

(ITEM ) From the Comptroller, requesting authorization to transfer \$5 million of the available 2011 Surplus to the Debt Service Reserve, by recommending adoption of the following:

**AN AMENDED RESOLUTION**

WHEREAS, the 2011 surplus for Milwaukee County is \$11,485,000; and

WHEREAS, State Statute and County Ordinance provide the County the ability to transfer surplus funds to a reserve for the redemption of County bonded obligation; and

WHEREAS, the Office of the Comptroller is recommending the transfer of \$5.0 million to the Reserve for Debt Services and;

WHEREAS, the Reserve for Debt Services has a current balance of \$4,266,000, of which \$1,738,000 is allocated to the 2012 budget, leaving a net available balance of \$2,528,000, for 2012 and future years; and

WHEREAS, the remaining 2011 surplus of \$6,485,000 would be available for the 2013 budget, which is an increase of \$6,477,000 over the 2012 budgeted amount; and

WHEREAS, funds contained in the Debt Service Reserve are earmarked to pay existing or future debt service costs; and

WHEREAS, given the unusually large surplus for 2011, it creates an opportunity to retire outstanding debt, especially funds borrowed at relatively high interest rates, in order to reduce future interest and principal payments; and

WHEREAS, Milwaukee County has two outstanding State Trust Fund Loans that were made to help finance housing projects for persons with mental illness, including:

Loan Amount	Date	State Trust Fund Loans		Annual Payment
		Interest Rate	Maturity	
\$1 Million	9/24/07	5.25%	3/15/17	\$145,640
\$2 Million	12/08/09	4.50%	3/15/19	\$278,339

; and

36           WHEREAS, the current cost to pay off both of these outstanding State Trust Fund  
37 Loans is approximately \$2,311,168, which would result in interest savings of \$365,659 if  
38 the loans were held to maturity; and

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40           WHEREAS, by transferring an additional \$2,311,168 from the 2011 surplus to the  
41 Debt Service Reserve, for a total of \$7,311,168, Milwaukee County could repay the two  
42 State Trust Fund Loans early and save taxpayers \$365,659 in future interest costs, and  
43 relieve the 2013 Budget of \$423,979 in projected principal and interest payments; now,  
44 therefore,

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46           BE IT RESOLVED, that the Office of the Comptroller is authorized and directed to  
47 contribute \$7,311,168 to the Debt Service Reserve for the financial statements for the  
48 year ended December 31, 2011; and

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50           BE IT FURTHER RESOLVED, that the Office of the Comptroller is authorized and  
51 directed to use \$2,311,168 in funds from the Debt Service Reserve to repay, in full, the  
52 two aforementioned State Trust Fund Loans in order to save an estimated \$365,659 in  
53 future interest costs and relieve future budgets of annual principal and interest  
54 payments had the loans been held to maturity.