



# Milwaukee County Five-Year Financial Forecast



A presentation from the  
Office of the Comptroller



# Summary

- 2015 projected gap is \$31.9 million.
- Structural deficit for 2015, 2016 and 2017 has worsened slightly.
- The chief components of the structural deficit continue to be:
  - Personnel cost increases
  - Stagnant revenues
- Other issues persist that could impact future fiscal outlook.





# 2015 Projected Gap - \$31.9M





## 2015 Projected Gap – Components

- BHD tax levy increase ~ \$7.0 million
- Office of the Sheriff tax levy increase ~ \$6.0 million
- End of Mercer pension amortization ~ \$7.8 million
- Wage-related increases ~ \$14.4 million
- Healthcare increases ~ \$4.2 million
- Work comp/property insurance deductibles ~ \$2.5 million
- \$5.0 million less in CMAQ transit funding
- \$12.1 million less in debt service reserve revenue

### **Offset by:**

- \$14.4 million in savings in debt service payment reduction





## Possible Solutions

- Budget additional funding from Debt Service Reserve
- Budget smaller tax levy increases for departments such as BHD, Office of the Sheriff, Transit
- Repurpose a portion of contingency dollars
- Reinvest sales tax dollars from capital budget back into operating budget
- Increase other revenues





## 5-Year Projected Structural Deficit

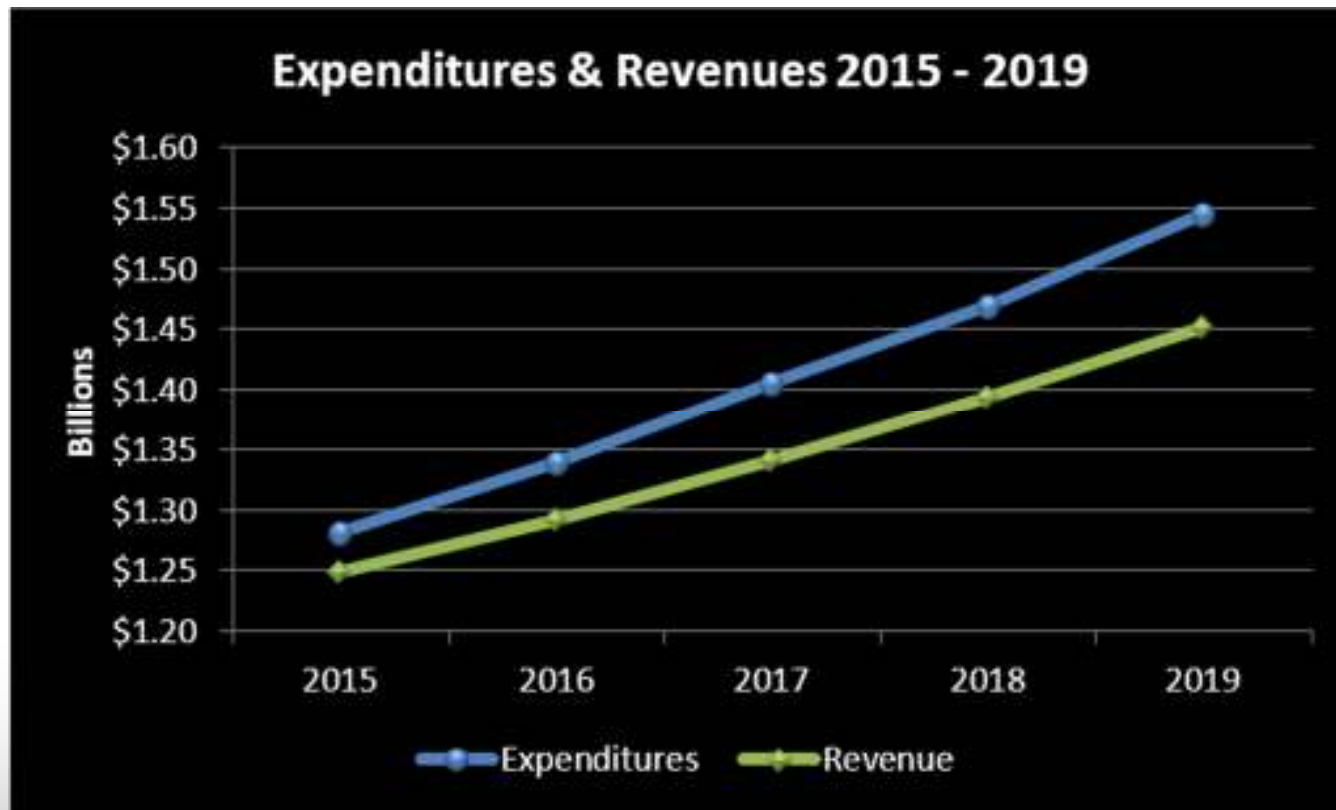
Five-Year Projected Structural Deficit								
Year	Expenditures		Revenues		Gap	Adjusted Gap*		
2015	\$	1,281,038,536	\$	1,249,097,033	\$	31,941,503		
2016	\$	1,339,778,467	\$	1,292,081,451	\$	47,697,016	\$	15,755,513
2017	\$	1,406,214,357	\$	1,341,124,150	\$	65,090,207	\$	17,393,190
2018	\$	1,470,276,406	\$	1,394,104,886	\$	76,171,520	\$	11,081,314
2019	\$	1,545,514,127	\$	1,451,717,841	\$	93,796,286	\$	17,624,766

\*Adjusted gap assumes that the prior year gap was eliminated with long-term solutions.





# 5-Year Projected Structural Deficit





## Milwaukee County Five-Year Forecast 2015 - 2019

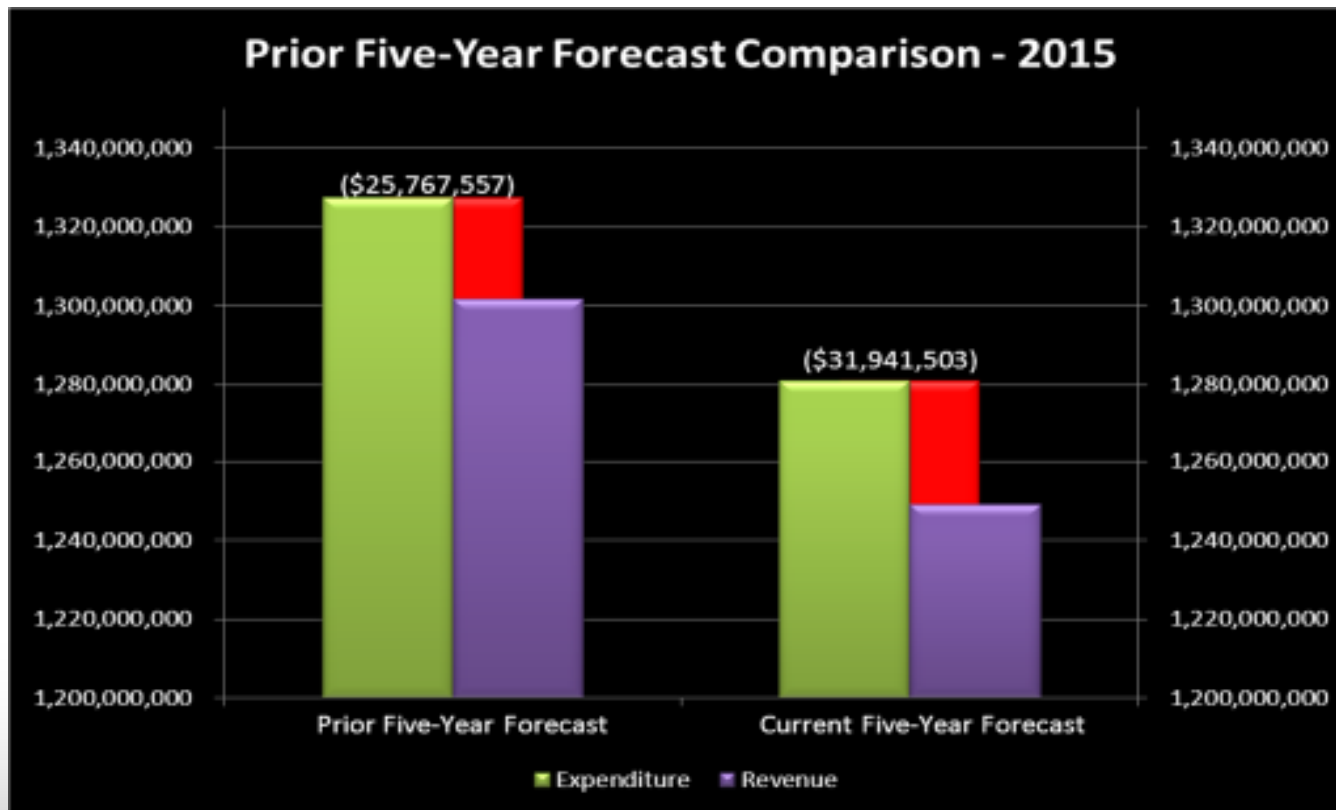
# Prior 5-Year Forecast Comparisons





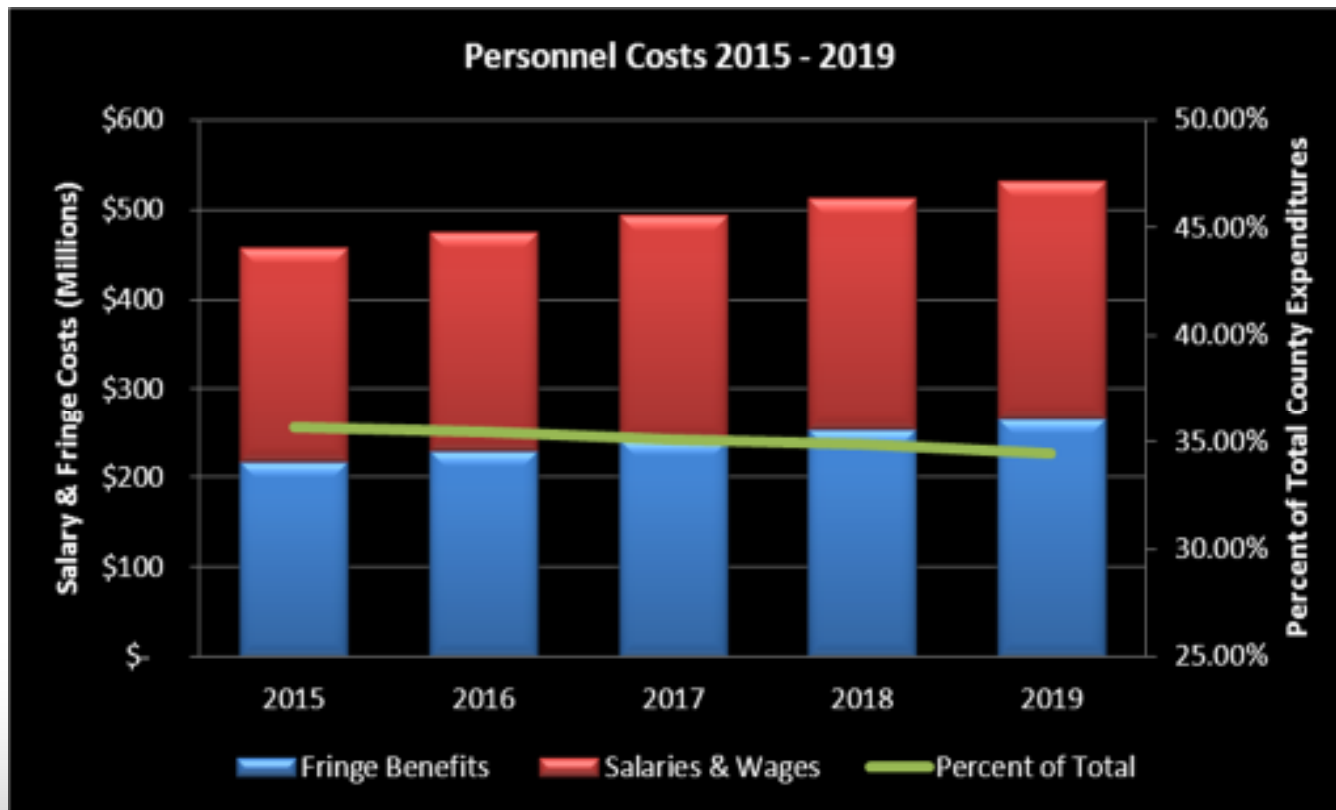


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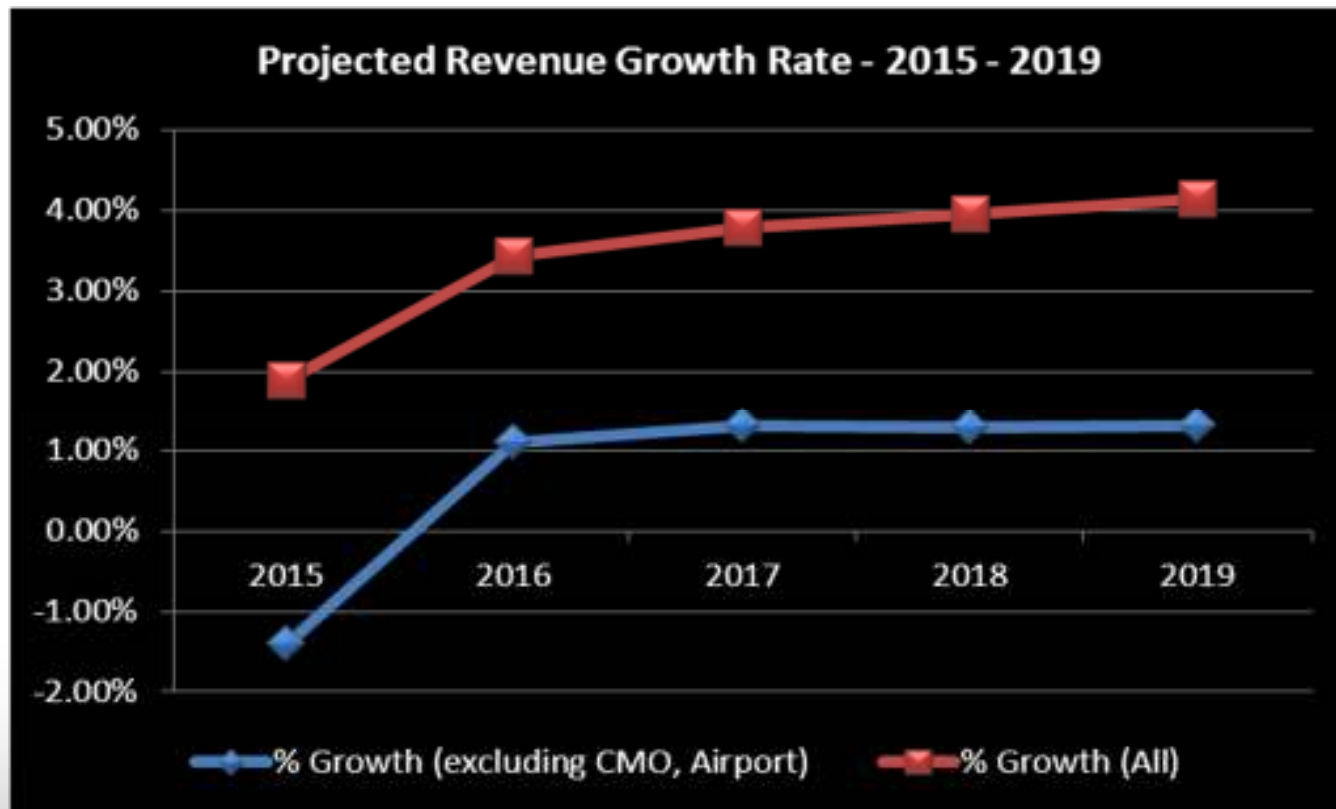


# Structural Deficit Drivers - Expenditures





# Structural Deficit Drivers - Revenues





# Departmental Levy Requirements



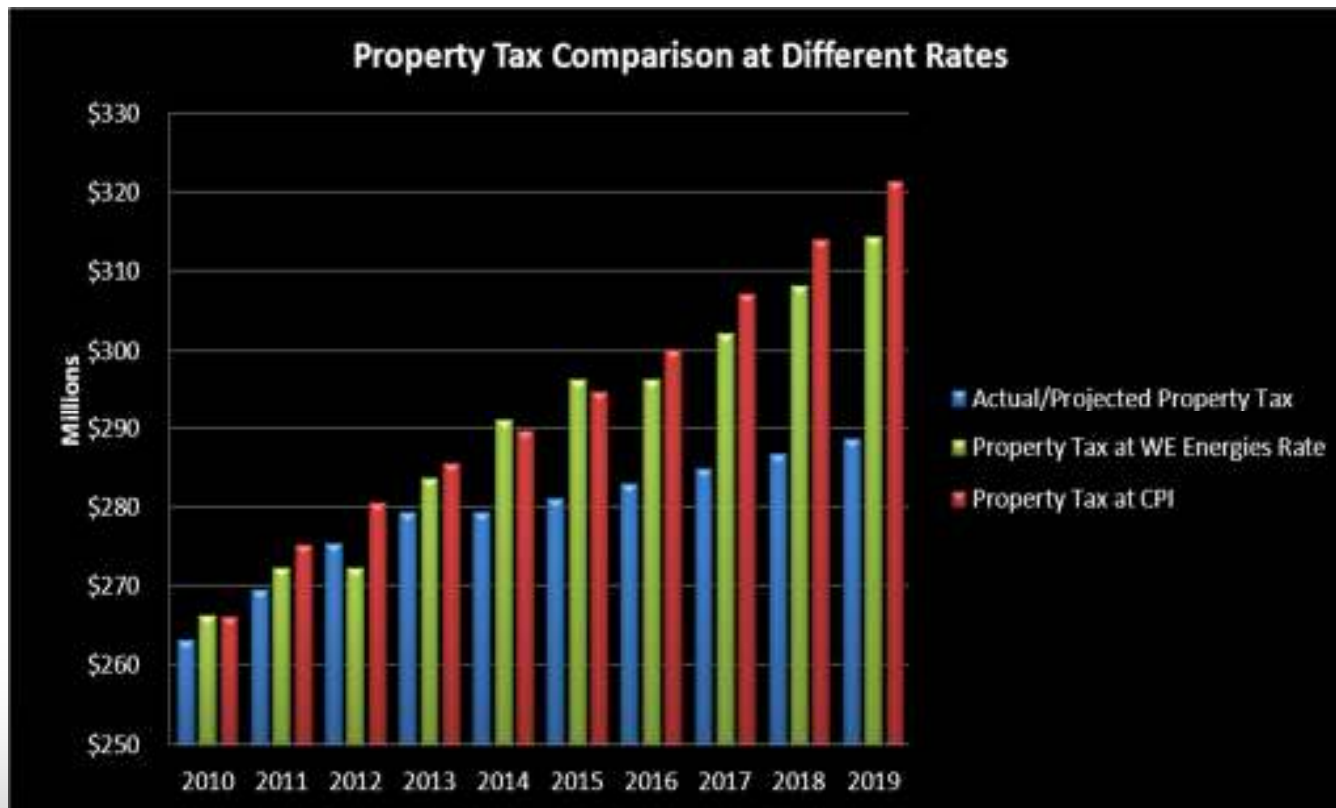


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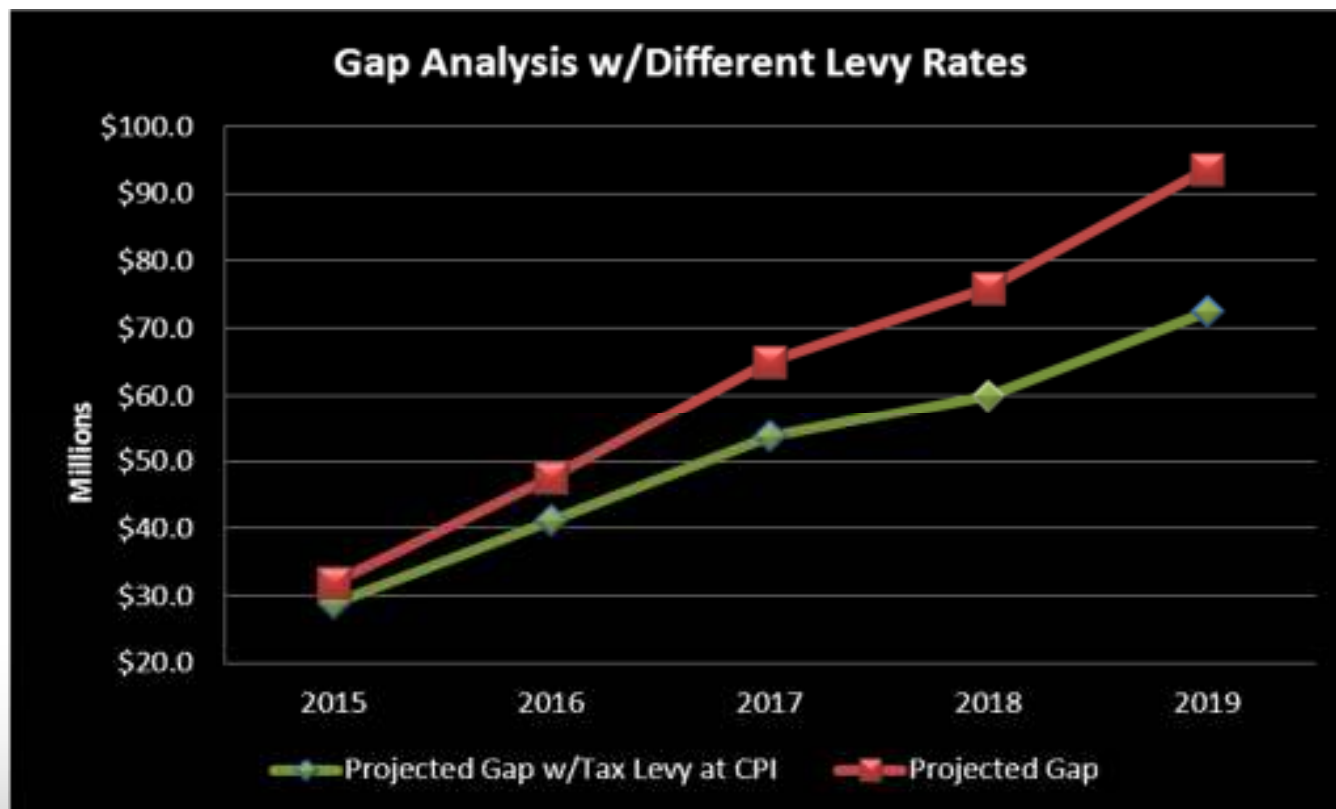


# Impact of Different Levy Rates



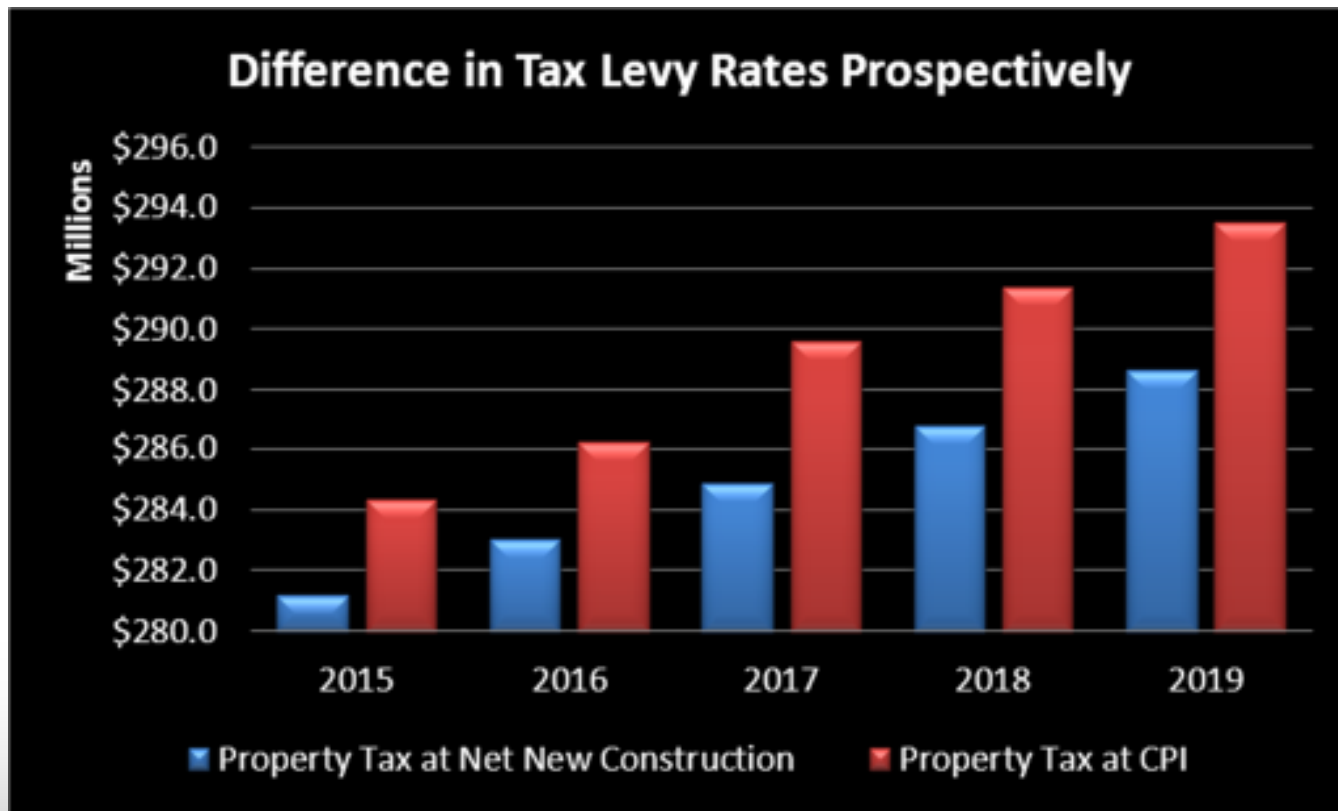


# Impact of Different Levy Rates





# Impact of Different Levy Rates







## Other Issues to Monitor

- Pending litigation
- 2015 – 2017 Biennial State Budget
- Debt service and infrastructure needs
- Sheriff Staffing





## Milwaukee County Five-Year Forecast 2015 - 2019

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QUESTIONS?

