



OFFICE OF THE COUNTY CLERK

JOSEPH J. CZARNEZKI • COUNTY CLERK

MEMO

DATE: July 24, 2012
TO: The Honorable County Board of Supervisors
FROM: Joseph J. Czarnezki, County Clerk
SUBJECT: File Returned Unsigned

The County Executive has returned to my office, without his signature of approval, the following file:

File No. 12-494 – A resolution from the Office of the Comptroller, requesting the transfer of excess funds from the 2011 surplus to the Debt Service Reserve.

This resolution was adopted by a vote of 18 ayes – 0 noes at your meeting of June 28, 2012 and remains in full force and effect.

Joseph J. Czarnezki, County Clerk



OFFICE OF THE COUNTY EXECUTIVE

Chris Abele

MILWAUKEE COUNTY EXECUTIVE

DATE: July 24, 2012

TO: The Honorable Milwaukee Board of Supervisors

FROM: Chris Abele, Milwaukee County Executive

RE: County Board File No. 12-494 On the Use of Surplus Funds To Pay Off State Trust Fund Loans

I am returning County Board File No. 12-494 unsigned.

The County Board adopted a resolution on June 28, 2012 to spend \$2.3 million to pay off two State Trust Fund Loans. The savings from paying those loans off early is expected to be \$423,979.

I'm glad the Board is embracing my focus of paying off debt and I fully support the spirit of this resolution but we could have leveraged this money even better had Board leadership been willing to engage in open dialogue with my office.

For instance, had we used the same amount of money (\$2.3 million) from the surplus that the Board voted for, but instead used it to pay down our Pension Obligation Bonds (POB), taxpayers would have saved \$1,845,147 over 20 years. That's a 348% better return of taxpayer money than the resolution passed by the Board.

Along a similar line, had we combined the \$2.3 million with \$6.5 million from the Stabilization Fund and used that money to pay down our POB's, taxpayers could have saved \$7,130,947 over 20 years. That's a 1,630% better return of taxpayer money than the resolution passed by the Board.

I talked with the Chairwoman about some of these alternative options but she rejected moving forward together on these alternatives.

Moving forward, we hope the Chairwoman and County Board staff will be more open with my office. At the end of the day these important decisions should be about how we can best serve taxpayers and save money.