

# 2024



Legislative Reference Bureau

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# COMPTROLLER

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## 2024 Proposed Plan and Executive Budget Review

Prepared by: Alex Highley, Legislative Fiscal Analyst

Budget Hearing: 1:00 pm on Friday, September 29, 2023

**\$4,969,083**

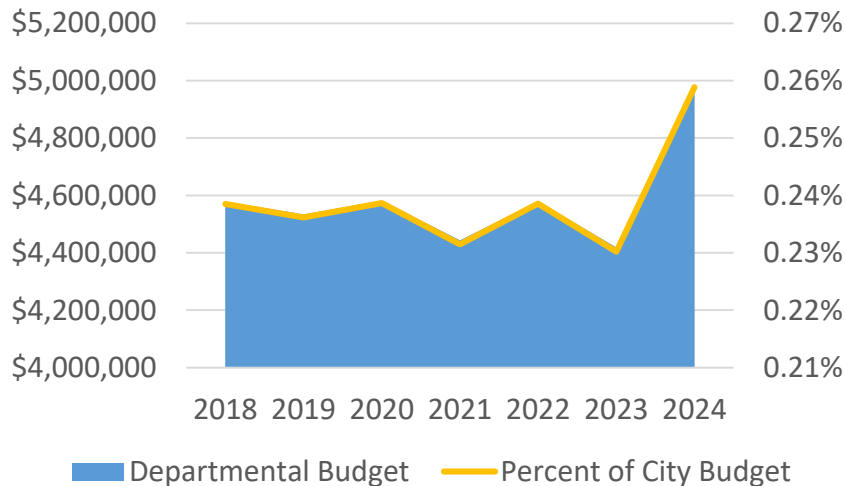
Proposed 2024 Budget + ARPA

**\$1,924,083**

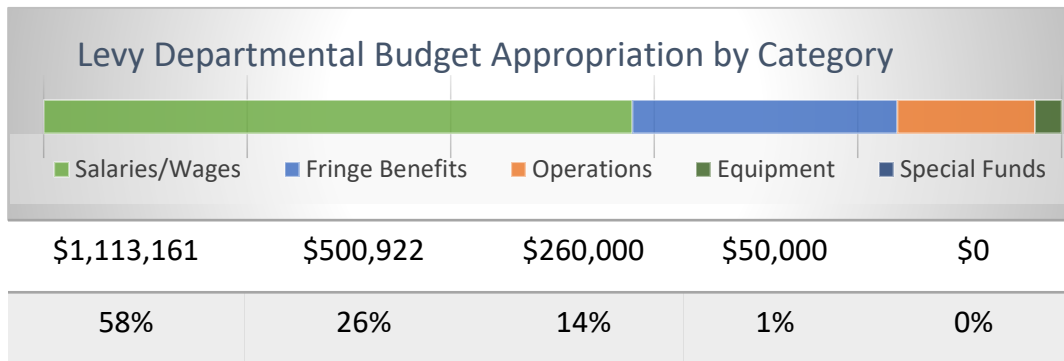
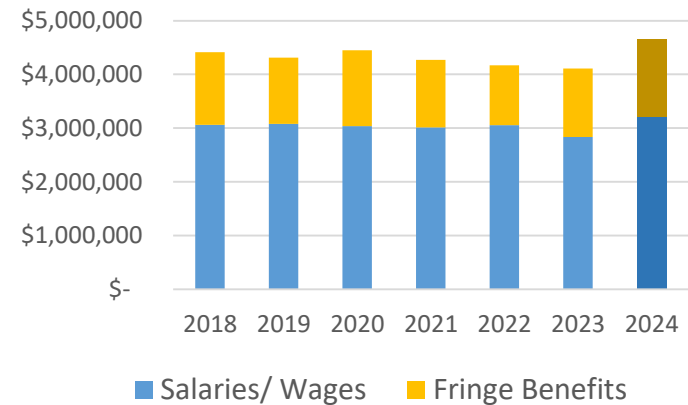
Proposed 2024 Budget (Levy)

**\$550,546**\$ Overall Change from 2023  
(ARPA + Levy)**\$4,969,083**

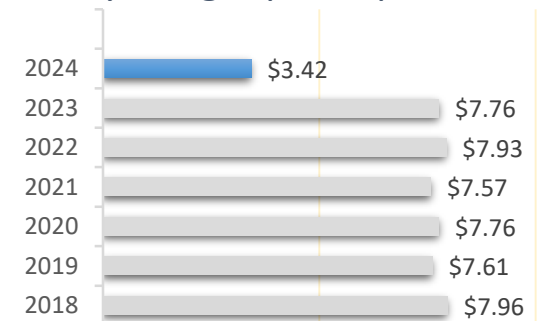
Requested 2024 Budget



### Personnel Budget



### Levy Budget per Capita



# \$2,100,000

2024 Salaries and Wages  
funded with ARPA

# \$378,308

Increase in Salaries and Wages,  
compared to 2023  
(ARPA + Levy)

## Staffing Vacancies

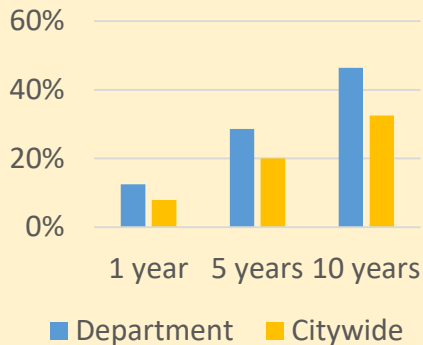
The department currently has 3 vacancies:

- Accounting Specialist
- Accounting Program Assistant III – 2 positions

## Staffing Update

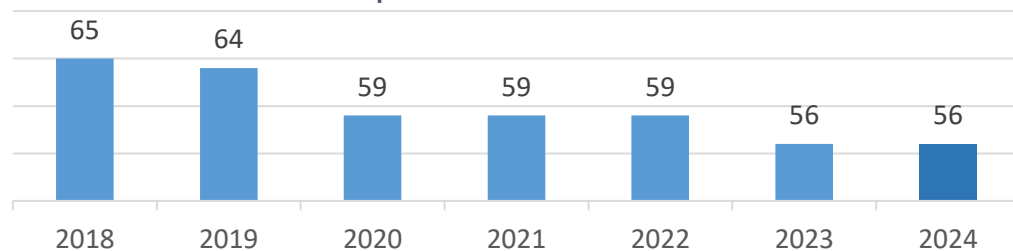
38 positions in the department were reclassified to a higher pay range, which explains the increase in departmental salaries and wages by \$378,308.

## Retirement Eligible



0	0%
Change in Positions	% Change in Positions
3	3
Current Vacancies	Voluntary Separations

## Department Positions



## A-/BBB+

Investment grade bond rating for City of Milwaukee from Standard & Poor Global and Fitch for 2024.

## 100%

Percentage of citywide actual revenues to revenue estimate for 2024, the same as 2023.

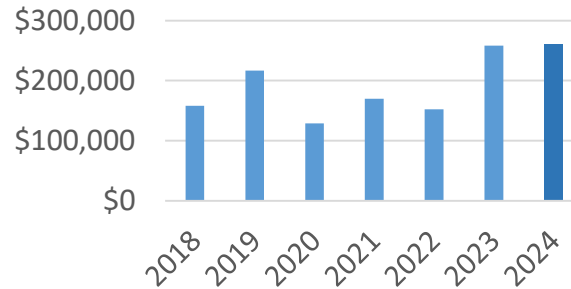
## \$184 million

Comptroller's Office estimate of revenue that will be generated for the City in 2024 from the new 2% sales tax.

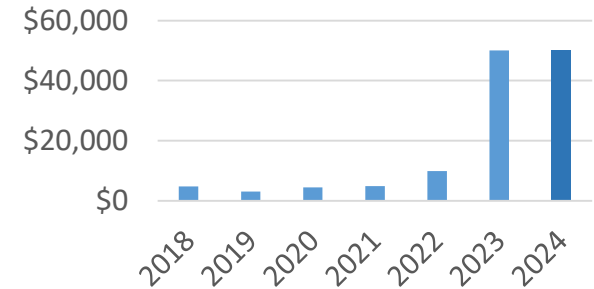
## \$14,700,000

Increase in the Tax Stabilization Fund balance between 2022 and 2023. The total balance was \$29,400,000 as of January 2023.

### Operating Expenditures Budget



### Equipment Budget



### Revenue

Comptroller's 2024 projected revenues:

- Charges for Services \$500,000

Projected revenues of \$500,000 are \$10,000 lower than 2023 estimated revenues and \$14,266 higher than 2022 actual revenues.

### Special Purpose Accounts - 2024

- MMSD Sewer Usage Charge \$56,957,218  
\*Pass Through
- Wages Supplement Fund \$17,295,500
- Contribution Fund General \$2,900,000
- Reserve for 27th Payroll \$1,500,000
- Firemen's Relief Fund \$190,000
- Bds. & Comm. Reimbursement \$16,000
- Annual Payment to DNR \$7,100

### Grants & Aids

Total grants and aids for the department are \$859,386 for 2024:

- CDBG – Accounting & Auditing \$500,579
- HOME – Accounting & Auditing \$117,421
- ARPA – Accounting & Auditing \$241,386

Total grant funding is up by \$109,202 from 2023.

### Capital Programs and Projects

There are no capital programs for this department.

# \$268,800,000

Total City Debt Service payment for Proposed 2024 Budget, a \$56,293,090 or 17.3% decrease from the amount paid in 2023.

# \$17,295,500

2024 funding for the Wages Supplement Fund, which is used to cover employee wage increases. Total amount is up by \$7,945,500 from 2023, and intended to reflect increased efforts by the Department of Employee Relations to provide market-rate comparable compensation rates.

# \$0

Public Debt Amortization Fund withdrawal in 2023, which is a decrease from the \$3 million withdrawn in 2023.

## Special Funds

There are no special funds for this department.

## Additional Tasks Related to 2% Local Sales Tax Revenue

In receiving revenue from the 2% local sales tax, the Comptroller's Financial Services Division will track receipts as they are received from the Wisconsin Department of Revenue. The office will complete forecasting, estimating and analysis of the budgets of forthcoming years. Meanwhile, the Accounting Section plans to perform additional disclosures of the financial statements through the Annual Comprehensive Financial Reports. The Comptroller's Office does not anticipate that this work will require extra staff members.

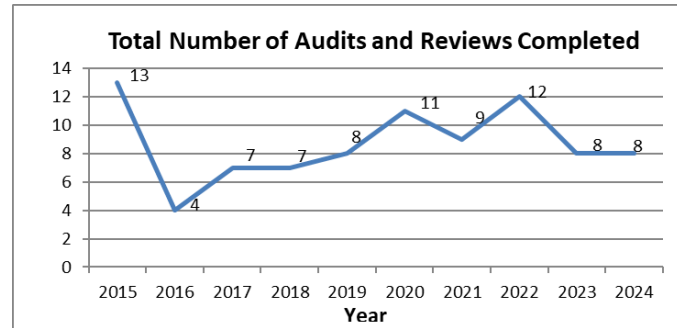
## Bond Rating Downgrade

In May 2023, Fitch Ratings downgraded the City's credit rating from A to BBB+, which is a two-notch downgrade. The firm reported that the demotion reflects a "growing structural budgetary imbalance driven by statutory revenue-raising constraints, escalating municipal cost pressures, especially for pensions, and reliance on state shared revenue that has not kept pace with inflation." However, this downgrade occurred before the passage of the 2% City sales tax.

Although Standard and Poor Global didn't change its credit rating for Milwaukee, they did give the city a "negative outlook," meaning they could downgrade their rating of the City in the near future.

## Promoting Equity and Inclusion

The Comptroller's Office created a Growth Strategy to address equity and inclusion with three foundational pillars: commitment, workforce, and community involvement. The department will review policies for biases and foster an environment for change. The Office is breaking employment barriers through outreach, training staff on equity and inclusion, and emphasizing the importance of community involvement. The Office is looking to improve communication with residents and has translated many financial reports to Spanish and Hmong.



Audit or Review Title	Presentation/Completion Date
<b>Audits and Projects Completed</b>	
Audit of Public Safety IT Disaster Recovery (Consultant Led)	March 2023
Audit of Milwaukee Streetcar Safety	May 2023
Audit of Milwaukee Police Department Citation Filings with Municipal Court	May 2023
Audit of the Residents Preference Program for Development Agreements	July 2023
Audit of Milwaukee Fire Department Payroll Calculations (Consultant Led)	September 2023
<b>Audits and Projects in Progress</b>	
Audit of Milwaukee Water Works IT Disaster Recovery (Consultant Led)	Estimated completion October 2023, present to F&P Committee November 2023
Audit of Cybersecurity and Governance (Consultant Led)	Estimated completion January 2024, present to F&P Committee February 2024
Follow-Up Audit of Petty Cash	To start in October 2023 - Estimated completion January 2024, present to F&P Committee February 2024
Audit of Department of Public Works Infrastructure & Milwaukee Water Works Inventory/Capital Assets	Estimated completion December 2023, present to F&P Committee January 2024
Audit of the Residents Preference Program for Department of Public Works Contracts	Estimated completion October 2023, present to F&P Committee November 2023
Audit of City Treasurer Cash	Estimated completion October 2023, present to F&P Committee November 2023
<b>Contingency Audits and Projects - conducted when other Audits are not conducted due to staffing changes, changes in auditee departments, etc.</b>	
Audit of Milwaukee Public Library Cash	To be determined as part of 2024 Audit Plan
Audit of Department of Public Works Parking Cash	To be determined as part of 2024 Audit Plan
Audit of Procard	To be determined as part of 2024 Audit Plan
Audit of the Residents Preference Program Worker Certification Agencies	To be determined as part of 2024 Audit Plan
Audit of the Board of Zoning Appeals Operations	To be determined as part of 2024 Audit Plan
Audit of Municipal Court Cash	To be determined as part of 2024 Audit Plan