



# **Budget Policies & Structure**

- **Budget Process & Calendar**
- **Financial Management Policies**
- **Basis of Budgeting**
- **Fund Balance Policy**
- **Fund Descriptions**
- **Budgeted Funds**
  - **Functional Area by Fund Type**
  - **Department by Fund**
- **Glossary**

**This Page Left Intentionally Blank.**

# Budget Process & Calendar

Milwaukee County's Budget represents the County's business plan for the coming year, and shows taxpayers and stakeholders how the County services link to these broad building blocks of our community.

## **THE BUDGET PROCESS**

State Statute 59.60 governs the annual budget process for Milwaukee County. Each department is required to submit requested operating and capital (as part of a five-year capital plan) budgets to the Director of Administrative Services no later than mid-July. On or before August 15, the Department of Administrative Services (DAS) is required to submit a summary of the requests to the County Executive and County Board, and the County Executive is required to hold public hearings on the requests. DAS is required to analyze the operating and capital requests and assist the County Executive in making "changes in the proposed budget that in the executive's or administrator's discretion are considered desirable or proper" (§59.60 (6) (a)).

The resulting Executive's Budget is then presented to the County Board on or before October 1. The Board then considers and may adopt amendments to the County Executive's Budget, and must hold a public hearing on the budget no later than the first Monday in November. After adopting amendments and holding the public hearing, the Committee on Finance, Personnel and Audit submits the amended budget to the County Board, which adopts the final Budget in mid-November. After the Budget has been adopted and a detailed summary of appropriations is provided to County departments, the DAS-Office of Performance, Strategy & Budget and Comptroller's Office monitor the Budget during the fiscal year. This monitoring involves periodic checks of expenditures against appropriations, reviewing actual revenue compared to budgeted revenue and reviewing requests for transfer of appropriations. This completes the budget process.

**Annual Budget Process:**

<b>March through May</b>	DAS-PSB develops budget assumptions for the upcoming fiscal year. Tax levy targets are submitted to the operating departments. Budget instructions and forms are submitted to department administrators. The County Executive also holds listening sessions to solicit input from the public.
<b>Early May</b>	Capital Budget requests are submitted by County agencies to the Department of Administrative Services-Facilities Management Division.
<b>No later than July 15</b>	Operating Budget requests and revenue estimates are submitted by County agencies to DAS-PSB.
<b>June/July</b>	Department Administrators present the programmatic impacts of their budgetary requests. The Department of Administrative Services and the County Executive review agency budget submittals.
<b>August 15th</b>	Per State Statute, DAS-PSB submits to the County Board a summary of requested budgets.
<b>No Later than October 1</b>	County Executive presents to the County Board the Executive Budget for the subsequent year. This is then referred to the Board's Finance, Personnel and Audit Committee for review and recommendation.
<b>October 1 - to 1st Week in November</b>	Finance, Personnel and Audit Committee reviews the County Executive Budget.
<b>November - Not later than First Monday in the Month</b>	County Board public hearing on Budget, inviting members of general public to comment on the Executive Budget and Finance, Personnel and Audit Committee changes to date.
<b>Monday after First Thursday in November</b>	County Board annual meeting and the adoption of the Budget and tax levies. During this meeting, the County Board acts on the amendments and recommendations submitted by the Finance, Personnel and Audit Committee relative to the County Executive's Budget as well as amendments submitted by individual County Board members.
<b>January 1 of the Following Year</b>	Departments translate Budget to public services.

# Financial Management Policies

Milwaukee County's long- and short-term financial policies are derived from various sources; primarily including AAA-rated peer counties and the Government Finance Officers Association (GFOA).

The State of Wisconsin Statutes prescribes the basic budgeting standards for county governments. These financial policies establish the basis of accounting in conformance with Generally Accepted Accounting Principles (GAAP). Below is a description of the County's fiscal management policies for a variety of topics including revenues, operating expenditures, capital improvements, debt, risk management, grants, use of one-time revenues, information technology purchases, and other items.

## **Balanced Budget**

It is the adopted policy of Milwaukee County that the County's budget must be balanced. Total expenditures will be funded by a combination of various external revenue sources (e.g., intergovernmental sources, grants, fees, or fines), property taxes, sales taxes, and funds appropriated from available fund balances.

## **Operating Budget - Revenue Policy**

The County relies on the property tax and has implemented the local option sales tax to fund state and local programs and services. Property taxes account for about 21 percent of total revenues. The local option sales tax provides approximately 6 percent of total revenues. State Statutes also allow for collection of a local motor vehicle registration fee. Milwaukee County has not implemented this option.

The County attempts to maintain a diversified and stable revenue stream.

The County to transition to true user fee service charges to help offset reductions of federal/state funding and to balance reliance on property tax revenues. Service fee charges (user fees) are implemented for services that can be individually identified and where costs can be directly related to the level of service provided. The County's budgeting philosophy is to annually review and provide at least nominal inflationary increases on appropriate user fees charges for service to reflect increasing costs of providing those services.

Services that have a countywide benefit shall, in general, be financed with broad-based revenue sources such as property tax levy and state aids. Services where the customer determines the use shall, in general, be financed with user fees, charges, and other revenues related to the level of service provided.

County staff are required to follow good billing and recording practices, and to engage in collections of outstanding debts. All such outstanding debts are forwarded to the County's collections program as soon as possible.

The County maximizes its return on investment consistent with its investment policy as required by County Ordinance 15.215. The County will also follow all Internal Revenue Service policies with regards to the investment of bond proceeds. Investment income is used to reduce reliance on the property tax levy and fund capital projects. Investment return is limited due to emphasis on the safety of the principal, rather than the return on investments, and its investments reflect that policy, which is also required by State Statute. Deposits with financial institutions should either be covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund or collateralized with government securities held in a separate financial institution in the County's name. The County's investment policy states that all securities shall be properly designated as an asset of Milwaukee County and held in safekeeping by a third-party custodial bank or other third-party custodial institution, chartered by the United States Government or the State of Wisconsin and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the County Treasurer or a designee.

Due to strict limits placed on the County by the State regarding use of surplus funds and fund balances, one-time revenues and fund balances shall not be used to fund ongoing operating expenses, other than reducing taxpayer costs for debt service.

The County actively seeks to increase revenues through the sale of excess assets; proceeds from which are utilized for one-time investments.

Revenue budgets are based on documented assumptions; significant budgeted increases in revenue are based on data and explained in the budget narrative.

Sales and Use Tax revenues shall be applied toward county expenditures as follows:

- a. Pay general obligation debt service costs;
- b. Cash finance capital improvement projects;
- c. Pre-pay outstanding bonds;
- d. Pre-fund employee benefit costs or fund unanticipated or extraordinary annual increases in such costs; or
- e. Supplement the Appropriation for Contingencies

### **Operating Budget – Expenditure Policy**

Under Wisconsin State Statute, no payment may be authorized or made and no obligation incurred against the County unless the County has sufficient appropriations for each payment. Budgetary control over expenditures is maintained by a formal appropriation and encumbrance system. Encumbrances are charged against appropriations when purchase orders, contracts, or other commitments are incurred. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this policy is void. A county officer who knowingly violates this policy is jointly and severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause.

Every appropriation excepting an appropriation for capital expenditure or major repair lapses at December 31, to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure or a major repair continues in force until the purpose for which it was made has been accomplished or abandoned or three years pass without any expenditure or encumbrance. The County Board of Supervisors approves carryovers recommended by the Department of Administrative Services – Office of Performance, Strategy and Budget (DAS-PSB).

The legal level of control for each budget is by department. Once the Budget is adopted, transfers of appropriations among departments require approval by the Board of Supervisors. Supplemental appropriations for the purpose of public emergencies or from the contingency appropriation may be made from unanticipated revenues received or surplus, as defined by resolution adopted by a vote of two-thirds of the members of the Board of Supervisors. Supplemental appropriations from the issuance of tax anticipation notes require an affirmative vote of three-fourths of the members of the Board of Supervisors.

### **Land Sales & Other One-Time Revenues**

It is the general policy of Milwaukee County that significant one-time revenues be utilized for one-time projects or acquisitions and shall not be used to offset ongoing operating costs of County Government. The policy shall be consistent with File Number 11-145, developed by the Long-Range Strategic Planning Steering Committee.

Large, unanticipated one-time revenues not related to grants, insurance proceeds, or other previously-identified projects or uses shall be utilized as follows:

1. Land sale revenue accounts for the sale of County land as authorized by state statute. As in previous years, \$400,000 is budgeted in Real Estate Services to cover its operating

expenditures. This represents the first \$400,000 of unallocated land sales and is historically realized through the sale of foreclosed properties and other miscellaneous land.

2. If the revenue is from a county asset that is being sold and the asset has outstanding debt, the County will use the proceeds to defease the outstanding debt and pay all associated costs of defeasance.
3. If the Office of the Comptroller is projecting a countywide deficit at the time funds are received, the Office of Performance, Strategy and Budget may recommend that all or part of the proceeds be deposited into the Appropriation for Contingencies.
4. The remaining balance shall be utilized as follows:
  - a. Twenty-five percent (25%) shall be made available for economic development projects funded through the Economic Development Fund consistent with File Number 11-601.
  - b. Twenty-five percent (25%) shall be made available to departments on a competitive basis via the Milwaukee County Innovation Fund. The Innovation Fund is managed and allocations distributed using the process established in File Number 13-756. Departments that receive funds issue an informational report to the County Executive and the relevant policy oversight committee no more than six months after funding is made available.
  - c. Fifty percent (50%) shall be deposited into the Appropriation for Contingencies.

### **Grants**

The Office of Performance, Strategy & Budget shall create and maintain a Grants Management Policy. Grant funds will be expected to cover their full cost and not be looked at in simple terms as “free” funding. All positions and other expenditures funded in whole or part by grant revenues shall sunset upon expiration of the grant period, unless DAS-PSB verifies that the item(s) leverages cost savings or operational efficiencies that justify ongoing support.

### **Operating Budget Forecast**

The Office of the Comptroller develops and annually updates a five-year financial forecasting system, which includes projections of revenues, expenditures, future costs of current budget decisions and costs, and debt service.

### **Debt Management and Capital Finance**

The County has adopted the following debt management and capital finance policy goals:

- Tax supported debt service costs shall not exceed actual sales and use tax revenues.
- Direct debt shall not exceed 1.5 percent of equalized property value.
- Financing terms shall not exceed 16 years.
- Average principal maturities shall not exceed 10 years.
- Direct debt per capita shall not exceed \$500.
- Bond insurance will be used when it provides a net economic benefit.
- Corporate purpose bond issues are limited to an increase of 3 percent based on the previous Adopted Capital Budget corporate purpose bond amount.
- Net present value savings for proposed refundings should total a minimum of 3 percent to 5 percent of refunded capital.

### **Unrestricted Fund Balance Policy**

Unlike most other local governments in Wisconsin and across the Country, Milwaukee County's ability to retain unrestricted fund balance is extremely limited. Wisconsin State Statute 59.60(6)(b)(3) requires Milwaukee County to budget a prior year surplus or deficit in the next budget year. For example, the \$5 million surplus from 2014 must be budgeted as revenue in the 2016 budget. There are two alternatives to this requirement:

The County may, under State Statute 59.60(5)(g), place surplus funds in a "sinking fund" for the "redemption or repurchase of bonds", or for emergency needs. This sinking fund is referred to as the Debt Service Reserve Fund in Milwaukee County. In 2015, the County passed a resolution that split the 2014 surplus so that \$5 million would be applied to the 2016 budget, and the remainder deposited into the Debt Service Reserve Fund.

State Statute 59.60(13)(b)(3) provides for a tax stabilization fund, into which surpluses may be deposited. However, this statute allows the County to utilize this fund only in order to prevent a tax levy increase of 3 percent or greater over the prior year. 2013 Wisconsin Act 20 (the State's 2013-2015 Biennial Budget) retained limits on property tax levy increases that make this occurrence highly unlikely. To date the County has not utilized this fund.

Due to these statutory restrictions, the County is not able to develop an unrestricted fund balance, and therefore the County has no need to implement an unrestricted fund balance policy.

### **Debt Service Reserve**

Bond rating agencies strongly recommend that sufficient funds be reserved to account for emergencies and other unavoidable, unplanned, one-time expenses. Meeting this recommendation results in increased ability to respond to unanticipated expenses and improved bond ratings, which results in lower interest rates for debt and reduced ongoing debt service costs. Therefore, Debt Service Reserve funds, excluding bond proceeds, shall be utilized only to:

- a. Reduce taxpayer costs for debt service;
- b. Provide cash financing for one-time capital projects, or for one-time operating items that result in improved County service and/or reduced ongoing County costs in future years;
- c. Provide cash financing for the refinancing of debt when financially advantageous;
- d. Respond to emergencies as allowed by §59.60 (5) (g).

In order to ensure sufficient funding for emergencies and one-time expenses and with the goal of improvement in the County's ability to respond to emergencies, and improve bond ratings, the County will seek to build and maintain a minimum balance of \$10 million in the Debt Service Reserve.

### **Risk Management**

Realizing the importance of maintaining a safe workplace for the benefit of both its employees and the general public, all County employees will follow proper risk management practices, which will result in a safer workplace which will enable the County to maintain a high level of professionalism, courtesy, and quality of service, while protecting its human and financial resources. The Director of Risk Management will develop a comprehensive risk management program and will chair a countywide safety committee that will promulgate best practices in all departments and elected offices.

### **Information Technology**

An Information Technology Steering Committee was created in 2015 to review and approve information technology purchase requests (hardware or software) with a unit cost of greater than \$500. Per best practices identified by the Government Finance Officers of America & Canada, all funds for information technology purchases with a unit cost of greater than \$500 are budgeted in the Information Management Services Division of the Department of Administrative Services (DAS-IMSD). No County department or office other than the Transit and Airport divisions of the Department of Transportation may purchase information technology-related items with a unit cost greater than \$500. The Chief Information Officer will develop by 2015 an administrative process subject to approval by the County Board, by which

departments receive DAS-IMSD approval for replacement items (commodities), updated maintenance agreements or software license renewals that exceed this amount; however the administrative process must require that any request for new or replacement software applications or significant hardware upgrades or purchases must be approved by an Information Technology Steering Committee. The Information Technology Steering Committee shall be comprised of at least one member each from the legislative and judicial branch and one from the Office of the Sheriff.

### **Budget Documents**

The County's Annual Adopted Budget is published in two sections, Operating and Capital, as follows:

The Operating Budget includes five major sections:

1. The Introductory Section provides basic information about the County, such as elected officials, a community profile, and a countywide organizational chart; and the Budget document, such as the table of contents.
2. The Budget Summary Section provides information about the budget from a countywide perspective, including analysis of: the short and long-term factors that influence the annual budget and the County's long-term fiscal situation; performance measures; analysis of major revenue and expenditure changes; information about the county's major funds, and budgeted positions.
3. The Budget Policies Section provides information about the County's budget and financial management policies, the budget process calendar, basis of budgeting, and policies regarding the use of fund balances.
4. The Departmental Narratives Section includes the detailed narratives for each individual department, including major changes, detailed revenue and expenditure analysis, and resources, activity data, and performance measures by service area.
5. The Supplemental Information Section includes additional information such as a glossary, operating authority and purpose for each department, and an index.

The Capital Budget includes project-by-project detail and five-year planning goals, objectives, and funding requirements.

### **Performance Management and Budgeting**

The County's Strategic Outcomes are the components of the Mission Statement, as defined above: High-Quality, Responsive Services; enhancement of Self-Sufficiency, enhancement of Personal Safety, enhancement of Economic Opportunity, and enhancement of Quality of Life. Based on these strategic outcomes, all Departments and Offices will:

1. Identify distinct Program Areas.
2. Link Program Areas with the most appropriate Strategic Outcome.
3. Develop Performance Measures that show progress of that Program Area towards achieving the Strategic Outcomes.

### **Property Tax Levy Increase Limits**

The states Local Levy Limit law (Wis. Stat. 66.0602) allows a County to increase its total property tax levy by the percentage change in the County growth in equalized value due to net new construction between the previous year and the current year.

The tax levy cap includes the following exemptions:

- The Federated Library system tax levy;
- Debt service tax levy (including any debt that was refinanced or refunded);
- Bridge and culvert repair aids to towns paid with County tax levy.

The County may also utilize one of two provisions that allow for carryover of available levy from the prior year:

- Unused tax levy authority up to a maximum of 1.5% of the prior year levy could be carried forward by a super majority vote of the County Board. If Milwaukee County were to use this 1.5% prior year levy, the County would be required to reduce tax levy by an amount equal to the change in pre-2015 debt.
- A new carryforward provision was added in the 2015-2017 State budget that allow the county to carry forward unused levy limit capacity for a period of up to five years under certain conditions. The amount of the potentially available carry forward adjustment is determined by totaling the amount of any *unclaimed* carry forward percentages from each of the proceeding five years' levy limit worksheets. However, since the law specifies that the first worksheet that can be considered is the one for the 2014 levy, this is initially a two-year look back and will not truly provide for the potential of a five year carry forward until the 2019 levy year.<sup>1</sup>

#### **Property Tax Levy Rate Limit**

The 2013-15 State Budget eliminated levy rate limits.

---

<sup>1</sup> *Since some of the provision of the new law are unclear as to how calculations will be made, the Office of the Comptroller has reached out to the Department of Revenue for guidance.*

# Basis of Budgeting

In accordance with Generally Accepted Accounting Principles (GAAP), the accounts of the County are maintained on the basis of funds. Each fund is a separate fiscal and accounting entity. The various funds are grouped into the following categories:

## **Governmental Funds**

Governmental funds utilize the modified accrual basis of accounting, except for the treatment of the Fund Balance Reserved for Appropriations. For budget purposes, the Fund Balance Reserved for Appropriations is reflected as other financing sources, whereas for accounting purposes it is reflected as part of fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures and commitments of the current period. Expenditures are recognized when the related liability is incurred, if measurable.

### General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt.

### Capital Projects Fund

The Capital Projects Fund is used to account for financial resources segregated for the acquisition of construction of major capital facilities other than those financed by proprietary funds.

## **Proprietary Funds**

Proprietary funds utilize the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred.

### Enterprise Funds

The Enterprise Funds are used to account for operations that provide services which are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

### Internal Service Funds

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments in the County or to other governmental entities, on a cost-reimbursement basis.

**This Page Left Intentionally Blank.**

# Fund Balance Policy

Unlike most other local governments in Wisconsin and across the Country, Milwaukee County's ability to retain unrestricted fund balance is extremely limited. Wisconsin State Statute 59.60(6)(b)(3) requires Milwaukee County to budget a prior-year surplus or deficit in the next budget year. For example, the \$5 million surplus from 2014 must be budgeted as revenue in the 2016 budget. There are two alternatives to this requirement:

- The County may, under State Statute 59.60(5)(g), place surplus funds in a “sinking fund” for the “redemption or repurchase of bonds”, or for emergency needs. This sinking fund is referred to as the Debt Service Reserve Fund in Milwaukee County. In 2013, the County passed a resolution that split the 2012 surplus so that \$5 million would be applied to the 2014 budget, and the remainder deposited into the Debt Service Reserve Fund. It is the policy of Milwaukee County to maintain a balance of no less than \$10 million in this fund.
- State Statute 59.60(13)(b)(3) provides for a tax stabilization fund, into which surpluses may also be deposited. However, this statute allows the County to utilize this fund only in order to prevent a tax levy increase of 3 percent or greater over the prior year. 2013 Wisconsin Act 20 (the State's 2013-2015 Biennial Budget) retained limits on property tax levy increases that make this occurrence highly unlikely. To date the County has not utilized this fund.

Due to these statutory restrictions, the County is not able to develop an unrestricted fund balance, and therefore the County has no need to implement an unrestricted fund balance policy. The County has adopted a number of financial policies that govern the use of unanticipated revenues and funds in the Debt Service Reserve Fund. Please see the “Financial Policies” section for further detail.

**This Page Left Intentionally Blank.**

# Fund Descriptions

The following are summaries of the County's budgeted funds. The County's Comprehensive Annual Financial Report considers five of the funds below to be "major funds": the General Fund, the Airport Fund, the Transit Fund, the Debt Service Fund, and the combined Capital Projects Funds.

## **General Fund (Fund 0001)**

The General Fund is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those resources required to be accounted for in another fund. Various funds (below) are subsidiary funds of the General Fund and are assigned a separate fund number for tracking purposes related to State and Federal funding.

### *Family Care (Fund 002)*

This fund accounts for costs and revenues of the Department of Family Care, which operates the State Family Care program. This department coordinates all long-term care services, including home and community based services and institutional services for eligible elders and the disabled who require publicly-funded long-term care services.

### *Fleet Management (Fund 0030)*

Primary use of this fund is to account for the costs associated with the maintenance, repairs and centralized fueling of all County-owned motorized equipment. Costs are billed to user departments based on work orders, time and material costs.

### *Behavioral Health Division (Fund 0077)*

This fund is used to account for the costs associated with the mental health research, patient activities and special events, and compensated absence payouts for BHD retirees.

### *Expendable Trust Funds (Various)*

A number of expendable trust funds exist in several departments to account for and report the proceeds of specific revenue sources that are committed to expenditures for specified purposes. These funds exist for the Zoo, Department of Parks, Recreation and Culture, Office for Persons with Disabilities, Behavioral Health Division, Fleet Maintenance, Facilities Management, Airport (used for the collection of Passenger Facility Charge Revenues), and Risk Management. The Budget includes budgeted appropriations in the Zoo, Office for Persons with Disabilities, and Behavioral Health Division expendable trust funds. See the narratives for these departments for additional details.

## **Debt Service Fund (Fund 0016)**

The Debt Service Fund accounts for and reports the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt.

## **Capital Project Funds (Various)**

These funds, which are separated by functional area, report the financial resources that are restricted, committed or assigned for the acquisition or construction of major capital facilities and other capital assets.

## **Enterprise Funds (Various)**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

### *Airport (Fund 0076)*

The Airport Fund accounts for the operations of General Mitchell International and Timmerman Airports. Airport passenger facility charges and related capital expenditures are not accounted for in the airport's enterprise fund but are accounted for as a special revenue fund.

### *Transit (Fund 0083)*

The Transit Fund accounts for the operations of the Milwaukee County Transit System.

## **Internal Service Funds (Various)**

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the County, or to other governmental entities, on a cost-reimbursement basis.

### *IMSD (Fund 0026)*

This fund is used to account for electronic data processing, graphics, applications, radio, mainframe, desktop support and replacement, and telecommunications services provided to County departments.

### *Water Utility (Fund 0029)*

This fund is used to account for maintenance of the water distribution system that is located on the Milwaukee County grounds and provides service to County departments.

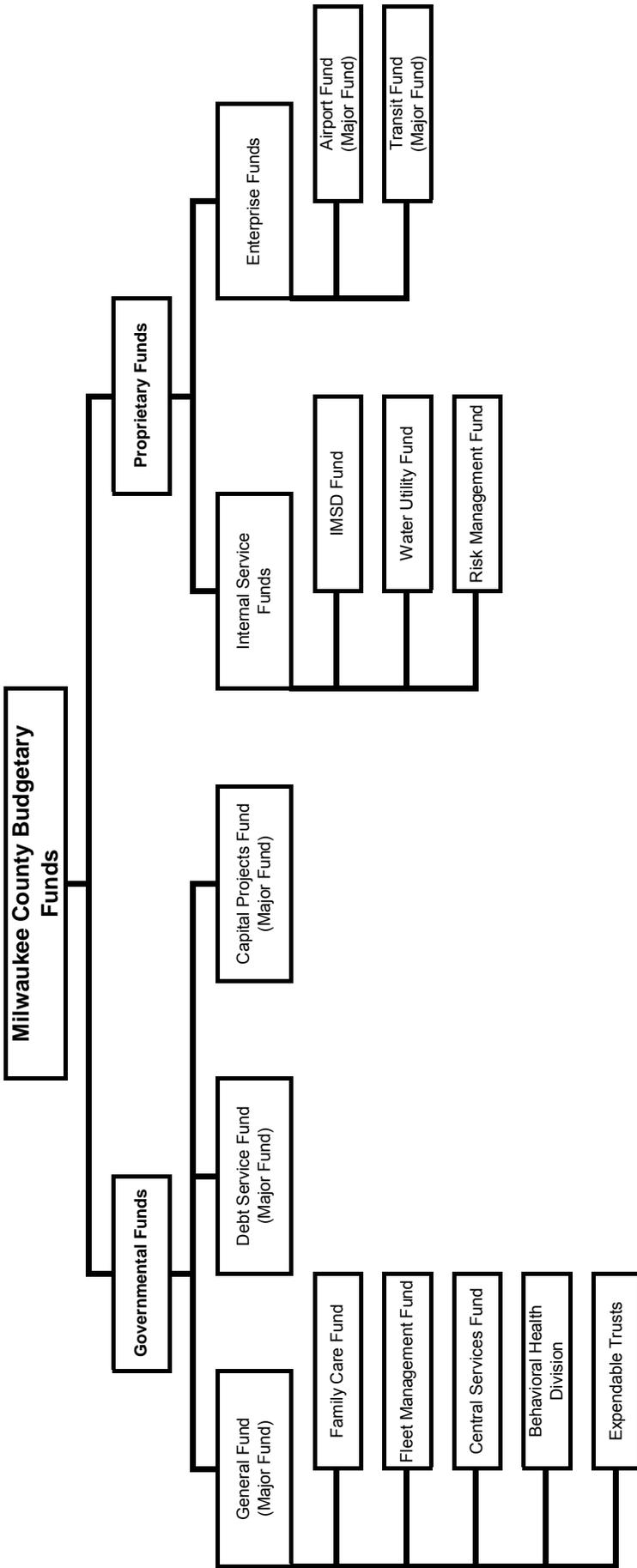
### *Risk Management (Fund 0040)*

This fund accounts for risk financing, loss control and insurance-related activities for the County and its employees.

**2016 Functional Area Summary by Fund Type**

<b>REVENUES</b>	<b>GENERAL FUND(a)</b>	<b>ENTERPRISE</b>	<b>INTERNAL SERVICE</b>	<b>DEBT</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
Legislative & Executive Administration	\$0					\$0
Administration	\$50,305,031		\$26,291,290		\$23,660,036	\$100,256,357
General Government	\$10,077,164					\$10,077,164
Courts & Judiciary	\$29,879,842					\$29,879,842
Public Safety	\$28,285,293				\$1,365,000	\$29,650,293
Transportation & Public Works	\$34,095,064	\$191,672,397			\$47,316,500	\$273,083,961
Health & Human Services	\$517,971,924				\$69,030	\$518,040,954
Recreation & Culture	\$40,770,041				\$10,241,067	\$51,011,108
Debt Service				\$24,523,659		\$24,523,659
Non-Departmental Revenues	\$105,930,116					\$105,930,116
Non-Departmental Expenditures	(\$50,691,974)					(\$50,691,974)
<b>TAX LEVY</b>	<b>\$234,263,641</b>	<b>\$22,449,705</b>		<b>\$26,271,779</b>	<b>\$0</b>	<b>\$282,985,125</b>
<b>TOTAL</b>	<b>\$1,000,886,142</b>	<b>\$214,122,102</b>	<b>\$26,291,290</b>	<b>\$50,795,438</b>	<b>\$ 82,651,633</b>	<b>\$1,374,746,605</b>
<b>EXPENDITURES</b>	<b>GENERAL FUND(a)</b>	<b>ENTERPRISE</b>	<b>INTERNAL SERVICE</b>	<b>DEBT</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
Legislative & Executive Administration	\$5,084,720					\$5,084,720
Administration	\$66,079,946		\$26,291,290		\$23,660,036	\$116,031,272
General Government	\$16,226,122					\$16,226,122
Courts & Judiciary	\$71,485,731					\$71,485,731
Public Safety	\$183,192,159				\$1,365,000	\$184,557,159
Transportation & Public Works	\$34,622,170	\$214,122,102			\$47,316,500	\$296,060,772
Health & Human Services	\$598,141,579				\$69,030	\$598,210,609
Recreation & Culture	\$84,956,533				\$10,241,067	\$95,197,600
Debt Service	\$0			\$50,795,438		\$50,795,438
Non-Departmental Revenues	\$0					\$0
Non-Departmental Expenditures	(\$58,902,818)					(\$58,902,818)
<b>TOTAL</b>	<b>\$1,000,886,142</b>	<b>\$214,122,102</b>	<b>\$26,291,290</b>	<b>\$50,795,438</b>	<b>\$82,651,633</b>	<b>\$1,374,746,605</b>

(a) = General fund includes subsidiary funds as noted in the Fund Descriptions section. These subsidiary funds include Family Care, Fleet Management, Central Services, Behavioral Health Division, and Expendable Trust Funds



# Glossary

The following are explanations of some of the most commonly used terms found in the Operating and Capital Budget narratives.

**Abatement:** A negative expenditure or cost amount. Milwaukee County sometimes uses a process by which one department will transfer costs to another department in lieu of charging that department in a cost/revenue structure. For instance, the Department of Administrative Services places expenditures in its various program areas to allocate the cost of the DAS Management program area, which are offset by negative expenditure amounts in the DAS Management program area. These negative expenditure amounts are combined with positive crosscharge amounts (see below) in the Interdepartmental Charges appropriation unit on the front pages of all departmental narratives.

**Accrual Basis of Accounting:** An accounting method that recognizes the impact of financial transactions when they occur regardless of when cash flows are realized.

**Appropriation:** The setting aside of funds for specific purposes. This is essentially the budgeting of expenditure authority for the purpose of carrying out programs or services.

**Appropriation Unit:** A group of expenditure or revenue accounts that are similar in nature. For instance, the Personnel Cost appropriation unit includes salaries, social security, and fringe benefit costs for County employees.

**BHD:** The Behavioral Health Division of the Milwaukee County Department of Health and Human Services.

**Capital Improvement Committee (CIC):** A committee, required by Section 36 of the County Ordinances, that reviews departmental capital project and capital improvement plan requests and makes recommendations to the County Executive for inclusion in the Recommended Capital Budget. The County is composed of the Chair of the County Board Committee on Transportation and Public Works, the Co-Chairs of the County Board Committee on Finance, Personnel and Audit, the Comptroller, the Director of Transportation, the Budget Director, and two municipal mayors.

**Capital Outlay:** In the Operating Budget narrative, the appropriation unit that includes costs of acquisition of operating equipment items such as vehicles and office equipment greater than \$5,000. These items generally have a useful life greater than one year, but less than ten years, and are included in an organization's operating budget.

**Crosscharge:** A cost budgeted and realized for inter-departmental service costs. For instance, the DOT-Fleet Management Division charges other County departments for vehicle maintenance costs. These charges are referred to as "crosscharges". These expenditure amounts are combined with negative abatement amounts (see above) in the Interdepartmental Charges appropriation unit on the front pages of all departmental narratives.

**DAS:** The Department of Administrative Services, which is broken up into several divisions and generally provides internal administrative services to County departments.

**DAS-Fiscal:** The Fiscal Affairs Division of the Department of Administrative Service. This division includes the DAS Director and support staff, the Office of Performance, Strategy and Budget, and the Collections section.

**Debt & Depreciation Costs:** The combination for narrative purposes of the Debt Service and Depreciation appropriation unites that includes all such costs.

**DHHS:** The Milwaukee County Department of Health and Human Services

**Direct Revenue:** A revenue appropriation unit, these are payments by customers or outside entities to the County for specific purposes. Examples include capitated payments by the State of Wisconsin for Family Care services, greens fees to play a round of golf, admissions fees to the Zoo, or Real Estate Transfer fees paid when a property changes ownership.

**DOT:** The Milwaukee County Department of Transportation.

**Five Year Capital Improvements Plan:** The anticipated required or requested capital projects for the current budget year and the proceeding four years.

**FTE:** "Full-time Equivalent" positions, or the proportion of 2,080 hours that a position is anticipated to be employed by the County.

**Fund:** An individual account that is used for accounting and budgeting purposes of similar services or functions. Similar to individual bank accounts for checking, savings, retirement, etc. Milwaukee County utilizes the following funds:

- The General Fund, which is used to account for all financial resources, except those required to be accounted for in another fund.
- The Debt Service Fund, which is used to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt.
- The Capital Projects Fund, which is used to account for financial resources segregated for the acquisition of construction of major capital facilities other than those financed by proprietary funds.
- Enterprise Funds that are used to account for operations that provide services which are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.
- Internal Service Funds that are used to account for the financing of goods or services provided by one department to other departments in the County or to other governmental entities, on a cost-reimbursement basis.

**General Obligation Bonds:** Bonds in which the government pledges its full faith and credit to the repayment of bonds that it issues.

**Indirect Revenues:** Revenues earned by departments by charging other Milwaukee County departments for services.

**Interdepartmental Charges:** The combination for narrative purposes of the Abatement and Crosscharge appropriation units that includes charges between departments for services or cost allocations.

**Intergovernmental Revenue:** The revenue appropriation unit that includes payments by the State of Wisconsin or the Federal Government. Examples include General Transportation Aids for County highway operations, payments by the State for housing State inmates in the Jail, State Shared Revenue, Youth Aids, etc.

**MCAMLIS:** The Milwaukee County Automated Mapping and Land Information System, which provides mapping and land information services utilizing GIS technology for a variety of customers. This service is funded, per State law, through a portion of the recording fee paid on most real estate transaction documents.

**Modified Accrual Basis of Accounting:** Basis of accounting in which (1) revenues are recognized in the accounting period when they become available and measurable, and (2) expenditures are recognized in the accounting period when the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which are recognized when due.

**Non-Departmental Organization:** An organizational unit that accounts for services or items that do not fall under the jurisdiction of any single department. Examples include Employee Fringe Benefits, the Appropriation for Contingencies, and the Civil Air Patrol. The narratives for these organizations are included in the Cultural Contributions, Non-Departmental Revenues, and Non-Departmental Expenditures sections of the Operating narrative.

**Operation Costs:** An appropriation unit that includes services and commodities purchased by the County in order to operate.

**Passenger Facility Charge (PFC):** The Passenger Facility Charge (PFC) Program allows the collection of PFC fees up to \$4.50 for every boarded passenger at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition, including making payments for debt service on indebtedness incurred to carry out the project. Governed by: PFC Statute (49 U.S.C. Sec. 40117). General Mitchell International Airport is currently approved to collect a PFC charge of \$4.50 per enplaned passenger.

**Seas/Hourly/Pool Pos.:** The FTE equivalent of positions that are generally hourly or temporary in nature, such as park seasonal employees, hourly temporary clerical positions, interns, etc. These positions are generally not eligible for fringe benefits.