



## Office of the Comptroller

Scott B. Manske, Comptroller

DATE: March 13, 2023

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

FROM: Scott B. Manske, Comptroller  
Cynthia (C.J.) Pahl, Financial Services Manager

SUBJECT: 2023 Fiscal Projection for Milwaukee County – (For Information Only)

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### 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.

### 2023 Year-end Fiscal Projection as of January 31, 2023

With only one month of fiscal activity reported, it is too early to issue a projection on the year-end position of the County. As of period 1, all departments are reporting at least a break even. The following fiscal items have been identified and will be monitored throughout the year:


- **2022 Sales Tax Surplus:** Fiscal year 2022 sales tax receipts totaled \$97.9 million, which is slightly below the 2023 budgeted amount by \$0.8 million. Assuming a 4.0 percent year-over-year increase, the County will realize a surplus of \$3.1 million. However, with no 2023 sales tax payments yet received, the surplus will not be reported until the end of the first quarter and may be reported in increments if monthly receipts indicate any volatility in payments.
- **Centralized Salary Abatement:** 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); salary appropriations of \$2.2 million to fund the recommendations of the compensation study currently being conducted by the Department of Human Resources; and salary appropriations of \$1.6 million to fund the correctional officer increase of \$1.50 in pay period 10. This projection assumes that the \$3.8 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.
- **Investment Earnings:** In 2022, the County's market value of investments was less than the book value, and per GASB rules, the County was required to fund the difference. As the County's investments reach maturity over the next 3 years, it is likely those market losses will reverse and increase the County's investment earnings over the anticipated book earnings. This would result in a surplus in investment earnings. The Office of the Comptroller will monitor investments and report out any surplus as it becomes available.
- **Contingency Fund:** The Contingency Fund's balance, if unused, falls to the bottom line at the end of the fiscal year and is available to offset any potential issues. As of today, the Contingency Fund has an unallocated balance of \$4,800,966 as shown in the table on the following page.

Unallocated Contingency Fund	
<b>2023 Adopted Balance</b>	<b>\$ 5,000,966</b>
<i>County Board Approved Actions</i>	
File #23-259 - Medical Examiner Autopsy Support	\$ (200,000)
<b>Current Available Balance</b>	<b>\$ 4,800,966</b>
Allocated Contingency Fund	
<b>2022 Adopted Balance</b>	<b>\$ -</b>
<i>Allocated Items</i>	
	\$ -
<b>Current Available Balance</b>	<b>\$ -</b>

Debt Service Reserve Activity and Projected 2023 Ending Balance	
<b>2023 Starting Balance</b>	<b>\$ 108,454,924</b>
<i>2023 Activity</i>	
2023 Budget Commitment	\$ (7,836,307)
2023 Budget Contribution to Project WC020901	\$ (10,000,000)
<b>2023 Projected Balance</b>	<b>\$ 90,618,617</b>

### Committee Action

This is an informational report only.



Scott B. Manske  
Comptroller



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