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From the Milwaukee County Comptroller, Office of the Comptroller, and the Director, Office of Performance, Strategy, and Budget, Department of Administrative Services, requesting authorization to transfer all but \$5.0 million of the projected 2020 year-end surplus to the Debt Service Reserve, to direct \$8.3 million in Debt Service Reserve funding to Org. Unit 9960 General County Debt Service to pay 2021 debt service expenses in January 2021 and to reallocate available levy from Org. Unit 9960 to specific uses, and to reallocate \$2.0 million of current Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, by recommending adoption of the following:

AN AMENDED RESOLUTION

WHEREAS, pursuant to Wisconsin State Statutes (State Statutes), the one-time annual surplus of Milwaukee County (the County) must be applied against the tax levy requirements of the subsequent year’s budget, in this case, the 2022 budget; and

WHEREAS, Section 59.60(5)(g), State Statutes, and Section 34.07(5)(a)(3) of the Milwaukee County Code of General Ordinances, provide the County with the ability to transfer surplus funds to a reserve for the redemption of County bonded obligations; and

WHEREAS, adopted File No. 20-809 as amended, states, “DAS-PSB and the Office of the Comptroller shall explore the possibility of using a portion of any projected surplus County funds for one-time use expenditures to achieve efficiencies and/or deliver crucial services;” and that “a report shall be provided to the Milwaukee County Board of Supervisors for the December 2020 cycle providing information as to the likelihood of surplus tax levy funds, and outlining potential options for the strategic use of one-time use allocations for review and approval”; and

WHEREAS, per the directive of adopted File No. 20-809, the Administration has included a separate request to apply 2020 surplus funds to one-time use allocations, and is also requesting a reallocation of current Coronavirus Aid, Relief, and Economic Security (CARES) Act funding; and

WHEREAS, the Milwaukee County Comptroller, Office of the Comptroller (Comptroller), is projecting a 2020 unaudited fiscal year result of \$3.1 million, which does not fully account for all CARES Act funding; and

WHEREAS, when accounting for potential CARES Act funding, the surplus could potentially fall within \$10.0 million to \$15.0 million; and

WHEREAS, after year-end, the County’s ability to spend the surplus is limited due to general accounting principles that the County must follow; and

46 WHEREAS, Debt Service Reserve funds must be used for the payment of debt
47 service, and since the County's 2020 debt service payment has been fully made, it
48 would be difficult to reallocate Debt Service Reserve funds towards the payment of
49 such; and

50
51 WHEREAS, further evaluation is required to obtain a more precise 2020 fiscal
52 estimate; and

53
54 WHEREAS, the Comptroller, and the Director, Office of Performance, Strategy,
55 and Budget (OPSB), Department of Administrative Services (DAS), are recommending
56 the transfer of all but \$5.0 million of the surplus to the Debt Service Reserve; and

57
58 WHEREAS, the Comptroller, and the Director, OPSB-DAS, are recommending
59 that \$7.5 million of the anticipated 2020 surplus be utilized to maintain services through
60 early 2021 at the Miller Park testing site, and provide emergency Coronavirus Disease
61 (COVID-19)-related needs throughout the County; and

62
63 WHEREAS, the Director, OPSB-DAS, is recommending that \$0.8 million of the
64 anticipated 2020 surplus be utilized to provide \$0.7 million for Information Technology
65 Asset Protection, and \$0.1 million for the Office on African American Affairs COVID-19
66 marketing and communication plan; and

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68 WHEREAS, the Director, OPSB-DAS, is recommending that the current CARES
69 Act - Coronavirus Relief Fund allocation be modified to reallocate \$0.85 million in
70 housing acquisition funding to a Community Resilience Fund, and \$1.15 million in
71 housing acquisition funding to additional eviction prevention services; and

72
73 **WHEREAS, the development of a culinary program for youths housed in**
74 **the Detention Center at the Vel R. Phillips Youth and Family Justice Center would**
75 **require renovations to the current kitchen in order to effectuate a meaningful**
76 **training program to provide fresh food and skill training to at-risk youth; and**

77
78 WHEREAS, it is understood that if this resolution is approved, and the 2020
79 surplus is less than what is projected, the Debt Service Reserve will not be fully
80 replenished; and

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82 WHEREAS, the Committee on Finance, at its meeting of December 10, 2020,
83 recommended adoption of File No. 20-937 as amended (vote 7-0); now, therefore,
84

85
86 BE IT RESOLVED, the Milwaukee County Comptroller, Office of the Comptroller
87 (Comptroller), is hereby authorized and directed to contribute all but \$5,000,000 of the
88 remaining surplus to the Debt Service Reserve for the financial statements for the year
89 ended December 31, 2020; and

90 BE IT FURTHER RESOLVED, the Comptroller, and Director, Office of
91 Performance, Strategy, and Budget (OPSB), Department of Administrative Services
92 (DAS), are authorized to process an appropriation transfer in January 2021 for the
93 following purposes:

- 94 • Allocate ~~\$8.3~~ \$8.8 million from the Debt Service Reserve to Org. Unit 9960
95 to pay 2021 debt service expenses
- 96
- 97 • Allocate ~~\$8.3~~ \$8.8 million of levy from Org. Unit 9960 to provide financing
98 for the following items:
 - 99 ○ \$2.5 million (or the final excess revenue earned in 2020) to
100 maintain services at the Miller Park testing site
 - 101 ○ \$5.0 million for emergency Coronavirus Disease (COVID-19)-
102 related needs such as personal protective equipment supplies,
103 cleaning expenses, or reopening expenses
 - 104 ○ \$0.7 million for the Information Technology Asset Protection project
 - 105 • \$0.5 million for renovations to the kitchen at the Detention
106 Center at the Vel R. Phillips Youth and Family Justice Center
 - 107 ○ \$0.1 million for the Office on African American Affairs (OAAA)
108 COVID-19 marketing and communication plan

109
110 ; and

111
112 **BE IT FURTHER RESOLVED, DAS, working in conjunction with the Office of**
113 **the Comptroller and Department of Health and Human Services, shall establish a**
114 **new \$500,000 cash-financed capital improvement project to renovate the kitchen**
115 **at the Detention Center at the Vel R. Phillips Youth and Family Justice Center to**
116 **support an onsite culinary arts apprenticeship program; the renovation shall**
117 **include space modifications, finishes, equipment, and utensils; and**

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119 **BE IT FURTHER RESOLVED, the aforementioned \$0.1 million for the OAAA**
120 **COVID-19 marketing and communication plan shall be placed in an allocated**
121 **contingency account within OAAA; and**

122
123 **BE IT FURTHER RESOLVED, OAAA shall provide a report to the Milwaukee**
124 **County Board of Supervisors for review and approval detailing the COVID-19**
125 **marketing and communication plan prior to expenditure of any funds; and**

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127 BE IT FURTHER RESOLVED, the Comptroller, and Director, OPSB-DAS, are
128 authorized to process an appropriation transfer immediately to reallocate \$2.0 million in
129 Coronavirus Aid, Relief, and Economic Security Act - Coronavirus Relief Funding from
130 housing acquisition to \$0.85 million for the Community Resilience Fund, and \$1.15
131 million for additional eviction prevention services.

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134 srb
135 12/10/2020

136 S:\Committees\2020\Dec\FINANCE\Resolutions\20-937 2020 Departmental Surpluses & Deficits - CARES Funding
137 as amended.docx