

DRAFT

Fiscal Year 2017

11-2-17 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
A INTER-DEPARTMENTAL

Action Required

Finance and Audit Committee
Majority County Board

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Office of Performance, Strategy and Budget, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2017 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
<u>1140 – Department of Human Resources</u>		
6805 – Education/Seminar Paym'ts	\$60,475	
<u>1130 – Office of Corporation Counsel</u>		
5199 – Salaries – Wages Budget		\$40,711
5312 – Social Security Taxes		\$3,099
5420 – Employee Health Care		\$6,226
5421 – Employee Pension		\$5,439
6637 – R/M Computer Equip		\$5,000

An inter-departmental appropriation transfer is requested for the purposes of funding 2017 costs of 1.0 FTE Paralegal and 1.0 Asst Corporation Counsel to help support Retirement Plan Services (RPS) within the Department of Human Resources (DHR). The purpose of adding the positions is to increase support for RPS Housed in the DHR. At current there is a surplus within Human Resources Education/Seminar payments object line that would be transferred to Corporation Counsel to support the cost of these positions.

There is no tax levy impact from this fund transfer.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE September 28, 2017.

11-2-17 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
B CAPITAL IMPROVEMENTS

Action Required

Finance and Audit Committee
Majority County Board

WHEREAS, your committee has received from the Department of Administrative Services, Fiscal Affairs, departmental requests for transfer to the 2017 capital improvement accounts and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2017 capital improvement appropriations:

1)	<u>From</u>	<u>To</u>
<u>WO636 MCHS Recharge System- Test and Design *</u>		
6146 – Prof. Services Cap/Major Maintenance		\$66,395
<u>WO24701 MCHS Window Grates #</u>		
8509 – Other Building Improvement	\$66,395	

Existing Project, + Included in 5-Year Plan, * New Project

An appropriation transfer of \$66,395 is requested by the Department of Administrative Services in order to reallocate surplus cash financing from Project WO24701 Milwaukee County Historical Society (MCHS) Window Grates to Project WO636 MCHS Recharge System- Test and Design.

The MCHS Center (910 North Old World 3rd Street) is supported by timber pilings which are susceptible to decay and deterioration resulting from exposure to aerobic conditions. An earlier investigation, performed in 2013, put in place four monitoring wells to determine depths to groundwater across the buildings footprint. It was determined that the top of the timber piles supporting the structure were located at -3.3 feet, Milwaukee County Datum. Measurements at the monitoring wells and at the Milwaukee River gage station indicate that the piles are generally submerged, but could be exposed by several inches during low water level periods. To design the system, an analysis of the existing groundwater recharge system and reconnaissance of the site groundwater conditions related to the building foundation was recommended.

In 2016, during the process of performing the design work related to Project WO118 MCHS Exterior Renovations, the Department of Administrative Services - Architecture, Engineering and Environmental Services (DAS-AE&ES) requested K. Singh & Associates, Inc. (KSingh) evaluate the hydrogeology under the MCHS Center and design a recharge system. The recharge test consisted of the following:

- Installation of four additional monitoring wells in the basement of the MCHS at various distances from the recharge point to assess groundwater data
- Measurement of groundwater elevation data
- Performance of a recharge test utilizing an existing recharge point
- Analysis of recharge data
- Preparation of a memorandum summarizing the findings

This work was outside the scope of Project WO118 MCHS Exterior Renovations. Therefore, this appropriation transfer is being requested to reallocate surplus cash financing from Project WO247 MCHS Window Grates to establish funding and expenditure authority for Project WO636 MCHS Recharge System – Test and Design. The expenses (\$66,395) will then be moved from Project WO118 MCHS Exterior Renovations to WO636 MCHS Recharge System – Test and Design.

The work done as part of the testing and design included a construction estimate for a groundwater recharge system. The construction estimate is approximately \$300,000. Under the February 2016 Lease and Management Agreement between the County and the MCHS, the improvements related to the recharge system do not fall under the responsibility of the County. It is anticipated that MCHS will solely finance construction of the groundwater recharge system.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE September 28, 2017

11-2-17 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
C DEPARTMENTAL RECEIPT OF REVENUE

Action Required
Finance and Audit Committee
County Board (2/3 Vote)

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Office of Performance, Strategy and Budget, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2017 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
	<u>9960 General County Debt Service</u>	
	8021 – Pre-Pay 2016 Taxable GO Promissory Note	\$3,993,550
	4905 – Former Skyway Hangar Proceeds	\$3,993,550

An appropriation transfer of \$3,993,550 is requested by the Office of the Comptroller to realize proceeds from the sale of the former Skyway Hangar and to provide expenditure authority for the prepayment of the 2016 Taxable General Obligation Promissory Note (Note).

In October 2003, Milwaukee County entered into a Credit Assistance Agreement with Midwest and Skyway Airlines (County Board Resolution 03-265 (a) (a)). The letters of credit guaranteed payment on two industrial revenue development bonds (IDRBs) issued by the City of Milwaukee for Midwest and Skyway to build hangars. The Credit Assistance Agreement required Milwaukee County to be the guarantor of letters of credit issued by US Bank, for the account of Midwest and Skyway. The County guarantee was supported by a mortgage on two hangars owned by Midwest and Skyway, and a trust reserve fund. The trust fund was originally established with a contribution of \$4.0 from the State Department of Commerce (now Wisconsin Economic Development Corporation) and Racine County through a Wisconsin Community Development Block Grant. In addition, Midwest deposited \$900,000 of its own funds into the trust.

In February 2016, Republic Airways, which purchased Midwest’s and Skyway’s stock from a private equity company, filed for Chapter 11 reorganization. Subsequent to the reorganization, the trust funds were used to pay eligible expenses related to the IDRBs.

In July 2016, the County issued a \$7,660,000 Note to finance the County’s responsibilities under the 2003 Standby Reimbursement Agreement. In August 2016, the County made a prepayment of approximately \$1.2 million.

Since 2016, the County has been trying to sell the former Skway Hangar that served as the County’s collateral on the IDRBs. In September 2017, the County closed on the sale of the former Skyway Hangar with Avflight Milwaukee Corporation. The sale price, net of closing fees and adjustments is \$3,993,549.76.

On September 15, 2017, the County made a prepayment of \$3,993,549.76 on the outstanding Note. This appropriation transfer will realign the expenditure and revenue accounts within Org. Unit 9960 General County Debt Service to reflect the receipt of the hangar proceeds and the prepayment on the Note.

The current balance of the Note is approximately \$2.5 million and matures in August 2018.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE SEPTEMBER 28, 2017.

DRAFT

Fiscal Year 2017

11-2-17 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS D CAPITAL IMPROVEMENT- RECEIPT OF REVENUE

Action Required

Finance and Audit Committee
County Board (2/3 Vote)

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2017 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
<u>WA205 GMIA Firehouse Addition #</u>		
8501 – Bldg/Structure New – (CAP)		\$2,815,965
4707 – Contribution from Rsrvs		\$909,787
2699 – Other Fed Grants & Reimb	\$2,640,039	
2299 – Other St Grants & Reimb	\$1,085,713	

Existing Project, + Included in 5-Year Plan, * New Project

An appropriation transfer of \$3,725,752 is requested by the (acting) Director of the Department of Transportation (DOT) increase the expenditure and revenue authority for project WA205 - GMIA Firehouse Addition. The total addition to expenditure authority is estimated at \$2,815,965 increasing the total project budget to \$4,811,465 of which \$2,640,039 is planned to be Federal Aviation Administrations (FAA) Airport Improvement Program (AIP) funding, \$1,085,713 State match funding, and the balance of \$909,787 funded through the use of Airport Reserves using the Airport Development Fund (ADF). Passenger Facility Charge (PFC) revenue is planned to refund at least a portion of the ADF reserve.

Construction of the existing GMIA Firehouse (Crash and Fire Rescue Station) was completed in 1980. Except for the addition of one vehicle bay since 1980 there has been very little improvements made to the station and remains substantially as originally constructed. Currently, for lack of space at the firehouse, the Fire Chief and five Deputy Chiefs maintain their offices remote from the firehouse (in the former Air Force Reserve fire station). Among other deficiencies the sleeping quarters, locker facilities, training room and exercise room do not meet current FAA design standards as outlined in FAA Advisory Circular 150/5210-15A - Aircraft Rescue and Firefighting Station Building Design. To identify all deficiencies needing correction the consulting firm, Burns & McDonnell, was retained to perform a needs analysis and a project cost estimate. The analysis was completed with a Facility Needs Analysis report published in May 2015.

The 2016 Adopted Capital Improvement Budget included an appropriation of \$1,995,500 for an addition to and remodel of the existing firehouse to comply with current Federal Aviation Administration (FAA) standards as identified in the Facility Needs Analysis. This includes 3,578 square feet of additional building space, renovation of 3,670 square feet of the existing firehouse, additional parking and utility and site work.

The original scope of the capital project was for \$1,995,500 (2016 Adopted Budget appropriation) and was budgeted to be fully funded by GMIA's Capital Improvement Reserve Account (CIRA). Detailed cost

estimates based of the FAA Advisory Circular 150/5210-15A which contains guidelines for construction standards of Aircraft Rescue and Fire Fighting (ARFF) station building design came in at more than twice the 2016 appropriation.

Additionally, the availability of grant funding (either Federal or State) was not known at the time of the original 2016 capital budget request. Subsequent discussions with the FAA determined AIP eligibility at 75% to 80% of the project. The State determined that it will match the local (airports) contribution up to a total \$1,200,000 for the entire projects cost.

Although the project costs increase by \$2.8 million, the additional State and Federal funding (noted previously) will cover the costs. Additionally, the overall net effect of this transfer reduces the airport’s share from the original 2016 budgeted \$1,995,500 to \$1,085,713 (again, due to the revised State/Federal funding of the project).

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE September 28, 2017.

2)		<u>From</u>	<u>To</u>
	<u>WA213 Replacement Jet Bridges #</u>		
	8509 – Other Building Improvements –(CAP)		\$199,500
	9706 – Prof. Services Div Services		\$26,623
	6146 – Prof. Services Cap/Major Maint		\$30,000
	4707 – Contribution from Reserves	\$256,123	
	# Existing Project, + Included in 5-Year Plan, * New Project		

An appropriation transfer of \$256,123 is requested by the (acting) Director of the Department of Transportation (DOT) to increase budget authority for capital project WA213 – Replacement Jet Bridges at the General Mitchell International Airport (GMIA).

The 2017 Adopted Capital Improvement Budget included an appropriation of \$1,500,000 for the removal of the three existing passenger loading bridges (PLB), purchase of three new PLBs, installation, testing and commissioning. The operation and maintenance of jet bridges is the responsibility of GMIA. GMIA currently has 42 passenger PLBs. Some passenger loading bridges will be decommissioned in the future and existing aging bridges that are approaching their end of life span will need replacement if uneconomical to refurbish. Apron drive PLBs allow passengers to access the aircraft from the terminal building for convenience and safety, and are able to accommodate a wide range of aircraft sizes.

DOT is requesting additional budget authority in order to provide the infrastructure for one new jet bridge located on concourse D at gate D36, which requires a new foundation and a new door into the concourse holding area. The existing foundation for the old D36 jet bridge was for a different style bridge. The existing foundation and door also require relocation by 11’ to accommodate different size planes that are scheduled to use the new bridge on D36.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE September 28, 2017.

11-2-17 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
E UNALLOCATED CONTINGENCY FUND

Action Required
Finance Committee
County Board (2/3 Vote)

WHEREAS, your committee has received from the Department of Administration, Fiscal Affairs, the following department requests for transfer to the 2017 appropriations from the allocated contingent fund and finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administration, is hereby authorized to make the following transfers in the 2017 appropriations from the unallocated contingent fund:

1)	<u>From</u>	<u>To</u>
<u>9960 General County Debt Service</u>		
8021 – Principal		\$485,000
8022 – Interest	\$1,094,740	
<u>1945 Appropriation for Contingencies</u>		
8901 – Appropriation for Contingencies		\$609,740

An appropriation transfer of \$1,094,740 is requested by the Office of the Comptroller to realign the principal and interest accounts within Org. Unit 9960 General County Debt Service and to deposit surplus expenditure authority into Org. Unit 1945 Appropriation for Contingencies.

The 2017 Adopted Budget contains principal and interest payment amounts that are different than the projected actuals. There are two primary reasons for these differences. First, the budgeted principal and interest amounts were not adjusted subsequent to the debt issuances that occurred in October 2016. The impact from the sales is that interest is over budget by approximately \$966,000 and principal is under budget by \$485,000. Second, the final principal payment for the 2003 Corporate Purpose Refunding Bonds that was scheduled on August 1, 2017 was actually made in February 2017 in order to reduce the interest costs by approximately \$130,000.

The realignment of the principal and interest accounts to reflect current year end projections results in \$609,740 of surplus expenditure authority being made available. This appropriation transfer request would allocate these funds to Org. Unit 1945 Appropriations for Contingency.

This fund transfer has no tax levy impact.

2017 BUDGETED CONTINGENCY APPROPRIATION SUMMARY	
UNALLOCATED CONTINGENCY ACCOUNT	
2017 Budgeted Unallocated Contingency Appropriation Budget	\$5,138,755
Approved Transfers from Budget through October 2, 2017	
Kinnickinnic Maintenance Bay/Bus Replacement Program	(\$266,114)
WPS Workgroup	(\$150,000)
CB Resolution 17-483	\$149,303
Litigation Reserve Refill	(\$398,000)
KK Maintenance Garage Repairs	(\$300,000)
Unallocated Contingency Balance October 2, 2017	\$4,173,944
Transfers from the Unallocated Contingency Pending in Finance and Audit Committee through October 2, 2017	
Comptroller Realign Principal and Interest Accounts	\$609,740
Total Transfers Pending in Finance and Audit Committee	\$609,740
Net Balance	\$4,783,684
ALLOCATED CONTINGENCY ACCOUNT	
2017 Budgeted Allocated Contingency Appropriation Budget	\$4,716,212
\$1,000,000 Lead Abatement Pilot Grant Program	
\$300,000 Office of African American Affairs	
\$70,000 Chapter 111 Minimum Wage Ordinance	
\$2,530,862 To Consider Departmental Requests to Create Positions (1A045) Salary and Social Security Only	
\$665,350 Active Fringe Associated with 1A045 Positions	
\$150,000 WPS Workgroup	
Approved Transfers from Budget through October 2, 2017	
1A045 December 2016 Cycle Position Creates (Zoo, DHHS)	(\$161,836)
1A045 April 2017 Cycle Position Creates (DA)	(\$210,588)
1A042 July OAAA Operating Dollars	(\$55,000)
Allocated Contingency Balance October 2, 2017	\$4,288,788
Transfers from the Allocated Contingency Pending in Finance and Audit Committee through October 2, 2017	
1A042 July OAAA Operating Dollars	(\$206,355)
Total Transfers Pending in Finance, Personnel & Audit Committee	(\$206,355)
Net Balance	\$4,082,433