



COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION
Office of the Comptroller
Scott B. Manske, Comptroller

DATE : March 20, 2017
TO : Supervisor Theodore Lipscomb, Sr., Chairman, County Board of Supervisors
FROM : Scott B. Manske, Comptroller
SUBJECT: 2017 Fiscal Projection for Milwaukee County – (February 2017) **(For Information Only)**

Policy Issue

County Ordinance 56.02(2) was modified to reflect changes adopted under 2011 Wisconsin Act 62 which created the Office of the Comptroller and requires a monthly update of the fiscal condition of the County to the County Board. To comply with this ordinance, the Comptroller is providing the County Board with a report on the fiscal condition of the County for 2017.

2017 Year-end Fiscal Projection – February 2017

The Office of the Comptroller is continuing to review departmental fiscal reports for 2017 but due to there being only two complete months of fiscal activity it is too early to issue a projection on the year end position of the County or of any department other than the Contingency Fund and the Employee Fringe Benefits. A detailed discussion of a projected deficit for Employee Fringe Benefits is detailed below. The Office of the Comptroller is still projecting a county-wide breakeven for 2017 due to the balance in the Contingency Fund and other potential surpluses being large enough to currently offset the projected fringe benefit deficit.

Contingency Fund

The Contingency Fund's balance, if unused, falls to the bottom line at the end of the fiscal year. As of today, the Contingency Fund has an unallocated balance of \$5,138,755 as shown in the tables below.

Contingency Fund	
2017 Adopted Unallocated Balance	\$5,138,755
Approved Actions:	
None	\$0
2017 Available Unallocated Balance	\$5,138,754

Employee Fringe Benefits

Preliminary projections indicate that the County may incur a deficit of approximately \$3.2 million in fringe benefits. This is due to an anticipated expenditure deficit of \$0.8 million and revenue deficit of \$2.4 million. These projections are based on prior year experience only, and could fluctuate drastically in 2017. These projections will not be verifiable against current year data until mid-summer, at which time, this projection could change.

Compared to budget, expenditures will likely exceed budget for FSA costs, healthcare and healthcare admin, and OBRA payments. Offsetting these expenditure overruns are savings in dental costs, ACA fees, prescription drug rebates, miscellaneous contract costs and the URMS pension contribution. Revenues received for healthcare premiums, employee pension contributions and other miscellaneous revenues are anticipated to be under budget by \$2.4 million.

The Comptroller will continue to monitor the fringe benefits budget and will report any deviation from this projection once it is known.

Committee Action

This is an informational report only. This report should be referred to and reviewed by the Finance and Audit Committee.



Scott B. Manske, Comptroller

- cc: Chris Abele, County Executive
Supervisor Peggy West, Chairwoman, Finance & Audit Committee
Finance and Audit Committee
Teig Whaley-Smith, Director, Department of Administrative Services
Steve Kreklow, Director, Office of Performance, Strategy and Budget
Janelle Jensen, Committee Clerk, County Clerk
Department Heads