

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE** : January 14, 2013

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

**FROM** : Pamela Bryant, Capital Finance Manager, Office of the Comptroller

**SUBJECT** : **Corporate Purpose Bond Reimbursement Resolution**

**Request**

The Office of the Comptroller is requesting the approval of the attached reimbursement resolution to express the County's intent to reimburse itself for expenditures relating to capital projects included in the 2013 Adopted Capital Improvements Budget that are incurred prior to the issuance of General Obligation Corporate Purpose Bonds or Notes.

**Background**

The 2013 Adopted Capital Improvements Budget included \$26,727,111 of new corporate purpose bond financing for various capital projects, a reallocation of \$2,959,920 of anticipated bond financing from Project WP191 Moody Pool Refurbishment to various Parks projects, and a change in scope for the remaining \$2,038,622 in the Moody Pool Refurbishment project and \$3,804,499 in financing for three highway projects.

The three highway projects were approved as appropriation transfers to utilize bonds that would be issued in 2013 to finance \$300,000 for Project WH089012 – 13<sup>th</sup> Street and Puetz Intersection, \$2,207,819 for Project WH20052 – West Oklahoma Road (108<sup>th</sup> to 76<sup>th</sup> Street) and Project WH02301 – West Mill Road (84<sup>th</sup> to 91<sup>st</sup>, 56<sup>th</sup> to 43<sup>rd</sup>).

The 2013 Adopted Capital Improvements Budget included Project WT070 Bus Protector Shields. The total budget for the project is \$745,000 and financing was anticipated to be provided from Federal revenue of \$596,000 and general obligation bond proceeds of \$149,000. Upon further review by the Office of the Comptroller, it has been determined that the project is not eligible for general obligation bond financing due to the fact that the unit costs for the shields are below the County's capitalization threshold. The \$26,727,111 included in the 2013 Adopted Capital Improvements Budget is reduced by \$149,000 to \$26,578,111.

The reimbursement resolution will allow spending to occur prior to the issuance of bonds.

The maximum amount of the reimbursement resolution (\$36,100,000) is greater than the total bond amounts budgeted for the projects (\$35,381,152) because the reimbursement resolution amount includes the estimated cost of issuance.

**Proposed Bond Sales**

The Office of the Comptroller is submitting separate resolutions this Board cycle in order to authorize the sale of the bonds and to delegate the approval of the sale to the Comptroller in order to finance various capital improvement projects included in the 2013 Capital Improvement Budget and projects that were previously approved by the Board in 2011 and 2012.

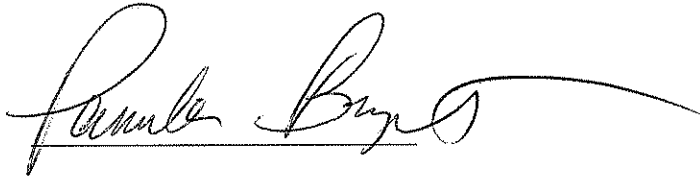
**U.S. Treasury Regulation Compliance**

U.S. Treasury Regulation Section 1.150-2 describes the conditions under which the County may expend County funds on a project currently and later reimburse itself with bond proceeds. The first step in providing for such reimbursement to occur is an expression of intent by the County to reimburse itself for expenditures incurred prior to issuing the bonds. Therefore, the attached resolution expresses that intent.

Expressing this intent will allow the County to reimburse itself for expenditures incurred as far back as 60 days prior to the approval of the attached reimbursement resolution. Any work on the project that is done earlier than 60 days prior to the approval date would not be eligible for reimbursement.

**Recommendation**

The Office of the Comptroller recommends that the Finance, Personnel, and Audit Committee approve the accompanying resolution that expresses the County's intent, in accordance with U.S. Treasury Regulation Section 1.150-2, to reimburse itself for expenditures that will occur prior to the issuance of the bonds.

A handwritten signature in cursive script, appearing to read "Pamela Bryant", with a long horizontal flourish extending to the right.

Pamela Bryant  
Office of the Comptroller

pc: Chris Abele, County Executive  
Willie Johnson Jr., Co-Chair, Finance, Personnel, and Audit Committee  
David Cullen, Co-Chair, Finance, Personnel, and Audit Committee  
Joe Czarnezki, County Clerk  
Dan Diliberti, County Treasurer  
Pamela Bryant, Capital Finance Manager, Office of the Comptroller  
Justin Rodriguez, Capital Finance Analyst, Office of the Comptroller  
Kelly Bablitch, Chief of Staff, County Board  
Stephen Cady, County Board Fiscal and Budget Analyst  
David Anderson, Public Financial Management, Inc.  
Chuck Jarik, Chapman and Cutler LLP  
Emile Banks, Emile Banks & Associates LLP