



Office of the Comptroller

Scott B. Manske, Comptroller

DATE: June 6, 2023

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

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

SUBJECT: 2023 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.

2023 Year-end Fiscal Projection as of April 30, 2023

Based on financial results through the most recent reporting period, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2023 year-end fiscal status is a **surplus of \$13.1 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 |
|---------------|-----------------------------|-------------------|------------------------------|
| April 2023 | Surplus | \$13.1 million | \$2.5 million |
| March 2023 | Surplus | \$10.6 million | \$3.2 million |
| February 2023 | Surplus | \$7.4 million | N/A |

Major changes since the last report are:

- Personnel Review Board – surplus of \$0.1 million
- Department of Human Resources – surplus of \$0.1 million
- Combined Court Related Operations – surplus increase of \$2.1 million

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 April 30, 2023 Period 4 | | | | | | | | |
| Agency | Description | 2023 Projected Revenues | 2023 Budgeted Revenues | Revenue Variance | 2023 Projected Expenditures | 2023 Budgeted Expenditures | Expenditure Variance | Surplus / (Deficit) |
| General Fund Departments | | | | | | | | |
| 100 | County Board | - | - | - | 1,259,692 | 1,259,692 | - | - |
| 103 | Governmental Affairs | - | - | - | 381,597 | 400,490 | 18,893 | 18,893 |
| 109 | Office of Equity | (100,000) | (100,000) | - | 1,170,492 | 1,170,492 | - | - |
| 110 | County Executive | - | - | - | 954,608 | 957,708 | 3,100 | 3,100 |
| 112 | Personnel Review Board | - | - | - | 145,174 | 267,035 | 121,861 | 121,861 |
| 113 | Corporation Counsel | (292,556) | (292,556) | - | 1,611,507 | 1,611,507 | - | - |
| 114 | Human Resources | (6,000) | (6,000) | - | 6,202,696 | 6,332,894 | 130,198 | 130,198 |
| 115 | Dept of Administrative Services | (8,988,539) | (9,595,864) | (607,325) | 40,896,442 | 41,503,767 | 607,325 | (0) |
| 118 | Strategy, Budget, and Performance | - | - | - | 2,563,380 | 2,584,838 | 21,458 | 21,458 |
| 200 | Combined Court Related Operations | (12,012,089) | (12,324,873) | (312,784) | 28,004,335 | 30,636,692 | 2,632,357 | 2,319,573 |
| 243 | Dept. of Child Support Services | (16,886,805) | (16,909,905) | (23,100) | 19,236,065 | 19,271,065 | 35,000 | 11,900 |
| 290 | Courts - Pre-Trial Services | (1,103,247) | (1,103,247) | - | 6,936,982 | 6,881,166 | (55,816) | (55,816) |
| 301 | Election Commission | (45,750) | (45,750) | - | 606,646 | 606,646 | - | - |
| 309 | County Treasurer | (2,030,000) | (2,030,000) | - | 949,438 | 949,438 | - | - |
| 327 | County Clerk | (494,820) | (494,820) | - | 1,027,483 | 1,027,483 | - | - |
| 340 | Register of Deeds | (4,589,698) | (4,589,000) | 698 | 1,292,978 | 1,292,552 | (426) | 273 |
| 370 | Office of the Comptroller | (211,000) | (143,000) | 68,000 | 5,333,562 | 5,333,562 | - | 68,000 |
| 400 | Sheriff | (12,224,712) | (12,053,903) | - | 51,502,001 | 51,344,753 | (157,248) | 13,561 |
| 430 | Community Reintegration Center | (4,572,931) | (6,130,568) | (1,557,637) | 55,243,902 | 56,861,861 | 1,617,959 | 60,322 |
| 450 | District Attorney | (6,940,913) | (5,431,050) | 1,509,863 | 14,718,298 | 13,255,579 | (1,462,719) | 47,144 |
| 480 | Emergency Management | (1,452,427) | (1,452,427) | - | 10,908,518 | 10,908,518 | - | - |
| 490 | Medical Examiner | (4,699,121) | (4,699,121) | - | 6,450,482 | 6,478,546 | 28,064 | 28,064 |
| 509 | Transportation Services | (1,897,616) | (1,897,620) | (4) | 2,316,104 | 2,345,852 | 29,748 | 29,745 |
| 510 | DOT - Highway Maintenance | (26,709,096) | (26,709,096) | - | 27,027,250 | 27,027,250 | - | - |
| 580 | DOT - Admin Div | (5,896,762) | (5,896,762) | - | 6,068,915 | 6,068,915 | - | - |
| 800 | Department of Human Services | (154,980,495) | (154,980,495) | - | 193,172,922 | 193,172,922 | - | - |
| 900 | Department of Parks | (22,372,679) | (22,773,898) | (401,219) | 47,155,837 | 47,573,415 | 417,578 | 16,359 |
| 950 | Zoological Department | (19,423,257) | (22,249,651) | (2,826,394) | 23,317,395 | 26,204,386 | 2,886,991 | 60,597 |
| 970 | Milwaukee Public Museum | - | - | - | 3,500,000 | 3,500,000 | - | - |
| 991 | University Extension | (100,000) | (100,000) | - | 464,897 | 464,898 | 1 | 1 |
| Non-Departmentals | | | | | | | | |
| 190 | Revenue Non-Departmental | (457,767,942) | (453,815,910) | 3,952,032 | - | - | - | 3,952,032 |
| 1996 | Sales Tax | (93,656,281) | (90,656,281) | 3,000,000 | - | - | - | 3,000,000 |
| 1992 | Earnings on Investments | (5,382,871) | (5,382,871) | - | - | - | - | - |
| 194 | General Non-Departmental | 2,669,539 | 2,669,539 | - | 88,421,579 | 95,535,338 | 7,113,759 | 7,113,759 |
| 1945 | Contingency | - | - | - | - | 4,694,284 | 4,694,284 | 4,694,284 |
| 1950 | Fringe Benefits | (104,244,960) | (104,244,960) | - | 212,148,521 | 215,648,521 | 3,500,000 | 3,500,000 |
| 1972 | Wage/Benefit Supplemental | - | - | - | 3,773,096 | 2,773,096 | (1,000,000) | (1,000,000) |
| 199 | Parks Non-Departmental | - | - | - | 3,429,688 | 3,429,688 | - | - |
| Total General Fund | | (763,128,917) | (763,155,977) | (197,870) | 652,270,864 | 666,258,948 | 13,988,084 | 13,961,023 |
| Other Funds | | | | | | | | |
| 116 | Information Management Services | (108,500) | (108,500) | - | 14,644,241 | 14,644,241 | - | - |
| 117 | Risk Management | - | - | - | 11,256,457 | 11,269,207 | 12,750 | 12,750 |
| 504 | DOT - Airport Division | (99,004,701) | (99,054,355) | - | 99,004,701 | 102,720,083 | - | - |
| 530 | DOT - Fleet Management | (19,982,074) | (19,982,074) | - | 19,886,316 | 19,886,316 | - | - |
| 560 | DOT - Transit/Paratransit System | (127,063,427) | (127,063,427) | - | 137,900,961 | 137,900,961 | - | - |
| 550 | DAS - Utility | (726,000) | (1,626,000) | (900,000) | 1,600,000 | 1,600,000 | - | (900,000) |
| 630 | Behavioral Health Division | (181,214,549) | (181,214,549) | - | 242,249,321 | 239,265,878 | (2,983,443) | (2,983,443) |
| 996 | Debt Retirement and Interest | (8,887,009) | (8,887,009) | - | 44,399,702 | 44,399,702 | - | - |
| 50004 | COVID Expendable Funds | - | - | - | - | - | - | - |
| 10024 | COVID Expendable Funds | - | - | - | - | - | - | - |
| 120 | Capital Improvements | (140,811,872) | (140,811,872) | - | 206,422,794 | 206,422,794 | - | - |
| Total Other Funds | | (577,689,632) | (578,639,286) | (900,000) | 762,720,252 | 763,464,941 | (2,970,693) | (3,870,693) |
| Expendable Trusts | | | | | | | | |
| 50003 | Zoo Expendable Trusts | - | (1,779,814) | (1,779,814) | - | 1,840,411 | 1,840,411 | 60,597 |
| 50005 | Parks Expendable Trusts | - | (417,797) | (417,797) | - | 429,313 | 429,313 | 11,516 |
| 50006 | OPD Expendable Trusts | - | - | - | - | - | - | - |
| 50007 | BHD Expendable Trusts | - | - | - | - | - | - | - |
| 50008 | Airport Expendable Trusts | - | - | - | - | - | - | - |
| 50010 | DAS Expendable Trusts | - | - | - | - | - | - | - |
| 50011 | Fleet Expendable Trusts | - | - | - | - | - | - | - |
| Total Expendable Trusts | | - | (2,197,611) | (2,197,611) | - | 2,269,724 | 2,269,724 | 72,113 |
| Projected Surplus (Deficit) | | (1,340,818,549) | (1,343,992,874) | (3,295,481) | 1,414,991,116 | 1,431,993,613 | 13,287,115 | 10,162,444 |
| Less Expendable Trusts | | | | | | | | (72,113) |
| Contribution (to)/from Behavioral Health Reserves | | | | | | | | 2,983,443 |
| Total Projected Surplus (Deficit) - with Contingency | | | | | | | | 13,073,774 |
| Total Projected Surplus (Deficit) - without Contingency | | | | | | | | 8,379,499 |

| Debt Service Reserve Activity and Projected 2023 Ending Balance | |
|---|-----------------------|
| 2023 Starting Balance | \$ 108,454,924 |
| <i>2023 Activity</i> | |
| 2023 Budget Commitment | \$ (7,836,307) |
| 2023 Budget Contribution to Project WC020901 | \$ (10,000,000) |
| Project Closed WM0053012 | \$ 57,790 |
| File #23-442 - Debt Service Reserve Transfer to General County Debt Service | \$ (291,844) |
| File #23-502 - Lapsed Proceeds | \$ 2,369,504 |
| 2023 Projected Balance | \$ 92,754,067 |
| | |
| Unallocated Contingency Fund | |
| 2023 Adopted Balance | \$ 5,000,966 |
| <i>County Board Approved Actions</i> | |
| File #23-259 - Medical Examiner Autopsy Support | \$ (200,000) |
| File #23-389 - Wil-O-Way Facility Improvements | \$ (52,229) |
| File #23-442 - General County Debt Service Transfer to Contingency | \$ 45,547 |
| File #23-336 - MATC Faculty and Students Together Fund (FAST) | \$ (100,000) |
| Current Available Balance | \$ 4,694,284 |

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 2023

Personnel Review Board (Agency 112) ***\$0.1 million surplus***

The Personnel Review Board is projecting a surplus in personnel costs of \$0.1 million.

Department of Human Resources (Agency 114) ***\$0.1 million surplus***

The Department of Human Resources is projecting an overall surplus of \$0.1 million. Commodities and Services surpluses in medical service fees, professional service fees, and education/seminar payments is expected to surplus by \$0.3 million, offsetting a deficit in personnel costs of \$0.2 million.

Combined Court Related Operations (Agency 200) ***\$2.3 million surplus***

The Combined Court Related Operations is currently projecting a surplus of \$2.3 million largely due to lower than budgeted personnel expenditures.

Non-Departmental Revenue

Sales Tax (Org 1996) ***\$3.0 million 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 at least \$3.0 million. While the Comptroller is reporting this as a known surplus, caution should be exercised with respect to the use of this surplus as only three months of 2023 sales tax payments has been received, and payments can fluctuate greatly from estimates.

Non-Departmental Expenditures

Appropriation for Contingency (Org 1945) ***\$4.7 million surplus***

The current projection for the Appropriation for Contingency assumes that the entire \$4.7 million of the current contingency appropriation is not spent and is used to offset departmental and non-departmental deficits.

Fringe Benefits (Org 1950) ***\$3.5 million surplus***

The Office of the Comptroller monitors healthcare and pharmacy claims regularly and with little movement in the lower census count, the County is likely to experience a surplus of roughly \$3.5 million in 2023. Healthcare costs tend to rise towards the later part of the year when participants reach their deductibles and out-of-pocket maximums, so caution should be used exercised with respect to the use of this surplus as only 4 months of claims have been recorded.

Wage/Benefit Modification (Org 1972) ***(\$1.0 million deficit)***

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.

Milwaukee County

Cumulative Summary of Monthly Departmental Projections

| Agency | Description | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | FINAL |
|---------------------------------|-----------------------------------|-------------|-------------|-------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| General Fund Departments | | | | | | | | | | | | | | |
| 100 | County Board | - | - | - | - | | | | | | | | | |
| 103 | Governmental Affairs | - | - | - | 18,893 | | | | | | | | | |
| 109 | Office of Equity | - | - | - | - | | | | | | | | | |
| 110 | County Executive | - | - | - | 3,100 | | | | | | | | | |
| 112 | Personnel Review Board | 42,899 | 57,637 | 54,426 | 121,861 | | | | | | | | | |
| 113 | Corporation Counsel | - | - | - | - | | | | | | | | | |
| 114 | Human Resources | - | - | - | 130,198 | | | | | | | | | |
| 115 | Dept of Administrative Services | - | - | - | - | | | | | | | | | |
| 118 | Strategy, Budget, and Performance | - | - | - | 21,458 | | | | | | | | | |
| 200 | Combined Court Related Operations | - | - | 196,296 | 2,319,573 | | | | | | | | | |
| 243 | Dept. of Child Support Services | - | - | - | 11,900 | | | | | | | | | |
| 290 | Courts - Pre-Trial Services | - | - | (66,100) | (55,816) | | | | | | | | | |
| 301 | Election Commission | - | NR | NR | NR | | | | | | | | | |
| 309 | County Treasurer | - | NR | NR | NR | | | | | | | | | |
| 327 | County Clerk | - | NR | NR | NR | | | | | | | | | |
| 340 | Register of Deeds | - | - | (1,103) | 273 | | | | | | | | | |
| 370 | Office of the Comptroller | - | 32,000 | 32,000 | 68,000 | | | | | | | | | |
| 400 | Sheriff | - | 8,829 | 14,654 | 13,561 | | | | | | | | | |
| 430 | Community Reintegration Center | - | 17,186 | 29,683 | 60,322 | | | | | | | | | |
| 450 | District Attorney | - | - | NR | 47,144 | | | | | | | | | |
| 480 | Emergency Management | - | - | - | - | | | | | | | | | |
| 490 | Medical Examiner | - | - | 112,507 | 28,064 | | | | | | | | | |
| 509 | Transportation Services | - | - | (1,055) | 29,745 | | | | | | | | | |
| 510 | DOT - Highway Maintenance | - | - | - | - | | | | | | | | | |
| 580 | DOT - Admin Div | - | - | - | - | | | | | | | | | |
| 800 | Department of Human Services | - | - | - | - | | | | | | | | | |
| 900 | Department of Parks | - | - | NR | 16,359 | | | | | | | | | |
| 950 | Zoological Department | - | - | - | 60,597 | | | | | | | | | |
| 970 | Milwaukee Public Museum | - | - | - | - | | | | | | | | | |
| 991 | University Extension | 4,265 | 4,265 | - | - | | | | | | | | | |
| Non-Departmentals | | | | | | | | | | | | | | |
| 190 | Revenue Non-Departmental | 4,473,203 | 4,473,488 | 3,952,032 | 3,952,032 | | | | | | | | | |
| 1996 | Sales Tax | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | | | | | | | | | |
| 1992 | Earnings on Investments | - | - | - | - | | | | | | | | | |
| 194 | General Non-Departmental | 3,800,966 | 3,800,966 | 7,194,284 | 7,113,759 | | | | | | | | | |
| 1945 | Contingency | 4,800,966 | 4,748,737 | 4,694,284 | 4,694,284 | | | | | | | | | |
| 1950 | Fringe Benefits | - | - | 3,500,000 | 3,500,000 | | | | | | | | | |
| 1972 | Wage/Benefit Supplemental | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | | | | | | | | | |
| 199 | Parks Non-Departmental | - | - | - | - | | | | | | | | | |
| Other Funds | | | | | | | | | | | | | | |
| 116 | Information Management Services | - | - | - | - | | | | | | | | | |
| 117 | Risk Management | - | - | - | 12,750 | | | | | | | | | |
| 504 | DOT - Airport Division | - | - | - | - | | | | | | | | | |
| 530 | DOT - Fleet Management | - | - | - | - | | | | | | | | | |
| 560 | DOT - Transit/Paratransit System | - | - | - | - | | | | | | | | | |
| 550 | DAS - Utility | (900,000) | (900,000) | (900,000) | (900,000) | | | | | | | | | |
| 630 | Behavioral Health Division | - | (1,356,163) | (2,992,834) | (2,983,443) | | | | | | | | | |
| 996 | Debt Retirement and Interest | - | - | - | - | | | | | | | | | |
| 50004 | COVID Expendable Funds | - | - | - | - | | | | | | | | | |
| 10024 | COVID Expendable Funds | - | - | - | - | | | | | | | | | |
| 120 | Capital Improvements | - | - | - | - | | | | | | | | | |

NR=No Report