

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : April 25, 2014

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

FROM : Josh Fudge, Director of Performance, Strategy and Budget, DAS
Scott Manske, Comptroller, Office of the Comptroller

SUBJECT : **Report of 2013 Carryovers to 2014 Fiscal Year - Revised**

REQUEST

The Department of Administrative Services (DAS) and the Office of the Comptroller (Comptroller) are submitting a report of the final expenditures and revenues to be carried over from 2013 to 2014 in accordance with Section 32.91 of the Milwaukee County General Ordinances (Section 32.91). The DAS is required by Section 32.91 to prepare an annual report on operating and capital carryovers.

On April 24, 2014, the County Board of Supervisors approved the preliminary carryovers, with the directive that a final informational report will be submitted for the May 2014 cycle of the Finance, Personnel and Audit Committee.

DISCUSSION

Departments have completed their entries for 2013. Most of the changes from the preliminary carryover report are due to final entries from the Airport. These changes are predominately the result of booking revenues into airport capital projects.

Approved Carryover

Resolution File 14-127 authorized and directed the DAS and the the Comptroller to carry over \$2,675,000 for Project WO150 Courthouse Fire Project. Therefore, in the attached Carryover Schedule the balance for Project WO150 Courthouse Fire is \$2,675,000 less because the balance has already been carried over.

Operating Carryovers

Operating budget capital outlay, equipment and major maintenance appropriations recommended to be carried over from 2013 to 2014 total \$6,253,733. Revenues recommended to be carried over total \$8,242,785. This is a net reduction of \$24,514 from the April preliminary report.

Capital Carryovers

Capital project fund expenditure appropriation carryovers from 2013 to 2014 total \$123,464,985 for corporate purpose projects. Associated revenues to be carried over total \$165,148,197. This is a net increase of \$4,058,606 from the preliminary report.

Airport capital improvement expenditure and revenue carryovers from 2013 to 2014 total \$59,822,458 and \$113,639,792, respectively. This is a net increase of \$4,033,588 from the preliminary report.

The table below provides a comparison of the preliminary carryovers and the final carryovers.

	Preliminary Carryover	Final Carryover	Variance
Operating Carryovers			
Expenditure	\$6,253,733	\$6,253,733	\$0
Revenue	\$8,267,299	\$8,242,785	(\$24,514)
Exp - Rev	\$14,521,032	\$14,496,518	(\$24,514)
Capital Carryovers			
Total Carryovers			
Expenditure	\$125,253,731	\$123,464,985	(\$1,788,746)
Revenue	\$170,995,549	\$165,148,197	(\$5,847,352)
Exp - Rev	(\$45,741,818)	(\$41,683,212)	\$4,058,606
Corporate Purpose:			
Expenditure	\$65,485,532	\$63,642,527	(\$1,843,005)
Revenue	\$53,376,428	\$51,508,405	(\$1,868,023)
Exp - Rev	\$12,109,104	\$12,134,122	\$25,018
Airport:			
Expenditure	\$59,768,199	\$59,822,458	\$54,259
Revenue	\$117,619,121	\$113,639,792	(\$3,979,329)
Exp - Rev	(\$57,850,922)	(\$53,817,334)	\$4,033,588
Lapsed:			
General Fund ²	\$2,636,587	\$2,643,801	\$7,214
Debt Service Reserve (Bond)	\$733,701	\$627,438	(\$106,263)
Total Lapsed	\$3,370,288	\$3,271,239	(\$99,049)
Airport Fund	\$288,249	\$631,394	\$343,145
Airport Reserve	\$1,770,412	\$1,711,298	(\$59,114)
Total Lapsed	\$2,058,661	\$2,342,693	\$284,031

Operating Carryovers

Included in the lapsed amount is \$500,000 in the Department of Parks, Recreation and Culture in major maintenance expenditure authority for repairs to the Arid and Show Domes. Resolution File No. 14-89 authorized and directed the DAS and the Comptroller to carry over \$500,000 in the Parks major maintenance accounts from the 2013 to 2014 to provide for these repairs. Included in the lapsed amount for capital is

Lapsed Unspent Bonds

Unspent bond proceeds of \$627,438 from the lapsed capital projects will be deposited into the County's debt service reserve. In addition, the DAS will work with departments to develop an appropriation transfer to utilize the lapsed bonds.

Airport Capital Results

The Airport will receive a contribution to its reserves of \$2,342,693 from the lapsed capital projects. The contribution consists of \$631,394 in cash and \$1,711,298 in Airport bond proceeds.

General Fund Impact from Capital Program

A schedule of capital improvement appropriations and revenues not recommended for carryover is also attached. Excluding Airport appropriations and revenues, \$2,643,801 will be allocated to the County's general fund in 2013. This amount reflects the lapsing of \$2,675,000 in cash from Project WO150 – Courthouse Fire. As stated above, this amount was previously approved for carry over at the February 2014 meeting of the County Board of Supervisors.

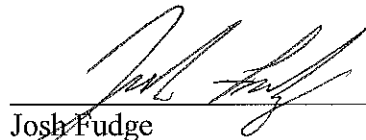
The lapsed \$2,675,000 amount was combined with a net cash deficit of \$31,199 that is primarily the result of over expenditures for major maintenance repairs for Project WO114102 – Courthouse Complex Improvements (net deficit of \$29,680) and Project WO114162 – Transit Infrastructure Improvements (net deficit of \$17,122). According to the Department, these deficit amounts could be offset with surpluses from the other major maintenance projects to be completed in 2014.

Unspent Bond Proceeds

The Comptroller is in the process of preparing the unspent bond report. The majority of the bond proceeds are Build America Bonds and must be applied towards capital improvement projects. The DAS and the Comptroller are still in the process of determining the Build America Bond amount. Therefore, information will be provided in the final carryover report for the June Cycle of the Committee on Finance, Personnel and Audit.

Recommendation

This is an informational report.



Josh Fudge
Director of PSB



Scott Manske
Comptroller

Attachments

pc: Chris Abele, County Executive
Amber Moreen, Chief of Staff, Milwaukee County Executive
Kelly Bablitch, Chief of Staff, Milwaukee County Board
Pamela Bryant, Capital Finance Manager, Office of the Comptroller
Stephen Cady, Comptroller, Research Director
Department Heads
DAS-Fiscal Staff