



STATE REPRESENTATIVE
DANIEL RIEMER

WISCONSIN STATE ASSEMBLY

7th DISTRICT

March 5, 2014

To: Senate Committee on Government Operations, Public Works, and Telecommunications
From: Representative Daniel Riemer
Re: Assembly Joint Resolution 77

Chairman Farrow and Committee Members:

I want to thank you for holding a public hearing on Assembly Joint Resolution 77, which is a proposed constitutional amendment that would give Milwaukee County the option of making its county treasurer an appointed position, where the position is currently elected. The County Treasurer acts as the County's banker, receiving and disbursing all funds as provided by state law and county ordinance and investing public funds not used for daily county operations. The Treasurer's Office also collects delinquent property or real estate taxes, and maintains property tax data that is accessible to the public.

As the resolution states, in Milwaukee County, the county executive shall appoint the treasurer, with approval of the county board, unless another method of appointment is provided *or unless the county board votes to make the office elective*. This last point is important, as it continues to allow Milwaukee County to have an elected treasurer if the local elected officials choose to keep it as such. This resolution merely gives Milwaukee County the option of making the position of treasurer an appointed one.

Why is this option important to have? With a population of roughly one million people, and with a county budget of over a billion dollars, Milwaukee County is unique in many ways. Milwaukee County is the only county in the state where unique combinations of necessary safeguards are in place that would allow for this change, including: a full-time independent comptroller who currently oversees the Treasurer's operations. Besides acting as a check on the treasurer's office, the comptroller is responsible for overseeing all of the county's debt, administering county contracts, and providing fiscal notes for proposed county legislation. In addition, the county has a full-time auditor who regularly inspects the treasurer's accounting operations, and there is an annual outside audit that checks to ensure the management procedures of the Milwaukee County Treasurer's Office are in compliance with GAAP (Governmental Generally Accepted Accounting Principles.) Milwaukee County's treasurer is here and can discuss these safeguards in greater detail.

This resolution enjoys bipartisan support in the State Legislature, and specifically bipartisan support among members who represent Milwaukee County. It recently passed the Assembly on a wide, bipartisan 88-9 vote. This idea was also approved as part of a resolution by the Milwaukee County Board of Supervisors, which was signed by the County Executive.

This change to Milwaukee County's governance structure better suits the unique circumstances facing Milwaukee County. Having a permanent, professional manager of county funds, with oversight from elected officials, would be a step forward for Milwaukee County governance.

Thank you for your consideration today, and I would be happy to take any questions committee members might have.



Honorable Chairman and Committee Members

These are my reasons to support AJR 77 to give permissive authority to change the Milwaukee County Treasurer from an elected to an appointed position

1. Let the people have a say in how this office is structured.

- This is a question of democracy.
The process invoked by AJR 77 is permissive.
- Its passage will only result in a referendum on the issue.
- If the referendum passes, the election mandate is repealed and permissive authority is given to Milwaukee County to have the opportunity to appoint a qualified financial manager in the position of treasurer – an option that all Wisconsin municipalities (with home rule) already have and many are already exercising this option for the filling of their municipal treasurer position.
- So AJR 77 only asks to give the people a voice in how they want the Milwaukee County Treasurer's Office to be managed and operated.
- This reform will give the voters a voice in how they choose to attract and retain a qualified financial manager for the position of Milwaukee County Treasurer.

Giving them that choice is the right thing for the taxpayers of Milwaukee County.

2. Milwaukee County is unique in the scope of its Treasurer's duties:

- Milwaukee County is fully incorporated, the tax collection duties most other counties perform are not done by the Milwaukee County Treasurer
- The size and the scope of Milwaukee County finances make it unique in its banking and investment management needs.
The Milwaukee County Treasurer acts as the banker for a \$1.3 billion budget and investment manager for \$400 million in short term funds.
For that reason alone, Milwaukee County needs to recruit someone qualified and experienced in banking and investments to run this office.
- Milwaukee County is the only county that has a separately elected and independent Milwaukee County Comptroller - who is charged by State Statutes with overseeing the operations of the Milwaukee County Treasurer:
 - As "chief financial officer and administrator of Milwaukee County's financial affairs"[Wisc.ss 59.255] our County Comptroller has assumed and oversees many of the duties of Milwaukee County Treasurer, including:
 - "Each month, the Milwaukee County Comptroller shall report to the (county) board, in writing the condition of ...each of the county's funds."
 - "At least monthly, the comptroller shall examine the treasurer's account as reported and kept, and shall report to the county executive and board as to their correctness and as to any violation by the treasurer of the treasurer's duty in the manner of keeping account or disbursing money."
- Milwaukee County has a full time auditor (from the Office of the Milwaukee County Auditor) who reconciles all accounts in the Office of the Milwaukee County Treasurer and reviews all of its financial records,

- The Milwaukee County Treasurer undergoes an outside annual outside audit that checks to be sure that all of its operations are in full compliance with GAAP (Generally Accepted [government] Accounting Principles) national accounting standards.

No other county has this unique combination of oversight, the totality of which serves to provide a strong system of checks and balances to protect taxpayers' interest in the operation of the office of Milwaukee County Treasurer.

3. With the above referenced checks and balances, why retain the election process for recruiting a Milwaukee County treasurer?

- Electing the Treasurer adds nothing to the unique checks and balances on the functions of the Milwaukee County Treasurer.
- The position of County Comptroller is unique to Milwaukee County and creates a confusing situation where Milwaukee County voters currently elect a chief financial officer in a Spring Election – the County Comptroller - and then elect a County Treasurer in a Fall Election.
- Continuance of the election of the Treasurer creates a system where an elected comptroller oversees another elected official - the treasurer).
- The election process in Milwaukee County – the requirement to collect one thousand signatures, fund-raising, and campaigning for six months - serves as an impediment to recruiting the best qualified person to manage the banking and investment functions of the Milwaukee County Treasurer's office.
- The size of Milwaukee County also acts as an impediment to an informed electorate. Voters have little opportunity to become adequately informed about the candidate in **a county the size of one and a half congressional districts.**
- The mailing of a couple of pieces of literature to the 85,000 - 90,000 primary voters would cost over \$100,000- a difficult amount of funds to raise for this office.
- The major newspapers no longer endorse in these races.
- The Milwaukee County Treasurer's campaign – in a county and media market this size – gets lost in the noise of the bigger gubernatorial, senate, representatives and presidential races in the Fall Partisan Election. This makes it difficult to reach and educate voters in a county with the population of one million people.

Milwaukee County has found it difficult to both attract good candidates and adequately enable Milwaukee County voters to make an informed opinion about the candidates in this election.

4. Different counties have different needs - one size doesn't fit all.

- The AJR77 exception for the Milwaukee County Treasurer would not stand alone. There already are several other references in the State Statutes regarding the Milwaukee County Treasurer's duties as well as unique Milwaukee County References regarding other constitutional offices.
- Amending the constitution to accommodate needed changes is not new or unusual, (i.e. the recent change from 2-year to 4-year terms for constitutional officers), according to the Wisconsin Legislative Bureau, the constitution has been amended over 200 times since its institution in 1848.

- In fact the Office of the Treasurer was initially not a constitutional officer in 1848, but was later added in 1883.
- It cannot be said that what is best for Milwaukee County is also best for other counties or vice-versa.
- That is reflected in the fact that, according the State Legislative Reference Bureau, **there are already hundreds of references in the State Statutes that only pertain to Milwaukee County.**

5. There is widespread and longstanding support for an appointed Milwaukee County Treasurer.

Given the nature of the job in Milwaukee County, the appointment process has been a popular proposal for some time.

- In a 1996 survey conducted by a Milwaukee civic group - the Public Policy Forum - a clear majority of the residents of Milwaukee County who responded to the poll supported the change from an elected to an appointed Treasurer.
- That position in support of an appointed Milwaukee County Treasurer has been voiced by most of the Milwaukee County Treasurers who have held this office in the last 30 years.
- It has been recommended by every study of Milwaukee County Government in the last 58 years, including the:
 - 1956 Public Administration Study
 - A 1976 Arthur Anderson letter.
 - 1989 County Board Study and 1993 County Board resolution
 - 1998 Milwaukee County Commission for the 21st Century.
- Milwaukee County support was reaffirmed in 2013 with the current **county board and county executive endorsement** of a resolution in support of changing to an appointed treasurer.
- It has been promoted by a WTMJ-TV editorial and several Milwaukee Journal Sentinel editorials.
- Bipartisan sponsors in the State Legislature.

6. Trend in other major metropolitan counties in other states:

- In a growing movement to change the way treasurers are recruited, twelve other states allow for the appointment of county treasurer in major metropolitan counties - of which seven made changes since 2004 to allow for it.

Alaska – appointed
 California – discretionary
 Colorado – discretionary
 Hawaii – appointed
 Maine – discretionary
 Minnesota – discretionary

New York – discretionary
 North Carolina – appointed
 Ohio – discretionary
 Pennsylvania – discretionary
 South Carolina – discretionary
 Washington - discretionary