



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: July 14, 2020

TO: Supervisor Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller
Cynthia (CJ) Pahl, Financial Services Manager

SUBJECT: Fiscal Report of May 2020 for Milwaukee County

Policy Issue

Wisconsin Statutes Section 59.255(2) and County Ordinance Section 56.02(2) require the Comptroller to provide a monthly update of the fiscal condition of the County.

2020 Year-end Projection

Based on financial results through May 31, 2020, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2020 year-end fiscal status is a ***\$19.3 million deficit***.

Period	Projected Year End Position	Annual Projection	Change from Prior Projection
May 2020	Deficit	(\$19.3 million)	\$4,700,000
April 2020	Deficit	(\$24.0 million)	\$10,000,000
March 2020	Deficit	(\$34.0 million)	n/a

This projection is based on the most current reports from departments and best estimates of countywide revenue impacts.

- Based on reports received, some departmental projections may not assume anticipated savings from the Fiscal Actions Administrative Order 20-9v1 for this report.
- Most departmental projections do not assume potential revenue offsets that may become available to offset COVID-19 related expenditures. For purposes of this report, an estimate of possible revenue offsets is discussed separately.
- The true revenue impacts in most departments will not become fully estimable until additional time has passed and departments are both able to resume revenue-generating operations and determine the effects of COVID-19 on those operations.

The departments in the following table have projected a year-end operating surplus or deficit. Departments not listed are currently reporting a break-even. Taken together with non-departmental surpluses and deficits, the County is currently in a deficit.

May 2020		
Departments in Surplus		
	Deficit	Surplus
Office of African American Affairs		\$312,603
Personnel Review Board		\$100,100
Corporation Counsel		\$141,607
Human Resources		\$815,830
DAS		\$2,271,808
DAS-Risk Management		\$207,515
DAS-IMSD		\$1,212,839
Courts		\$2,363,680
Pretrial Services		\$156,681
Register of Deeds		\$214,609
Comptroller		\$175,000
Aging		\$521,475
DHHS		\$1,215,668
All Others		\$25,061
Subtotal		\$9,734,476
Departments in Deficit		
	Deficit	Surplus
Child Support	(\$51,767)	
Treasurer	(\$484,435)	
Sheriff	(\$563,267)	
House of Correction	(\$2,646,804)	
District Attorney	(\$45,369)	
Medical Examiner	(\$94,475)	
Parks	(\$2,368,331)	
Zoo	(\$5,945,293)	
Utility	(\$885,817)	
Subtotal	(\$13,085,558)	
Non-Departmental Surpluses and Deficits		
	Deficit	Surplus
Land Sale		\$4,300,000
Contingency		\$7,250,016
Fringe Benefits		\$6,000,000
All Others		\$754,440
Potawatomi Revenue	(\$1,565,039)	
Wage and Benefit Mods	(\$1,423,327)	
Property Taxes	(\$9,000,000)	
Sales Tax	(\$20,000,000)	
Froedtert Revenue	(\$2,250,000)	
Subtotal	(\$34,238,366)	\$18,304,456
Grand Totals	(\$47,323,924)	\$28,038,932
Deficit / Surplus	(\$19,284,992)	

The current deficit estimate includes various expenditures which are likely eligible for reimbursement through Cares or FEMA revenues. While these expenditures are still being reviewed, it is possible that the items in the table below (which are included in the current estimate) could be reimbursable. Barring any significant changes in future months, reimbursable expenditures could exceed the current deficit which would then put the County in a surplus position.

Estimated Expenditures w/Cares and FEMA Offsets (Under Review)	
PPE, Cleaning and Current Sanitation	\$2,200,000
COVID Leave and Hazard Pay through 4/18/20	\$3,700,000
COVID Leave and Hazard Pay through 12/31/20	\$1,000,000
COVID Healthcare Expenses	\$250,000
EOC/UEOC Staff Time	\$1,000,000
OEM/EMS Direct COVID Work and Contracts	\$300,000
COVID Tracked Work Time	\$550,000
Sheriff COVID-related Expenses	\$200,000
IMSD Telecommuting Support	\$500,000
Unemployment and Workers Compensation	\$150,000
HOC and Jail COVID-related	\$8,800,000
Medical Examiner Temporary Morgue/Death Investigations	\$300,000
Electronic Monitoring Expansion – Pretrial Services	\$500,000
Administrative Overhead on COVID Time	\$5,000,000
Total	\$24,450,000
Other Potential Offsets to the Deficit	
Additional Land Sale Revenue	\$1,000,000
Transit Tax Levy Offset	\$12,000,000
Debt Service Reserve	\$49,400,000

Debt Service Reserve Activity and Projected Balance for 2020

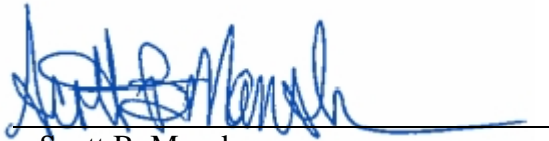
2020 Starting Balance	\$ 39,092,165
2020 Activity	
2019 Year End Surplus	\$ 17,000,000
2020 Budget Commitment	\$ (3,598,267)
Unspent Bond Reallocation (File 20-401)	\$ (3,066,848)
2020 Projected Balance	\$ 49,427,050

The following attachments provide further detail:

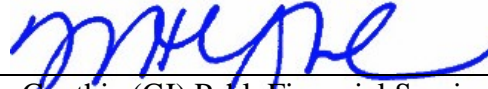
- Attachment A: Summary of Contingency Fund
- Attachment B: provides narrative explanations of deficits and surpluses in excess of \$100,000 or other items of interest.
- Attachment C: provides the projected surplus or deficit for 2020 by fund and agency and by percentage of budget spent.
- Attachment D: Impact of COVID-19 on Bond Ratings

Committee Action

This is an informational report only.



Scott B. Manske
Comptroller



Cynthia (CJ) Pahl, Financial Services Manager
Office of the Comptroller

cc: Supervisor Jason Haas, Chairman, Finance & Audit Committee
Finance & Audit Committee
Joseph Lamers, Director, Department of Administrative Services - PSB
Shanin Brown, Committee Coordinator, County Clerk
Stephen Cady, Research Director, Office of the Comptroller

Contingency Fund as of July 14, 2020

Unallocated Contingency Fund	
2020 Adopted Balance	\$ 4,355,575
<i>Approved Actions</i>	
Parks Amenities Matching Fund (sPark) (File 20-128)	\$ (100,000)
Voter registration and education outreach (File 20-146)	\$ (50,000)
To new Capital Project WO72101-Laptops COVID-19 Emergency (File 20-288)	\$ (500,000)
To new Capital Project WO72001-COVID-19 Emergency (File 20-288)	\$ (500,000)
From Capital Project WO546-Enterprise Platform Modernization Phase 2 (File 20-286)	\$ 1,730,000
To Org. 1172 DAS-IMSD-Mainframe (File 20-286)	\$ (1,120,000)
To Org. 1921 HR & Payroll Systems for Ceridian upgrade & full year of services (File 20-286)	\$ (610,000)
To Capital Project W087001-Special Assessments municipalities levy on County for improvements (File 20-337)	\$ (80,000)
To Sheriff's Office for Cnty Exec & CB Security (File 20-387 as amended)	\$ (127,694)
From WO72101-Laptops COVID-19 Emergency (File 20-335 as amended)	\$ 500,000
From WO72001-COVID-19 Emergency (File 20-335 as amended)	\$ 500,000
From Capital (File 20-401)	\$ 1,652,135
Current Available Balance	\$ 5,650,016
Allocated Contingency Fund	
2020 Adopted Balance	\$ 2,150,000
<i>Allocated Items</i>	
Low-interest revolving loan for lead abatement 1A005	\$ 550,000
HOC dorm closure backup for electronic monitoring initiative 1A023	\$ 1,500,000
Repair lakefront paths if high water/freezing 1A029	\$ 100,000
<i>Approved Actions</i>	
Milwaukee County Lead Remediation Low Interest Loan Program (File 20-121)	\$ (550,000)
Current Available Balance	\$ 1,600,000

DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2020

Office of African American Affairs (Org 1091) *\$0.3 million surplus*

Surplus is a result of salary savings and reduced contractual costs due to the Fiscal Actions Administrative Order 20-9.

Personnel Review Board (Org 1120) *\$0.1 million surplus*

Surplus is a result of salary savings and reduced contractual costs due to the Fiscal Actions Administrative Order 20-9.

Corporation Counsel (Org 1130) *\$0.1 million surplus*

Surplus is a result of salary savings.

Human Resources (Org 1140) *\$0.8 million surplus*

Savings are a result of salary savings, personnel contract savings, and cancellation of the reception area remodel.

DAS (Org 1151) *\$2.3 million surplus*

DAS is projecting a savings largely due to vacancies, reduced contractual costs due to the Fiscal Actions Administrative Order 20-9 and reduced technology spend.

DAS-Risk Management (Org 1150) *\$0.2 million surplus*

Costs related to workers compensation were lower in 2019 than originally anticipated, resulting in additional savings for 2020. It is anticipated that workers compensation costs related to COVID-19 will be reimbursable with federal stimulus funding.

DAS-Information Management Services Division (Org 1160) *\$1.2 million surplus*

Expenditures are reduced due to the fiscal administrative order, resulting in vacancy and training savings.

Courts (Org 2000) *\$2.4 million surplus*

Courts was previously anticipating a \$0.4 million deficit but has since updated its projections to assume a surplus of \$2.4 million. Although revenues are projected to deficit by roughly \$0.8 million, savings due to furloughs and savings in costs for various items including guardian ad litem, adversary counsel, psychiatrist fees, and interpreter fees are generating a substantial surplus.

Pretrial Services (Org 2900) *\$0.2 million surplus*

Pretrial services is projecting a surplus of \$0.2 million due to savings in salary and social security and additional federal reimbursement revenue.

Treasurer (Org 3090) (\$0.5 million deficit)

The Treasurer is projecting a deficit for 2020 due to a shortfall in interest and penalties collected on delinquent tax accounts.

Register of Deeds (Org 3400) \$0.2 million surplus

The Register of Deeds is projecting a surplus for 2020 largely due to personnel and contractual savings achieved from Fiscal Actions Administrative Order 20-9.

Comptroller (Org 3700) \$0.2 million surplus

The Comptroller is projecting a surplus for 2020 due to personnel savings achieved from Fiscal Actions Administrative Order 20-9.

Sheriff (Org 4000) (\$0.6 million deficit)

The MCSO has increased its deficit projection from a \$0.4 million deficit to a \$0.6 million deficit. The MCSO revenue deficit has increased from \$0.4 million to \$0.7 million and is largely due to various revenue impacts related to the pandemic. Citation, forfeiture, process service and foreclosure revenues are all expected to be less than budget. Inmate telephone revenue is also expected to be less than budget due to a lower ADP and free weekly calls provided to inmates. Overtime expenditures are expected to exceed budget by \$5.1 million, offset by salary savings of \$2.5 million. A portion of the deficit is anticipated to be offset by salary dollars funded centrally and by federal stimulus funding for expenses already incurred.

House of Correction (Org 4300) (\$2.6 million deficit)

The HOC has slightly reduced its deficit projection by \$0.2 million, from \$2.8 million to \$2.6 million. Revenues in the House of Correction for housing sanction and DAI inmates will likely not be fully achieved, but the deficit is not as large as previously projected due to the likely return of DAI inmates to the HOC soon. The HOC is also projecting less of a deficit in overtime. Staff at the HOC, DAS-Fiscal Affairs and the Comptroller anticipate that costs related to COVID-19 will be reimbursable with federal stimulus funding and are working to develop a cost allocation plan to determine what portion of expenses could be covered. Part of the \$2.6 million deficit is due to supplies in the amount of roughly \$1.3 million which is anticipated to be reimbursed and included in the estimates below.

District Attorney (Org 4500) (\$0.1 million deficit)

The District Attorney has gone from projecting a surplus of \$0.6 million to a small deficit. Prior projections did not account for the loss of reimbursement due to lower salary and social security costs from staff furloughs.

Medical Examiner (Org 4900) (\$0.1 million deficit)

The Medical Examiner is anticipating a shortfall in revenue as well as expenditures that exceed budget. It is anticipated that a portion of the expenditures will be offset by Cares revenue, reducing the deficit in this department.

DAS-Utility (Org 5500) (\$0.9 million deficit)

The deficit is a result of budgeted revenue relating to the fire charge. Revenue is offset in a non-departmental org resulting in no impact to the bottom line.

DOT-Transit (Org 5600) Breakeven

Although DOT-Transit is being reported as a breakeven, current projections indicate an \$11.2 million revenue loss due to fare abatements the past few months. Transit has received additional federal revenue that will offset this deficit and other unbudgeted expenditures. Transit is also projecting a surplus due to Paratransit which is offsetting the revenue loss.

**Behavioral Health Division (Org 6300) (\$7.5 million deficit)
\$7.5 million reserve**

The Behavioral Health Division is largely assuming a deficit due to an estimated \$4.5 million in capital improvements the division is required to make. This estimate also includes a \$2.0 million reduction in tax levy requested by the administration to offset the countywide deficit.

Department on Aging (Org 7900) \$0.5 million surplus

Aging is anticipating a surplus due to unanticipated funding of senior center services that have been reconfigured due to COVID-19 and are now eligible for reimbursement.

Department of Health and Human Services (Org 8000) \$1.2 million surplus

DHHS is has increased its projected surplus from \$1.0 million to \$1.2 million. The increase is due to a reduction in ADP for youth placed at state institutions. The remaining surplus is largely a result of vacancy and contractual savings anticipated.

Department of Parks (Org 9000) (\$2.4 million deficit)

The Parks Department's projection remains unchanged from the prior month's report. Many of Parks revenue-generating operations have been halted or delayed, resulting in severe revenue losses. These losses are offset by personnel savings of \$3.5 million. Other expenditure savings include contractual service reductions of \$0.8 million, commodities savings of \$0.5 million and major maintenance savings of \$0.9 million.

Zoological Department (Org 9500) (\$5.9 million deficit)

The Zoo's projection has worsened slightly from the prior report by \$0.3 million. The Zoo is anticipating a revenue loss of \$9.4 million. These losses are offset with expenditure savings of \$3.5 million for a net deficit of \$5.9 million.

Land Sale (Org 1933) *\$4.3 million surplus*

Land sales in the amount of \$4.3 million have been completed in 2020 resulting in surplus revenue.

Potawatomi Revenue (Org 1937) *(\$1.6 million deficit)*

Potawatomi revenue is based on a Class III Net Win during the period July 1, 2019 to June 30, 2020. This deficit is based on an assumption that the casino was closed from mid-March through the end of the period which will result in less revenue to the County.

Appropriation for Contingency (Org 1945) *\$7.3 million surplus*

The current projection for the Appropriation for Contingency assumes that the entire \$7.3 million of the current contingency appropriation (both allocated and unallocated) is not spent and is used to offset departmental and non-departmental deficits. The contingency amount increased \$1.7 from that of the prior report due to funds added from the debt service reserve and from capital projects in File 20-401.

Fringe Benefits (Org 1950) *\$6.0 million surplus*

Fringe benefits is anticipated to surplus in 2020, but since a portion of that surplus is budgeted in departments with revenue offsets and in the Behavioral Health Division, not all surplus is available to offset the bottom line. At this time, roughly \$6.0 million of the total surplus is expected to fall to the bottom line.

Wage and Benefit Modifications (Org 1972) *(\$1.4 million deficit)*

The 2020 Adopted Budget included a centralized vacancy and turnover reduction of \$2.0 million which was to be offset by additional savings in departmental personnel expenditures. This agency also had funds appropriated to support correctional officer salary increases of \$300,000, trades salary increases of \$400,000, and salary increases for employees in the DHHS-BHD division of \$175,333 resulting in a net budget of -\$1.1 million. Since the previous report, \$300,000 has been transferred out to support correctional officer salary increases in File 20-256, causing the deficit to increase by \$0.3 million. To the extent that additional funds are transferred out of this account, the overall deficit amount, or amount that must be covered by additional salary savings elsewhere will grow.

Property Taxes (Org 1991) *(\$9.0 million deficit)*

In August of each year, the County settles any outstanding property taxes with each municipality except for the City of Milwaukee. It is anticipated that the level of unpaid property taxes will increase from the average outstanding amount resulting in a direct impact to the County's bottom line.

Sales Tax (Org 1996) *(\$20.0 million deficit)*

Milwaukee County sales tax is currently projected to decline by \$20 million or by approximately 25% compared to the 2020 Adopted Budget. There is an approximately three-month lag time between the date a sales tax transaction occurs and the date that Milwaukee County receives its 0.5% share of the payment which is distributed through the State of Wisconsin. This means that the County will not

begin to see the actual COVID-19 impacts on sales tax receipts until June and July. In the absence of actual disbursement data, various indicators were considered to make an initial projection. As a starting point, the Great Recession resulted in a 12% sales tax decline between 2008 and 2009. While this provides an initial benchmark, sales tax losses in 2020 are expected to be far more severe. For example, taxable retail sales in the United States were reported by the U.S. Census to be down by over 13% in the month of March, while economic activity was heavily impacted by COVID-19 for roughly one-half month. Hotel stays in Milwaukee are reportedly at 20% occupancy. Large events such as concerts and professional sporting events are cancelled or postponed. An estimated \$20 million loss in sales tax is an initial estimate which will be updated on a monthly basis going forward as more data becomes available.

Froedtert Revenue (*Org 9960*)

(\$2.3 million deficit)

Froedtert revenue is budgeted at \$10.0 million for 2020. The revenue is based on Froedtert's fiscal cycle which is July 1 – June 30. Given the pandemic, it is likely that the revenue will be less in 2020. The Comptroller is including this estimate until further information is obtained.

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of May 31, 2020 Period 5 BY DEPARTMENT								
		2020	2020	Revenue Variance	2020	2020	Expense Variance	Surplus (Deficit)
		Projected Revenues	Budgeted Net Revenues		Projected Expenditures	Budgeted Net Expenditures		
Legislative, Executive & Staff								
1000	County Board	-	-	-	1,210,644	1,210,644	-	-
1011	County Executive - General Office	-	-	-	856,980	856,980	-	-
1021	Veterans Service	13,000	13,000	-	262,890	262,890	-	-
1020	Governmental Relations	-	-	-	246,017	246,017	-	-
1091	Office of African American Affairs	-	-	-	985,234	1,297,837	312,603	312,603
1120	Personnel Review Board	-	-	-	343,078	443,178	100,100	100,100
1130	Corporation Counsel	200,000	200,000	-	1,181,908	1,323,515	141,607	141,607
1140	Human Resources	6,200	6,200	-	4,575,787	5,391,617	815,830	815,830
1151	Dept of Administrative Services	12,539,486	13,265,302	(725,816)	38,745,356	41,742,981	2,997,625	2,271,808
1150	DAS - Risk Management	-	-	-	10,038,766	10,246,281	207,515	207,515
1160	DAS - Information Management Services	338,230	398,600	(60,370)	15,645,102	16,918,311	1,273,209	1,212,839
5500	DAS - Utility	1,651,496	4,198,401	(2,546,905)	2,785,565	4,446,654	1,661,089	(885,817)
3010	Election Commission	80,750	80,750	-	1,019,588	1,019,588	-	-
3090	County Treasurer	1,791,605	2,388,884	(597,279)	792,958	905,802	112,844	(484,435)
3270	County Clerk	547,696	547,696	-	901,858	901,858	-	-
3400	Register of Deeds	4,506,189	4,586,500	(80,311)	1,160,776	1,455,696	294,920	214,609
3700	Office of the Comptroller	327,180	327,180	-	4,486,475	4,661,475	175,000	175,000
Total Legislative, Executive & Staff		22,001,832	26,012,513	(4,010,681)	85,238,982	93,331,324	8,092,342	4,081,661
Courts and Judiciary								
2000	Combined Court Related Operations	10,632,187	11,419,695	(787,508)	26,446,415	29,597,603	3,151,188	2,363,680
2430	Dept. of Child Support Enforcement	17,438,274	17,871,146	(432,872)	19,942,290	20,323,395	381,105	(51,767)
2900	Courts - Pre-Trial Services	529,149	435,027	94,122	5,425,824	5,488,383	62,559	156,681
Total Courts and Judiciary		28,599,610	29,725,868	(1,126,258)	51,814,529	55,409,381	3,594,852	2,468,594
Public Safety								
4000	Sheriff	11,628,137	12,412,618	(784,481)	47,524,068	47,745,282	221,214	(563,267)
4300	House of Correction	3,917,827	7,495,233	(3,577,406)	50,479,217	51,409,818	930,601	(2,646,804)
4500	District Attorney	5,163,287	6,584,103	(1,420,816)	11,585,587	12,961,034	1,375,447	(45,369)
4800	Emergency Management	1,081,957	1,547,066	(465,109)	7,375,699	7,850,238	474,539	9,430
4900	Medical Examiner	2,975,000	3,003,923	(28,923)	4,394,597	4,329,045	(65,552)	(94,475)
Total Public Safety		24,766,208	31,042,943	(6,276,735)	121,359,167	124,295,417	2,936,250	(3,340,485)
Department of Transportation								
5040	DOT - Airport Division	90,752,839	100,379,334	(9,626,495)	90,353,281	99,979,776	9,626,495	-
5090	DOT - Transportation Services	1,794,622	1,794,622	-	2,081,845	2,081,845	-	-
5100	DOT - Highway Maintenance	22,821,936	23,213,310	(391,374)	23,200,028	23,591,402	391,374	-
5300	DOT - Fleet Management	15,315,713	15,815,713	(500,000)	14,339,125	14,839,125	500,000	-
5600	DOT - Transit/Paratransit System	122,087,466	112,887,466	9,200,000	135,113,943	125,913,943	(9,200,000)	-
5800	DOT - Admin Div	3,398,277	3,473,277	(75,000)	3,076,370	3,151,370	75,000	-
Total Transportation		256,170,853	257,563,722	(1,392,869)	268,164,592	269,557,461	1,392,869	-

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of May 31, 2020 Period 5 BY DEPARTMENT								
		2020	2020		2020	2020		
		Projected	Budgeted Net	Revenue	Projected	Budgeted Net	Expense	Surplus
		Revenues	Revenues	Variance	Expenditures	Expenditures	Variance	(Deficit)
Health & Human Services								
6300	Behavioral Health Division	163,272,372	162,472,372	800,000	228,005,121	219,705,121	(8,300,000)	(7,500,000)
7900	Department on Aging	20,043,709	18,024,028	2,019,681	21,864,563	20,366,357	(1,498,206)	521,475
8000	Department of Human Services	93,872,989	95,244,252	(1,371,263)	127,217,301	129,804,232	2,586,931	1,215,668
	Total Health & Human Services	277,189,070	275,740,652	1,448,418	377,086,985	369,875,710	(7,211,275)	(5,762,857)
Parks, Recreation & Culture								
9000	Department of Parks	12,048,698	21,136,727	(9,088,029)	32,382,979	39,102,677	6,719,698	(2,368,331)
9500	Zoological Department	8,505,650	17,905,058	(9,399,408)	13,806,224	17,260,339	3,454,115	(5,945,293)
9700	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
9910	University Extension	100,000	100,000	-	456,342	471,972	15,630	15,630
	Total Parks, Recreation & Culture	20,654,348	39,141,785	(18,487,437)	50,145,545	60,334,988	10,189,443	(8,297,994)
Non-Departmental's								
1945	Contingency	-	-	-	(1,652,135)	5,597,881	7,250,016	7,250,016
1950	Fringe Benefits	123,315,093	123,315,093	-	219,836,423	225,836,423	6,000,000	6,000,000
1972	Wage and Benefit Modifications	-	-	-	-	(1,423,327)	(1,423,327)	(1,423,327)
1992	Earnings on Investments	5,934,456	5,934,456	-	-	-	-	-
1996	Sales Taxes	55,142,024	75,142,024	(20,000,000)	-	-	-	(20,000,000)
	Other Revenue Non-Departmentals	334,426,637	343,837,236	(9,410,599)	-	-	-	(9,410,599)
	Parks Non-Departmentals	-	-	-	3,483,688	3,483,688	-	-
	Other Non-Departmental	(208,268,550)	(\$112,358,770)	(95,909,780)	(227,853,106)	(128,043,326)	99,809,780	3,900,000
1900'S	Total Non-Departmental	310,549,660	435,870,039	(125,320,379)	(6,185,130)	105,451,339	111,636,469	(13,683,910)
9960	Debt Retirement and Interest	11,558,088	13,808,088	(2,250,000)	47,374,095	47,374,095	-	(2,250,000)
1200-1899	Capital Improvements	270,122,799	265,470,540	4,652,259	312,496,155	307,843,896	(4,652,259)	-
Expendable Trusts								
FUND 3	Zoo Trust Funds	4,984	1,000,522	(995,538)	-	1,014,835	1,014,835	19,297
FUND 4	IMSD Expendable Trust	-	-	-	-	-	-	-
FUND 5	Parks Trust Funds	329	-	329	45,899	846,880	800,981	801,310
FUND 6	Office on Handicapped Trust Fund	-	-	-	-	-	-	-
FUND 7	Behaviorial Health Complex Trust Fund	-	-	-	-	17,200	17,200	17,200
FUND 8	Airport PFC	-	-	-	-	-	-	-
FUND 9	DAS -- Trust	-	-	-	-	-	-	-
FUND 10	DAS -- Trust	-	-	-	-	-	-	-
FUND 11	Fleet Facilities Reserve Trust	-	-	-	-	-	-	-
	Total Expendable Trusts	5,313	1,000,522	(995,209)	45,899	1,878,915	1,833,016	837,807
	Projected Surplus (Deficit)	1,221,617,781	1,375,376,672	(153,758,891)	1,307,540,819	1,435,352,526	127,811,707	(25,947,184)
	Reserves Expendable Trusts							(837,807)
	Contribution from Behavioral Health Reserves							7,500,000
	Total Projected Surplus (Deficit)							(19,284,991)

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of May 31, 2020 Period 05 BY FUND								
	2020	2020		2020	2020			
	Projected	Budgeted Net	Revenue	Projected	Budgeted Net	Expense		
	Revenues	Revenues	Variance	Expenditures	Expenditures	Variance		Surplus (Deficit)
General Fund Departments								
1000	-	-	-	1,210,644	1,210,644	-	-	-
1011	-	-	-	856,980	856,980	-	-	-
1021	13,000	13,000	-	262,890	262,890	-	-	-
1020	-	-	-	246,017	246,017	-	-	-
1091	-	-	-	985,234	1,297,837	312,603	312,603	-
1120	-	-	-	343,078	443,178	100,100	100,100	-
1130	200,000	200,000	-	1,181,908	1,323,515	141,607	141,607	-
1140	6,200	6,200	-	4,575,787	5,391,617	815,830	815,830	-
1151	12,539,486	13,265,302	(725,816)	38,745,356	41,742,981	2,997,625	2,271,808	-
2000	10,632,187	11,419,695	(787,508)	26,446,415	29,597,603	3,151,188	2,363,680	-
2430	17,438,274	17,871,146	(432,872)	19,942,290	20,323,395	381,105	(51,767)	-
2900	529,149	435,027	94,122	5,425,824	5,488,383	62,559	156,681	-
3010	80,750	80,750	-	1,019,588	1,019,588	-	-	-
3090	1,791,605	2,388,884	(597,279)	792,958	905,802	112,844	(484,435)	-
3270	547,696	547,696	-	901,858	901,858	-	-	-
3400	4,506,189	4,586,500	(80,311)	1,160,776	1,455,696	294,920	214,609	-
3700	327,180	327,180	-	4,486,475	4,661,475	175,000	175,000	-
4000	11,628,137	12,412,618	(784,481)	47,524,068	47,745,282	221,214	(563,267)	-
4300	3,917,827	7,495,233	(3,577,406)	50,479,217	51,409,818	930,601	(2,646,804)	-
4500	5,163,287	6,584,103	(1,420,816)	11,585,587	12,961,034	1,375,447	(45,369)	-
4800	1,081,957	1,547,066	(465,109)	7,375,699	7,850,238	474,539	9,430	-
4900	2,975,000	3,003,923	(28,923)	4,394,597	4,329,045	(65,552)	(94,475)	-
5090	1,794,622	1,794,622	-	2,081,845	2,081,845	-	-	-
5100	22,821,936	23,213,310	(391,374)	23,200,028	23,591,402	391,374	-	-
5800	3,398,277	3,473,277	(75,000)	3,076,370	3,151,370	75,000	-	-
7900	20,043,709	18,024,028	2,019,681	21,864,563	20,366,357	(1,498,206)	521,475	-
8000	93,872,989	95,244,252	(1,371,263)	127,217,301	129,804,232	2,586,931	1,215,668	-
9000	12,048,698	21,136,727	(9,088,029)	32,382,979	39,102,677	6,719,698	(2,368,331)	-
9500	8,505,650	17,905,058	(9,399,408)	13,806,224	17,260,339	3,454,115	(5,945,293)	-
9700	-	-	-	3,500,000	3,500,000	-	-	-
9910	100,000	100,000	-	456,342	471,972	15,630	15,630	-
	235,963,805	263,075,597	(27,111,792)	457,528,897	480,755,070	23,226,173	(3,885,619)	
Other Funds								
1150	-	-	-	10,038,766	10,246,281	207,515	207,515	-
1160	338,230	398,600	(60,370)	15,645,102	16,918,311	1,273,209	1,212,839	-
5040	90,752,839	100,379,334	(9,626,495)	90,353,281	99,979,776	9,626,495	-	-
5300	15,315,713	15,815,713	(500,000)	14,339,125	14,839,125	500,000	-	-
5600	122,087,466	112,887,466	9,200,000	135,113,943	125,913,943	(9,200,000)	-	-
5500	1,651,496	4,198,401	(2,546,905)	2,785,565	4,446,654	1,661,089	(885,817)	-
6300	163,272,372	162,472,372	800,000	228,005,121	219,705,121	(8,300,000)	(7,500,000)	-
	393,418,116	396,151,886	(2,733,770)	496,280,903	492,049,211	(4,231,692)	(6,965,462)	

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of May 31, 2020 Period 05 BY FUND								
	2020	2020	2020	2020	2020	2020	2020	
	Projected	Budgeted Net	Revenue	Projected	Budgeted Net	Expense	Surplus	
	Revenues	Revenues	Variance	Expenditures	Expenditures	Variance	(Deficit)	
Non-Departmental's								
1945	Contingency	-	-	-	(1,652,135)	5,597,881	7,250,016	7,250,016
1950	Fringe Benefits	123,315,093	123,315,093	-	219,836,423	225,836,423	6,000,000	6,000,000
1972	Wage and Benefit Modifications	-	-	-	-	(1,423,327)	(1,423,327)	(1,423,327)
1992	Earnings on Investments	5,934,456	5,934,456	-	-	-	-	-
1996	Sales Taxes	55,142,024	75,142,024	(20,000,000)	-	-	-	(20,000,000)
	Other Revenue Non-Departmentals	334,426,637	343,837,236	(9,410,599)	-	-	-	(9,410,599)
	Parks Non-Departmentals	-	\$0.00	-	3,483,688	3,483,688	-	-
	Other Non-Departmental	(208,268,550)	(\$112,358,770)	(95,909,780)	(227,853,106)	(128,043,326)	99,809,780	3,900,000
1900'S	Total Non-Departmental	310,549,660	435,870,039	(125,320,379)	(6,185,130)	105,451,339	111,636,469	(13,683,910)
9960	Debt Retirement and Interest	11,558,088	13,808,088	(2,250,000)	47,374,095	47,374,095	-	(2,250,000)
1200-1899	Capital Improvements	270,122,799	265,470,540	4,652,259	312,496,155	307,843,896	(4,652,259)	-
Expendable Trusts								
FUND 3	Zoo Trust Funds	4,984	1,000,522	(995,538)	-	1,014,835	1,014,835	19,297
FUND 4	IMSD Expendable Trust	-	-	-	-	-	-	-
FUND 5	Parks Trust Funds	329	-	329	45,899	846,880	800,981	801,310
FUND 6	Office on Handicapped Trust Fund	-	-	-	-	-	-	-
FUND 7	Behaviorial Health Complex Trust Funds	-	-	-	-	17,200	17,200	17,200
FUND 8	Airport PFC	-	-	-	-	-	-	-
FUND 9	DAS -- Trust	-	-	-	-	-	-	-
FUND 10	DAS -- Trust	-	-	-	-	-	-	-
FUND 11	Fleet Facilities Reserve Trust	-	-	-	-	-	-	-
	Total Expendable Trusts	5,313	1,000,522	(995,209)	45,899	1,878,915	1,833,016	837,807
	Projected Surplus (Deficit)	1,221,617,781	1,375,376,672	(151,025,121)	1,307,540,819	1,435,352,526	132,043,399	(25,947,184)
	Reserves Expendable Trusts							(837,807)
	Contribution from Behavioral Health Reserves							7,500,000
	Total Projected Surplus (Deficit)							(19,284,991)

Milwaukee County							
Annual Fiscal Report of % of Budgeted funds as of May 31, 2020							
		2020	2020	Revenue	2020	2020	Expenditure
		Actual	Budgeted Net	%	Actual	Budgeted Net	%
		Revenues	Revenues		Expenditures	Expenditures	
	Legislative, Executive & Staff						
1000	County Board	-	-	-	631,828	1,210,644	52.19%
1011	County Executive - General Office	-	-	-	446,614	856,980	52.11%
1021	Veterans Service	13,000	13,000	-	138,839	262,890	52.81%
1020	Governmental Affairs	-	-	-	111,752	246,017	45.42%
1091	Office of African American Affairs	-	-	-	337,551	1,297,837	26.01%
1120	Personnel Review Board	1	-	-	104,713	443,178	23.63%
1130	Corporation Counsel	2,000	200,000	1.00%	695,684	1,323,515	52.56%
1140	Human Resources	(303)	6,200	-4.89%	2,760,519	5,391,617	51.20%
1151	Dept of Administrative Services	9,646,338	13,265,302	72.72%	18,402,810	41,742,981	44.09%
1150	DAS - Risk Management	-	-	0.00%	5,448,366	10,246,281	53.17%
1160	DAS - Information Management Services	136,969	398,600	34.36%	5,500,119	16,918,311	32.51%
5500	DAS - Utility	29,000	4,198,401	0.69%	754,215	4,446,654	16.96%
3010	Election Commission	153	80,750	0.19%	355,626	1,019,588	34.88%
3090	County Treasurer	800,697	2,388,884	33.52%	372,368	905,802	41.11%
3270	County Clerk	118,698	547,696	21.67%	517,167	901,858	57.34%
3400	Register of Deeds	2,355,643	4,586,500	51.36%	667,453	1,455,696	45.85%
3700	Office of the Comptroller	147,033	327,180	44.94%	2,432,177	4,661,475	52.18%
	Total Legislative, Executive & Staff	13,249,228	26,012,513	50.93%	39,677,801	93,331,324	42.51%
	Courts and Judiciary						
2000	Combined Court Related Operations	2,209,752	11,419,695	19.35%	13,597,713	29,597,603	45.94%
2430	Dept. of Child Support Enforcement	3,748,430	17,871,146	20.97%	8,320,775	20,323,395	40.94%
2900	Courts - Pre-Trial Services	1,150,178	435,027	264.39%	2,712,869	5,488,383	49.43%
	Total Courts and Judiciary	7,108,361	29,725,868	23.91%	24,631,358	55,409,381	44.45%
	Public Safety						
4000	Sheriff	3,365,534	12,412,618	27.11%	27,620,570	47,745,282	57.85%
4300	House of Correction	1,354,748	7,495,233	18.07%	22,432,100	51,409,818	43.63%
4500	District Attorney	905,322	6,584,103	13.75%	5,932,173	12,961,034	45.77%
4800	Emergency Management	55,889	1,547,066	3.61%	4,089,915	7,850,238	52.10%
4900	Medical Examiner	843,777	3,003,923	28.09%	2,433,462	4,329,045	56.21%
	Total Public Safety	6,525,270	31,042,943	21.02%	62,508,221	124,295,417	50.29%
	Department of Transportation						
5040	DOT - Airport Division	28,589,236	100,379,334	28.48%	34,632,251	99,979,776	34.64%
5090	DOT - Transportation Services	832,765	1,794,622	46.40%	868,298	2,081,845	41.71%
5100	DOT - Highway Maintenance	2,864,013	23,213,310	12.34%	10,202,063	23,591,402	43.24%
5300	DOT - Fleet Management	6,225,643	15,815,713	39.36%	7,666,998	14,839,125	51.67%
5600	DOT - Transit/Paratransit System	9,902,623	112,887,466	8.77%	49,939,227	125,913,943	39.66%
5800	DOT - Admin Div	971,567	3,473,277	27.97%	216,999	3,151,370	6.89%
	Total Transportation	49,385,846	257,563,722	19.17%	103,525,836	269,557,461	38.41%

Milwaukee County							
Annual Fiscal Report of % of Budgeted funds as of May 31, 2020							
		2020	2020	Revenue	2020	2020	
		Actual	Budgeted Net		Actual	Budgeted Net	Expenditure
		Revenues	Revenues	%	Expenditures	Expenditures	%
	Health & Human Services						
6300	Behavioral Health Division	63,854,645	162,472,372	39.30%	97,294,548	219,705,121	44.28%
7900	Department on Aging	3,739,192	18,024,028	20.75%	8,093,146	20,366,357	39.74%
8000	Department of Human Services	29,626,277	95,244,252	31.11%	50,126,081	129,804,232	38.62%
	Total Health & Human Services	97,220,114	275,740,652	35.26%	155,513,775	369,875,710	42.04%
	Parks, Recreation & Culture						
9000	Department of Parks	2,575,737	21,136,727	12.19%	14,768,955	39,145,362	37.73%
9500	Zoological Department	1,330,322	17,905,058	7.43%	6,939,429	17,260,339	40.20%
9700	Milwaukee Public Museum	-	-	-	2,625,000	3,500,000	75.00%
9910	University Extension	25,250	100,000	25.25%	204,549	471,972	43.34%
	Total Parks, Recreation & Culture	3,931,309	39,141,785	10.04%	24,537,933	60,377,673	40.64%
	Non-Departmental's						
1945	Contingency	-	-	-	-	5,597,881	0.00%
1950	Fringe Benefits	75,548,472	123,315,093	61.26%	37,654,607	225,836,423	16.67%
1972	Wage and Benefit Modifications	-	-	-	-	(1,423,327)	0.00%
1992	Earnings on Investments	6,965,535	5,934,456	117.37%	-	-	-
1996	Sales Taxes	23,386,020	75,142,024	31.12%	-	-	-
	Other Revenue Non-Departmentals	1,688,672	343,837,236	0.49%	-	-	-
	Parks Non-Departmentals	-	-	-	2,181,125	3,483,688	62.61%
	Other Non-Departmental	5,048,747	(112,358,770)	(0)	(1,619,060)	(128,043,326)	1.26%
1900'S	Total Non-Departmental	112,637,445	435,870,039	25.84%	38,216,671	105,451,339	36.24%
9960	Debt Retirement and Interest	-	469,900	0.00%	6,101,423	47,374,095	12.88%
1200-1899	Capital Improvements	6,457,734	265,470,540	2.43%	24,422,743	307,843,896	7.93%
	Expendable Trusts						
FUND 3	Zoo Trust Funds	101,676	1,000,522	10.16%	113,228	1,014,835	11.16%
FUND 4	IMSD Expendable Trust	-	-	-	-	-	0.00%
FUND 5	Parks Trust Funds	329	-	-	16,899	846,880	2.00%
FUND 6	Office on Handicapped Trust Fund	-	-	-	-	-	-
FUND 7	Behaviorial Health Complex Trust Fund	-	-	-	39,249	17,200	228.19%
FUND 8	Airport PFC	3,663,603	-	0.00%	-	-	-
FUND 9	DAS -- Trust	-	-	-	-	-	-
FUND 10	DAS -- Trust	-	-	-	-	-	-
FUND 11	Fleet Facilities Reserve Trust	-	-	-	-	-	-
	Total Expendable Trusts	3,765,608	1,000,522	376.36%	169,377	1,878,915	9.01%
	Total	300,280,914	1,362,038,484	22.05%	479,305,136	1,435,395,211	33.39%

IMPACT OF COVID-19 ON BOND RATINGS

No change from prior report

Summary

Rating agencies grade bonds on a scale that indicates the credit worthiness and risk. In general, entities that have a high bond rating will pay a lower amount of debt service. The rating agencies have been continuing to monitor the economic activity for the various sectors and have taken action. Most of the actions have been global adjustments to sector outlooks.

Airport

In April of 2020, Fitch Ratings (“Fitch”) affirmed the ratings of midsized regional origin and destination airports, including General Mitchell International Airport, but changed the outlooks from stable to negative. Fitch has assigned a rating of A+ to the Airport’s outstanding debt.

The change in outlooks was based on the declines in enplaned passenger traffic that will affect operating revenues. Fitch further states that the greatest impacts are anticipated to occur in the second quarter of 2020 and potentially extend into future periods due to the coronavirus pandemic.

Moody’s Investor Service (“Moody’s”), who has assigned an A1 rating to the Airport’s outstanding debt, is taking a more cautious approach and therefore has not taken wide-reaching actions on airport outlooks.

The County does not plan to issue bonds for the Airport until fall 2021 or 2022. This will allow some time for the County to assess post COVID-19 data from the Airport/Airlines and the rating agencies reaction.

Corporate Purpose (Non-Airport Bonds/Notes)

Moody’s Investors Service, S&P Global Ratings and Fitch Ratings, respectively, have assigned the ratings of “Aa2”, “AA” and “AA+” to the County’s most recent corporate purpose debt issuances (Q4 2019).

On April 1, 2020, S&P Global Markets (S&P) changed the outlooks for the U.S. public finance sector from stable to negative. S&P stated in the April report that the change was due to mobility restrictions, closures of large segments of the economy due to COVID-19 and the swift onset of a recession. S&P was projecting a sharp decline in the economy through at least the second quarter due to the uncertainty relating to the rate of spread and peak of COVID-19 as well as the timing of economic recovery. Having made the changes, S&P has stated that it does not expect that the sector outlook revisions will lead to immediate negative rating actions.

On May 4, 2020, Moody’s issued a report that assigned a negative outlook to the local government sector (the “sector”) but not to any individual local government. This sector represents debt issued for non-Airport debt entities within local governments. Moody’s is expecting the sector to face challenges for the remainder of 2020 and 2021 due to the negative trends in economic activity and the primary revenue sources for local governments such as property taxes, sales and income tax revenue.

In its May 13, 2020 report, Fitch stated that it expects U.S. state and local government fiscal approaches to vary without necessarily triggering a rating transition. Fitch further stated its assessment will be based on whether a government will be able to manage through in a way that allows for timely restoration of financial flexibility to levels consistent with the rating once an economic recovery begins to take hold. However,

Fitch, similar to the other rating agencies, anticipates more negative rating actions in the near term given the scale of the economic impact of the coronavirus crisis.

The Office of the Comptroller has been participating in webinars and conference calls with the rating agencies and the County's financial advisors, PFM Financial Advisors, LLC ("PFM"), in an effort to continue to monitor market conditions and rating agency reactions to the COVID-19 crisis.

The County plans to issue bonds and notes to finance non-Airport capital projects in the fall of 2020 and has determined, in consultation with PFM, that, at this time, there is no need to make any adjustments to the timing of its 2020 issuances.