

BUDGET SUMMARY

Category	2024 Actual	2025 Actual	2026 Budget	2027 Recommended Budget	2026/2027 Variance
Expenditures					
Personnel Costs	0	0	0	0	0
Operations Costs	(17,711)	0	0	0	0
Debt & Depreciation	88,905,796	84,176,903	101,990,371	110,351,850	8,361,479
Interdepartmental Charges	(38,422,516)	(50,904,383)	(51,677,390)	(50,251,438)	1,425,952
Total Expenditures	\$50,465,568	\$33,272,520	\$50,312,981	\$60,100,412	\$9,787,431
Revenues					
Other Direct Revenue	1,234,977	3,195,750	11,924,477	22,931,604	11,007,127
State & Federal Revenue	141,626	44,412	15,789	0	(15,789)
Total Revenues	\$1,376,603	\$3,240,162	\$11,940,266	\$22,931,604	\$10,991,338
Tax Levy	\$49,088,966	\$30,032,358	\$38,372,715	\$37,168,808	(\$1,203,907)
Personnel					

Department Mission:

GENERAL COUNTY DEBT SERVICE

Department Description:

DEBT SERVICE EXPENSES: The 2027 Budget includes appropriations of \$89,740,000 and \$20,541,850 for principal and interest payments associated with general obligation debt. The total 2027 debt service amount of \$110,281,850 is an increase of \$8,361,479 compared to the 2026 Budget amount of \$101,920,371.

DEBT ISSUE EXPENSES: A significant portion of debt issue expenses are paid from the proceeds of each financing. Under Federal law, up to 2 percent of each financing may be used to cover expenses related to the issuance. Once the capital improvement financing amounts are determined and more robust debt issue expenses have been identified the Office of the Comptroller and the Office of Strategy, Budget, and Performance will process an administrative appropriation transfer in order to make the necessary budget adjustments. In recent years, additional levy has been needed to finance work performed to conduct the required arbitrage calculations in accordance with IRS regulations. This budget has also been used to finance additional bond counsel and financial advisory expenses associated with investigating the impact to outstanding debt resulting from the potential disposition of County assets, assessing the impact of leasing/contracting out areas in which the County has or may issue tax-exempt debt, complying with disclosure rules, and other matters. For 2027, the amount of levy for these matters remains at \$70,000.

PENSION OBLIGATION BONDS/NOTES: In 2009, Milwaukee County sold \$400 million in pension obligation bonds to improve the funding ratios of the pension system and to take advantage of higher investment rates of return compared to the interest rate of taxable general obligation bonds. The original debt consisted of two issues: \$265 million in taxable general obligation promissory notes for a 20-year term and \$135 million in taxable pension anticipation notes for a 5-year term with a December 2013 maturity date. In March 2013, the County issued taxable general obligation pension notes to replace the anticipation notes. In 2013, the Office of the Comptroller was contacted by JP Morgan to inquire if the County would be interested in purchasing the County's outstanding 2024 notes that were part of the 2009 issue. In June 2013, the County closed on the issuance of \$99,300,000 of 2013B Taxable General Obligation Refunding Bonds. The proceeds were used to purchase outstanding 2024 notes and the County achieved \$1,571,900 of net present value savings.

In 2021, Milwaukee County issued \$93,540,000 of Taxable General Obligation Promissory Notes to advance refund the 2023 through 2030 maturities of the County's Series 2013 Taxable General Obligation Pension Promissory Notes. The transaction resulted in \$9,322,416 of net present value savings. The 2027 debt service costs for the pension obligation bonds/notes issued in 2009 and 2021 is \$37,706,154. To accurately reflect all benefit related costs, the pension obligation debt service expenses are budgeted in Org. 1950 - Employee Fringe Benefits and Org. 1951 - 0.4% Sales Tax. In addition, to accurately reflect all debt service costs, the principal and interest costs are budgeted in General County Debt Service along with an abatement of an equal amount.

RESERVE FOR COUNTY BONDS: The 2027 contribution from the Reserve for County Bonds is \$22,101,604.

COUNTY FLEET DEBT SERVICE ABATEMENT: The 2026 principal costs for the debt issued for vehicles and equipment in 2014-2026 is \$10,703,441. To accurately reflect all fleet related costs, this amount is budgeted in Org. 5300 Fleet Management Division and cross charged to user departments. In addition, to accurately reflect all debt service costs, this amount is also included in the General County Debt Service Budget. To avoid duplication of the debt service costs, the amount is abated in the General County Debt Service Budget.

INTERNAL REVENUE SERVICE (IRS) BUILD AMERICA BOND (BAB)/RECOVERY ZONE BOND/QUALIFIED ENERGY CONSERVATION BOND INTEREST PAYMENT REIMBURSEMENTS:

In 2009 and 2010, the County issued Build America Bonds (BABs) and Recovery Zone Bonds. In 2015 and 2016, the County issued Qualified Energy Conservation Bonds (QECBs). The County has refunded and/or paid off its outstanding BABs and QECBs. For 2027, no reimbursements will be received from the IRS since the final interest payments related to the 2016 Qualified Energy Conservation Bonds occurred in 2026.

JAIL ASSESSMENT SURCHARGE: Jail Assessment Surcharge Revenue of \$830,000 is projected to be used to pay 2027 debt service costs for the construction of the Criminal Justice Facility (CJF) as allowed by Wisconsin State Statutes Section 302.46(2). The \$830,000 is based on the actual amount received in 2025.

INTEREST ALLOCATION TO PROPRIETARY FUND DEPARTMENTS AND TO FRINGE BENEFITS ORGS: Abatements for the allocations of debt service below are included in the General County Debt Service Budget: DAS - Information Management Services Division: \$0; MCDOT - Fleet Management Division (Principle): \$10,703,441; MCDOT - Fleet Management Division (Interest): \$988,130; MCDOT - Milwaukee County Transit/Paratransit: \$1,556,489 DHHS - Behavioral Health Services: \$3,222; DAS - Facilities Management Division: \$296,002; Capital Projects: \$0*; Fringe Benefits (Pension Obligation Bonds/Notes): \$36,706,154 (including \$11,762,902 in org 1950 and \$24,943,252 in org 1951); Total Debt Service Abatement for General County Debt Service: (\$50,253,438).

*Note: The interest allocation amounts on general obligation bonds/notes for capital projects will be calculated at the end of 2027. As in prior years, an administrative transfer will be processed by the Office of the Comptroller to modify capital budgets and the Debt Service Budget to adjust the budgets based on actual interest allocation and interest earnings amounts.

Strategic Program Area: General County Debt Service

Service Provision: N/A

How We Do It: Program Budget Summary

Category	2024 Actual	2025 Actual	2026 Budget	2027 Budget	2026/2027 Variance
Expenditures	50,465,568	33,272,520	50,312,981	60,100,412	9,787,431
Revenues	1,376,603	3,240,162	11,940,266	22,931,604	10,991,338
Tax Levy	49,088,966	30,032,358	38,372,715	37,168,808	(1,203,907)

**MILWAUKEE COUNTY 2027 REQUESTED BUDGET REQUIREMENTS PRINCIPAL INTEREST IN GENERAL COUNTY
DEBT SUMMARY OF BONDS & NOTES OUTSTANDING**

Type of Issue	True Interest	Date of	Final	Bonds or Notes	2027 Requirements	
	Rate	Bond Issue	Maturity Date	Outstanding 12/31/26	Principal	Interest
Corporate Purpose Bonds	2.60	11/6/2014	12/1/2029	7,845,000	2,615,000	251,694
Corporate Purpose Bonds	2.50	11/12/2015	10/1/1930	9,480,000	2,370,000	284,400
Corporate Purpose Bonds	2.36	11/10/2016	9/1/1931	9,100,000	1,820,000	273,000
Corporate Purpose Bonds	2.04	11/8/2017	9/1/2027	2,075,000	2,075,000	51,875
Corporate Purpose Bonds	2.80	11/15/2018	8/1/2028	2,480,000	1,240,000	74,400
Corporate Purpose Bonds	1.81	10/2/2019	8/1/2029	2,580,000	860,000	86,000
Corporate Purpose Notes	1.75	11/7/2019	8/1/2029	3,105,000	1,035,000	62,100
Corporate Purpose Bonds	1.16	10/28/2020	9/1/1931	6,095,000	1,220,000	82,281
Corporate Purpose Notes	1.09	10/28/2020	9/1/1930	1,180,000	295,000	15,856
Corporate Purpose Bonds	1.54	11/23/2021	9/1/2035	18,410,000	2,050,000	337,475
Corporate Purpose Notes	1.30	11/23/2021	9/1/2031	5,175,000	1,035,000	98,325
Corporate Purpose Bonds	3.45	11/3/2022	9/1/2032	8,680,000	1,470,000	347,200
Taxable Notes	4.78	11/3/2022	9/1/2027	1,250,000	1,250,000	62,500
Transit Notes	3.47	11/3/2022	9/1/2032	3,060,000	520,000	122,400
Corporate Purpose Bonds	4.14	11/8/2023	8/1/2033	7,100,000	1,015,000	314,400
Taxable Notes	5.43	11/8/2023	8/1/2027	2,050,000	2,050,000	112,750
Corporate Purpose	3.25	11/7/2024	8/1/1934	8,920,000	1,115,000	323,350
North Shop Prom Notes	3.46	11/7/2024	8/1/1939	9,555,000	735,000	392,123
South Shore Breakwater Prom Notes	3.35	11/7/2024	8/1/1939	7,875,000	610,000	294,581
Promissory Notes	3.28	11/7/2024	8/1/2028	5,940,000	2,970,000	252,450
Taxable Notes	4.74	11/7/2024	8/1/1939	13,055,000	1,005,000	604,211
Transit Notes	3.25	11/7/2024	8/1/2029	3,735,000	1,280,000	149,400
CFSPM Notes	4.87	11/7/2024	8/1/2044	24,750,000	1,375,000	1,175,625
Corporate Purpose Notes	3.06	11/6/2025	10/1/2035	9,855,000	1,095,000	361,350
Taxable Museum Notes	4.18	11/6/2025	10/1/2034	40,175,000	5,025,000	1,782,700
Taxable Zoo Rhino Notes	4.25	11/6/2025	10/1/2035	13,105,000	1,460,000	582,400
Promissory Notes	2.86	11/6/2025	10/1/2029	4,245,000	1,420,000	155,600
Taxable GO Notes	3.75	11/6/2025	10/1/2030	14,445,000	3,615,000	530,853
Capital Improvement Notes	TBD	TBD	TBD	TBD	3,750,000	2,200,521
Promissory Notes	TBD	TBD	TBD	TBD	1,725,000	404,309
CFSPM Notes	TBD	TBD	TBD	TBD	3,100,000	2,465,190
Taxable Notes	TBD	TBD	TBD	TBD	2,375,000	2,084,063
Transit Notes	TBD	TBD	TBD	TBD	1,350,000	315,315
Non-Pension Obligation Debt Projected Outstanding Balance as of December 31, 2025 & Associated Debt Service				\$245,320,000	\$56,925,000	\$16,650,696
Taxable GO Notes	6.84	12/1/2009	12/1/2028	42,685,000	20,670,000	2,919,654
Taxable GO Notes	1.65	11/23/2021	12/1/2030	48,575,000	12,145,000	971,500
Pension and Obligation Note Balance as of December 31, 2026 & Associated Debt Service				\$91,260,000	\$32,815,000	\$3,891,154
Total 2027 Principal/Interest					\$89,740,000	\$20,541,850
Total 2027 Debt Service					\$110,281,850	