

Action Required  
Finance Committee  
County Board (Majority 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 2011 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>1151- Administration</u>		
8923 – Midwest/Skyway Reserve		\$210,000
0890 – Midwest Airlines CDBG Trust	\$210,000	

A transfer of \$210,000 is requested by the Director, Department of Administrative Services to move expenditure authority to the Department of Administrative Services from the Midwest Airlines CDBG Trust.

In 1998, the City of Milwaukee issued \$8,900,000 of Industrial Development Revenue Bonds (IDRB) for the Midwest Express Airlines, Inc. project and in 2001 the City of Milwaukee issued \$7,000,000 of IDRBs for the Skyway Airlines, Inc. Project in order to construct two hangars at General Mitchell International Airport (GMIA).

In 2003, Milwaukee County entered into a credit assistance agreement with Midwest Express Airlines/Skyway (Midwest) to provide additional flexibility in its available bank credit. This was accomplished by having Milwaukee County take the place of Midwest under its letter of credit that was issued to support the IDRB debt that was issued on its behalf.

Also in 2003, Milwaukee County, Racine County, and the State of Wisconsin entered into a Community Development Block Grant (CDBG) Agreement in which a CDBG grant was awarded to Racine County and then Racine County provided the proceeds to Milwaukee County in order to establish a reserve account as collateral for the IDRB debt that is outstanding.

Under the CDBG agreement, if the Standby Reimbursement Agreement was extended for an additional five-year period and principal payments are made by Midwest Skyway, the County must return an equivalent portion of the reserve balance to the State and Racine County. In 2009, Republic Airways Holdings (Republic) purchased Midwest Airlines. Republic on behalf of Midwest/ Skyway has repaid 4.19%

(\$595,000) of the total principal outstanding of \$14,215,000. Therefore, the County must return 4.19% (\$210,000) of the trust balance outstanding of \$5,012,000.

This appropriation transfer moves \$210,000 from the Midwest Airlines CDBG Trust Account for the purpose of returning \$105,000 to Racine County for other CDBG eligible projects and \$105,000 will be returned to the State of Wisconsin.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE 10/20/11.

TRANSFER APPROVED BY THE FINANCE AND AUDIT COMMITTEE VOTE 6-0.