



Office of the Comptroller

Liz Sumner, Comptroller

DATE: May 9, 2024

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

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

SUBJECT: 2024 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.

2024 Year-end Fiscal Projection as of March 31, 2024

Based on financial results through the most recent reporting period, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2024 year-end fiscal status is a **deficit of \$6.4 million**. This projection is based on the most current reports from departments and best estimates of countywide expenditure and revenue impacts.

Period	Projected Year End Position	Annual Projection	Change from Prior Projection
March 2024	Deficit	(\$6.4 million)	(\$8.8 million)
February 2024	Surplus	\$2.4 million	\$2.4 million
January 2024	Breakeven	\$0	N/A

Major changes since the last report are:

- Office of the Sheriff – deficit of \$5.5 million
- Community Reintegration Center - deficit increase of \$1.4 million
- Department of Health and Human Services – surplus of \$0.2 million
- State Shared Revenue – deficit of \$2.5 million
- Sales Tax – monitoring for potential deficit
- Fringe Benefits – monitoring for potential deficit

The table on the following page shows the fiscal status of each department. To better help demonstrate month-over-month changes, the table at the end of this report provides a summary of the fiscal information provided by departments for each month of the fiscal year.

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of March 31, 2024 Period 3								
Agency	Description	2024 Projected Revenues	2024 Budgeted Revenues	Revenue Variance	2024 Projected Expenditures	2024 Budgeted Expenditures	Expenditure Variance	Surplus / (Deficit)
General Fund Departments								
100	County Board	-	-	-	1,169,374	1,169,374	-	-
103	Governmental Affairs	-	-	-	430,489	430,489	-	-
109	Office of Equity	-	-	-	1,074,545	1,074,545	-	-
110	County Executive	-	-	-	999,837	1,042,986	43,149	43,149
112	Personnel Review Board	-	-	-	236,528	273,851	37,323	37,323
113	Corporation Counsel	(297,870)	(297,870)	-	1,592,317	1,673,518	81,201	81,201
114	Human Resources	(6,000)	(6,000)	-	6,993,949	6,993,949	-	-
115	Dept of Administrative Services	(9,732,933)	(9,722,301)	10,632	46,741,192	46,732,384	(8,807)	1,825
118	Strategy, Budget, and Performance	-	-	-	3,155,369	3,159,054	3,684	3,684
200	Combined Court Related Operations	(12,483,754)	(12,483,754)	-	30,608,863	30,608,863	-	-
290	Courts - Pre-Trial Services	(669,356)	(669,356)	-	8,105,076	8,105,076	-	-
301	Election Commission	(85,750)	(85,750)	-	1,082,861	1,082,861	-	-
309	County Treasurer	(2,030,000)	(2,030,000)	-	996,577	996,577	-	-
327	County Clerk	(476,170)	(476,170)	-	1,452,477	1,452,477	-	-
340	Register of Deeds	(4,049,901)	(4,048,300)	1,601	1,421,974	1,421,974	-	1,601
370	Office of the Comptroller	(143,000)	(143,000)	-	5,795,829	5,795,829	-	-
400	Sheriff	(9,820,925)	(9,805,491)	-	66,416,215	60,886,008	(5,530,207)	(5,514,773)
430	Community Reintegration Center	(3,450,352)	(4,044,190)	(593,838)	64,375,369	60,938,353	(3,437,017)	(4,030,855)
450	District Attorney	(6,333,750)	(6,333,750)	-	14,616,981	14,616,981	-	-
480	Emergency Management	(3,746,258)	(5,059,303)	(1,313,045)	12,097,179	13,382,323	1,285,144	(27,901)
490	Medical Examiner	(4,020,407)	(4,020,407)	-	5,994,182	5,994,137	(46)	(46)
509	Transportation Services	(1,990,053)	(1,990,053)	-	2,408,837	2,397,702	(11,135)	(11,135)
510	DOT - Highway Maintenance	(24,756,068)	(24,756,068)	-	24,927,902	24,927,902	-	-
580	DOT - Admin Div	(5,432,121)	(5,432,121)	-	5,241,472	5,241,472	-	-
800	Department of Human Services	(162,508,432)	(161,727,481)	780,951	204,393,785	203,862,412	(531,373)	249,578
900	Department of Parks	(25,485,663)	(24,151,663)	1,334,000	52,885,190	51,551,190	(1,334,000)	-
950	Zoological Department	(20,849,738)	(20,849,738)	-	22,780,861	22,780,861	-	-
970	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
991	University Extension	(100,000)	(100,000)	-	524,713	524,847	134	134
Non-Departmentals								
190	Revenue Non-Departmental	(465,374,181)	(467,874,181)	(2,500,000)	-	-	-	(2,500,000)
1996	Sales Tax	(105,106,294)	(105,106,294)	-	-	-	-	-
1992	Earnings on Investments	(18,424,000)	(18,424,000)	-	-	-	-	-
194	General Non-Departmental	(75,458,713)	(75,458,713)	-	97,547,366	102,745,793	5,198,427	5,198,427
1945	Contingency	-	-	-	1,520,240	6,146,082	4,625,842	4,625,842
1950	Fringe Benefits	(66,291,596)	(66,291,596)	-	220,258,197	220,258,197	-	-
1972	Wage/Benefit Supplemental	-	-	-	3,870,000	2,850,385	(1,019,615)	(1,019,615)
199	Parks Non-Departmental	-	-	-	2,779,688	2,779,688	-	-
Total General Fund		(839,301,395)	(841,565,660)	(2,279,699)	692,346,996	688,143,473	(4,203,524)	(6,467,789)
Other Funds								
116	Information Management Services	(1,210,038)	(1,210,038)	-	17,101,983	17,101,983	-	-
117	Risk Management	-	-	-	11,790,941	11,810,767	19,826	19,826
504	DOT - Airport Division	(99,639,328)	(98,875,522)	763,806	99,639,328	100,525,302	(763,806)	-
530	DOT - Fleet Management	(22,095,495)	(21,949,495)	146,000	21,863,750	21,742,720	(121,030)	24,970
560	DOT - Transit/Paratransit System	(120,048,644)	(120,048,644)	-	147,575,925	147,620,560	44,634	44,634
550	DAS - Utility	-	-	-	-	-	-	-
630	Behavioral Health Division	(160,085,947)	(183,220,491)	(23,134,544)	218,400,646	245,411,140	27,010,494	3,875,950
996	Debt Retirement and Interest	(12,815,031)	(12,815,031)	-	49,792,698	49,792,698	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-
120	Capital Improvements	(89,029,192)	(89,029,192)	-	293,994,864	293,994,864	-	-
Total Other Funds		(503,713,637)	(525,938,375)	(22,224,738)	843,058,153	870,898,051	26,190,118	3,965,380
Expendable Trusts								
50003	Zoo Expendable Trusts	(2,192,584)	(2,192,584)	-	2,192,819	2,192,819	-	-
50005	Parks Expendable Trusts	(497,975)	(497,975)	-	527,232	527,232	-	-
50006	OPD Expendable Trusts	-	-	-	-	-	-	-
50007	BHD Expendable Trusts	-	-	-	-	-	-	-
50008	Airport Expendable Trusts	-	-	-	-	-	-	-
50010	DAS Expendable Trusts	-	-	-	-	-	-	-
50011	Fleet Expendable Trusts	-	-	-	-	-	-	-
Total Expendable Trusts		(2,690,559)	(2,690,559)	-	2,720,051	2,720,051	-	-
Projected Surplus (Deficit)		(1,345,705,591)	(1,370,194,594)	(24,504,437)	1,538,125,200	1,561,761,575	21,986,594	(2,502,409)
Less Expendable Trusts								-
Contribution (to)/from Behavioral Health Reserves								(3,875,950)
Total Projected Surplus (Deficit) - with Contingency								(6,378,359)
Total Projected Surplus (Deficit) - without Contingency								(11,004,201)

Debt Service Reserve Activity and Projected 2024 Ending Balance	
2023 Yearend Surplus (Estimate)	\$ 30,000,000
2024 Starting Balance (Estimate)	\$ 141,488,627
<i>2024 Activity</i>	
2024 Budget Commitment	\$ (11,789,581)
File #24-105 Bond and Note Reallocation from DSR	\$ (2,587,326)
Unspent Bonds Allocated to Pay Debt Service	\$ (161,886)
File #23-808 Matching Grant Pilot Program	\$ (1,592,200)
2024 Projected Balance	\$ 125,357,634

Unallocated Contingency Fund	
2024 Adopted Balance	\$ 4,909,162
<i>County Board Approved Actions</i>	
County Board Tax Levy Transfer	\$ (10,048)
File #24-245 County Clerk - Legislative Assistant Pay Increases	\$ (59,418)
File #24-105 Unspent Bond Proceeds Allocations	\$ 24,333
File #24-268 LIFT Pilot Program	\$ (356,355)
File #24-269 County Clerk Positions	\$ (43,718)
File #24-XXX Unspent Bond Proceeds	\$ 161,886
Current Available Balance	\$ 4,625,842

Allocated Contingency Fund	
2024 Adopted Balance	\$ 1,520,240
<i>Allocated Items</i>	
<i>File #23-833 effectuation (communications in other languages)</i>	\$ 100,000
<i>On-Demand Paratransit Taxi Services Recommendations</i>	\$ 1,170,240
<i>External Audit of the Milwaukee County Jail</i>	\$ 250,000
Current Available Balance	\$ 1,520,240

Committee Action

This is an informational report only.



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

DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2024

Office of the Sheriff (Agency 400)

(\$5.5 million deficit)

The Office of the Sheriff is currently projecting a deficit of \$5.5 million. The deficit is due to an anticipated overtime deficit of \$5.8 million, which is offset by a small surplus in salaries of \$0.2 million.

Community Reintegration Center (Agency 430)

(\$4.0 million deficit)

The Community Reintegration Center is projecting a deficit of \$4.0 million for 2024. This deficit is comprised of a revenue deficit from lower State sanction revenue of \$0.6 million and expenditure deficits from salary of \$0.3 million, overtime of \$1.0 million, and food service costs of \$2.0 million.

Non-Departmental Expenditures and Revenues

Appropriation for Contingency (Org 1945)

\$4.6 million surplus

The current projection for the Appropriation for Contingency assumes that the \$1.5 million in allocated contingency funding is spent, while the \$4.6 million in unallocated funding is not spent and is used to offset departmental and non-departmental deficits.

Fringe Benefits (Org 1950)

Breakeven

The Office of the Comptroller monitors fringe benefit expenditures, including healthcare and pharmacy claims, paid by the County. For the first four months of 2024, healthcare claims costs were up over 8% from 2023. For pharmacy claims costs, claims costs for post-65 retirees were up over 11% and claims costs for pre-65 retirees were up over 13%. If these trends continue throughout the remainder of the year, fringe benefits will likely create a deficit that will fall to the County's bottom line.

Wage/Benefit Modification (Org 1972)

(\$1.0 million deficit)

Org 1972 – Wages and Benefits Modification – includes a centralized salary abatement of \$1.0 million (which reduces the overall county budget for salaries by \$1.0 million) and salary appropriations of \$3.0 million to fund the recommendations of the compensation study currently being conducted by the Department of Human Resources. This projection assumes that the \$3.0 million in additional salary dollars are spent and that the remaining \$1.0 million in salary abatements remains to be offset either through departmental salary surpluses or other surpluses achieved in the budget.

State Shared Taxes (Org 1993)

(\$2.5 million deficit)

Pursuant to 23 Wisconsin Act 40, the County is required to pay \$2.5 million to the Southeast Wisconsin Professional Baseball Park District annually through December 31, 2050. The

County is not required to contribute after its contributions total \$67.5 million. Since no appropriation exists and no payment has been made, the County would receive a reduction of \$2.5 million in its shared revenue payments otherwise payable to the County pursuant to State law.

Sales Tax (*Org 1996*)

Breakeven

With only two months of sales tax reported, it is difficult to project a surplus or deficit in sales tax. However, it is critical to note that the first two months of 2024 sales tax data represented a significant decline over 2023. January and February of 2024 were below 2023 collections by 12.5% and 21.4%, respectively. While it is early in the year, continuing downward trends in future months could create a deficit that would fall to the County's bottom line.

Milwaukee County														
Cumulative Summary of Monthly Departmental Projections														
Agency	Description	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	FINAL
General Fund Departments														
100	County Board	-	-	-										
103	Governmental Affairs	-	-	-										
109	Office of Equity	-	-	-										
110	County Executive	-	-	43,149										
112	Personnel Review Board	-	88,564	37,323										
113	Corporation Counsel	-	-	81,201										
114	Human Resources	-	-	-										
115	Dept of Administrative Services	-	-	1,825										
118	Strategy, Budget, and Performance	-	-	3,684										
200	Combined Court Related Operations	-	-	-										
290	Courts - Pre-Trial Services	-	-	-										
301	Election Commission	NR	NR	NR										
309	County Treasurer	NR	NR	NR										
327	County Clerk	NR	NR	NR										
340	Register of Deeds	1,466	1,657	1,601										
370	Office of the Comptroller	-	-	-										
400	Sheriff	-	-	(5,514,773)										
430	Community Reintegration Center	(2,630,650)	(2,676,605)	(4,030,855)										
450	District Attorney	NR	NR	NR										
480	Emergency Management	-	-	(27,901)										
490	Medical Examiner	-	-	(46)										
509	Transportation Services	-	(11,039)	(11,135)										
510	DOT - Highway Maintenance	-	-	-										
580	DOT - Admin Div	-	-	-										
800	Department of Human Services	-	-	249,578										
900	Department of Parks	-	-	-										
950	Zoological Department	-	-	-										
970	Milwaukee Public Museum	-	-	-										
991	University Extension	-	(606)	134										
Non-Departmentals														
190	Revenue Non-Departmental	-	-	(2,500,000)										
1996	<i>Sales Tax</i>	-	-	-										
1992	<i>Earnings on Investments</i>	-	-	-										
194	General Non-Departmental	5,424,072	4,964,581	5,198,427										
1945	<i>Contingency</i>	6,443,687	5,984,196	4,625,842										
1950	<i>Fringe Benefits</i>	-	-	-										
1972	<i>Wage/Benefit Supplemental</i>	(1,019,615)	(1,019,615)	(1,019,615)										
199	Parks Non-Departmental	-	-	-										
Other Funds														
116	Information Management Services	-	-	-										
117	Risk Management	-	-	19,826										
504	DOT - Airport Division	-	-	-										
530	DOT - Fleet Management	-	24,970	24,970										
560	DOT - Transit/Paratransit System	-	-	44,634										
550	DAS - Utility	-	-	-										
630	Behavioral Health Division	-	-	3,875,950										
996	Debt Retirement and Interest	-	-	-										
50004	COVID Expendable Funds	-	-	-										
10024	COVID Expendable Funds	-	-	-										
120	Capital Improvements	-	-	-										

NR=No Report