

PARTNERING UP

*A Scan of Back Office Service Sharing Possibilities
for the City and County of Milwaukee*



ABOUT THE WISCONSIN POLICY FORUM

The Wisconsin Policy Forum was created on January 1, 2018, by the merger of the Milwaukee-based Public Policy Forum and the Madison-based Wisconsin Taxpayers Alliance. Throughout their lengthy histories, both organizations engaged in nonpartisan, independent research and civic education on fiscal and policy issues affecting state and local governments and school districts in Wisconsin. WPF is committed to those same activities and that spirit of nonpartisanship.

PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide policymakers and citizens in the City of Milwaukee and Milwaukee County with information and analysis that would help enlighten them on the different administrative services conducted by their city and county governments and the possibility of collaboration or consolidation with regard to the provision of those services. This report represents the first of a two-phase process. This initial phase was intended to be a broad scan of common administrative service areas across the two governments that identifies those that hold the greatest potential for sharing or consolidation. City and county leaders will then choose which of the identified areas merit more detailed analysis by the Forum in a second phase of work.

Report authors would like to thank the dozens of City of Milwaukee and Milwaukee County officials and staff who took the time to talk with us, provide us with data, and patiently answer our questions. We would also like to thank the more than 20 individuals from both governments who participated in a study advisory committee that met several times to help guide our research.

Finally, we wish to thank the City of Milwaukee and Milwaukee County for commissioning and underwriting a sizable portion of the cost of this research.



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Report Authors:

Rob Henken, President
Ari Brown, Senior Research Associate
Don Cramer, Researcher

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INTRODUCTION

The financial challenges facing both Milwaukee County and the city of Milwaukee have been documented in numerous reports by the two governments and the Wisconsin Policy Forum over the past several years. Both have grappled with sizable structural imbalances caused by a set of financial realities that are strikingly similar. Those include:

- A high reliance on shared revenue and other forms of aid from the State of Wisconsin, which have failed to keep pace with inflation and in many cases have declined in nominal terms.
- Restrictions on growth of their major form of local tax revenue – the property tax – in part because of tax levy limits imposed by the state.
- Substantial pension fund liabilities that have required increasingly steep annual tax levy allocations to address.
- Key services like police and fire (in the case of the city) and behavioral health and transit (in the case of the county) that have unique expenditure needs that often outpace both inflation and the less-than-inflationary growth of major revenue streams.

These circumstances have been in place for decades, creating increasingly imposing challenges for both governments that have already produced reductions in staffing and negative impacts on service levels. And, while recently adopted state legislation promises to greatly improve the fiscal condition of both governments by providing increased state aid and allowing for local-option sales taxes, their need to find expenditure savings and identify efficiencies still will be intense as structural operating budget challenges persist and capital improvement needs mount.

One important area of potential savings that is largely untapped for both governments is service sharing. There is at least some overlap in several functions performed by both governments, including in areas of public safety, public health, and public works, and models from across the country have shown that sharing or merging functions or programs can produce both fiscal savings and enhanced service quality.

Furthermore, the two governments are now seeking to recruit and retain talent in an historically tight labor market marked by extremely low levels of unemployment and fierce competition from the private sector. As of the summer of 2023, both governments reported overall vacancy rates in the 20% range, suggesting that collaborating on certain key functions may even be more of a human resources than a fiscal necessity.

Initiatives to share or consolidate services for some functions can be complicated by distinctions in the specific types of services provided by two governments. In the case of the city and county of Milwaukee, for example, the city provides general public health while the county is responsible for behavioral health services, and Milwaukee police officers have a range of law enforcement responsibilities related to crimes and arrests while Milwaukee County sheriff's deputies focus mainly on highway patrols, the jail, and courts.

However, one area where there is less distinction – and where little analysis has been performed on service sharing opportunities – is the administrative or “back office” services provided by both



governments to support the needs of their departments and programs. Both the city and county hire, recruit, and certify new workers; administer pension and health care benefits and personnel policies; procure commodities and services; conduct various accounting, payroll, and budgeting tasks; manage buildings, facilities, and fleets of vehicles; and administer information technology to support their respective services.

Given the fiscal challenges facing both governments, the commonality in these functions, and the increasing difficulties both are facing in recruiting and retaining high-quality staff to carry them out, Milwaukee Mayor Cavalier Johnson and Milwaukee County Executive David Crowley asked the Forum to explore opportunities for sharing and consolidation of administrative services between the city and county of Milwaukee. The project was launched in March 2023.

In this initial report, we summarize our preliminary findings from a broad scan of internal services that are common to both governments. Our work was aided by an advisory group consisting of more than two dozen leaders across both governments. The advisory group met regularly during the first several months of the study to help us collect and examine data and identify functions deemed suitable for analysis by Forum staff.

As a result of these meetings and dozens of interviews with leaders from administrative functions for both governments, **we recommend six functional areas for further analysis, including possible implementation steps.** For a limited number of those areas, our recommendation includes exploration of a potential full merger of the entire area between the two governments, while for most others we recommend getting started toward that potential pathway with enhanced collaboration or a merger of sub-functions.

Our Approach

The starting point for our review was to collect budget and staffing data from both the city and county (as well as from publicly available budget documents) for each government's administrative and government-wide support functions. In doing so, we focused primarily on centralized administrative functions. For example, each government has centralized human resources and financial functions, but human resources professionals, accountants, and fiscal analysts also are employed by large departments. For our initial data gathering, we focused only on the budgets and staffing levels of the centralized departments and divisions.

Upon collecting and analyzing the data for each functional area, we focused on a set of four criteria to gauge the potential for service sharing between the two governments:

- Similarity or lack of specialization in terms of the nature, size, and administration of the function for each government
- Potential for both personnel and operational efficiencies and/or savings for sharing or collaboration
- Challenges for each government in areas like staff recruitment/retention and technology enhancement that might be alleviated via sharing or collaboration
- Potential for efficiency via greater centralization regardless of sharing opportunities



Using these criteria, our initial internal data gathering and broad review of administrative functional areas led us to conclude that there were 11 with the greatest potential for collaboration between the two governments:

- Audit
- Payroll
- General Accounting
- African American Affairs/Diversity, Equity and Inclusion (DEI)
- Fiscal & Budget
- Procurement
- Human Resources/Employee Relations (HR/ER)*
- Benefits Administration*
- Information Technology (IT)/Data*
- Fleet Management
- Facilities Management

We discussed this list at the initial meeting of our city-county advisory group and based on their input, one area – African American Affairs/DEI – was eliminated. Group members felt that both governments had recently invested considerable time and resources to setting up those functions and it would be inappropriate to consider sharing or merging them at this time. Group members also agreed with our premise that sub-functions within the HR/ER, Benefits Administration, and IT functional areas should be explored for sharing or consolidation, but the entire functions should not receive such consideration given the unique needs of each government and the need for each to maintain robust independent capacity to conduct those functions (these are reflected by asterisks in the above list).

We were left, therefore, with 10 functional areas. In this report, for each of these areas, we show basic data on budgets and full-time equivalent employees (FTEs), as well as a brief summary of the services offered and our assessment of service sharing potential based on each of the four criteria cited above. We also indicate whether the entire area or one or more of its components merits further exploration and analysis in our next phase of work. We start with the functions that fall under the purview of the two comptroller's offices, then turn to human resources-related functions, administrative functions, and the two public works-related functions.

It is important to note that in collecting expenditure information from budget documents, we did not have the capacity to attempt to adjust for differences in budgeting methodology. Such differences may include distinctions in the way certain administrative overhead, fringe benefit, or legacy costs are allocated to departments. Consequently, while we cite total expenditure amounts for the various service areas, those should be used for context and not for comparative conclusions.



Also, while this initial report conducts a broad review of administrative services at Milwaukee’s city and county governments, it is not designed to provide detailed analysis of the feasibility and/or implementation strategy for specific service sharing and consolidation options. Instead, we hope our findings will be used by the leaders of those governments to determine where and how to conduct more thorough analysis.

Finally, the purpose of this study is to identify collaborative opportunities among the two governments, and not to evaluate whether a service should be privatized or whether existing contracts should be renegotiated. Local governments sometimes seek fiscal savings by contracting for or privatizing services that previously had been provided by public sector employees. While it is often taken as a given that a private contractor can perform a job at less cost than a public employee, the question of outsourcing is much more complicated and must consider other factors beyond cost. Such analysis is beyond the scope of this initial report.



AUDIT

Background

Both the city of Milwaukee and Milwaukee County house audit services within the offices of their elected comptrollers. The county's audit function employs more than three times the number of full-time equivalent employees (FTEs) than the city's, however, as shown in **Table 1**. The primary explanation for the distinction is that while the county's audit division manages the county's annual financial audits (conducted by an outside auditor) and bank reconciliation activities, those duties at the city are managed by the comptroller office's accounting director and accounting staff. The county also has an extensive audit follow-up process that includes the preparation of written reports for policymakers every six months regarding the status of all open audit recommendations.

Table 1: Audit - Budget and Staff

2023 Budget	City	County
Located under:	Comptroller	Comptroller
FTE	5.0	17.0
Personnel Expense	\$473,000	\$2,056,000
Operations Expense	\$150,000	

The two audit functions share in common the conduct of performance audits, which are audits conducted on various governmental programs to determine whether they are being effectively managed and accomplishing stated goals and objectives. At times, these audits are conducted per the direction of County Board or Common Council members and they also may occasionally stem from reports of fraud or mismanagement from citizens or even the news media.

The city's audit function also manages information technology (IT) audits but now uses an outside contractor to conduct them, as it proved exceedingly difficult to hire an IT auditor with the necessary expertise to conduct such audits within the parameters of the city's compensation structure. IT performance audits are handled in-house at the county by members of the audit division, although the division has contracted on occasion when IT expertise beyond its capacity has been required.

Common Challenges/Opportunities for Collaboration

Officials from the county's comptroller's office cited low turnover rates among audit staff and only limited difficulty with recruitment of new staff. They cited one vacant position (in the area of bank reconciliation) at the time of our interview and did not anticipate difficulty filling it. Conversely, officials from the city cited the audit area as one of their most difficult in terms of recruitment and retention, citing not only the recent decision to eliminate the IT auditor in light of recruitment challenges, but also vacancies in three of the function's five positions. One potential explanation for the county's relative lack of challenges with staff retention and recruitment is that the larger audit staff at the county affords more opportunities for promotion and career advancement.

Officials said that at one time the two offices conducted joint training (Milwaukee Public Schools auditors also participated) and expressed openness to resuming that practice in the future. They also



acknowledged that members of their staffs who conduct performance audits utilize the same skill sets and are trained similarly and that there may be some opportunity for collaboration in this area.

Potential Barriers to Collaboration

At the same time, officials from both comptroller’s offices saw little that could be gained in terms of staff efficiencies or reductions by merging the two functions. While it would typically stand to reason that a management position can be eliminated if two staffs merge, officials from the city explained that their audit manager conducts audit work in addition to managing, thus limiting the potential to eliminate that position (or at least suggesting that it would need to be retained as an assistant manager for a larger combined office).





Also, when we asked if the two governments might benefit from sharing an IT auditor position or positions in light of the city’s recruitment challenge and decision to outsource that component, officials felt that might be impractical. They noted that the need to hire individuals with the experience sought by the city might require a salary that would exceed that of both comptrollers.

Finally, while acknowledging that folding the city’s audit function into a larger county audit department might allow for easier recruitment and better retention, officials from both comptroller’s offices expressed concern with the ability of a merged office to establish an agenda that would be acceptable to both governments. They explained that currently, the audit agenda is based on several factors, including assessment of risk in various functions and input from legislative committees. Prioritizing audit needs in a manner that would satisfy officials from both governments might be difficult and the negative impacts of that factor likely would exceed any positive fiscal or human resources impacts gained by a merger.

Our Initial Assessment

Based on our initial review, **we do not see much potential benefit in combining the two audit functions into a single merged department or in less comprehensive approaches such as sharing common positions.** While performance audits are an area of commonality among the two governments, there does not seem to be excess staff capacity in either, which means that a merger would be unlikely to allow for a substantial reduction in the combined number of staff. Also, each government has its own audit priorities that are at times driven by elected leaders, which means a combined office could have difficulty establishing joint priorities, and there would be no benefits from further centralization of the audit function because it is already centralized. Finally, while sharing one or more positions dedicated to IT auditing could help address recruitment and retention issues for the city, it still would be difficult to compensate such a position or positions sufficiently to overcome those challenges.

Assessment of Service Sharing Potential: Audit Function

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



GENERAL ACCOUNTING

Background

The general accounting function in both the city and county is housed in the elected comptroller's office. Both governments also employ accountants in some larger departments, departments that handle large numbers of customer transactions or grants, or departments with specialized accounting needs (like the county's Behavioral Health Services, which deals with several different state and federal funding streams and reimbursements). The general accountants housed in the comptroller's offices of both governments handle government-wide accounting, financial reporting, and monitoring.

As shown in **Table 2**, the general accounting divisions for the city and county are very similar in terms of staff and budgets. However, there are some distinctions in terms of duties. As mentioned in our write-up on the audit function, the management of annual external audits are handled by audit staff for the county but general accounting staff for the city. Also, accounts payable is a separate function under the comptroller for the county, but it is part of general accounting at the city.

Table 2: General Accounting - Budget and Staff

2023 Budget	City	County
Located under:	Comptroller	Comptroller
FTE	14.0	15.0
Personnel Expense	\$1,179,000	\$1,275,000
Operations Expense	\$65,000	

Common Challenges/Opportunities for Collaboration

Officials from both governments expressed concern and even alarm about their ability to hire high-quality accountants for their general accounting function given the disparity in compensation between their accounting positions and many accounting positions in the private sector. However, officials from both reported no current vacancies and said they generally have been fortunate to be able to retain accountants for lengthy periods.

That said, they felt there may be some promise in working jointly to improve recruitment prospects by reaching out to local colleges and universities to establish pathways and greater interest in governmental accounting or perhaps looking to share lists of candidates when vacancies do emerge. They encouraged the Forum to have further conversations with human resources leaders about where there may be opportunities for the two governments to work together to establish strategies to recruit accountants.

Potential Barriers to Collaboration

Despite the general commonality associated with several government-wide accounting responsibilities for each government, officials saw little opportunity for efficiencies from consolidation. They pointed to distinct government reporting requirements that meant the



accounting function itself could not be merged, as separate bookkeeping and reporting (not to mention separate management of grants and other revenue sources) always would be required. Furthermore, any cross training of accounting staff for both governments would be hampered by the two governments' use of distinct financial software.





If the two governments each had need for individuals with specialized accounting skills and were having difficulty recruiting for such positions, then perhaps sharing one or more such positions could be contemplated. However, general accountants tend to be just that and neither office is currently experiencing vacancies.

Finally, the potential to use consolidation as an opportunity to further centralize and improve the efficiency of accounting operations appears non-existent, as the reason there is not centralization in both governments is that certain departments need to maintain their own accounting staff for individualized needs.

Our Initial Assessment

Based on our initial review, **we do not see potential benefit in combining the two general accounting functions into a single merged department or in less comprehensive approaches such as sharing common positions.** The general accounting functions for both governments were fully staffed at the time we conducted our analysis in early summer. While leaders from both are extremely concerned about recruitment should vacancies arise, merging the two functions would not be a vehicle for escalating compensation levels to better compete with the private sector, which is the primary perceived challenge. Also, a merger would be unlikely to allow for a substantial reduction in the combined number of staff in light of the distinct general accounting responsibilities of each government, which would not be altered by consolidation; and further centralization under a merged approach would appear to be impractical.

Assessment of Service Sharing Potential: General Accounting Function

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



PAYROLL

Background

The city and county both house their central payroll staff within their elected comptroller’s offices. Central payroll staff are responsible for government-wide payroll processing that ensures all employees are paid on time and accurately, as well as compliance with federal and state regulations and Internal Revenue Service reporting. Despite these similar responsibilities, however, there is a significant difference in the size of the two central payroll staffs, as the county’s 11 FTEs are more than double the city’s central payroll staff of 5 FTEs (Table 3).

Table 3: Central Payroll - Budget and Staff

2023 Budget	City	County
Located under:	Comptroller	Comptroller
FTE	5.0	11.0
Personnel Expense	\$461,000	\$695,000
Operations Expense	\$23,000	

This distinction reflects the different approaches taken by the two governments with regard to centralization of payroll processing. The county implemented a major change 15 years ago when it procured and implemented new government-wide payroll software from [Ceridian](#), a global human capital management software firm. The new system allowed it to place much more responsibility on individual employees for entering their timesheets into the payroll processing system and dramatically reduced the need for departmental payroll clerks to approve and process payroll paperwork. Consequently, the county was able to eliminate several departmental payroll positions while also transferring a handful to a more substantial central payroll office, which conducts general oversight as well as countywide processing, compliance, and reporting.

The city, on the other hand, has been using the same “home grown” payroll software system (CityTime) since the 1990s. It uses a decentralized approach that requires the employment of at least 17 payroll clerk or related positions in city departments to oversee payroll processing and work with individual employees. The positions housed in the comptroller’s office focus more on processing at the end of the payroll process, as well as compliance and IRS reporting. The city has been considering the purchase of a new software system for several years; in fact, a recently issued Request for Proposals (RFP) for a new enterprise resource planning (ERP) system for accounting and other financial tasks asks bidders to consider whether payroll processing could be part of such a system or at least interface with it, and city officials say such compatibility is essential.

Common Challenges/Opportunities for Collaboration

While the two governments have different sets of payroll practices for different positions and use different software systems, the acts of conducting and overseeing payroll processing are similar among both governments. Also, leaders from the county cite frequent turnover among lower-level central payroll positions while leaders from the city cite such turnover for payroll positions within



departments, in part because there are limited career ladders. A potential merged payroll operation could alleviate that challenge by offering more advancement opportunities.

The biggest payroll-related challenge lies with the city in light of its need to upgrade its software, and herein also lies the biggest potential area for collaboration. Given that Milwaukee County has experienced a multi-year conversion to an upgraded payroll software system and has undertaken staffing changes aimed at maximizing the utility of that system, city leaders at minimum could consider ways to draw upon that knowledge when procuring and implementing their own new software system. A more ambitious approach would be for the city to consider employing the same software platform and a similar staffing and procedural framework – which could yield an opportunity to reduce departmental payroll positions – or even to partner with the county on a joint software platform (which could reduce administrative fees for both) or a joint central payroll operation.

It is important to note that the benefits of centralization extend beyond a potential reduction in positions. The Milwaukee County comptroller points out that one of the biggest benefits is the ability to ensure there is a single set of payroll policies that is applied centrally without the threat of different interpretations by different departments, as well as the ability to ensure that when government-wide payroll changes are implemented, they are done so uniformly. The fact that the county has already undergone payroll centralization and enjoyed its advantages means that a partnership might allow the city to more easily and quickly reap such benefits.

Potential Barriers to Collaboration

The greatest potential barriers to enhanced collaboration or consolidation are the myriad differences in pay ranges and pay practices between the city and county. Different union contracts with unique specifications for items like overtime pay and paid time off, different pay ranges and step levels, and even different practices regarding when time sheets are due from employees and when paychecks are issued may complicate efforts to share staff or use the same payroll software.

If the two governments were to use the same software system, then it would be logical to consider having the city migrate to the Ceridian platform used by the county given all of the work that has gone into setting it up. While adding the city to that platform would be complicated and time-intensive, Ceridian is a global firm that is experienced in providing software services to employers with workforces that are many times the combined size of those of the city and county and with many payroll complexities. That said, city leaders might be uncomfortable with simply selecting the county's vendor as opposed to conducting a rigorous RFP process of their own. Consequently, at the appropriate time, both governments could consider a joint RFP to select a common software platform, although moving to a new vendor could be counterproductive for the county.

Our Initial Assessment

We believe there would be merit in further exploring city-county payroll collaboration or consolidation as the city seeks to upgrade its payroll software. Several options could be considered, including (from least to most comprehensive):

- 1) Having the two governments use the same payroll software platform, but maintain separate centralized staff to administer and manage their distinct payroll processes and responsibilities.







- 2) Having the two governments use the same payroll software platform and establish the same broad payroll processes, but employ their own centralized payroll managers and staff to oversee payroll operations for their own respective employees and separately conduct compliance and reporting activities.

- 3) Creating a single payroll operation and staffing structure to serve the two governments, which logically would be housed in Milwaukee County given that it has already upgraded its software.

Concerns that likely would be raised by city leaders regarding any of these options are whether employees would be able to get their questions satisfactorily and promptly addressed by a merged payroll staff; whether changes to their own compensation policies could be promptly implemented by a merged operation; and whether department heads would suffer from not having their own payroll clerks to immediately respond to their needs. These concerns are certain to be raised anyway, however, if the city pursues greater centralization as part of its own software overhaul, and a potential benefit of partnering with the county is that it has wrestled with the same concerns and has already established strategies to resolve them.

Moreover, city leaders would benefit from greater understanding of the staggering amount of time and cost that the county devoted to its software upgrade and accompanying operational and staffing changes and how partnering with the county might allow it to reduce that burden. Further analysis of collaboration opportunities in Phase II of this project would seek to accomplish that objective.

Assessment of Service Sharing Potential: Central Payroll*

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	

* The substantial service sharing potential conveyed by the ratings in this table would be dependent on the city and county agreeing to share a common payroll software platform. Without such agreement, true consolidation would be difficult to achieve.



FISCAL & BUDGET

Background

Both the city and county have centralized budget divisions that are housed within the Department of Administration (DOA) at the city and the Department of Strategy, Budget, and Performance at the county (the county’s budget division was formerly housed under the Department of Administrative Services until the new department was created in 2022). As shown in **Table 4**, the city’s budget division has three more FTEs than the county’s.

Table 4: Fiscal & Budget - Budget and Staff

2023 Budget	City	County
Located under:	Dept. of Administration	Dept. of Strategy, Budget, and Performance
FTE	12.0	9.0
Personnel Expense	\$1,188,000	\$872,817
Operations Expense	\$31,000	\$25,000

Within each division there is a budget director and one or more assistant directors as well as a team of budget analysts, each of whom is assigned to specific functions (e.g. a budget analyst within the city’s division specializes in public safety and handles police and fire while a corresponding analyst within the county’s handles the sheriff, community reintegration center, district attorney, and courts). In addition to monitoring expenditures, revenues, and personnel developments for their assigned budgetary areas throughout the year, the analysts engage with departmental staff to prepare the following year’s budget.

Both governments also employ one or more budget analysts within most individual departments to conduct more rigorous day-to-day budget monitoring and planning and to engage in more detailed tasks related to budget preparation. Given the complexity of day-to-day budget monitoring in large departments in both governments – some of which earn fee-based revenues or rely heavily on various grants with extensive reporting requirements – it makes sense to have this mix of centralized positions that conduct broad government-wide oversight and budget preparation as well as departmental analysts to conduct daily activities and monitoring.

Common Challenges/Opportunities for Collaboration

Budget officials from both governments say that recruitment for budget analyst positions occasionally has been challenging and that they often train young analysts and retain them for a year or two only to then lose them to other governments or the private sector. However, both also say that recent recruitments have gone relatively well and that while turnover is more frequent than they would like, they are usually able to attract qualified candidates and fill positions relatively quickly.

Officials from both governments also acknowledge that budget analysts for both governments require similar skills and conduct similar tasks and that hypothetically, such positions could be shared across the two governments. This could be valuable in terms of ensuring there is backup for specific analyst positions should vacancies or extended leaves occur and could be particularly feasible in functional areas that are shared by both governments, such as public works and public



safety. For example, under an arrangement in which staff are shared, the city analyst who has oversight over the police department budget could be cross-trained to understand the budget for the county sheriff’s office and could serve as a back-up there while both could team up on analyzing major budgetary projects or initiatives for either of the two areas.

It is possible that both governments also could benefit from sharing lists of qualified applicants when a budget analyst recruitment takes place, as those applicants who are not hired could be contacted and urged to apply when a recruitment occurs at the other government. However, civil service regulations would need to be analyzed to determine the efficacy of such an approach.

Potential Barriers to Collaboration

In light of significant differences in financial software systems, budget and fiscal-related policies and ordinances, and programs and services between the two governments, any position sharing would require extensive cross training that may not be worth the time and effort in light of the limited benefits. Also, in light of the heavy workload of both offices, officials from both governments did not feel that any reduction in the total number of positions could occur under a merger scenario, with the exception of a director position, which may need to be replaced by another assistant director.





We also heard from budget officials that further centralization via a merged office would be unlikely to allow for the meaningful reduction of budget staff within departments, as departmental staff have responsibilities tied to the departments in which they work that likely could not be effectively handled by centralized staff. We also explored whether sharing financial software may be beneficial but determined that the county had recently made a major investment in such software and the city already was in the process of doing likewise.

Our Initial Assessment

If the recruitment and retention of budget analysts emerges as a major challenge for the two governments, then consideration could be given to creating a shared staff of budget analysts in light of the similarities in those positions for both governments. Such an approach could lead to better career ladders and opportunities for a broader range of responsibilities that might make a difference in both recruitment and retention. On the other hand, if such an approach would not produce an opportunity to reduce the total number of positions and to possibly use those savings to enhance pay for the positions, then it may not make much of a difference in terms of recruitment and retention.

For now, while retention is an issue, recruitment has not been and officials in both governments see little opportunity for improved efficiencies, shared investment in new financial software, or opportunities to work together to reduce departmental budget analysts. Consequently, **we do not recommend further analysis in this functional area at this time**, as reflected by our scorecard.

Assessment of Service Sharing Potential: Fiscal and Budget Function

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



BENEFITS ADMINISTRATION

Background

Both the city and county employ sizable staffs to administer health care, pension, and other employment and retirement benefits to thousands of active employees and retirees. Our initial inclination was to explore possibilities for collaboration in the areas of both health care and pension benefits administration. However, the recent adoption by the Wisconsin Legislature of 2023 Wisconsin Act 12, which requires both the city and county to transition new employees to the Wisconsin Retirement System and to gradually phase out their existing independent pension plans, led us to eliminate the pension benefits area from consideration. Instead, our focus was on health care benefits for both active employees and retirees.

Health care benefits for both the city and county are administered by benefits administration divisions housed within their respective human resources departments (the city's is called the Department of Employee Relations). As shown in **Table 5**, the city maintains a much larger benefits administration division, but that is because worker's compensation and risk management are housed within the division, while those functions are housed within a separate division in the Department of Administrative Services (DAS) at the county.

The benefits section at the city houses only three employees (as compared to the six at the county who handle all non-pension benefits), but the city's employee benefits director and benefits and wellness supervisor play a role in health care benefits administration as well as general benefits administration. Consequently, it appears the two functions are comparable in terms of FTEs dedicated solely to health benefits. (There is an additional position in the city's Employee Retirement System that assists with the administration of health benefits for retirees.)

Table 5: Benefits Administration - Budget and Staff

2023 Budget	City	County
Located under:	Dept. of Employee Relations	Dept. of Human Resources
FTE	15.0	6.0
Personnel Expense	\$1,373,000	\$535,000
Operations Expense	\$172,000	

While both the city and county operate self-insured health care plans (which means they collect premiums and directly pay medical claims for employees and retirees), they use a third party administrator (TPA) to establish their provider networks and process their health insurance claims. The use of a TPA explains why the two governments are able to accommodate such small health care benefits administration staffs to service their thousands of active employee and retiree participants. Notably, both currently use the same TPA – United Healthcare – and periodically they jointly solicit RFPs for this service (while also including the Milwaukee Public Schools). However, that practice was not utilized at the time of the last RFP a few years ago due to timing issues.

The staff that the city and county do employ for benefits administration are responsible mainly for fielding customer inquiries, enrolling and dis-enrolling participants, managing wellness programs, ensuring compliance with a multitude of benefit regulations, and managing the contracts with the



private TPA. Staff also help develop plan design and benefit options and recommendations for administrative and elected leaders within their respective governments.

Common Challenges/Opportunities for Collaboration

We discussed three areas of potential collaboration with county Department of Human Resources (DHR) and city Department of Employee Relations (DER) officials: merging benefits staff, joint TPA contracting, and collaboration or consolidation of wellness clinics and programming. With regard to benefits staff, the basic job duties appear to be the same, and given that both governments use United Healthcare as their TPA, familiarities with that vendor already would be in place if a merger was considered.

We also asked about the resumption of issuing joint RFPs for the TPA in an effort to lower costs under such an arrangement by offering prospective vendors a broader pool of participants. Officials from both governments saw potential to obtain a reduced administrative fee but pointed out that the fee was only a small component of the overall contract cost and that a joint RFP would not impact rates charged by members of the provider networks, which are the largest cost. Both also felt they are already getting a good deal on administrative fees.

A more ambitious approach would be to attempt to merge health insurance plans and offer the same benefits and benefit levels to city and county employees and retirees under a single plan and a single TPA contract. Again, we detected some potential here in terms of administrative efficiencies and potentially lower administrative fees, but we also see several obstacles, as discussed below.

Finally, we discussed collaboration on wellness programming. Both governments have placed considerable efforts on promoting wellness as a means of reducing health care claims, with the city even going so far as to open its own health care clinic (in the Zeidler Building, across the street from city hall) that can be used by employees, retirees, and their dependents to address basic health care needs in a cost-effective fashion. The county has plans to open three such clinics using funds from the federal American Rescue Plan Act (ARPA) and has consulted city officials on how best to do so.

The cornerstone of other wellness programming for both governments is to require employees who receive their health coverage to receive health appraisals and risk assessments and to encourage preventative doctor and dental visits (the city encourages use of the clinic as well for this purpose). The city also goes several steps further by offering ongoing customized wellness programming to employees and their spouses, including access to registered dietitians, disease management and weight programs, onsite Employee Assistance Program services, and an onsite nurse liaison who is separate from the clinic.

Collaboration on clinic operations potentially could reduce administrative costs and the fees charged by the contracted health provider that staffs the clinic (the city currently contracts with Froedtert health care to operate its clinic and administer other wellness programming). It also could yield staffing efficiencies for an expanded operation. The county employs a dedicated wellness coordinator and plans to create an additional wellness position to administer the clinic contract, while the benefits director and a supervisor position handle wellness-related duties at the city. It is possible that by merging, the two governments could simply share two or three dedicated positions to oversee multiple clinics and other wellness activities. Finally, a combined approach could offer more clinic locations for city participants while providing an already successful model for the county and its participants, while collaboration on other wellness strategies or programming (including health education) also might yield efficiencies and greater program effectiveness.



Potential Barriers to Collaboration

The primary obstacle to collaboration on benefits staffing is that while they use the same TPA, the elements of the health care plans offered by the two governments are different, as are premium payments and benefit levels. That means that a merged staff would need to gain familiarity with two distinct plans. Also, officials from both governments did not see a possibility for combined staff reductions under a merger scenario and did not cite recruitment and retention challenges in this area.

Officials from both governments also pointed to the many differences between the existing plans and plan designs as the foremost barrier to resuming a joint RFP for the TPA or merging the two health plans into one. They also cited the need to collectively bargain premium changes with employee unions and the different open enrollment periods used by the two governments and felt that the work needed to satisfactorily address those differences under a single plan approach may not be justified by the efficiencies or savings that would accrue.

A potential barrier with regard to merging health care clinics (i.e. having one set of jointly managed and financed clinics that would be open to employees and retirees of both governments) could be the proposed location of a county clinic within the Milwaukee County Courthouse. City officials felt that site is not easily accessible to non-county employees and would be unlikely to have much attractiveness to city employees given the existing downtown location of the city clinic. Consequently, if both governments felt the need to locate a clinic in their primary work location (i.e. the courthouse and city hall), then that might produce unnecessary redundancy under a merger scenario. However, city officials did see advantages in being able to offer their participants multiple clinic locations in different parts of the county, and they also felt that some administrative cost savings might be available for both governments if they were to contract with the same clinic provider.

Another obstacle to clinic collaboration – at least in the near term – is that the county has already conducted considerable planning for its wellness expansion and use of ARPA funds for that purpose and is already well on its way toward identifying a contracted vendor to administer its three new clinics. A decision to immediately consider a merger would require delaying or halting that process.

Finally, it is important to recognize that enhanced collaboration on wellness programming – including a full merger of the function between the two governments – would not be viable unless the city and county use the same vendor both to operate their clinics and design and administer other wellness services, as those services are best delivered holistically through both clinic operations and complimentary strategies and programming. Consequently, if there is interest in pursuing joint programming, sharing wellness support staff, allowing staff from both governments to utilize the other's clinic(s) outside of a full merger, or fully merging wellness programming, then it likely would be necessary to wait to do so until a new joint RFP process could be conducted.

Our Initial Assessment

While we see little justification for exploring a full merger of health care benefits administration or health care plans, **we do see considerable potential for the city and county to explore joint health care clinics, wellness programming, and potentially wellness staff.** The city already runs a successful wellness clinic for its employees, spouses, and their dependents and has learned valuable lessons about how such a clinic should be operated. County officials are just starting out – and in fact, have already contacted city officials for advice – and should consider whether creation of jointly







administered and jointly financed wellness clinics might reduce costs and enhance service levels for both governments.

Another advantage might be the ability to eliminate one of two downtown clinic locations (either at the Milwaukee County Courthouse or the city hall complex). Such a move could produce personnel and operational savings or instead create financial capacity to open a fourth clinic location in a different part of the city or county. City officials say that while it would be difficult to expand the physical footprint of their existing downtown clinic, there may be potential to expand its capacity to serve more clients by adding staff and additional hours.

Given the joint resources that would be devoted to clinic operations and the possibility to redirect resources in light of having a single downtown clinic location, a merger might also create potential to enhance the role of health care clinics to provide primary care; city officials note that currently they are only able to provide “fast care” and they plan to offer primary care services at their clinic in 2024. In addition, a merger might create the potential for the two governments to share multiple dedicated wellness positions, thus reducing the cost of those positions for the county and freeing up time of the benefits director and supervisor who now spend part of their time on wellness. Joint positions also could coordinate health education activities and potentially plan and hold joint wellness events.

Issues to be worked out would include differences in how the two governments view their clinic care model in terms of services provided as well as cost sharing by participants. Choosing clinic locations that would be seen as appropriate and advantageous for participants from both governments also might be challenging. Still, as shown in the three “thumbs up” in our assessment below, **we believe this is an area that merits further analysis, though such analysis may need to be delayed for now given the steps the county has recently undertaken to secure a contracted wellness vendor and initiate its own independent wellness clinics.**

Assessment of Service Sharing Potential: Wellness

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



HUMAN RESOURCES

Background

The human resources functions of the two governments are housed in stand-alone departments at both the county (DHR) and the city (DER). Both departments have robust staffs, which is not surprising given the size of the two governments' workforces; the complexity of their compensation structures, which are guided by union contracts for major segments of the workforce (particularly at the city); their extensive civil service rules; and their recruitment and retention challenges, which for some critical positions stem from an inability to match compensation offered by the private sector.

Table 6 shows that both governments employ more than 50 FTEs in their HR departments and are budgeted to spend more than \$3.4 million apiece in 2023. The table excludes employee benefits and retirement system staff who are housed in the respective departments – the benefits staff are covered in the previous section of this report and the two governments' retirement systems were not an area of focus given recently adopted state legislation that requires a phase-out of those plans. Also, the city's FTE count includes 17 management trainee positions that are loaned out to other departments – when those positions are excluded, the total FTE levels of the two governments are almost identical.

In addition to housing staff that work on typical HR functions like compensation and talent recruitment, the HR departments in both governments work to create a safe and equitable working environment and each houses a labor relations function that manages collective bargaining and other relevant matters with employee unions.

Table 6: Human Resources - Budget and Staff

2023 Budget	City	County
Located under:	Individual Department	Individual Department
FTE	70.0	52.0
Personnel Expense	\$3,184,000	\$4,178,000
Operations Expense	\$283,000	

Early in our discussions with our advisory group of city and county officials, we determined that exploration of a full merger of human resources departments into a single agency serving both governments was impractical given the unique human resources needs and responsibilities of each and the crucial nature of the function to both governments. Instead, **our focus was on how the two governments might collaborate on the specific HR function of talent recruitment and retention.**

Common Challenges/Opportunities for Collaboration

Both governments are facing severe challenges with regard to filling vacant positions, with each estimating that more than 20% of budgeted positions were unfilled in early summer. While some critical vacancy challenges are unique to the respective governments – such as corrections officer positions at the county and assessor positions at the city – we also found there was considerable overlap.



The most prominent common areas with substantial vacancies are building, property, and fleet maintenance – both governments employ dozens of mechanics, electricians, plumbers, carpenters, and general laborers to take care of buildings and roadways, manicure parks and boulevards, and service vehicle fleets, among other tasks. Other positions with common recruitment challenges for both governments include architects, engineers, accountants, and IT professionals – jobs that are typically associated with higher salaries for which private firms may have a leg up when it comes to compensation.

The competition for skilled trade and laborer positions has grown significantly as the region’s overall labor market has tightened and a construction boom in the private sector has offered plentiful opportunities for those seeking such employment. Leaders from DHR and DER both cite training programs they have developed to attempt to increase their competitiveness, which involve hiring individuals as general laborers and providing training for them to move up into specialized and better-paying trades positions. Nevertheless, they say sizable recruitment challenges remain. Moreover, officials point out that often their biggest competition is with one another and with other public sector employers, and not with the private sector.

Potential opportunities for collaboration that we discussed with leaders from both departments included the potential for sharing lists of qualified applicants when recruitments for common or similar positions take place; conducting joint recruitments for identical positions; or building joint career ladders to try to ensure that individuals who are unable to obtain career advancement in one government might be able to seek and obtain it in the other government instead of leaving for the private sector. City leaders also expressed interest in learning from the county how it is currently conducting various career advancement and leadership training sessions.

Another possibility raised by the county was collaboration on an apprenticeship effort that DHR is seeking to launch that would provide compensation for individuals while they complete an apprenticeship-type training program for certain skilled trades positions (the county’s Facilities Management Division is also working on such an effort). The hope would be to maintain a pool of available workers to fill skilled trades openings as they arise and to enhance the county’s competitiveness with traditional apprenticeship programs run by skilled trade unions.

Potential Barriers to Collaboration

Concerns raised by leaders of one or both departments with regard to job applicant list sharing and joint career ladders included the distinct civil service rules employed by each government, which in some cases prohibit the ability to currently share lists even *internally* among different departments; distinct compensation structures that may restrict the ability to offer advancement from one government to the other; and the fact that, while they wish to be collaborative, both governments do see the other as a competitor for the same talent. Consequently, leaders felt it may be difficult to collaborate too much in the recruitment and retention space.

One specific example of why collaboration on recruitment and retention may be difficult is the frustration experienced by managers in both governments when they spend considerable time and cost to recruit and train a new employee, only to then lose the employee to another entity within a year or two, which is then able to take advantage of that training. While DHR and DER leaders acknowledge that it might be a little more palatable in such circumstances to lose such an employee to a fellow public sector employer, they still would prefer to develop their own strategies to ensure that they could better retain the employees they train.







Our Initial Assessment

Notwithstanding the valid concerns about how potential collaboration could conflict with the competition for talent among the two governments, **we view the similar challenges facing each government in the recruitment and retention of skilled trades workers and general laborers, the similar competition they face from the private sector in that area, and the similar nature of those positions as a combined compelling rationale for exploring collaboration opportunities in that specific area of recruitment and retention.** If such collaboration proves to be workable, then perhaps similar collaboration in other personnel areas that are common to both governments and in which both face strong recruitment and retention challenges would be in order.

As shown in our assessment scorecard below, the similarity of skilled trade and laborer positions among the two governments plus their similar recruitment and retention challenges and strategies prompted us to give “thumbs up” in those areas. We believe there also may be potential for personnel and operational efficiencies if the two governments are able to consolidate staff positions that are currently working on innovative strategies in this area (e.g. apprenticeship-type training) or jointly create new positions that ultimately may be needed to advance those strategies, but that potential benefit is speculative at this point. Another possible area of efficiency could be exploration of joint contracting for certain specialized skilled trades services (e.g. elevator repairs) for which in-house staffing is not deemed to be practical.

Assessment of Service Sharing Potential: Talent Recruitment and Retention

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



INFORMATION TECHNOLOGY

Background

The city and county both maintain robust information technology (IT) divisions to support their various departments and functions. Responsibilities common to both governments include providing help and support to departments and individual staff members for hardware and software-related issues; developing and managing projects to refresh and replace IT equipment, applications, and systems; developing new technology solutions to challenges faced by departments and to improve government-wide IT functioning; data management and analytics for some departments; management of network and telecom services; and IT security.

The city's Information Technology Management Division (ITMD) is housed within its DOA and provides IT services to several but not all city departments. Prominent exceptions are the Library, Municipal Court, Milwaukee Water Works, and the Police and Fire departments, which purchase and maintain their own IT assets. In addition to the functions cited above, ITMD maintains and administers the city's Open Data Portal, which provides a centralized location for citizens to access city data; and it staffs and administers the city's Unified Contact Center (UCC), which consists of a call center, online service request system, and mobile app that citizens can access to seek answers to questions and obtain information on non-emergency city services.

The county's Information Management Services Division (IMSD) – housed within DAS – provides IT services to all county departments, though some larger departments do maintain limited staff to address specialized IT and data needs. Notably, IMSD also supports the internet platform (Milwaukee.Gov) that is used by both governments under a contractual arrangement; ITMD can make changes to its own city website, but the underlying platform is maintained by IMSD under a contractual arrangement with the city.

ITMD and IMSD have similar FTE levels, as shown in **Table 7**, but IMSD's expenditure budget is almost double the size of ITMD's. This is explained in part by the more decentralized approach taken by the city, which means that substantial IT expenditures also are housed in some large departments. The similar size of the two staffs – despite IMSD's much larger budget – is explained mostly by the fact that the county outsources far more IT services than the city. Also, ITMD's FTE count includes 16 positions that support its UCC.

Table 7: Information Technology - Budget and Staff

2023 Budget	City	County
Located under:	DOA	DAS
FTE	79.0	81.0
Personnel Expense	\$5,732,000	\$20,695,000
Operations Expense	\$3,705,000	

Similar to the HR/ER function, we determined (with the concurrence of our advisory group of city and county officials) that exploration of a full merger of the two IT divisions into a single agency serving both governments was impractical – at least in the near future – given the unique needs and



operations of each government. However, we did identify several sub-functions that we explored with leaders from the two divisions.

Common Challenges/Opportunities for Collaboration

Officials from ITMD and IMSD both cite some staffing challenges, which in many cases are related to the inability to match or approach private sector pay levels for senior positions within their overall compensation structures. IMSD officials cite particular difficulty, for example, in recruiting and retaining network engineers, who can make far more in the private sector than the county currently pays its department heads, let alone what it currently pays for that position. This difficulty provides a partial explanation for why the county now outsources a sizable portion of its IT responsibilities.

ITMD, as noted above, does far less outsourcing, and officials say recruitment for entry-level positions has not been too challenging. However, they receive few applications for upper-level positions and therefore try to grow their leadership internally, although that effort often is challenged by the loss of employees to other city departments (which is a byproduct of the somewhat decentralized structure at the city). Consequently, the city now must turn more to contracting when a specific job needs to be done and they face vacancies in the positions needed to perform the work. In light of the challenges faced by both governments for these types of positions, it is possible that some form of **collaboration on recruitment, retention, or joint staffing or contracting for positions with responsibilities that require high levels of skill and expertise could be beneficial.**

Three specific sub-functions that we probed for possible collaboration or consolidation (given their functional similarities for the two governments) were help/service request desks, open data, and external-facing call centers for citizens:

- With regard to **help/service request desks**, both IT divisions dedicate a small team of staff to take calls from users who are experiencing IT problems during business hours, but both also try to steer their employees to a web-based platform that allows them to create “tickets” for service requests. Notably, both use the same software platform for that purpose. Both governments also have an after-hours call taker but officials from both expressed challenges maintaining an efficient after-hours help and service request operation and said collaboration could be explored for that function. The city’s ITMD director also said the county has been using the software platform for a longer period of time and that the city might benefit from discussion and possible adoption of best practices from the county.
- Both governments have developed “**open data**” platforms, although the county’s is still in the nascent stage. The city contracts with a private entity, OpenGov, for a platform that is used to share data sets from several city departments that are deemed to be of potential interest and utility to the public. Doing so also is seen as a means of potentially reducing open records requests. A challenge for the city is lack of a dedicated staff person or persons to actively engage with departments and seek greater opportunities for data sharing on the platform – currently, one staff person dedicates about half of her time for this purpose. The county IMSD director acknowledges the city is more advanced in this area and she has met with city leaders to learn from their experience. The county’s approach, thus far, has been to focus on map-related data using ArcGIS as a hosting platform and it has not yet engaged with more than a few departments.



- The city has employed a **unified call center** concept for more than a decade. Its UCC provides both a single phone number (414-286-CITY) and online service request system that citizens can use to request services, get basic questions answered, or get steered to the appropriate city agency for assistance. The county does not have such a unified call center or website, but many of its departments maintain their own individualized call centers (in fact, there are 17 different call centers sprinkled throughout county government). The IMSD director notes that there has been discussion about developing a UCC-type approach at the county but it has not yet gained traction. Both she and the ITMD director expressed interest in exploring development of an approach that would expand the UCC concept by developing a joint phone number (other metro areas have developed a “311 line”) and web-based system that could be used to respond to citizens’ questions and direct them to assistance for all types of county and municipal services across Milwaukee County.

Potential Barriers to Collaboration

The biggest barrier to cooperation on staffing or joint contracting for certain high-level, difficult-to-fill positions or responsibilities is the differences in the IT platforms, applications, and needs of the two governments. It would be challenging to cross-train individuals in the intricacies of both governments’ systems and applications. Moreover, issues with regard to which government’s needs should be prioritized could emerge. A similar challenge might materialize with regard to providing a joint operation to field help and service requests from users, as it might be difficult to train staff to respond to requests coming from both governments and there could be tension with regard to prioritization.

With regard to open data, the county has proceeded down a path using ArcGIS and may not be amenable to switching to the OpenGov platform used by the city (and vice-versa).

Finally, with regard to a joint unified call center, to make a collaborative venture worthwhile it might be logical to elevate the approach to a true 311 line that would field citizen inquiries or service requests and steer them to appropriate agencies for all levels of local government in the county (i.e. not only for city and county government, but also for the other 18 Milwaukee County municipalities). If that is the case, then negotiating such an endeavor among all of the municipalities and determining how costs should be shared could be challenging.

Our Initial Assessment

City and county IT leaders already enjoy a strong working relationship and there appears to be plenty of opportunity for them to consult and learn from one another further with regard to the four specific areas we cite here. Whether such discussions would yield tangible opportunities to collaborate and consolidate, however, may depend on whether both governments aspire to enhance service levels and invest additional dollars in these areas, in which case doing so together may be fruitful. **If both governments do wish to explore possible enhancement of their existing help and service desk operations, open data approaches, and call centers, then we believe further exploration is warranted in our next phase of work.**

With regard to potential sharing of difficult-to-fill positions, further exploration could occur as to whether a shared pool of network engineers or other similarly difficult-to-fill positions could meet the needs of both governments and improve recruitment and retention. Ultimately, however, success here likely would be tied more to enhancing compensation levels, which is a pursuit that each



government could logically undertake on its own. Perhaps greater promise might lie in jointly contracting for certain high-level and specialized tasks and responsibilities if recruitment and retention continues to prove difficult, as a joint contract may yield financial savings and may allow for a contract with stronger guarantees of responsiveness.





The merger of help/service request operations for city and county users would appear unlikely to yield efficiencies and savings, as both governments employ minimal staff to take phone calls during business hours in light of their push toward automated service request tickets. However, if both wish to consider adding staff capacity to their after-hours help operations, then exploration of a potential merged after-hours framework could be beneficial.

Similarly, the opportunity for collaboration on open data and unified call centers would seem most attractive if both governments seek to enhance their existing approaches. Exploration of an enhanced, collaborative open data platform that includes data that pertains to both the city and county could be much more useful for citizens, and a merged operation also could explore the sharing of staff to do a more thorough job working with departments in each government to identify, share, and improve worthwhile data sources. Sharing the cost of both staff expansion and additional vendor-related costs for an expanded platform could save money for both governments when compared to the cost of pursuing such expansion and enhancement individually.

Given that the city already has a UCC, the benefits of collaboration for that government could be limited. However, adding county government to the UCC operation might provide a revenue source for the city that would exceed the cost of needed staff expansion and might better serve city residents. From the county’s perspective, a contractual arrangement with the city for a unified call center might turn out to be less costly and provide better service for citizens than an individualized approach and it also could open the door toward including other municipal governments within the county.

Overall, as shown in our assessment scorecard below, the similarity of these four areas is apparent, as are challenges associated with desired expansion or the need to overcome common problems. However, any financial savings likely would result from a decrease in additional costs required for service enhancement, as opposed to reductions in existing costs. Meanwhile, only in the area of call centers might there be a possible centralization benefit, and that would occur only for the county.

Assessment of Service Sharing Potential: IT Recruitment, Help Desk, Open Data & Call Centers

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



PROCUREMENT

Background

A critical but little-known function of both the city and county is procurement. Not only must each government purchase sizable volumes of commodities to support their various functions – ranging from office supplies to uniforms to fuel to road salt – but each also contracts for a wide variety of services. Buying these goods and services requires staff time and skill to ensure the best prices, secure appropriate quality, ensure fairness and transparency, and meet other goals like providing opportunities for small and disadvantaged businesses.

As shown in **Table 8**, Milwaukee County’s 2023 budget includes 11 FTEs for the Procurement Division, which is housed within DAS. Those include three positions that focus on contracts, a buyer and a purchasing analyst position that focus on commodities and supply purchases, a business success manager position that works with departmental staff to ensure that their purchasing needs are being met, and others.

The city’s Purchasing Division is housed within DOA and consists of 11.5 budgeted FTEs in 2023. That total includes one temporary full-time position funded with ARPA dollars and a temporary part-time purchasing agent position to help with procurement activities associated with the Republican National Committee convention in 2024.

Table 8: Procurement - Budget and Staff

2023 Budget	City	County
Located under:	DOA	DAS
FTE	11.5	11.0
Personnel Expense	\$753,305	\$1,018,000
Operations Expense	\$14,600	

While the two procurement/purchasing staffs are similar in size, the city’s seven buyers handle both commodities and contracts, while the county tends to have buyers who focus on one or the other. Another difference, per the city purchasing director, is that the city administers a number of programs that are designed to incentivize bidders to meet certain objectives, including “Buy American” and responsible and ethical contracting and purchasing requirements. An important similarity is that both governments charge their divisions with responsibility for using procurement and purchasing processes as opportunities to support targeted businesses within the city and county, including minority-owned, women-owned, and small businesses.

Also, while procurement and purchasing are largely centralized within each government’s respective departments, some larger departments in each handle some of their own purchasing activities (though often with some guidance from the centralized division). Decentralization appears to be more prominent at the county, however, where further centralization is a goal of the procurement director.



Common Challenges/Opportunities for Collaboration

The basic functions of purchasing large volumes of supplies and commodities, managing RFP processes, and administering contracts appear to be quite similar for both governments, which suggests that a single purchasing and procurement operation may be feasible. On the other hand, each government has distinct ordinances and procedures that impact those functions, so a merged operation would require considerable cross training. Also, the leaders of both divisions cited no major recruitment or retention challenges and they did not see a merger scenario as an opportunity to reduce the total number of positions (with the exception of the elimination of one of the two directors).

Because procurement is an area where volume can make a difference in the price for goods or services, exploring the prospect of jointly purchasing common items (e.g. office supplies, road salt, certain types of equipment) would appear more logical. One caveat here, however, is that both governments currently participate in statewide cooperative purchasing programs that seek lower prices by combining the purchases of multiple governmental entities.

Perhaps the greatest potential for collaboration lies in the pursuit of both governments' objective of using their purchasing and procurement needs as an opportunity to create or enhance business opportunities for certain targeted businesses and disadvantaged populations. The city and county once teamed up on a joint certification program that allowed targeted businesses to become certified for eligibility under both city and county disadvantaged and small business purchasing programs, but that joint effort was abandoned several years ago. Leaders from both divisions felt that efforts to revive it in some way may be appropriate.

Joint efforts by the two governments to identify and encourage targeted businesses to become certified and to provide technical assistance on how to effectively bid for contracts and how to build capacity might also be fruitful. Such efforts – as well as the design of a joint certification program – also would logically include staff from the offices in both governments that preside over equity and inclusion strategies. In fact, certification for the city's Small Business Enterprise program is currently conducted by its Office of Equity and Inclusion and not its purchasing division.

Potential Barriers to Collaboration

By far the biggest barrier to collaboration are the distinct legal and procedural guidelines at the city and county that govern purchasing in general, RFP processes, and efforts to target certain business enterprises. Leaders from both governments felt it would be difficult to reconcile those differences in a way that could allow for greater collaboration, including in a new joint certification program, and they felt each government's unique procurement needs and priorities might be similarly difficult to reconcile under a merged operation.

They also pointed to several new developments that have or will create important legal and procedural questions for both governments as they pursue targeted purchasing and contracting for local disadvantaged businesses. One involves recent court decisions and state legislation that have called into question the ability of local governments to show preferential treatment on the basis of race, gender, or other characteristics; the other is a disparity study currently being conducted by a contractor to the city that will recommend changes in city purchasing and contracting ordinances and policies in an effort to meet certain racial equity and inclusion goals. That study is likely to be released this fall.







Our Initial Assessment

While immediate consideration of a joint procurement/purchasing entity to serve the two governments may not be practical, **we feel there is considerable potential for the two governments to collaborate on the rethinking of their targeted business enterprise policies, goals, and procedures and to potentially develop a joint approach in this area.** Should that occur, then a merger of the two divisions may merit further exploration.

As shown in our assessment scorecard below, we believe the nuts and bolts of purchasing and contracting for large governmental entities are similar, although we acknowledge that the different ordinances governing the procurement and purchasing functions of the two governments create some distinction. Because both staffs are relatively small and neither purchasing operation appears to have excess capacity, we do not see great potential to create personnel and operational efficiencies via a merger, though combining operations may create greater opportunity to have specialized staff and to create better career ladders. Meanwhile, developing a joint procurement/purchasing entity may create an opportunity to pursue greater centralization in both governments, and particularly at the county where that is a goal of the procurement director.

Assessment of Service Sharing Potential: Procurement/Purchasing

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	

By far the greatest opportunity, however, lies in joining forces on the creation of a new framework to pursue the mutually-held goal of each government to use their purchasing and procurement processes as mechanisms – where legally permissible and financially appropriate – to support and grow local disadvantaged businesses.

The changing legal landscape and other factors are causing both governments to re-examine their strategies in this regard, as well as potentially their policies, procedures, and ordinances. Meanwhile, local businesses will be challenged to respond to this changing landscape and might benefit from having a new joint certification process and opportunities to respond to a single set of new procurement guidelines and goals.

While establishment of common strategies and mechanisms to encourage disadvantaged business participation may turn out to be untenable for at least some types of purchases and contracts because of varied funding sources (i.e. the county does more procurement than the city with use of federal funds), at least exploring where collaboration would be possible and desirable would appear to make sense. As noted above, such exploration also should include the staff from both governments that specifically focus on racial equity and inclusion strategies.



FACILITIES MANAGEMENT

Background

One of the most heavily staffed and resourced supportive functions in both the city and county is facilities management. In addition to their city hall and courthouse complexes, both governments own dozens of additional buildings, bridges, and other structures that require both day-to-day maintenance and repairs and longer-term renovations and replacements. Moreover, the multiple buildings that house city and county staff require security and custodial services. Some facilities management responsibilities are handled by city and county employees, while others are outsourced.

Milwaukee County’s centralized facilities management function is housed in a Facilities Management Division (FMD) that is part of DAS. FMD’s Director oversees several program areas that include environmental services, sustainability, and architecture and engineering. Here, we focus primarily on the Facilities Operations & Maintenance program area, which directly administers or provides day-to-day facilities operations and maintenance activities at the Milwaukee County Courthouse and certain other county facilities. The FMD director estimates that his division is responsible for facilities management for less than 30% of the county’s footprint – major departments that oversee parks, the zoo, Milwaukee Mitchell international Airport, highway maintenance, and the Milwaukee County Transit system all have their own facilities teams.

At the city, operation and management of facilities is housed within the Bridges and Buildings Decision Unit, which is part of the Department of Public Works’ (DPW) Infrastructure Services Division. The function is under the direct purview of the City Engineer.

Because the centralized facilities management function at the county is housed within a distinct program area, it is easy to pinpoint its budgeted costs and FTEs, though those would not include facilities management staff and activities that are housed in other departments (see **Table 9**). It is not as easy to do so for the city, but in the table below we show budgeted expenditures and FTEs for the Bridges and Buildings Decision Unit, which encompasses most facilities services.

Table 9: Facilities Management - Budget and Staff

2023 Budget	City	County
Located under:	DPW Infrastructure Services Division	DAS
FTE	166	84
Personnel Expense	\$7,165,000	\$19,589,000
Operations Expense	\$5,737,000	

Differences in facilities management FTE levels and budgeted expenditures in the table can be explained by several factors. One is the extent to which certain responsibilities are outsourced; for example, almost all custodial services are provided by private sector vendors at county facilities (thus explaining the lower staff levels), while the city handles such services with 18 budgeted FTEs at the city hall complex and contracted services at its other facilities. Other differences include the approximately 70 FTEs at the city devoted to the operation and maintenance of city-owned bridges



(the county does not own any comparable bridges) and a small unit in the city's buildings and bridges unit devoted to city parks (the county has a separate parks department).

It is also important to note the existence of a small architectural planning and design unit (5 FTEs) in the city's buildings and bridges unit. Architects and engineers are dispersed throughout other areas of DPW and other departments at the city, while most are housed centrally at the county in a distinct Architecture & Engineering (A&E) program area within DAS with 43 FTEs. It was not possible for us to isolate and compare the FTEs and spending for architectural and engineering positions across all of city and county government. However, we did consider that function here as it pertains to facilities-related capital improvements.

Common Challenges/Opportunities for Collaboration

Facilities management is a functional area that has several areas of commonality for the city and county in terms of both challenges and opportunities to collaborate, including the following:

- Both governments contract for similar **custodial services** at several of their facilities. At the city, as noted above, custodial services are provided by in-house staff at the city hall complex while being outsourced elsewhere, while at the county they are fully contracted. In fact, the county recently moved to consolidate distinct custodial contracts held by individual departments into a single contract. Officials from both governments saw potential in exploring a joint custodial contract as a means of securing better pricing. Such a move also might precipitate consideration by city officials of outsourcing custodial services for the city hall complex.
- Both governments also contract for at least some **security services**. In this case, they are fully outsourced by the city but provided in-house by Sheriff's department public service officers at the county's courthouse complex while being outsourced at other county facilities. With regard to challenges, city officials cited difficulties by their private contractor in filling security positions, while both governments cited the need for better government-wide coordination and strategic direction for their security services and have recently hired or plan to hire new in-house security directors. Another common challenge that might lend itself to collaboration involves video monitoring; security cameras have been installed at most major city and county facilities but both governments lack staff capacity to appropriately monitor camera footage.
- Both governments cite considerable **recruitment and retention challenges in the areas of skilled trades workers and general laborers** in light of an aging existing workforce and a very competitive environment with regard to recruitment for those types of positions (this challenge also is discussed in our sections on human resources and fleet management). Both also expressed frustration with a common situation in which those who they are able to recruit and train leave for higher-paying private sector positions within a short timeframe. When we asked whether joint recruitment (or at least list sharing), joint training or apprenticeship programming, or even joint career ladders might be helpful in addressing these challenges, officials from both governments expressed interest in exploring such possibilities.
- Both governments have had challenges with **recruitment for architects and engineers** to manage facilities capital projects, though that challenge is now much more acute at the county in light of a rash of retirements coupled with a surge in new projects that is attributed in part to the availability of federal pandemic relief monies. A key issue here is compensation, as private firms



are able to pay more for such positions. Both governments contract for some project management, with the county increasingly turning to that approach in light of staff challenges and an increase in projects. Officials from both governments expressed some interest in exploring joint staffing or contracting in this area – or even turning to the other government for contractual project management services instead of the private sector – though county leaders felt this was an area that was not as ripe as others in the facilities management realm for cooperation and collaboration.

- Both governments are on the verge or in the midst of substantial **facilities planning efforts**, particularly as the pandemic has led to creation of work-from-home options for many of their workers. The county has been engaged in such planning for years and has taken several successful steps to reduce its footprint in light of staffing reductions, but it is now gearing up for new planning efforts given the continued need to replace its safety building and the availability of the Milwaukee Public Museum property (in light of construction of a new museum facility) and a parking lot at 6th and State that has been considered in the past for a new office building. The city is just beginning to engage in comprehensive facilities planning that is necessitated by its staffing reductions, work-from-home policies, and its interest in considering the possible sale of city-owned buildings in the Menomonee Valley and even within the city hall complex. In fact, it recently issued an RFP for a facilities planning consultant. Officials from both governments saw merit in coordinating some planning activities and considering whether and where possibilities for sharing space might exist.

Potential Barriers to Collaboration

The most prominent barrier to collaboration for facilities management is that which exists for most of the areas analyzed for this report: the concern that shared or fully merged operations or activities or even joint contracting would produce a scenario in which the needs and priorities of one government would not be met promptly or sufficiently or would be a lesser priority than the needs and priorities of the other. Another concern is the “cultural” differences between the two governments in how they approach the facilities management function and whether such differences could be easily resolved.

On the recruitment and retention front, while officials from both governments acknowledged that it would be better to lose an employee to the other than to the private sector, they still expressed concern that joint recruitment or the development of joint career ladder opportunities might result in an inability to get their own needs met. Even with regard to joint contracting for facilities services, there was a concern that an inability to individually manage the contract might hamper responsiveness.

A barrier to collaboration with regard to shared staffing or contracting for capital project management is the different state of the respective governments’ capital programs. While the county is facing an historic influx of major new facilities-related projects as a result of the availability of pandemic relief monies and newly enacted sales tax revenues, the city is winding down its city hall renovation project and expects fewer facilities-related projects in the next two to three years. Consequently, the benefits the city might obtain from collaboration in this area could be limited in the near term. County officials also expressed skepticism about collaborating in this area, feeling that they needed to develop their own solutions, and officials from both governments pointed to different policies and procedures with regard to capital project bidding and management that potentially would have to be reconciled for collaboration to occur.



Finally, county leaders noted that for broad collaboration on facilities management between the city and county to occur, the county would first need to determine how to centralize all of its own facilities management and operations, as certain large departments still take care of their own buildings to some degree. City officials also note that several of their large departments (e.g. police and fire) have their own day-to-day maintenance staff.





Our Initial Assessment

We see **considerable potential for joint contracting of facility security and custodial services (as well as for the full range of facilities maintenance, repair, and operations activities conducted by both governments); joint direction of overall security strategy, planning, and video monitoring; joint training, recruitment, and retention activities for skilled trades and laborer positions; and collaboration on facilities planning.** In addition, despite the barriers noted above with regard to capital project planning and management, we also believe that collaboration in that area merits further exploration and analysis.

As our assessment scorecard shows, facilities management gets a thumbs up in all of our service sharing potential criteria. The specific facilities services provided by the two governments are quite similar and greater sharing or merging of activities could yield contractual or staff savings or create other efficiencies through economies of scale and reduced managerial needs. Furthermore, both face common recruitment and retention challenges for identical positions, and both have service areas that might benefit from centralization regardless of whether they join forces.

While we believe that consideration could be given to fully merging the two facilities operations in their entirety, our recommendation would be to start small in the specific areas cited above. Should those possibilities come to fruition and once strategic facilities planning has been completed by both governments, then a pathway toward a full consolidation may emerge.

Assessment of Service Sharing Potential: Facilities Management

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



FLEET OPERATIONS & MANAGEMENT

Background

Both the city and county own extensive fleets of cars and trucks, snow plows, small engine equipment (e.g. mowers) and other vehicles and motorized equipment that are central to the provision of critical public safety, public works, and quality of life services. Both also maintain large numbers of staff to inventory, maintain, and repair their vehicles and equipment and large physical facilities to store them and conduct maintenance and repair activities.

The city houses a Fleet Operations section within its DPW Operations Division. The section is responsible for maintaining about 4,300 vehicles and pieces of equipment and works out of a main facility on Canal Street in the Menomonee Valley, two ancillary shops (one on the north side and one on the south side), and a tire shop. Almost all city departments have their vehicles and major equipment managed and maintained by Fleet Operations, with the notable exception of the Milwaukee Fire Department, which has its own fleet management staff to service its specialized vehicles (as well as a fleet maintenance facility that officials say is outdated and could use replacement).

The county's Fleet Management Division is housed within its Department of Transportation (MCDOT). The county's fleet is smaller than the city's but still robust with about 2,400 vehicles and pieces of equipment. The county's main fleet facility is on Watertown Plank Road in Wauwatosa. It also has a satellite facility on Milwaukee's north side (the North Shop), which is currently being reconstructed, and a shop at Milwaukee Mitchell International Airport to service and store airport support vehicles. Like the city's fleet section, the county's fleet management division services almost all county departments, although a notable exception here is the Milwaukee County Transit System, which services and stores its own buses.

As shown in **Table 10**, the city's fleet operations staff is much larger than the county's, but roughly half of the FTEs shown for the city are part of dispatch operations, which includes both communications positions and operators. The county does not have similar functions within its fleet management division. If those positions were not counted, then the city's FTE level would be about 40% higher than the county's, which generally corresponds with the proportionality of its larger fleet.

Table 10: Fleet Operations & Management - Budget and Staff

2023 Budget	City	County
Located under:	DPW Operations Division	MCDOT
FTE	183.0	50.0
Personnel Expense	\$16,103,000	\$5,491,000
Operations Expense	\$11,887,000	\$3,840,000



Common Challenges/Opportunities for Collaboration

There is considerable overlap in the **types of vehicles and fleet equipment** owned by the two governments and in the types of positions and skill sets required to maintain them. For example, both governments are responsible for several similar public works functions like plowing, salting, mowing, and street repairs, as well as certain parks and forestry-related functions like mowing and pruning, and they employ similar vehicles and equipment to meet those needs. Both also maintain vehicle fleets for law enforcement – the Milwaukee Police Department and Milwaukee County Sheriff – that are somewhat similar in nature. There are also differences – such as the city’s fleet of sanitation vehicles and the county’s airport-specific fleet – but the mechanics and other staff who service them require similar skills and conduct similar duties.

Another important point of similarity is that both governments use the **same software** to conduct their asset management and inventory control. Consequently, under some type of merger scenario, there would not be a need for staff from one of the two governments to learn a new software system.

Both governments also have experienced common challenges when it comes to **recruiting and retaining staff**. Fleet officials at the city cite frustration with a common scenario of hiring individuals who receive important on-the-job training for a year or two and then leave for higher-paying positions in the private sector. They also say they lack staff to handle specialized work (such as glass work and engine and transmission rebuilding) and often must contract for such services at higher rates than they would incur with their own staff. County officials, meanwhile, similarly cite challenges with specialty work as well as specific challenges with regard to recruitment of mechanics, saying in early summer that they had five openings and had posted positions and received no applicants (though compensation levels were recently increased and there is some hope for improvement). In light of these staffing shortfalls, they now find themselves outsourcing more work and paying greater amounts for overtime.

With regard to **physical space**, both governments cite challenges. City officials say there is a pressing need for major upgrades at their main facility in the Menomonee Valley, and there also has been recent discussion about developing a new facility elsewhere in the city and selling the existing property in light of the value of the real estate on which the current facility stands. We asked county officials whether they might have room at their main facility on Watertown Plank Road to accommodate some of the city’s needs and were told that the opposite case exists; while their fleet facility is in good condition (and while the satellite North Shop is being renovated), it lost about nine acres of storage property when the Zoo Interchange was rebuilt. Consequently, the county could use more space itself to store and repair vehicles and has requested a \$6 million-plus capital project to expand the facility.

Finally, our discussions with fleet officials from both governments yielded potential to collaborate on the maintenance and repairs of **small engine vehicles**, and particularly mowers. Fleet Operations does not have that responsibility for the city – instead, the city employs four small engine mechanics under the Forestry Operations section of the DPW Operations Division who repair and maintain mowers, chainsaws and other light power equipment. They operate in a facility on State Street in Milwaukee. Only three of those four positions are currently filled – creating challenges with regard to timely repairs – and recruitment has been difficult.

The county, meanwhile, does maintain a four-person staff within Fleet Management to handle repairs for its much larger fleet of nearly 160 large and small mowers. Officials say they are short-



staffed and would like to add positions, but they have similarly experienced recruitment challenges. In early July, county officials reported they had 18 of their approximately 50 mowers in the shop and that a backlog in repairing them had created sizable operational challenges.

In discussing collaboration on mower and other small engine repairs and maintenance with city and county officials, we also discussed the **mowing function itself**. The prospect of consolidating mowing operations has been discussed broadly by officials from both governments in the past given the close proximity of many city and county parks and roadways, but other than a brief contractual arrangement involving the Milwaukee Water Works (MWW), it has not gotten very far.

The city has a fragmented approach to mowing – it was once primarily the responsibility of Forestry Operations, which continues to bear responsibility for mowing medians along 400 acres of city-owned boulevards. However, the mowing of more than 50 city parks falls under the purview of the MKE Parks section within DPW while Sewer Maintenance and MWW – which function as independent enterprise funds – contract for their mowing needs. Vacant lots and city-owned right-of-way adjacent to highways are also mowed by outside contractors. The city did attempt to coordinate mowing via the creation of a three-person mowing team in this year’s budget, but those positions have not been filled.

Mowing is a much bigger endeavor for the county given more than 5,000 acres of county parkland that must be mowed during the spring, summer, and early fall months. The Milwaukee County Parks Department bears that responsibility, while MCDOT handles mowing for county trunk highways. The parks department organizes its mowing activities via the use of 16 different mowing units that are comprised of a mix of full-time and seasonal staff. Parks officials report that staffing has been a sizable challenge and they say that if budgetary constraints were not an obstacle, then they would prefer to make greater use of full-time staff who could then be assigned other maintenance responsibilities during the winter months.

Potential Barriers to Collaboration

A main barrier to collaboration lies in the fact that both governments face substantial challenges when it comes to staffing and space for fleet operations duties, as well as mowing. Consequently, there would be little excess capacity to utilize if one of the two governments was to absorb the other’s responsibilities, and the challenges of recruitment/retention and space rehabilitation or expansion may not be meaningfully reduced under merger scenarios. That said, a larger merged operation could allow for better career ladders and perhaps higher compensation levels, and the cost of constructing a new facility for the city could be defrayed if the county were to utilize some of that space.

Another barrier with regard to a potential full merger of fleet management responsibilities between the two governments would be the need to develop a new, standardized process for prioritizing vehicle repair needs and charging repair costs out to departments under a clear set of service-level standards. Currently, at Milwaukee County, repairs occur without price consultation with departments and are based on available resources when a repair need arises. Under a merged structure, a more formalized process likely would need to be developed.

Another barrier with regard to a merger of the mower and small engine repairs function could be location. The county would be the logical entity to handle that function for both governments given the much larger size of its mower fleet, but its repair facility at 103rd Street and Watertown Plank Road in Wauwatosa would not be convenient to many of the city’s users of such equipment.



With regard to the mowing function itself, it is uncertain whether the price the county would need to charge to the city to take on some or all of its mowing (if that were the preferred approach to sharing) would be competitive with the price charged by private sector mowing entities. Conversely, it is also uncertain whether the increased revenues for the county would offset the increased challenges associated with adding mowing staff and equipment. It should be noted that the county did once handle mowing for MWW under a contractual arrangement, but that arrangement was terminated by the county when it determined it did not have the capacity to sustain it.





Finally, with regard to collaboration on transportation-related mowing, MCDOT officials note that they are already short on capacity and would be hard-pressed to assume any extra responsibilities even if a contractual arrangement would give them the ability to hire more staff. They also note that they have specific contractually required maintenance responsibilities with regard to state and federal highways and that these would need to be met and prioritized under any sharing or consolidation scenarios.

Our Initial Assessment

Despite these potential barriers, we see several elements of the fleet operations and management function – as well as mowing – as having considerable potential to yield cost efficiencies and service improvements from collaboration and possibly consolidation. As our assessment scorecard shows, for each of our criteria there is a thumbs up:

- The day-to-day functioning of fleet management and operations is similar for both governments and they use the same fleet management software.
- The city has considered but not yet implemented the creation of a specialized mowing unit, and that move could be avoided and dollars possibly saved by contracting with the county instead, particularly if other city mowing contracts were consolidated with the county.
- Both governments face recruitment and retention challenges when it comes to mechanics and other fleet operations staff, as well as for specialized repair functions. Both also need refurbished or additional space for their fleet operations.
- Fleet operations and management is not currently centralized within both governments and it is possible that further centralization could be beneficial, particularly given the Milwaukee Fire Department’s potential need for a new fleet facility. Even greater centralization potential lies with the mowing function, for which both governments maintain separate operations for different departments (this is most pronounced at the city).

Assessment of Service Sharing Potential: Fleet Operations and Management

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	







We recommend that all elements of fleet operations and management be considered for collaboration or consolidation in our next phase of work, with the small engine and mowing function pulled out for separate but equally prioritized attention. With regard to fleet operations and management as a whole, we consider it unlikely that a full merger will be found initially desirable, but staffing, space, and contracting challenges have sufficient similarity that options for collaboration in those areas should be further explored. Because those elements are so integral to both city and county functioning in this area, a full consolidation also eventually might be considered.

With regard to small engine maintenance and mowing, we believe both merit a detailed examination. The repair and maintenance function is a significant challenge for both governments because of staffing shortfalls, and it is possible that a merged operation might address that challenge by creating a larger team that may be more attractive from a recruitment standpoint, producing economies of scale, and allowing the two governments to split the cost of any new positions that are needed.

We also see merit in detailed exploration of mowing collaboration, notwithstanding some of the barriers noted above. Similarities in the mowing function between county parks and city playgrounds/parks and between the city’s highway right-of-way and county trunk highway medians makes it easy to envision having the larger county operations simply absorb the city’s mowing responsibilities under a contractual arrangement. While the county currently has no extra staff capacity, the new contract revenue from the city could allow the county to convert some seasonal staff to full-time staff in the case of parks, and to hire additional staff at MCDOT who could also take on other needed duties during the winter months. Meanwhile, the cost of contracting with the county might be lower than current contract costs for the city and also lower than the costs of staffing and equipping the mowing function where it is currently performed by in-house staff.

Having the county assume mowing responsibility for city boulevards might be more problematic given that boulevard medians require a different level of mowing and manicuring than highway medians, but that issue would not be created if the county were to assume responsibility only for city-owned highway right-of-way. Also, a contractual arrangement for MWW mowing might be reconsidered if other types of mowing are merged.

Assessment of Service Sharing Potential: Mowing

FACTOR	RATING
Similarity/Lack of distinct specialization	
Potential for both personnel and operational efficiencies	
Major challenges (e.g. HR, IT, capital needs) that might benefit from sharing	
Potential for efficiency via centralization	



CONCLUSION

The intent of our broad scan of administrative and support services at the city of Milwaukee and Milwaukee County was to provide initial guidance on where there may be the greatest potential to share or consolidate such services. It is now up to officials from the two governments to decide if the areas we identify merit further analysis in a second phase of work that would aim to bring them from the conceptual stage to the doorstep of implementation.

Moving forward with comprehensive forms of service sharing or full functional consolidation takes considerable planning and negotiation. Conversely, basic service sharing can be relatively easy to implement, often depending on the extent to which formal agreements need to be reached to share costs. Another point of consideration, therefore, is whether different areas that show promise lend themselves to more intense planning, or whether some simpler service sharing initiatives we identify could be implemented through relatively uncomplicated analysis and discussion that may not need to involve a third party.

Overall, our analysis reveals several opportunities for enhanced service sharing and cooperation, as well as more limited opportunities for full functional consolidation. **Table 11** shows the six distinct areas that received either three or four “thumbs up” under our assessment scorecard. For two of those six – **Central Payroll** and **Procurement** – we suggest that a consolidation of the full function may be in order (although for Procurement we suggest starting only with joint certification and related targeted business activities). For another two – **Facilities Management** and **Fleet Operations** – we cite several sub-functions within these large functions that merit further exploration, and we suggest that if all of those were shared or merged then full consolidation eventually could be contemplated. The remaining two – **Wellness** and **Mowing** – are smaller sub-functions that we believe may merit full consolidation.

Table 11: Areas Receiving Three or Four Thumbs Up

FACTOR	SIMILARITY	POTENTIAL EFFICIENCIES	COMMON MAJOR CHALLENGES	CENTRALIZATION BENEFITS
Central Payroll				
Wellness				
Procurement				
Facilities Management				
Fleet Operations				
Mowing				

Two additional functional areas – **Information Technology** and **Human Resources** – contain several sub-functions that we believe should be considered for further analysis. However, both of these functions received two thumbs up as a whole and these could be considered with less immediacy or, in the case of some, without further analysis by the Wisconsin Policy Forum.

Finally, it should be noted that even in those functional areas where we are not recommending immediate detailed analysis, we suggest several opportunities for collaboration that merit further



discussion among the respective leaders. Indeed, we would assert that this process already has yielded benefits for both governments by connecting administrative and support services leaders from the two governments with one another, and we hope the relationships that have been established will be sustained and expanded to other officials within the two governments through regular channels of communication.

Identification of service sharing or consolidation potential is only a first step. Far more time-intensive and potentially difficult next steps may include advanced data collection and analysis of organizational charts, cost centers, and service standards; research on local ordinances and state law; consideration of human resource policies and labor contracts; and development of cost sharing methodologies and governance structures.

Taking those steps will require a greater time commitment from departmental staff and openness to major structural changes that could eliminate positions and upend longstanding policies and procedures. We would assert, however, that several of the opportunities we have identified exhibit sufficient promise to justify further objective analysis and consideration.

