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From the Milwaukee County Comptroller, Office of the Comptroller, requesting authorization to process an administrative appropriation transfer in the amount of \$1,372,523 to reallocate funds from the Debt Service Reserve to pay eligible 2017 interest expenses, reduce the size of the 2017 General Obligation Refunding Bond Issuance, and allocate surplus Qualified Energy Conservation Bonds to Capital Project WT026-Bus Replacement Program, by recommending adoption of the following:

A RESOLUTION

WHEREAS, an administrative appropriation transfer of \$1,372,523 is requested by the Office of the Comptroller to reallocate net bid premiums and surplus refunding bonds from the Debt Service Reserve (DSR) to Org. Unit 9960-General County Debt Service Budget in order to pay interest costs; and

WHEREAS, the administrative appropriation transfer will also reallocate levy made available from the surplus bid premiums/refunding bonds to provide expenditure authority that will be used to apply cash towards the 2017 General Obligation Refunding Bond issuance (2017 Refunding Issuance); and

WHEREAS, surplus 2016B Qualified Energy Conservation Bonds (QECBs) are being reallocated from the DSR to Capital Project WT026-Bus Replacement Program, which will reduce the amount of 2017 General Obligation Bonds that are necessary to finance the 2017 bus purchases; and

WHEREAS, this administrative appropriation transfer would reallocate the net bid premiums in the amount of \$655,962 from the DSR to Org. Unit 9960-General County Debt Service Budget so that the net bid premiums can be used to pay eligible interest expenses; and

WHEREAS, the net bid premium can only be used to pay eligible interest expenses; and

WHEREAS, a small amount (\$3,461) of surplus refunding proceeds is also being reallocated from the DSR to pay eligible interest expenses; and

WHEREAS, this administrative appropriation transfer would also use the resulting available tax levy in Org. Unit 9960-General County Debt Service Budget to provide \$659,423 of expenditure authority so that a cash contribution can be made towards the 2017 Refunding Issuance; and

WHEREAS, the cash contribution would allow the Office of the Comptroller to address current private activity issues within projects that are financed by the 2008 General Obligation Bonds, without having to include them as part of the 2017 Refunding Issuance; and

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WHEREAS, not including projects with current known private activity issues would reduce the risk that future private activity issues would jeopardize the tax status of the outstanding debt; and

WHEREAS, these private activity issues result from facilities or assets that are financed with tax-exempt debt being leased to, or used by, private entities in a manner that is not allowed by the Internal Revenue Service; and

WHEREAS, the cash contribution would have an added benefit of reducing future debt service expenses; and

WHEREAS, this administrative appropriation transfer would also reallocate \$53,677 of surplus 2016 QECBs from the DSR to Capital Project WT026-Bus Replacement Program; and

WHEREAS, the Committee on Finance and Audit, at its meeting of September 20, 2017 recommended adoption of File No. 17-662 (vote 5-0); now therefore,

BE IT RESOLVED, the Office of the Comptroller and the Department of Administrative Services are hereby authorized and directed to process an administrative appropriation transfer to reallocate \$713,100 from the Debt Service Reserve in order to free up levy to reduce the size of the 2017 Corporate Purpose Refunding Bond issuance and to allocate Qualified Energy Conservation Bonds to Capital Project WT026-Bus Replacement Program.

jmj
09/20/17
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