

5-19-2016 FINANCE, PERSONNEL AND AUDIT COMMITTEE APPROPRIATION TRANSFERS  
 C CAPITAL – CONTIGENCY RECEIPT OF REVENUE

Action Required

Finance, Personnel and Audit Committee  
 County Board (2/3 Vote)

2)	<u>From</u>	<u>To</u>
<u>Org. 1945 Appropriation for Contingencies</u>		
8901 – Unallocated Contingency	\$40,500	
<u>Org. 1908 Milwaukee County Historical Society</u>		
8266 – Contribution to MCHS		\$40,500
<u>WO118 Milwaukee County Historical Society Cornice #</u>		
8509 – Other Building Improvement (CAP)		\$1,600,000
4932 – Other Private Funding (MCHS Contribution)	\$1,600,000	

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

An appropriation transfer of \$1,640,500 being requested by the Director of the Department of Administrative Services in order to increase expenditure authority and private contributions by \$1,600,000 for Project WO118 Milwaukee County Historical Society Cornice and to allocate \$40,500 from the unallocated contingency account to the Milwaukee County Historical Society (MCHS) to provide funds for repairs and maintenance of the Milwaukee County Historical Center Museum and Research Library (Center).

Project WO118 Milwaukee County Historical Society Cornice

The 2016 Adopted Capital Improvements Budget included an appropriation of \$2,000,000 for Phase 1 of a two-phase project to restore the exterior cornice of the Milwaukee County Historical Center Museum and Research Library (Cornice Project). The total estimated costs of the project is \$4,100,000, with anticipated project completion in 2017. Financing is anticipated to be provided from general obligation bonds. The disbursement of the capital funds is contingent on the Milwaukee County Historical Society (MCHS) and the County finalizing a long-term (no less than ten years) lease for the occupancy of the County owned building.

In February 2016, the County signed a twenty-five year lease (Lease) with the MCHS for the Center. The lease includes a twenty-five year extension that can be exercised by the MCHS so long as the MCHS has \$1,000,000 in a capital reserve account.

The Lease includes a cost sharing agreement between the MCHS and the County for the Cornice Project. The County’s share of the project will be \$2,000,000 plus any project costs in excess of \$3,600,000. The County is responsible for preparing the bid documents and getting a final accepted bid. Both the bid documents and the final accepted bid must be approved by MCHS or the County will repeat the bid process until a final accepted bid is approved by MCHS.

Within 60 days after MCHS approves a final accepted bid, MCHS shall provide the County with documentation sufficient to demonstrate that donor cash or pledges have been secured for at least 60% of the MCHS share. The pledges must indicate that the amount pledged will be delivered to MCHS on or before December 31, 2016 and designated to the Cornice Project. If pledges are not received within 60 days of a final accepted bid, the County will not be obligated to start or complete the Cornice Project. The determination of the strength and sufficiency of the pledges is vested in the sole discretion and approval of the Office of the Comptroller. MCHS shall provide its share of the project costs by December 31, 2016 or it will be subject to the remedy included in the Lease.

Any surplus project funds paid to the County by MCHS will be repaid to MCHS on the condition that it is deposited by MCHS in a segregated account for repairs and maintenance of the Center.

If project costs exceed \$3,600,000 a subsequent appropriation transfer or budget appropriation will be required to provide additional County funding.

Org. Unit 1908 Milwaukee County Historical Society (maintenance)

The Lease shifts the responsibility for maintenance of the Center from the County to MCHS (excluding ongoing projects). During the first five years of the term, the County shall provide \$54,000 annually to MCHS to fund repairs and maintenance of the property. Based on the execution date of the contract, there will be three quarterly payments of \$13,500 for a total of \$40,500 in calendar year 2016.

This appropriation transfer request will reallocate \$40,500 from the unallocated contingency account to the MCHS in order to comply with this provision of the Lease.

This fund transfer has no tax levy impact.

TRANSFER SIGNED BY THE COUNTY EXECUTIVE APRIL 25, 2016.