

-COUNTY OF MILWAUKEE-
INTEROFFICE COMMUNICATION

DATE: June 9, 2014

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Josh Fudge, Fiscal & Budget Administrator, Department of Administrative Services – Performance, Strategy, & Budget

SUBJECT: Use of Lapsed/Unspent Bond Proceeds from the 2013 Carryover Process to establish budget authority for replacement of electrical switch-gear at the Marcus Center for the Performing Arts

REQUEST

The Department of Administrative Services (DAS) is requesting approval to reallocate 2013 lapsed unspent bond proceeds (from the 2013 year-end carryover process) to establish budget authority for replacement of the electrical switch-gear at the Marcus Center for the Performing Arts (Marcus Center).

BACKGROUND/ANALYSIS

Marcus Center Electrical Switch Gear

In late April 2014, Marcus Center staff indicated the need to replace a failed electrical switch-gear (switch) within the Marcus Center. The switch acts as a back-up to the Marcus Center's electrical substation, which provides power to the entire facility. In the event the substation fails or goes offline, the facility would have no electricity to power the majority of its mechanical systems. Only emergency lighting would be available (through the use of a small generator). Marcus Center staff has stated that a number of major productions and events will be occurring throughout the summer and failure of the switch could result in significant loss of revenue.

In addition to the possible issues relating to a substation failure, the Department of Administrative Services – Facilities Management (FM) staff has indicated that the age and condition of the existing switch could present a possible life/safety issue and should be replaced in the very near term.

Estimates from FM staff have total replacements costs for the switch at approximately \$300,000.

2013 Carryover of Lapsed/Unspent Bond Proceeds

At the May Finance, Personnel, & Audit Committee meeting, the Comptroller Office and the DAS jointly submitted an informational report outlining the final expenditures and revenues to be carried over from 2013 into 2014 pursuant to Chapter 32.91 of the Milwaukee County Code of General Ordinances. As part of the report, it was indicated that approximately \$627,000 in lapsed unspent bonds was deposited in the debt service reserve and that DAS would work with departments to identify potential capital projects to which the lapsed/unspent bond proceeds could be applied.

RECOMMENDATION

Due to the time sensitivity and potential life/safety issues, DAS is recommending that \$300,000 in lapsed unspent bonds from the 2013 carry-over process be reallocated from the debt service reserve to create a new capital project that will replace the failed switch at the Marcus Center.



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