

3-21-19 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 D UNALLOCATED CONTINGENCY

Action Required

Finance and Audit Committee
 2/3's County Board

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 2019 appropriations of the respective listed

1)	<u>From</u>	<u>To</u>
<u>0764 Debt Service Reserve</u>		
0764 – 2018D Net Bid Premium	\$199,933	
0764 – 2018E Net Bid Premium	\$134,737	
<u>9960 General County Debt Service</u>		
8022 – Interest - Levy Financed	\$334,670	
8022 – Interest – 2018D Net Bid Premium		\$199,933
8022 Interest – 2018E Net Bid Premium		\$134,737
8033 – Prin Payment Gen Refunding Bonds (Reduce 2019 Refunding Bond Issuance)		\$184,670
<u>1945 Appropriation for Contingencies</u>		
8901 – Appropriation for Contingency (From Debt Service)		\$150,000
8901 – Appropriation for Contingency (To Highway Capital)	\$150,000	
<u>WH24301 North Shop Major Maintenance *</u>		
8502 – Major Maint Bldg (EXP)		\$150,000

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

An appropriation transfer of \$819,340 is requested by the Office of the Comptroller and the Director of the Department of Transportation to reallocate net bid premiums of \$334,670 from the Debt Service Reserve (DSR) to the 9960 – General County Debt Service Budget in order to pay interest costs. The transfer will also reallocate levy made available from the surplus bid premiums to provide expenditure authority that will be used to apply \$184,670 of cash towards the anticipated 2019 General Obligation Refunding Bond issuance (2019 Refunding Issuance) and provide \$150,000 to the Appropriation for Contingencies Account. Finally, the transfer allocates \$150,000 from the Appropriation for Contingencies Account and allocates \$150,000 to finance Project WH24301 North Shop Major Maintenance.

In March 2018, the County Board approved File 18-210, which authorized the reallocation of 2018 surplus bond and note proceeds (including net bid premiums) to the DSR. The 2018 bond and note financings closed in November 2018 and surplus proceeds were deposited to the DSR.

This appropriation transfer would reallocate the net bid premiums of \$334,670 from the DSR to the General County Debt Service Budget so that the net bid premiums can be used to pay eligible interest expenses. The net bid premium can only be used to pay eligible interest expenses.

2019 Refunding Bond Issuance

The Office of the Comptroller anticipates requesting authorization to issue Refunding Bonds in order to refund the balance of the 2010C Build America Bonds. This transfer would apply the available tax levy in the General County Debt Service Budget to provide \$184,670 of expenditure authority so that a cash contribution can be made towards the anticipated 2019 Refunding Bond issuance and allocate the remaining \$150,000 to the Appropriation for Contingency Account. The cash contribution would allow the Office of the Comptroller to address current private activity issues within projects that are financed by the Build America Bonds without having to include them as part of the 2019 Refunding Bond Issuance. Not including projects with current known private activity issues would reduce the risk that the future private activities issues would jeopardize the tax status of the outstanding debt. These private activity issues result from facilities or assets that are financed with tax-exempt debt being leased to or used by private entities in a manner that is not allowed by the Internal Revenue Service (IRS). The cash contribution would have an added benefit of reducing future debt service expenses.

North Shop Highway Maintenance Facility

Background

The North Highway Maintenance Facility (“North Shop”) is located at 6270 N Hopkins was originally constructed in 1928 and is structurally deficient, lacks proper ventilation of exhaust from equipment, has inadequate storage (current garage does not allow for parking of trucks with plow attachments due to the aisle/garage size) and has not been updated to account for necessary staff accommodations.

The 2017 Adopted Capital Improvements Budget (“2017 Budget”) included an appropriation of \$325,000 for the planning and design phase of Project WH242 North Shop Improvement. The 2017 appropriation was to be used to complete and update the construction documents that were originally developed in 1999. The construction documents needed to be updated to insure compliance with current codes and ordinances.

Subsequent the approval of the 2017 Budget, the County has run into land and zoning issues that have delayed the project. Part of the land necessary for the new facility is zoned park land (Schoenecker Park). The land necessary contains a gravel area that is used by Park patrons for parking. In addition, some of the infrastructure that provides lighting to the baseball fields at Schoenecker Park will also be impacted.

A potential solution of reconstructing a lot owned by the State Wisconsin Department of Natural Resources (“DNR”) and allowing the lot to be used by Park patrons and maintained by MCDOT is currently being discussed. It is anticipated that Milwaukee County, City of Milwaukee, and State DNR approval will ultimately be required once a recommended set of solutions to the land and zoning issues has been developed. It is also anticipated that these issues will be resolved so that construction of the new building may begin in 2020. Accordingly, the Department of Transportation will be requesting funding for construction as part of the 2020 capital improvements budget.

Request

The Director of MCDOT is requesting that \$150,000 of funds be made available from the Appropriation for Contingency Account to perform repairs and major maintenance improvements to the existing facility. These improvements although short term in nature will improve the ventilation, cooling, and sanitary issues at the facility and include repairs to the restroom windows, partitions, cabinets and sinks and replacement of shower valves and toilets. The breakroom will receive new counter tops, cabinets, ceiling tiles, windows and wall unit air conditioner. The upstairs office will receive new windows, wall unit air condition and repair of the outside brick above the lintel.

The North Maintenance Facility is the oldest of three buildings occupied by Milwaukee County’s Highway Maintenance operations. The South Shop, located at GMIA, and the Main Shop, located on Watertown Plank Road, are newer and/or updated facilities. The North Shop facility is in very poor condition. The lack of space, the poor ventilation, broken bathrooms and showers and inadequate areas to store and eat their meals. Currently, meals are eaten in the same areas as the truck storage which makes the existing facility a challenging place in which to work. The Director of MCDOT, upon touring the facility, felt that staff could not wait until the Capital Improvement Project was complete before action was taken

to improve health, safety and sanitation. These short term fixes should improve the working environment and morale of the staff of the North Shop until the new facility is built.

The project will be managed by Highway Maintenance staff.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE FEBRUARY 8, 2019.