

Legislation Text

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Fiscal Note

This resolution approves the Intergovernmental Agreement (IGA) between the City of Madison and Dane County to create a city-county public health department. The agreement contains details regarding governance, the sharing of support services, budgeting and personnel issues. Portions of the city and county public health departments were merged in the 2007 budget. The IGA specifies that the remaining portions would be merged in the 2008 budget. Under the agreement and state statute, the cost of the operating and capital budgets would be apportioned according to the equalized value of the city and the county. For the 2007 budget, the City of Madison represented 45.3% of the county's total equalized value, with the remaining 54.7% located outside City boundaries. This apportionment formula would apply to services that are completely merged. The IGA provides that the city and county will negotiate an agreement on exactly which services will and will not be completely merged. The city or county will wholly fund any services that are not merged.

Some health services have already been merged in the 2007 budget, resulting in a shift of approximately \$142,000 from the City property tax levy to the County levy. The merger of additional health services in 2008 and future years would result in a further reduction in the City tax levy, and a corresponding increase in the County tax levy. The amount of additional levy transfer would be directly proportional to the net costs of the additional services that are merged. The maximum potential levy shift can be estimated by a comparison of current levy amounts and relative apportioned values.

In 2007, Dane County levied \$3,763,583 for public health services. For the same year, the City of Madison levied a net of \$5,310,107 (which represents the Public Health Budget of \$6,110,107 less \$800,000 of public health license revenues). If no further services were merged, the additional levy reapportionment in 2008 would be zero. On the other end of the extreme, if all health services were merged, a further reapportionment of approximately \$1.2 million could be anticipated, as noted in the table below:

	2007 Levies As Adopted	2007 Levies If All Merged	Max Additional Levy Shift If All Merged
Dane County	\$3,763,583	\$4,963,308	\$1,199,725
City of Madison	\$5,310,107	\$4,110,382	(\$1,199,725)
Total County/City	\$9,073,690	\$9,073,690	\$0

At the present time it is anticipated that most, although not all, health services will be eligible candidates for merger in 2008. The actual amount of additional future levy shift will be determined by which services are actually selected for unification as part of the 2008 budget process.

The above analysis is based upon the assumption that the merger will be cost neutral. It is possible, however, that additional costs may be incurred during the next several years if individual employee salaries are increased as City and County salary schedules are combined. A preliminary analysis of positions prepared by Public Health staff indicates that up to \$400,000 of additional salary and benefit costs could result over time if all existing employee salaries were simply raised to the higher of the two pay scales for comparable County and City positions. However, any actual employee classification and compensation changes will be determined through the collective bargaining process, which could result in lower costs than this preliminary review indicated. If incurred, additional merger related costs such as these would reduce the levy savings for the City, and further increase the County levy.

Title
 Approving an Intergovernmental Agreement between Dane County and the City of Madison to complete the merger of the public health agencies of the County and City.

Body

On November 21, 2002 and January 7, 2003, respectively, the Dane County Board of Supervisors and the Madison Common Council adopted similar but not identical resolutions which gave tentative approval to the establishment of a combined city-county public health department as authorized in Section 251.02(1m), Wis. Stats. Subsequently, the Dane County Board of Supervisors and the City of Madison Common Council by resolutions adopted an initial intergovernmental agreement (First IGA) effective March 2005 to begin the merger of the Dane County Division of Public Health and the City of Madison Department of Public Health. The First IGA represented the first phase of the merger, with the agreement to hire one public health officer who would serve both agencies and the creation of a single board of public health that would guide the merger process. The First IGA contemplates a subsequent intergovernmental agreement (Second IGA) to achieve unification on by December 31, 2007.

During the first phase of the merger process, a working group of city and county officials has worked to draft the Second IGA. The Second IGA is now being submitted to the Board of Supervisors and the Common Council setting forth additional terms for the unification of the two Public Health agencies. The Second IGA outlines the relationship between the unified agency, the joint Board of Health for Madison and Dane County, Dane County, and the City of Madison, as well as the procedures and practices that will be used by the unified agency. This IGA also outlines the support services that will be provided to the unified agency by the County and City. A copy of the Second IGA is attached to this resolution.

NOW, THEREFORE BE IT RESOLVED that the City of Madison Common Council hereby approves the proposed intergovernmental agreement to combine the Dane County Division of Public Health and the City of Madison Department of Public Health into a merged City/County Public Health Department, as authorized by Section 251.02(1m), Wis. Stats.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to sign this intergovernmental agreement.