



COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION

Office of the Comptroller  
**Scott B. Manske, Comptroller**

DATE : October 25, 2017

**2nd Revision**

TO : County Executive, Chris Abele  
Chairman, Theodore Lipscomb, Sr.

FROM : Scott B. Manske, Comptroller

SUBJECT : Tax Levy Limit Estimate for the 2018 Budget (Includes amendments through 10/24/17)

On October 5, 2017, the Office of the Comptroller issued a memo indicating the current status of the tax levy limit, based on the County Executive's Recommended Budget (2018 Recommended Budget). As noted in the memo, the County's tax levy in 2017 was \$291,077,828. The total available levy (levy limit) in 2018 was \$296,824,247. The 2018 Recommended Budget for 2018 has a tax levy of \$294,015,880. The 2018 Recommended Budget used \$2,938,052 of the available tax levy and left \$2,808,367 of unused levy below the tax levy limit.

The tax levy limit can change each year based on three reasons: 1. Net new construction growth, 2. Increases or decreases in tax levy for Emergency Medical Services (EMS) and the Milwaukee County Federated Library System (MCFLS), and 3. Increases or decreases in debt service. On October 24, 2017, the County Board Finance and Audit Committee approved Amendment 1A001. The impact of Amendment 1A001 is a reduction of the tax levy and a reduction of the tax levy limit.

The overall impact of Amendment 1A001 is a net levy reduction of \$1,275,051 from the 2018 Recommended Budget. The net levy reduction includes a levy reduction of \$3,295,339 associated with debt expenses and a levy increase of \$2,020,288 spread across all other areas included in the amendment. The debt service reductions resulted from the anticipated payoff of the 2016 US Bank Loan and the results of the 2017 County bond sales.

As a result of the \$2,020,288 levy increase spread across other areas of the amendment, the available levy under the 2018 levy limit decreases from \$2,808,367 to \$788,079. The remaining available levy under the limit of \$788,079 consists of two components: \$141,520 which would require a simple majority of the County Board and \$646,559 which would require a super majority of the County Board.

Explanation	Tax Levy	Tax Levy Limit	Room under Tax Levy Limit
<b>2018 Recommended Budget</b>	\$ 294,015,880	\$ 296,824,246	\$ 2,808,366
Amendment 1A001 - Levy Reduction Based on 2017 Bond Issuances Requiring Less Debt Service	(\$ 666,199)	(\$ 666,199)	\$ -
Amendment 1A001 - Levy Reduction based on Anticipated Payoff of 2016 US Bank Loan	(\$ 2,629,139)	(\$ 2,629,139)	\$ -
Amendment 1A001 – Levy Increase for All Other Items	\$ 2,020,288	\$ -	(\$ 2,020,287)
<b>Current Finance Committee Budget as of October 24, 2017</b>	\$ 292,740,829	\$ 293,528,908	\$ 788,079*

\* The remaining available levy under the limit of \$788,079 consists of two components: \$141,520 which would require a simple majority of the County Board and \$646,559 which would require a super majority (2/3) of the County Board.

The levy limit available includes the utilization of most of the balance of the excludable levy items. If the County utilizes these exclusions for EMS and MCFLS, and the combined levy for EMS and MCFLS drops in subsequent years, the County would need to reduce its tax levy.

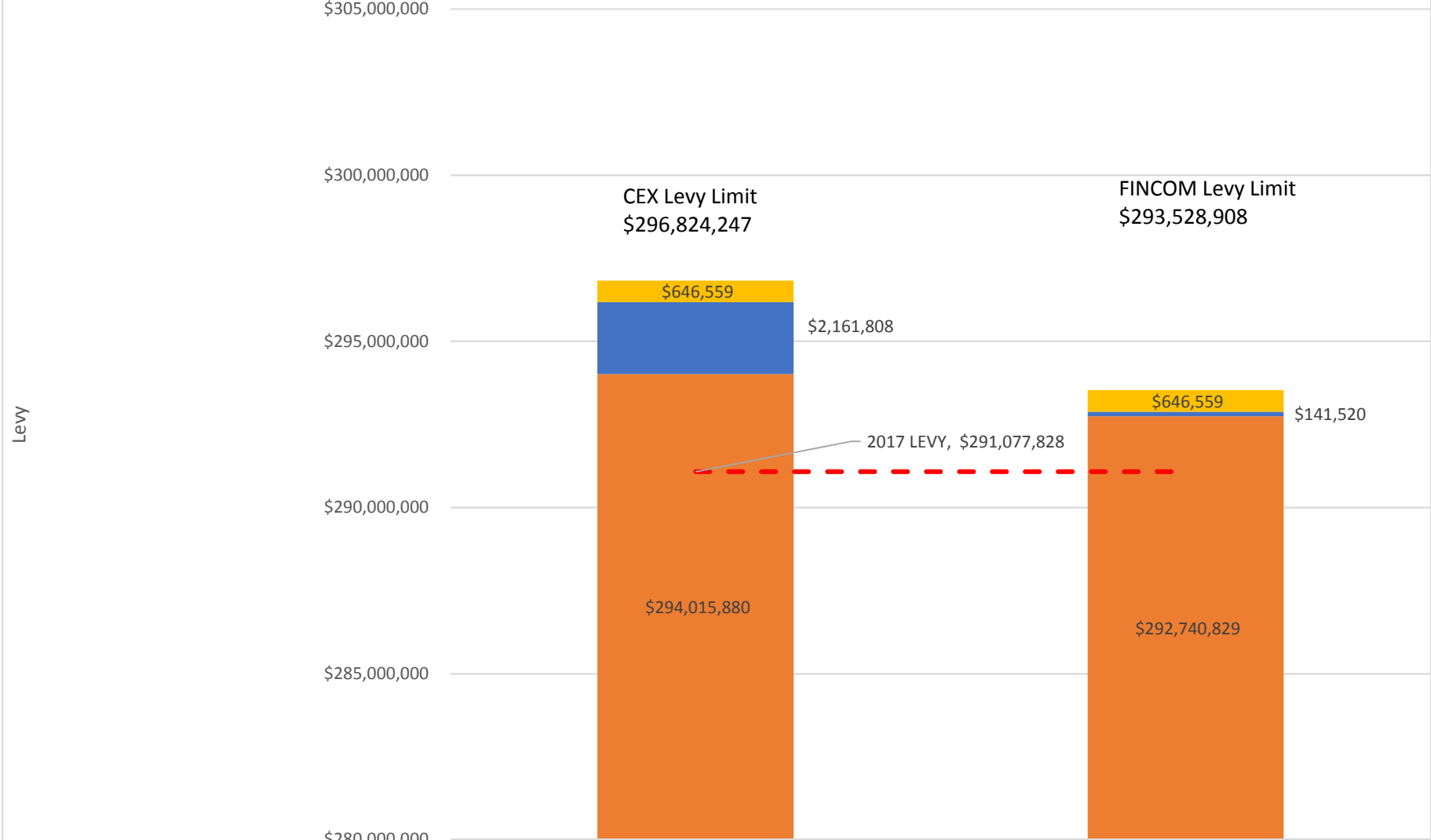
Attached to this memo is a chart that shows the levy and levy limits under the 2018 Recommended Budget and the Budget as amended by the Committee on Finance and Audit, as of October 24, 2017.

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Scott B. Manske  
Comptroller

pc: Supervisor Peggy West, Chair, Committee on Finance and Audit  
Raisa Koltun, Chief of Staff, County Executive's Office  
Kelly Bablitch, Chief of Staff, County Board  
Teig Whaley-Smith, Director, Department of Administrative Services  
Vince Masterson, DAS-PSB  
Stephen Cady, Comptroller's Office  
Pamela Bryant, Comptroller's Office  
Justin Rodriguez, Comptroller's Office

Comparison of Remaining Levy Limit Available in CEX Budget vs. Finance Committee (Through 10/24/17)



	CEX Levy and Remaining Capacity	FINCOM Levy and Remaining Capacity
Remaining Levy Under Limit (Super Majority)	\$646,559	\$646,559
Remaining Levy Under Limit (Simple Majority)	\$2,161,808	\$141,520
2018 LEVY	\$294,015,880	\$292,740,829
2017 LEVY	\$291,077,828	\$291,077,828