

11-1-18 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 D INTER- DEPARTMENTAL

Action Required
 Finance and Audit Committee
 Majority County Board

WHEREAS, department requests for transfers between separate departmental accounts have been received by the Department of Administration, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administration, is hereby authorized to make the following transfers in the 2018 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
<u>5300 Fleet Management - DOT</u>		
7840 – Repair Parts		\$116,744
<u>9960 – Debt Service</u>		
4905 – Sale of Capital Assets	\$116,744	
8022 – Interest Expenses (Levy Financed)	\$116,744	
8022 – Interest Expenses (Auction Proceeds)		\$116,744

The Director of the Department of Transportation (“MCDOT”) is requesting an appropriation transfer of \$116,744 to recognize auction revenue from the sale of fully depreciated fleet equipment that was not included in the 2018 Adopted Budget. The transfer also utilizes the expenditure authority associated with the auction proceeds to pay interest expenses on outstanding debt and allocates the levy financed expenditure authority to Fleet Management for the purchase of repair parts.

The auction revenue of \$116,744 is from the sale of equipment that was that was purchased prior to the 2010 implementation of the fleet vehicle replacement program. The 2010 fleet vehicle replacement program, which is still ongoing, sought to replace vehicles and equipment on a more consistent basis in order to mitigate costs associated with vehicle and equipment repairs.

The Office of the Comptroller was provided the auction sale information from Fleet Management. Many of the pieces of equipment, although fully depreciated, still had outstanding debt associated with them. Because of the outstanding debt, the Office of the Comptroller recommends that the proceeds are used to pay interest expenses on the associated debt. By using the \$116,744 of auction proceeds to pay interest expenses, surplus (levy financed) expenditure authority would be available that can be allocated back to Fleet Management to increase expenditure authority for parts.

Fleet Management is projecting an \$180,000 deficit due to higher than anticipated parts expenditures. The department believes this is a result of a reduction in the vehicle replacement program for 2018. The 2018 Adopted Budget was \$1,150,000 lower than the 2018 Requested Budget and as a result the number of vehicles that could be replaced dropped from 50 to 38. Furthermore, the winter season is beginning which traditionally results in increased parts and service costs. Approval of this transfer will provide additional expenditure authority for the Department of Transportation - Fleet Management to continue daily operations and help ensure that winter operations in particular are not hampered.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE SEPTEMBER 28, 2018

2)	<u>From</u>	<u>To</u>
<u>1992 – Earnings on Investments</u>		
6028 – Investment Management Fee		\$183,439
<u>1989 – Investment Management Fee</u>		
6028 – Investment Management Fee	\$183,439	

The Milwaukee County Treasurer requests the transfer of encumbered 2017 funds from Org 1989 Investment Management Fee to Org 1992 Earnings on Investments. In prior years the revenues and expenses related to investment management were recorded in two separate locations. In 2018, the fees and revenues are both recorded in Org 1992 to show the net earnings after the expense of management fees are applied. Funds encumbered in 2017 were not moved to reflect the recording of both revenue and expense in the same org. This transfer will move the encumbered 2017 funds to the same org where the 2018 funds are budgeted.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE SEPTEMBER 28, 2018

3)	<u>From</u>	<u>To</u>
<u>3090 – Treasurer’s Office</u>		
5199 – Salaries & Wages		\$2,856
5312 – Social Security		\$179
<u>1992 – Earnings on Investments</u>		
6028 – Investment Management Fee	\$3,035	

The Treasurer's Office in conjunction with the Department of Administrative services requests a fund transfer from Investment on Earnings to allow for step increases for Treasurer employees. Non-departmental revenue org 1992 is administered by the Treasurer's Office but budgeted in a central org. This transfer recognizes actuals in excess of budgeted revenues to provide increases to valued employees not available within the Treasurer's office budget.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE SEPTEMBER 28, 2018