

6-20-19 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 C UNALLOCATED CONTINGENCY

Action Required

Finance and Audit Committee
 2/3's County Board

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 2019 appropriations of the respective listed

1)	<u>From</u>	<u>To</u>
<u>1945 - Appropriation for Contingency</u>		
8902 – Unallocated Contingency		\$265,000
4959 – Recoveries (“Courthouse Fire Insurance Proceeds”)	\$265,000	

An appropriation transfer of \$265,000 is requested by the Comptroller to recognize the final settlement from the State of Wisconsin Local Government Property Insurance Fund (“LGPIF”) related to the Courthouse fire by creating revenue budget and increasing expenditure authority in Org. Unit 1945 Appropriation for Contingency.

“On Saturday, July 6, 2013, an electrical fire broke out in the basement of the Milwaukee County Courthouse. The fire event affected the Courthouse, Safety Building, and Criminal Justice Facility (CJF), comprising about 1.5 million square feet of space, one million of which was affected by smoke, and displaced approximately 1,200 employees. The fire knocked out power throughout the complex, and resulted in a months-long recovery, which had varying effects on the departments housed in the Courthouse.”¹

In May 2016, County Board Resolution File 16-255 Authorization to Lapse Certain Capital Expenditures and Revenues from 2015 to 2016 in accordance with Section 32.91 of the Milwaukee County Code of General Ordinances was approved. File 16-255 closed Project WO15001 Courthouse Fire and lapsed a cash deficit of approximately \$430,000. The \$430,000 was the net amount of an expenditure surplus of approximately \$570,000 and unrealized insurance proceeds of \$1,000,000. At the time, the final insurance payment was estimated to be approximately \$910,000 but had been significantly delayed. Full reimbursement was expected at the end of 2015. Representatives from the LGPIF had been providing assurances that a final estimated payment would be received; however, they had not been able to provide a definitive date. To alleviate the risk of a negative impact affecting the 2016 fiscal year, it was recommended by the Office of the Comptroller and the Department of Administrative Services – Office of Performance, Strategy, and Budget to close the project and lapse the project deficit in 2015. Language was included in File 16-255 that indicated that if the County received the insurance proceeds that an appropriation transfer will be submitted in order to transfer the funds to the Appropriations for Contingency Account.

In February 2019, after negotiations between the County and the Office of the Commissioner of Insurance (“OCI”), the final settlement of \$265,000 was received.

This appropriation transfer request would create the revenue budget for the final settlement in Org. Unit 1945 Appropriation for Contingency and the expenditure budget in the unallocated contingencies account.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE MAY 13, 2019.

¹ “Aftermath of Courthouse Fire Illustrates Need for Improved Insurance Claims Management and Business Continuity” Office of the Comptroller – Audit Services Division. December 2014