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From the Milwaukee County Comptroller, Office of the Comptroller, and the Director, Office of Performance, Strategy, and Budget, Department of Administrative Services, requesting authorization to: reallocate approximately \$1.3 million in unspent bond proceeds from the Debt Service Reserve; and to process the associated administrative appropriation transfers to pay interest expenses, apply funds toward bond refundings, and allocate funds to Capital Project WT10401 - Bus Replacement Program and Capital Project WO46501 - Training Academy Boiler System Replacement, by recommending adoption of the following:

A RESOLUTION

WHEREAS, in April 2019, the Office of the Comptroller and the Office of Performance, Strategy, and Budget, Department of Administrative Services, submitted a report to the Milwaukee County Board of Supervisors and County Executive that requested authorization to lapse certain capital expenditures and revenues from 2018 to 2019 (Adopted File No. 19-432); and

WHEREAS, the report indicated that there was approximately \$1.4 million of unspent bond proceeds that were being lapsed to the Debt Service Reserve; and

WHEREAS, upon further review of the \$1,432,217 of funds that were lapsed to the Debt Service Reserve as part of Adopted File No. 19-342, it was determined that \$1,255,569 of the funds were unspent bonds and the remaining funds were cash; and

WHEREAS, the reallocation of bonds would be done to pay interest 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 would be considered; and

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

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

WHEREAS, bonds that were issued prior to 2016 that have not been spent are currently out of compliance with IRS expenditure rules; and

WHEREAS, bonds issued in 2016 will not be in compliance by the end of the year; and

WHEREAS, the approximately \$1.3 million in unspent bonds includes \$652,588 of bonds or notes that were issued prior to 2017; and

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WHEREAS, the Committee on Finance and Audit, at its meeting of June 13, 2019, recommended adoption of File No. 19-494 (vote 7-0); now, therefore,

BE IT RESOLVED, the Office of the Comptroller (Comptroller) and the Office of Performance, Strategy, and Budget, Department of Administrative Services (OPSB-DAS), are authorized and directed to transfer approximately \$1.3 million of unspent bonds from the Debt Service Reserve; and

BE IT FURTHER RESOLVED, the Comptroller and OPSB-DAS are authorized and directed to transfer \$652,588 of unspent bonds from the Debt Service Reserve to Org. Unit 9960 Debt Service to pay interest costs; and

BE IT FURTHER RESOLVED, the Comptroller and OPSB-DAS are authorized and directed to transfer \$652,588 of levy financed expenditure authority within Org. Unit 9960 Debt Service to apply the funds towards the 2019 Refunding Issuance; and

BE IT FURTHER RESOLVED, the Comptroller and OPSB-DAS are authorized and directed to transfer \$568,381 of unspent bonds from the Debt Service Reserve to Capital Project WT10401 Bus Replacement Program – 2018 in order to reduce the amount needed to be included in the 2019 financings; and

BE IT FURTHER RESOLVED, the Comptroller and OPSB-DAS are authorized and directed to transfer \$35,000 of unspent bonds from the Debt Service Reserve to Capital Project WO46501 Training Academy Boiler System Replacement in order to increase the expenditure authority for the project; and

BE IT FURTHER RESOLVED, if activity changes the dollar amounts prior to a transfer being processed after final board adoption, an amount as close as possible to the current unspent amount as possible will be transferred.

srb
06/13/19
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