



**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

Office of the Comptroller

**DATE** : July 10, 2014  
**TO** : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors  
**FROM** : Scott B. Manske, Comptroller  
**SUBJECT:** 2014 Fiscal Projection for Milwaukee County – (May 2014) **(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 this fiscal report.

**Updated 2014 Year-end Fiscal Projection – May 2014**

| <b>Period</b>                    | <b>County Projected Year End Position</b> | <b>Annual Projection</b> | <b>Change from Prior Projection</b> |
|----------------------------------|---|--------------------------|-------------------------------------|
| March 2014                       | Surplus                                   | \$3.5 million            | \$3.5 million                       |
| April 2014                       | Surplus                                   | \$2.6 million            | (\$0.9 million)                     |
| <b>May 2014 (Current Period)</b> | <b>Surplus</b>                            | <b>\$5.2 million</b>     | <b>\$2.6 million</b>                |

Based on financial results through May 31, 2014 and quarterly reports submitted by departments, Milwaukee County's projected 2014 year-end fiscal status is a projected surplus of \$5.2 million. The projected surplus assumes that the available balance in the contingency fund of \$4.1 million is applied to offset departmental and non-departmental deficits. To the extent the contingency fund is used during the year for other purposes, the projected surplus will decrease.

The following table reports significant changes in departments' projected year end since the prior report. Attachment A lists departments' projected year end as of April 30, 2014 and as of May 31, 2014.

**Departments with a significant change from prior report**

| Org Unit | Department                      | As of April 30 | As of May 31  | Change        |
|----------|---------------------------------|----------------|---------------|---------------|
| 2000     | Courts                          | (\$184,900)    | (\$373,500)   | (\$188,515)   |
| 4000     | Sheriff                         | (\$3,827,700)  | (\$4,528,400) | (\$700,700)   |
| 4300     | House of Correction             | (\$1,496,800)  | (\$831,300)   | \$665,500     |
| 7990     | Family Care                     | (\$5,270,200)  | (\$4,000,000) | \$1,270,200   |
| 7990     | Family Care Reserve             | \$5,270,200    | \$4,000,000   | (\$1,270,200) |
| 6300     | Behavioral Health Division*     | (\$2,300,000)  | (\$1,010,000) | \$1,290,000   |
| 8700     | Community Services Branch*      | \$0            | \$1,000,000   | \$1,000,000   |
| 8000     | Dept. of Health&Human Services* | \$3,000,000    | \$3,475,000   | \$475,000     |

\*The CSB was budgeted and is currently a part of Org Unit 8000, however, it falls under the jurisdiction of the Mental Health Board and as such is being shown separately as it will become a part of BHD by year end.

**Combined Court Operations**

The Courts are currently projecting an overall deficit of (\$0.4) million which is an increase of \$0.2 million over the April projection. Salary projections improved from a prior projected deficit of (\$80,000) to a projected surplus of \$67,000 due to an analysis of projected sick time payouts for 2014. Offsetting this improvement is an increase in the deficit for contractual services of \$382,200 from a projected surplus of \$195,300 in April to a projected deficit of (\$186,800) in May. According to information provided by the Courts, this change is primarily due to a judicial order to attorneys to turn in all invoices by June 1<sup>st</sup> which has shown increased projected costs for 2014.

**Sheriff**

The projected deficit for the Sheriff increases by \$700,700 primarily due to the following changes:

| Item                            | As of April 30       | As of May 31         | Change             |
|---------------------------------|----------------------|----------------------|--------------------|
| <b>REVENUES</b>                 |                      |                      |                    |
| Traffic Citation Revenue        | (\$810,468)          | (\$970,000)          | (\$159,532)        |
| Parking Citation Revenue        | \$0                  | (\$50,000)           | (\$50,000)         |
| USM Inmate Housing Revenue      | (\$236,520)          | (\$130,000)          | \$106,520          |
| Expressway Patrol Grant Revenue | \$0                  | \$200,000            | \$200,000          |
| Sheriff Sales Revenue           | (\$116,000)          | (\$190,000)          | (\$74,000)         |
| Process Service Fee Revenue     | (\$40,000)           | (\$80,000)           | (\$40,000)         |
| Telephone Commission Revenue    | \$432,000            | \$200,000            | (\$232,000)        |
| Commissary Revenue              | \$0                  | \$100,000            | \$100,000          |
| <b>TOTAL</b>                    | <b>(\$770,988)</b>   | <b>(\$920,000)</b>   | <b>(\$149,012)</b> |
| <b>EXPENDITURES</b>             |                      |                      |                    |
| Salary and Wages                | (\$2,780,000)        | (\$3,200,000)        | (\$420,000)        |
| Social Security                 | (\$212,670)          | (\$244,800)          | (\$32,130)         |
| <b>TOTAL</b>                    | <b>(\$2,992,670)</b> | <b>(\$3,444,800)</b> | <b>(\$452,130)</b> |

### **Sheriff Revenues**

The primary reason for the deficit in Traffic Citation revenue appears to be the end of various speed enforcement grants and freeway construction. 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 number of US Marshal inmates that the Sheriff is housing has increased recently which reduced the projected deficit in this area by \$106,000. Actual Expressway Patrol grant reimbursement for overtime patrols during construction of the Zoo interchange and the Hoan Bridge is estimated to be \$200,000 higher than budgeted. Due to a continuing decline in the number of properties scheduled for sale each week, Sheriff Sales revenue's projected deficit increases \$74,000. Process Services fees continue to be less than 2013 actuals which increases the projected deficit \$40,000. The telephone commission revenue surplus was overstated on the prior report and this report reflects the correct amount which reduces the projected surplus by \$232,000. Commissary revenue is projected to surplus by \$100,000 due to the increased inmate population.

### **Sheriff Expenditures**

The deficit for salaries, wages and social security grew by \$450,000 due to the annual provision of in-service training for sworn personnel.

### **House of Correction (HOC)**

The HOC is currently projecting a deficit of (\$0.8) million for 2014. This is an improvement over prior projections as projected year end straight time costs have decreased while overtime projections have stabilized resulting in a decrease in the deficit of \$0.6 million.

### **Family Care (CMO)**

The anticipated deficit for Family Care drops by \$1.2 million from a prior projection of (\$5.2) million to (\$4.0) million. The change is due to member service utilization being better than expected and performance in the other regions (Racine/Kenosha), (Waukesha, Walworth, Washington, Ozaukee and Sheboygan) improving. In addition, salary savings result from unfilled positions that the department is in the process of filing.

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.

### **Behavioral Health Division (BHD)**

BHD is projecting a deficit of (\$1.0) million in 2014. This deficit is offset by a projected surplus of \$1.0 million in the Community Services Branch 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.

As of the April 2014 report BHD was projecting a deficit of (2.3) million. The change is due to an increase in the projected revenue surplus for patient revenue of \$1.3 million. Of that, \$0.8 million due to the impact of the delay in the closure of the Hilltop facility and \$0.5 million is due to a review of the procedures for processing bad debt.

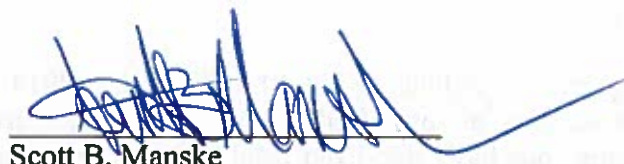
#### **Department of Health and Human Services (DHHS)**

DHHS is projecting a surplus of \$4.5 million for 2014 which is an increase of \$1.5 million over the prior projection. The change is due to a projected surplus of WRAP Crisis Non-capitated rate revenue of \$1.0 million. In addition, there is a decrease in the projected revenue deficit of \$0.5 million for Crisis Services Prevention and Day Treatment.

It should be noted that the \$1.0 million in WRAP revenue is located in 8700 Community Service Branch and as such will be relocated under the Mental Health Board and its jurisdiction over the BHD later in the year and will be used to offset the current projected BHD deficit.

#### **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

#### **Attachments**

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

| ATTACHMENT A |   |                              |                            |                     |
|--------------|---|------------------------------|----------------------------|---------------------|
| Dept         | Department Name                           | April 30, 2013<br>Projection | May 31, 2013<br>Projection | Change              |
| 1040         | Community Business Development Partners   | \$ (95,000)                  | \$ (122,900)               | \$ (27,900)         |
| 1140         | Department of Human Resources             | 7,852                        | 79,600                     | 71,748              |
| 1150         | Risk Management                           | (1,200,000)                  | (1,200,000)                | -                   |
| 2000         | Combined Courts                           | (184,985)                    | (373,500)                  | (188,515)           |
| 3090         | Treasurer                                 | 50,647                       | 97,500                     | 46,853              |
| 3400         | Register of Deeds                         | (375,374)                    | (450,400)                  | (75,026)            |
| 3700         | Comptroller                               | 93,200                       | 93,200                     | -                   |
| 4000         | Sheriff                                   | (3,827,700)                  | (4,528,400)                | (700,700)           |
| 4300         | House of Correction                       | (1,496,758)                  | (831,300)                  | 665,458             |
| 4500         | District Attorney                         | -                            | -                          | -                   |
| 4900         | Medical Examiner                          | (71,000)                     | (59,000)                   | 12,000              |
| 5100         | DOT-Highway                               | 74,378                       | 74,378                     | -                   |
| 5300         | DOT - Fleet                               | (350,000)                    | (402,000)                  | (52,000)            |
| 5500         | DAS - Water Utility                       | -                            | -                          | -                   |
| 5600         | DOT-Transit/Paratransit System            | 2,588,800                    | 2,588,800                  | -                   |
| 6300         | Behavioral Health Division                | (2,300,000)                  | (1,010,900)                | 1,289,100           |
| 8700         | Community Services Branch                 | -                            | 1,000,000                  | 1,000,000           |
| 8000         | Department of Health and Human Services   | 3,000,000                    | 3,475,300                  | 475,300             |
| 7900         | Department on Aging                       | -                            | -                          | -                   |
| 7990         | Department of Family Care (CMO)           | (5,270,200)                  | (4,000,000)                | 1,270,200           |
| 7990         | Contribution to Family Care Reserve       | 5,270,200                    | 4,000,000                  | (1,270,200)         |
| 9000         | Department of Parks, Recreation & Culture | -                            | -                          | -                   |
| 9500         | Zoological Department                     | (61,819)                     | (30,900)                   | 30,919              |
|              | Other                                     | 69,426                       | 93,336                     | 23,910              |
|              | <b>Departmental Total</b>                 | <b>\$ (4,078,333)</b>        | <b>\$ (1,507,186)</b>      | <b>\$ 2,571,147</b> |
| 120          | Capital Projects                          | -                            | -                          | -                   |
| 1945         | Unallocated Contingency Fund              | 4,116,098                    | 4,116,098                  | -                   |
| 1950         | Fringe Benefits                           | 3,300,000                    | 3,300,000                  | -                   |
| 1991         | Reserve for Delinquent Property Taxes     | -                            | -                          | -                   |
| 1992         | Earnings on Investments                   | (711,411)                    | (711,411)                  | -                   |
| 1993         | State Shared Revenue                      | -                            | -                          | -                   |
| 1996         | Sales Tax Revenue                         | -                            | -                          | -                   |
| 9960         | Debt Service Fund/Froedtert Lease Payment | -                            | -                          | -                   |
|              | <b>Non-Departmental</b>                   | <b>\$ 6,704,687</b>          | <b>\$ 6,704,687</b>        | <b>\$ -</b>         |
|              | <b>Projected County Surplus (Deficit)</b> | <b>\$ 2,626,354</b>          | <b>\$ 5,197,501</b>        | <b>\$ 2,571,147</b> |

