



COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Office of the Comptroller

Scott B. Manske, Comptroller

DATE : January 20, 2014
TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors
FROM : Scott B. Manske, Comptroller
SUBJECT: Monthly Update of the 2013 Fiscal Projection of Milwaukee County (November 2013 Report) **(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. A new requirement calls for a monthly update of the fiscal condition of the County to the County Board. To comply with this ordinance, the Comptroller has provided the County Board with monthly updates to the projection of 2013 year-end financial results. The County's 2013 fiscal year ends on December 31, 2013. For each fiscal year, the County prepares a balanced budget in which revenues equal expenditures. Therefore, a report of surplus or deficit for the County represents actual results that are in total above (surplus) or below (deficit) net budgeted funds.

Year-end Projection

Based on financial results through November 30, 2013, Milwaukee County's projected 2013 year-end fiscal condition is a surplus of \$14.3 million. This is an \$8.1 million increase from the \$6.2 million surplus included in the informational report based on financial results as of October 31, 2013. The Comptroller during his testimony to the Committee at its December 12, 2013 meeting alerted the committee to an increase in the payment from Froedtert Hospital which would substantially increase the surplus. The increase in the surplus due to the Froedtert Payment is \$4.9.

The projected surplus assumes that the available balance in the contingency fund of \$6.0 million is applied to offset departmental and non-departmental deficits. To the extent the contingency fund is used during the year for deficit reduction, the projected surplus will decrease.

It should be noted that the Department of Administrative Services has a pending Appropriation Transfer Request which would transfer \$4.0 million from the contingency fund into Capital Project WO150 Courthouse Fire Project. This transfer will be considered by the Finance, Personnel and Audit Committee on January 30, 2014. The funds will be moved to

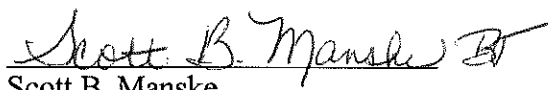
the capital project to provide expenditure authority for actual and anticipated 2013 expenses related to the fire. The transfer indicates that the Contingency fund will be replenished upon receipt of the insurance proceeds. If approved, the transfer would reduce the projected 2013 surplus by \$4.0 million to a projected \$10.3 million until receipt of insurance proceeds. If those proceeds are received after April 30, 2014, the funds will be deposited into 2014's Contingency fund.

The following table shows departments with projected variances as of October 31, 2013 and their status as of November 30, 2013.

Areas of major changes are noted as follows. As noted above, the Froedtert payment results in an increase in the surplus of \$4.9 million. The Treasurer is reporting an increase in his surplus of \$770,000 mainly due to a projected increase in revenue of \$555,000 from the interest on delinquent property taxes and a decrease in the expected payment for charges for unpaid personal property taxes of \$200,000. The Comptroller is projecting an increase in the surplus for fringe benefits of \$3,000,000 due to a continuing decrease in health care costs, and slightly higher contribution revenues for pension and health care, than budgeted. The DOT Highway Maintenance Division has been projecting a revenue deficit for 2013 due to a shortfall in anticipated state revenue but had been previously projecting expenditures reductions to offset almost the entire deficit. The Department is now projecting an overall deficit of \$462,000 with an revenue deficit of \$1.0 million offset by expenditure savings of \$0.5 million.

Committee Action

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



Scott B. Manske
Comptroller

cc: Chris Abele, County Executive
Supervisor Willie Johnson, Jr., Co-Chairman, Finance, Audit and Personnel Committee
Supervisor David Cullen, Co-Chairman, Finance, Audit and Personnel Committee
Finance, Audit and Personnel Committee
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Fiscal and Budget Administrator
Stephen Cady, Research and Policy Director, Comptroller's Office
Department Heads

Milwaukee County			
Projection for 2013 - Based on Activity as of November 30, 2013			
Dept	Department Name	Prior Report 10/31/13	Current Proj 11/30/13
1040	Community Business Development Partners	101,700	(46,500)
1140	Human Resources	74,100	74,900
1190	Economic Development	305,900	305,900
1135	Labor Relations	190,100	190,100
2000	Combined Courts	(102,900)	(305,200)
2900	Pre Trial Services	-	13,900
3010	Election Commission	(111,300)	(73,300)
3400	Register of Deeds	(173,000)	(107,400)
3090	Treasurer	167,300	939,400
3700	Office of the Comptroller	-	91,800
4000	Sheriff's Office	(2,146,200)	(1,967,800)
4300	HOC	(1,239,400)	(361,400)
4500	District Attorney	92,800	-
4900	Medical Examiner	78,000	4,300
5100	DOT Highway	(97,800)	(461,800)
5500	DAS-Utilities	(475,000)	(475,000)
5600	DOT - Transit/Paratransit System	1,979,400	1,979,400
6300	Behavioral Health Division	(1,994,200)	(1,994,200)
7900	Department on Aging	200,000	200,000
7990	Department of Family Care (CMO)	4,800,200	2,529,100
7990	Contribution From/(To) Family Care Reserve	(4,800,200)	(2,529,100)
8000	Department of Health and Human Services	4,609,200	4,709,200
9000	Department of Parks, Recreation and Culture	-	3,777
9500	Zoological Department	(1,178,200)	(1,111,700)
	Other Departments not shown above	285,175	91,229
	Departmental Total	565,675	1,699,606
Various	Capital Projects Funding	-	-
1945	Unallocated Contingency Fund	6,640,745	5,997,495
1950	Fringe Benefits	2,000,000	5,000,000
1991	Reserve for Delinquent Property Taxes	(500,000)	(500,000)
1992	Earnings on Investments	(711,411)	(1,000,000)
1993	State Shared Revenue	-	-
1996	Sales Tax Revenue	(1,800,000)	(1,800,000)
9960	Debt Service Fund/Froedtert Lease Payment	-	4,922,000
	Non-Departmental Total	5,629,334	12,619,495
Projected County Surplus (Deficit)		\$ 6,195,009	\$ 14,319,101

*Funding of \$605,250 was transferred to the HOC since the October 31, 2013 projection from the Contingency Fund.