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From the Milwaukee County Comptroller requesting approval to allocate approximately \$2.6 million in unspent bond proceeds from the Debt Service Reserve; and to process the associated administrative appropriation transfers to pay eligible debt service expenses, to reduce the 2024 financing needed for Project WT015401 - Bus Replacement 30 Clean Diesel, to provide additional funding to ongoing projects with shortfalls, and to place remaining funding into the countywide unallocated contingency account, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, in November 2023, the Office of the Comptroller submitted a report to the Milwaukee County Board of Supervisors and County Executive (adopted File No. 23-945) that requested authorization to lapse surplus funds from the capital projects to the Debt Service Reserve (DSR); and

WHEREAS, the report indicated that there was approximately \$2.9 million of surplus funds being lapsed to the DSR; and

WHEREAS, additional analysis indicated that approximately \$2.6 million of the surplus funds are unspent bond and note proceeds (unspent bonds); and

WHEREAS, adopted File No. 23-945 indicated that the reallocation of bond proceeds would be done to apply to pay eligible debt service expenses, or to finance projects that would be able to spend the proceeds in a timely fashion; and

WHEREAS, in most cases, this would mean that only ongoing projects with shortfalls would be considered; and

WHEREAS, other factors such as capitalization and private activity also limit which projects are considered; and

WHEREAS, the Internal Revenue Service (IRS) regulations dictate the expenditure of tax-exempt bond proceeds within three years; and

WHEREAS, tax-exempt bonds that were issued prior to 2021, and have not been spent, are currently out of compliance with IRS expenditure rules; and

WHEREAS, bonds issued in 2021 will not be in compliance by the end of the year; and

WHEREAS, the Committee on Finance, at its meeting of January 25, 2024, recommended adoption of File No. 24-105 (vote 6-0); now, therefore,

46 BE IT RESOLVED, the Office of the Comptroller (Comptroller), and the Office of  
 47 Strategy, Budget, and Performance (OSBP), are authorized and directed to perform  
 48 administrative fund transfers to reallocate approximately \$2.6 million of unspent bonds  
 49 from the Debt Service Reserve (DSR); and

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 51 BE IT FURTHER RESOLVED, the Comptroller and the OSBP are authorized and  
 52 directed to transfer \$944,333 of unspent bonds from the DSR to Org. Unit 9960 - Debt  
 53 Service to pay eligible 2024 interest expenses; and

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 55 BE IT FURTHER RESOLVED, the Comptroller and the OSBP are authorized and  
 56 directed to transfer \$1,642,993 of unspent bonds from the DSR to finance Capital  
 57 Project WT015401 Bus Replacement – 30 Clean Diesel, which will reduce the amount  
 58 of bonds that need to be issued in 2024; and

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 60 BE IT FURTHER RESOLVED, the Comptroller and the OSBP are authorized and  
 61 directed to transfer \$920,000 of 2024 levy-financed expenditure authority from Org. Unit  
 62 9960 - Debt Service to:

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| <b>Capital Project Number</b> | <b>Capital Project Name</b>   | <b>Amount</b> |
|-------------------------------|---|---------------|
| WP068801                      | McKinley Parking Lots – Phase 2   | \$485,000     |
| WP032001                      | North Point Parking Lot - Design  | \$70,000      |
| WT008001                      | Milwaukee County Transit System Fleet Maintenance Lighting Upgrades     | \$85,000      |
| WO088901                      | Marcus Center Pedestrian Pavement Replacement                           | \$5,000       |
| WS012701                      | Kelly Senior Center and Nutrition Site Boiler Replacement               | \$20,000      |
| WS014306                      | Senior Centers Backup Power Generators - Design                         | \$45,000      |
| WS014406                      | Senior Centers Fire Protection System Upgrades – Design                 | \$50,000      |
| WO011701                      | Marcus Center Roof Replacement  | \$100,000     |
| WO065401                      | Safety Building 6 <sup>th</sup> Floor District Attorney Office Security | \$20,000      |
| WP062802                      | Brown Deer Park Roadway – Phase 2                                       | \$40,000      |

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 65 to address project shortfalls; and

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 67 BE IT FURTHER RESOLVED, the Comptroller and OSBP are authorized and  
 68 directed to transfer \$24,333 of 2024 levy-financed expenditure authority from Org. Unit  
 69 9960 - Debt Service, to Org. Unit 194-1945 Appropriation for Contingencies –  
 70 Unallocated Contingency Account.

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75 s:\committees\2024\january - february\finance january 25\resolutions\24-105 reallocate unspent bonds from dsr.docx