



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: April 17, 2020
 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: 2019 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 2019 unaudited fiscal year result is currently projected to exceed \$20.0 million. This amount is a preliminary report of the annual results since the 2019 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 2021 budget. In 2018, the year-end surplus was \$23.3 million, with \$5.0 million being reserved for 2020 operations and \$18.3 million in funds transferring to the Debt Service Reserve. It is recommended that the amount of surplus available to offset the 2021 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 2020 fiscal year or in future fiscal years.

Recommendation:

The Office of the Comptroller and DAS-PSB recommend the approval of the attached resolution to transfer all but \$5.0 million of the remaining 2019 year-end surplus to the Debt Service Reserve.

Scott B. Manske, Milwaukee County
Comptroller

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

cc: Chris Abele, County Executive
 Supervisor James Schmitt, Chairperson, Finance & Audit Committee
 Finance & Audit Committee
 Teig Whaley-Smith, Director, Department of Administrative Services
 Stephen Cady, Research & Policy Director, Research Services Division, Office of the Comptroller
 Shanin Brown, Committee Coordinator, Office of the County Clerk