

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : March 27, 2015

TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Josh Fudge, Director of Performance, Strategy and Budget, DAS
Scott B. Manske, Comptroller, Office of the Comptroller

SUBJECT : **Preliminary Report of 2014 Carryovers to 2015 Fiscal Year**

REQUEST

The Department of Administrative Services (DAS) and the Office of the Comptroller (Comptroller) are requesting approval of the *preliminary* recommended expenditures and revenues to be carried over from 2014 to 2015 in accordance with Section 32.91 of the Milwaukee County General Ordinances (Section 32.91). The DAS is required by Section 32.91 to prepare an annual report on operating and capital carryovers. The DAS and the Comptroller will submit final carryovers at the May 2015 meeting of the Committee on Finance, Personnel and Audit.

DISCUSSION

For several years, the DAS has limited operating carryovers to those that are offset with non-County revenue or for extenuating circumstances. This policy has been continued for the 2015 carryover process.

Approved Carryover

Resolution File 15-91 authorized and directed the DAS and the Comptroller to carryover \$145,000 for Project WE056 Acute & Children's Unit Whiteboard Units, \$70,000 for Project WO205 CCAP Scanning Equipment, and \$55,000 for equipment in Org. Unit 4900 Medical Examiner. Therefore, the attached Carryover Schedules have been modified because these balances have already been carried over.

Operating Carryovers

Operating budget capital outlay, equipment and major maintenance appropriations recommended to be carried over from 2014 to 2015 total \$3,100,982 (These are detailed in attachment Schedule A). Revenues recommended to be carried over relating to Capital Outlays and Encumbrances total \$6,829,708 (These are detailed in attachment Schedule B). This compares to carryovers from 2013 to 2014 of \$6,253,733 and \$8,242,785 respectively. The balance of the Capital Outlay/Equipment/Major Maintenance operating appropriations will be lapsed for 2014.

Included in the lapsed amount is \$55,000 in the Org. Unit 4900 Medical Examiner in expenditure authority for equipment approved as part of the Innovation Fund (Resolution File No. 14-290). Resolution File No. 15-91 authorized and directed the DAS and the Comptroller to carry over \$55,000 in the Medical Examiner's budget to purchase the equipment identified as part of the Innovation Fund resolution.

Capital Carryovers

Schedule C is included to summarize capital expenditures and revenues recommended to be carried over to 2015. Capital project fund expenditure appropriation carryovers from 2014 to 2015 total \$76,956,495 for corporate purpose projects. Associated revenues to be carried over total \$41,929,446. This compares to appropriation carryovers of \$63,642,527 for 2013 to 2014. The associated capital improvement revenue carryovers from a year ago totaled \$51,508,405.

Airport capital improvement expenditure and revenue carryovers from 2014 to 2015 total \$43,214,603 and \$69,380,837, respectively. Revenues exceed expenditure carryovers due primarily to the carryover of revenues associated with expenditures already encumbered. This compares to carryovers of \$59,822,458 in expenditures and \$113,639,792 in revenues for the Airport from 2013 to 2014.

Airport Capital Results

The Airport will receive a contribution to its reserves of \$1,037,890 from the lapsed capital projects. The contribution consists of \$1,004,234 in cash and \$33,656 in Airport bond proceeds.

General Fund Impact from Capital Program

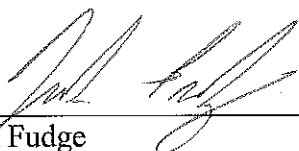
A schedule of capital improvement appropriations and revenues not recommended for carryover is also attached. Excluding Airport appropriations and revenues, \$262,915 will be allocated to the County's general fund in 2014. This amount reflects the lapsing of \$145,000 in cash from Project WE056 – Acute & Children's Unit Whiteboard Units and \$70,000 in cash from Project WO205 CCAP Scanning Equipment. As stated previously, this amount was previously approved for carry over in Resolution File 15-91. The lapsed \$215,000 amount was combined with the overall corporate purpose projects net cash surplus of \$47,915.

Unspent Bond Proceeds


Unspent bond proceeds of \$560,273 from the lapsed corporate purpose capital projects will be deposited into the County's debt service reserve. The Comptroller is in the process of preparing the unspent bond report. A portion of the bond proceeds are Build America Bonds and must be applied towards capital improvement projects. The DAS and the Comptroller are in the process of determining the Build America Bond amount. This information will be provided in the final carryover report for the May Cycle of the Committee on Finance, Personnel and Audit.

Recommendation


The DAS and the Comptroller recommend the carryover of \$3,100,982 in operating budget expenditures and \$6,829,708 in operating revenues, \$76,956,495 in expenditures and \$41,929,446 in revenues for corporate purpose projects, \$43,214,603 in expenditures and \$113,639,792 in revenues for airport capital projects. The recommendation for lapsed items consists of \$560,273 in unspent bonds to the debt service reserve and a positive cash balance of \$262,915 to the general fund. The recommended contribution to the Airport is \$1,037,890 which consists of lapsed Airport bonds of \$33,656 and lapsed cash of \$1,004,234. These amounts represent the preliminary results. The DAS and the Comptroller will update the results and submit a final informational report in May 2015 to the Committee on Finance, Personnel and Audit.



Josh Fudge
Director of PSB



Scott B. Manske
Office of the Comptroller

Attachments

pc: Chris Abele, County Executive
Raisa Koltun, Chief of Staff, Milwaukee County Executive
Kelly Bablitch, Chief of Staff, Milwaukee County Board
Stephen Cady, Comptroller, Research Director
Department Heads