

NON-DEPARTMENTAL EXPENDITURES (194) BUDGET
 DEPT: Non-Departmental Expenditures

AGENCY NO. 194
 FUND: General - 10001

B U D G E T S U M M A R Y

Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures					
Personnel Costs	\$0	\$32,295	(\$88,835,026)	(\$81,897,143)	\$6,937,883
Operation Costs	\$2,278,635	\$1,837,219	\$7,632,227	\$7,450,412	(\$181,815)
Debt & Depreciation	\$0	\$0	(\$6,636,389)	(\$5,569,785)	\$1,066,604
Capital Outlay	\$0	\$0	\$5,824,515	\$4,046,994	(\$1,777,521)
Interdept. Charges	(\$5,793,675)	(\$5,239,921)	(\$43,189,027)	(\$45,566,815)	(\$2,377,788)
Total Expenditures	(\$3,515,040)	(\$3,370,407)	(\$125,203,700)	(\$121,536,337)	\$3,667,363
Revenues					
Direct Revenue	\$4,532,383	\$414,556	\$3,307,853	\$1,420,000	(\$1,887,853)
Intergov Revenue	\$0	\$0	\$0	\$0	\$0
Indirect Revenue	\$9,448,764	\$13,232,299	(\$114,766,529)	(\$109,188,199)	\$5,578,330
Total Revenues	\$13,981,147	\$13,646,855	(\$111,458,676)	(\$107,768,199)	\$3,690,477
Tax Levy	(\$17,496,187)	(\$17,017,262)	(\$13,745,024)	(\$13,768,138)	(\$23,114)

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).
- The Litigation Reserve is a reserve account that can be utilized for unanticipated legal costs.
- Civil Air Patrol represents the County's contribution to this program, which operates out of Lawrence J. Timmerman General Aviation Airport.
- Central Salary Adjustment provides for Countywide adjustments to compensation that are budgeted centrally instead of in departments.
- Centralized Crosscharges accounts for crosscharges that are no longer allocated to departments based on County policy.
- Investment Management Fees accounts for the County's contracted investment advisors.

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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.

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Strategic Program Area 1: Appropriation for Contingencies

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$0	(\$521,663)	\$5,000,464	\$5,000,464	\$0
Revenues	\$4,532,383	\$414,556	\$0	\$0	\$0
Tax Levy	(\$4,532,383)	(\$936,219)	\$5,000,464	\$5,000,464	\$0

The Appropriation for Contingencies budget includes funding for unanticipated events such as departmental shortfalls and critical projects. This helps to ensure the County achieves a surplus at the end of the year. Funds in the Appropriation for Contingencies can be in an unallocated account or in an allocated account earmarked for a specific purpose.

In 2023, the unallocated contingency contains \$5,000,464 and no items are in allocated contingency.

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Strategic Program Area 2: Offset to Internal Service Charges

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$0	\$0	(\$127,258,781)	(\$123,699,210)	\$3,559,571
Revenues	\$0	\$0	(\$127,258,781)	(\$123,699,210)	\$3,559,571
Tax Levy	\$0	\$0	\$0	\$0	\$0

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 (\$123,699,210) and revenue offsets of (\$123,699,210) reflect the charges from the following departments to other County departments.

Internal Service Revenue			
Department Name	2022 Budget	2023 Budget	2023/2022 Variance
Fringe Benefits	(\$88,735,026)	(\$82,138,260)	\$6,596,766
Centralized Crosscharges	(\$12,492,252)	(\$14,511,011)	(\$2,018,759)
DOT-Airport	(\$311,060)	(\$336,040)	(\$24,980)
DOT-Transportation Services	(\$1,620,760)	(\$1,620,760)	\$0
DOT-Fleet	(\$18,750,941)	(\$19,932,474)	(\$1,181,533)
DAS-Water Utility	(\$74,679)	(\$54,809)	\$19,870
DAS-Facilities Management	(\$5,259,063)	(\$5,105,856)	\$153,207
Parks	(\$1,500)	(\$1,500)	\$13,500
Total	(\$127,258,781)	(\$123,699,210)	\$3,559,571

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Strategic Program Area 3: Charges to Other County Departments

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	(\$8,666,294)	(\$8,144,914)	(\$7,801,187)	(10,304,052)	(\$2,502,865)
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	(\$8,666,294)	(\$8,144,914)	(\$7,801,187)	(\$10,304,052)	(\$2,502,865)

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 expenses are not overstated.

The Central Service Allocation amounts for the 2023 budget are prepared by the Office of the Comptroller. The 2023 plan uses 2021 actual costs as its base and includes a carryover provision for the difference between the 2022 Plan and 2021 actual costs. Adding the 2021 carryover to the 2023 budget increases charges to those departments that were undercharged in 2022 and reduces charges to those departments that were overcharged.

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Strategic Program Area 4: Human Resource & Payroll System

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$1,771,162	\$2,072,761	\$2,133,901	\$1,790,139	(\$343,762)
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$1,771,162	\$2,072,761	\$2,133,901	\$1,790,139	(\$343,762)

Strategic Implementation: This program area contains an appropriation for Milwaukee County’s hosted payroll, human resources (HR), benefits management, learning management, and applicant recruiting systems as well as actuarial services.

This program area funds the following services and purchases:

- Ceridian HCM provides Dayforce subscriptions, tax filing identifications, training, services, clock maintenance, data processing, HR management, payroll processing, learning management, and recruiting under a 2021 to 2023 Agreement.
- Morneau Shepell Limited provides benefits administration software services under a 2020 to 2023 extended Agreement for Products and Services. For 2023, funding for this service is moved to org 1950 – Fringe Benefits.
- The Milwaukee County Pension Board is in the process of selecting a vendor for actuarial services beginning in 2023. The Office of the Comptroller is authorized to enter into an agreement with the vendor selected by the Milwaukee County Pension Board under the same terms authorized and approved by the Milwaukee County Pension Board and in an amount not to exceed \$500,000. This contract allows for the provision of actuarial services directly to the County for purposes of calculating fiscal costs of various pension actions. Funding of \$100,000 is provided for the 2023 fiscal year for services rendered under the contract.

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Strategic Program Area 5: Litigation Reserve

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$197,584	\$108,867	\$186,362	\$186,362	\$0
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$197,548	\$108,867	\$186,362	\$186,362	\$0

Strategic Implementation: The litigation reserve includes funding available for unanticipated litigation costs. The reserve is under the management of the Office of Corporation Counsel.

Unanticipated litigation costs that exceed the amount provided in the Litigation Reserve may be provided from other available funding sources, including the Appropriation for Contingencies.

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Strategic Program Area 6: Capital Outlay/Depreciation Contra

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$0	\$0	(\$811,874)	(\$1,522,791)	(\$710,917)
Revenues	\$0	\$0	\$3,307,853	\$1,420,000	(\$1,887,853)
Tax Levy	\$0	\$0	(\$4,119,727)	(\$2,942,791)	\$1,176,936

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 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 2023 compared to 2022, the amount of annual depreciation and finally, the combination of these entries that determines the tax levy amount for this non-departmental budget.

Org.	Department Name	2022 Capital Outlay	2023 Capital Outlay	2023/2022 Change
1150	DAS-Risk Management	\$ 0	\$ 0	\$ 0
1160	DAS-IMSD	0	0	0
5600	Transit/Paratransit	2,516,662	2,626,994	110,332
TOTAL		\$ 2,516,662	\$ 2,626,994	\$ 110,332

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Org.	Department Name	2022 Depreciation Contra	2023 Depreciation Contra	2023/2022 Change
1150	DAS-Risk Management	\$ 0	\$ 0	\$ 0
1160	DAS-IMSD	(3,143,436)	(2,076,832)	1,066,604
5600	Transit/Paratransit	(3,492,953)	(3,492,953)	0
TOTAL		\$ (6,636,389)	\$ (5,569,785)	\$ 1,066,604

EXPENDITURES/REVENUE SUMMARY			
	<u>Expenditure</u>	<u>Revenue</u>	<u>Tax Levy</u>
Capital Outlay-reflects appropriations for Proprietary Fund departments	\$ 2,626,994		
Depreciation Contra-offsets depreciation costs in Proprietary Fund departments.	(5,569,785)		
<u>Airport Year-End Closing Entry</u>			
Contribution from Capital Improvement Reserves: Non-Terminal Project Principal			
TOTAL	\$ (2,942,791)	\$ 0	\$ (2,942,791)

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Strategic Program Area 7: Civil Air Patrol

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$10,237	\$10,468	\$11,500	\$11,500	\$0
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$10,237	\$10,468	\$11,500	\$11,500	\$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. Appropriations may be used for paint, repairs, materials, and supplies to 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).

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Strategic Program Area 8: Central Salary Costs

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$0	\$0	(\$100,000)	\$2,713,129	\$2,813,129
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$0	\$0	(\$100,000)	\$2,713,129	\$2,813,129

Strategic Implementation: This program area includes centrally budgeted modifications to employee salary.

Central Salary Items – Included in this org unit

- An appropriation of \$3,713,129 is included for employee salary adjustments to be recommended by the Department of Human Resources in 2023 based on the results of compensation studies which are underway. Approval by the County Board to release these funds these funds via appropriation transfer will be requested after the final compensation study report is submitted to the County Board.
- A vacancy and turnover reduction of \$1,000,000 is included in 2023. Based on recent experience, the County has realized a higher level of vacancy savings than budgeted. The Office of Strategy, Budget, and Performance and the Office of the Comptroller will monitor the actual vacancy rate during 2023 and recommend corrective action if needed. Departmental fund transfers from personnel to other account series may be reduced or eliminated in 2023.

Department Salary Items – Included in various departments

- The 2 percent general increase approved for August 2022 in File 22-828 is fully funded in department budgets. The 2023 Budget also includes an additional 2 percent salary increase effective April 2, 2023. Funding is not included in the 2023 Budget for automatic step increases – it is expected that most positions will be moved from a step-based system to a pay range system in 2023.
- An ordinance change is being proposed along with the 2023 budget to increase the revise the amount of vacation hours provided to employees, including an increase in vacation hours for new employees as well as other increases based on years of services. This change is being proposed to better align to market standards and to assist with recruitment and retention efforts.

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Strategic Program Area 9: Central Crosscharges

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$2,872,619	\$2,904,993	\$3,135,915	\$3,988,122	\$852,207
Revenues	\$9,448,763	\$13,232,299	\$12,492,252	\$14,511,011	\$2,018,759
Tax Levy	(\$6,576,144)	(\$10,327,306)	(\$9,356,337)	(\$10,522,889)	(\$1,166,552)

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

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Strategic Program Area 10: Investment Management Fees

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$299,653	\$199,081	\$300,000	\$300,000	\$0
Revenues	\$0	\$0	\$0	\$0	\$0
Tax Levy	\$299,653	\$199,081	\$300,000	\$300,000	\$0

Strategic Implementation: This program area includes funding for the County's contracted investment advisors. These advisors directly manage the long and short-term investment of operating funds not needed for immediate use.