

**-COUNTY OF MILWAUKEE-
INTEROFFICE COMMUNICATION**

DATE : November 22, 2013

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

FROM : Scott B. Manske, Comptroller, Office of the Comptroller

SUBJECT : Request to Reallocate 2010 Bonds for Snow Removal Equipment Building Capital Project to Baggage Claim Remodeling Capital Project

REQUEST

The Office of the Comptroller is requesting approval to reallocate \$11,789,072 in 2010 passenger facility charged revenue backed - general airport revenue bonds (GARBs) from the Airport Reserve to the Baggage Claim Remodeling capital project. The bonds are available due to the abandonment of Snow Removal Equipment Building capital project during 2012 as discussed below.

This is the second part of a two-part appropriation transfer to allocate funds to the Baggage Claim Remodeling project. In September 2013, the County Board of Supervisors approved Resolution File No. 13-707 that authorized the deposit of \$1,482,928 from the 2010 GARBs from the Snow Removal Equipment Building capital project into an escrow account with the Airport Trustee (US Bank) for the Airport Revenue Bonds.

BACKGROUND/ANALYSIS

Snow Equipment Building Project Cancellation

In the 2010 Adopted Capital Improvements Budget, \$13,272,000 was budgeted for the construction of a storage building at General Mitchell International Airport (GMIA) for snow removal equipment. Financing was provided from \$13,272,000 in Passenger Facility Charge (PFC) backed general airport revenue bonds (GARBs). Subsequent to the adoption of the budget and the issuance of the 2010 GARBs, the Airport decided to use one of the hangars received as a part of the transfer of the 440th property for the storage of the Airport's snow equipment. This decision meant there was no need to construct an additional building. Therefore, the \$13,272,000 in 2010 GARBs were available for another purpose that complies with the Federal and State rules regarding bonds. The Snow Equipment Building project was abandoned and the expenditure authority and revenues were lapsed at year-end 2012 to the Airport Reserve.

Narrowbanding Capital Project

In 2010, a reimbursement resolution was approved to reimburse the Airport for expenditures incurred for Project WA160 – Narrowband Conversion (Narrowbanding Project). The 2013 Airport Revenue Bonds were to be used as the reimbursement revenue. However, after the 2013 Bonds were issued, \$1,482,928 of the total expenditures for the Narrowbanding Project were not

expended within the IRS timeline for reimbursement. The Airport will use its operating airport reserves to pay for the completed Narrowbanding Capital Project. Due to the inability of the County to use the \$1,482,928 in 2013 bonds for the Narrowbanding project, these funds were reallocated to the Baggage Claim Remodeling project. This action allowed in September 2013, the County Board of Supervisors to approve Resolution File No. 13-707 that authorized the deposit of \$1,482,928 from the 2010 GARBs from the Snow Removal Equipment Building capital project into an escrow account with the Airport Trustee (US Bank) for the Airport Revenue Bonds.

After the \$1,482,928 was moved to the escrow account, the remaining 2010 bond proceeds from the Snow Equipment Removal Building Project total \$11,789,072. These funds are being requested to be reallocated to the Baggage Claim remodeling project.

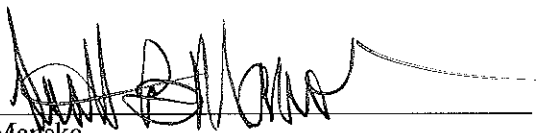
The table below illustrates the allocations of the 2010 and 2013 GARBs for the two projects and the contribution from the Airport Operating Reserves.

Project	Description	2010 GARBS	2013 Garbs	From Airport Operating Reserve
WA149	Snow Removal Equipment Storage Building	\$ (13,272,000)		
WA042	Baggage Claim Building	\$ 11,789,072	\$ 1,482,928	
	Escrow Deposit with Trustee(per Sept 2013 board report file 13-707)	\$ 1,482,928		
WA160	Narrowbanding Project		\$ (1,482,928)	
WA160	Narrowbanding Project			\$1,482,928

Please see Attachment 1 for a copy of File No 13-707 which the report and resolution that was approved by the County Board of Supervisors pertaining to the 2010 GARBs for the Narrowbanding. The remaining \$11,789,072 of the 2010 GARBs is requested to be reallocated from the Airport Reserve to the Baggage Claim Remodeling project.

RECOMMENDATION

The Office of the Comptroller is requesting approval to reallocate \$11,789,072 in 2010 passenger facility charged revenue backed - general airport revenue bonds (GARBs) from the Snow Removal Equipment Building capital project that was lapsed to the Airport Reserve to the Baggage Claim Remodeling capital project.



Scott B. Matiske
Comptroller

- pc: Chris Abele, County Executive
Amber Moreen, Chief of Staff, County Executive's Office
Willie Johnson, Jr., Co-Chair, Finance, Personnel, and Audit Committee
David Cullen, Co-Chair, Finance, Personnel, and Audit Committee
Kelly Bablitch, Chief of Staff, County Board
Pamela Bryant, Capital Finance Manager, Office of the Comptroller
Pat Walslager, Deputy Airport Director, Finance/Accounting, DOT – Airport Division