



Milwaukee County Five-Year Financial Forecast



A presentation from the
Office of the Comptroller

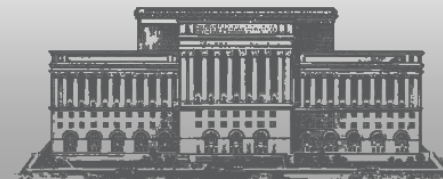


Summary

- 2016 projected gap is \$26.2 million.
- Structural deficit for 2016 has worsened slightly.
- Long term, the fiscal outlook has improved.

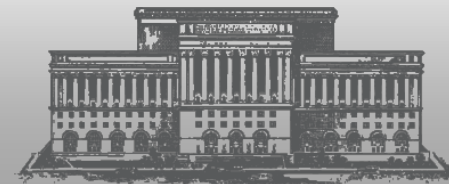
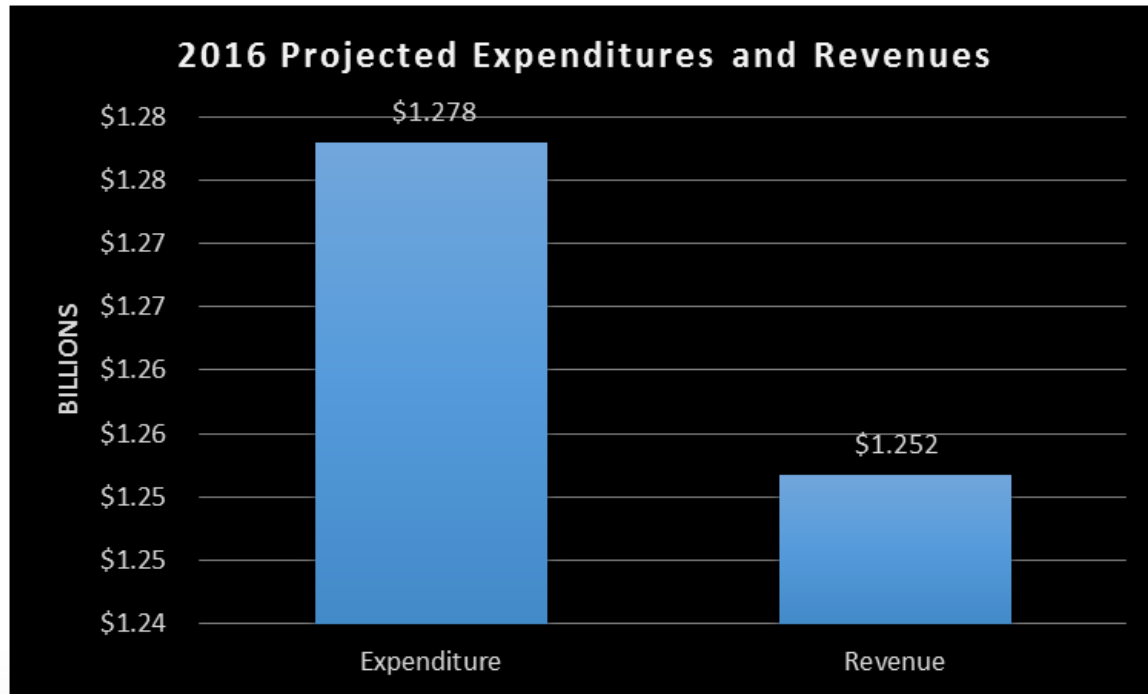
	Prior Year Forecast	Current Year Forecast
2019	\$93.8	\$58.8
2020		\$74.7

- The chief component of the structural deficit is stagnant revenues.





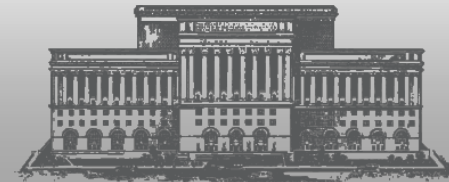
2016 Projected Gap - \$26.2M





2016 Projected Gap – Expenditures

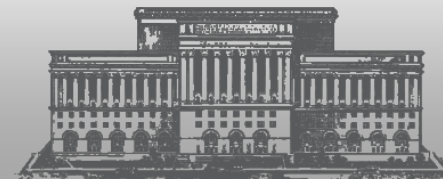
Expenditure Type	Dollar Change
Pension	\$ 20.4
CMO Purchase of Service	\$ 3.8
Other	\$ 3.6
Commodities & Services	\$ 2.4
HHS Services	\$ 2.3
Insurance-related Costs	\$ 1.2
Debt Service	\$ 1.1
Utilities	\$ 1.0
Salaries & Overtime	\$ 0.4
Contingencies	\$ (1.1)
Employee Benefits	\$ (3.7)
Total Change	\$ 31.4





2016 Projected Gap – Revenues

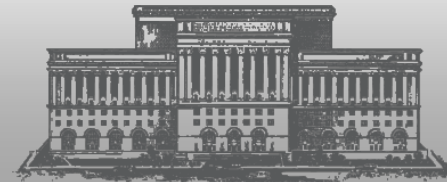
Revenue Type	Dollar Change
CMO Purchase of Service Revenue	\$ 3.8
Employee Pension Contributions	\$ 3.2
BHD Health Revenue	\$ 3.0
Property Taxes	\$ 2.5
Sales Tax	\$ 2.4
CMO Other Revenue	\$ 1.3
Airport Revenue	\$ 1.2
Fees and Permits	\$ 1.0
Highways Reimbursement	\$ 0.5
Child Support Reimbursement	\$ 0.3
Other Misc Federal Revenues	\$ 0.3
Rental Revenue	\$ 0.1
State Computer Aid	\$ 0.1
Record & Filing Fees	\$ 0.1
Fines & Forfeits	\$ (0.7)
Human Services State Reimbursements	\$ (0.9)
State Shared Revenue	\$ (4.0)
Miscellaneous	\$ (8.9)
Total Change	\$ 5.2





Possible Solutions

- Budget additional funding from Debt Service Reserve
- Repurpose a portion of contingency dollars
- Reinvest sales tax dollars from capital budget back into operating budget
- Increase revenues; decrease expenditures

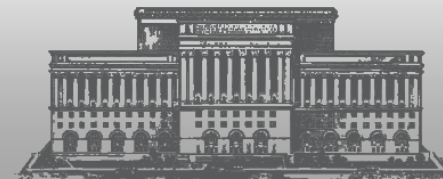




5-Year Projected Structural Deficit

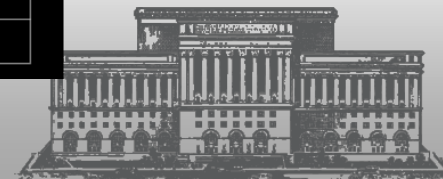
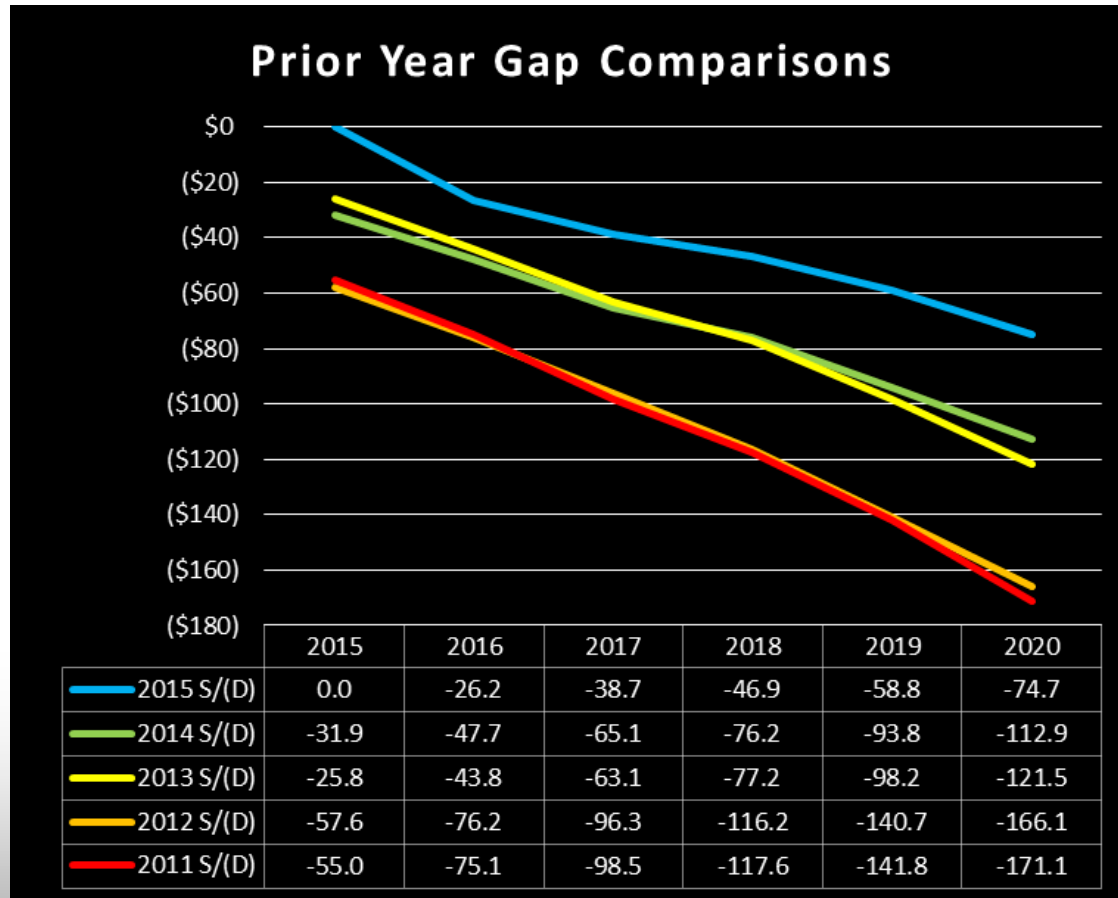
Year	Expenditure	Revenue	Gap 2016 - 2020	Adjusted Gap*
2016	\$ 1,277,946,393	\$ 1,251,706,895	\$ (26,239,498)	
2017	\$ 1,304,334,131	\$ 1,265,625,388	\$ (38,708,744)	\$ (12,469,246)
2018	\$ 1,327,745,906	\$ 1,280,866,858	\$ (46,879,048)	\$ (8,170,304)
2019	\$ 1,359,841,991	\$ 1,301,056,259	\$ (58,785,732)	\$ (11,906,684)
2020	\$ 1,394,344,145	\$ 1,319,666,230	\$ (74,677,915)	\$ (15,892,183)

*Adjusted gap assumes that the prior year gap was eliminated with long-term solutions



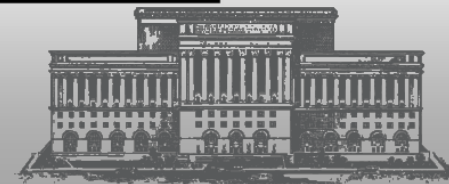
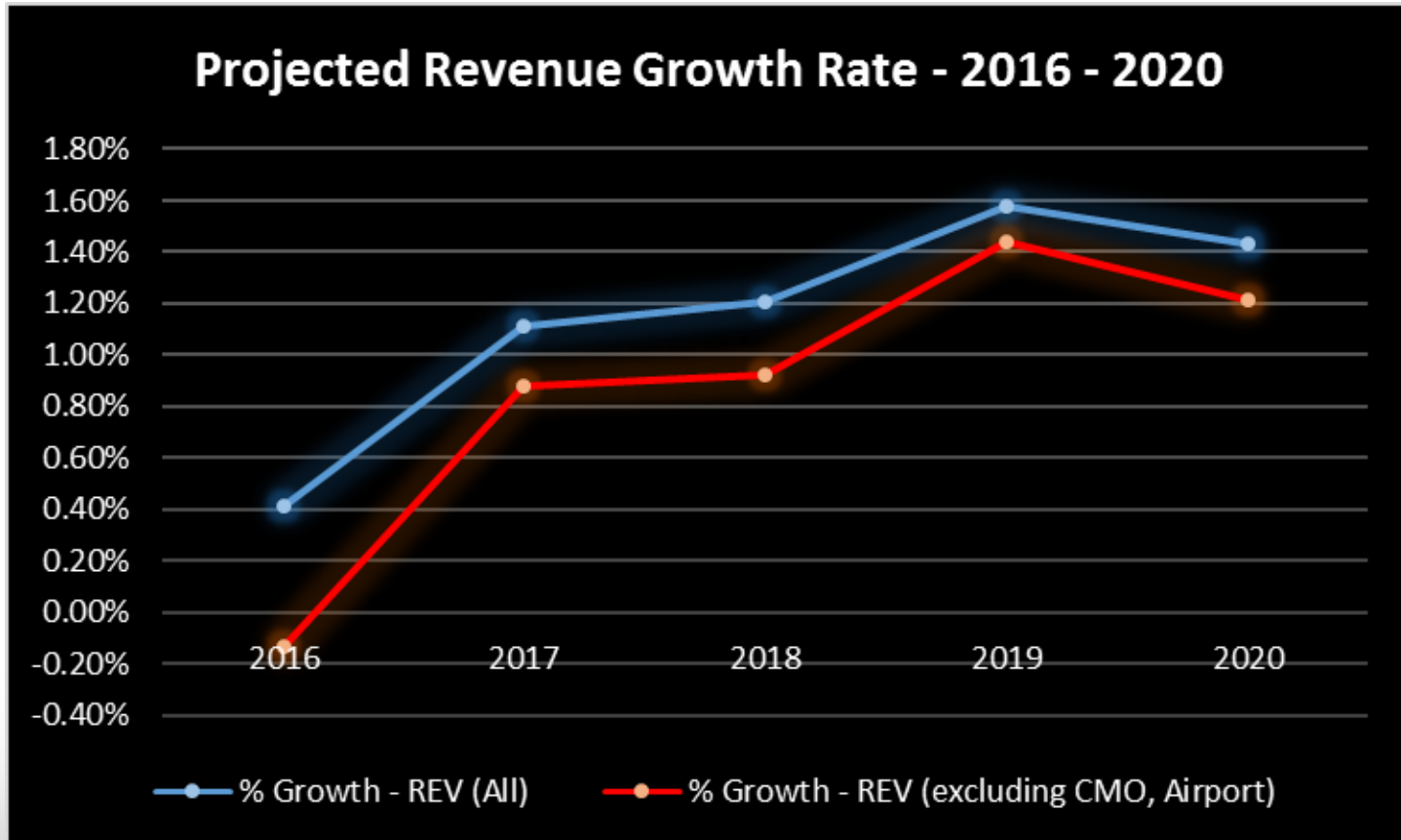


Prior 5-Year Forecast Comparisons



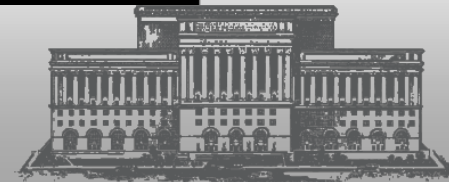
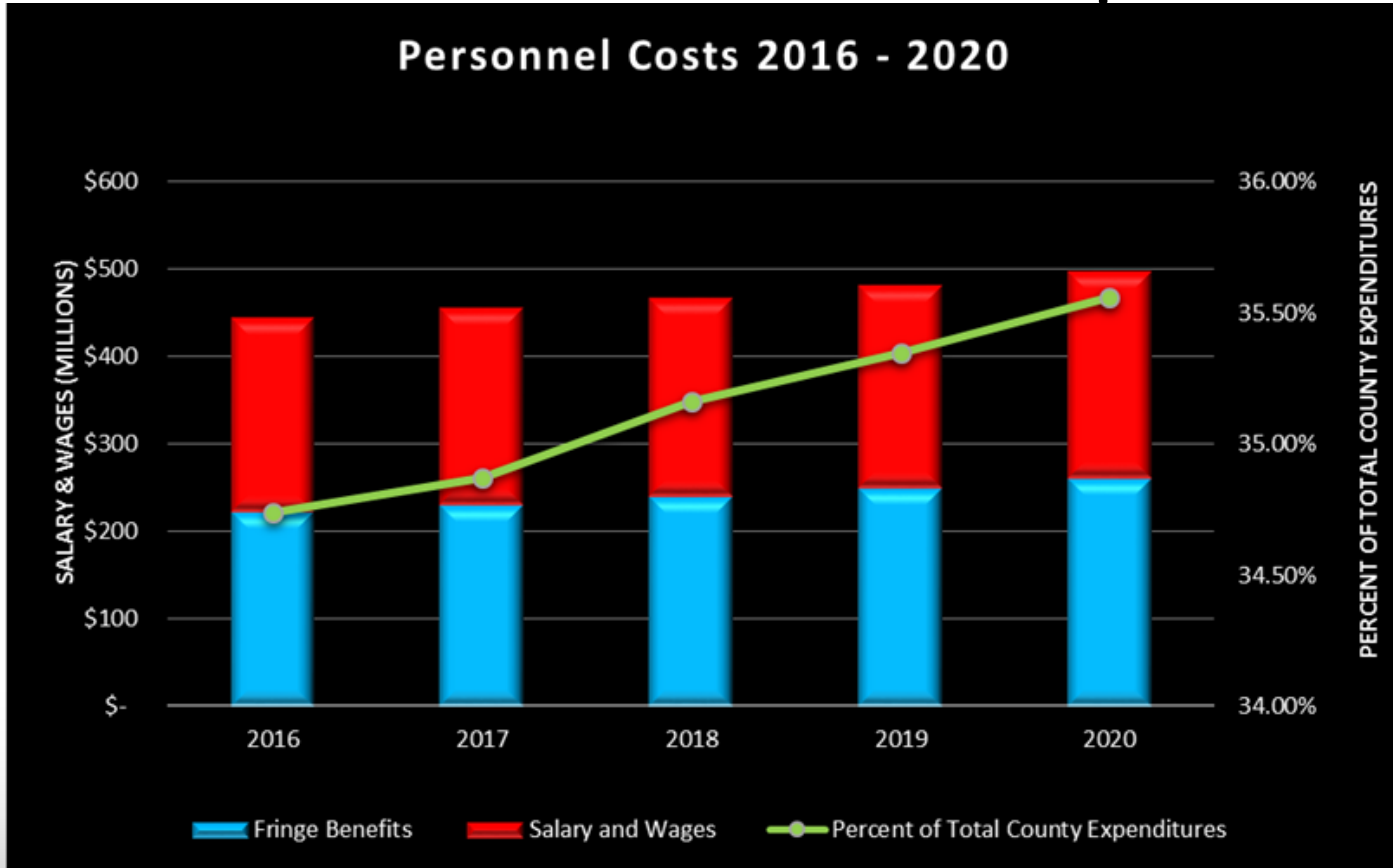


Structural Deficit Drivers - Revenues



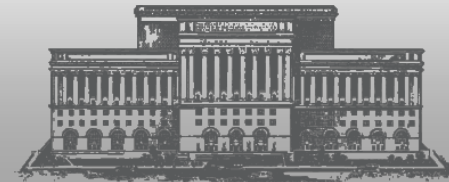
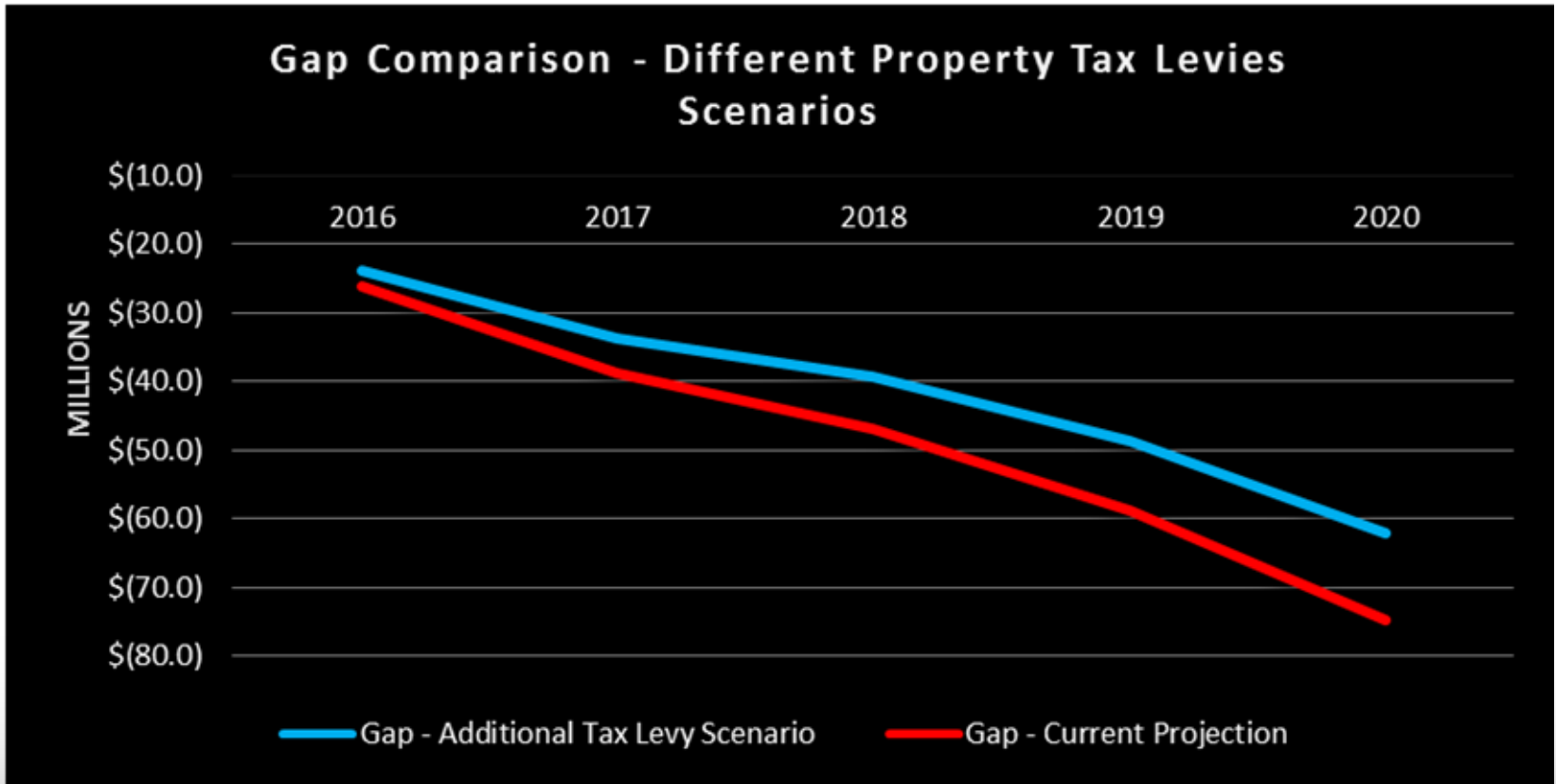


Structural Deficit Drivers - Expenditures





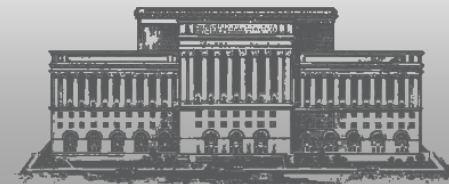
Impact of Additional Levy





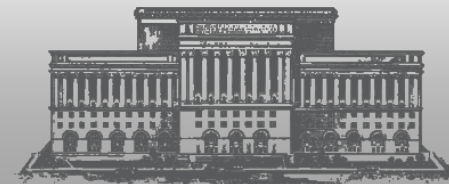
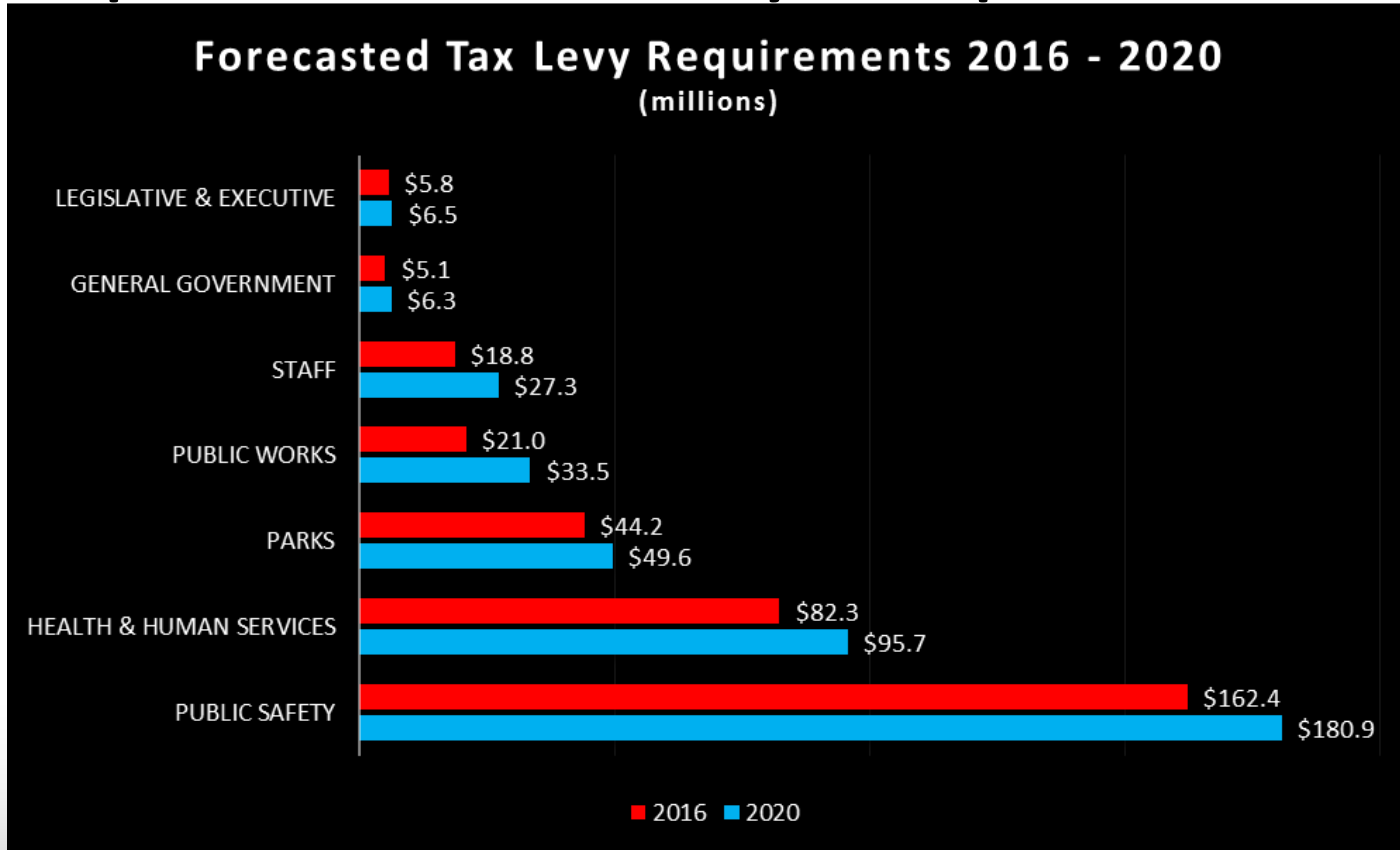
Impact of Pension Costs on 2016 Gap

Type	Prior Year Estimate	Inclusion of COLA/Funding Changes
Expenditure	\$ 1,257,298,000	\$ 1,277,946,000
Revenue	\$ 1,248,197,000	\$ 1,251,707,000
2016 Gap	\$ 9,101,000	\$ 26,239,000





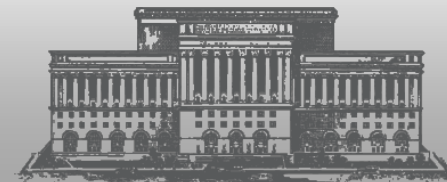
Departmental Levy Requirements





Other Issues to Monitor

- Froedtert payment
- Future biennial State budgets/mid-year corrections
- Debt service and infrastructure needs
- Potential changes to Family Care and the Behavioral Health Division





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QUESTIONS?

