



Office of the Comptroller

Scott B. Manske, Comptroller

DATE: September 6, 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 July 31, 2022

Based on financial results through July 31, 2022, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2022 year-end fiscal status is a **breakeven**. This projection is based on the most current reports from departments and best estimates of countywide revenue impacts. This fiscal report assumes that \$3.4 million of the budgeted \$4.0 million in correctional officer premium pay/\$3.00 salary increase is funded pursuant to File 21-941 with surplus funding of \$3.4 million currently projected.

Period	Projected Year End Position	Annual Projection	Change from Prior Projection
July 2022	Breakeven	\$0 ¹	\$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 ²	N/A

Major changes since the last report are:

- DAS – deficit decrease of \$0.6 million
- DAS – IMSD – deficit decrease of \$0.4 million
- House of Correction – surplus decrease of \$0.2 million
- Emergency Management – deficit increase of \$0.1 million
- Parks Department – surplus increase of \$0.1 million
- DHHS – deficit decrease of \$1.0 million
- Earnings on Investment – deficit of \$3.0 million
- Potawatomi Revenue – surplus of \$1.0 million
- Fringe Benefits – surplus of \$4.0 million
- Contingency Fund – surplus increase of \$0.2 million

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

¹ July projection included a surplus of \$3.4 million which was reduced to \$0 to offset CO premium pay per File 21-941.

² March projection included a surplus of \$2.4 million which was reduced to \$0 to offset CO premium pay per File 21-941.

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of July 31, 2022 Period 07								
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	-	-	-	1,246,318	1,246,318	-	-
103	Governmental Affairs	-	-	-	297,162	297,320	158	158
109	Office of Equity	(1,500)	-	1,500	883,399	1,214,163	330,764	332,264
110	County Executive	-	-	-	879,203	892,382	13,179	13,179
112	Personnel Review Board	-	-	-	203,081	260,528	57,447	57,447
113	Corporation Counsel	(206,189)	(206,189)	-	1,520,062	1,520,062	-	-
114	Human Resources	(6,000)	(6,000)	-	5,688,076	5,747,033	58,957	58,957
115	Dept of Administrative Services	(12,178,463)	(13,618,273)	(1,439,810)	40,953,256	41,798,946	845,690	(594,119)
118	Strategy, Budget, and Performance	(95,733)	(95,733)	-	2,439,593	2,560,860	121,267	121,267
200	Combined Court Related Operations	(12,445,655)	(11,879,242)	566,413	30,136,375	30,066,769	(69,606)	496,807
243	Dept. of Child Support Enforcement	(16,413,811)	(16,563,182)	(149,371)	18,418,503	18,644,823	226,320	76,949
290	Courts - Pre-Trial Services	(955,981)	(955,981)	-	6,510,929	6,510,929	-	-
301	Election Commission	(79,428)	(79,428)	-	953,661	953,661	-	-
309	County Treasurer	(2,046,661)	(2,030,000)	16,661	922,472	922,472	-	16,661
327	County Clerk	(553,001)	(553,001)	-	1,028,516	1,028,516	-	-
340	Register of Deeds	(4,881,027)	(4,854,667)	26,360	1,269,117	1,275,032	5,915	32,276
370	Office of the Comptroller	(211,469)	(143,000)	68,469	5,140,040	5,153,291	13,251	81,720
400	Sheriff	(13,408,358)	(13,194,007)	214,351	50,134,347	49,926,257	(208,090)	6,261
430	House of Correction	(4,786,433)	(6,881,209)	(2,094,776)	51,758,525	53,909,155	2,150,630	55,854
450	District Attorney	(5,446,409)	(5,446,409)	-	12,322,795	12,835,947	513,152	513,152
480	Emergency Management	(1,411,524)	(1,360,486)	51,038	9,955,128	9,703,890	(251,238)	(200,199)
490	Medical Examiner	(3,820,490)	(3,711,424)	109,066	5,323,212	5,271,189	(52,023)	57,043
509	Transportation Services	(1,797,312)	(2,001,763)	(204,451)	2,182,937	2,387,388	204,451	-
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	(198,377,318)	(196,703,671)	1,673,647	239,267,151	232,801,866	(6,465,285)	(4,791,638)
900	Department of Parks	(21,762,534)	(21,687,165)	75,369	42,942,989	43,090,878	147,889	223,258
950	Zoological Department	(18,503,185)	(19,404,089)	(900,904)	24,741,474	25,642,378	900,904	-
970	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
991	University Extension	(65,200)	(100,000)	(34,800)	360,647	444,694	84,047	49,247
Non-Departmentals								
190	Revenue Non-Departmental	(436,565,608)	(434,520,626)	2,044,982	-	-	-	2,044,982
1996	Sales Tax	(85,069,864)	(82,069,864)	3,000,000	-	-	-	3,000,000
1992	Earnings on Investments	1,279,161	(1,720,839)	(3,000,000)	-	-	-	(3,000,000)
194	General Non-Departmental	(626,464)	(537,464)	89,000	91,296,983	96,686,968	5,389,985	5,478,985
1945	Contingency	(165,159)	(76,159)	89,000	-	3,989,985	3,989,985	4,078,985
1950	Fringe Benefits	(111,919,981)	(111,919,981)	-	218,163,453	222,163,453	4,000,000	4,000,000
1972	Wage/Benefit Supplemental	-	-	-	2,500,000	(100,000)	(2,600,000)	(2,600,000)
199	Parks Non-Departmental	-	-	-	3,329,688	3,329,688	-	-
Total General Fund		(781,957,326)	(781,844,583)	112,743	681,673,863	685,691,629	4,017,766	4,130,509
Other Funds								
116	Information Management Services	(153,183)	(186,799)	(33,616)	14,800,120	14,975,349	175,229	141,613
117	Risk Management	-	-	-	11,182,650	11,229,866	47,216	47,216
504	DOT - Airport Division	(93,305,703)	(95,143,248)	(1,837,545)	93,305,725	95,143,269	1,837,545	(0)
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	(182,868,797)	(208,112,922)	(25,244,125)	247,761,201	263,240,456	15,479,255	(9,764,870)
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	(138,077,786)	(138,077,786)	-	202,100,741	202,100,741	-	-
Total Other Funds		(574,039,828)	(604,738,277)	(30,698,449)	759,780,746	779,857,879	20,077,133	(10,479,702)
Expendable Trusts								
50003	Zoo Expendable Trusts	-	(1,394,107)	(1,394,107)	-	1,400,248	1,400,248	6,141
50005	Parks Expendable Trusts	-	-	-	-	383,064	383,064	383,064
50006	OPD Expendable Trusts	-	-	-	-	-	-	-
50007	BHD Expendable Trusts	-	-	-	-	17,200	17,200	17,200
50008	Airport Expendable Trusts	-	-	-	-	-	-	-
50010	DAS Expendable Trusts	-	-	-	-	-	-	-
50011	Fleet Expendable Trusts	-	-	-	-	-	-	-
Total Expendable Trusts		-	(1,394,107)	(1,394,107)	-	1,800,512	1,800,512	406,405
Projected Surplus (Deficit)		(1,355,997,155)	(1,387,976,967)	(31,979,813)	1,441,454,608	1,467,350,020	25,895,411	(5,942,788)
Less Expendable Trusts								(406,405)
Contribution (to)/from Behavioral Health Reserves								9,764,870
Correctional Officer Premium Pay/\$3.00 Salary Increase								(3,415,677)
Total Projected Surplus (Deficit)								(0)

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)
2022 Projected Balance	\$ 110,508,779
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 WI020701	\$ (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	\$ 1,028,585
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)
(Pending CEX Signature) File #22-769 Frederick Law Olmsted Way	\$ (14,000)
La Fave Restitution	\$ 89,000
Current Available Balance	\$ 4,078,985

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) *\$0.3 million surplus*

The Office of Equity is projecting a surplus of \$0.3 million largely due to vacancies within the department.

Department of Administrative Services (Agency 115) *(\$0.6 million deficit)*

The Department of Administrative Services (DAS) is projecting a deficit of \$0.6 million largely due to events in the Facilities Management Division (FMD). The expected termination of the State of Wisconsin rental agreement for the Coggs Center as of October 31, 2022, results in a revenue loss of \$0.6 million. The FMD is also anticipating a revenue shortfall of \$0.7 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 \$1.1 million throughout the FMD. Steam costs are anticipated to exceed budget by \$0.5 million due to the 2020 President's Day cost recovery by WE Energies.

DAS – Information Management Services Division (Agency 116) *\$0.1 million surplus*

The DAS – Information Management Services Division is projecting a surplus of \$0.1 million which is largely driven by vacancy savings of \$0.4 million; increases in major contract due to growing digital storage, digital telephone support, and other IT services of \$0.3 million offset this 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.

Combined Court Related Operations (Agency 200) *\$0.5 million surplus*

The Combined Court Related Operation is currently projecting a surplus of \$0.5 million. This is largely due to revenue surpluses in bail forfeiture, legal fee recoveries, and other fees.

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.

House of Correction (Agency 430) *\$0.1 million surplus*

The House of Correction is projecting a surplus in its salary and social security account of roughly \$3.6 million which offsets the overtime deficit of roughly \$2.2 million. An additional surplus of \$0.7 million is projected in commodities. Revenue is expected to deficit by approximately \$2.0 million as less inmates are housed from the Wisconsin DOC due to staffing shortages.

District Attorney (Agency 450) *\$0.5 million surplus*

The District Attorney is projecting surpluses in various objects within the Commodities and Services accounts.

Emergency Management (Agency 480)

(\$0.2 million deficit)

The Office of Emergency Management is projecting a deficit largely due to salaries exceeding budget resulting in deficit of \$150,000.

Medical Examiner (Agency 490)

\$0.1 million surplus

The Medical Examiner is projecting a surplus of \$100,000 due to a vacant assistant medical examiner position. Expenses relating to body transport are increasing due to an expected increase in costs of 50 percent with newly signed contracts.

Department of Health and Human Services (Agency 800)

(\$4.8 million deficit)

The Department of Health and Human Services has reduced its deficit projection from \$5.9 million to \$4.8 million. The month-over-month deficit reduction is due to an additional \$0.3 million in Older American Act ARPA revenue now anticipated and a reduction in the Housing deficit of \$0.7 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 22; this results in a deficit of \$8.2 million. Additional expenses of \$0.3 million are expected due to the increased census in the detention. These deficits are offset by \$1.5 million in savings expected from reduced enrollment in Wraparound and Bakari. Vacancies result in a surplus of \$0.6 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)

\$0.2 million surplus

The Department of Parks, Recreation, and Culture is projecting of surplus of \$0.2 million. The surplus is due to revenues exceeding budget relating to marina sales and due to savings in personnel services.

Non-Departmental Revenue

Potawatomi Revenue (Org 1937)

\$1.0 million surplus

The current projection for the Appropriation for Contingency assumes that the entire \$4.1 million of the current contingency appropriation is not spent and is used to offset departmental and non-departmental deficits.

Earnings on Investments (Org 1992)

(\$3.0 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 June, the market value loss was nearly \$7.0 million. These market value losses are offset by earnings on the investments, which were approximately \$2.8 million through June. The Office of the Comptroller has worked closely with investment advisors to understand the potential impact of further market value changes. While this deficit could increase, the current best estimate is that the market value losses will slowly decrease over the remainder of the year. That market value reversal coupled with earnings will cause a deficit of \$3.0 million.

Sales Tax (Org 1996)

\$3.0 million surplus

The 2021 sales tax collections of approximately \$92 million represents the greatest annual growth (16%) in over a decade after experiencing negative growth (-4%) in 2020 because of the global pandemic. The 2022 Budget anticipates total sales tax collections of approximately \$90 million. The County has received five 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 \$93 million for 2022. This estimate is approximately \$3 million higher than the 2022 budget.

As more 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)

\$4.1 million surplus

The current projection for the Appropriation for Contingency assumes that the entire \$4.1 million of the current contingency appropriation is not spent and is used to offset departmental and non-departmental deficits.

Fringe Benefits (Org 1950)

\$4.0 million surplus

The surplus in fringe benefits is currently due to rebates received that are \$5.0 million over the budgeted amount.

Wage/Benefit Modification (Org 1972)

(\$2.6 million deficit)

The funding in this unit includes an appropriation of \$2.5 million for salary adjustments which is projected to be spent in 2022. Additionally, a centralized salary abatement of \$2.6 million is included, which reduces the overall County budget for salaries by \$2.6 million. The \$2.6 million amount will need to be offset by other surpluses throughout the County.