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3 From the Milwaukee County Comptroller, Office of the Comptroller, and the Director,
4 Office of Performance, Strategy, and Budget, Department of Administrative Services,
5 requesting authorization to: reallocate approximately \$1.8 million in unspent bond
6 proceeds from the Debt Service Reserve; and to process the associated administrative
7 appropriation transfers to various ongoing capital projects to finance anticipated
8 shortfalls, by recommending adoption of the following:
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10 **AN AMENDED RESOLUTION**

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12 WHEREAS, in April 2017, the Office of the Comptroller, and the Office of
13 Performance, Strategy, and Budget, Department of Administrative Services, submitted a
14 report to the Milwaukee County Board of Supervisors and the County Executive
15 (Adopted File No. 17-375) that requested authorization to lapse certain capital
16 expenditures and revenues from 2016 to 2017; and
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18 WHEREAS, the report indicated that there was approximately \$1.8 million of
19 unspent bond proceeds that was being lapsed to the Debt Service Reserve; and
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21 WHEREAS, the reallocation of bonds would be done to pay 2017 interest
22 expenses or to finance projects that would be able to spend the proceeds in a timely
23 fashion; and
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25 WHEREAS, in most cases, this would mean that only ongoing projects with
26 shortfalls would be considered; and
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28 WHEREAS, other factors such as capitalization and private activity also limit
29 which projects are considered; and
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31 WHEREAS, Internal Revenue Service (IRS) regulations dictate the expenditure
32 of bond proceeds within three years; and
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34 WHEREAS, if the bond proceeds have not been expended within three years,
35 according to Quarles and Brady (Milwaukee County's [the County's] bond counsel), the
36 IRS expectation is that the County will proceed or demonstrate a consistent pattern of
37 spending to reflect a commitment to implementing the projects; and
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39 WHEREAS, bonds that were issued prior to 2014 and have not been spent are
40 currently out of compliance with IRS expenditure rules; and
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42 WHEREAS, the approximately \$1.8 million in unspent bonds includes \$465,485
43 of bond proceeds that were issued prior to 2014; and
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45 WHEREAS, of the \$465,485 issued prior to 2014, \$308,813 are 2010 Build
46 America Bonds that must be used to finance project expenses; and

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WHEREAS, the remaining balance of non-Building America Bonds issued prior to 2014 (\$156,672) can be used to pay 2017 interest expenses; and

WHEREAS, the Committee on Finance and Audit, at its meeting of July 20, 2017, recommended adoption of File No. 17-483 (vote 7-0) as amended; now, therefore,

BE IT RESOLVED, the Office of the Comptroller, and the Office of Performance, Strategy, and Budget, Department of Administrative Services (OPSB-DAS), are authorized and directed to transfer approximately \$1.8 million of unspent bonds from the Debt Service Reserve; and

BE IT FURTHER RESOLVED, the Office of the Comptroller, and the OPSB-DAS, are authorized and directed to transfer \$156,672 of unspent bonds from the Debt Service Reserve to Org. Unit 9960-Debt Service to pay interest costs; and

BE IT FURTHER RESOLVED, the Office of the Comptroller, and the OPSB-DAS, are authorized and directed to transfer \$156,672 of levy financed expenditure authority from Org. Unit 9960-Debt Service to provide \$149,303 to Org. Unit 1945-Appropriation for Contingencies and \$7,369 to Capital Project WO064-Wil-O-Way Recreation Center Entrance; and

BE IT FURTHER RESOLVED, the Office of the Comptroller, and the OPSB-DAS, are authorized and directed to transfer unspent bonds from the Debt Service Reserve to the following capital projects to finance anticipated shortfalls:

- Capital Project WO452-Training Academy Firing Range Ventilation System (\$360,000)
- Capital Project WC116-Courthouse Cooling Coil Replacements (\$240,000)
- Capital Project WP487-McGovern Park Pavilion (\$47,000)
- Capital Project WP488-Kern Park Pavilion (\$15,000)
- Capital Project WP489-Doctors Park Pavilion (\$1,000)

; and

BE IT FURTHER RESOLVED, the Office of the Comptroller, and the OPSB-DAS, are authorized and directed to transfer approximately \$1,033,796 of unspent bonds from the Debt Service Reserve to Capital Project WT026-Bus Replacement Program in order to reduce the budgeted amount size of the 2017 Corporate Purpose Bonds necessary to finance the Bus Replacement Program and free up bonding capacity in the 2017 general obligation bond issuances; and,

BE IT FURTHER RESOLVED, the Office of the Comptroller, and the OPSB-DAS, are authorized and directed to create expenditure authority and general obligation bond budget of \$1,033,796 for Project WP62802 Brown Deer Park Roadway Phase 2; and

93 BE IT FURTHER RESOLVED, the scope of the Brown Deer Park Roadway
94 Phase 2 shall include reconstruction of the entire Brown Deer Park Roadway, the tennis
95 court parking lot, the golf course parking lot, the driving range, and the adjacent
96 walkways; and

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98 BE IT FURTHER RESOLVED, of the \$1,033,796, \$520,000 will be used to
99 provide financing for the planning and design portion of all aspects of the scope; and

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101 BE IT FURTHER RESOLVED, the balance of the funding will be used to partially
102 fund construction components of the project; and

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104 BE IT FURTHER RESOLVED, by the County Board of Supervisors of Milwaukee
105 County, Wisconsin, that the County hereby officially declares its intent pursuant to
106 Treasury Regulation Section 1.150-2 to reimburse any expenditures made in connection
107 with Project WP62802 Brown Deer Park Roadway Phase 2 with tax-exempt bonds or
108 notes in an amount not to exceed \$1,033,796 prior to the issuance of such bonds or
109 notes.

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