



Office of the Comptroller

# Milwaukee County

Scott B. Manske • Comptroller

DATE: June 16, 2020

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

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

SUBJECT: Fiscal Report of April 2020 for Milwaukee County

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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.

## 2020 Year-end Projection

Based on financial results through April 30, 2020, prior monthly reports submitted by departments and known projected actions, Milwaukee County's projected 2020 year-end fiscal status is a ***\$24.0 million deficit***.

Period	Projected Year End Position	Annual Projection	Change from Prior Projection
April 2020	Deficit	(\$24.0 million)	\$10,000,000
March 2020	Deficit	(\$34.0 million)	n/a

This projection is based on the most current reports from departments and best estimates of countywide revenue impacts.

- Based on reports received, some departmental projections may not assume anticipated savings from the Fiscal Actions Administrative Order 20-9v1 for this report.
- Most departmental projections do not assume potential revenue offsets that may become available to offset COVID-19 related expenditures. For purposes of this report, an estimate of possible revenue offsets is discussed separately.
- The true revenue impacts in most departments will not become fully estimable until additional time has passed and departments are both able to resume revenue-generating operations and determine the effects of COVID-19 on those operations.

The departments in the following table have projected a year-end operating surplus or deficit. Departments not listed are currently reporting a break-even. Taken together with non-departmental surpluses and deficits, the County is currently in a deficit.

<b>April 2020</b>		
<b>Departments in Surplus</b>		
	<b>Deficit</b>	<b>Surplus</b>
Corporation Counsel		\$141,607
Human Resources		\$737,882
DAS		\$2,263,330
DAS-Risk Management		\$192,076
DAS-IMSD		\$1,103,695
Register of Deeds		\$246,879
Comptroller		\$175,000
District Attorney		\$569,436
Aging		\$521,475
DHHS		\$950,285
All Others		\$124,513
<i>Subtotal</i>		<b>\$7,026,178</b>
<b>Departments in Deficit</b>		
	<b>Deficit</b>	<b>Surplus</b>
Courts	(\$427,763)	
Child Support	(\$51,767)	
Treasurer	(\$484,435)	
Sheriff	(\$417,215)	
House of Correction	(\$2,775,758)	
Emergency Management	(\$431,917)	
Medical Examiner	(\$207,053)	
Parks	(\$2,368,331)	
Zoo	(\$5,608,254)	
Utility	(\$885,817)	
<i>Subtotal</i>	<b>(\$13,658,310)</b>	
<b>Non-Departmental Surpluses and Deficits</b>		
	<b>Deficit</b>	<b>Surplus</b>
Land Sale		\$4,300,000
Contingency		\$5,597,881
Fringe Benefits		\$6,000,000
All Others		\$850,000
Potawatomi Revenue	(\$1,565,039)	
Wage and Benefit Mods	(\$1,124,683)	
Property Taxes	(\$9,000,000)	
Sales Tax	(\$20,000,000)	
Froedtert Revenue	(\$2,250,000)	
<i>Subtotal</i>	<b>(\$33,939,722)</b>	<b>\$16,747,881</b>
<b>Grand Totals</b>	<b>(\$47,598,032)</b>	<b>\$23,774,059</b>
<b>Deficit / Surplus</b>	<b>(\$23,828,971)</b>	

The current deficit estimate of \$24.0 million includes various expenditures which are likely eligible for reimbursement through Cares or FEMA revenues. While these expenditures are still being reviewed, it is possible that the items in the table below (which are included in the current estimate) could be reimbursable. Barring any significant changes in future months, reimbursable expenditures could exceed the current deficit which would then put the County in a surplus position.

<b>Estimated Expenditures w/Cares and FEMA Offsets (Under Review)</b>	
PPE, Cleaning and Current Sanitation	\$2,200,000
COVID Leave and Hazard Pay through 4/18/20	\$3,700,000
COVID Leave and Hazard Pay through 12/31/20	\$1,000,000
COVID Healthcare Expenses	\$250,000
EOC/UEOC Staff Time	\$1,000,000
OEM/EMS Direct COVID Work and Contracts	\$925,000
COVID Tracked Work Time	\$550,000
Sheriff COVID-related Expenses	\$200,000
IMSD Telecommuting Support	\$500,000
Unemployment and Workers Compensation	\$150,000
HOC and Jail COVID-related	\$8,800,000
Medical Examiner Temporary Morgue/Death Investigations	\$300,000
Electronic Monitoring Expansion – Pretrial Services	\$500,000
Administrative Overhead on COVID Time	\$5,000,000
Additional Land Sale Revenue	\$1,000,000
<b>Total</b>	<b>\$25,750,000</b>
<b>Other Potential Offsets to the Deficit</b>	
Transit Tax Levy Offset	\$12,000,000
Debt Service Reserve	\$52,500,000

#### **Debt Service Reserve Activity and Projected Balance for 2020**

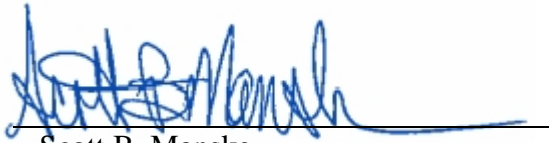
<b>2020 Starting Balance</b>	\$ 39,092,165
<b>2020 Activity</b>	
2019 Year End Surplus	\$ 17,000,000
2020 Budget Commitment	\$ (3,598,267)
<b>2020 Projected Balance</b>	<b>\$ 52,493,898</b>

The following attachments provide further detail:

- Attachment A: Summary of Contingency Fund
- Attachment B: provides narrative explanations of deficits and surpluses in excess of \$100,000 or other items of interest.
- Attachment C: provides the projected surplus or deficit for 2020 by fund and agency and by percentage of budget spent.
- Attachment D: Impact of COVID-19 on Bond Ratings

**Committee Action**

This is an informational report only.



Scott B. Manske  
Comptroller



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

cc: Supervisor Jason Haas, Chairman, Finance & Audit Committee  
Finance & Audit Committee  
Joseph Lamers, Director, Department of Administrative Services - PSB  
Shanin Brown, Committee Coordinator, County Clerk  
Stephen Cady, Research Director, Office of the Comptroller

**Contingency Fund as of June 16, 2020**

<b>Unallocated Contingency Fund</b>	
<b>2020 Adopted Balance</b>	<b>\$ 4,355,575</b>
<i>Approved Actions</i>	
Parks Amenities Matching Fund (sPark) (File 20-128)	\$ (100,000)
Voter registration and education outreach (File 20-146)	\$ (50,000)
To new Capital Project WO72101-Laptops COVID-19 Emergency (File 20-288)	\$ (500,000)
To new Capital Project WO72001-COVID-19 Emergency (File 20-288)	\$ (500,000)
From Capital Project WO546-Enterprise Platform Modernization Phase 2 (File 20-286)	\$ 1,730,000
To Org. 1172 DAS-IMSD-Mainframe (File 20-286)	\$ (1,120,000)
To Org. 1921 HR & Payroll Systems for Ceridian upgrade & full year of services (File 20-286)	\$ (610,000)
Capital Project W087001-Special Assessments municipalities levy on County for improvements (File 20-337)	\$ (80,000)
To Sheriff's Office for Cnty Exec & CB Security (File 20-387 as amended)	\$ (127,694)
From WO72101-Laptops COVID-19 Emergency (File 20-335 as amended)	\$ 500,000
From WO72001-COVID-19 Emergency (File 20-335 as amended)	\$ 500,000
<b>Current Available Balance</b>	<b>\$ 3,997,881</b>
<b>Allocated Contingency Fund</b>	
<b>2020 Adopted Balance</b>	<b>\$ 2,150,000</b>
<i>Allocated Items</i>	
Low-interest revolving loan for lead abatement 1A005	\$ 550,000
HOC dorm closure backup for electronic monitoring initiative 1A023	\$ 1,500,000
Repair lakefront paths if high water/freezing 1A029	\$ 100,000
<i>Approved Actions</i>	
Milwaukee County Lead Remediation Low Interest Loan Program (File 20-121)	\$ (550,000)
<b>Current Available Balance</b>	<b>\$ 1,600,000</b>

## DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2020

**Corporation Counsel (Org 1130)** *\$0.1 million surplus*

Surplus is a result of salary savings.

**Human Resources (Org 1140)** *\$0.7 million surplus*

Savings are a result of salary savings, personnel contract savings, and cancellation of the reception area remodel.

**DAS (Org 1151)** *\$2.3 million surplus*

DAS is projecting a savings largely due to vacancies, reduced contractual costs due to the Fiscal Actions Administrative Order 20-9 and reduced technology spend.

**DAS-Risk Management (Org 1150)** *\$0.2 million surplus*

Costs related to workers compensation were lower in 2019 than originally anticipated, resulting in additional savings for 2020. It is anticipated that workers compensation costs related to COVID-19 will be reimbursable with federal stimulus funding.

**DAS-Information Management Services Division (Org 1160)** *\$1.1 million surplus*

Expenditures are reduced due to the fiscal administrative order, resulting in vacancy and training savings.

**Courts (Org 2000)** *(\$0.4 million deficit)*

Courts is currently anticipating a deficit due to an anticipated shortfall in child support funding.

**Treasurer (Org 3090)** *(\$0.5 million deficit)*

The Treasurer is projecting a deficit for 2020 due to a shortfall in interest and penalties collected on delinquent tax accounts.

**Register of Deeds (Org 3400)** *\$0.2 million surplus*

The Register of Deeds is projecting a surplus for 2020 largely due to personnel and contractual savings achieved from Fiscal Actions Administrative Order 20-9.

**Comptroller (Org 3700)** *\$0.2 million surplus*

The Comptroller is projecting a surplus for 2020 due to personnel savings achieved from Fiscal Actions Administrative Order 20-9.

**Sheriff (Org 4000)**

***(\$0.4 million deficit)***

The MCSO has decreased its deficit projection from a \$1.3 million deficit to a \$0.4 million deficit. The MCSO revenue deficit has increased from \$0.4 million to \$0.7 million and is largely due to various revenue impacts related to the pandemic. Citation, forfeiture, process service and foreclosure revenues are all expected to be less than budget. Inmate telephone revenue is also expected to be less than budget due to a lower ADP and free weekly calls provided to inmates. Overtime expenditures are expected to exceed budget by \$5.1 million, offset by salary savings of \$2.5 million. A portion of the deficit is anticipated to be offset by salary dollars funded centrally and by federal stimulus funding for expenses already incurred.

**House of Correction (Org 4300)**

***(\$2.8 million deficit)***

The HOC has reduced its deficit projection by \$1.2 million, from \$4.0 million to \$2.8 million. Revenues in the House of Correction for housing sanction and DAI inmates will likely not be fully achieved, but the deficit is not as large as previously projected due to the likely return of DAI inmates to the HOC soon. The HOC is also projecting less of a deficit in overtime. Staff at the HOC, DAS-Fiscal Affairs and the Comptroller anticipate that costs related to COVID-19 will be reimbursable with federal stimulus funding and are working to develop a cost allocation plan to determine what portion of expenses could be covered. Part of the \$2.8 million deficit is due to supplies in the amount of roughly \$1.3 million which is anticipated to be reimbursed and included in the estimates below.

**District Attorney (Org 4500)**

***\$0.6 million surplus***

The District Attorney is anticipating a surplus due largely to salary and social security savings from furloughs, which is offset by unrealized revenue due to the lack of expenditures.

**Office of Emergency Management (Org 4800)**

***(\$0.4 million deficit)***

The Medical Examiner is anticipating a shortfall in revenue as well as expenditures that exceed budget. It is anticipated that a portion of the expenditures will be offset by Cares revenue, reducing the deficit in this department.

**Medical Examiner (Org 4900)**

***(\$0.2 million deficit)***

The Medical Examiner is anticipating a shortfall in revenue as well as expenditures that exceed budget. It is anticipated that a portion of the expenditures will be offset by Cares revenue, reducing the deficit in this department.

**DAS-Utility (Org 5500)**

***(\$0.9 million deficit)***

The deficit is a result of budgeted revenue relating to the fire charge. Revenue is offset in a non-departmental resulting in no impact to the bottom line.

**DOT-Transit (Org 5600)**

***Breakeven***

Although DOT-Transit is being reported as a breakeven, current projections indicate an \$11.2 million revenue loss due to fare abatements the past few months. Transit has received additional federal

revenue that will offset this deficit and other unbudgeted expenditures. Transit is also projecting a surplus due to Paratransit which is offsetting the revenue loss.

**Behavioral Health Division (Org 6300)** *(\$7.5 million deficit)*  
*\$7.5 million reserve*

The Behavioral Health Division is largely assuming a deficit due to an estimated \$4.5 million in capital improvements the division is required to make. This estimate also includes a \$2.0 million reduction in tax levy requested by the administration to offset the countywide deficit.

**Department on Aging (Org 7900)** *\$0.5 million surplus*

Aging is anticipating a surplus due to unanticipated funding of senior center services that have been reconfigured due to COVID-19 and are now eligible for reimbursement.

**Department of Health and Human Services (Org 8000)** *\$1.0 million surplus*

DHHS is has increased its projected surplus from \$0.8 million to \$1.0 million. These savings are a result of vacancy and contractual savings anticipated.

**Department of Parks (Org 9000)** *(\$2.4 million deficit)*

The Parks Department has reduced its deficit projection from \$4.2 million to \$2.4 million, which largely changed due to increased expenditure savings. Many of Parks revenue-generating operations have been halted or delayed, resulting in severe revenue losses. These losses are offset by personnel savings of \$3.5 million. Other expenditure savings include contractual service reductions of \$0.8 million, commodities savings of \$0.5 million and major maintenance savings of \$0.9 million.

**Zoological Department (Org 9500)** *(\$5.6 million deficit)*

The Zoo is anticipating a revenue loss of \$7.7 million, reflecting about 50 percent loss of revenue during June and July, with revenue continuing to be below budget for the remainder of the year although at a lower percentage. These losses are offset with expenditure savings of \$2.1 million for a net deficit of \$5.6 million.

**Land Sale (Org 1933)** *\$4.3 million surplus*

Land sales in the amount of \$4.3 have been completed in 2020 resulting in surplus revenue.

**Potawatomi Revenue (Org 1937)** *(\$1.6 million deficit)*

Potawatomi revenue is based on a Class III Net Win during the period July 1, 2019 to June 30, 2020. This deficit is based on an assumption that the casino was closed from mid-March through the end of the period which will result in less revenue to the County.

**Appropriation for Contingency (Org 1945)** *\$5.6 million surplus*



The current projection for the Appropriation for Contingency assumes that the entire \$5.6 million of the current contingency appropriation (both allocated and unallocated) is not spent and is used to offset departmental and non-departmental deficits.

**Fringe Benefits (Org 1950)**

***\$6.0 million surplus***

Fringe benefits is anticipated to surplus in 2020, but since a portion of that surplus is budgeted in departments with revenue offsets and in the Behavioral Health Division, not all surplus is available to offset the bottom line. At this time, roughly \$6.0 million of the total surplus is expected to fall to the bottom line.

**Wage and Benefit Modifications (Org 1972)**

***(\$1.1 million deficit)***

The 2020 Adopted Budget included a centralized vacancy and turnover reduction of \$1.1 million. This reduction will need to be offset by additional savings in departmental personnel expenditures.

**Property Taxes (Org 1991)**

***(\$9.0 million deficit)***

In August of each year, the County settles any outstanding property taxes with each municipality except for the City of Milwaukee. It is anticipated that the level of unpaid property taxes will increase from the average outstanding amount resulting in a direct impact to the County's bottom line.

**Sales Tax (Org 1996)**

***(\$20.0 million deficit)***

Milwaukee County sales tax is currently projected to decline by \$20 million or by approximately 25% compared to the 2020 Adopted Budget. There is an approximately three-month lag time between the date a sales tax transaction occurs and the date that Milwaukee County receives its 0.5% share of the payment which is distributed through the State of Wisconsin. This means that the County will not begin to see the actual COVID-19 impacts on sales tax receipts until June and July. In the absence of actual disbursement data, various indicators were considered to make an initial projection. As a starting point, the Great Recession resulted in a 12% sales tax decline between 2008 and 2009. While this provides an initial benchmark, sales tax losses in 2020 are expected to be far more severe. For example, taxable retail sales in the United States were reported by the U.S. Census to be down by over 13% in the month of March, while economic activity was heavily impacted by COVID-19 for roughly one-half month. Hotel stays in Milwaukee are reportedly at 20% occupancy. Large events such as concerts and professional sporting events are cancelled or postponed. An estimated \$20 million loss in sales tax is an initial estimate which will be updated on a monthly basis going forward as more data becomes available.

**Froedtert Revenue (Org 9960)**

***(\$2.3 million deficit)***

Froedtert revenue is budgeted at \$10.0 million for 2020. The revenue is based on Froedtert's fiscal cycle which is July 1 – June 30. Given the pandemic, it is likely that the revenue will be less in 2020. The Comptroller is including this estimate until further information is obtained.

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of April 30, 2020 Period 4 BY DEPARTMENT								
		2020 Projected Revenues	2020 Budgeted Net Revenues	Revenue Variance	2020 Projected Expenditures	2020 Budgeted Net Expenditures	Expense Variance	Surplus (Deficit)
<b>Legislative, Executive &amp; Staff</b>								
1000	County Board	-	-	-	1,210,644	1,210,644	-	-
1011	County Executive - General Office	-	-	-	856,980	856,980	-	-
1021	Veterans Service	13,000	13,000	-	262,890	262,890	-	-
1020	Governmental Relations	-	-	-	246,017	246,017	-	-
1091	Office of African American Affairs	-	-	-	1,216,324	1,297,837	81,513	81,513
1120	Personnel Review Board	-	-	-	400,178	443,178	43,000	43,000
1130	Corporation Counsel	200,000	200,000	-	1,181,908	1,323,515	141,607	141,607
1140	Human Resources	6,200	6,200	-	4,653,735	5,391,617	737,882	737,882
1151	Dept of Administrative Services	12,536,945	13,265,302	(728,357)	38,751,294	41,742,981	2,991,687	2,263,330
1150	DAS - Risk Management	-	-	-	10,054,205	10,246,281	192,076	192,076
1160	DAS - Information Management Service	347,389	398,600	(51,211)	15,763,405	16,918,311	1,154,906	1,103,695
5500	DAS - Utility	1,350,867	4,198,401	(2,847,534)	2,484,937	4,446,654	1,961,717	(885,817)
3010	Election Commission	80,750	80,750	-	1,019,588	1,019,588	-	-
3090	County Treasurer	1,791,605	2,388,884	(597,279)	792,958	905,802	112,844	(484,435)
3270	County Clerk	547,696	547,696	-	901,858	901,858	-	-
3400	Register of Deeds	4,544,128	4,586,500	(42,372)	1,166,445	1,455,696	289,251	246,879
3700	Office of the Comptroller	327,180	327,180	-	4,486,475	4,661,475	175,000	175,000
	<b>Total Legislative, Executive &amp; Staff</b>	<b>21,745,760</b>	<b>26,012,513</b>	<b>(4,266,753)</b>	<b>85,449,841</b>	<b>93,331,324</b>	<b>7,881,483</b>	<b>3,614,731</b>
<b>Courts and Judiciary</b>								
2000	Combined Court Related Operations	10,991,932	11,419,695	(427,763)	29,597,603	29,597,603	-	(427,763)
2430	Dept. of Child Support Enforcement	17,438,274	17,871,146	(432,872)	19,942,290	20,323,395	381,105	(51,767)
2900	Courts - Pre-Trial Services	435,027	435,027	-	5,488,383	5,488,383	-	-
	<b>Total Courts and Judiciary</b>	<b>28,865,233</b>	<b>29,725,868</b>	<b>(860,635)</b>	<b>55,028,276</b>	<b>55,409,381</b>	<b>381,105</b>	<b>(479,530)</b>
<b>Public Safety</b>								
4000	Sheriff	11,672,797	12,412,618	(739,821)	47,289,635	47,612,241	322,606	(417,215)
4300	House of Correction	4,218,534	7,495,233	(3,276,699)	50,781,916	51,282,857	500,941	(2,775,758)
4500	District Attorney	6,101,665	6,584,103	(482,438)	11,909,160	12,961,034	1,051,874	569,436
4800	Emergency Management	1,081,957	1,547,066	(465,109)	7,817,046	7,850,238	33,192	(431,917)
4900	Medical Examiner	2,950,019	3,003,923	(53,905)	4,482,193	4,329,045	(153,148)	(207,053)
	<b>Total Public Safety</b>	<b>26,024,972</b>	<b>31,042,943</b>	<b>(5,017,971)</b>	<b>122,279,950</b>	<b>124,035,415</b>	<b>1,755,465</b>	<b>(3,262,506)</b>
<b>Department of Transportation</b>								
5040	DOT - Airport Division	90,820,121	100,379,334	(9,559,213)	90,420,563	99,979,776	9,559,213	-
5090	DOT - Transportation Services	1,794,622	1,794,622	-	2,081,845	2,081,845	-	-
5100	DOT - Highway Maintenance	22,821,936	23,213,310	(391,374)	23,200,028	23,591,402	391,374	-
5300	DOT - Fleet Management	15,315,713	15,815,713	(500,000)	14,339,125	14,839,125	500,000	-
5600	DOT - Transit/Paratransit System	122,087,466	112,887,466	9,200,000	135,113,943	125,913,943	(9,200,000)	-
5800	DOT - Admin Div	3,473,277	3,473,277	-	3,151,370	3,151,370	-	-
	<b>Total Transportation</b>	<b>256,313,135</b>	<b>257,563,722</b>	<b>(1,250,587)</b>	<b>268,306,874</b>	<b>269,557,461</b>	<b>1,250,587</b>	<b>-</b>

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of April 30, 2020 Period 4 BY DEPARTMENT								
		2020	2020		2020	2020		
		Projected	Budgeted Net	Revenue	Projected	Budgeted Net	Expense	Surplus
		Revenues	Revenues	Variance	Expenditures	Expenditures	Variance	(Deficit)
<b>Health &amp; Human Services</b>								
6300	Behavioral Health Division	163,272,372	162,472,372	800,000	228,005,121	219,705,121	(8,300,000)	(7,500,000)
7900	Department on Aging	20,043,709	18,024,028	2,019,681	21,864,563	20,366,357	(1,498,206)	521,475
8000	Department of Human Services	92,254,953	94,252,015	(1,997,062)	125,826,006	128,773,353	2,947,347	950,285
<b>Total Health &amp; Human Services</b>		<b>275,571,034</b>	<b>274,748,415</b>	<b>822,619</b>	<b>375,695,690</b>	<b>368,844,831</b>	<b>(6,850,859)</b>	<b>(6,028,240)</b>
<b>Parks, Recreation &amp; Culture</b>								
9000	Department of Parks	12,048,698	20,097,416	(8,048,718)	32,382,979	38,063,366	5,680,387	(2,368,331)
9500	Zoological Department	10,185,028	17,905,058	(7,720,030)	15,148,563	17,260,339	2,111,776	(5,608,254)
9700	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
9910	University Extension	100,000	100,000	-	471,972	471,972	-	-
<b>Total Parks, Recreation &amp; Culture</b>		<b>22,333,726</b>	<b>38,102,474</b>	<b>(15,768,748)</b>	<b>51,503,514</b>	<b>59,295,677</b>	<b>7,792,163</b>	<b>(7,976,585)</b>
<b>Non-Departmental's</b>								
1945	Contingency	-	-	-	-	5,597,881	5,597,881	5,597,881
1950	Fringe Benefits	123,315,093	123,315,093	-	219,836,423	225,836,423	6,000,000	6,000,000
1972	Wage and Benefit Modifications	-	-	-	-	(1,124,683)	(1,124,683)	(1,124,683)
1992	Earnings on Investments	5,934,456	5,934,456	-	-	-	-	-
1996	Sales Taxes	55,142,024	75,142,024	(20,000,000)	-	-	-	(20,000,000)
	Other Revenue Non-Departmentals	334,122,197	343,837,236	(9,715,039)	-	-	-	(9,715,039)
	Parks Non-Departmentals	-	-	-	3,483,688	3,483,688	-	-
	Other Non-Departmental	(208,268,550)	(\$112,358,770)	(95,909,780)	(228,253,106)	(128,043,326)	100,209,780	4,300,000
1900'S	<b>Total Non-Departmental</b>	<b>310,245,220</b>	<b>435,870,039</b>	<b>(125,624,819)</b>	<b>(4,932,995)</b>	<b>105,749,983</b>	<b>110,682,978</b>	<b>(14,941,841)</b>
9960	<b>Debt Retirement and Interest</b>	<b>11,558,088</b>	<b>13,808,088</b>	<b>(2,250,000)</b>	<b>47,374,095</b>	<b>47,374,095</b>	<b>-</b>	<b>(2,250,000)</b>
1200-1899	<b>Capital Improvements</b>	<b>269,797,799</b>	<b>265,145,540</b>	<b>4,652,259</b>	<b>312,171,155</b>	<b>307,518,896</b>	<b>(4,652,259)</b>	<b>-</b>
<b>Expendable Trusts</b>								
FUND 3	Zoo Trust Funds	4,984	1,000,522	(995,538)	-	1,014,835	1,014,835	19,297
FUND 4	IMSD Expendable Trust	-	-	-	-	-	-	-
FUND 5	Parks Trust Funds	22	-	22	45,899	846,880	800,981	801,002
FUND 6	Office on Handicapped Trust Fund	-	-	-	-	-	-	-
FUND 7	Behaviorial Health Complex Trust Fund	-	-	-	-	17,200	17,200	17,200
FUND 8	Airport PFC	-	-	-	-	-	-	-
FUND 9	DAS -- Trust	-	-	-	-	-	-	-
FUND 10	DAS -- Trust	-	-	-	-	-	-	-
FUND 11	Fleet Facilities Reserve Trust	-	-	-	-	-	-	-
<b>Total Expendable Trusts</b>		<b>5,006</b>	<b>1,000,522</b>	<b>(995,516)</b>	<b>45,899</b>	<b>1,878,915</b>	<b>1,833,016</b>	<b>837,499</b>
<b>Projected Surplus (Deficit)</b>		<b>1,222,459,974</b>	<b>1,373,020,124</b>	<b>(150,560,150)</b>	<b>1,312,922,300</b>	<b>1,432,995,978</b>	<b>120,073,678</b>	<b>(30,486,472)</b>
<b>Reserves Expendable Trusts</b>								<b>(837,499)</b>
<b>Contribution from Behavioral Health Reserves</b>								<b>7,500,000</b>
<b>Total Projected Surplus (Deficit)</b>								<b>(23,823,971)</b>

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of April 30, 2020 Period 04 BY FUND								
		2020	2020		2020	2020		
		Projected	Budgeted Net	Revenue	Projected	Budgeted Net	Expense	Surplus
		Revenues	Revenues	Variance	Expenditures	Expenditures	Variance	(Deficit)
<b>General Fund Departments</b>								
1000	County Board	-	-	-	1,210,644	1,210,644	-	-
1011	County Executive	-	-	-	856,980	856,980	-	-
1021	Veterans Service	13,000	13,000	-	262,890	262,890	-	-
1020	Governmental Affairs	-	-	-	246,017	246,017	-	-
1091	Office of African American Affairs	-	-	-	1,216,324	1,297,837	81,513	81,513
1120	Personnel Review Board	-	-	-	400,178	443,178	43,000	43,000
1130	Corporation Counsel	200,000	200,000	-	1,181,908	1,323,515	141,607	141,607
1140	Human Resources	6,200	6,200	-	4,653,735	5,391,617	737,882	737,882
1151	Dept of Administrative Services	12,536,945	13,265,302	(728,357)	38,751,294	41,742,981	2,991,687	2,263,330
2000	Combined Court Related Operations	10,991,932	11,419,695	(427,763)	29,597,603	29,597,603	-	(427,763)
2430	Dept. of Child Support Enforcement	17,438,274	17,871,146	(432,872)	19,942,290	20,323,395	381,105	(51,767)
2900	Courts - Pre-Trial Services	435,027	435,027	-	5,488,383	5,488,383	-	-
3010	Election Commission	80,750	80,750	-	1,019,588	1,019,588	-	-
3090	County Treasurer	1,791,605	2,388,884	(597,279)	792,958	905,802	112,844	(484,435)
3270	County Clerk	547,696	547,696	-	901,858	901,858	-	-
3400	Register of Deeds	4,544,128	4,586,500	(42,372)	1,166,445	1,455,696	289,251	246,879
3700	Office of the Comptroller	327,180	327,180	-	4,486,475	4,661,475	175,000	175,000
4000	Sheriff	11,672,797	12,412,618	(739,821)	47,289,635	47,612,241	322,606	(417,215)
4300	House of Correction	4,218,534	7,495,233	(3,276,699)	50,781,916	51,282,857	500,941	(2,775,758)
4500	District Attorney	6,101,665	6,584,103	(482,438)	11,909,160	12,961,034	1,051,874	569,436
4800	Emergency Management	1,081,957	1,547,066	(465,109)	7,817,046	7,850,238	33,192	(431,917)
4900	Medical Examiner	2,950,019	3,003,923	(53,905)	4,482,193	4,329,045	(153,148)	(207,053)
5090	Transportation Services	1,794,622	1,794,622	-	2,081,845	2,081,845	-	-
5100	DOT - Highway Maintenance	22,821,936	23,213,310	(391,374)	23,200,028	23,591,402	391,374	-
5800	DOT - Admin Div	3,473,277	3,473,277	-	3,151,370	3,151,370	-	-
7900	Department on Aging	20,043,709	18,024,028	2,019,681	21,864,563	20,366,357	(1,498,206)	521,475
8000	Department of Human Services	92,254,953	94,252,015	(1,997,062)	125,826,006	128,773,353	2,947,347	950,285
9000	Department of Parks	12,048,698	20,097,416	(8,048,718)	32,382,979	38,063,366	5,680,387	(2,368,331)
9500	Zoological Department	10,185,028	17,905,058	(7,720,030)	15,148,563	17,260,339	2,111,776	(5,608,254)
9700	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
9910	University Extension	100,000	100,000	-	471,972	471,972	-	-
	<b>Total General Fund</b>	<b>237,659,932</b>	<b>261,044,049</b>	<b>(23,384,117)</b>	<b>462,082,846</b>	<b>478,424,878</b>	<b>16,342,032</b>	<b>(7,042,085)</b>
<b>Other Funds</b>								
1150	Risk Management	-	-	-	10,054,205	10,246,281	192,076	192,076
1160	Information Management Services	347,389	398,600	(51,211)	15,763,405	16,918,311	1,154,906	1,103,695
5040	DOT - Airport Division	90,820,121	100,379,334	(9,559,213)	90,420,563	99,979,776	9,559,213	-
5300	DOT - Fleet Management	15,315,713	15,815,713	(500,000)	14,339,125	14,839,125	500,000	-
5600	DOT - Transit/Paratransit System	122,087,466	112,887,466	9,200,000	135,113,943	125,913,943	(9,200,000)	-
5500	DAS - Utility	1,350,867	4,198,401	(2,847,534)	2,484,937	4,446,654	1,961,717	(885,817)
6300	Behavioral Health Division	163,272,372	162,472,372	800,000	228,005,121	219,705,121	(8,300,000)	(7,500,000)
	<b>Total Other Funds</b>	<b>393,193,929</b>	<b>396,151,886</b>	<b>(2,957,957)</b>	<b>496,181,300</b>	<b>492,049,211</b>	<b>(4,132,089)</b>	<b>(7,090,046)</b>

Milwaukee County								
Annual Fiscal Report of Surplus/Deficit as of April 30, 2020 Period 04 BY FUND								
		2020	2020		2020	2020		
		Projected	Budgeted Net	Revenue	Projected	Budgeted Net	Expense	Surplus
		Revenues	Revenues	Variance	Expenditures	Expenditures	Variance	(Deficit)
<b>Non-Departmental's</b>								
1945	Contingency	-	-	-	-	5,597,881	5,597,881	5,597,881
1950	Fringe Benefits	123,315,093	123,315,093	-	219,836,423	225,836,423	6,000,000	6,000,000
1972	Wage and Benefit Modifications	-	-	-	-	(1,124,683)	(1,124,683)	(1,124,683)
1992	Earnings on Investments	5,934,456	5,934,456	-	-	-	-	-
1996	Sales Taxes	55,142,024	75,142,024	(20,000,000)	-	-	-	(20,000,000)
	Other Revenue Non-Departmentals	334,122,197	343,837,236	(9,715,039)	-	-	-	(9,715,039)
	Parks Non-Departmentals	-	\$0.00	-	3,483,688	3,483,688	-	-
	Other Non-Departmental	(208,268,550)	(\$112,358,770)	(95,909,780)	(228,253,106)	(128,043,326)	100,209,780	4,300,000
1900'S	<b>Total Non-Departmental</b>	<b>310,245,220</b>	<b>435,870,039</b>	<b>(125,624,819)</b>	<b>(4,932,995)</b>	<b>105,749,983</b>	<b>110,682,978</b>	<b>(14,941,841)</b>
9960	<b>Debt Retirement and Interest</b>	<b>11,558,088</b>	<b>13,808,088</b>	<b>(2,250,000)</b>	<b>47,374,095</b>	<b>47,374,095</b>	<b>-</b>	<b>(2,250,000)</b>
1200-1899	<b>Capital Improvements</b>	<b>269,797,799</b>	<b>265,145,540</b>	<b>4,652,259</b>	<b>312,171,155</b>	<b>307,518,896</b>	<b>(4,652,259)</b>	<b>-</b>
<b>Expendable Trusts</b>								
FUND 3	Zoo Trust Funds	4,984	1,000,522	(995,538)	-	1,014,835	1,014,835	19,297
FUND 4	IMSD Expendable Trust	-	-	-	-	-	-	-
FUND 5	Parks Trust Funds	22	-	22	45,899	846,880	800,981	801,002
FUND 6	Office on Handicapped Trust Fund	-	-	-	-	-	-	-
FUND 7	Behaviorial Health Complex Trust Funds	-	-	-	-	17,200	17,200	17,200
FUND 8	Airport PFC	-	-	-	-	-	-	-
FUND 9	DAS -- Trust	-	-	-	-	-	-	-
FUND 10	DAS -- Trust	-	-	-	-	-	-	-
FUND 11	Fleet Facilities Reserve Trust	-	-	-	-	-	-	-
	<b>Total Expendable Trusts</b>	<b>5,006</b>	<b>1,000,522</b>	<b>(995,516)</b>	<b>45,899</b>	<b>1,878,915</b>	<b>1,833,016</b>	<b>837,499</b>
	<b>Projected Surplus (Deficit)</b>	<b>1,222,459,974</b>	<b>1,373,020,124</b>	<b>(147,602,193)</b>	<b>1,312,922,300</b>	<b>1,432,995,978</b>	<b>124,205,767</b>	<b>(30,486,472)</b>
	<b>Reserves Expendable Trusts</b>							<b>(837,499)</b>
	<b>Contribution from Behavioral Health Reserves</b>							<b>7,500,000</b>
	<b>Total Projected Surplus (Deficit)</b>							<b>(23,823,971)</b>

Milwaukee County							
Annual Fiscal Report of % of Budgeted funds as of April 30, 2020							
		2020	2020	Revenue	2020	2020	
		Actual	Budgeted Net	%	Actual	Budgeted Net	Expenditure
		Revenues	Revenues		Expenditures	Expenditures	%
<b>Legislative, Executive &amp; Staff</b>							
1000	County Board	-	-	-	496,360	1,210,644	41.00%
1011	County Executive - General Office	-	-	-	386,695	856,980	45.12%
1021	Veterans Service	13,000	13,000	-	118,631	262,890	45.13%
1020	Governmental Affairs	-	-	-	92,976	246,017	37.79%
1091	Office of African American Affairs	-	-	-	299,464	1,297,837	23.07%
1120	Personnel Review Board	1	-	-	89,158	443,178	20.12%
1130	Corporation Counsel	1,000	200,000	0.50%	634,865	1,323,515	47.97%
1140	Human Resources	-	6,200	0.00%	2,368,915	5,391,617	43.94%
1151	Dept of Administrative Services	8,638,128	13,265,302	65.12%	15,149,718	41,742,981	36.29%
1150	DAS - Risk Management	-	-	0.00%	4,937,881	10,246,281	48.19%
1160	DAS - Information Management Services	120,440	398,600	30.22%	3,906,119	16,918,311	23.09%
5500	DAS - Utility	28,500	4,198,401	0.68%	406,704	4,446,654	9.15%
3010	Election Commission	153	80,750	0.19%	241,882	1,019,588	23.72%
3090	County Treasurer	791,369	2,388,884	33.13%	321,570	905,802	35.50%
3270	County Clerk	115,488	547,696	21.09%	418,243	901,858	46.38%
3400	Register of Deeds	1,889,356	4,586,500	41.19%	562,453	1,455,696	38.64%
3700	Office of the Comptroller	77,932	327,180	23.82%	2,074,268	4,661,475	44.50%
	<b>Total Legislative, Executive &amp; Staff</b>	<b>11,675,368</b>	<b>26,012,513</b>	<b>44.88%</b>	<b>32,505,903</b>	<b>93,331,324</b>	<b>34.83%</b>
<b>Courts and Judiciary</b>							
2000	Combined Court Related Operations	1,832,777	11,419,695	16.05%	11,372,974	29,597,603	38.43%
2430	Dept. of Child Support Enforcement	3,622,037	17,871,146	20.27%	6,929,171	20,323,395	34.09%
2900	Courts - Pre-Trial Services	879,188	435,027	202.10%	2,278,197	5,488,383	41.51%
	<b>Total Courts and Judiciary</b>	<b>6,334,001</b>	<b>29,725,868</b>	<b>21.31%</b>	<b>20,580,342</b>	<b>55,409,381</b>	<b>37.14%</b>
<b>Public Safety</b>							
4000	Sheriff	2,561,621	12,412,618	20.64%	22,383,187	47,612,241	47.01%
4300	House of Correction	1,115,988	7,495,233	14.89%	17,928,926	51,282,857	34.96%
4500	District Attorney	570,062	6,584,103	8.66%	5,172,418	12,961,034	39.91%
4800	Emergency Management	48,915	1,547,066	3.16%	3,660,394	7,850,238	46.63%
4900	Medical Examiner	629,604	3,003,923	20.96%	2,018,613	4,329,045	46.63%
	<b>Total Public Safety</b>	<b>4,926,190</b>	<b>31,042,943</b>	<b>15.87%</b>	<b>51,163,537</b>	<b>124,035,415</b>	<b>41.25%</b>
<b>Department of Transportation</b>							
5040	DOT - Airport Division	25,630,134	100,379,334	25.53%	21,600,253	99,979,776	21.60%
5090	DOT - Transportation Services	637,424	1,794,622	35.52%	722,805	2,081,845	34.72%
5100	DOT - Highway Maintenance	1,044,575	23,213,310	4.50%	9,239,016	23,591,402	39.16%
5300	DOT - Fleet Management	6,225,643	15,815,713	39.36%	7,148,403	14,839,125	48.17%
5600	DOT - Transit/Paratransit System	9,902,623	112,887,466	8.77%	41,587,051	125,913,943	33.03%
5800	DOT - Admin Div	971,567	3,473,277	27.97%	(70,617)	3,151,370	-2.24%
	<b>Total Transportation</b>	<b>44,411,966</b>	<b>257,563,722</b>	<b>17.24%</b>	<b>80,226,911</b>	<b>269,557,461</b>	<b>29.76%</b>

Milwaukee County							
Annual Fiscal Report of % of Budgeted funds as of April 30, 2020							
		2020 Actual Revenues	2020 Budgeted Net Revenues	Revenue %	2020 Actual Expenditures	2020 Budgeted Net Expenditures	Expenditure %
<b>Health &amp; Human Services</b>							
6300	Behavioral Health Division	44,249,355	162,472,372	27.24%	81,266,426	219,705,121	36.99%
7900	Department on Aging	3,699,535	18,024,028	20.53%	6,131,881	20,366,357	30.11%
8000	Department of Human Services	25,283,721	94,252,015	26.83%	37,595,766	128,773,353	29.20%
	<b>Total Health &amp; Human Services</b>	<b>73,232,611</b>	<b>274,748,415</b>	<b>26.65%</b>	<b>124,994,073</b>	<b>368,844,831</b>	<b>33.89%</b>
<b>Parks, Recreation &amp; Culture</b>							
9000	Department of Parks	2,630,690	20,097,416	13.09%	12,420,845	38,106,051	32.60%
9500	Zoological Department	1,213,865	17,905,058	6.78%	5,734,083	17,260,339	33.22%
9700	Milwaukee Public Museum	-	-	-	1,750,000	3,500,000	50.00%
9910	University Extension	25,250	100,000	25.25%	184,016	471,972	38.99%
	<b>Total Parks, Recreation &amp; Culture</b>	<b>3,869,804</b>	<b>38,102,474</b>	<b>10.16%</b>	<b>20,088,944</b>	<b>59,338,362</b>	<b>33.85%</b>
<b>Non-Departmental's</b>							
1945	Contingency	-	-	-	-	5,597,881	0.00%
1950	Fringe Benefits	62,748,013	123,315,093	50.88%	29,524,754	225,836,423	13.07%
1972	Wage and Benefit Modifications	-	-	-	-	(1,124,683)	0.00%
1992	Earnings on Investments	6,004,256	5,934,456	101.18%	-	-	#DIV/0!
1996	Sales Taxes	18,132,632	75,142,024	24.13%	-	-	-
	Other Revenue Non-Departmentals	1,717,343	343,837,236	0.50%	-	-	-
	Parks Non-Departmentals	-	-	-	1,476,322	3,483,688	42.38%
	Other Non-Departmental	4,197,103	(112,358,770)	(0)	(1,578,691)	(128,043,326)	1.23%
1900'S	<b>Total Non-Departmental</b>	<b>92,799,347</b>	<b>435,870,039</b>	<b>21.29%</b>	<b>29,422,384</b>	<b>105,749,983</b>	<b>27.82%</b>
9960	<b>Debt Retirement and Interest</b>	<b>-</b>	<b>441,243</b>	<b>0.00%</b>	<b>(810,384)</b>	<b>47,374,095</b>	<b>-1.71%</b>
1200-1899	<b>Capital Improvements</b>	<b>1,823,713</b>	<b>265,145,540</b>	<b>0.69%</b>	<b>18,723,199</b>	<b>307,518,896</b>	<b>6.09%</b>
<b>Expendable Trusts</b>							
FUND 3	Zoo Trust Funds	78,668	1,000,522	7.86%	101,456	1,014,835	10.00%
FUND 4	IMSD Expendable Trust	-	-	-	-	-	0.00%
FUND 5	Parks Trust Funds	22	-	-	16,899	846,880	2.00%
FUND 6	Office on Handicapped Trust Fund	-	-	-	-	-	-
FUND 7	Behaviorial Health Complex Trust Funds	-	-	-	24,747	17,200	143.88%
FUND 8	Airport PFC	3,585,078	-	0.00%	-	-	-
FUND 9	DAS -- Trust	-	-	-	-	-	-
FUND 10	DAS -- Trust	-	-	-	-	-	-
FUND 11	Fleet Facilities Reserve Trust	-	-	-	-	-	-
	<b>Total Expendable Trusts</b>	<b>3,663,768</b>	<b>1,000,522</b>	<b>366.19%</b>	<b>143,102</b>	<b>1,878,915</b>	<b>7.62%</b>
	<b>Total</b>	<b>242,736,767</b>	<b>1,359,653,279</b>	<b>17.85%</b>	<b>377,038,010</b>	<b>1,433,038,663</b>	<b>26.31%</b>

## **Summary**

Rating agencies grade bonds on a scale that indicates the credit worthiness and risk. In general, entities that have a high bond rating will pay a lower amount of interest on debt. The rating agencies have been continuing to monitor the economic activity for the various sectors and have taken action. Most of the actions have been global adjustments to sector outlooks.

## **Airport**

In April of 2020, Fitch Ratings (“Fitch”) affirmed the ratings of midsized regional origin and destination airports, including General Mitchell International Airport, but changed the outlooks from stable to negative. Fitch has assigned a rating of A+ to the Airport’s outstanding debt.

The change in outlooks was based on the declines in enplaned passenger traffic that will affect operating revenues. Fitch further states that the greatest impacts are anticipated to occur in the second quarter of 2020 and potentially extend into future periods due to the coronavirus pandemic.

Moody’s Investor Service (“Moody’s”), who has assigned an A1 rating to the Airport’s outstanding debt, is taking a more cautious approach and therefore has not taken wide-reaching actions on airport outlooks.

The County does not plan to issue bonds for the Airport until fall 2021 or 2022. This will allow some time for the County to assess post COVID-19 data from the Airport/Airlines and the rating agencies reaction.

## **Corporate Purpose (Non-Airport Bonds/Notes)**

Moody’s Investors Service, S&P Global Ratings and Fitch Ratings, respectively, have assigned the ratings of “Aa2”, “AA” and “AA+” to the County’s most recent corporate purpose debt issuances (Q4 2019).

On April 1, 2020, S&P Global Markets (S&P) changed the outlooks for the U.S. public finance sector from stable to negative. S&P stated in the April report that the change was due to mobility restrictions, closures of large segments of the economy due to COVID-19 and the swift onset of a recession. S&P is projecting a sharp decline in the economy through at least the second quarter due to the uncertainty relating to the rate of spread and peak of COVID-19 as well as the timing of economic recovery. Having made the changes, S&P has stated that it does not expect that the sector outlook revisions will lead to immediate negative rating actions.

On May 4, 2020, Moody’s issued a report that assigned a negative outlook to the local government sector (the “sector”) but not to any individual local government. This sector represents debt issued for non-Airport debt entities within local governments. Moody’s is expecting the sector to face challenges for the remainder of 2020 and 2021 due to the negative trends in economic activity and the primary revenue sources for local governments such as property taxes, sales and income tax revenue.

In its May 13, 2020 report, Fitch stated that it expects U.S. state and local government fiscal approaches to vary without necessarily triggering a rating transition. Fitch further stated its assessment will be based on whether a government will be able to manage through in a way that allows for timely restoration of financial flexibility to levels consistent with the rating once an economic recovery begins to take hold. However, Fitch, similar to the other rating agencies, anticipates more negative rating actions in the near term given the scale economic impact of the coronavirus crisis.



The Office of the Comptroller has been participating in webinars and conference calls with the rating agencies and the County's financial advisors, PFM Financial Advisors, LLC ("PFM"), in an effort to continue to monitor market conditions and rating agency reactions to the COVID-19 crisis.

The County plans to issue bonds and notes to finance non-Airport capital projects in the fall of 2020 and has determined, in consultation with PFM, that, at this time, there is no need to make any adjustments to the timing of its 2020 issuances.