

10-07-2016 FINANCE, PERSONNEL AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 A CAPITAL - RECEIPT OF REVENUE

Action Required

Finance, Personnel and Audit Committee
 County Board (2/3 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 2016 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
<u>WA22501 Airport Fuel Storage*</u>		
6146 – Prof. Serve- Cap/Major Mtce		\$200,000
6106 – Legal Fees-General		\$300,000
8501 – Bldg/Structures - New (CAP)		\$10,000,000
4707 – Airport Development Fund	\$10,500,000	

Existing Project, + Included in 5-Year Plan, * New Project

An appropriation transfer of \$10,500,000 is being requested by the Director of the Department Transportation and the Airport Director in order to create budget authority for new Capital Project WA22501 Airport Fuel Storage. Financing will be provided from \$10,500,000 in Airport Development Fund (ADF).

The fuel used at General Mitchell International Airport (GMIA) is housed at an off-airport storage facility owned by Equilon Enterprises, a division of Shell Oil Company (Shell). It is then transported via an underground pipeline to our County-owned fuel distribution facility. The off-airport storage facility and the underground pipeline are owned by Shell (collectively the EQ Assets).

Shell has informed Milwaukee County, and the airlines at GMIA, that it would close the off-airport facility by December 31, 2016, and put the EQ Assets up for sale. Rather than see the EQ Assets purchased by a third party, the airlines expressed an interest to the County that GMIA facilitate the purchase of the EQ Assets by a fuel consortium – an entity formed by the airlines. There is a time element to this deal that requires action by Milwaukee County.

According to the proposal, the fuel consortium would repay Milwaukee County for the loan of the funds to purchase the EQ Assets. The transaction would result in a sale of the EQ assets to the fuel consortium; the consortium would be responsible for operating and maintaining the EQ Assets. They would be accountable for any environmental liability associated with the EQ Assets.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE OCTOBER 6, 2016.