



County of Milwaukee
Office of the Sheriff

Richard R. Schmidt
Acting Sheriff

DATE: November 13, 2017

TO: Supervisor Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Richard R. Schmidt, Acting Sheriff, Office of the Sheriff, Milwaukee County

SUBJECT: Request for a Fund Transfer from the Milwaukee County Contingency Fund to Partially Fund the Overtime Structural Deficit in the 2017 Budget

BACKGROUND

The Office of the Milwaukee County Sheriff is requesting a fund transfer from the Milwaukee County Contingency Fund to partially fund the overtime structural deficit in the 2017 budget and assist the Acting Sheriff in attaining financial break-even status by yearend. Effective September 1, 2017 Inspector Richard R. Schmidt became the Milwaukee County Acting Sheriff upon the resignation of David A. Clarke, Jr. Sheriff Schmidt assumed control of the Office that was projecting a deficit of (\$6,737,192) based upon July and August operations. As a fiscal conservative one of Sheriff Schmidt's primary directives to his officers and staff was to immediately reduce overtime and spending and to be within the 2017 budget by year end to breakeven.

To attain this goal Sheriff Schmidt has eliminated all unnecessary security services and initiatives, realigned department staffing to reduce overtime and frozen all spending except for critical services and commodities. Significant overtime reductions are being realized in Milwaukee County Circuit Courts and the County Jail Facility. The 2017 adopted budget did not sufficiently fund the required number of personnel to perform daily operations creating heavy reliance on overtime. During 2017 MCSO has operated with an inadequate number of sworn officers significantly below the 272 positions authorized in the budget. Currently only 210 Deputy Sheriffs are available for full duty with 21 positions vacant, 21 recruits in training and 20 officers on light duty or disability. Current staffing of Correction Officers in the CJF is a similar situation. Of 262 positions budgeted, only 216 COs are available with 30 positions vacant and 16 on light duty or disability. Overtime has been relied upon to maintain the critical and mandated services of the MCSO creating a substantial unfavorable variance from the budgeted amount of \$2,013,312.

Sheriff Schmidt's overtime directive has had an immediate impact and reversed the increasing variance of overtime dollars from budget. Overtime as of August 31st was projected at \$10,385,405, however, as a result of the Sheriff's efforts in two months overtime is now

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projected at \$9,838,643. At the Sheriff's direction these efforts will continue and additional improvement is expected, but will not correct the entire unfavorable variance in the final six weeks of 2017.

The Sheriff has frozen ALL spending and purchasing allowing ONLY for critical services and supplies necessary to sustain daily operations. Projected expenditures in these categories have been reduced from \$7,450,573 as of July 31st to \$5,144,318 at the end of October – favorable to budget by \$2,137,698.

It is a primary objective of Sheriff Schmidt to “right the ship” financially by reducing overtime, minimizing contract services and commodity spending and breakeven by year end. The projected deficit at July 31st has already been reduced from (\$6,737,192) to (\$3,634,512) at the end of October – an improvement of \$3,102,680.

As Sheriff Schmidt's emphasis continues on reducing overtime and minimizing spending the projected deficit will continue to lessen. However, it is apparent that despite these concerted efforts the Sheriff, alone, will not reach the goal of breakeven in four months after the previous eight months of building deficits. Therefore, the Sheriff is requesting a fund transfer up to \$3,600,000 from the Milwaukee County Contingency Fund to assist in funding a portion of the overtime in 2017 to maintain critical mandated duties and operations. It should be noted that a transfer from the Milwaukee County Contingency Fund will not impact the outcome of Milwaukee County financial results for 2017, but will assist the Sheriff in reaching his goal of BREAKEVEN in a most difficult year.

FISCAL NOTE

A transfer of funds from the Milwaukee County Contingency Fund will impact the MCSO budget favorably to partially mitigate the overtime deficit and assist in reaching breakeven. The transfer of existing funds will not impact 2017 Milwaukee County financial results in the current fiscal year.



Richard R. Schmidt, Acting Sheriff
Milwaukee County Office of the Sheriff

Cc: Supervisor Willie Johnson, Jr., Chair, Judiciary, Safety & General Services Committee
Supervisor Peggy A. West, Chair, Finance, Personnel and Audit Committee
Allyson Smith, Committee Coordinator, Judiciary, Safety & General Services
Janelle Jensen, Committee Coordinator, Finance & Audit
Erica Hayden, Research and Policy Analyst
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