

10-07-2016 FINANCE, PERSONNEL AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
E DEPARTMENTAL - CONTRIBUTION FROM RESERVE

Action Required

Finance, Personnel and Audit Committee
County Board (2/3 Vote)

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, 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 Administrative Services, is hereby authorized to make the following transfers in the 2016 appropriations of the respective listed departments:

1)		<u>From</u>	<u>To</u>
	<u>9960 – Debt Service</u>		
	8021 – Principal		\$1,167,311
	8022 – Interest		\$1,129
	8034 – Midwest/Skyway Tender Interest Adj		\$108
	4707 – Contribution from Reserves (Hangar Trust)	\$1,168,548	

An appropriation transfer of \$1,168,548 is requested by the Comptroller to increase expenditure authority to reflect the \$1,168,440 prepayment that was made on the 2016 Taxable Bank Loan. The expenditure authority will also be used adjust the interest amount on the tendered Midwest and Skyway Industrial Development Revenue Bonds (IDRBs) by \$108 to reflect the actual interest due on the transaction. Financing for the prepayment is being provided from the remaining balances in the hangar trusts.

County Board Resolution 16-306 (Resolution), provided the authority to the Comptroller to issue General Obligation Promissory Notes to US Bank to provide funding to pay the County's obligation under the Reimbursement Agreement to US Bank for the Industrial Development Revenue Bonds (IDRBs). The Resolution also provided the authority to transfer funds from the Trust Reserve to make payments to US Bank under the Standby Reimbursement Agreement and to pay costs of issuance. On July 28, 2016, the Office of the Comptroller closed on the sale of the Taxable Bank Notes (Notes). The Notes were issued to tender the Midwest and Skyway IDRBs principal and interest amounts due under the 2003 Standby Reimbursement Agreement between Milwaukee County and US Bank along with costs of issuance.

Subsequent to the sale of the Notes, the County was informed that it could use the funds in the Midwest Trust to prepay the Notes. This matter was undetermined at the time of the sale of the Notes due to issues associated with the Chapter 11 reorganization filing of Republic Airways (Midwest/Skyway). The Notes allow for the County to prepay principal at any time. On August 22, 2016, the County used \$1,168,440 of the remaining funds in the hangar trusts to redeem principal of \$1,167,310.78 and pay interest of \$1,128.40.

There is no tax levy impact associated with this appropriation transfer.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE OCTOBER 6, 2016.