

3-16-17 FINANCE, PERSONNEL AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 C DEPARTMENTAL - RECEIPT OF REVENUE

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, Office of Performance, Strategy and Budget, 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 2017 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
	<u>Org 5063 GMIA-Hangars</u>	
8509 – Major Maint Bldg (Exp)		\$100,000
8509 – Other Building Improvements (CAP)		\$200,000
3603 – Building Space Rental	\$300,000	

A **2017** appropriation transfer of \$300,000 is requested by the Comptroller to increase expenditure authority in Org. Unit 5063 General Mitchell International Airport (GMIA) hangars and to increase revenues to reflect anticipated rental income.

Background

A Standby Reimbursement Agreement (“Agreement”) between Milwaukee County and US Bank, dated October 1, 2003, terminated in August 2016 related to debt associated with hangars owned by Milwaukee County and leased to Midwest Airlines, Inc. (“Midwest”) and Skyways Airlines, Inc. (“Skyway”). The construction of the hangars was financed by bonds issued by the City of Milwaukee (IDRBs), but in 2003 was guaranteed by Milwaukee County to assist Midwest’s and Skyway’s cash flow.

In July 2016, Milwaukee County issued a \$7,660,000 Taxable General Obligation Promissory Note (“Note”) in order to pay the County’s obligations to US Bank under the Agreement between the County and US Bank in connection with the guarantees. The following month, the County utilized the Midwest Trust to make a \$1,167,311 prepayment on the Note.

In August 2016, the County took possession of the Hangars that were used as collateral. The Milwaukee County Depart of Transportation – Airport Division (“Airport”) has been operating the hangars on the County’s behalf. Any operating surplus or deficit related to the hangars is the responsibility of the County’s general fund and not the Airport fund.

Repairs

The Airport is recommending repairs and maintenance of the county owned hangars (former Midwest). The repairs and maintenance will address City of Milwaukee building code requirements and will allow for the hangars to be in better condition for lease or sale. Proposed improvements include \$200,000 for a radiant heat replacement project and \$100,000 for other building and roof repairs that are needed to address other maintenance issues and make the hangars more attractive for potential leases/buyers.

This appropriation transfer will increase expenditure authority in the GMIA-Hangar Org. Unit 5063 by \$300,000 to make the repairs. Financing is being provided from \$300,000 of anticipated lease revenue that is expected to be achieved in 2017.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE FEBRUARY 22, 2017.