



Office of the Comptroller

Liz Sumner, Comptroller

DATE: June 6, 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)

2024 Year-end Fiscal Projection as of April 30, 2024

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. 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 \$7.6 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 2024 | Deficit | (\$7.6 million) | (\$1.2 million) |
| 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:

- Department of Administrative Services – deficit of \$0.1 million
- Office of the Sheriff – deficit increase of \$0.4 million
- Community Reintegration Center - deficit increase of \$0.2 million
- Department of Health and Human Services – surplus increase of \$0.3 million
- DAS – Information Management Services Division – deficit of \$0.7 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 April 30, 2024 Period 4 | | | | | | | | |
| 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 | - | - | - | 997,945 | 1,042,986 | 45,041 | 45,041 |
| 112 | Personnel Review Board | - | - | - | 246,422 | 273,851 | 27,429 | 27,429 |
| 113 | Corporation Counsel | (297,870) | (297,870) | - | 1,606,079 | 1,673,518 | 67,438 | 67,438 |
| 114 | Human Resources | (6,000) | (6,000) | - | 6,984,988 | 6,993,949 | 8,962 | 8,962 |
| 115 | Dept of Administrative Services | (9,642,848) | (9,722,301) | (79,453) | 46,741,043 | 46,732,384 | (8,659) | (88,112) |
| 118 | Strategy, Budget, and Performance | - | - | - | 3,159,054 | 3,159,054 | - | - |
| 200 | Combined Court Related Operations | (12,540,412) | (12,540,412) | - | 30,665,521 | 30,665,521 | - | - |
| 290 | Courts - Pre-Trial Services | (927,495) | (927,495) | - | 8,194,933 | 8,194,933 | - | - |
| 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) | - | 1,496,195 | 1,496,195 | - | - |
| 340 | Register of Deeds | (4,050,100) | (4,048,300) | 1,800 | 1,421,974 | 1,421,974 | - | 1,800 |
| 370 | Office of the Comptroller | (143,000) | (143,000) | - | 5,795,829 | 5,795,829 | - | - |
| 400 | Sheriff | (10,186,476) | (10,031,561) | 154,915 | 67,165,065 | 61,112,078 | (6,052,988) | (5,898,073) |
| 430 | Community Reintegration Center | (3,450,352) | (4,461,333) | (1,010,981) | 64,575,369 | 61,355,496 | (3,219,874) | (4,230,855) |
| 450 | District Attorney | (7,695,388) | (7,695,388) | - | 15,970,468 | 15,970,468 | - | - |
| 480 | Emergency Management | (3,746,368) | (5,059,303) | (1,312,935) | 12,122,108 | 13,382,323 | 1,260,215 | (52,721) |
| 490 | Medical Examiner | (4,020,407) | (4,020,407) | - | 5,990,683 | 5,994,137 | 3,453 | 3,453 |
| 509 | Transportation Services | (1,945,053) | (1,990,053) | (45,000) | 2,302,357 | 2,397,702 | 95,345 | 50,345 |
| 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) | - | 5,281,472 | 5,281,472 | - | - |
| 800 | Department of Human Services | (163,166,657) | (160,107,481) | 3,059,176 | 206,763,930 | 204,218,767 | (2,545,163) | 514,013 |
| 900 | Department of Parks | (25,536,663) | (24,176,663) | 1,360,000 | 52,936,190 | 51,576,190 | (1,360,000) | - |
| 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) | - | 95,927,366 | 100,978,593 | 5,051,227 | 5,051,227 |
| 1945 | Contingency | - | - | - | 1,520,240 | 6,146,082 | 4,625,842 | 4,625,842 |
| 1950 | Fringe Benefits | (66,291,596) | (66,291,596) | - | 219,508,197 | 219,508,197 | - | - |
| 1972 | Wage/Benefit Supplemental | - | - | - | 3,000,000 | 1,980,385 | (1,019,615) | (1,019,615) |
| 199 | Parks Non-Departmental | - | - | - | 2,779,688 | 2,779,688 | - | - |
| Total General Fund | | (841,917,829) | (842,290,308) | (527,394) | 695,612,000 | 688,984,561 | (6,627,439) | (6,999,919) |
| Other Funds | | | | | | | | |
| 116 | Information Management Services | (1,079,982) | (1,210,038) | (130,056) | 17,688,223 | 17,101,983 | (586,240) | (716,296) |
| 117 | Risk Management | - | - | - | 11,793,873 | 11,810,767 | 16,894 | 16,894 |
| 504 | DOT - Airport Division | (100,154,615) | (98,875,522) | 1,279,093 | 100,154,615 | 100,525,302 | (1,279,093) | - |
| 530 | DOT - Fleet Management | (22,153,364) | (21,949,495) | 203,869 | 21,863,514 | 21,742,720 | (120,794) | 83,074 |
| 560 | DOT - Transit/Paratransit System | (120,048,644) | (120,048,644) | - | 147,620,560 | 147,620,560 | - | - |
| 550 | DAS - Utility | - | - | - | - | - | - | - |
| 630 | Behavioral Health Division | (155,326,197) | (185,053,771) | (29,727,574) | 214,677,555 | 247,244,420 | 32,566,865 | 2,839,291 |
| 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) | - | 294,102,064 | 294,102,064 | - | - |
| Total Other Funds | | (499,527,043) | (527,771,655) | (28,244,612) | 840,004,880 | 872,838,531 | 31,183,871 | 2,222,963 |
| 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) | | (1,344,135,431) | (1,372,752,522) | (28,772,006) | 1,538,336,931 | 1,564,543,143 | 24,556,432 | (4,776,956) |
| Less Expendable Trusts | | | | | | | | - |
| Contribution (to)/from Behavioral Health Reserves | | | | | | | | (2,839,291) |
| Total Projected Surplus (Deficit) - with Contingency | | | | | | | | (7,616,246) |
| Total Projected Surplus (Deficit) - without Contingency | | | | | | | | (12,242,088) |

| 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) |
| File #24-464 Swap Cash from DSR to Replace Old Bonds | \$ (1,987,821) |
| 2024 Projected Balance | \$ 123,369,813 |

| 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 #24-343 Unspent Bond Proceeds | \$ 161,886 |
| Current Available Balance | \$ 4,625,842 |

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

Corporation Counsel (Agency 113)

\$0.1 million surplus

The Office of Corporation Counsel is anticipating a small surplus in personnel costs due to vacancies within the department.

Department of Administrative Services (Agency 115)

(\$0.1 million deficit)

The Department of Administrative Services is currently projecting a deficit of \$0.1 million. This is largely due to higher than budgeted electricity and steam costs, as well as revenue estimated below budget for A&E internal charges. It should be noted that the administrative group is estimating a deficit in personnel of \$0.2 million which is due to the department's vacancy and turnover budget; Facilities Management Division is estimating a surplus in personnel of \$0.2 million which offsets this deficit.

DAS – Information Management Services Division (IMSD) (Agency 116)

(\$0.7 million deficit)

The DAS-IMSD is currently projecting a deficit of \$0.7 million. This deficit is due to a reduction in Land Information Office revenue of \$0.1 million, an expected deficit in salaries of \$0.3 million, and an expected deficit of \$0.3 million in commodities and services due to expected increases in costs based on usage and contract renewals for core software services and networking. The department is working to reduce this deficit and will provide updates to future reports.

Office of the Sheriff (Agency 400)

(\$5.9 million deficit)

The Office of the Sheriff is currently projecting a deficit of \$5.9 million, which is up \$0.4 million since the March report. The deficit is largely due to an anticipated overtime deficit of \$6.4 million and social security deficit of \$0.5 million, which is offset by a surplus in salaries of \$0.5 million. The department is projecting savings in commodities, services, and interdepartmental crosscharges of \$0.4 million. Revenues are anticipated to surplus by \$0.2 million (due to unbudgeted inmate phone revenue earned before the transition to free calling took place) which also offset the overall deficit.

Community Reintegration Center (Agency 430)

(\$4.2 million deficit)

The Community Reintegration Center is projecting a deficit of \$4.2 million, up \$0.2 million since the March report. This deficit is comprised of a revenue deficit from lower State sanction revenue of \$0.6 million and expenditure deficits from salary of \$0.4 million, overtime of \$1.0 million, and food service costs of \$2.0 million.

Office of Emergency Management (Agency 480)

(\$0.1 million deficit)

The Office of Emergency Management is projecting a slight deficit of \$0.1 million, which is largely driven by an overtime deficit.

DOT – Fleet Management Division (Agency 530)

\$0.1 million surplus

Based on numbers submitted by the DOT – Fleet Management Division, the surplus appears to come from additional revenue from departments due to charges for services (which offset deficits in commodities and services), as well as projected surpluses in interdepartmental crosscharges.

DOT - Transportation Services (Agency 509)

\$0.1 million surplus

The DOT – Transportation Services is projecting a slight surplus of \$0.1 million, which is mainly due to a small salary surplus.

Department of Health and Human Services (Agency 800)

\$0.5 million surplus

The Department of Health and Human Services is projecting a surplus in Children, Youth, and Family Services due to a lower average daily population of youth in state-run facilities than was budgeted for.

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 would 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

Sales tax for the month of March came in 14.4% over March of 2023. However, on a quarterly basis, the first quarter of 2024 came in under 2023 by \$1.1 million. The budget assumed a 3% increase over 2023 earnings, so the County will need to recover the first quarter loss of \$1.1 million and the \$0.7 million budgeted increase over the remaining three quarters to get to a breakeven. While it is still remains early in the year, continuing downward trends in future months would create of 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 | 45,041 | | | | | | | | | |
| 112 | Personnel Review Board | - | 88,564 | 37,323 | 27,429 | | | | | | | | | |
| 113 | Corporation Counsel | - | - | 81,201 | 67,438 | | | | | | | | | |
| 114 | Human Resources | - | - | - | 8,962 | | | | | | | | | |
| 115 | Dept of Administrative Services | - | - | 1,825 | (88,112) | | | | | | | | | |
| 118 | Strategy, Budget, and Performance | - | - | 3,684 | - | | | | | | | | | |
| 200 | Combined Court Related Operations | - | - | - | - | | | | | | | | | |
| 290 | Courts - Pre-Trial Services | - | - | - | - | | | | | | | | | |
| 301 | Election Commission | NR | NR | NR | NR | | | | | | | | | |
| 309 | County Treasurer | NR | NR | NR | NR | | | | | | | | | |
| 327 | County Clerk | NR | NR | NR | NR | | | | | | | | | |
| 340 | Register of Deeds | 1,466 | 1,657 | 1,601 | 1,800 | | | | | | | | | |
| 370 | Office of the Comptroller | - | - | - | - | | | | | | | | | |
| 400 | Sheriff | - | - | (5,514,773) | (5,898,073) | | | | | | | | | |
| 430 | Community Reintegration Center | (2,630,650) | (2,676,605) | (4,030,855) | (4,230,855) | | | | | | | | | |
| 450 | District Attorney | NR | NR | NR | NR | | | | | | | | | |
| 480 | Emergency Management | - | - | (27,901) | (52,721) | | | | | | | | | |
| 490 | Medical Examiner | - | - | (46) | 3,453 | | | | | | | | | |
| 509 | Transportation Services | - | (11,039) | (11,135) | 50,345 | | | | | | | | | |
| 510 | DOT - Highway Maintenance | - | - | - | - | | | | | | | | | |
| 580 | DOT - Admin Div | - | - | - | - | | | | | | | | | |
| 800 | Department of Human Services | - | - | 249,578 | 514,013 | | | | | | | | | |
| 900 | Department of Parks | - | - | - | - | | | | | | | | | |
| 950 | Zoological Department | - | - | - | - | | | | | | | | | |
| 970 | Milwaukee Public Museum | - | - | - | - | | | | | | | | | |
| 991 | University Extension | - | (606) | 134 | 134 | | | | | | | | | |
| Non-Departmentals | | | | | | | | | | | | | | |
| 190 | Revenue Non-Departmental | - | - | (2,500,000) | (2,500,000) | | | | | | | | | |
| 1996 | Sales Tax | - | - | - | - | | | | | | | | | |
| 1992 | Earnings on Investments | - | - | - | - | | | | | | | | | |
| 194 | General Non-Departmental | 5,424,072 | 4,964,581 | 5,198,427 | 5,051,227 | | | | | | | | | |
| 1945 | Contingency | 6,443,687 | 5,984,196 | 4,625,842 | 4,625,842 | | | | | | | | | |
| 1950 | Fringe Benefits | - | - | - | - | | | | | | | | | |
| 1972 | Wage/Benefit Supplemental | (1,019,615) | (1,019,615) | (1,019,615) | (1,019,615) | | | | | | | | | |
| 199 | Parks Non-Departmental | - | - | - | - | | | | | | | | | |
| Other Funds | | | | | | | | | | | | | | |
| 116 | Information Management Services | - | - | - | (716,296) | | | | | | | | | |
| 117 | Risk Management | - | - | 19,826 | 16,894 | | | | | | | | | |
| 504 | DOT - Airport Division | - | - | - | - | | | | | | | | | |
| 530 | DOT - Fleet Management | - | 24,970 | 24,970 | 83,074 | | | | | | | | | |
| 560 | DOT - Transit/Paratransit System | - | - | 44,634 | - | | | | | | | | | |
| 550 | DAS - Utility | - | - | - | - | | | | | | | | | |
| 630 | Behavioral Health Division | - | - | 3,875,950 | 2,839,291 | | | | | | | | | |
| 996 | Debt Retirement and Interest | - | - | - | - | | | | | | | | | |
| 50004 | COVID Expendable Funds | - | - | - | - | | | | | | | | | |
| 10024 | COVID Expendable Funds | - | - | - | - | | | | | | | | | |
| 120 | Capital Improvements | - | - | - | - | | | | | | | | | |

NR=No Report