



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: October 31, 2017

TO: Supervisor Theodore Lipscomb, Sr., Chairman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller

SUBJECT: Funding for Milwaukee County Deputy Sheriffs Association Contract 2015 – 2018

The Milwaukee County Deputy Sheriffs Association (DSA) contract ended on December 31, 2014. The County and the DSA are currently in arbitration regarding final settlement of 2015, 2016, 2017 and 2018.

Per the DAS – Office of Performance, Strategy and Budget, appropriations were included in Org Unit 1972 (see page 500 of the 2018 budget) to cover DSA contractual costs for 2015, 2016, 2017 and 2018, less the accrual previously made.

For the years 2015, 2016 and 2017, the contract is estimated to cost \$3.0 million. Accounting rules require that the County pay for such costs in the year in which they can reasonably expect to be incurred. To pay for these costs, the Comptroller's Office made its best projection in 2016 and set aside \$700,000. For 2017, the Comptroller's Office has improved estimates of the contract costs, and the County, based on accounting rules, will set aside an additional \$2.3 million to fully cover the anticipated costs *through 2017*. With the additional accrual of \$2.3 million made in 2017, the County will have \$3.0 million set aside to apply towards the estimated \$3.0 million cost of the DSA contract for the years 2015, 2016 and 2017. **Therefore, no additional funds will be needed to cover expenses related to the DSA contract for the years 2015, 2016 and 2017.**

The estimated \$1.8 million in 2018 costs will be funded in part by the appropriation in Org Unit 1972 and airport revenue. The total appropriation required for 2018 is \$1.8 million. This amount will be offset by airport revenue, for a net tax levy requirement of roughly \$1.7 million in 2018.

As noted above, Org Unit 1972 contained an appropriation of \$3.9 million to cover the settlement costs for the years 2015, 2016, 2017 and 2018. Funding for 2015, 2016 and 2017 is not necessary due to the money set aside under general accounting rules. Therefore, Org Unit 1972 has a surplus of funds that will not be needed when the DSA contract is settled. County Board Amendment 1A001 re-appropriated \$2.2 million of these surplus funds, leaving a net tax levy of \$1.75 million available for the settlement of the DSA contract, which is slightly more than the currently estimated expenses for 2018. **Therefore, the 2018 budget still has sufficient funds available to cover the 2018 expenses associated with the DSA contract settlement.**

Estimated costs and funds available for the DSA contract on the following page. The top of the chart shows the costs to be set aside by fiscal year (2016 = \$700,000, 2017 = \$2,299,241 and 2018 = \$1,844,927). The bottom portion of the chart shows the funding sources available to offset the costs above. Although additional funds might be available in Org Unit 1972, the Comptroller cautions taking any further appropriations as the contract is not yet settled and additional costs could be incurred.

	Budget Impact Year			
	2016	2017	2018	
Union Contract Year				Total Contract Costs
2015	\$ 516,585			\$ 516,585
2016	\$ 183,415	\$ 812,879		\$ 996,294
2017		\$ 1,486,363		\$ 1,486,363
2018			\$ 1,844,927	\$ 1,844,927
Total Expenditure	\$ 700,000	\$ 2,299,241	\$ 1,844,927	\$ 4,844,168
Funds Source				Total Funds Available 2018
Accrual	\$ 700,000	\$ 2,299,241		\$ 2,999,241
Airport Revenue	\$ 70,000	\$ 229,924	\$ 184,493	\$ 484,417
2018 Recommended Budget			\$ 3,951,600	\$ 3,951,600
Budget Amendment 1A001			\$ (2,200,000)	\$ (2,200,000)
Total Funds Available	\$ 770,000	\$ 2,529,165	\$ 1,936,093	\$ 5,235,258

Based on the Comptroller's Office fiscal review and the data currently available, changes to Org Unit 1972 made by Budget Amendment 1A001 will not negatively impact the Office of the Sheriff. Assuming the contract is settled during the 2018 fiscal year, the County Board would need to approve an appropriation transfer to move the funding from Org Unit 1972 to the Office of the Sheriff to cover the additional expenses within the Office of the Sheriff.

Please feel free to contact myself or C.J. Pahl with questions.

Scott B. Manske, Comptroller

- Cc: Finance and Audit Committee, County Board of Supervisors
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Raisa Koltun, Chief of Staff, Office of the County Executive
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