

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: August 30, 2011
TO: Supervisor Lee Holloway, Chairman, County Board of Supervisors
FROM: Pamela Bryant, Interim Fiscal and Budget Administrator
SUBJECT: **Airport Reimbursement Resolution**

Background

In April 2010, an appropriation transfer of \$500,000 was approved that increased expenditure authority and revenue for Project WA108 HVAC Replacement. Financing was to be provided by general airport revenue bonds. The September 2010 airport revenue bond issuance did not include this amount.

This reimbursement resolution will allow spending to occur prior to the issuance of bonds at a later time.

Since the Airport will need to proceed with these projects, the County will have to reimburse itself with bond proceeds for expenditures that are incurred prior to the issuance of the bonds.

U.S. Treasury Regulation Compliance

U.S. Treasury Regulation Section 1.150-2 describes the conditions under which the County may expend County funds on a project currently and later reimburse itself with bond proceeds. The first step in providing for such reimbursement to occur is an expression of intent by the County to reimburse itself for expenditures incurred prior to issuing the bonds. Therefore, the attached resolution expresses that intent.

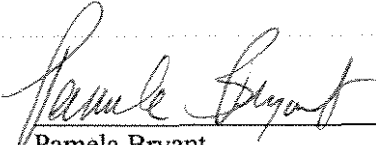
Expressing this intent will allow the County to reimburse itself for expenditures incurred as far back as 60 days prior to the approval of the attached reimbursement resolution.

EXHIBIT A

Project	Airport	Cost
WA108	HVAC Replacement	\$500,000

Recommendation

The DAS recommends that the Finance and Audit Committee approve the accompanying resolution that expresses the County's intent, in accordance with U.S. Treasury Regulation Section 1.150-2, to reimburse itself for expenditures that will occur prior to the issuance of the bonds. Since some spending will have occurred outside of the 60-day reimbursement window only a portion of the expenses will be eligible to be paid for with bond proceeds. Any expenses paid prior to 60 days before the adoption of the reimbursement resolution will be financed by cash from the Airport Reserve Account. Airport staff will provide the Department of Administrative Services with a list of expenses that occurred within 60-days of or after the adoption of the reimbursement resolution prior to the completion of the preliminary official statement for the next airport revenue bond issuance.



Pamela Bryant
Interim Fiscal and Budget Administrator

Attachment

pc: Chris Abele, County Executive
Supervisor Thomas, Chairman, Finance and Audit Committee
Pat Farley, Director, Department of Administrative Services
Justin Rodriguez, Interim Capital Finance Manager
Chuck Jarik, Chapman and Cutler
Emile Banks, Emile Banks and Associates

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(ITEM *) RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from the proceeds of an obligation.

WHEREAS Milwaukee County, Wisconsin (the "*Issuer*") now wishes to advance moneys from available funds to pay the costs of certain capital projects described in *Exhibit A* attached hereto and made a part hereof (the "*Projects*"); and

WHEREAS all or a portion of the expenditures relating to the Projects and to be made from such funds (the "*Expenditures*") (i) have been paid within the sixty (60) days prior to the passage of this Resolution, or (ii) will be paid on or after the passage of this Resolution; and

WHEREAS the Issuer reasonably expects to reimburse itself or pay for the Expenditures with the proceeds of airport revenue bonds;

NOW THEREFORE Be It Resolved by the County Board of Supervisors of Milwaukee County, Wisconsin, as follows:

Section 1. The Issuer reasonably expects to reimburse or pay the Expenditures with proceeds of airport revenue bonds.

Section 2. The maximum principal amount of the obligations expected to be issued for the Projects and to be made from the funds is \$500,000 in airport revenue bonds.

Section 3. Any costs paid prior to 60 days before the adoption of the reimbursement resolution will be financed by cash from the Airport Reserve Account

Section 4. All actions of the officers, agents and employees of the Issuer that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and approved.

Section 5. Airport staff will provide the Department of Administrative Services with a list of expenses that occurred within 60-days of or after the adoption of the reimbursement resolution prior to the completion of the preliminary official statement for the next airport revenue bond issuance.

Section 6. This Resolution shall be in full force and effect immediately upon its adoption.

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EXHIBIT A

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PROJECT	AIRPORT	COST
WA108	HVAC REPLACEMENT	\$500,000

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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 9/6/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Airport HVAC Replacement Reimbursement Resolution

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	See Explanation
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. In April 2010, an appropriation transfer of \$500,000 was approved to increase the scope of work for Project WA108 HVAC Replacement.

The additional work associated with the appropriation transfer for was not included in the September 2010 Airport Revenue Bond Issue and therefore will need to be included in a future bond issue. Since the Airport will need to proceed with the project, the County will have to reimburse itself with bond proceeds for expenditures that are paid prior to the issuance of the bonds. Any expenses paid prior to 60 days before the adoption of the reimbursement resolution will be financed by cash from the Airport Reserve Account.

B. There are no additional costs.

C. N/A

D. N/a

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By Justin Rodriguez

Authorized Signature

Pamela Bryant

Did DAS-Fiscal Staff Review? Yes No