



Office of the Comptroller

Liz Sumner, Comptroller

DATE: July 18, 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 May 31, 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 \$9.3 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
May 2024	Deficit	(\$9.3 million)	(\$1.7 million)
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:

- DAS – Information Management Services Division – deficit decrease of \$0.7 million
- Combined Court Related Operations – surplus of \$1.1 million
- Office of the Sheriff – deficit increase of \$1.2 million
- Community Reintegration Center - deficit increase of \$0.3 million
- Department of Health and Human Services – surplus increase of 0.9 million
- Department of Parks – deficit of \$0.9 million
- Sales Tax – monitoring for potential deficit
- Fringe Benefits – deficit of \$2.2 million

The following departments **have not** submitted fiscal projections and based on prior experience, will have an impact on the countywide deficit:

- County Clerk
- Elections Commission
- District Attorney

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 May 31, 2024 Period 5								
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	-	-	-	429,641	430,489	848	848
109	Office of Equity	-	-	-	1,012,942	1,074,545	61,602	61,602
110	County Executive	-	-	-	1,034,620	1,042,986	8,366	8,366
112	Personnel Review Board	-	-	-	243,490	273,851	30,361	30,361
113	Corporation Counsel	(297,870)	(297,870)	-	1,542,048	1,673,518	131,469	131,469
114	Human Resources	(6,000)	(6,000)	-	6,985,846	6,993,949	8,104	8,104
115	Dept of Administrative Services	(9,741,688)	(9,722,301)	19,387	46,773,407	46,732,384	(41,022)	(21,636)
118	Strategy, Budget, and Performance	-	-	-	3,118,822	3,159,054	40,232	40,232
200	Combined Court Related Operations	(13,201,185)	(12,540,412)	660,773	30,262,198	30,665,521	403,323	1,064,096
290	Courts - Pre-Trial Services	(935,505)	(927,495)	8,010	8,137,480	8,194,933	57,453	65,463
301	Election Commission	(85,750)	(85,750)	-	1,082,861	1,082,861	-	-
309	County Treasurer	(2,034,287)	(2,030,000)	4,287	997,592	996,577	(1,016)	3,272
327	County Clerk	(476,170)	(476,170)	-	1,496,195	1,496,195	-	-
340	Register of Deeds	(4,049,899)	(4,048,300)	1,599	1,421,974	1,421,974	-	1,599
370	Office of the Comptroller	(143,000)	(143,000)	-	5,795,829	5,795,829	-	-
400	Sheriff	(10,309,714)	(10,031,561)	278,153	68,466,882	61,112,078	(7,354,804)	(7,076,651)
430	Community Reintegration Center	(3,723,844)	(4,461,333)	(737,489)	65,192,016	61,355,496	(3,836,520)	(4,574,009)
450	District Attorney	(8,084,424)	(8,084,424)	-	16,411,966	16,411,966	-	-
480	Emergency Management	(3,683,176)	(5,059,303)	(1,376,127)	12,081,303	13,382,323	1,301,020	(75,106)
490	Medical Examiner	(4,808,393)	(4,808,393)	-	6,753,806	6,782,123	28,316	28,316
509	Transportation Services	(1,945,053)	(1,990,053)	(45,000)	2,305,907	2,397,702	91,795	46,795
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	(164,065,516)	(161,246,177)	2,819,339	206,792,578	205,357,463	(1,435,115)	1,384,224
900	Department of Parks	(26,123,853)	(24,674,638)	1,449,215	54,463,422	52,103,422	(2,360,000)	(910,785)
950	Zoological Department	(23,042,322)	(23,042,322)	-	24,973,680	24,973,680	-	-
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)	-	110,739,519	113,590,746	2,851,227	2,851,227
1945	Contingency	-	-	-	1,520,240	6,146,082	4,625,842	4,625,842
1950	Fringe Benefits	(66,291,596)	(66,291,596)	-	221,708,197	219,508,197	(2,200,000)	(2,200,000)
1972	Wage/Benefit Supplemental	-	-	-	2,947,538	1,927,923	(1,019,615)	(1,019,615)
199	Parks Non-Departmental	-	-	-	2,779,688	2,779,688	-	-
Total General Fund		(847,878,731)	(847,296,585)	303,993	716,699,171	706,684,945	(10,014,226)	(9,432,080)
Other Funds								
116	Information Management Services	(1,210,038)	(1,210,038)	-	17,101,983	17,101,983	-	-
117	Risk Management	-	-	-	11,793,396	11,810,767	17,372	17,372
504	DOT - Airport Division	(100,093,067)	(98,981,905)	1,111,162	100,093,067	98,981,905	(1,111,162)	-
530	DOT - Fleet Management	(22,200,970)	(21,949,495)	251,475	21,863,514	21,742,720	(120,794)	130,681
560	DOT - Transit/Paratransit System	(120,048,644)	(120,048,644)	-	147,620,560	147,620,560	-	-
550	DAS - Utility	-	-	-	-	-	-	-
630	Behavioral Health Division	(157,973,445)	(185,053,771)	(27,080,326)	209,510,708	234,579,805	25,069,097	(2,011,229)
996	Debt Retirement and Interest	(12,815,031)	(12,815,031)	-	49,792,698	49,792,698	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-
120	Capital Improvements	(91,984,265)	(91,984,265)	-	299,044,958	299,044,958	-	-
Total Other Funds		(505,115,422)	(530,833,111)	(25,717,689)	839,718,900	863,573,413	23,854,512	(1,863,177)
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)		(1,355,684,712)	(1,380,820,255)	(25,413,696)	1,559,138,123	1,572,978,409	13,840,286	(11,295,257)
Less Expendable Trusts								-
Contribution (to)/from Behavioral Health Reserves								2,011,229
Total Projected Surplus (Deficit) - with Contingency								(9,284,028)
Total Projected Surplus (Deficit) - without Contingency								(13,909,870)

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)
File #24-500 Lapse Projects to DSR	\$ 2,688,442
2024 Projected Balance	\$ 126,058,256

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
File #24-525 External Audit of the Milwaukee County Jail	\$ (196,512)
Current Available Balance	\$ 1,323,728

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 on Equity (Agency 109) *\$0.1 million surplus*

The Office on Equity is anticipating a surplus in commodities and services.

Corporation Counsel (Agency 113) *\$0.1 million surplus*

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

Department of Administrative Services (Agency 115) *Breakeven*

The Department of Administrative Services has reduced its deficit to \$22,000 from \$88,000. This deficit is largely driven by higher than budgeted electricity and steam costs within Facilities Management, revenue estimated below budget for A&E internal charges, and salary deficits within the administration division. Offsetting these deficits are salary savings throughout the divisions as well as parking revenue surplus in Economic Development.

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

The DAS-IMSD reduced its projected deficit of \$0.7 million to a breakeven status. The department expects to reduce its deficit by holding positions vacant and mitigating increases in contract costs throughout the year.

Combined Court Related Operations (Agency 200) *\$1.1 million surplus*

The Courts is projecting a surplus largely due to a surplus in investment earnings, federal IV-D revenue, and charges for services. The department also anticipates a surplus in personnel which is offsetting significant deficits in legal and adversary counsel fees.

Pretrial Services (Agency 290) *\$0.1 million surplus*

Pretrial Services is projecting a surplus in personnel services.

Office of the Sheriff (Agency 400) *(\$7.1 million deficit)*

The Office of the Sheriff is currently projecting a deficit of \$7.1 million, which is up \$1.2 million since the April report. The deficit is largely due to an anticipated overtime deficit of \$7.6 million and social security deficit of \$0.6 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 \$0.3 million. Revenues are anticipated to surplus by \$0.3 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) *(\$4.6 million deficit)*

The Community Reintegration Center is projecting a deficit of \$4.6 million, up \$0.3 million since the April report. This deficit is comprised of a revenue deficit from lower State sanction revenue of \$0.8 million and expenditure deficits from salary of \$0.4 million, overtime of \$1.1 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 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) *\$1.4 million surplus*

The Department of Health and Human Services is projecting a surplus of \$2.1 million in Children, Youth, and Family Services due to a lower average daily population of youth in state-run facilities than was budgeted for. This surplus is offsetting deficits in Aging and Disability Services of \$0.3 million which is due to increased placement costs in adult protective services and Housing of \$0.7 million which is due to increased expenditures for Hillview and for the DV Bonus grant being overspent.

Department of Parks (Agency 900) *(\$0.9 million deficit)*

The Department of Parks is projecting a deficit of \$0.9 million due largely to salary variances, and unbudgeted increases in the golf cart contract and bank fees. Revenues are trending over budget and are projected to surplus by \$1.4 million. These revenue surpluses are due to golf-related revenues and concession revenue. These revenue surpluses are offsetting a projected salary deficit of \$2.1 million which is based on current trends in seasonal staffing and anticipated deficits in commodities and services of \$0.3 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)

(\$2.2 million deficit)

The Office of the Comptroller monitors fringe benefit expenditures, including healthcare and pharmacy claims, paid by the County. Year-to-date, healthcare claim costs are up 6.3%. For pharmacy claims costs, claims costs for post-65 retirees were up over 11% and claims costs for pre-65 retirees and actives were up over 14.7%. If these trends continue through the end of the year, the deficit will likely increase to over \$6.0 million in the following months.

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

Although sales tax for the month of March came in 14.4% over March of 2023, sales tax for April again dipped over April of 2023 by 13.22%, which creates a gap of roughly \$2.7 million that must be covered by “surplus” collections in May through December. With 3 of the 4 months of collections received coming in below 2023, it is becoming more likely that future months will continue to create of deficit that will fall to the County’s bottom line. The Comptroller will continue to monitor and provide a deficit projection in the upcoming reports.

Milwaukee County
Cummulative 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	-	-	-	-	848								
109	Office of Equity	-	-	-	-	61,602								
110	County Executive	-	-	43,149	45,041	8,366								
112	Personnel Review Board	-	88,564	37,323	27,429	30,361								
113	Corporation Counsel	-	-	81,201	67,438	131,469								
114	Human Resources	-	-	-	8,962	8,104								
115	Dept of Administrative Services	-	-	1,825	(88,112)	(21,636)								
118	Strategy, Budget, and Performance	-	-	3,684	-	40,232								
200	Combined Court Related Operations	-	-	-	-	1,064,096								
290	Courts - Pre-Trial Services	-	-	-	-	65,463								
301	Election Commission	NR	NR	NR	NR	NR								
309	County Treasurer	NR	NR	NR	NR	3,272								
327	County Clerk	NR	NR	NR	NR	NR								
340	Register of Deeds	1,466	1,657	1,601	1,800	1,599								
370	Office of the Comptroller	-	-	-	-	-								
400	Sheriff	-	-	(5,514,773)	(5,898,073)	(7,076,651)								
430	Community Reintegration Center	(2,630,650)	(2,676,605)	(4,030,855)	(4,230,855)	(4,574,009)								
450	District Attorney	NR	NR	NR	NR	NR								
480	Emergency Management	-	-	(27,901)	(52,721)	(75,106)								
490	Medical Examiner	-	-	(46)	3,453	28,316								
509	Transportation Services	-	(11,039)	(11,135)	50,345	46,795								
510	DOT - Highway Maintenance	-	-	-	-	-								
580	DOT - Admin Div	-	-	-	-	-								
800	Department of Human Services	-	-	249,578	514,013	1,384,224								
900	Department of Parks	-	-	-	-	(910,785)								
950	Zoological Department	-	-	-	-	-								
970	Milwaukee Public Museum	-	-	-	-	-								
991	University Extension	-	(606)	134	134	134								
Non-Departmentals														
190	Revenue Non-Departmental	-	-	(2,500,000)	(2,500,000)	(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	5,051,227	2,851,227								
1945	<i>Contingency</i>	6,443,687	5,984,196	4,625,842	4,625,842	4,625,842								
1950	<i>Fringe Benefits</i>	-	-	-	-	(2,200,000)								
1972	<i>Wage/Benefit Supplemental</i>	(1,019,615)	(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	17,372								
504	DOT - Airport Division	-	-	-	-	-								
530	DOT - Fleet Management	-	24,970	24,970	83,074	130,681								
560	DOT - Transit/Paratransit System	-	-	44,634	-	-								
550	DAS - Utility	-	-	-	-	-								
630	Behavioral Health Division	-	-	3,875,950	2,839,291	(2,011,229)								
996	Debt Retirement and Interest	-	-	-	-	-								
50004	COVID Expendable Funds	-	-	-	-	-								
10024	COVID Expendable Funds	-	-	-	-	-								
120	Capital Improvements	-	-	-	-	-								

NR=No Report