

COUNTYWIDE NON-DEPARTMENTAL EXPENDITURES (1940) BUDGET

Department: **Countywide Non-Departmental Expenditures**

UNIT NO. **1940**

FUND: **General — 0001**

BUDGET SUMMARY

Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2017/2016 Variance
Expenditures					
Personnel Costs	\$0	\$0	(\$175,507,872)	(\$199,672,614)	(\$24,164,742)
Operation Costs	\$2,702,104	\$2,689,577	\$9,534,634	\$10,431,919	\$897,285
Debt & Depreciation	\$0	\$0	(\$4,963,879)	(\$5,180,674)	(\$216,795)
Capital Outlay	\$0	\$0	\$5,133,375	\$6,809,600	\$1,676,225
Interdept. Charges	(\$17,205,954)	(\$16,026,126)	(\$113,854,941)	(\$34,987,184)	\$76,514,722
Total Expenditures	(\$14,503,849)	(\$13,336,549)	(\$279,658,683)	(\$222,598,953)	\$57,059,730
Revenues					
Direct Revenue	\$0	\$0	\$4,263,936	\$5,466,600	\$1,202,664
Intergov Revenue	\$0	\$0	\$0	\$0	\$0
Indirect Revenue	\$0	\$0	(\$281,857,614)	(\$221,805,304)	\$15,110,121
Total Revenues	\$0	\$0	(\$277,593,678)	(\$216,338,704)	\$61,254,974
Tax Levy	(\$14,503,850)	(\$13,336,549)	(\$2,065,005)	(\$6,260,249)	(\$4,195,244)
Personnel					
Full-Time Pos. (FTE)	0	0	0	0	0
Seas/Hourly/Pool Pos.	0	0	0	0	0
Overtime \$	\$0	\$0	\$0	\$0	\$0

Department Mission: The non-departmental expenditure units represent expenditure allocations that are not under the management of, or related to a core function of any County department or office. Because these items are largely technical in nature, they have no strategic outcomes and since they are not under the management of any departments, they have no activity data or performance measures.

Department Description: Three of the non-departmental expenditure units account for services that are not directly related to any single County department:

- The Appropriation for Contingencies is designed to (a) account for unanticipated emergencies or revenue shortfalls in the coming year (unallocated contingency) or (b) account for items that are anticipated to possibly occur but may not (allocated contingency).
- The Human Resources Payroll System allocates costs of the Countywide payroll and employee data system (Ceridian).
- Law Enforcement Grants include funds allocated to municipalities for the provision of emergency communications services and law enforcement activities in County parks and at the County Grounds through memoranda of understanding.
- The Litigation Reserve is a reserve account that can be utilized for unanticipated legal costs.

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- Civil Air Patrol represents the County's contribution to this program, which operates out of Lawrence J. Timmerman General Aviation Airport.
- Wages and Benefits Modification provides for Countywide adjustments to compensation for extraordinary items.
- Centralized Crosscharges accounts for crosscharges that are no longer allocated to departments based on County policy.

The three other program areas, Offset to Internal Service Charges, Charges to Other County Departments, and Capital Outlay/Depreciation Contra represent technical adjustments that ensure the total County budget is not overstated, and ensure that costs for capital outlay and depreciation in proprietary fund departments are budgeted appropriately.

Strategic Program Area 1: Appropriation for Contingencies

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$0	\$0	\$9,704,967	\$7,424,732	(\$2,280,235)
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$0	\$0	\$9,704,967	\$7,424,732	(\$2,280,235)

The 2018 budget includes funding for unanticipated events such as departmental shortfalls and critical projects and to help ensure that the County achieves a surplus at the end of the year. In 2018, the unallocated contingency contains \$5,994,110.

The following items are included in the allocated contingency account for a total of \$1,430,622

- \$855,006 for potential funding of senior center service contracts.
- \$50,616 for potential funding for the Milwaukee County Historical Society
- \$525,000 to provide the local share for any highway project(s) in which outside revenues, such as state and federal aids, may lapse or need to be repaid if the project does not proceed in 2018. Before these funds will be allocated to any project, the Director of the Department of Transportation shall explore alternative forms of funding including, but not limited to, surpluses in other projects, reprioritizing projects or identifying another source of local funds. Administration representatives on the Capital Improvements Committee (CIC) failed to recommend a five-year capital plan in 2017. The lack of a recommendation, which includes review and input from the community, has made it difficult to identify the highest priority capital improvement projects.

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Strategic Program Area 2: Offset to Internal Service Charges

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$0	\$0	(\$228,638,006)	(\$232,668,857)	(\$4,030,851)
Revenues	\$0	\$0	(\$228,319,423)	(\$232,668,857)	(\$4,349,434)
Tax Levy	\$0	\$0	(\$318,583)	\$0	\$318,583

The expenditure and revenue figures in this program area reflect a technical correction fund transfer to the 2017 Budget that was approved by the County Board on December 15, 2016.

Strategic Implementation: This program area reduces total County expenditures and revenues by the amount of charges from internal service fund departments to other County departments. Without this adjustment, total County expenditures and revenues would be overstated. Expenditures of (\$232,668,857) and revenue offsets of (\$232,668,857) reflect the charges from the following departments to other County departments.

Internal Service Revenue			
Department Name	2017 Budget	2018 Budget	2076/2018 Var
Fringe Benefits	(\$180,262,351)	(\$201,424,214)	(\$21,161,863)
Register of Deeds	(\$87,523)	(\$67,826)	\$19,697
Emergency Management	(\$1,014,245)	\$0	\$1,014,245
DAS-Risk Management	(\$8,331,631)	\$0	\$8,331,631
DAS-IMSD	(\$9,858,628)	\$0	\$9,858,628
DAS-IMSD, General Fund IT Fund IT	(\$5,793,151)	\$0	\$5,793,151
DAS-Facilities Management	(\$10,510,802)	(\$6,072,123)	\$4,438,679
DAS-Water Utility	(\$147,106)	(\$93,503)	\$53,603
DOT-Airport	(\$415,745)	(\$419,725)	(\$3,980)
DOT-Transit	(\$9,000)	(\$9,000)	\$0
DOT-Highways	(\$1,944,299)	(\$1,462,744)	\$481,555
DOT-Fleet	(\$10,263,525)	(\$12,236,169)	(\$1,972,644)
Parks	\$0	(\$20,000)	(\$20,000)
Centralized Crosscharges	\$0	(\$10,863,553)	(\$10,863,553)
Total	(\$228,638,006)	(\$232,668,857)	(\$4,030,851)

COUNTYWIDE NON-DEPARTMENTAL EXPENDITURES (1940) BUDGETDepartment: **Countywide Non-Departmental Expenditures**UNIT NO. **1940**FUND: **General — 0001****Strategic Program Area 3: Charges to Other County Departments**

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	(\$15,237,954)	(\$14,033,950)	(\$10,613,410)	(\$6,095,572)	\$4,517,838
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	(\$15,237,954)	(\$14,033,950)	(\$10,613,410)	(\$6,095,572)	\$4,517,838

Strategic Implementation: This program area represents the offset to Central Service costs allocated to departments in order to show the full cost of operating a department. This allows the full cost to be truly reflected, and departments receiving grant revenues, indirect revenues (internal service fund departments) or outside (direct) revenues can more easily be reimbursed for this cost. Since the charge is no longer abated in departmental budgets, a central abatement represented in this budget is necessary so that expenses are not overstated.

The Central Service Allocation amounts for the 2018 budget are prepared by the Office of the Comptroller. The 2018 Plan uses 2016 actual costs as its base and includes a carryover provision for the difference between the 2017 Plan and 2016 actual costs. Adding the 2016 carryover to the 2018 budget increases charges to those departments that were undercharged in 2017, and reduces charges to those departments that were overcharged in 2016.

In 2018, the Central Service Allocation decreases as it is only charged to departments or portions of departments with offsetting revenue.

Strategic Program Area 4: Human Resource & Payroll System

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	(\$65,143)	(\$350,127)	\$640,315	\$1,968,000	\$1,327,685
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	(\$65,143)	(\$350,127)	\$640,315	\$1,968,000	\$1,327,685

Strategic Implementation: This program area contains an appropriation for Milwaukee County’s hosted payroll, human resources, and benefits management system. In 2006, the County Board and County Executive established authority for a contract with Ceridian to implement and host this system (File No. 05-14 (a) (a)).

Under the Ceridian Human Resource and Payroll System, Milwaukee County employees use online self-service tools to report their time. Ceridian manages the detail of position history, organizational hierarchy, payroll calculations, applicant recruitment, and distribution of deposit notices and related reports. The system also automates employee benefits and recruitment functions.

The 2018 Budget includes \$1,762,593 for Ceridian services and \$205,407 for related services. In previous years costs were charged to all user departments. In 2018, that crosscharge is discontinued.

COUNTYWIDE NON-DEPARTMENTAL EXPENDITURES (1940) BUDGETDepartment: **Countywide Non-Departmental Expenditures**UNIT NO. **1940**FUND: **General — 0001****Strategic Program Area 5: Law Enforcement Grants**

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$481,705	\$491,459	\$501,288	\$501,288	\$0
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$481,705	\$491,459	\$501,288	\$501,288	\$0

Strategic Implementation: A total of \$501,288 of funding is included for the Milwaukee Police Department support of 911 calls in the City of Milwaukee. A new memorandum of understanding through January 1, 2018, was approved by the County Board in file 15-747.

COUNTYWIDE NON-DEPARTMENTAL EXPENDITURES (1940) BUDGETDepartment: **Countywide Non-Departmental Expenditures**UNIT NO. **1940**FUND: **General — 0001****Strategic Program Area 6: Litigation Reserve**

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$309,694	\$573,718	\$545,591	\$526,899	(\$18,692)
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$309,694	\$573,718	\$545,591	\$526,899	(\$18,692)

Strategic Implementation: Funding for unanticipated legal expenses remains at \$500,000 in 2018 based on actual experience. Funding of \$26,899 is provided to pay the fourth and final annual installment to the City of South Milwaukee as a result of a settlement between the City of South Milwaukee (City) and Caterpillar Global Mining LLC (CGM).

In October 2013, CGM filed a refund claim with the City pursuant to Wis. Stat. 70.511 (2) (b) to recover refunds of excessive property taxes assessed by the Wisconsin Department of Revenue (DOR) and collected by the City for the Years 2008, 2009, 2010, and 2012. The total amount of the refund to CGM is \$1,265,135. Of the \$1,265,135, \$205,451 is estimated to be the responsibility of the County.

The City received permission from CGM to extend the refund payment terms over four years (2014-2017). The County's portion of the tax settlement is initially paid to CGM by the City and then the County must reimburse the City by February of the following year. Therefore the County's payments to the City will occur between 2015 and 2018. The table below lists the reimbursement amounts that the County will have to provide to the City.

Payments Due to South Milwaukee from Milwaukee County	
Year	Reimbursement Amount
2015	\$45,001
2016	\$87,960
2017	\$45,591
2018	\$26,899
Total	\$205,451

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Strategic Program Area 7: Capital Outlay/Depreciation Contra

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$0	\$0	\$169,496	\$1,628,926	\$1,459,430
Revenues	\$0	\$0	\$4,263,936	\$5,466,600	\$1,202,664
Tax Levy	\$0	\$0	(\$4,094,440)	(\$3,837,674)	\$256,766

Strategic Implementation: Proprietary Fund departments include Enterprise Fund departments (e.g., General Mitchell International Airport) and Internal Service Fund departments (e.g., DAS-Information Management Services Division). Budgeting for Proprietary Fund departments in accordance with Generally Accepted Accounting Principles (GAAP) requires that Proprietary Funds expense the cost of fixed assets over the life of the asset through depreciation. Prior to 1997, fixed assets were defined as buildings and equipment with a cost in excess of \$500. In 1997, the definitions regarding fixed assets changed. The per unit cost for non-computer equipment must exceed \$2,500 and have a useful life greater than one year. Computer related equipment must exceed \$1,000 per unit to be considered a fixed asset.

Appropriations for depreciation are included in Proprietary Fund departmental budgets while appropriations for Capital Outlay - Fixed Assets, the original cost for the fixed asset, are excluded from those budgets. To ensure proper budgeting in accordance with GAAP, yet also ensure that these departments retain control over the purchase of fixed assets, Proprietary Fund departments reflect an appropriation for Capital Outlay - Fixed Assets and an offsetting credit appropriation.

However, the cost of Capital Outlay - Fixed Assets for Proprietary Fund Departments should be included in the property tax levy. In order to achieve this, all capital outlay costs for Proprietary Fund Departments are included in this non-departmental budget. The costs for depreciation should not be included in the tax levy, therefore, an offsetting contra account for all Proprietary Fund Departments' depreciation costs is included in this non-departmental budget. This budgetary procedure has no County-wide tax levy impact.

The following tables depict the capital outlay by department for 2018 compared to 2017, the amount of depreciation in 2018 compared to 2017, Airport contribution related to general obligation debt related to Airport projects, and finally the combination of these entries that determines the tax levy amount for this non-departmental budget.

Org.	Department Name	2017 Capital Outlay	2018 Capital Outlay	2018/2017 Change
1150	DAS-Risk Management	\$ 0	\$ 0	\$ 0
1160	DAS-IMSD	0	0	0
5600	Transit/Paratransit	880,000	1,343,000	463,000
TOTAL		\$ 880,000	\$ 1,343,000	\$ 463,000

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Org.	Department Name	2017 Depreciation Contra	2018 Depreciation Contra	2018/2017 Change
1150	DAS-Risk Management	\$ (2,234)	\$ (1,000)	\$ 1,234
1160	DAS-IMSD	(1,774,594)	(1,850,677)	(76,083)
5600	Transit/Paratransit	(3,187,051)	(3,328,997)	(141,946)
TOTAL		\$ (4,963,879)	\$ (5,180,674)	\$ (216,795)

Org.	Department Name	2017 Airport Cap Rsv	2018 Airport Cap Rsv	2018/2017 Change
5040	Airport	\$ 10,561	\$ 0	\$ (10,561)
TOTAL		\$ 10,561	\$ 0	\$ (10,561)

Contribution from Airport Capital Improvement Reserves for Non-Terminal Project Principal General Obligation debt.

EXPENDITURES/REVENUE SUMMARY			
	<u>Expenditure</u>	<u>Revenue</u>	<u>Tax Levy</u>
Capital Outlay-reflects appropriations for Proprietary Fund departments	\$ 1,343,000	\$	\$
Depreciation Contra-offsets depreciation cost in Proprietary Fund departments.	(5,180,674)		
<u>Airport Year-End Closing Entry</u>			
Contribution from Capital Improvement Reserves: Non-Terminal Project Principal		0	
TOTAL	\$ (3,837,674)	\$ 0	\$ (3,837,674)

COUNTYWIDE NON-DEPARTMENTAL EXPENDITURES (1940) BUDGETDepartment: **Countywide Non-Departmental Expenditures**UNIT NO. **1940**FUND: **General — 0001****Strategic Program Area 8: Civil Air Patrol**

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$7,849	\$6,646	\$11,000	\$11,000	\$0
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$7,849	\$6,646	\$11,000	\$11,000	\$0

Strategic Implementation: The Civil Air Patrol utilizes the County-owned hangar at Lawrence J. Timmerman Airport (LJT) and the second floor of the LJT Control Tower. The County provides appropriations for the utility costs (heat, light, insurance and telephone) of these facilities. The 2018 Recommended Budget remains at the 2017 level of \$11,000 to support the Civil Air Patrol. These appropriations may be used for paint, repairs, materials, and supplies to help keep the facilities in a well-maintained and safe condition. The Civil Air Patrol will continue to provide the following activities:

- A national program of aerospace education for youth and adults.
- Participation in disaster emergency services and Homeland Security exercises, nationally and locally.
- Cooperation with, and support of, Civil Defense and American Red-Cross disaster and relief programs.
- Participation in all search and rescue missions authorized by the United States Air Force and Coast Guard.
- Flying shore patrol for the boating public as authorized by the United States Coast Guard.
- Assisting the U.S. Customs Service and Drug Enforcement Administration by patrolling in aircraft to detect illegal drug activity and marijuana fields and reporting such activity to the U.S. Customs Service.
- Assistance to Civil Authority, including airborne imagery and communications support.
- Military commander support, including low level surveys, range assistance and low-slow intercept training.
- Counter terrorism mission support, flown in cooperation with the Federal Bureau of Investigation (FBI).

COUNTYWIDE NON-DEPARTMENTAL EXPENDITURES (1940) BUDGETDepartment: **Countywide Non-Departmental Expenditures**UNIT NO. **1940**FUND: **General — 0001****Strategic Program Area 9: Wages and Benefits Modification**

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$0	\$0	\$1,558,267	\$1,751,600	\$193,333
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$0	\$0	\$1,558,267	\$1,751,600	\$193,333

Strategic Implementation: \$1,751,600 is included in the Wages and Benefits Modification for potential increases in salary for 2018 members of the Milwaukee Deputy Sheriff's Association (MDSA). Once an agreement is reached between the County and the MDSA, a fund transfer will be processed to transfer the appropriate amount to the Office of the Sheriff.

COUNTYWIDE NON-DEPARTMENTAL EXPENDITURES (1940) BUDGETDepartment: **Countywide Non-Departmental Expenditures**UNIT NO. **1940**FUND: **General — 0001****Strategic Program Area 10: Centralized Crosscharges**

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$0	\$0	\$0	\$2,353,031	\$2,353,031
Revenues	\$0	\$0	\$0	\$10,863,553	\$10,863,553
Tax Levy	\$0	\$0	\$0	(\$8,510,522)	(\$8,510,522)

Strategic Implementation: This program area accounts for crosscharges that are no longer allocated to departments based on County policy.