



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: February 14, 2024
TO: Supervisor Marcelia Nicholson, Chairwoman, County Board of Supervisors
FROM: Scott B. Manske, Milwaukee County Comptroller
Joseph Lamers, Director, Office of Strategy, Budget, and Performance
SUBJECT: 2023 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 2023 unaudited fiscal year result is currently estimated to be in excess of \$30.0 million. This amount is a preliminary report of the annual results since the 2023 year-end audit has not been completed. Upon completion of the year-end audit the final year-end result will be provided.

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 2025 budget. In 2022, the year-end surplus was \$21.7 million, with \$5.0 million being reserved for 2024 operations and \$16.7 million in funds transferring to the Debt Service Reserve. It is recommended that the amount of surplus available to offset the 2025 budget be maintained at \$5.0 million consistent with the distribution of most prior year surpluses. Transferring any remaining surplus to the Debt Service Reserve would be consistent with actions taken in previous years when surpluses exceed \$5.0 million. This would make any funds transferred to the Debt Service Reserve available for purposes of servicing outstanding debt, which can offset fiscal issues that may arise in the 2024 fiscal year or in future fiscal years. Including approved 2024 transfers in and out of the Debt Service Reserve, a 2023 year end contribution of \$30.0 million would result in a Debt Service Reserve balance of \$127,111,720.

Recommendation:

The Office of the Comptroller and Office of Strategy, Budget, and Performance recommend the approval of the attached resolution to transfer all but \$5.0 million of the remaining 2023 year-end surplus to the Debt Service Reserve.

Scott B. Manske, Milwaukee County
Comptroller

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