCTS	\$136,000	Eliminate Routes (42U) - MATC North & Downtown
5600	DOT - MCTS	\$221,500	Eliminate Routes (276) - Brown Deer Business Park
5600	DOT - MCTS	\$71,100	Eliminate Routes (219) - Oak Creek Industrial Park
5600	DOT - MCTS	\$196,400	Eliminate Routes (223) - Park Place - Bradley Woods
5600	DOT - MCTS	\$16,900	Eliminate Routes (50 - School Service - Morgan Ave)
5600	DOT - MCTS	\$16,100	Eliminate Routes (85 - School Service - Wauwatosa Whitman)
5600	DOT - MCTS	\$11,000	Eliminate Routes (87 - School Service - West Allis Hale)
5600	DOT - MCTS	\$16,500	Eliminate Routes (88 - Cudahy)
5600	DOT - MCTS	\$12,300	Eliminate Routes (89 - St Francis)
5600	DOT - MCTS	\$1,350,000	Reduce Grant Funding Reserves
WT11701	Phone and Voice Mail System	\$310,000	Elimination of MCTS Repairs to Phone System
1151	DAS-Economic Development	\$250,000	Eliminate Uplift Milwaukee Workforce Development Initiative
1090	OAA	\$4,790	Reduce Funding for resident listening/vision sessions
8000	DHHS	\$114,315	Reduce Burials

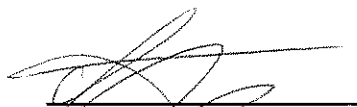
8000	DHHS	\$300,000	Reduction of Crisis Stabilization Contract
8000	DHHS	\$200,000	Reduction of Homeless Shelter Contracts
9000	Parks	\$232,246	Eliminate Aquatic Centers (Schulz)
WP52501	Parks ⁴	\$890,000	Elimination of Parks Point of Sale System
9500	Zoo	\$124,646	Eliminate Sea Lion Exhibit
9500	Zoo	\$49,073	Eliminate Security Coordinator Position
1130	Corporation Counsel	\$144,447	Eliminate Two Assistant Corporation Counsel Positions, UNSPECIFIED
1130	Corporation Counsel	\$17,714	Delay in Hiring Vacant positions
1140	Department of HR	\$70,650	Eliminate Diversity & Inclusion Program
1140	Department of HR	\$122,636	Elimination of Outward Facing Recruiter & Recruitment Rep
1150	DAS - Risk	\$87,092	Reduction of Funds available to pay Worker's Comp Claims
1151	DAS - IMSD	\$548,953	30% Reduction in Application Purchases
W021701	Phone and Voice Mail System	\$300,971	Elimination of Countywide Repairs to Phone System
	Total	\$6,287,487	

VI. Recommendation

Department of Administrative Services (DAS) has completed the requested due diligence related to Board amendments 1A001 and 1A035. DAS has prepared the appropriate fund transfers to restore services and submitted them as separate files together with this report. Services cut by Amendment 1A001 as stated above will be implemented unless a fund transfer is approved by the Board to reverse the cut required by Amendment 1A001.

Prepared by: Teig Whaley-Smith, Director, Department of Administrative Services

Approved By:



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