



## Office of the Comptroller

Scott B. Manske, Comptroller

DATE: August 25, 2023

TO: Supervisor Marcella 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)

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### Policy Issue

Wisconsin Statutes Section 59.255(2) and County Ordinance Section 56.02(2) require the Comptroller to provide a monthly update of the fiscal condition of the County.

### 2023 Year-end Fiscal Projection as of July 31, 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 \$35.7 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
July 2023	Surplus	\$35.7 million	\$2.9 million
June 2023	Surplus	\$32.8 million	\$17.5 million
May 2023	Surplus	\$15.3 million	\$2.2 million
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:

- Register of Deeds – deficit of \$0.2 million
- Investment Earnings – surplus of \$17.0 million
- Fringe Benefits – surplus increase of \$3.8 million
- Department of Health and Human Services – surplus decrease of \$1.2 million
- Department of Parks – surplus increase of \$0.6 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 July 31, 2023 Period 7								
Agency	Description	2023 Projected Revenues	2023 Budgeted Revenues	Revenue Variance	2023 Projected Expenditures	2023 Budgeted Expenditures	Expenditure Variance	Surplus / (Deficit)
<b>General Fund Departments</b>								
100	County Board	-	-	-	1,259,692	1,259,692	-	-
103	Governmental Affairs	-	-	-	404,459	400,490	(3,969)	(3,969)
109	Office of Equity	(100,000)	(100,000)	-	1,157,191	1,170,492	13,301	13,301
110	County Executive	-	-	-	957,470	957,708	238	238
112	Personnel Review Board	-	-	-	155,959	267,035	111,076	111,076
113	Corporation Counsel	(292,556)	(292,556)	-	1,611,507	1,611,507	-	-
114	Human Resources	(6,000)	(6,000)	-	6,267,338	6,332,894	65,556	65,556
115	Dept of Administrative Services	(8,809,501)	(9,595,864)	(786,363)	40,488,517	41,503,767	1,015,250	228,886
118	Strategy, Budget, and Performance	-	-	-	2,564,146	2,584,838	20,692	20,692
200	Combined Court Related Operations	(12,809,061)	(12,324,873)	484,188	29,542,613	30,636,692	1,094,079	1,578,267
243	Dept. of Child Support Services	(17,014,789)	(17,128,905)	(114,116)	19,356,312	19,490,065	133,753	19,637
290	Courts - Pre-Trial Services	(1,103,247)	(1,103,247)	-	6,916,083	6,881,166	(34,917)	(34,917)
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)	-	1,060,033	1,060,033	-	-
340	Register of Deeds	(4,387,669)	(4,589,000)	(201,331)	1,294,344	1,292,552	(1,792)	(203,123)
370	Office of the Comptroller	(211,000)	(143,000)	68,000	5,247,578	5,333,562	85,984	153,984
400	Sheriff	(12,490,395)	(12,053,903)	436,492	52,513,157	52,085,407	(427,750)	8,742
430	Community Reintegration Center	(4,930,931)	(6,130,568)	(1,199,637)	56,210,102	57,494,625	1,284,523	84,886
450	District Attorney	(7,315,874)	(5,431,050)	1,884,824	14,743,697	13,255,579	(1,488,118)	396,706
480	Emergency Management	(1,384,609)	(1,452,427)	(67,818)	10,768,371	10,908,518	140,147	72,329
490	Medical Examiner	(4,650,121)	(4,699,121)	(49,000)	6,490,332	6,478,546	(11,786)	(60,786)
509	Transportation Services	(2,059,698)	(1,897,620)	162,078	2,478,975	2,317,052	(161,923)	155
510	DOT - Highway Maintenance	(26,709,096)	(26,709,096)	-	27,027,250	27,027,250	-	-
580	DOT - Admin Div	(5,937,297)	(5,937,297)	-	6,109,450	6,109,450	-	-
800	Department of Human Services	(156,279,640)	(155,308,495)	971,145	193,757,888	193,702,920	(54,968)	916,176
900	Department of Parks	(24,775,063)	(22,992,673)	1,782,390	48,335,910	47,792,190	(543,720)	1,238,671
950	Zoological Department	(20,473,734)	(22,249,651)	(1,775,917)	24,428,469	26,204,386	1,775,917	-
970	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
991	University Extension	(100,000)	(100,000)	-	423,717	464,898	41,181	41,181
<b>Non-Departmentals</b>								
190	Revenue Non-Departmental	(474,767,942)	(453,815,910)	20,952,032	-	-	-	20,952,032
1996	Sales Tax	(93,656,281)	(90,656,281)	3,000,000	-	-	-	3,000,000
1992	Earnings on Investments	(22,382,871)	(5,382,871)	17,000,000	-	-	-	17,000,000
194	General Non-Departmental	2,669,539	2,669,539	-	82,765,638	93,730,303	10,964,665	10,964,665
1945	Contingency	-	-	-	-	4,464,665	4,464,665	4,464,665
1950	Fringe Benefits	(104,244,960)	(104,244,960)	-	208,148,521	215,648,521	7,500,000	7,500,000
1972	Wage/Benefit Supplemental	-	-	-	2,197,680	1,197,680	(1,000,000)	(1,000,000)
199	Parks Non-Departmental	-	-	-	3,429,688	3,429,688	-	-
<b>Total General Fund</b>		<b>(786,509,253)</b>	<b>(763,962,287)</b>	<b>22,110,474</b>	<b>652,821,970</b>	<b>666,839,389</b>	<b>14,017,419</b>	<b>36,564,385</b>
<b>Other Funds</b>								
116	Information Management Services	(123,088)	(108,500)	14,588	14,652,079	14,644,241	(7,838)	6,750
117	Risk Management	-	-	-	11,257,873	11,269,207	11,334	11,334
504	DOT - Airport Division	(99,916,295)	(99,054,355)	861,940	99,916,295	99,054,355	(861,940)	-
530	DOT - Fleet Management	(21,020,478)	(19,982,074)	1,038,404	20,889,120	19,886,316	(1,002,804)	35,600
560	DOT - Transit/Paratransit System	(127,063,427)	(127,063,427)	-	137,900,961	137,900,961	-	-
550	DAS - Utility	(728,966)	(1,626,000)	(897,034)	1,600,000	1,600,000	-	(897,034)
630	Behavioral Health Division	(178,214,549)	(181,214,549)	(3,000,000)	241,249,321	239,265,878	(1,983,443)	(4,983,443)
996	Debt Retirement and Interest	(8,887,009)	(8,887,009)	-	44,399,702	44,399,702	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-
120	Capital Improvements	(171,141,419)	(171,141,419)	-	235,841,754	235,841,754	-	-
<b>Total Other Funds</b>		<b>(606,972,144)</b>	<b>(608,968,833)</b>	<b>(1,996,689)</b>	<b>793,055,026</b>	<b>789,218,173</b>	<b>(3,836,853)</b>	<b>(5,826,792)</b>
<b>Expendable Trusts</b>								
50003	Zoo Expendable Trusts	(1,779,814)	(1,779,814)	-	1,840,411	1,840,411	-	-
50005	Parks Expendable Trusts	(436,572)	(436,572)	-	448,088	448,088	-	-
50006	OPD Expendable Trusts	-	-	-	-	-	-	-
50007	BHD Expendable Trusts	-	-	-	-	-	-	-
50008	Airport Expendable Trusts	-	-	-	-	-	-	-
50010	DAS Expendable Trusts	-	-	-	-	-	-	-
50011	Fleet Expendable Trusts	-	-	-	-	-	-	-
<b>Total Expendable Trusts</b>		<b>(2,216,386)</b>	<b>(2,216,386)</b>	<b>-</b>	<b>2,288,499</b>	<b>2,288,499</b>	<b>-</b>	<b>-</b>
<b>Projected Surplus (Deficit)</b>		<b>(1,395,697,783)</b>	<b>(1,375,147,506)</b>	<b>20,113,785</b>	<b>1,448,165,495</b>	<b>1,458,346,061</b>	<b>10,180,566</b>	<b>30,737,593</b>
Less Expendable Trusts								
Contribution (to)/from Behavioral Health Reserves								4,983,443
<b>Total Projected Surplus (Deficit) - with Contingency</b>								<b>35,721,035</b>
<b>Total Projected Surplus (Deficit) - without Contingency</b>								<b>31,256,370</b>

<b>Debt Service Reserve Activity and Projected 2023 Ending Balance</b>	
<b>2022 Yearend Surplus</b>	\$ 16,730,131
<b>2023 Starting Balance</b>	\$ 125,185,055
<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
File #23-594 - Allocation of Unspent Bond Proceeds	\$ (1,156,371)
File #23-703 Bond and Note Reallocation from DSR	\$ (92,987)
<b>2023 Projected Balance</b>	<b>\$ 108,234,841</b>
<b>Unallocated Contingency Fund</b>	
<b>2023 Adopted Balance</b>	<b>\$ 5,000,966</b>
<i>County Board Approved Actions</i>	
File #23-259 - Medical Examiner Autopsy Support	\$ (200,000)
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)
File #23-578 Repair of Old Loomis Road	\$ (225,000)
File #23-551 Create and Fund Committee Coordinator	\$ (32,550)
File #23-706 Collateral Agreement w/MDSA	\$ (65,056)
File #23-703 Bond and Note Reallocation from DSR	\$ 92,987
<b>Current Available Balance</b>	<b>\$ 4,464,665</b>

**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.

**Department of Administrative Services (Agency 115) *\$0.2 million surplus***

The Department of Administrative Services is projecting an overall surplus of \$0.2 million. This surplus is largely driven by personnel cost savings. These savings are offsetting deficits in Charges for Services due to staffing shortages and the inability to charge out for services/projects.

**Combined Court Related Operations (Agency 200) *\$1.6 million surplus***

The Combined Court Related Operations is currently projecting a surplus of \$1.6 million largely due to lower than budgeted personnel expenditures and a \$0.5 million revenue surplus. Expenditures in personnel are estimated to surplus by \$1.8 million; guardian ad litem by \$0.5 million; psychiatrist fees by \$0.4 million; and professional services by \$0.1 million. The surpluses are offsetting other expenditure deficits in contractual services, general legal fees, interpreter fees, and minor office equipment of approximately \$1.7 million.

**Courts Pretrial Services (Agency 290) *(\$35,000 deficit)***

Courts Pretrial Services is in a deficit due to personnel costs exceeding budget.

**Register of Deeds (Agency 340) *(\$0.2 million deficit)***

Register of Deeds is projecting a revenue deficit of \$0.2 million in general recording fees.

**Office of the Comptroller (Agency 370) *\$0.2 million surplus***

The Office of the Comptroller is projecting a surplus in P-card revenue and personnel services.

**Community Reintegration Center (Agency 430) *\$0.1 million surplus***

The CRC is projecting a revenue deficit of due to a lower population of housed State inmates; this revenue deficit is offset by an expenditure surplus in personnel due largely to the continued vacancy amongst correctional officers.

**District Attorney (Agency 450) *\$0.4 million surplus***

The District Attorney is reporting a revenue surplus due to anticipated reimbursement for prosecutor pay of \$8.75/hour that went into effect on July 1, 2023. This revenue surplus is offset by an expenditure deficit in personnel services of \$0.7 million.

**Emergency Management (Agency 480)**

***\$0.1 million surplus***

Emergency Management is estimating a salary surplus of \$0.2 million due to vacancies. This surplus is offsetting deficits in paramedic services revenue and crosscharges of \$0.1 million.

**Medical Examiner (Agency 490)**

***(\$0.1 million deficit)***

The Medical Examiner is estimating a small deficit in autopsy revenues and a small deficit in commodities/services.

**Department of Health and Human Services (Agency 800)**

***\$0.9 million surplus***

The Department of Health and Human Services is currently projecting a surplus, albeit lower than what was previously projected. The Directors Office is projecting a deficit of \$0.3 million which is due to the vacancy and turnover reduction that was budgeted for the entire department within this division. It is offset by surpluses in other divisions of DHHS. Aging and Disability Services is projecting a surplus of \$1.3 million which is due to additional Medical Assistance (MA) match revenue in the ADRC as well as personnel vacancies. Housing is anticipating a surplus of \$0.3 million due to personnel savings and charges to ARPA. A bulk of the surplus reduction comes from Children, Youth, and Family Services division which was previously projecting a surplus of \$1.2 million and is now projecting a deficit of \$0.4 million. Previously projections assumed that the ADP of youth in State correctional facilities was at 25 compared to 35 in the budget. The ADP has been steadily climbing and is now projected to be at 30 compared to 35 in the budget. Overtime costs in the detention center are also in a deficit of \$1.0 million, offset by salary savings of \$0.3 million. CYFS is assuming that all the contractual dollars are spent in 2023. If this does not occur, it is likely that the deficit will be reduced or eliminated in future months.

**Department of Parks, Recreation, and Culture (Agency 900)**

***\$1.2 million surplus***

The Department of Parks, Recreation, and Culture is projecting a surplus of \$1.2 million. Revenues are projected to exceed budget by \$1.8 million largely due to golf course revenue, restaurant concession revenues, and other private funding. Overall expenditures are projected to deficit by \$0.6 million, largely driven by a deficit in commodities/services.

**Non-Departmental Revenue**

**Earnings on Investments (Org 1992)**

***\$17.0 million surplus***

The projected surplus is largely a result of two factors: higher-than-average daily balances and significant earnings rates on short-term and daily investments. The County is achieving significant earnings on the County's daily and short-term investments in the Associated Bank, Local Government Investment Pool (LGIP), and US Bank. Typically, earnings on these investments provide little revenue to the County. For 2023, however, the projected investment income on these investments is anticipated to exceed \$17,000,000. The significant earnings are also a result of higher average daily balances available for investing. The higher average daily balance available is due to 1) unspent American Rescue Plan Act (ARPA) funding that the County has received, but not yet spent and 2) an increase in the County's Debt Service Reserve that is available for investing.

It is important to note, however, that the County continues to see fluctuations in its mark to market earnings, which is a required entry per the Governmental Accounting Standards Board (GASB). Mark to market for long term investments (US government securities, municipals, and corporates) involves

adjusting the value of assets to reflect the value as determined by current market conditions. Market earnings will have an impact on the final year end numbers but are difficult to estimate so they are excluded from this calculation.

**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 of \$98.8 million. Assuming a 4.0 percent year-over-year increase, the County will realize a surplus of at least \$3.0 million. With six months of sales tax data received, the County has currently received \$49.0 million, so it is likely that the County will achieve the \$3.0 million surplus.

**Non-Departmental Expenditures**

**Appropriation for Contingency (Org 1945)**

***\$4.6 million surplus***

The current projection for the Appropriation for Contingency assumes that the entire \$4.6 million of the current contingency appropriation is not spent and is used to offset departmental and non-departmental deficits.

**Fringe Benefits (Org 1950)**

***\$7.0 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 \$7.0 million in 2023. Through July, the County's pharmacy costs are in a deficit of \$1.9 million when compared to budget which is a 6.0% year-over-year increase. Pharmacy rebates are also under budget by \$0.7 million. These deficits are offset by healthcare claims that under budget by \$6.9 million. This surplus appears to be a result of the lower census of employees within the healthcare plan.

**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
<b>General Fund Departments</b>														
100	County Board	-	-	-	-	-	-	-	-	-	-	-	-	-
103	Governmental Affairs	-	-	-	18,893	-	(3,969)	(3,969)	-	-	-	-	-	-
109	Office of Equity	-	-	-	-	(18,509)	1,446	13,301	-	-	-	-	-	-
110	County Executive	-	-	-	3,100	1,196	612	238	-	-	-	-	-	-
112	Personnel Review Board	42,899	57,637	54,426	121,861	113,548	190,813	111,076	-	-	-	-	-	-
113	Corporation Counsel	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Human Resources	-	-	-	130,198	64,943	126,170	65,556	-	-	-	-	-	-
115	Dept of Administrative Services	-	-	-	-	138,452	297,148	228,886	-	-	-	-	-	-
118	Strategy, Budget, and Performance	-	-	-	21,458	19,977	20,709	20,692	-	-	-	-	-	-
200	Combined Court Related Operations	-	-	196,296	2,319,573	1,877,542	1,471,133	1,578,267	-	-	-	-	-	-
243	Dept. of Child Support Services	-	-	-	11,900	19,009	19,637	19,637	-	-	-	-	-	-
290	Courts - Pre-Trial Services	-	-	(66,100)	(55,816)	(52,666)	(43,484)	(34,917)	-	-	-	-	-	-
301	Election Commission	-	NR	NR	NR	NR	NR	NR	-	-	-	-	-	-
309	County Treasurer	-	NR	NR	NR	NR	NR	NR	-	-	-	-	-	-
327	County Clerk	-	NR	NR	NR	NR	NR	NR	-	-	-	-	-	-
340	Register of Deeds	-	-	(1,103)	273	(1,456)	(200,146)	(203,123)	-	-	-	-	-	-
370	Office of the Comptroller	-	32,000	32,000	68,000	68,000	153,984	153,984	-	-	-	-	-	-
400	Sheriff	-	8,829	14,654	13,561	12,976	12,976	8,742	-	-	-	-	-	-
430	Community Reintegration Center	-	17,186	29,683	60,322	60,886	99,186	84,886	-	-	-	-	-	-
450	District Attorney	-	-	NR	47,144	NR	396,706	NR	-	-	-	-	-	-
480	Emergency Management	-	-	-	-	35,180	78,629	72,329	-	-	-	-	-	-
490	Medical Examiner	-	-	112,507	28,064	(40,333)	(60,786)	(60,786)	-	-	-	-	-	-
509	Transportation Services	-	-	(1,055)	29,745	125,921	43,114	155	-	-	-	-	-	-
510	DOT - Highway Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
580	DOT - Admin Div	-	-	-	-	-	-	-	-	-	-	-	-	-
800	Department of Human Services	-	-	-	-	2,171,625	2,153,296	916,176	-	-	-	-	-	-
900	Department of Parks	-	-	NR	16,359	251,501	636,538	1,238,671	-	-	-	-	-	-
950	Zoological Department	-	-	-	60,597	-	-	-	-	-	-	-	-	-
970	Milwaukee Public Museum	-	-	-	-	-	-	-	-	-	-	-	-	-
991	University Extension	4,265	4,265	-	-	10,001	10,001	41,181	-	-	-	-	-	-
<b>Non-Departmentals</b>														
190	Revenue Non-Departmental	4,473,203	4,473,488	3,952,032	3,952,032	3,952,032	3,952,032	20,952,032	-	-	-	-	-	-
1996	Sales Tax	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	-	-	-	-	-	-
1992	Earnings on Investments	-	-	-	-	-	-	17,000,000	-	-	-	-	-	-
194	General Non-Departmental	3,800,966	3,800,966	7,194,284	7,113,759	7,379,324	7,266,249	10,964,665	-	-	-	-	-	-
1945	Contingency	4,800,966	4,748,737	4,694,284	4,694,284	4,694,284	4,661,734	4,464,665	-	-	-	-	-	-
1950	Fringe Benefits	-	-	3,500,000	3,500,000	3,685,040	3,685,040	7,500,000	-	-	-	-	-	-
1972	Wage/Benefit Supplemental	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	-	-	-	-	-	-
199	Parks Non-Departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Funds</b>														
116	Information Management Services	-	-	-	-	(46,994)	(43,242)	6,750	-	-	-	-	-	-
117	Risk Management	-	-	-	12,750	11,334	11,334	11,334	-	-	-	-	-	-
504	DOT - Airport Division	-	-	-	-	-	-	-	-	-	-	-	-	-
530	DOT - Fleet Management	-	-	-	-	29,000	96,147	35,600	-	-	-	-	-	-
560	DOT - Transit/Paratransit System	-	-	-	-	-	-	-	-	-	-	-	-	-
550	DAS - Utility	(900,000)	(900,000)	(900,000)	(900,000)	(897,034)	(897,034)	(897,034)	-	-	-	-	-	-
630	Behavioral Health Division	-	(1,356,163)	(2,992,834)	(2,983,443)	(4,983,443)	(4,983,443)	(4,983,443)	-	-	-	-	-	-
996	Debt Retirement and Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
50004	COVID Expendable Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Capital Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-

NR=No Report