



Office of the Comptroller

Scott B. Manske, Comptroller

DATE: December 2, 2022

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

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

SUBJECT: 2022 Fiscal Projection for Milwaukee County – (For Information Only)

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.

2022 Year-end Fiscal Projection as of October 31, 2022

Based on financial results through October 31, 2022, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2022 year-end fiscal status is a **surplus of \$4.6 million**. This projection is based on the most current reports from departments and best estimates of countywide revenue impacts. This fiscal report assumes that \$3.1 million of the estimated cost of correctional officer premium pay/\$3.00 salary increase is funded pursuant to File 21-941 with surplus funding of \$7.7 million currently projected.

Period	Projected Year End Position	Annual Projection	Change from Prior Projection
October 2022	Surplus	\$4.6 million ¹	\$4.6 million
September 2022	Breakeven	\$0 ²	\$0
July 2022	Breakeven	\$0 ³	\$0.8 million
May 2022	Deficit	(\$0.8 million)	\$0.1 million
April 2022	Deficit	(\$0.9 million)	(\$0.9 million)
March 2022	Breakeven	\$0 ⁴	N/A

Major changes since the last report are:

- DAS – surplus increase of \$0.3 million
- Office of Strategy, Budget, Performance – surplus decrease of \$0.1 million
- Combined Court Related Operations – surplus decrease of \$0.2 million
- Child Support Services – surplus increase of \$0.2 million
- Community Reintegration Center – surplus decrease of \$0.1 million
- Department of Health and Human Services - deficit increase of \$0.2 million
- Department of Parks – surplus increase of \$0.4 million
- Sales Tax – surplus increase of \$2.2 million
- Fringe Benefits – surplus increase of \$3.5 million
- Wage and Benefit Modifications – deficit decrease of \$1.2 million

The following table shows the October fiscal status of each department.

¹ October projection included a surplus of \$7.7 million which was reduced to \$4.5 million to offset CO pay increase per File 21-941.

² September projection included a surplus of \$0.5 million which was reduced to \$0 to offset CO pay increase per File 21-941.

³ July projection included a surplus of \$3.4 million which was reduced to \$0 to offset CO pay increase per File 21-941.

⁴ March projection included a surplus of \$2.4 million which was reduced to \$0 to offset CO pay increase per File 21-941.

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of October 31, 2022 Period 10								
Agency	Description	2022 Projected Revenues	2022 Budgeted Revenues	Revenue Variance	2022 Projected Expenditures	2022 Budgeted Expenditures	Expenditure Variance	Surplus / (Deficit)
General Fund Departments								
100	County Board	(875)	-	875	1,254,133	1,254,133	-	875
103	Governmental Affairs	-	-	-	300,932	298,666	(2,266)	(2,266)
109	Office of Equity	(101,500)	(100,000)	1,500	916,236	1,316,581	400,345	401,845
110	County Executive	-	-	-	889,955	898,769	8,814	8,814
112	Personnel Review Board	-	-	-	203,658	261,530	57,872	57,872
113	Corporation Counsel	(206,189)	(206,189)	-	1,534,642	1,534,642	-	-
114	Human Resources	(6,000)	(6,000)	-	5,773,964	5,773,964	-	-
115	Dept of Administrative Services	(12,376,903)	(13,618,273)	(1,241,370)	40,274,054	41,872,743	1,598,690	357,320
118	Strategy, Budget, and Performance	(95,733)	(95,733)	-	2,423,351	2,571,323	147,972	147,972
200	Combined Court Related Operations	(12,513,978)	(12,012,959)	501,019	28,117,776	30,295,932	2,178,156	2,679,175
243	Dept. of Child Support Services	(16,375,671)	(16,563,182)	(187,511)	18,188,123	18,677,294	489,171	301,660
290	Courts - Pre-Trial Services	(1,238,981)	(1,238,981)	-	6,793,929	6,793,929	-	-
301	Election Commission	(79,428)	(79,428)	-	955,222	955,222	-	-
309	County Treasurer	(2,030,000)	(2,030,000)	-	850,000	925,265	75,265	75,265
327	County Clerk	(553,001)	(553,001)	-	1,103,058	1,103,058	-	-
340	Register of Deeds	(5,894,547)	(4,854,667)	1,039,880	2,168,163	1,281,655	(886,508)	153,372
370	Office of the Comptroller	(211,469)	(143,000)	68,469	5,100,000	5,178,379	78,379	146,848
400	Sheriff	(13,047,078)	(13,194,007)	(146,929)	50,511,031	50,666,254	155,223	8,294
430	Community Reintegration Center	(4,614,982)	(6,881,209)	(2,266,227)	51,740,450	54,009,083	2,268,633	2,406
450	District Attorney	(6,030,086)	(8,169,487)	(2,139,401)	13,257,821	15,620,708	2,362,886	223,486
480	Emergency Management	(1,425,548)	(1,360,486)	65,062	9,972,733	9,728,044	(244,689)	(179,627)
490	Medical Examiner	(3,770,490)	(3,845,490)	(75,000)	5,396,211	5,440,780	44,569	(30,431)
509	Transportation Services	(1,797,312)	(2,151,763)	(354,451)	2,182,937	2,537,388	354,451	-
510	DOT - Highway Maintenance	(24,365,311)	(24,365,311)	-	24,628,398	24,628,398	-	-
580	DOT - Admin Div	(946,263)	(946,263)	-	1,439,827	1,439,827	-	-
800	Department of Human Services	(198,916,470)	(197,028,680)	1,887,790	240,623,619	233,512,800	(7,110,819)	(5,223,028)
900	Department of Parks	(22,576,843)	(21,687,165)	889,678	42,899,778	43,510,761	610,983	1,500,661
950	Zoological Department	(18,003,252)	(19,404,089)	(1,400,837)	24,417,484	25,818,321	1,400,837	-
970	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
991	University Extension	(68,775)	(100,000)	(31,225)	361,390	445,771	84,381	53,156
Non-Departmentals								
190	Revenue Non-Departmental	(433,266,993)	(434,520,626)	(1,253,633)	-	-	-	(1,253,633)
1996	Sales Tax	(88,754,084)	(82,069,864)	6,684,220	-	-	-	6,684,220
1992	Earnings on Investments	8,300,000	(1,720,839)	(10,020,839)	-	-	-	(10,020,839)
194	General Non-Departmental	(626,464)	(537,464)	89,000	85,791,651	94,832,789	9,041,139	9,130,139
1945	Contingency	(165,159)	(76,159)	89,000	-	3,055,967	3,055,967	3,144,967
1950	Fringe Benefits	(111,919,981)	(111,919,981)	-	215,090,719	222,590,719	7,500,000	7,500,000
1972	Wage/Benefit Supplemental	-	-	-	-	(1,447,427)	(1,447,427)	(1,447,427)
199	Parks Non-Departmental	-	-	-	3,329,688	3,329,688	-	-
Total General Fund		(781,140,143)	(785,693,453)	(4,406,382)	676,900,213	690,013,698	13,113,485	8,560,174
Other Funds								
116	Information Management Services	(181,288)	(186,799)	(5,511)	15,019,706	15,017,525	(2,181)	(7,692)
117	Risk Management	-	-	-	11,171,576	11,233,363	61,787	61,787
504	DOT - Airport Division	(92,716,084)	(95,143,248)	(2,427,165)	92,716,084	95,143,269	2,427,186	21
530	DOT - Fleet Management	(18,828,941)	(18,828,941)	-	18,437,647	18,437,647	-	-
560	DOT - Transit/Paratransit System	(131,844,355)	(131,844,355)	-	140,504,293	140,504,293	-	-
550	DAS - Utility	(654,935)	(4,271,714)	(3,616,779)	1,569,618	4,282,736	2,713,118	(903,661)
630	Behavioral Health Division	(184,441,878)	(212,542,805)	(28,100,927)	245,119,896	267,994,399	22,874,503	(5,226,424)
996	Debt Retirement and Interest	(8,459,311)	(8,459,311)	-	44,918,870	44,918,870	-	-
50004	COVID Expendable Funds	-	-	-	-	-	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-
120	Capital Improvements	(137,789,650)	(137,789,650)	-	201,939,144	201,939,144	-	-
Total Other Funds		(574,735,154)	(608,880,025)	(34,144,870)	756,377,128	784,453,722	28,076,594	(6,075,969)
Expendable Trusts								
50003	Zoo Expendable Trusts	(1,307,776)	(1,394,107)	(86,331)	200,274	1,400,248	1,199,974	1,113,643
50005	Parks Expendable Trusts	(50,028)	-	50,028	42,900	383,064	340,164	390,192
50006	OPD Expendable Trusts	1,249	-	(1,249)	-	-	-	(1,249)
50007	BHD Expendable Trusts	-	-	-	375,887	17,200	(358,687)	(358,687)
50008	Airport Expendable Trusts	(8,784,596)	-	8,784,596	-	-	-	8,784,596
50010	DAS Expendable Trusts	(11,937)	-	11,937	-	-	-	11,937
50011	Fleet Expendable Trusts	-	-	-	8,332	-	(8,332)	(8,332)
Total Expendable Trusts		(10,153,087)	(1,394,107)	8,758,980	627,392	1,800,512	1,173,120	9,932,100
Projected Surplus (Deficit)		(1,366,028,384)	(1,395,967,585)	(29,792,272)	1,433,904,733	1,476,267,931	42,363,198	12,416,306
Less Expendable Trusts								(9,932,100)
Contribution (to)/from Behavioral Health Reserves								5,226,424
Correctional Officer Premium Pay/\$3.00 Salary Increase (Estimated)								(3,120,000)
Total Projected Surplus (Deficit)								4,590,629

Debt Service Reserve Activity and Projected 2022 Ending Balance	
2022 Starting Balance	\$ 118,635,736
<i>2022 Activity</i>	
2022 Budget Commitment	\$ (7,339,034)
File #22-628 April 2022 Lapsed Projects	\$ 2,378,133
File #22-701 Bond/Note Reallocation	\$ (1,910,395)
File #22-704 Other Project Adjustments	\$ (505,661)
File #22-850 MCPA Contribution Agreement	\$ (750,000)
File #22-823 Employee Bonus	\$ (2,873,524)
2022 Projected Balance	\$ 107,635,255
Unallocated Contingency Fund	
2022 Adopted Balance	\$ 5,000,464
<i>County Board Approved Actions</i>	
File #21-985 MATC FAST Fund	\$ (50,000)
File #22-292 Climate Adaption Group	\$ (30,000)
File #21-1089 Irgens Land Sale Revenue	\$ 76,159
File #22-436 Capital Project WIO20701	\$ (150,000)
File #22-395 Goat Landscaping Demonstration Project	\$ (11,000)
File #22-400 Rock Sports Center Sound Study	\$ (200,000)
File #22-308 One Milwaukee Taskforce	\$ (100,000)
File #22-109 HR Life Works Contract	\$ (36,000)
File #22-525 MCAP and Shelter Care Program	\$ (538,128)
File #22-662 Commission on Youth	\$ (27,000)
File #22-681 ARPA Funds Match for Aging Services	\$ (300,513)
File #22-701 Unspent Bond Proceeds	\$ 1,028,583
File #22-704 Unspent Bond Proceeds	\$ 359,608
File #22-761 McKinley Beach Restoration	\$ (712,190)
File #22-969 Trimborn Farms	\$ (220,000)
File #22-776 Advisory Referendum - Firearms	\$ (18,000)
File #22-800 Advisory Referendum - Marijuana	\$ (18,000)
File #22-887 Voter Education	\$ (50,000)
File #22-769 Frederick Law Olmsted Way	\$ (14,000)
La Fave Restitution	\$ 89,000
File #22-958 ERS Trust Reimbursement	\$ (427,266)
File #22-992 Racine Correctional Services	\$ (497,000)
File #22-1014 Clarence and Cleopatra Johnson Park	\$ (9,750)
Current Available Balance	\$ 3,144,967

Committee Action

This is an informational report only.

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

DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2022

Office of Equity (Agency 109) *\$0.4 million surplus*

The Office of Equity is projecting a surplus of \$0.4 million largely due to vacancies within the department.

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

Personnel Review Board has a surplus due to a vacancy in the department.

Department of Administrative Services (Agency 115) *\$0.4 million surplus*

The Department of Administrative Services (DAS) is projecting a surplus of \$0.4 million largely due to savings in personnel-related costs throughout the Department. Previous reports cited a due largely to events in the Facilities Management Division (FMD). The expected termination of the State of Wisconsin rental agreement for the Coggs Center as of November 30, 2022, results in a revenue loss of \$0.3 million. The FMD is also anticipating a revenue shortfall of \$0.8 million as labor charges to capital and operating projects are less than budgeted due to vacancies and reorganization efforts; this is offset by salary savings of \$0.6 million throughout the FMD and \$0.7 million in savings from reduced repair and maintenance requirements and a decrease in parking expense.

Department of Administrative Services – Risk Management (Agency 117) *\$0.1 million surplus*

The Department of Administrative Services (DAS) – Risk Management is projecting a surplus of \$62,000 due to personnel savings.

Office of Strategy, Budget, and Performance (Agency 118) *\$0.1 million surplus*

The Office of Strategy, Budget, and Performance is projecting a surplus due to vacancies within the department and lower than budgeted professional service expenses.

Combined Court Related Operations (Agency 200) *\$2.7 million surplus*

The Combined Court Related Operation is currently projecting a surplus of \$2.7 million. Salary surplus is contributing \$1.5 million to the surplus. The department is also experiencing surplus in expenditures related to guardian ad litem fees, adversary counsel fees, and psychiatrist fees resulting in savings of \$0.6 million. Revenue surpluses in bail forfeiture, legal fee recoveries, and other fees result in savings of \$0.5 million.

Department of Child Support Services (Agency 243) *\$0.3 million surplus*

The Department of Child Support Services is projecting a surplus due to salary savings, professional services savings, and lower than anticipated expenditures from the District Attorney's Office. This expenditure surplus is offset by a revenue loss due to federal matching dollars.

County Treasurer (Agency 309) *\$0.1 million surplus*

The Office of the Treasurer is currently projecting a surplus of \$0.1 million. This is largely due to salary surplus.

Register of Deeds (Agency 340)

\$0.2 million surplus

The Register of Deeds is currently projecting a surplus of \$1.1 million due to revenue surpluses in real estate transfer fees. The Register of Deeds is asking for a fund transfer in December 2022 to spend approximately \$0.9 million of the surplus, resulting in a \$0.2 million surplus.

Office of the Comptroller (Agency 370)

\$0.1 million surplus

The Office of the Comptroller is currently projecting a surplus of \$0.1 million. This is largely due to revenue surplus relating to P-Card rebates earned.

District Attorney (Agency 450)

\$0.2 million surplus

The District Attorney is projecting a smaller surplus than previous reports due to a reduction in child support services provided to the Department of Child Support Services. Other surpluses in salaries and in various objects within the Commodities and Services accounts are contributing to the overall surplus.

Emergency Management (Agency 480)

(\$0.2 million deficit)

The Office of Emergency Management is projecting a deficit largely due to salaries and overtime exceeding budget resulting in deficit of \$0.3 million. This is offset by \$0.1 million in additional revenue.

Department of Health and Human Services (Agency 800)

(\$5.2 million deficit)

The Department of Health and Human Services is projecting a deficit of \$5.0 million. Overall, the deficit is largely due to the average daily population (ADP) at the Lincoln Hills, Copper Lake, and Mendota Juvenile Treatment Center exceeding budget by 20 at this time; this results in a deficit of \$7.7 million. Additional expenses of \$0.4 million are expected due to the increased census in the detention, \$0.3 million in additional out of home care costs, and \$0.4 million for Racine detention center costs. These deficits are offset by \$1.3 million in savings expected from reduced enrollment in Wraparound and Bakari. Vacancies result in a surplus of \$0.2 million. Additional revenue of \$1.7 million in Youth Aids and \$0.2 million in BCA are expected to be carried over from the 2021 State contract to offset the deficit. Additionally, a deficit of approximately \$0.5 million in Wisconsin Medicaid Cost Reporting (WIMCR) is anticipated for 2022.

Parks Department (Agency 900)

\$1.5 million surplus

The Department of Parks, Recreation, and Culture is projecting of surplus of \$1.1 million. Revenue surpluses of \$0.9 million are due to revenues exceeding budget relating to marina rentals, golf, and restaurant concessions. Salary and social security savings of \$1.5 million offsets deficits of \$0.9 million in commodities and services.

University Extension (Agency 991)

\$0.1 million surplus

The University Extension is projecting a surplus of \$53,000 due to a savings in professional services.

Non-Departmental Revenue

Potawatomi Revenue (Org 1937)

\$1.0 million surplus

Receipt of Potawatomi revenue for 2022 was approximately \$4.3 million, or \$1.0 million over budget.

Earnings on Investments (Org 1992)

(\$10.0 million deficit)

Due to GASB rules, the County is required to book the market loss or gain on investments held by the County. Since many of the County's investments have book values that are below the current market value, the County is required to book the market value loss. Through September, the market value loss exceeded \$10.7 million. These market value losses are offset by earnings on the investments, which were approximately \$4.0 million through September. The Office of the Comptroller has worked closely with investment advisors to understand the potential impact of further market value changes. As the market rates are likely to go up over the final quarter of 2022, the Office of the Comptroller is predicting that the market loss will be \$13.8 million for 2022, offset by \$7.9 million in earnings.

Sales Tax (Org 1996)

\$6.7 million surplus

The 2022 Budget included total sales tax collections of approximately \$90 million. The County has received nine of the twelve sales tax collections related to 2022. Based on the last 12 months of collections, the Office of the Comptroller is currently projecting 2022 sales tax collections to be \$96.7 million for 2022. This estimate is approximately \$6.7 million higher than the 2022 budget.

As final yearend collections are received, the Office of the Comptroller will continue to monitor and adjust the estimate as appropriate.

Non-Departmental Expenditures

Appropriation for Contingency (Org 1945)

\$3.1 million surplus

The current projection for the Appropriation for Contingency assumes that the entire \$3.1 million of the current contingency appropriation is not spent and is used to offset departmental and non-departmental deficits.

Fringe Benefits (Org 1950)

\$7.5 million surplus

The surplus in fringe benefits is currently projected to be \$10.0 million. Of this amount, approximately \$7.5 million will fall to the County's bottom line due to related revenue loss of \$2.5 million. The \$10.0 million surplus is largely due to rebates received that are \$5.0 million over the budgeted amount. Health care claims for 2022 remain almost flat when compared to 2021, generating a surplus of \$6.9 million.

Wage/Benefit Modification (Org 1972)

(\$1.4 million deficit)

The budget in this unit included an appropriation of \$2.5 million for salary adjustments which was originally projected to be fully spent in 2022. File #22-828 subsequently authorized the use of this funding to pay for the 2 percent salary increase. Of the \$2.5 million, only \$1.3 million was used. Therefore, it is assumed that the remainder, or approximately \$1.2 million, is available to offset the centralized salary abatement of \$2.6 million was also included in Org. 1972. Therefore, approximately \$1.4 million of the centralized salary abatement remains and is to be offset by other surpluses in the County.