

9-28-17 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 C CAPITAL IMPROVEMENTS

Action Required

Finance and Audit Committee
 County Board (Majority)

WHEREAS, your committee has received from the Department of Administrative Services, Fiscal Affairs, departmental requests for transfer to the 2017 capital improvement accounts 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 capital improvement appropriations:

1)	<u>From</u>	<u>To</u>
<u>WO217014 Countywide Phone and Voicemail Replacement #</u>		
8588 – Other Capital Outlay (EXP)	\$45,739	
<u>WT117012 MCTS Phone and Voicemail Replacement *</u>		
6146 – Prof. Services Cap/Major Maint		\$45,739
# Existing Project, + Included in 5-Year Plan, * New Project		

An appropriation transfer of \$45,739 is requested by the Chief Information Officer of the Department of Administrative Services- Information Management Services Division (DAS-IMSD) to transfer additional expenditure authority from Project WO21701 Phone and Voicemail System Replacement (Countywide Phone and Voicemail Replacement) to Project WT11701 MCTS Phone and Voicemail Replacement. The financing for the \$45,739 of expenditure authority was provided from sales tax revenue.

Project Background

Milwaukee County is at a critical point in which the aged phone system at many of its facilities (Courthouse, Children’s Court, BHD, Coggs, House of Correction, Zoo, and City Campus) is no longer supported. To mitigate the risk of catastrophic failure, the phone system must be replaced. Most phone systems are outdated and the County cannot add licenses for new subscriber lines. Without replacement or substantial upgrade, the Department of Administrative Service – Information Management Services Division (IMSD) will be unable to implement new collaboration technologies and be unable to support any additional users.

In September 2014, County Board Resolution 14-701 approved the creation of Project WO217 Countywide Phone and Voicemail Replacement with the transfer of \$552,062. Financing was provided from sales tax revenue from other existing capital projects.

The 2016 Capital Improvements Budget included an additional appropriation of \$250,000, which was financed by sales tax revenue. In 2016, IMSD retained ClientFirst, to assist with the sub-project. The 2016 scope of work included design of an enterprise telecommunications solution for Milwaukee County Transit System, General Mitchell International Airport, and all other County facilities.

The 2017 Capital Improvements Budget included an appropriation of \$900,000 for the Countywide Phone and Voicemail Replacement Project. Financing was anticipated to be provided from general obligation bonds; however, prior to the issuance of the bonds the Comptroller’s Office will review the project to determine if it is bond eligible.

Requirements gathering, draft of Request for Proposals (RFP) and vendor selection was complete in 2017. An intent to award a contract was issued and an appeal filed by a subsequent vendor. At the ruling of the County Standardization Committee the RFP will be reissued in second quarter of 2017 with the intent of having a successful vendor selected in the third quarter of 2017.

The project scope of work includes installing core equipment at the County Courthouse, Children’s Court, the Behavior Health Division, Marcia P Coggs Center, House of Correction, the Zoo, General Mitchell International Airport and the Milwaukee County Transit Center. This includes implementation of network equipment, wiring, the core servers, voice mail system, call distribution software and integration software to allow locations to be tied together.

Request

A July 2017 appropriation transfer created project WT11701 MCTS Phone and Voicemail Replacement with \$150,000 of expenditure authority, which would allow the cabling portion of the Transit project to be completed in 2017 so that the phone replacement can begin in the first quarter of 2018.

This September 2017 request is needed to provide \$45,739 of additional expenditure authority for the WT11701 MCTS Phone and Voicemail Replacement project since the \$150,000 was not sufficient. Bids came in higher than anticipated due to the amount of plenum cabling required. Plenum cabling has low smoke and low flame characteristics that are mandated to be installed in certain spaces. An appropriation of \$505,000 has been included in the 2018 Capital Improvements Budget Request to complete the project.

The appropriation transfer request will allocate \$45,739 from the Countywide Phone and Voicemail Project. The overall Countywide Phone and Voicemail System replacement is anticipated to be completed by the end of 2019. Additional appropriations of \$2,130,000 and \$1,550,000 have been requested as part of the 2018 and 2019 Capital Improvements Budgets respectively.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE AUGUST 25, 2017.

2)	<u>From</u>	<u>To</u>
<u>WP68301 Greenfield Clubhouse HVAC Renovations *</u>		
6030 – Advertising		\$500
6080 – Postage		\$1,000
6146 – Prof. Services Cap/Major Maint		\$20,000
7930 – Printing		\$500
8509 – Other Capital Improvements		\$166,000
9706 – Prof Div Services		\$12,000
<u>WP25501 Sherman Park Boys & Girls Club HVAC Replacement #</u>		
6146 – Prof. Services Cap/Major Maint	\$20,000	
8509 – Other Capital Improvements	\$160,000	
9706 – Prof Div Services	\$20,000	

Existing Project, + Included in 5-Year Plan, * New Project

An appropriation transfer of \$200,000 is requested by the Department of Parks, Recreation and Culture (DPRC) and the Department of Administrative Services (DAS) to create new Project WP68301 Greenfield Clubhouse HVAC Renovations. Expenditure authority is being transferred from Project WP25501 Sherman Park Boys & Girls Club HVAC Replacement.

Background

The Greenfield Park Golf Clubhouse is a 4,763 square foot one story building with a partial basement built in 1936. It provides support services to golf course patrons and contains a concession and starter area, equipment rooms, kitchen, eating and meeting area, storage, locker and restrooms.

The gas-fired forced air furnace for the building is over 40 years old. It has exceeded its Building Owners and Managers Association (BOMA) useful life of 30 years. The furnace failed in the spring of 2017. The heat exchanger is corroded and has holes in it, which can allow carbon monoxide to leak into the occupied areas of the building. Due to the dangerous condition of the furnace, Park Maintenance decommissioned the equipment in March 2017.

The furnace needs to be replaced this fall as the building is designed to be heated during the winter months. If the building is left to freeze over the winter, the painted surfaces may peel, the tiles may pop off, and mold may form. This may result in the need for extensive repair in the spring before the golf clubhouse opens for business.

Request

This appropriation transfer would provide \$200,000 for the Greenfield Clubhouse HVAC Renovations. The project scope in the base bid will include replacing the furnace and ductwork so that the facility can be heated to a minimum temperature in winter.

Assuming sufficient funds are available, an alternate design to include an HVAC unit at grade to satisfy the kitchen make up air requirement and cooling will be added to the lounge, offices and dining area. The roof top HVAC unit will also have gas heating, but would only be used in winter if the new furnace is not in place. New equipment will be high efficiency equipment and include a programmable thermostat and motion sensor activated controls.

Assuming approval of fund transfer, it is anticipated that the new furnace would installed before the end of 2017. The ductwork is anticipated to be completed by the 1st quarter of 2018.

The 2015 and 2016 Capital Improvements Budgets included \$250,000 and \$1,943,208 respectively for funding for the replacement of the HVAC system at the Sherman Park Boys & Girls Club. Financing was provided from the Series 2015A general obligation bonds and the Series 2016A general obligation bonds.

The Sherman Park Boys and Girls Club HVAC Replacement project (WP25501) was substantially completed and has been in use since December 2016. This appropriation transfer would reallocate \$200,000 of unspent Series 2016A general obligation bonds to the Greenfield Clubhouse HVAC Renovations project. If this fund transfer is approved, the Sherman Park project will retain sufficient funds to implement building envelope (insulation and sealing) improvements that are currently being designed to address low temperature issues in some areas adjacent to exterior walls. The Sherman Park HVAC Replacement project is anticipated to be closed out by the end of 2017.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE AUGUST 25, 2017.

3)	<u>From</u>	<u>To</u>
<u>WA211011 – Physical Access Control System Upgrade 2017#</u>		
4707 - Passgr Facility Charges Rev	\$300,000	
4901 - Contribution From Reserves		\$300,000
<u>WA215011 – Runway 19R-1L, 13-31 & Taxiway S & Y Relighting#</u>		
4707 - Passgr Facility Charges Rev	\$13,703	
4901 - Contribution From Reserves		\$13,703
<u>WA220011 – GMIA Connector Taxiway Mods#</u>		
4707 - Passgr Facility Charges Rev	\$39,514	
4901 - Contribution From Reserves		\$39,514
<u>WA221011 – International Terminal Redevelopment#</u>		
4707 - Passgr Facility Charges Rev	\$1,000,000	
4901 - Contribution From Reserves		\$1,000,000
<u>WA217011 – GMIA Airfield Safety Improvements#</u>		
4707 - Passgr Facility Charges Rev	\$6,455	
4901 - Contribution From Reserves		\$6,455
<u>WA218011 – GMIA Airfield Pavement Replacement#</u>		
4707 - Passgr Facility Charges Rev	\$16,153	
4901 - Contribution From Reserves		\$16,153
<u>WA215012 – Runway 19R-1L, 13-31 & Taxiway S & Y Relighting#</u>		
4707 - Passgr Facility Charges Rev	\$123,423	
4901 - Contribution From Reserves		\$123,423
<u>WA220012 – GMIA Connector Taxiway Mods#</u>		
4707 - Passgr Facility Charges Rev	\$355,736	
4901 - Contribution From Reserves		\$355,736
<u>WA217012 – GMIA Airfield Safety Improvements#</u>		
4707 - Passgr Facility Charges Rev	\$58,170	
4901 - Contribution From Reserves		\$58,170
<u>WA218012 – GMIA Airfield Pavement Replacement#</u>		
4707 - Passgr Facility Charges Rev	\$145,472	
4901 - Contribution From Reserves		\$145,472

Existing Project, + Included in 5-Year Plan, * New Project

The Director of Transportation and the Airport Director have requested a 2017 appropriation transfer to modify the revenue authority for the local share of projects WA211 Physical Access Control System Upgrade 2017, WA215 Runway 19R-1L, 13-31 & Taxiway S & Y Relighting 2017, WA217 Airfield Safety Improvements 2017, WA 218 Airfield Pavement Replacement 2017, WA220 Connector Taxiways Modifications 2017, and WA221 International Terminal Redevelopment 2017 from Passenger Facility Charges (PFC's) to Airport Development Fund (ADF). The transfer is necessary to fund the local share until PFC18 is submitted and approved at which time an additional transfer of the reserves expenditures will be reimbursed.

Project Background

The Federal Aviation Administration (FAA) requires that in order to issue a new PFC at the top \$4.50 per passenger ate, all previous PFC's must be amended up to \$4.50 prior to application. PFC18 has had to be put on hold until the prior 17 PFC issues are amended. The final PFC's to be amended are 14, 15, 16 and 17 which were submitted in draft form to the FAA on July 21st. The FAA will in approximately 60 days respond with any changes that are necessary for the airport to make to have the amendments approved. The issues will then be re-submitted from which the FAA may take up to 90 days to approve.

Request

The transfer from ADF to cover PFC revenues will allow the listed approved projects to continue without delay while we await the FAA's approval of PFC18. Once approval of the amendments for PFC's 14-17 are received PFC18 will be submitted. The airport is currently in the process of accumulating the past, current and future projects that will comprise the PFC18 issue.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE AUGUST 25, 2017.