



## Office of the Comptroller

Scott B. Manske, Comptroller

DATE: July 10, 2023

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

FROM: Cynthia (C.J.) Pahl, Financial Services Director, Office of the Comptroller

SUBJECT: 2023 Fiscal Projection for Milwaukee County – (For Information Only)

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### 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.

### 2023 Year-end Fiscal Projection as of May 31, 2023

Based on financial results through the most recent reporting period, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2023 year-end fiscal status is a **surplus of \$15.3 million**. This projection is based on the most current reports from departments and best estimates of countywide expenditure and revenue impacts.

Period	Projected Year End Position	Annual Projection	Change from Prior Projection
May 2023	Surplus	\$15.3 million	\$2.2 million
April 2023	Surplus	\$13.1 million	\$2.5 million
March 2023	Surplus	\$10.6 million	\$3.2 million
February 2023	Surplus	\$7.4 million	N/A

Major changes since the last report are:

- Department of Administrative Services – surplus of \$0.1 million
- Combined Court Related Operations – Surplus reduction of \$0.4 million
- Department of Health and Human Services – Surplus of \$2.2 million
- Department of Parks – Surplus of \$0.3 million

The table on the following page shows the fiscal status of each department. To better help demonstrate month-over-month changes, the table at the end of this report provides a summary of the fiscal information provided by departments for each month of the fiscal year.

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of May 31, 2023 Period 5								
Agency	Description	2023 Projected Revenues	2023 Budgeted Revenues	Revenue Variance	2023 Projected Expenditures	2023 Budgeted Expenditures	Expenditure Variance	Surplus / (Deficit)
<b>General Fund Departments</b>								
100	County Board	-	-	-	1,259,692	1,259,692	-	-
103	Governmental Affairs	-	-	-	400,490	400,490	-	-
109	Office of Equity	(100,000)	(100,000)	-	1,189,001	1,170,492	(18,509)	(18,509)
110	County Executive	-	-	-	956,512	957,708	1,196	1,196
112	Personnel Review Board	-	-	-	153,487	267,035	113,548	113,548
113	Corporation Counsel	(292,556)	(292,556)	-	1,611,507	1,611,507	-	-
114	Human Resources	(6,000)	(6,000)	-	6,267,951	6,332,894	64,943	64,943
115	Dept of Administrative Services	(8,962,663)	(9,595,864)	(633,201)	40,732,114	41,503,767	771,653	138,452
118	Strategy, Budget, and Performance	-	-	-	2,564,861	2,584,838	19,977	19,977
200	Combined Court Related Operations	(12,165,247)	(12,324,873)	(159,626)	28,599,524	30,636,692	2,037,168	1,877,542
243	Dept. of Child Support Services	(17,056,006)	(17,128,905)	(72,899)	19,398,157	19,490,065	91,908	19,009
290	Courts - Pre-Trial Services	(1,103,247)	(1,103,247)	-	6,933,832	6,881,166	(52,666)	(52,666)
301	Election Commission	(45,750)	(45,750)	-	606,646	606,646	-	-
309	County Treasurer	(2,030,000)	(2,030,000)	-	949,438	949,438	-	-
327	County Clerk	(494,820)	(494,820)	-	1,027,483	1,027,483	-	-
340	Register of Deeds	(4,588,863)	(4,589,000)	(137)	1,293,871	1,292,552	(1,319)	(1,456)
370	Office of the Comptroller	(211,000)	(143,000)	68,000	5,333,562	5,333,562	-	68,000
400	Sheriff	(12,342,594)	(12,053,903)	288,691	52,361,122	52,085,407	(275,715)	12,976
430	Community Reintegration Center	(4,657,931)	(6,130,568)	(1,472,637)	55,961,102	57,494,625	1,533,523	60,886
450	District Attorney	(6,940,913)	(5,431,050)	1,509,863	14,718,298	13,255,579	(1,462,719)	47,144
480	Emergency Management	(1,384,609)	(1,452,427)	(67,818)	10,805,520	10,908,518	102,998	35,180
490	Medical Examiner	(4,699,121)	(4,699,121)	-	6,518,879	6,478,546	(40,333)	(40,333)
509	Transportation Services	(2,096,374)	(1,897,620)	198,754	2,389,885	2,317,052	(72,833)	125,921
510	DOT - Highway Maintenance	(26,709,096)	(26,709,096)	-	27,027,250	27,027,250	-	-
580	DOT - Admin Div	(5,937,297)	(5,937,297)	-	6,109,450	6,109,450	-	-
800	Department of Human Services	(155,973,760)	(154,980,495)	993,265	192,196,560	193,374,920	1,178,360	2,171,625
900	Department of Parks	(23,212,548)	(22,792,673)	419,875	47,760,564	47,592,190	(168,374)	251,501
950	Zoological Department	(20,812,522)	(22,249,651)	(1,437,129)	24,767,257	26,204,386	1,437,129	-
970	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
991	University Extension	(100,000)	(100,000)	-	454,897	464,898	10,001	10,001
<b>Non-Departmentals</b>								
190	Revenue Non-Departmental	(457,767,942)	(453,815,910)	3,952,032	-	-	-	3,952,032
1996	Sales Tax	(93,656,281)	(90,656,281)	3,000,000	-	-	-	3,000,000
1992	Earnings on Investments	(5,382,871)	(5,382,871)	-	-	-	-	-
194	General Non-Departmental	(1,015,501)	2,669,539	3,685,040	90,265,638	93,959,922	3,694,284	7,379,324
1945	Contingency	-	-	-	-	4,694,284	4,694,284	4,694,284
1950	Fringe Benefits	(107,930,000)	(104,244,960)	3,685,040	215,648,521	215,648,521	-	3,685,040
1972	Wage/Benefit Supplemental	-	-	-	2,197,680	1,197,680	(1,000,000)	(1,000,000)
199	Parks Non-Departmental	-	-	-	3,429,688	3,429,688	-	-
<b>Total General Fund</b>		<b>(770,706,361)</b>	<b>(763,434,287)</b>	<b>6,983,382</b>	<b>657,544,237</b>	<b>666,508,458</b>	<b>8,964,221</b>	<b>16,236,295</b>
<b>Other Funds</b>								
116	Information Management Services	(127,688)	(108,500)	19,188	14,710,423	14,644,241	(66,182)	(46,994)
117	Risk Management	-	-	-	11,257,873	11,269,207	11,334	11,334
504	DOT - Airport Division	(99,468,175)	(99,054,355)	413,820	99,468,175	102,720,083	(413,820)	-
530	DOT - Fleet Management	(21,020,478)	(19,982,074)	1,038,404	20,895,720	19,886,316	(1,009,404)	29,000
560	DOT - Transit/Paratransit System	(127,063,427)	(127,063,427)	-	137,900,961	137,900,961	-	-
550	DAS - Utility	(728,966)	(1,626,000)	(897,034)	1,600,000	1,600,000	-	(897,034)
630	Behavioral Health Division	(179,214,549)	(181,214,549)	(2,000,000)	242,249,321	239,265,878	(2,983,443)	(4,983,443)
996	Debt Retirement and Interest	(8,887,009)	(8,887,009)	-	44,399,702	44,399,702	-	-
50004	COVID Expendable Funds	-	-	-	-	-	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-
120	Capital Improvements	(146,329,830)	(146,329,830)	-	209,600,047	209,600,047	-	-
<b>Total Other Funds</b>		<b>(582,712,435)</b>	<b>(584,157,244)</b>	<b>(1,444,809)</b>	<b>767,371,799</b>	<b>766,642,195</b>	<b>(4,395,333)</b>	<b>(5,887,136)</b>
<b>Expendable Trusts</b>								
50003	Zoo Expendable Trusts	(1,779,814)	(1,779,814)	-	1,840,411	1,840,411	-	-
50005	Parks Expendable Trusts	(436,572)	(436,572)	-	448,088	448,088	-	-
50006	OPD Expendable Trusts	-	-	-	-	-	-	-
50007	BHD Expendable Trusts	-	-	-	-	-	-	-
50008	Airport Expendable Trusts	-	-	-	-	-	-	-
50010	DAS Expendable Trusts	-	-	-	-	-	-	-
50011	Fleet Expendable Trusts	-	-	-	-	-	-	-
<b>Total Expendable Trusts</b>		<b>(2,216,386)</b>	<b>(2,216,386)</b>	<b>-</b>	<b>2,288,499</b>	<b>2,288,499</b>	<b>-</b>	<b>-</b>
<b>Projected Surplus (Deficit)</b>		<b>(1,355,635,182)</b>	<b>(1,349,807,917)</b>	<b>5,538,573</b>	<b>1,427,204,535</b>	<b>1,435,439,151</b>	<b>4,568,888</b>	<b>10,349,158</b>
Less Expendable Trusts		-	-	-	-	-	-	-
Contribution (to)/from Behavioral Health Reserves		-	-	-	-	-	-	4,983,443
<b>Total Projected Surplus (Deficit) - with Contingency</b>								<b>15,332,601</b>
<b>Total Projected Surplus (Deficit) - without Contingency</b>								<b>10,638,317</b>

<b>Debt Service Reserve Activity and Projected 2023 Ending Balance</b>	
<b>2023 Starting Balance</b>	<b>\$ 108,454,924</b>
<i>2023 Activity</i>	
2023 Budget Commitment	\$ (7,836,307)
2023 Budget Contribution to Project WC020901	\$ (10,000,000)
Project Closed WM0053012	\$ 57,790
File #23-442 - Debt Service Reserve Transfer to General County Debt Service	\$ (291,844)
File #23-502 - Lapsed Proceeds	\$ 2,369,504
<b>2023 Projected Balance</b>	<b>\$ 92,754,067</b>
<b>Unallocated Contingency Fund</b>	
<b>2023 Adopted Balance</b>	<b>\$ 5,000,966</b>
<i>County Board Approved Actions</i>	
File #23-259 - Medical Examiner Autopsy Support	\$ (200,000)
File #23-389 - Wil-O-Way Facility Improvements	\$ (52,229)
File #23-442 - General County Debt Service Transfer to Contingency	\$ 45,547
File #23-336 - MATC Faculty and Students Together Fund (FAST)	\$ (100,000)
<b>Current Available Balance</b>	<b>\$ 4,694,284</b>

**Committee Action**

This is an informational report only.

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

## DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2023

### **Personnel Review Board (Agency 112) *\$0.1 million surplus***

The Personnel Review Board is projecting a surplus in personnel costs of \$0.1 million.

### **Department of Human Resources (Agency 114) *\$0.1 million surplus***

The Department of Human Resources is projecting an overall surplus of \$0.1 million. Commodities and Services surpluses in medical service fees, professional service fees, and education/seminar payments is expected to surplus by \$0.3 million, offsetting a deficit in personnel costs of \$0.25 million.

### **Department of Administrative Services (Agency 115) *\$0.1 million surplus***

The Department of Administrative Services is projecting an overall surplus of \$0.1 million. This surplus is largely driven by personnel cost savings. These savings are offsetting deficits in Charges for Services due to staffing shortages and the inability to charge out for services/projects.

### **Combined Court Related Operations (Agency 200) *\$1.9 million surplus***

The Combined Court Related Operations is currently projecting a surplus of \$1.9 million largely due to lower than budgeted personnel expenditures.

### **DOT – Transportation Services (Agency 509) *\$0.1 million surplus***

The DOT – Transportation Services Division is anticipating a surplus of \$0.1 million due to additional revenue for Other Service Fee Charges.

### **Department of Health and Human Services (Agency 800) *\$2.2 million surplus***

The Department of Health and Human Services is projecting a surplus due to a lower average daily population (ADP) of youth placed in State correctional facilities. The budget assumes an ADP of 35 and current average is 25 resulting in a savings of \$4.6 million. This savings is offset by additional expenditures of \$3.4 million in out-of-home care placements resulting in net savings of \$1.2 million. Additional Medical Assistance match revenue of \$1.0 million is being earned in the Aging and Disability Resource Center.

### **Department of Parks, Recreation, and Culture (Agency 900) *\$0.3 million surplus***

The Department of Parks, Recreation, and Culture is projecting a surplus of \$0.3 million. Revenues are projected to exceed budget by \$0.4 million largely due to golf course revenue and other private funding of \$0.2 million. Overall expenditures are projected to deficit by \$0.2 million, largely driven by a deficit in Commodities and Services.

### **Non-Departmental Revenue**

#### **Sales Tax (Org 1996) *\$3.0 million surplus***

Fiscal year 2022 sales tax receipts totaled \$97.9 million, which is slightly below the 2023 budgeted amount by \$0.8 million. Assuming a 4.0 percent year-over-year increase, the County will realize a

surplus of at least \$3.0 million. While the Comptroller is reporting this as a known surplus, caution should be exercised with respect to the use of this surplus as only four months of 2023 sales tax payments has been received, and payments can fluctuate greatly from estimates.

### **Non-Departmental Expenditures**

#### **Appropriation for Contingency (Org 1945)**

***\$4.7 million surplus***

The current projection for the Appropriation for Contingency assumes that the entire \$4.7 million of the current contingency appropriation is not spent and is used to offset departmental and non-departmental deficits.

#### **Fringe Benefits (Org 1950)**

***\$3.7 million surplus***

The Office of the Comptroller monitors healthcare and pharmacy claims regularly and with little movement in the lower census count, the County is likely to experience a surplus of roughly \$3.7 million in 2023. Healthcare costs tend to rise towards the later part of the year when participants reach their deductibles and out-of-pocket maximums, so caution should be used exercised with respect to the use of this surplus as only 4 months of claims have been recorded.

#### **Wage/Benefit Modification (Org 1972)**

***(\$1.0 million deficit)***

Wages and Benefits Modification – includes a centralized salary abatement of \$1.0 million (which reduces the overall County budget for salaries by \$1.0 million); salary appropriations of \$2.2 million to fund the recommendations of the compensation study currently being conducted by the Department of Human Resources; and salary appropriations of \$1.6 million to fund the correctional officer increase of \$1.50 in pay period 10. This projection assumes that the \$3.8 million in additional salary dollars are spent and that the remaining \$1.0 million in salary abatements remains to be offset either through departmental salary surpluses or other surpluses achieved in the budget.

Milwaukee County

Cummulative Summary of Monthly Departmental Projections

Agency	Description	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	FINAL
<b>General Fund Departments</b>														
100	County Board	-	-	-	-	-								
103	Governmental Affairs	-	-	-	18,893	-								
109	Office of Equity	-	-	-	-	(18,509)								
110	County Executive	-	-	-	3,100	1,196								
112	Personnel Review Board	42,899	57,637	54,426	121,861	113,548								
113	Corporation Counsel	-	-	-	-	-								
114	Human Resources	-	-	-	130,198	64,943								
115	Dept of Administrative Services	-	-	-	-	138,452								
118	Strategy, Budget, and Performance	-	-	-	21,458	19,977								
200	Combined Court Related Operations	-	-	196,296	2,319,573	1,877,542								
243	Dept. of Child Support Services	-	-	-	11,900	19,009								
290	Courts - Pre-Trial Services	-	-	(66,100)	(55,816)	(52,666)								
301	Election Commission	-	NR	NR	NR	NR								
309	County Treasurer	-	NR	NR	NR	NR								
327	County Clerk	-	NR	NR	NR	NR								
340	Register of Deeds	-	-	(1,103)	273	(1,456)								
370	Office of the Comptroller	-	32,000	32,000	68,000	68,000								
400	Sheriff	-	8,829	14,654	13,561	12,976								
430	Community Reintegration Center	-	17,186	29,683	60,322	60,886								
450	District Attorney	-	-	NR	47,144	NR								
480	Emergency Management	-	-	-	-	35,180								
490	Medical Examiner	-	-	112,507	28,064	(40,333)								
509	Transportation Services	-	-	(1,055)	29,745	125,921								
510	DOT - Highway Maintenance	-	-	-	-	-								
580	DOT - Admin Div	-	-	-	-	-								
800	Department of Human Services	-	-	-	-	2,171,625								
900	Department of Parks	-	-	NR	16,359	251,501								
950	Zoological Department	-	-	-	60,597	-								
970	Milwaukee Public Museum	-	-	-	-	-								
991	University Extension	4,265	4,265	-	-	10,001								
<b>Non-Departmentals</b>														
190	Revenue Non-Departmental	4,473,203	4,473,488	3,952,032	3,952,032	3,952,032								
1996	Sales Tax	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000								
1992	Earnings on Investments	-	-	-	-	-								
194	General Non-Departmental	3,800,966	3,800,966	7,194,284	7,113,759	7,379,324								
1945	Contingency	4,800,966	4,748,737	4,694,284	4,694,284	4,694,284								
1950	Fringe Benefits	-	-	3,500,000	3,500,000	3,685,040								
1972	Wage/Benefit Supplemental	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)								
199	Parks Non-Departmental	-	-	-	-	-								
<b>Other Funds</b>														
116	Information Management Services	-	-	-	-	(46,994)								
117	Risk Management	-	-	-	12,750	11,334								
504	DOT - Airport Division	-	-	-	-	-								
530	DOT - Fleet Management	-	-	-	-	29,000								
560	DOT - Transit/Paratransit System	-	-	-	-	-								
550	DAS - Utility	(900,000)	(900,000)	(900,000)	(900,000)	(897,034)								
630	Behavioral Health Division	-	(1,356,163)	(2,992,834)	(2,983,443)	(4,983,443)								
996	Debt Retirement and Interest	-	-	-	-	-								
50004	COVID Expendable Funds	-	-	-	-	-								
10024	COVID Expendable Funds	-	-	-	-	-								
120	Capital Improvements	-	-	-	-	-								

NR=No Report