



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: October 20, 2021

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

FROM: Cynthia (CJ) Pahl, Financial Services Manager

SUBJECT: Fiscal Report of August 2021 for Milwaukee County

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.

2021 Year-end Projection

Based on financial results through August 31, 2021, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2021 year-end fiscal status is a **\$17.3 million surplus**.

Period	Projected Year End Position	Annual Projection	Change from Prior Projection
August 2021	Surplus	\$17.3 million	\$6.1 million
July 2021	Surplus	\$11.2 million	\$1.9 million
May 2021	Surplus	\$9.3 million	\$1.8 million
April 2021	Surplus	\$7.5 million	(\$0.5 million)
March 2021	Surplus	\$8.0 million	n/a

This projection is based on the most current reports from departments and best estimates of countywide revenue impacts. This estimate does not assume any revenue from the American Rescue Plan Act.

Major changes since the last report are:

- Change in net fiscal position – Sales Tax – surplus increase of \$2.0 million
- Change in net fiscal position – Wage/Benefit Modification – surplus of \$1.9 million
- Change in net fiscal position – Courts – surplus increase of \$0.9 million
- Change in net fiscal position – District Attorney – surplus of \$0.3 million
- Change in net fiscal position – Parks – surplus increase of \$0.3 million
- Change in net fiscal position – Zoo – deficit reduction of \$0.1 million
- Change in net fiscal position – Earnings on Investment – deficit reduction of \$0.3 million

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

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of August 31, 2021 Period 8								
Agency	Description	2021 Projected Revenues	2021 Budgeted Revenues	Revenue Variance	2021 Projected Expenditures	2021 Budgeted Expenditures	Expenditure Variance	Surplus / (Deficit)
General Fund Departments								
100	County Board	-	-	-	1,218,711	1,218,711	-	-
103	Governmental Affairs	-	-	-	322,674	322,674	-	-
109	Office of African American Affairs	-	-	-	1,281,011	1,491,801	210,790	210,790
110	County Executive	-	-	-	846,235	863,132	16,897	16,897
112	Personnel Review Board	-	-	-	202,923	263,596	60,673	60,673
113	Corporation Counsel	(200,000)	(200,000)	-	1,531,907	1,531,907	-	-
114	Human Resources	(766)	(6,200)	(5,434)	5,090,206	5,184,163	93,957	88,523
115	Dept of Administrative Services	(12,953,127)	(13,462,779)	(509,652)	40,452,283	41,258,469	806,186	296,534
200	Combined Court Related Operations	(11,541,377)	(12,157,059)	(615,682)	26,943,296	29,579,287	2,635,991	2,020,309
243	Dept. of Child Support Enforcement	(17,035,840)	(17,166,894)	(131,054)	18,891,290	19,044,986	153,696	22,642
290	Courts - Pre-Trial Services	(1,200,027)	(1,200,027)	-	6,255,997	6,255,997	-	-
301	Election Commission	(45,750)	(45,750)	-	684,790	684,790	-	-
309	County Treasurer	(2,037,333)	(2,030,000)	7,333	966,963	974,852	7,889	15,223
327	County Clerk	(523,352)	(523,352)	-	981,078	981,078	-	-
340	Register of Deeds	(4,558,360)	(4,554,500)	3,860	1,084,968	1,073,394	(11,574)	(7,714)
370	Office of the Comptroller	(140,704)	(143,000)	(2,296)	4,743,506	4,781,532	38,026	35,730
400	Sheriff	(11,872,680)	(12,343,975)	(471,295)	47,326,551	46,513,170	(813,381)	(1,284,676)
430	House of Correction	(5,090,231)	(5,585,842)	(495,611)	49,457,866	50,083,174	625,308	129,697
450	District Attorney	(5,679,657)	(5,614,621)	65,036	12,131,920	12,346,146	214,226	279,262
480	Emergency Management	(1,285,614)	(1,285,035)	579	8,015,291	8,004,782	(10,509)	(9,930)
490	Medical Examiner	(3,408,580)	(3,461,647)	(53,067)	4,733,426	4,775,542	42,116	(10,951)
509	Transportation Services	(1,738,081)	(1,738,081)	-	2,033,644	2,033,644	-	-
510	DOT - Highway Maintenance	(23,226,616)	(23,226,616)	-	23,539,185	23,539,185	-	-
580	DOT - Admin Div	(1,181,299)	(1,166,299)	15,000	1,728,333	1,758,333	30,000	45,000
800	Department of Human Services	(149,225,072)	(149,233,818)	(8,746)	188,637,258	189,419,486	782,228	773,482
900	Department of Parks	(19,700,000)	(19,654,289)	45,711	37,900,000	38,628,225	728,225	773,936
950	Zoological Department	(15,586,320)	(18,384,772)	(2,798,452)	16,448,295	17,553,995	1,105,700	(1,692,752)
970	Milwaukee Public Museum	-	-	-	3,593,500	3,593,500	-	-
991	University Extension	(44,000)	(100,000)	(56,000)	448,428	514,631	66,203	10,203
Non-Departmentals								
190	Revenue Non-Departmental	(428,134,106)	(418,326,302)	9,807,804	-	-	-	9,807,804
1992	Earnings on Investments	(1,770,000)	(2,737,320)	(967,320)	-	-	-	(967,320)
1996	Sales Tax	(79,815,511)	(69,815,511)	10,000,000	-	-	-	10,000,000
194	General Non-Departmental	2,196,435	2,196,435	-	88,289,627	95,259,760	6,970,133	6,970,133
1945	Contingency	-	-	-	-	5,070,133	5,070,133	5,070,133
1950	Fringe Benefits	(116,314,792)	(116,314,792)	-	225,539,330	225,539,330	-	-
1972	Wage/Benefit Supplemental	-	-	-	1,333,867	3,233,867	1,900,000	1,900,000
199	Parks Non-Departmental	-	-	-	3,483,688	3,483,688	-	-
Total General Fund		(714,212,458)	(709,414,423)	4,798,035	599,264,851	613,017,630	13,752,779	18,550,814
Other Funds								
117	Risk Management	-	-	-	10,571,343	10,626,901	55,558	55,558
116	Information Management Services	(154,066)	(303,858)	(149,792)	16,485,118	16,123,497	(361,621)	(511,413)
504	DOT - Airport Division	(88,364,321)	(93,939,143)	(5,574,822)	88,382,227	93,957,049	5,574,822	0
530	DOT - Fleet Management	(16,746,316)	(16,746,316)	-	16,719,537	16,793,929	74,392	74,392
560	DOT - Transit/Paratransit System	(128,899,739)	(124,899,739)	4,000,000	135,380,299	131,380,299	(4,000,000)	-
550	DAS - Utility	(3,083,732)	(4,139,410)	(1,055,678)	3,997,215	4,151,288	154,073	(901,604)
630	Behavioral Health Division	(182,162,220)	(186,206,631)	(4,044,411)	239,678,653	239,791,707	113,054	(3,931,357)
996	Debt Retirement and Interest	(10,878,070)	(10,878,070)	-	47,565,840	47,565,840	-	-
120	Capital Improvements	(288,655,714)	(288,655,714)	-	325,172,881	325,172,881	-	-
Total Other Funds		(718,944,179)	(725,768,881)	(6,824,702)	883,953,113	885,563,391	1,610,278	(5,214,424)
Expendable Trusts								
50003	Zoo Expendable Trusts	-	(1,207,070)	(1,207,070)	-	1,213,751	1,213,751	6,681
50005	Parks Expendable Trusts	-	-	-	-	294,000	294,000	294,000
50006	OPD Expendable Trusts	-	(10,000)	(10,000)	-	10,000	10,000	-
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		-	(1,217,070)	(1,217,070)	-	1,534,951	1,534,951	317,881
Projected Surplus (Deficit)		(1,433,156,637)	(1,436,400,374)	(3,243,737)	1,483,217,964	1,500,115,972	16,898,008	13,654,271
Less Expendable Trusts								(317,881)
Contribution (to)/from Behavioral Health Reserves								3,931,357
Total Projected Surplus (Deficit)		17,267,747						

Debt Service Reserve Activity and Projected 2021 Ending Balance	
2021 Starting Balance	\$ 82,599,983
<i>2021 Activity</i>	
2021 Budget Commitment	\$ (5,711,360)
File 20-937 (Committing 2020 anticipated surplus for County purposes)**	\$ (7,201,653)
File # 21-89 Bonds to Pay Debt Service/Levy to Contingency	\$ (111,727)
File #21-402 Park Major Maintenance	\$ (35,000)
File #21-518 MPM Fire Panel Replacement Surplus to Pay Debt Service	\$ (1,098,952)
File #21-494 Unspent Bonds Reallocation	\$ (1,781,569)
2021 Projected Balance	\$ 66,659,722
**The approved \$8.8M has been reduced by \$1.6 due to receipt of less revenue relating to the Miller Park Testing Site.	

Unallocated Contingency Fund	
2021 Adopted Balance	\$ 4,950,000
<i>Approved Actions</i>	
Surplus Bid Premiums	\$ 111,727
Reclassify Clerk Positions	\$ (25,787)
Fund Independent Redistricting Committee	\$ (80,000)
File #21-227 McKinley Beach Safety Study	\$ (70,000)
File #21-399 Sport Court at Sherman Park	\$ (141,000)
File #21-457 Dontre Hamilton Bench in Red Arrow Park	\$ (3,000)
File #21-467 Lake Park Bridge Rehab/Reconstruction	\$ (1,015,000)
Surplus Taxable General Obligation Promissory Notes Series 2018F	\$ 1,098,952
File #21-489 Create position and purchase modern technology	\$ (67,000)
File #21-526 Rename Lindbergh Park to Lucille Berrien Park	\$ (9,750)
File #21-494 Levy Financed Capital Projects	\$ 1,486,154
File #21-622 Replace Variable Refridgerant Flow (VRF) at MCDOT admin. Building	\$ (600,000)
File # 21-606 MPM Collections Protection	\$ (93,500)
File #21-608 Modification of WT079 –MCTS Fleet Maintenance Roof Replacement	\$ (521,663)
Current Available Balance	\$ 5,020,133
Allocated Contingency Fund	
2021 Adopted Balance	\$ 50,000
<i>Allocated Items</i>	
Rock Sports Complex Sound Study	\$ 50,000
Current Available Balance	\$ 50,000

Committee Action

This is an informational report only.



Scott B. Manske
Comptroller



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

cc: Supervisor Jason Haas, Chairman, Finance & Audit Committee
Finance & Audit Committee
Joseph Lamers, Director, Department of Administrative Services - PSB
Shanin Brown, Committee Coordinator, County Clerk
Stephen Cady, Research Director, Office of the Comptroller

DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2021

Office of African American Affairs (Agency 109) *\$0.2 million surplus*

The Office of African American Affairs is currently projecting a surplus of \$0.2 million largely due to vacancies within the department.

Department of Administrative Services (Agency 115) *\$0.3 million surplus*

The Department of Administrative Services (DAS) is projected an overall surplus of \$0.2 million due to salary savings throughout the department's divisions.

Department of Administrative Services - IMSD (Agency 116) *(\$0.5 million deficit)*

The Department of Administrative Services (DAS) - IMSD is projected an overall deficit of \$0.5 million due to anticipated revenue shortfalls for social security services of \$0.2 million and additional IBM mainframe costs of \$0.3 million.

Clerk of Courts (Agency 200) *\$2.0 million surplus*

The Clerk of Courts is projected an overall surplus of \$2.0 million. Revenues are anticipated to deficit by \$0.6 million due to a reduction in marriage license fees, bail forfeitures, and child support reimbursement (which is partially offset by expenditure savings). Surplus expenditures of \$2.6 million offset the revenue deficit and are due to surpluses in salary and contractual services.

Sheriff (Agency 400) *(\$1.3 million deficit)*

The MCSO is projecting a revenue deficit of \$0.5 million in 2021 due to various revenue impacts largely related to the pandemic. Citation, forfeiture, process service, and foreclosure revenues are all expected to be less than budget. Inmate telephone revenue is also expected to be less than budget due to a lower ADP and free weekly calls provided to inmates. Total expenditures are expected to exceed budget by \$0.8 million. Personnel costs are expected to generate a deficit of \$2.3 million, driven by an overtime deficit of \$3.9 million and social security tax deficit of \$0.4 million. This amount is offset by \$1.5 million in a salary adjustment budget and \$0.5 million other personnel expenditures. Additional savings are projected in contractual services and commodities to bring the net deficit to \$1.3 million.

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

The House of Correction is projecting a surplus of \$0.1 million. Revenues are projected to be under budget by \$0.5 million largely due to shortfalls in monitoring revenue. Offsetting this deficit is an expenditure surplus in overall personnel costs and commodities costs.

District Attorney (Agency 450)

\$0.3 million surplus

The District Attorney is projecting a surplus of \$0.3 million. Revenues are slightly higher than budget, and savings from vacancies results in surplus position.

Department of Health and Human Services (Agency 800)

\$0.8 million surplus

The Department of Health and Human Services (DHHS) is projecting an overall surplus of \$0.8 million. The department is anticipating an expenditure deficit of \$458,00 due to daily rate increases from the DOC, which is expected to be offset with additional Youth Aids revenue of \$301,000. The department is also experiencing a salary surplus in the Division of Youth and Family Services (DYFS) as well as significantly reduced WRAP charges which are largely contributing to the current surplus.

Parks Department (Agency 900)

\$0.8 million surplus

The Parks Department is anticipating meeting its revenue budget of \$19.7 million. The surplus is largely driven by surpluses in commodities and services.

Zoological Department (Agency 950)

(\$1.7 million deficit)

Per the Zoological Department's most recent reports, the revenue deficit is less than previously projected at \$2.8 million, largely due to a deficit in group sales and general visitor revenue. The department has expenditure surpluses of \$1.1 million that are currently offsetting this deficit. The department has applied for a Shuttered Venue Operators grant which if received, could reduce this deficit in the future.

Appropriation for Contingency (Org 1945)

\$5.1 million surplus

The current projection for the Appropriation for Contingency assumes that the entire \$5.1 million of the current contingency appropriation (both allocated and unallocated) is not spent and is used to offset departmental and non-departmental deficits.

Wage/Benefit Modification (Org 1972)

\$1.9 million surplus

The funding in this unit is to provide departments with salary appropriations for increases related to the building and trades; equity-based salary adjustments; and mid-year COLAs provided to employees. This funding may be subsequently moved to departments to offset salary deficits caused by these position actions in a subsequent cycle.

Earnings on Investments (Org 1992)

(\$1.0 million deficit)

The current projection for Investment Earnings is a \$1.0 million deficit. Due to low market rates, the County is earning at a low rate for 2021.

Sales Tax (*Org 1996*)

\$10.0 million surplus

In January 2021, the Wisconsin Legislative Fiscal Bureau (“LFB”) projected strong sales tax growth for the State’s 2021-2022 (+6.7%) and 2022-2023 (+4.5%) fiscal years. According to IHS Markit, distribution of the vaccines is expected to release pent up demand for consumer services in the second half of 2021, when spending on services other than healthcare, housing, and utilities is expected to jump by 12.6%. By comparison, as spending patterns return to their pre-pandemic trends, spending on goods is expected to grow more slowly as consumers return to spending on services. For example, spending at restaurants is expected to grow, whereas purchases for eating at home are expected to decline. Overall, nominal personal consumption expenditures are forecast to grow 6.1% in 2021 and 2022, before slowing to 4.3% in 2023.

The Office of the Comptroller is currently projecting 2021 sales tax collections to be \$87.0 million for 2021. This estimate is \$10.0 million higher than the 2021 Budget.