



COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Office of the Comptroller
Scott B. Manske, Comptroller

DATE : August 29, 2014
TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors
FROM : Scott B. Manske, Comptroller
SUBJECT: Fiscal Report 2nd Quarter 2014 for Milwaukee County (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.

This fiscal report is a projection of 2014 financial results based on second quarter financial data. The County's 2014 fiscal year ends on December 31, 2014. 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 July 31, 2014 and quarterly reports submitted by departments, Milwaukee County's projected 2014 year-end fiscal status is a surplus of \$7.0 million. The projected surplus assumes that the full unallocated balance in the contingency fund of \$3.8 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.

| Period | County Projected Year End Position | Annual Projection | Change from Prior Projection |
|--|------------------------------------|-------------------|------------------------------|
| 1 st Quarter 2014 | Surplus | \$3.5 million | \$3.5 million |
| April 2014 | Surplus | \$2.6 million | (\$0.9 million) |
| May 2014 | Surplus | \$5.2 million | \$2.6 million |
| 2 nd Quarter 2014 (Current Period) | Surplus | \$7.0 million | \$1.8 million |

This report projects a year-end departmental operating surplus in the following departments: \$0.3 million in the House of Correction, \$0.1 million in the District Attorney's Office, \$1.7 million in the Department of Transportation – Transit/Paratransit System, \$0.13 million in the Department

of Transportation – Highway Maintenance and \$4.0 million in the Department of Health and Human Services. Non-departmental surpluses include a surplus in projected savings from fringe benefits of \$7.0 million and \$0.75 million in Sales Tax Revenue.

These surpluses are offset by projected departmental deficits including: Community Business Development Partners of (\$0.12) million, DAS-Risk Management of (\$2.8) million, Combined Courts of (\$0.27) million, the Register of Deeds of (\$0.4) million, the Sheriff of (\$5.6) million, the DOT Fleet Management of (\$0.4) million, DAS-Utilities of (\$0.5) million, the Behavioral Health Division of (\$0.6) million and the Zoo of (\$0.1) million.

Non-departmental deficits include a deficit of (\$0.7) million in Interest Income and a deficit of (\$0.2) million in Potawatomi Revenue.

The Department of Family Care (MCDFC) is projecting a deficit of (\$3.3) million in 2014 which will be fully offset by a contribution from its reserve of \$3.3 million. In October of 2013, it was reported to the Finance, Personnel and Audit Committee that the MCDFC was expecting to lose approximately \$4.9 million in 2014 due to MCDFC's capitation rate decrease and that a contribution from the reserve would be required in 2014.

The following attachments provide further detail:

- Attachment A: provides the projected surpluses and deficits for major departments and amounts in excess of \$100,000 by any department.
- Attachment B: provides narrative explanations of any significant variance and any amounts in excess of \$100,000 as reported in Attachment A.
- Attachment C: provides the projected surplus or deficit for 2014 by agency.

Overview of Process for Determining County-wide Year End Financial Projections:

The projection of the County's year-end results begins with an analysis of year-to-date actual results by each Department for the most recent quarter that has ended. These actual results become the basis for each department projecting twelve months of actual activity. Departments then submit a report of projected year-end results to the Comptroller. The departmental projections include a fiscal report of budget versus projected actual results by appropriation category, a written report of variances between budgeted and projected actual results, and a written report of any corrective action plan that the department intends to implement to reduce any projected deficit.

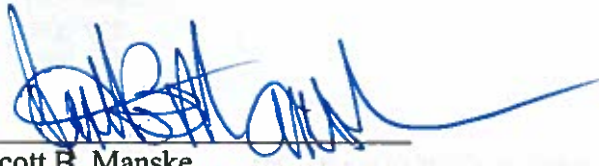
The Comptroller reviews the reports submitted by departments. During the review, questions may arise regarding departmental projections. Discussions will then occur with department personnel on the expected annual results. In rare instances, when the Comptroller projections differ from departmental financial results, the County-wide report will reflect the Comptroller projection, which will be noted in this report.

The Comptroller analyzes and projects financial results for most non-departmental accounts including fringe benefits, sales taxes, delinquent property taxes, investment income, unallocated contingency fund, debt service fund and capital projects fund. In addition, the Comptroller prepares salary projections for each department and compares the results to the salary projections prepared by departments.

The projections by departments and the Comptroller are combined to arrive at a year-end projection of financial results for the County. The fiscal report is then submitted to the County Board and County Executive.

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

Attachments

- cc: Chris Abele, County Executive
Supervisor William Johnson, Jr., Co-Chairman, Finance, Personnel and Audit Committee
Supervisor David Cullen, Co-Chairman, Finance, Personnel and Audit Committee
Finance, Personnel and Audit Committee
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Director, Office of Performance Strategy and Budget
Janelle Jensen, Committee Clerk, County Clerk
Stephen Cady, Research Director, Office of the Comptroller
Department Heads

| Milwaukee County | | |
|--|---|----------------------------------|
| Projection for 2014 - Based on Activity as of June 30, 2014 | | |
| Dept | Department Name | Current Proj 06/30/14 |
| 1040 | Community Business Development Partners | (123,000) |
| 1140 | Human Resources | 54,600 |
| 1170 | DAS Risk Management | (2,828,600) |
| 2000 | Combined Courts | (276,500) |
| 3400 | Register of Deeds | (413,800) |
| 3090 | Treasurer | 81,200 |
| 3700 | Office of the Comptroller | 93,200 |
| 4000 | Sheriff's Office | (5,644,600) |
| 4300 | HOC | 298,000 |
| 4500 | District Attorney | 116,300 |
| 4900 | Medical Examiner | (36,200) |
| 5300 | DOT Fleet | (405,000) |
| 5500 | DAS-Utilities - dept reported deficit of (475,000) but the 2014 Adopted Budget for Contingencies contains allocated amount in anticipation of a deficit here which results in a breakeven | - |
| 5600 | DOT - Transit/Paratransit System | 1,763,400 |
| 6300 | Behavioral Health Division | (616,600) |
| 7900 | Department on Aging | - |
| 7990 | Department of Family Care (CMO) | (3,326,400) |
| 7990 | Anticipated Contribution From Family Care Reserve | 3,326,400 |
| 7990 | Unanticipated Contribution From/(To) Family Care Reserve | - |
| 8000 | Department of Health and Human Services | 4,079,400 |
| 9000 | Department of Parks, Recreation and Culture | - |
| 9500 | Zoological Department | (111,100) |
| | Other Departments not shown above | 321,216 |
| | Departmental Total | (3,648,084) |
| Various | Capital Projects Funding | - |
| 1937 | Potawatomi Revenue | (200,000) |
| 1945 | Unallocated Contingency Fund | 3,831,098 |
| 1950 | Fringe Benefits | 7,000,000 |
| 1991 | Reserve for Delinquent Property Taxes | - |
| 1992 | Earnings on Investments | (711,411) |
| 1993 | State Shared Revenue | - |
| 1996 | Sales Tax Revenue | 750,000 |
| 9960 | Debt Service Fund/Froedtert Lease Payment | - |
| | Non-Departmental Total | 10,669,687 |
| | Projected County Surplus (Deficit) | \$ 7,021,603 |

Description of Significant Surplus and Deficit Projections for 2014:

Departmental Surpluses and Deficits:

Community Business Development Partners (Org 1040) (\$0.12 million deficit)

Community Business Development Partners is projecting an overall deficit of \$122,000 due to a projected revenue deficit of \$169,000 related to reimbursement revenue for work on capital projects that will not be realized. Partially offsetting this deficit is a projected expenditure surplus of \$46,430 in personnel services.

DAS – Risk Management (Org 1170) (\$2.8 million deficit)

The DAS – Risk Management Division is currently projecting an expenditure deficit of approximately (\$2.4) million in Worker's Compensation claims for 2014. The deficit in workers compensation is due to a continuing high level of claims and the associated claim costs, and a delay in outsourcing that was anticipated in the 2014 budget. In 2013, \$5.0 million was spent on Worker's Compensation claims with an adopted 2013 budget of \$4.1 million and the division is on pace to spend approximately \$5.7 million in 2014 with an adopted budget of \$3.3 million. The 2014 Adopted Budget anticipated the outsourcing of the Worker's Compensation Program. The Division has experienced a delay in the implementation of the outsourcing due to the Courthouse Fire and the replacement of the Risk Manager. The Division indicates that the Request for Proposals has been released and the contract is being submitted for consideration at the September cycle of the County Board.

In addition, the department will not be able to realize a budgeted contribution from the Risk Reserve of \$0.38 million. Based upon the latest actuary report, the Risk Reserve currently has no excess funds and the department is therefore unable to receive a contribution from the reserve.

Combined Court Related Operations (Org 2000) (\$0.27 million deficit)

The Courts are currently projecting an overall deficit of (\$0.27) million.

The department is anticipating a revenue deficit of \$327,000 due to a projected deficit of \$112,000 in interest on investments, \$74,000 in bail forfeitures and \$135,000 in other revenue including special dispensation fees, general action large claims and summons for small claims.

Partially offsetting the revenue deficit is a projected expenditure surplus of \$51,000. This is due in part to a personnel services surplus of \$146,000 net of a services deficit of \$93,000.

Register of Deeds (Org 3400) (\$0.4 million deficit)

The Register of Deeds is projecting a revenue deficit of \$413,000 due to a drop in general recordings fees. The Register of Deeds is reporting a drop of 28% in Recording Fees from the second quarter of 2013 to the second quarter of 2014.

Office of the Sheriff Projection (Org 4000) (\$4.6 million deficit)
Office of the Comptroller Projection (Org 4000) (\$5.6 million deficit)

The Sheriff's Department is projecting a 2014 deficit of \$4.6 million due to a revenue deficit of \$0.96 million and an expenditure deficit of \$3.68 million. The variances are due to surpluses and deficits in a variety of revenue and expenditure categories as discussed below.

Office of the Comptroller's Adjustment

The additional projected deficit of \$1.0 million dollars results from assumptions in prior 2014 reports that a fund transfer would take place in the final quarter of 2014 adjusting the Sheriff and the HOC budgets. The 2014 Adopted Budget was created with approximately \$1.0 million in revenue from housing Wisconsin Department of Corrections (DOC) sanction inmates in the Office of the Sheriff and \$1.8 million in the HOC, or combined budgeted revenue of \$2.8 million. Based on projections from HOC, the County will only achieve DOC sanction inmate revenue of \$2.3 million, for a county-wide deficit of \$0.5 million. A deficit of (\$0.5) million was previously shown as a Comptroller adjustment to the HOC DOC sanction revenue projections. HOC showed a surplus of \$0.5 million for DOC revenue, and the Comptroller reduced this by \$1.0 million for the revenue budget that was contained in the Sheriff's Department. During 2013, the HOC assumed the contract with the State of Wisconsin and as such is the only entity receiving revenues from the State for sanctioned inmates. The Office of the Comptroller had prepared prior fiscal reports with the assumption that the revenue budget for the Office of the Sheriff and the HOC would be adjusted, and the revenue budget for sanctions for the HOC would increase by the \$1.0 million while the Sheriff's budget would decrease by the same amount. . The Comptroller has now been informed by the Department of Administrative Services that a fund transfer will not occur for 2014 and the fiscal projections for the departments are adjusted accordingly. The Sheriff will continue to have a revenue budget of \$1.0 million for DOC sanction inmates, with no actual revenue. The HOC will have a revenue budget of \$1.8 million, and anticipated revenue of \$2.3 million, for a surplus of \$0.5 million. The Comptroller adjustment results in an increase in the deficit for the Sheriff of approximately \$1.0 million and a decrease in the deficit for the HOC.

The Sheriff is currently projecting the following year end variances from budget:

| Item | As of 2 nd Quarter |
|---------------------------------|-------------------------------|
| Traffic Citation Revenue | (\$970,000) |
| Parking Citation Revenue | (\$50,000) |
| USM Inmate Housing Revenue | (\$160,000) |
| Expressway Patrol Grant Revenue | \$260,000 |
| County Trunk Maintenance | (\$164,000) |
| Sheriff Sales Revenue | (\$190,000) |
| Process Service Fee Revenue | (\$64,000) |
| Telephone Commission Revenue | \$200,000 |
| Commissary Revenue | \$100,000 |

| | |
|------------------------------|----------------------|
| Auction Proceeds | \$40,000 |
| Insurance Proceeds | \$36,000 |
| REVENUE TOTAL | (\$962,000) |
| Salary and Wages | (\$3,550,000) |
| Social Security | (\$271,000) |
| Maintenance Agreements | (\$262,800) |
| Various Contractual Services | \$400,000 |
| EXPENDITURE TOTAL | (\$3,683,000) |

The Sheriff is predicting a revenue deficit of \$0.9 million due to the following variances:

- The 2014 Adopted budget includes traffic citation revenue of \$2.18 million while the 2013 actual was \$1.37 million which was less than in prior years. The primary reason for decrease in 2013 actuals appears to be the end of various speed enforcement grants and freeway construction. Traffic citation revenue for 2014 is tracking less than 2013 which results in an anticipated deficit of (\$970,000).
- Parking Citation revenue is projected to deficit by (\$50,000) due to a combination of vacant parking checker positions in the Sheriff's Office and an increase in the number of citations issued by Park's Department employees.
- The 2014 Adopted Budget anticipated housing an average of 15 US Marshal inmates per day. The actual average has been closer to 9 inmates per day which results in a projected deficit of (\$160,000).
- Actual Expressway Patrol grant reimbursement for overtime patrols during construction of the Zoo interchange and the Hoan Bridge is estimated to be \$260,000 higher than budgeted.
- Revenue received from the State of Wisconsin for County Trunk Maintenance is anticipated to deficit by (\$164,000). This revenue is allocated between the DOT-Highway Maintenance Division, the Sheriff's Office and the Park's Department.
- Due to a continuing decline in the number of properties scheduled for sale each week, Sheriff Sales revenue's projected deficit is (\$190,000).
- Process Services fees continue to be less than 2013 actuals which results in the projected deficit of (\$64,000).
- Due to the increased inmate population at the CJF, telephone commission revenue is anticipated to surplus by \$200,000 and inmates' commissary by \$100,000.

Sheriff Expenditures

A Personal Services deficit of \$3.8 million is projected as detailed below:

- The 2014 Adopted Budget unfunded sworn positions in the Sheriff Office. During the first half of 2014, many of those positions remained filled over the number budgeted for 2014. If this level continues throughout all of 2014, this will result in a deficit of \$1.07 million.
- A deficit of \$2.0 million is expected in overtime due to the staffing level required by the Sheriff for the Tactical Enforcement Unit, Civil Process Unit and for Bailiffs versus the staffing levels provided in the 2014 Adopted Budget.
- A deficit of \$0.65 million in overtime is projected by the Sheriff due to providing unbudgeted supplemental Courthouse Complex Security and providing unbudgeted security related to the Courthouse Fire.

In addition, the Sheriff is projecting an expenditure deficit of \$262,000 due to the 2014 Adopted Budget not providing funding for maintenance agreements for various computer systems. These costs are offset by a projected surplus of \$400,000 in various contractual services.

House of Correction (HOC) Projection (Org 4300)
Office of the Comptroller Projection (Org 4300)

\$299,826 surplus
\$298,000 surplus

The HOC is currently projecting a surplus of \$0.3 million for 2014 based upon a projected revenue surplus of \$0.8 million and an expenditure deficit of (\$0.5) million.

Office of the Comptroller's Adjustment

In prior fiscal reports, the Office of the Comptroller was reducing the projected revenue surplus for the HOC by (\$1.0) million based upon an assumptions in prior reports that a fund transfer would take place in the final quarter of 2014 adjusting the Sheriff and the HOC budgets. The HOC's projections had not included the impact of the fund transfer. The 2014 Adopted Budget was created with approximately \$1.0 million in revenue from housing Wisconsin Department of Corrections (DOC) sanction inmates in the Office of the Sheriff and \$1.8 million in the HOC, or a combined budget of \$2.8 million. The HOC was anticipating total revenue to be \$2.3 million, for a combined deficit of \$0.5 million. During 2013, the HOC assumed the contract with the State of Wisconsin and as such is the only entity receiving revenues from the State for sanctioned inmates. The Office of the Comptroller had prepared prior fiscal reports with the assumption that the revenue budget of \$1.0 million for the Office of the Sheriff would be transferred to the HOC. It has now been informed by the Department of Administrative Services that a fund transfer will not occur in 2014 and the fiscal projections for the departments are adjusted accordingly. This results in the Office of the Comptroller leaving the projections of HOC unchanged, and increasing the deficit of Sheriff Department by \$1.0 million.

The HOC is projecting a revenue surplus of \$0.6 million in State reimbursement for 2014 and a revenue surplus of \$0.7 million in Prisoner Board – Huber. Offsetting these surpluses is a projected revenue deficit of (\$0.5) million in Prisoner Board from housing City of Milwaukee municipal commitments.

The HOC is currently projecting a salary surplus of \$1.3 million and an overtime deficit of (\$2.2) million for a net deficit of (\$0.9) million in these personnel services accounts. In addition, the HOC is projecting a surplus of \$0.3 million in its services due to surpluses in the repair and maintenance of buildings and in professional services.

District Attorney (Org 4500)

\$0.12 million surplus

The District Attorney is projecting a revenue surplus of \$0.12 million primarily due to the State of Wisconsin Victim/Witness revenue for the July – December 2013 reporting period exceeding the year end accrual.

DOT – Highway Maintenance (Org 5100)

\$0.13 million surplus

The DOT-Highway Maintenance Division is projecting an expenditure deficit of (\$0.9) million from labor, material, fuel and fleet costs to the harsh winter weather conditions in January through April of 2014 offset by a projected revenue surplus of \$1.0 million for the associated reimbursement from the State of Wisconsin..

DOT – Fleet Management (Org 5300)

(\$0.4 million deficit)

The DOT-Fleet Management Division is projecting an expenditure deficit of (\$0.4) million due to increased costs for vehicle repair parts of \$280,812 and services and utilities of \$70,000 due to the inclement weather during the first quarter of 2014.

DAS-Utilities (Org 5500)

(\$0.0 million deficit)

DAS Water Utility is projecting a revenue deficit of (\$0.5) million in Fire Protection payments budgeted to be received from tenants on the County Grounds. The deficit is for WE Energies and Wisvest's proportional share of fire protection services. These two utilities pay a fire protection fee to the City of Wauwatosa, and as such cannot also be charged by the County. The 2014 Adopted Budget for the Contingency Fund included a dedicated amount of \$1.3 million for DAS Utilities due to a concern over the ability of Milwaukee County to collect any fire protection payments in 2014. Since the funding was allocated in the Contingency fund once a transfer is processed to move the funding to DAS Utilities, the deficit here will be eliminated and the Division is therefore shown as breakeven.

DOT- Transit/Paratransit System (Org 5600)

\$1.76 million surplus

The Transit/Paratransit System reported a projected revenue deficit of (\$1.2) million due to a projected deficit of (\$4.2) million in Transit System fixed route passenger revenue, a projected surplus of \$0.4 million in revenue from transit mitigation contracts with the state, a projected surplus of \$1.9 million in federal revenue due to carryovers of unused CMAQ funds from 2013 and a projected surplus of \$0.65 million in Paratransit revenue due to increased collections from Managed Care Organizations.

An expenditure surplus of \$3.1 million is projected mainly due to the actual OPEB (Other Post Employment Benefit for post-retirement health costs) contribution being less than budgeted based on the latest valuation from MCTS's outside actuary.

Org Unit 7990 - Department of Family Care (CMO) ***(\$3.3 million deficit)***
Org Unit 7990 - Department of Family Care Reserve ***\$3.3 million contribution***

The Milwaukee County Department of Family Care (MCDFC) is projecting a year-end deficit of (\$3.3) million. This loss in operations will require a contribution from MCDFC's reserves equal to the deficit for a net zero impact to the County's bottom line. The deficit is due a decrease in MCDFS's capitation rate, set by the State of Wisconsin. In October of 2013, it was reported to the Finance, Personnel and Audit and Personnel Committee that the MCDFC was expecting to lose approximately \$4.9 million in 2014 due to the capitation rate decrease and that a contribution from the MCDFC reserve would be required in 2014.

Any deficit in Family Care is offset by a contribution from its reserve and has no impact on the tax levy. When the department has a surplus, that surplus is transferred to the reserve at year end resulting in no impact on the tax levy.

MCDFC operates in several counties besides Milwaukee County. The following table shows projected year end results by County regions. MCDFC has an adjusted budget of (\$0.5) million which accounts for the variance between the (\$3.8) million noted below and the overall projected deficit of (\$3.3) million noted above.

| Region | Projected Year end Results |
|--|----------------------------|
| Milwaukee | (\$5,060,000) |
| Racine/Kenosha | \$940,000 |
| Walworth/Waukesha/Washington/Ozaukee/Sheboygan | \$250,000 |
| Consolidated | (\$3,870,000) |

Behavioral Health Division (BHD) (Org 6300) ***(\$0.6 million deficit)***

BHD Mental Health Medical Services is projecting an overall deficit of (\$0.6) million which is comprised of a revenue surplus of \$2.7 million offset by an expenditure deficit of (\$3.3) million.

The revenue surplus consists of a \$1.6 million in health care writeoff's being less than budgeted and a surplus in Hilltop revenue, as explained below. The expenditure deficit is made up of costs at Hilltop as discussed below and an overtime deficit of (\$0.8) million, a temporary help deficit of (\$0.6) million and contractual services deficit of (\$0.2) million due to staffing for vacant positions that BHD is attempting to fill. These deficits are partially offset by lower utilization of BHD's pharmacy resulting in a projected surplus of \$0.4 million in pharmacy costs.

Hilltop

The 2014 Adopted Budget anticipated the complete closure of the Hilltop facility by November 2014 and the gradual placement of patients throughout 2014. This resulted in the reduction in the average daily census from 56 in the 2013 Adopted Budget to 28 in the 2014 Adopted Budget. BHD has encountered a delay in the placement of patients which results in a projected deficit in expenditures of (\$2.1) million. Partially offsetting this increase in expenditures is an increase in revenue of \$1.1 million for a projected deficit for Hilltop of (\$1.0) million.

For this reporting period, BHD Mental Health Medical Services is shown separately from the Mental Health Community Services Branch of operations. Community Services was budgeted with the Department of Health and Human Services for 2014. In early 2014, the State passed into law a statute, which created separate operating and legislation authority for Mental Health Medical Services and Community Services. The County is working on combining Medical Services and Community Services under Agency 630 – BHD.

The BHD Mental Health Services deficit will be offset by a projected surplus of \$0.9 million in the Community Services which will become a part of the Behavioral Health Division by year end as it falls under the jurisdiction of the new Mental Health Board. This surplus is not included in the amount listed above. If included, it would change the projected year end position of BHD from a projected deficit of (\$0.6) million to a projected surplus of \$0.3 million.

Department of Health and Human Services (DHHS) (Org 8000) \$4.0 million surplus

DHHS is projecting a revenue deficit of (\$2.7) million and an expenditure surplus of \$6.7 million for 2014 resulting in an overall surplus of \$4.0 million.

This surplus contains a projected surplus of \$0.9 million in the Community Services Branch due to an expected surplus of \$1.8 million in WRAP, a projected surplus of \$84,000 in AODA and a projected deficit of (\$1.0) million in the remaining areas of the Community Services Branch. The Community Services will become a part of the Behavioral Health Division by year end as it falls under the jurisdiction of the new Mental Health Board. This surplus is included in the amount listed above for DHHS. If not included, it would change the projected year end position of DHHS from a projected surplus of \$4.0 million to a projected surplus of \$3.1 million.

WRAP – which is a part of the Community Services Branch discussed above

The WRAP program is currently projecting a revenue deficit of (\$1.5) million which is comprised of a projected deficit of (\$0.7) million in capitated revenue and a projected deficit of (0.7) million in State and Federal revenue. These revenue deficits are offset by a surplus of \$4.7 million in expenditures of which \$4.3 million is client services. BHD anticipates making a contribution of \$1.3 million to the WRAP reserve which reduces its overall surplus to \$1.8 million.

The revenue deficit is caused by the projected deficit in WRAP revenue, a projected deficit of (\$1.1) million in Community Recovery Services revenue and a projected deficit of (\$0.5) million in Community Support Programs and Day treatment patient revenue. Partially offsetting these revenue deficits is a projected surplus of \$2.0 million in Youth Aids revenue due to the offset for costs of youth detentions held by the State showing an average daily population lower than budgeted.

The expenditure surplus, in addition to WRAP, is due to a projected personnel services surplus of \$1.0 million, a professional services surplus of \$0.5 million, commodities and supplies surplus of \$0.4 million, a purchase of service surplus of \$1.1 million.

Zoological Department (Org 9500)

(\$0.1 million deficit)

The Zoo is reporting an expenditure surplus of \$0.6 million which partially offsets a projected revenue deficit of (\$0.7) million for 2014. The revenue deficit is primarily in admission, gifts, special exhibits, sky glider and concession revenue and is due to inclement weather during the first half of 2014.

Non - Departmental Surpluses and Deficits:

Potawatomi Revenue (Org 1937)

(\$0.2 million deficit)

The County has received its Potawatomi revenue payment for the period July 1, 2013 to June 30, 2014 by the Potawatomi Bingo Casino per contract. The total revenue received of \$5.3 million is (\$0.2) million less than the 2014 County-wide Budget amount of \$5.5 million.

Unallocated Contingency Fund (Org 1945)

\$3.8 million surplus

The contingency account was appropriated at \$7.7 million in 2014. Of that amount, \$3.3 million was specifically allocated in the 2014 Adopted Budget and is therefore unavailable to be counted toward the 2014 year end surplus at this time. The unallocated contingency fund was budgeted at \$4.3 million and currently has an available balance of \$3.8 million which for purposes of this report, is being utilized to offset deficits projected by various departments in order to arrive at a net surplus for the County of \$7.0 million. The Office of the Comptroller will conduct an analysis of the remaining balance in the allocated contingency fund prior to the next committee meeting to determine if any of the funding will not be utilized in 2014.

Fringe Benefits (Org 1950)

\$7.0 million surplus

Based on analysis performed by the Willis Group and the County's Comptroller, fringe benefit costs are currently projected to surplus for 2014 by \$7.0 million which is an increase of \$2.7 million from prior estimates. The surpluses are in employee and retiree health care and prescription costs.

Interest on Investments (*Org 1992*)

(\$0.7 million deficit)

Interest income on County Investments are currently projected to deficit by (\$0.7) million for 2014. In 2013, the County had a total deficit of (\$0.5) million in interest on investments.

Sales Tax Revenue (*Org 1996*)

\$0.75 million surplus

The County has received 6 of its 12 sales tax distributions. Year to date, the 2014 distributions are showing stronger growth than anticipated. The 2014 Budget includes a growth percentage of +1.5% compared to the 2013 actual amount. Based on the collections received so far this year and historical collection information, the Office of the Comptroller is currently projecting a growth percentage of +2.7% or \$750,000 more than the 2014 Budget.

| Milwaukee County Annual Fiscal Report of Surplus/Deficit as of June 30, 2014 | | | | | | | | | | |
|---|---|-------------------------------|----------------------------------|---------------------|---------------|-----------------------------------|--------------------------------------|---------------------|---------------|----------------------|
| | | 2014 Projected Revenues | 2014 Budgeted Net Revenues | Revenue Variance | % Variance | 2014 Projected Expenditures | 2014 Budgeted Net Expenditures | Expense Variance | % Variance | Surplus (Deficit) |
| Legislative, Executive & Staff | | | | | | | | | | |
| 1000 | County Board | - | - | - | N/A | 4,108,921 | 4,108,921 | - | 0% | - |
| County Executive | | | | | | | | | | |
| 1011 | General Office | - | - | - | N/A | 1,413,761 | 1,446,068 | 32,307 | 2% | 32,307 |
| 1040 | Community Business Development Partners | 12,000 | 181,392 | (169,392) | -93% | 1,124,483 | 1,170,914 | 46,431 | 4% | (122,961) |
| 1021 | Veterans Service | 13,000 | 13,000 | - | 0% | 330,834 | 330,834 | - | 0% | - |
| 1020 | County Executive - Governmental Affairs | - | - | - | N/A | 350,122 | 377,767 | 27,645 | 7% | 27,645 |
| 1110 | Civil Service Commission | - | - | - | N/A | 16,813 | 16,000 | (813) | -5% | (813) |
| 1120 | Personnel Review Board | - | - | - | N/A | 278,127 | 278,127 | - | 0% | - |
| 1130 | Corporation Counsel | 150,000 | 150,000 | - | 0% | 1,814,425 | 1,814,425 | - | 0% | - |
| 1140 | Human Resources | 980,491 | 1,427,062 | (446,571) | -31% | 6,144,449 | 6,645,650 | 501,201 | 8% | 54,630 |
| Dept of Administrative Services | | | | | | | | | | |
| 1019 | Persons with Disabilities | 175,500 | 180,500 | (5,000) | -3% | 1,130,799 | 1,182,735 | 51,936 | 5% | 56,936 |
| 103 | Governmental Relations | - | - | - | N/A | 350,122 | 377,767 | 27,645 | 7% | 27,645 |
| 1135 | Labor Relations | - | - | - | N/A | - | - | - | N/A | - |
| 1150 | Risk Management | 6,968,863 | 7,352,704 | (383,841) | -5% | 10,063,399 | 7,618,648 | (2,444,751) | -32% | (2,828,592) |
| 1151 | Fiscal Affairs Division | 30,000 | 30,000 | - | 0% | 1,515,365 | 1,529,031 | 13,666 | 1% | 13,666 |
| 1152 | Procurement | - | - | - | N/A | 1,015,608 | 1,015,608 | - | 0% | - |
| 1160 | Information Management Services | 15,090,245 | 15,569,990 | (479,745) | -3% | 16,222,426 | 16,702,171 | 479,745 | 3% | - |
| 1190 | Economic Development | 2,230,873 | 2,230,873 | - | 0% | 2,739,767 | 2,739,767 | - | 0% | - |
| 3010 | Election Commission | 52,600 | 52,600 | - | 0% | 993,280 | 993,280 | - | 0% | - |
| 3090 | County Treasurer | 3,436,735 | 3,405,000 | 31,735 | 1% | 1,755,957 | 1,805,436 | 49,479 | 3% | 81,214 |
| 3270 | County Clerk | 474,295 | 474,295 | - | 0% | 1,279,103 | 1,279,398 | 295 | 0% | 295 |
| 3400 | Register of Deeds | 4,563,137 | 4,976,470 | (413,333) | -8% | 4,204,421 | 4,203,964 | (457) | 0% | (413,790) |
| 3700 | Office of the Comptroller | 74,700 | 174,700 | (100,000) | -57% | 6,987,362 | 7,180,605 | 193,243 | 3% | 93,243 |
| Total Legislative, Executive & Staff | | 34,252,439 | 36,218,586 | (1,966,147) | -5% | 63,839,545 | 62,827,116 | (1,012,429) | 0 | (2,978,576) |
| Courts and Judiciary | | | | | | | | | | |
| 2000 | Combined Court Related Operations | 11,273,585 | 11,601,371 | (327,786) | -3% | 41,762,860 | 41,814,242 | 51,282 | 0% | (276,504) |
| 2430 | Dept. of Child Support Enforcement | 17,236,160 | 17,265,681 | (29,501) | 0% | 18,754,346 | 18,799,044 | 44,698 | 0% | 15,197 |
| 2900 | Courts - Pre-Trial Services | 999,226 | 999,226 | - | 0% | 5,044,759 | 5,059,332 | 14,573 | 0% | 14,573 |
| Total Courts and Judiciary | | 29,508,971 | 29,866,258 | (357,287) | -1% | 65,562,065 | 65,672,618 | 110,553 | 0% | (246,734) |
| Public Safety | | | | | | | | | | |
| 4900 | Medical Examiner | 2,022,257 | 2,058,468 | (36,211) | -2% | 4,835,096 | 4,835,096 | - | 0% | (36,211) |
| 4000 | Sheriff | 10,219,299 | 12,179,521 | (1,960,222) | -16% | 82,835,068 | 79,150,687 | (3,684,381) | -5% | (5,644,603) |
| 4300 | House of Correction | 6,304,589 | 5,498,097 | 806,492 | 15% | 65,027,303 | 64,518,773 | (508,530) | -1% | 297,962 |
| 4500 | District Attorney | 6,184,905 | 6,186,105 | (1,200) | 0% | 18,349,151 | 18,466,663 | 117,512 | 1% | 116,312 |
| Total Public Safety | | 24,731,050 | 25,922,191 | (1,191,141) | -5% | 171,046,618 | 166,971,219 | (4,075,399) | -2% | (5,266,540) |
| Non-Departmental's | | | | | | | | | | |
| 1933 | Land Sales | - | - | - | N/A | - | - | - | N/A | - |
| 1937 | Potawatomi Revenue | 3,826,477 | 4,026,477 | (200,000) | -5% | - | - | - | N/A | (200,000) |
| 1945 | Contingency | 666,000 | 666,000 | - | 0% | 4,302,118 | 8,133,216 | 3,831,098 | 47% | 3,831,098 |
| 1950 | Fringe Benefits | 18,346,142 | 18,346,142 | - | 0% | 11,438,644 | 18,438,644 | 7,000,000 | 38% | 7,000,000 |
| 1972 | Wage and Benefit Modifications | - | - | - | N/A | - | - | - | N/A | - |
| 1991 | Property Taxes | - | - | - | N/A | - | - | - | N/A | - |
| 1992 | Interest Income | 1,000,000 | 1,711,411 | (711,411) | -42% | - | - | - | N/A | (711,411) |
| 1993 | State Shared Revenue | 31,080,305 | 31,080,305 | - | 0% | - | - | - | N/A | - |
| 1996 | Sales Taxes | 57,805,255 | 57,055,255 | 750,000 | 1% | - | - | - | N/A | 750,000 |
| | Other Non-Departmental | 16,513,320 | 18,713,320 | (200,000) | -1% | (3,005,834) | (3,005,834) | - | 0% | (200,000) |
| 1900's Total Non-Departmental | | 125,411,022 | 125,572,433 | (161,411) | 0% | 12,734,928 | 23,566,026 | 10,831,098 | 46% | 10,669,687 |

| | | | | | | | | | | Attachment C |
|--|--|----------------------|----------------------|--------------------|--------------|----------------------|----------------------|--------------------|------------|------------------|
| | | | | | | | | | | Surplus |
| | 2013 | 2013 | Revenue | % | 2013 | 2013 | Expense | % | | (Deficit) |
| | Projected | Budgeted Net | Variance | Variance | Projected | Budgeted Net | Variance | Variance | | |
| | Revenues | Revenues | | | Expenditures | Expenditures | | | | |
| Public Works & Development | | | | | | | | | | |
| 5040 | DOT - Airport Division | 85,831,307 | 85,951,307 | (120,000) | 0% | 85,831,308 | 85,951,308 | 120,000 | 0% | - |
| 5100 | DOT - Highway Maintenance | 20,580,042 | 19,518,156 | 1,061,886 | 5% | 21,710,175 | 20,781,903 | (928,272) | -4% | 133,614 |
| 5300 | DOT - Fleet Management | 10,939,626 | 10,939,626 | - | 0% | 10,399,566 | 9,994,566 | (405,000) | -4% | (405,000) |
| 5600 | DOT - Transit/Paratransit System | 98,073,893 | 95,523,225 | 2,550,668 | 3% | 114,962,244 | 114,175,018 | (787,226) | -1% | 1,763,442 |
| 5800 | DOT - Admin Div | 174,825 | 174,825 | - | 0% | 58,555 | 58,555 | - | 0% | - |
| 5500 | DAS - Utility | 4,648,506 | 4,648,506 | - | 0% | 4,930,878 | 4,930,878 | - | 0% | - |
| 5700 | DAS - Facilities Mngmt | 30,464,283 | 30,657,744 | (193,461) | -1% | 31,638,099 | 31,631,560 | 193,461 | 1% | - |
| | Total Public Works & Development | 250,712,482 | 247,413,389 | 3,299,093 | 1% | 269,530,825 | 267,723,788 | (1,807,037) | -1% | 1,492,056 |
| Health & Human Services | | | | | | | | | | |
| 6300 | Behavioral Health Division | 33,907,547 | 31,209,314 | 2,698,233 | 9% | 83,963,541 | 80,648,746 | (3,314,795) | -4% | (616,562) |
| 7900 | Department on Aging | 17,178,023 | 17,193,797 | (15,774) | 0% | 18,475,876 | 18,491,650 | 15,774 | 0% | - |
| 7990 | Department of Family Care (OMC) | 284,839,259 | 284,211,854 | 627,404 | 0% | 288,689,575 | 284,735,767 | (3,953,808) | -1% | (3,326,404) |
| 8000 | Department of Human Services | 156,956,887 | 159,648,074 | (2,691,187) | -2% | 193,068,183 | 199,838,751 | 6,770,568 | 3% | 4,079,381 |
| | Total Health & Human Services | 492,881,715 | 492,263,039 | 618,676 | 0% | 584,197,175 | 583,714,914 | (482,261) | 0% | 136,415 |
| Parks, Recreation & Culture | | | | | | | | | | |
| 9000 | Department of Parks | 17,848,617 | 18,148,617 | (300,000) | -2% | 44,119,283 | 44,419,283 | 300,000 | 1% | - |
| 9500 | Zoological Department | 19,108,067 | 19,834,862 | (726,825) | -4% | 24,920,677 | 25,536,393 | 615,716 | 2% | (111,109) |
| 9700 | Milwaukee Public Museum | - | - | - | N/A | 3,500,000 | 3,500,000 | - | 0% | - |
| 9910 | University Extension | 121,680 | 121,680 | - | 0% | 508,426 | 508,426 | - | 0% | - |
| | Total Parks, Recreation & Culture | 37,078,364 | 38,105,189 | (1,026,825) | -3% | 73,048,386 | 73,964,102 | 915,716 | 1% | (111,109) |
| 9950 | Ran Promissory Note Repay | - | - | - | N/A | - | - | - | N/A | - |
| 9960 | Debt Retirement and Interest | 24,604,392 | 24,604,392 | - | 0% | 63,793,941 | 63,793,941 | - | 0% | - |
| 1200-1899 | Capital Improvements | 260,913,604 | 260,913,604 | - | 0% | 307,071,010 | 307,071,010 | - | 0% | - |
| Expendable Trusts | | | | | | | | | | |
| FUND 3 | Zoo Trust Funds | 2,662 | 959,557 | (956,895) | -100% | - | 968,968 | 968,968 | 100% | 12,073 |
| FUND 4 | IMSD Expendable Trust | - | - | - | N/A | - | - | - | N/A | - |
| FUND 5 | Parks Trust Funds | 10,685 | - | 10,685 | N/A | (75,000) | - | 75,000 | N/A | 65,685 |
| FUND 6 | Office on Handicapped Trust Fund | 157 | 25,000 | (24,843) | -99% | - | 25,000 | 25,000 | 100% | 157 |
| FUND 7 | Behavioral Health Complex Trust Funds | - | 35,100 | (35,100) | -100% | - | 35,848 | 35,848 | 100% | 748 |
| FUND 8 | Airport PPC | - | - | - | N/A | 465,538 | - | (465,538) | N/A | (465,538) |
| FUND 9 | DAS - Trust | 8,938 | - | 8,938 | N/A | - | - | - | N/A | 8,938 |
| FUND 10 | DAS - Trust | - | - | - | N/A | - | - | - | N/A | - |
| FUND 11 | Fleet Facilities Reserve Trust | - | - | - | N/A | - | - | - | N/A | - |
| | Total Expendable Trusts | 22,441 | 1,019,657 | (997,216) | -98% | 390,538 | 1,029,816 | 639,278 | 62% | (357,937) |
| | Projected Surplus (Deficit) | 1,280,116,480 | 1,281,899,738 | (1,782,258) | 0% | 1,611,215,031 | 1,616,334,550 | 5,119,519 | 0% | 3,337,261 |
| | Addback the following: | | | | | | | | | |
| | Reserves Expendable Trusts | | | | | | | | | 357,937 |
| | Contribution to Family Care Reserves | | | | | | | | | 3,326,404 |
| | Total Projected Surplus (Deficit) | | | | | | | | | 7,021,603 |

