COUNTY EXECUTIVE'S 2011 BUDGET

DEPT: GENERAL COUNTY DEBT SERVICE **UNIT NO.** 9960

FUND: Debt Service - 0016

BUDGET SUMMARY			
	2009 Actual*	2010 Budget	2011 Budget
Expenditures			
Debt Service Principal (8021)	$ 62,516,805	$ 63,691,410	$ 66,243,391
Debt Service Interest (8022)	34,129,391	42,300,043	41,531,086
Penalties and Interest (8031)			
Total Principal and Interest	$ 96,646,196	$ 105,991,453	$ 107,774,477
Interest Allocation (9880)	(18,821,252)	(38,529,420)	(39,856,881)
Total Expenditures	$ 77,824,944	$ 67,462,033	$ 67,917,596
Contributions			
Reserve for County Bonds (4703)	$ 0	$ 771,729	$ 5,894,221
Total Contributions	$ 0	$ 771,729	$ 5,894,221
Revenues			
Jail Assessment Surcharge (1315)	$ 1,304,482	$ 1,387,336	$ 1,401,209
Earning Allocations (1842)			
Golf Course Enhancement Fee - Debt Service (4702)			
Gain on Sale of Fixed Asset (4902)			
Sale of Capital Asset (4905)	122,160	3,900,000	6,300,000
Bond and Note Proceeds (4907)	11,159,552	0	0
Revenue from Project Rents (4999)	1,109,005	1,121,787	1,062,293
Total Revenues	$ 13,695,199	$ 6,409,123	$ 8,763,502
Direct Property Tax Levy**	$ 64,129,745	$ 60,281,181	$ 53,259,873

* 2009 actual excludes balance sheet entries to record principal retired for proprietary fund departments. This adjustment is intended to allow 2009 information to be reported on a basis comparable to the subsequent year budget summaries.

** County sales and use tax revenues are dedicated primarily to the payment of general obligation debt service costs. For budgetary purposes, the County's pledge to levy ad valorem taxes for the payment of debt service payments treats sales tax revenues and property tax revenues as interchangeable.

Summary of Bonds and Notes Outstanding

Type of Issue	True Interest Rate	Date of Bond Issue	Final Maturity Date	Bonds or Notes Outstanding 12/31/10	2009 Budget Requirements Principal	2009 Budget Requirements Interest
R	5.04	10/15/93	10/01/11	$ 7,716,986	$ 7,716,986	$ -
C	4.40	04/01/01	10/01/16	15,000,000	2,500,000	750,000
TB	6.06	06/01/01	12/01/11	250,000	250,000	15,750
R	3.87	10/01/01	12/01/11	2,375,000	2,375,000	95,000
AR	4.47	10/01/01	12/01/11	145,000	145,000	6,525
C	4.20	02/01/02	08/01/17	17,675,000	2,525,000	902,688
C	3.95	02/01/03	08/01/18	13,875,000	1,725,000	715,500
R	3.48	07/01/03	08/01/17	99,545,000	10,615,000	3,351,805
C	3.72	02/01/04	08/01/19	18,370,000	1,700,000	709,244
C	4.24	06/01/06	12/01/20	18,200,000	1,525,000	802,200
R	3.89	02/01/06	10/01/15	47,060,000	12,915,000	2,360,663
C	4.14	04/01/07	10/01/21	27,805,000	2,525,000	1,390,250
C	4.12	06/01/08	12/01/22	29,310,000	1,270,000	1,186,575
C	3.93	06/01/08	12/01/23	29,355,000	700,000	1,142,050
C	5.04	08/01/09	10/01/24	24,775,000	0	1,221,733
R	2.00	08/01/09	10/01/16	13,515,000	3,700,000	297,594
C	4.87	08/01/10	08/01/24	30,365,000	0	1,406,500
N	2.55	08/01/10	08/01/19	14,435,000	2,175,000	353,713
C	4.60	04/01/11	10/01/29	22,725,000		1,406,385
N	2.37	04/01/11	10/01/18	12,325,000	1,235,000	387,972
Projected Outstanding Balance as of December 31, 2010 and Associated Debt Service				$ 444,821,986	$ 55,596,986	$ 18,502,147
STFLP-Housing	6.00	03/15/09	03/15/17	838,373	101,984	44,626
STFLP-Housing	5.25	03/15/11	03/15/19	2,000,000	164,421	113,918
				$ 2,838,373	$ 266,405	$ 158,544
				$ 447,660,359	$ 55,863,391	$ 18,660,688
Taxable GO Notes	6.84	12/01/09	12/01/33	$ 254,975,000	$ 10,380,000	$ 15,593,898
Taxable Pension Anticipation Notes	5.39	12/01/09	12/01/13	135,000,000	-	7,276,500
				$ 389,975,000	$ 10,380,000	$ 22,870,398
Total 2011 Debt						$ 107,774,477

Type of Issue Explanation

A -Airport Bonds
B -Building Bonds
C -Corporate Purpose Bonds
D -Detention Facility Bonds
N -General Obligation Note
R -Refunding Bonds
AR-Airport Refunding Bonds
TB-Taxable Bonds
STFLP- State Trust Fund Loan Program

DEBT SERVICE CONTRIBUTIONS

Pension Obligation Bond Debt Service Abatement

The 2011 debt service costs for the pension obligation notes issued in 2009 is $33,250,398. To accurately reflect all benefit related costs, this amount is budgeted in the Org. 1950 - Employee Fringe Benefits. In addition, to accurately reflect all debt service costs, this amount is also included in the principal and interest amounts within the General Debt Service Fund Budget. To avoid duplication of the debt service costs, the amount is abated in the General Debt Service Budget.

County Fleet Debt Service Abatement

The 2011 debt service costs for the $20,074,000 issued for vehicles and equipment in 2009 and 2010 is $2,458,499. To accurately reflect all fleet-related costs, this amount is budgeted in the Org. 5300 – Fleet Management Division and crosscharged to user departments. In addition, to accurately reflect all debt service costs, this amount is also included in the principal and interest amounts within the General Debt Service Fund Budget. To avoid duplication of the debt service costs, the amount is abated in the General Debt Service Budget.

Reserve for County Bonds (4703)

A contribution of $5,894,220 from the Reserve for County Bonds is anticipated for 2011.

The reserve proceeds consist of unallocated bond proceeds of $788,927 from the sale of the 2009 Pension Obligation Bonds, $425,605 from the sale of the 2009 General Obligation Corporate Purpose Bonds, $44,225 in lapsed bond proceeds from completed or abandoned capital projects and $803,400 in credit reimbursement from the issuance of Build America Bonds. In addition, the County realized a surplus of $7,976,080 for year-end 2009. In accordance with Resolution 10-16(a)(b), $3,832,062 was deposited in the debt service reserve fund and is included in the 2011 General Debt Service Fund Budget to be applied towards the 2011 debt service payment.

In 2009. Milwaukee County issued $55,140,000 in Build America Bonds to finance a portion of the 2009 Adopted Capital Improvements Budget and a September 2009 appropriation transfer. The Build America Bonds provided a 35 percent credit reimbursement towards the interest payment on the bonds or to the investor. The County selected the Build America Bond – Direct Payment Method, which would apply the 35 percent credit to the interest on the bonds. Based on the Build America Bonds that were issued in 2009, the County will receive a credit of $803,400 towards the interest payment on the bonds.

Jail Assessment Surcharge (1315)

Jail Assessment Surcharge Revenue of $1,401,209 is projected to be used to pay 2010 debt service costs for the construction of the Criminal Justice Facility (CJF) as allowed by Wisconsin Statutes Section 302.46(2).

Sale of Capital Asset (4905)

Doyne Hospital Sale Revenues

Based on the sale agreement between Milwaukee County and Froedtert Memorial Lutheran Hospital (Froedtert), the County will receive annual payments over 20 years beginning in 1997 and ending in 2016 based on the net operating cash flow generated by Froedtert.

Year	Budget	Actual	Surplus / Deficit
2008	$2,919,000	$7,922,721	$5,003,721
2009	$3,190,000	$122,160	$(3,067,840)
2010	$3,900,000	$6,300,000*	$2,400,000

*The actual amount for 2010 reflects revenue anticipated to be received in October or November of 2010.

Revenues for 2008 exceeded the budget by nearly $4 million due to a reclassification of various financial accounts by Froedtert Hospital. Since this was a one-time reclassification, 2009 revenues were budgeted based on a seven-year average excluding the 2008 payment. Actual revenues for 2009 were significantly lower than budgeted due to the global economic recession. Actual revenues for 2010 are anticipated to be $6.3 million. The 2011 estimated revenue reflects the anticipated actual of $6,300,000.

Revenue from Project Rents (4999)

Milwaukee Kickers Soccer Club

The County issued a total of $3,750,000 in 1994 and 1995 General Obligation Bonds for the Milwaukee Kickers Soccer Club (MKSC) for the purpose of purchasing land and developing an indoor/outdoor sports complex to be located at the Uihlein Soccer Park at 7101 West Good Hope Road in Milwaukee. The MKSC agreed to repay the County for debt service on these bonds.

On July 23, 1998, the County Board of Supervisors approved Resolution File No. 98-427, which authorized an amendment of the lease agreement between the MKSC and Milwaukee County to restructure the lease payment schedule. The new payment plan reflects the donation to MKSC of the Uihlein Soccer Park land and associated costs by establishing a level payment schedule of $430,000 annually and extending the schedule from 2010 to 2011, beginning in 1998.

In addition, the payment dates were changed from June and December to August and February, beginning in 1999. On October 18, 2001, Milwaukee County issued $49,925,000 in Corporate Purpose Refunding Bonds to refund a portion of the 1994, 1995 and 1996 bonds. A portion of the refund savings and premium have been applied to the outstanding Milwaukee Kickers debt, which has reduced the lease payment from $430,000 to $424,000 for 2003 and future years. The payment amount for 2011 is $376,743.

Marcus Center Renovation

The County issued a total of $5,802,000 in General Obligation Bonds during 1994 and 1995 for the purpose of renovating the interior of the Marcus Center for the Performing Arts. The Marcus Center instituted a facility fee on tickets for the specific purpose of repaying the County bonds. Based on information provided by the Marcus Center, facility fee income is sufficient to repay bonds issued by Milwaukee County for this project. The budgeted amount for 2009 was $261,968. This restructured amount reflects a one-year extension of the loan repayment until 2011. The 2010 budget includes $252,612 and the payment for 2011 is $243,254. The reduced payments will assist the Marcus Center for the Performing Arts in maintaining the County-owned facility, through accelerating work on major maintenance projects.

Intergovernmental Cooperation Council

The County issued $2,500,000 General Obligation Building Bonds, Series 1997A on July 17, 1997 on behalf of the Intergovernmental Cooperation Council (ICC) for the development of an animal control shelter. The County and ICC have developed a final agreement as required for the release of the bond proceeds to the ICC. The ICC will repay the County for actual debt service costs on this issue.

In 2005, Milwaukee County refunded the debt, which resulted in savings of $55,643 over the life of the issue. The debt service payments reflect the savings per maturity.

Reimbursement for debt service costs for 2011 total $224,695.

Private Geographic Members (PGMs)

In 2003, Milwaukee County issued general obligation bonds to finance Project WG008 – Milwaukee County Grounds Roadway Rehabilitation. Milwaukee County Ordinance 98.01 states that the Private Geographic Members (PGM's) shall share in the cost of improvements at the County Grounds on an equitable basis. The PGM's consist of Milwaukee County (DHHS – Behavioral Health Division), Froedtert Hospital, Children's Hospital, Medical College of Wisconsin, Curative Rehabilitation and Blood Center of Southeastern Wisconsin.

The cost allocations for improvements are based on a cost sharing formula that is determined by the square footage of building area that the geographic members bear to the total gross square feet of the building area of all geographic members combined. The square footage is evaluated annually and is expressed as a percentage. Presently, the allocation for the County is 17.8 percent and the combined percentage for the remaining PGM's is 82.2 percent. Therefore, 82.2 percent of the debt service costs for the roadway improvements will be paid by the remaining PGMs. The budgeted amount for 2011 is $217,602.

State Trust Fund Loan Program

In 2007, the County borrowed $1,000,000 from the State Trust Fund Loan Program to finance housing for persons with mental illness. The amortization periods are four years for the equipment loan, five years for the pension loan and 10 years for the housing loan. The 2010 principal and interest amounts for the loans are $96,830 and $49,780, respectively. These amounts are included in the account 8021 and 8022 for the payment of principal and interest. Total loan payments for 2010 are $146,610. The County applied for a $2,000,000 loan in 2009 to finance housing projects for persons with mental illness. The debt service payment for 2011 is $278,339.

1993 Levy Rate Cap: Effective August 12, 1993, Section 59.605, Wisconsin Statutes imposed a property tax rate limit for Wisconsin counties. Separate limits were imposed for operating levy rates and debt service levy rates. The operating levy rate is $4.08 per $1,000 equalized value and the debt levy rate limit is $1.42 per $1,000 equalized value. The baseline for the rate limit is the 1992 actual tax rate adopted for 1993 budget purposes. The County cannot exceed the operating levy rate and debt levy rate limits unless one or more conditions apply, as described below. The statute establishes specific penalties for failure to meet the tax rate limit requirements. Among the penalties for exceeding the tax rate limits are reductions in State shared revenues and transportation aids.

Under the terms of the 1993 levy rate cap, general obligation debt can be issued only if one of the following conditions is met: (1) a referendum is held that approves the debt issuance; (2) the County Board of Supervisors adopts a resolution that sets forth its reasonable expectation that the issuance of the debt will not cause the County to increase the debt levy rate; (3) the issuance of the debt was authorized by an initial resolution adopted prior to the effective date of 1993 Wisconsin Act 16 (August 12, 1993); (4) the debt is issued for certain specified purposes, including financing regional projects under Section 67.5(7)(f); (5) the debt is issued to fund or refund

outstanding municipal obligations; or (6) the County Board of Supervisors adopts an initial resolution authorizing the issuance of the debt by a vote of at least three-fourths of the members-elect of the County Board.

2007/2008 Levy Cap: Wisconsin State Statute 66.062(2)

Milwaukee County net new construction percentage for 2009 (payable in 2010) is .62 percent plus the terminated TID percentage The State of Wisconsin has not released the updated terminated TID percentage. The percentage for the 2011 Budget was .045 percent.

The 2007 levy cap combines operating and debt service levy amounts. The conditions under which the levy limit are stated in the Wisconsin State Statute 66.0602 Local Levy Limits that has been reprinted below:

66.0602 Local levy limits.

(1) DEFINITIONS. In this section:

(a) “Debt service” includes debt service on debt issued or reissued to fund or refund outstanding municipal or county obligations, interest on outstanding municipal or county obligations, and related issuance costs and redemption premiums. (am) “Joint fire department” means a joint fire department organized under s. 61.65 (2) (a) 3. or 62.13 (2m), or a joint fire department organized by any combination of 2 or more cities, villages, or towns under s. 66.0301 (2).

(b) “Penalized excess” means the levy, in an amount that is at least $500 over the limit under sub. (2) for the political subdivision, not including any amount that is excepted from the limit under subs. (3), (4), and (5).

(c) “Political subdivision” means a city, village, town, or county.

(d) “Valuation factor” means a percentage equal to the greater of either 3 percent or the percentage change in the political subdivision’s January 1 equalized value due to new construction less improvements removed between the previous year and the current year.

(2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision’s valuation factor. The base amount in any year, to which the limit under this section applies, shall be the maximum allowable levy for the immediately preceding year. In determining its levy in any year, a city, village, or town shall subtract any tax increment that is calculated under s. 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i). The base amount in any year, to which the limit under this section applies, may not include any amount to which sub. (3) (e) 8. applies.

(3) EXCEPTIONS. (a) If a political subdivision transfers to another governmental unit responsibility for providing any service that the political subdivision provided in the preceding year, the levy increase limit otherwise applicable under this section to the political subdivision in the current year is decreased to reflect the cost that the political subdivision would have incurred to provide that service, as determined by the department of revenue. (b) If a political subdivision increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit that provided the service in the preceding year, the levy increase limit otherwise applicable under this section to the political subdivision in the current year is increased to reflect the cost of that service, as determined by the department of revenue. (c) If a city or village annexes territory from a town, the city’s or village’s levy increase limit otherwise applicable under this section is increased in the current year by an amount equal to the town levy on the annexed territory in the preceding year and the levy increase limit otherwise applicable under this section in the current year for the town from which the territory is annexed is decreased by that same amount, as determined by the department of revenue. (cm) If a political subdivision’s allowable levy under this section in 2007 was greater than its actual levy in 2007, the levy increase limit otherwise applicable under this section to the political subdivision in 2009 is increased by the difference between these 2 amounts, as determined by the department of revenue. In calculating a political subdivision’s actual levy for 2007,

the department may not include amounts that are excluded from the limit under pars. (d) 2. and 3., (e), and (h). (d) 1. If the amount of debt service for a political subdivision in the preceding year is less than the amount of debt service needed in the current year, as a result of the political subdivision adopting a resolution before July 1, 2005, authorizing the issuance of debt, the levy increase limit otherwise applicable under this section to the political subdivision in the current year is increased by the difference between these 2 amounts, as determined by the department of revenue. 2. The limit otherwise applicable under this section does not apply to amounts levied by a political subdivision for the payment of any general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision, interest on outstanding obligations of the political subdivision, or the payment of related issuance costs or redemption premiums, authorized on or after July 1, 2005, and secured by the full faith and credit of the political subdivision. 3. The limit otherwise applicable under this section does not apply to amounts levied by a county having a population of 500,000 or more for the payment of debt service on appropriation bonds issued under s. 59.85, including debt service on appropriation bonds issued to fund or refund outstanding appropriation bonds of the county, to pay related issuance costs or redemption premiums, or to make payments with respect to agreements or ancillary arrangements authorized under s. 59.86. 4. If the amount of a lease payment related to a lease revenue bond for a political subdivision in the preceding year is less than the amount of the lease payment needed in the current year, as a result of the issuance of a lease revenue bond before July 1, 2005, the levy increase limit otherwise applicable under this section to the political subdivision in the current year is increased by the difference between these 2 amounts. 5. The limit otherwise applicable under this section does not apply to amounts levied by a 1st class city for the payment of debt service on appropriation bonds issued under s. 62.62, including debt service on appropriation bonds issued to fund or refund outstanding appropriation bonds of the city, to pay related issuance costs or redemption premiums, or to make payments with respect to agreements or ancillary arrangements authorized under s. 62.621. (dm) If the department of revenue does not certify a value increment for a tax incremental district for the current year as a result of the district's termination, the levy increase limit otherwise applicable under this section in the current year to the political subdivision in which the district is located is increased by an amount equal to the political subdivision's maximum allowable levy for the immediately preceding year, multiplied by a percentage equal to 50 percent of the amount determined by dividing the value increment of the terminated tax incremental district, calculated for the previous year, by the political subdivision's equalized value for the previous year, all as determined by the department of revenue. (e) The limit otherwise applicable under this section does not apply to any of the following: 1. The amount that a county levies in that year for a county children with disabilities education board. 2. The amount that a 1st class city levies in that year for school purposes. 3. The amount that a county levies in that year under s. 82.08 (2) for bridge and culvert construction and repair. 4. The amount that a county levies in that year to make payments to public libraries under s. 43.12. 5. The amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under s. 66.0621 by the political subdivision or by a joint fire department if the joint fire department uses the proceeds of the bond to pay for a fire station and assesses the political subdivision for its share of that debt, under an agreement entered into under s. 66.0301, which is incurred by the joint fire department but is the responsibility of the political subdivision. 6. The amount that a county levies in that year for a countywide emergency medical system. 7. The amount that a village levies in that year for police protection services, but this subdivision applies only to a village's levy for the year immediately after the year in which the village changes from town status and incorporates as a village, and only if the town did not have a police force. 8. The amount that a political subdivision levies in that year to pay the unreimbursed expenses related to an emergency declared under s. 166.03 (1) (b) 1., including any amounts levied in that year to replenish cash reserves that were used to pay any unreimbursed expenses related to that emergency. A levy under this subdivision that relates to a particular emergency initially shall be imposed in the year in which the emergency is declared or in the following year. (g) If a county has provided a service in a part of the county in the preceding year and if a city, village, or town has provided that same service in another part of the county in the preceding year, and if the provision of that service is consolidated at the county level, the levy increase limit otherwise applicable under this section to the county in the current year is increased to reflect the total cost of providing that service, as determined by the department of revenue. (h) 1. Subject to subd. 2., the limit otherwise applicable under this section does not apply to the amount that a city, village, or town levies in that year to pay for charges assessed by a joint fire department, but only to the extent that the amount levied to pay for such charges would cause the city, village, or town to exceed the limit that is otherwise applicable under this section. 2. The exception to the limit that is described under subd. 1. applies only if all of the following apply: a. The total charges assessed

by the joint fire department for the current year increase, relative to the total charges assessed by the joint fire department for the previous year, by a percentage that is less than or equal to the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor, for the 12 months ending on September 30 of the year of the levy, plus 2 percent. b. The governing body of each city, village, and town that is served by the joint fire department adopts a resolution in favor of exceeding the limit as described in subd. 1. (i) 1. If a political subdivision enters into an intergovernmental cooperation agreement under s. 66.0301 to jointly provide a service on a consolidated basis with another political subdivision, and if one of the political subdivisions increases its levy from the previous year by an amount the parties to the agreement agree is needed to provide a more equitable distribution of payments for services received, the levy increase limit otherwise applicable under this section to that political subdivision in the current year is increased by that agreed amount. 2. If a political subdivision increases its levy as described in subd. 1. the other political subdivision, which is a party to the intergovernmental cooperation agreement and has agreed to the adjustment under subd. 1., shall decrease its levy in the current year by the same amount that the first political subdivision is allowed to increase its levy under subd. 1.

(4) REFERENDUM EXCEPTION. (a) A political subdivision may exceed the levy increase limit under sub. (2) if its governing body adopts a resolution to that effect and if the resolution is approved in a referendum. The resolution shall specify the proposed amount of increase in the levy beyond the amount that is allowed under sub. (2), and shall specify whether the proposed amount of increase is for the next fiscal year only or if it will apply on an ongoing basis. With regard to a referendum relating to the 2005 levy, or any levy in an odd−numbered year thereafter, the political subdivision may call a special referendum for the purpose of submitting the resolution to the electors of the political subdivision for approval or rejection. With regard to a referendum relating to the 2006 levy, or any levy in an even−numbered year thereafter, the referendum shall be held at the next succeeding spring primary or election or September primary or general election. (b) The clerk of the political subdivision shall publish type A, B, C, D, and E notices of the referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to comply with the notice requirements of this paragraph. (c) The referendum shall be held in accordance with chs. 5 to 12. The political subdivision shall provide the election officials with all necessary election supplies. The form of the ballot shall correspond substantially with the standard form for referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a). The question shall be submitted as follows: “Under state law, the increase in the levy of the .... (name of political subdivision) for the tax to be imposed for the next fiscal year, ... (year), is limited to ....%, which results in a levy of $.... Shall the .... (name of political subdivision) be allowed to exceed this limit and increase the levy for the next fiscal year, ... (year), by a total of ....%, which results in a levy of $....?”. (d) Within 14 days after the referendum, the clerk of the political subdivision shall certify the results of the referendum to the department of revenue. The levy increase limit otherwise applicable to the political subdivision under this section is increased in the next fiscal year by the percentage approved by a majority of those voting on the question. If the resolution specifies that the increase is for one year only, the amount of the increase shall be subtracted from the base used to calculate the limit for the 2nd succeeding fiscal year.

(5) EXCEPTION, CERTAIN TOWNS. A town with a population of less than 2,000 may exceed the levy increase limit otherwise applicable under this section to the town if the town board adopts a resolution supporting an increase and places the question on the agenda of an annual town meeting or a special town meeting and if the annual or special town meeting adopts a resolution endorsing the town board’s resolution. The limit otherwise applicable to the town under this section is increased in the next fiscal year by the percentage approved by a majority of those voting on the question. Within 14 days after the adoption of the resolution, the town clerk shall certify the results of the vote to the department of revenue.

(6) PENALTIES. Except as provided in sub. (6m), if the department of revenue determines that a political subdivision has a penalized excess in any year, the department of revenue shall do all of the following: (a) Reduce the amount of county and municipal aid payments to the political subdivision under s. 79.035 in the following year by an amount equal to the amount of the penalized excess. (b) Ensure that the amount of any reductions in county and municipal aid payments under par. (a) lapses to the general fund. (c) Ensure that the amount of the penalized excess is not included in determining the limit described under sub. (2) for the political subdivision for the following year. (d) Ensure that, if a political subdivision’s penalized excess exceeds the amount

of aid payment that may be reduced under par. (a), the excess amount is subtracted from the aid payments under par. (a) in the following years until the total amount of penalized excess is subtracted from the aid payments. (6m) MISTAKES IN LEVIES. The department of revenue may issue a finding that a political subdivision is not liable for a penalty that would otherwise be imposed under sub. (6) if the department determines that the political subdivision's penalized excess is caused by one of the following clerical errors: (a) The department, through mistake or inadvertence, has assessed to any county or taxation district, in the current year or in the previous year, a greater or less valuation for any year than should have been assessed, causing the political subdivision's levy to be erroneous in a way that directly causes a penalized excess. (b) A taxation district clerk or a county clerk, through mistake or inadvertence in preparing or delivering the tax roll, causes a political subdivision's levy to be erroneous in a way that directly causes a penalized excess.

(7) SUNSET. This section does not apply to a political subdivision's levy that is imposed after December 2010.

INTEREST ALLOCATION (9880)

Org. No.	Capitalized and Operating Interest Expense for Proprietary Fund Departments	2011 Amount
1162	DAS-Information Management Services Division	$ 537,375
5041	DTPW-Airport Divison	31,514
5300	Fleet Management Division (Prior Year Debt Service)	396,017
5300	Fleet Management Division (Vehicle Initiative)	2,458,499
5605	Milwaukee County Transit/Paratransit Services	1,253,825
5725	DTPW - Facilities Management Division	1,229,253
	Sub-Total	$ 5,906,483
1200-1850	Capitalized Interests	$ 700,000
1950	Taxable Pension Obligation Notes, Anticipation Notes and Stabilization Fund	$ 33,250,398
	Total Estimated 2011 Debt Service Abatement	$ 39,856,881