



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: April 23, 2018
TO: Supervisor Theodore Lipscomb, Sr., Chairman, County Board of Supervisors
FROM: Scott B. Manske, Milwaukee County Comptroller
Joseph Lamers, Director, Office of Performance, Strategy and Budget
SUBJECT: 2017 Report of Departmental Surpluses and Deficits

In the event of a surplus, State Statute 59.60 (5)(g) and County Ordinance 34.07 (5)(a)(3) allow the County to transfer surplus funds into a Debt Service Reserve. The transfer must have the approval of 2/3 of the voting members of the County Board.

The 2017 unaudited fiscal year result is currently projected with a surplus of approximately \$8.0 million. This amount is a preliminary report of the annual results since the 2017 year-end audit has not been completed.

Under State Statute, the one-time annual surplus of the County is required to be applied against the tax levy requirements of the subsequent year's budget, in this case, the 2019 budget. In 2016, the year-end surplus was \$11.8 million, of which \$5 million was reserved for 2018 operations and \$6.8 million was transferred to the Debt Service Reserve. It is recommended that the amount of surplus available to offset the subsequent year's budget be maintained at \$5.0 million.

The Office of the Comptroller and the Department of Administrative Services – Office of Performance, Strategy and Budget (DAS-PSB) recommend that any additional surplus exceeding the \$5.0 million reserved for 2019 operations be transferred to the Debt Service Reserve. This would be the same action that has been taken for the past several years. This would make any additional 2017 surplus beyond the \$5.0 million available for purposes of servicing outstanding debt, which could offset fiscal issues that may arise in the 2018 fiscal year or in future fiscal years. The final amount placed into the Debt Service Reserve will be determined once the year-end audit has been completed.

Recommendation:

The Office of the Comptroller and DAS-PSB recommend the approval of the attached resolution to transfer all but \$5,000,000 of the 2017 year-end surplus to the Debt Service Reserve.

Scott B. Manske, Milwaukee County
Comptroller

Joseph Lamers, Director, Office of
Performance, Strategy and Budget

cc: Chris Abele, County Executive
Chairperson, Finance & Audit Committee
Finance & Audit Committee
Teig Whaley-Smith, Director, Department of Administrative Services
Janelle Jensen, Legislative Services Division Manager, Office of the County Clerk
Department Heads