

# 2024



Legislative Reference Bureau

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# TREASURER

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## 2024 Proposed Plan and Executive Budget Review

Prepared by: Alex Highley, Legislative Fiscal Analyst

Budget Hearing: 9:00 am on Friday, September 29, 2023

**\$4,198,640**

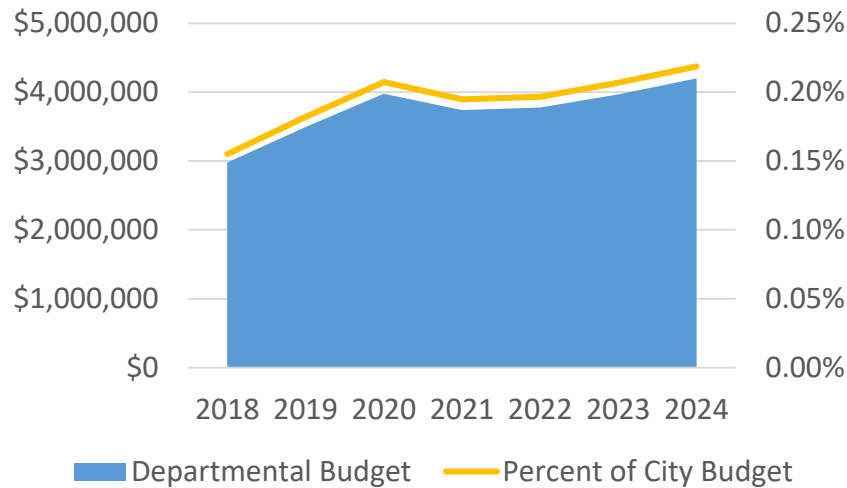
Proposed 2024 Budget + ARPA

**\$2,458,640**

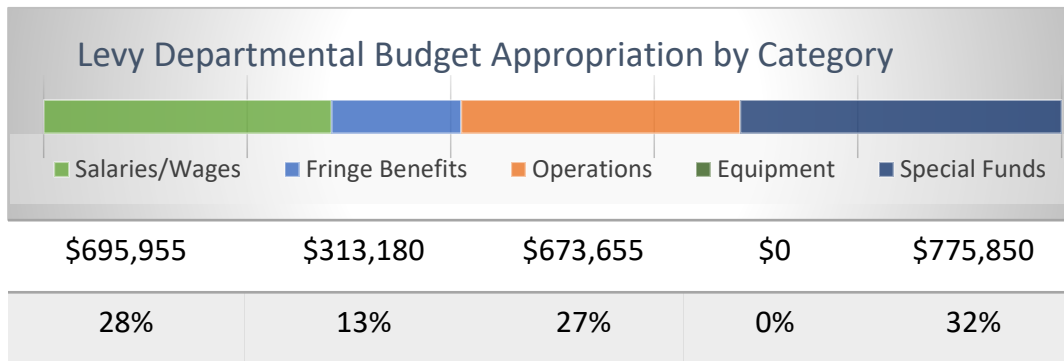
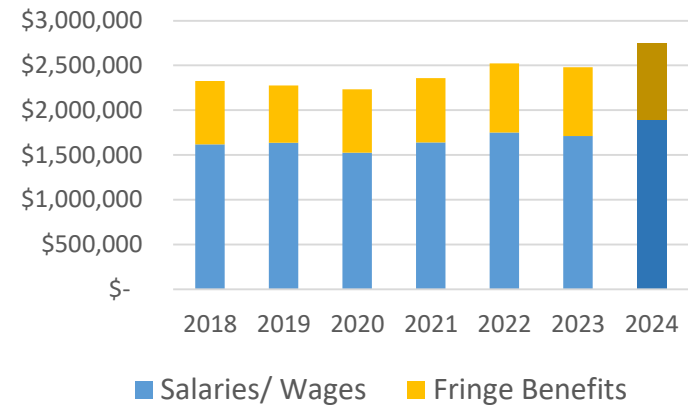
Proposed 2024 Budget (Levy)

**\$229,894**\$ Overall Change from 2023  
(ARPA + Levy)**\$4,203,461**

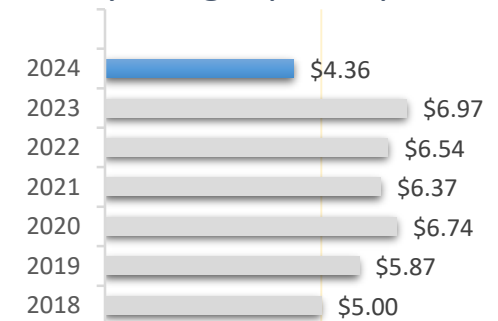
Requested 2024 Budget



### Personnel Budget



### Levy Budget per Capita



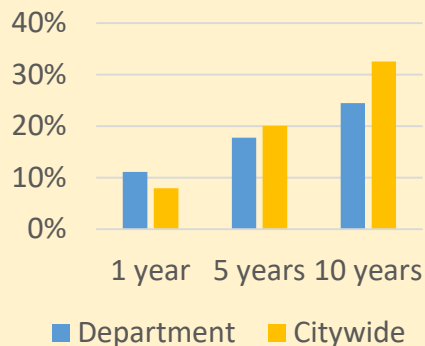
# \$1,200,000

2024 Salaries and Wages  
funded with ARPA

# +\$185,820

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

## Retirement Eligible



## Staffing Vacancies

There are currently 2 vacancies in the Office:

- Customer Service Representative III
- Program Assistant II

The Customer Service Representative III position has been approved to be filled, and an eligible list is being referred by the Department of Employee Relations for management to conduct interviews.

The Program Assistant II position is vacant due to a promotion. A request to fill is pending a reclassification study.

## Staffing Cut of Five Temp. Customer Service Rep. I Positions

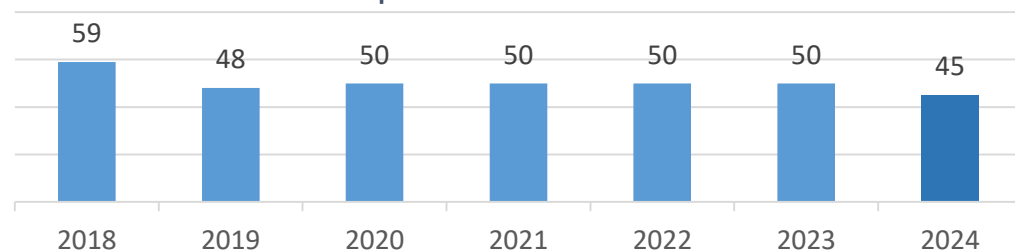
The department will cut 5 Temporary Customer Service Representative I positions. Based on past experience, 15 positions is sufficient to meet the department's needs if the requested direct labor hours are fully funded.

Despite this reduction in positions, total salaries will increase for the remaining Temporary Customer Service Rep. positions by \$3,136.

## Positions Reclassified

9 positions in the department were reclassified to a higher pay grade in 2023, which partially explains the increase in departmental salaries and wages by \$185,820.

## Department Positions



<b>-5</b>	<b>-10%</b>
Change in Positions	%Change in Positions
<b>2</b>	<b>1</b>
Current Vacancies	Voluntary Separations

# **-\$51,640**

Decrease in Operations costs for the department, down 7.1% from the amount allocated in 2023.

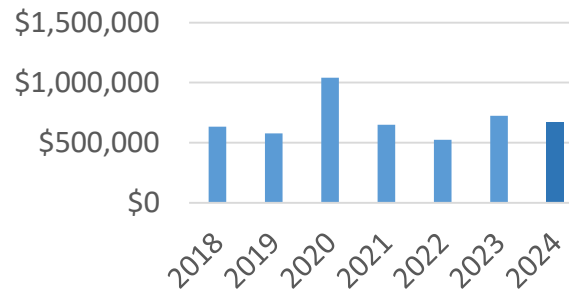
# **+ \$4,126,000**

Increase in department's revenue, attributable to interest on general fund investments. Interest rates have increased due to the Federal Open Market Committee raising the Federal Funds Rate.

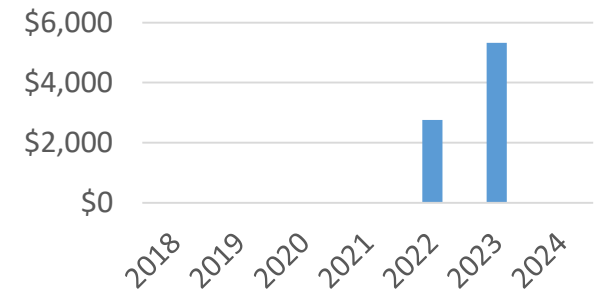
# **\$900 million**

Dollar amount of total property taxes proposed to be collected in 2024. This is \$3.8 million more than the amount collected in 2022.

## Operating Expenditures Budget



## Equipment Budget



## Revenue

Areas of revenues estimated for 2023:

- Licenses – Dog and Cat \$89,000
- Charges for Services \$119,000
- Miscellaneous – Interest on Investment \$6,667,000

**Total Department Revenues** \$6,875,000

\*2024 revenues up 150.1% from 2023

## Special Purpose Accounts

In 2020, the Treasurer's Office began using a \$1.25 million Citywide Collection Contract managed by the DOA to cover the Treasurer's Office's share of the collection contract costs. The Contract was funded by a Special Purpose Account. The Treasurer's Office allocation of the Citywide Collection Contract SPA will remain at \$530,000 in 2024.

## Grants & Aids

This department receives no grant funding.

## Capital Programs and Projects

There are no capital programs for this department.

# \$8,500,000

Estimated 2024 total investment revenue realized on short-term pooled cash investments, an increase of \$8,305,000 from 2023.

Total balance of the cash investments is projected to be \$200 million, up \$5 million from 2023.

# \$1,500,000

Planned 2024 total investment revenue realized on long-term pooled cash investments, an increase of \$520,000 from 2023.

Total balance of the cash investments is projected to be \$30 million, down \$10 million from 2023.

# 18,522

Delinquent real estate tax accounts as of September 2023, up 276 or 1.5% from September 2022.

## Special Funds

Information Systems	\$18,300	Remains the same from 2023
Property Tax Collection Forms	\$20,035	Increased by \$4,305, or 27.4%, from 2023
Information Technology Services	\$737,515	Increased by \$13,110, or 1.8%, from 2023

**TOTAL** **\$775,850**

## Munis Property Tax Collection System Update

Since implementing a new property tax collection system in 2017, the City also runs System Innovator's iNovah application cashiering system in tandem with Munis. Pending resolution of a few remaining issues, the interface is tentatively scheduled to be active in October 2023. Once the interface is initiated, tellers' daily uploads between the systems will be eliminated.

## 2022 Audit of Munis Vendor Management System

Following an audit of the Treasurer's Office by the Comptroller's Office in 2022, the Comptroller's Internal Audit Division issued a report in March 2023 noting that the Treasurer's Office had fully implemented the audit's recommendations.

## Changes in Treasurer Department Revenue, Pooled Cash Investment Revenue, and Pooled Cash Balances

Between 2022 and 2023, the Treasurer's Office investment revenues increased by \$273,942, and revenues from short- and long-term pooled cash investments increased by \$7,066 and \$266,876, respectively. In 2024, revenues from short- and long-term pooled cash investments are expected to rise by \$8,305,000 and \$520,000 respectively. Due in part to rising interest rates, Public Debt Amortization Fund revenue is expected to rise from \$391,667 in 2023 to \$3,333,333 in 2024. Under Wisconsin Statutes, one-third of all interest on pooled cash and investments is allocated to the Public Debt Amortization Fund.

In 2024, the overall daily short-term pooled cash investment balance is predicted to increase \$5 million to \$200 million, with the rate of return increasing from 0.10% to 4.25%. Meanwhile, the average overall daily long-term pooled cash investment balance is expected to decrease \$10 million to \$30 million in 2024, with the estimated rate of return rising from 2.45% to 5%.

# 0.575%

Expected cost of property tax collection as a percentage of property taxes collected in 2024. This cost is up from a 2022 actual cost of 0.5385%.

# 64.85%

In rem tax foreclosure redemption rate in 2022, a significant hike from 51.64% in 2020, and the highest rate since 2008.

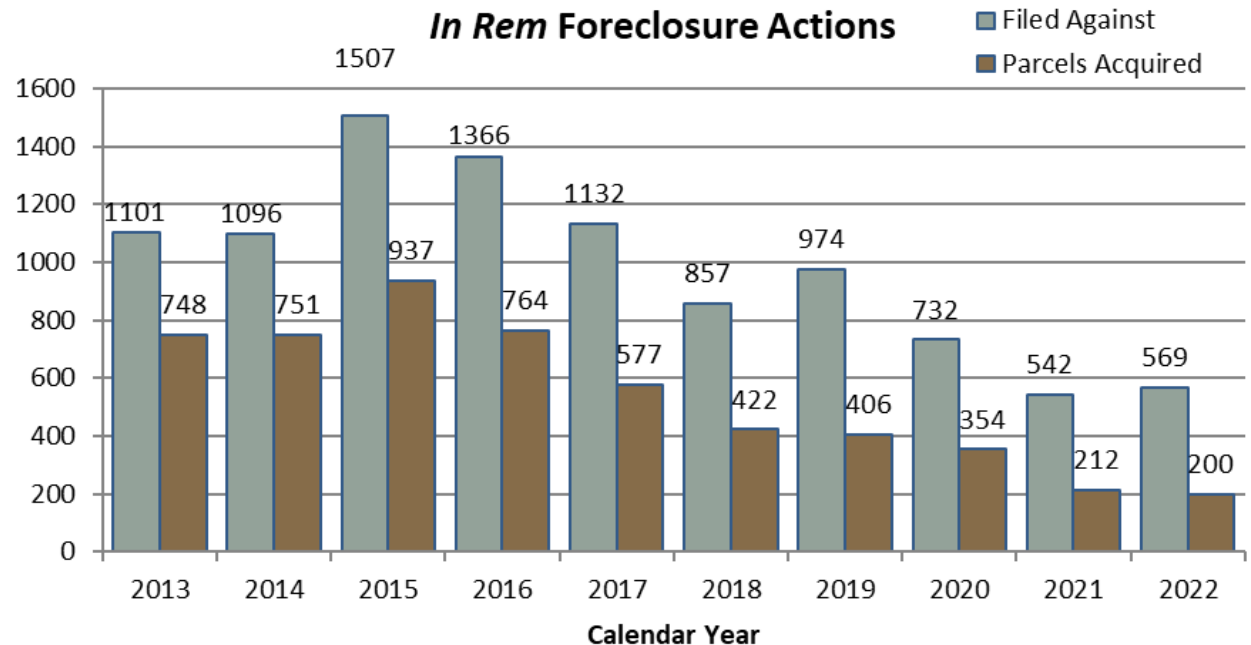
# A-/BBB+

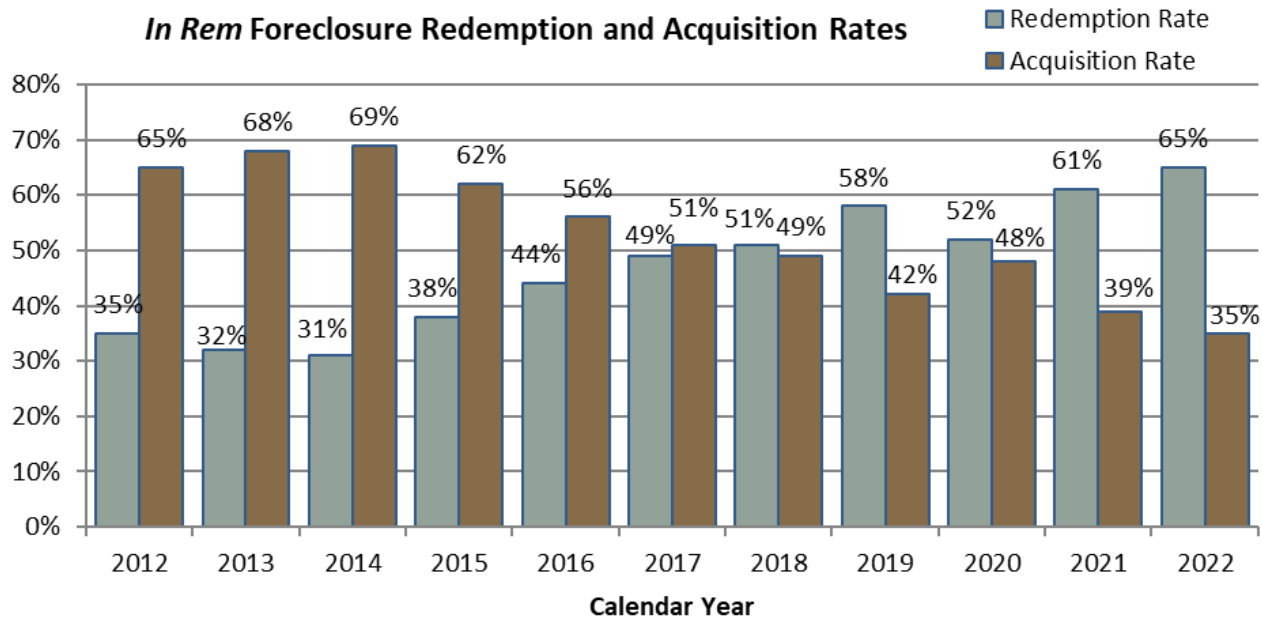
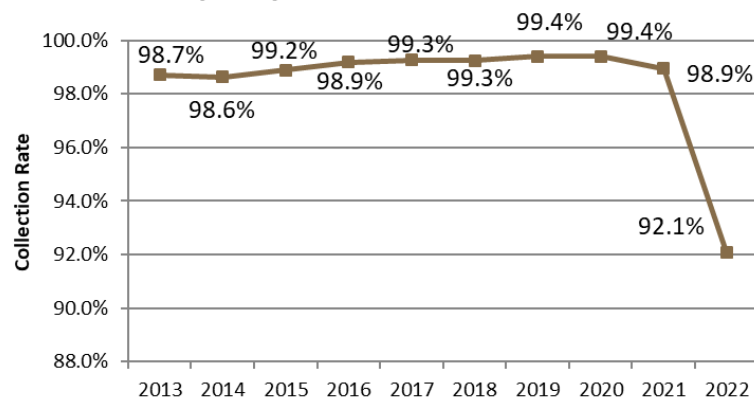
Investment grade bond rating for City of Milwaukee from Standard & Poor's and Fitch for 2024.

## 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.



***In Rem* Foreclosure Redemption and Acquisition Rates****Property Tax Collection Rates**

\*2020 is in Phase 3, 2021 is in Phase 2, and 2022 is in Phase 1.