

AMENDMENT TO THE COUNTY EXECUTIVE'S 2016 RECOMMENDED BUDGET

By Supervisors Lipscomb, Sr., Johnson, Jr., and Schmitt

Amend Capital Improvement Project WO16601 – Day Hospital Demolition to delete the project:

WO16601 – Mental Health Complex – Day Hospital Demolition

~~An appropriation of \$3,000,000 is budgeted to demolish the Day Hospital located at the Milwaukee County Mental Health Complex. Financing is provided from sales tax revenue.~~

~~2016 Sub-Project Addresses the following item/issue:~~

~~Demolition of an obsolete building.~~

~~Prior Year Authorized Sub-Project Work Completed and/or Ongoing:~~

~~None.~~

~~2016 Sub-Project Scope of Work:~~

~~Demolition work includes complete structural removal, utility disconnections and abandonment, IT infrastructure removal and reallocation, data network disconnections, hazardous material abatement, and site restoration for future site development.~~

~~2017 – 2020 Scope of Work:~~

~~None.~~

~~Any surplus appropriations available upon completion of an approved project must be lapsed at year end. Surplus appropriation shall not be used to expand an approved project scope without the approval of the County Board of Supervisors and the County Executive.~~

Staffing Plan

~~Department of Administrative Services – Facilities Management Division staff will be responsible for overall project management. Specialized consultants will be retained as needed.~~

Amend Capital Improvement Project WO16701– Building D-18 Demolition to delete the project:

WO16701 – Mental Health Complex – Building D-18 Demolition

(1B002)

Org Unit No: 1151,
1940-1996, and 9960

Capital Project: W016601 & W016701, DAS-Economic Development,
Sales Tax Revenue, Debt Service

Date: October 26, 2015

~~An appropriation of \$750,000 is budgeted to demolish Building D-18 located at the Milwaukee County Mental Health Complex. Financing is provided from sales tax revenue.~~

~~2016 Sub-Project Addresses the following item/issue:~~

~~Demolition of an obsolete building.~~

~~Prior Year Authorized Sub-Project Work Completed and/or Ongoing:~~

~~None.~~

~~2016 Sub-Project Scope of Work:~~

~~Demolition work includes complete structural removal, utility disconnections and abandonment, IT infrastructure removal and reallocation, data network disconnections, hazardous material abatement, and site restoration for future site development.~~

~~2017 – 2020 Scope of Work:~~

~~None.~~

~~Any surplus appropriations available upon completion of an approved project must be lapsed at year-end. Surplus appropriation shall not be used to expand an approved project scope without the approval of the County Board of Supervisors and the County Executive.~~

Staffing Plan

~~Department of Administrative Services – Facilities Management Division staff will be responsible for overall project management. Specialized consultants will be retained as needed.~~

Amend Org. Unit No. 1151 – DAS-Economic Development as follows:

Economic Development will assess the long-term plan and implications of demolishing the DHHS-Behavioral Health Division (BHD) Day Hospital and D-18 buildings and complete a cost/benefit analysis of demolition versus sale and/or rental of the buildings. As part of its assessment, Economic Development will request input from BHD officials and the Milwaukee County Mental Health Board. Economic Development will provide its findings and recommendations to the Milwaukee County Board of Supervisors including long-term plans for the buildings and land.

Amend Org. Unit No. 1940-1996 – Sales Tax Revenue

- A. Increase sales tax revenues by \$3,750,000

Amend Org. Unit No. 9960 – Debt Service

- B. Decrease the contribution from the debt service reserve by \$3,750,000

(1B002)

Org Unit No: 1151,
1940-1996, and 9960

Capital Project: W016601 & W016701, DAS-Economic Development,
Sales Tax Revenue, Debt Service

Date: October 26, 2015

DEBT SERVICE EXPENSES (8021 and 8022)

The 2016 Budget includes an increase of \$1,507 ~~227,644~~ in principal payments associated with general obligation debt from \$62,069,433 to \$63,577,077 ~~63,297,077~~. The Budget also includes a decrease of \$1,478,040 ~~631,397~~ of interest expenses from \$28,122,834 to \$26,644,794 ~~491,437~~. The net change to overall debt service principal and interest expenses is an ~~increase~~ decrease of \$29,604 ~~403,753~~ from \$90,192,267 to \$90,221,871 ~~89,788,514~~.

~~The Budget contains assumptions related to the 2015 general obligation bond and note issuances, qualified energy conservation bond (QECCB) issuance, and refunding issuance. The amounts related to the 2015 bond issuances will be revised throughout the budget process and will be final once the bond issues close.~~

Reserve for County Bonds (4703)

A contribution of \$14,250,000 from the Reserve for County Bonds is included for 2016. The use of reserves is higher in 2016 than in 2015 as the County is using the funds to phase in the fiscal impact of an increase in the annual required pension contribution and a reduction in stated shared revenue. The Comptroller shall report the required contribution from the Debt Service Reserve after the 2016 Budget is adopted. The amount shall be reported in Org. 9960 – Debt Service.

The Contribution from the Reserve includes net surplus bonds of \$708,003 from the County's 2015A General Obligation Corporate Purpose Bond Issuance (Bond Issuance). The Bond Issuance resulted in \$952,392 of net surplus bonds (\$500,101 in premium and \$452,291 in unallocated bond proceeds) of which \$708,003 can be used to finance the 2016 interest expenses associated with the 2015A General Obligation Corporate Purpose Bonds.

(1B002)

Org Unit No: 1151,

1940-1996, and 9960

Capital Project: W016601 & W016701, DAS-Economic Development,

Sales Tax Revenue, Debt Service

Date: October 26, 2015

Org. No.	Department (or Capital Project)	Expenditure	Revenue (or Bonds*)	Tax Levy
WO16601	Day Hospital Demolition	(\$3,000,000)	(\$3,000,000)	\$0
WO16701	D-18 Demolition	(\$750,000)	(\$750,000)	\$0
1151	DAS-Economic Development	\$0	\$0	\$0
1940-1996	Sales Tax Revenue	\$0	\$3,750,000	(\$3,750,000)
9960	Debt Service	(\$433,357)	(\$3,750,000)	\$3,316,643
TOTALS:		(\$4,183,357)	(\$3,750,000)	(\$433,357)

If approved, the Adopted Budget narrative shall be modified as needed to reflect this amendment.

Note: This amendment would accomplish the following:

- A. Increase bond proceeds by \$708,003 for deposit in the Debt Service Reserve (DSR).
- B. Decrease the cash contribution from the DSR by \$708,003 related to Item A.
- C. Decrease the cash contribution from the DSR related to the elimination of the BHD demolition projects by \$3,750,000.
- D. Overall, the contribution from the DSR is reduced by \$4,458,003, from \$14,250,000 to \$9,791,997.

FINANCE, PERSONNEL AND AUDIT COMMITTEE ROLL CALL		
	AYES	NOES
Haas	X	
Mayo, Sr.	X	
Romo West	X	
Jursik	X	
Weddle	X	
Moore Omokunde	X	
Co-Chair Johnson, Jr.	X	
Co-Chair Schmitt	X	
TOTALS:	8	0

APPROVED 8-0