

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : April 19, 2019

TO : Supervisor Theodore Lipscomb, Sr., Chairman Milwaukee County Board of Supervisors

FROM : Scott B. Manske, Comptroller, Office of the Comptroller
Vince Masterson, Capital Budget Coordinator, Department of Administrative Services

SUBJECT : **Report of 2018 Lapsed (Completed/Abandoned) Capital Project/Major Repairs**

REQUEST

The Department of Administrative Services ("DAS") and the Office of the Comptroller ("Comptroller") are requesting approval of the recommended expenditures and revenues to be lapsed that are associated with capital expenditures (operating 8500 accounting series) and capital projects that have been completed or abandoned in accordance with Section 32.91 of the Milwaukee County General Ordinances (Section 32.91).

Milwaukee County General Ordinances (Section 32.91)

Every appropriation excepting an appropriation for a capital expenditure, or a major repair (operating 8500 accounting series), shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure or a major repair shall continue in force until the purpose for which it was made has been accomplished or abandoned. The purpose of such appropriation for any capital expenditure or a major repair shall be considered abandoned if three (3) years pass without any expenditure from, or encumbrance of, the appropriation concerned. A final comprehensive annual list of capital projects and major repairs identified as completed and/or recommended to be abandoned shall be submitted to the committee on finance and audit of the county board by the department of administrative services division of fiscal affairs no later than May 1st of each year. The committee shall review this report and submit its recommendations to the county board. Failure of the county board to take action prior to June 1 shall be deemed approval of the department of administrative services recommendations.

The DAS and the Comptroller are requesting the movement of the lapsed funds to the County's reserves. The DAS and the Comptroller are also requesting approval to process a 2019 administrative fund transfers move \$14,563 of grant revenue being carried over in Org. Unit 4019 Park Patrol/ Tactical Enforcement Unit ("TEU") to Org. Unit 4062 Mobile Response Team. The Mobile Response Team Org Unit is a new low org that was created after the adoption of the 2018 Budget.

BACKGROUND

The attached resolution seeks approval from the County Board for the following actions:

- Approval to lapse capital expenditures within the 8500 accounting series of department operating budgets (**Schedule A**)
- Approval to lapse completed/abandoned non-airport capital projects (**Schedule B**)
- Approval to lapse completed/abandoned airport capital projects (**Schedule C**)
- Approval to contribute \$1,432,217 of unspent bonds to the Debt Service Reserve ("DSR") and lapse a cash surplus of \$737,105 to the County's general fund.
- Approval to make entries from the appropriate airport balance sheet account to replenish the general fund for an airport cash deficit of \$168,734.
- Approval to process a 2019 administrative transfer to move \$14,563 of grant revenue being recommended for carryover from Office of the Sheriff from Org. Unit 4019 Park Patrol/TEU to Org. Unit 4062 Mobile Response Team.

The following schedule relates to the automatic lapsing of capital expenditures and major repairs that do not have any expenses or encumbrances **for a period of three years** and are being provided for informational purposes only:

- Lapsing of capital expenditures or major repairs without any expenditure or encumbrance for a period of three years. (**Schedule D**)

The following schedules relate to capital items and related revenues that are being automatically carried over from 2018 to 2019, in accordance with Milwaukee County Ordinances and Wisconsin State Statutes, and are being provided for informational purposes only:

- Carryover of capital expenditures within department operating budgets. (**Schedule E**)
- Carryover of revenues related to operating carryovers/encumbrances (**Schedule F**)
- Carryover of capital improvement projects (**Schedule G**)

For several years, the DAS and the Comptroller has limited operating carryovers (Schedule E) to those that are offset with non-County revenue, those offset with department surpluses and/or for extenuating circumstances. This policy has been continued for 2018.

REQUESTED LAPSING OF CAPITAL EXPENDITURES/MAJOR REPAIRS**Operating Lapsed Capital Expenditures (Detailed in Schedule A)**

Operating budget capital outlay, equipment and major maintenance appropriations that are recommended to be lapsed within departments total \$1,207,574¹.

Of the operating capital funds being lapsed, there was \$147,915 of funds lapsed that were requested to be carried over by departments. In accordance with past practice, carryover requests were denied if departments did not have sufficient funding in their overall budget without resulting in a deficit.

Agency 900 - Department of Parks, Recreation and Culture (+\$147,915)

The following items were requested by the Department of Parks, Recreation, and Culture but not recommended to be carried over:

- Org. 9120 Parks Maintenance Construction – Major road/asphalt repairs/replacement (+\$116,609)
- Org. 9430 Maintenance Services – Major road/asphalt repairs/replacement (+\$31,306)

Lapsed Non-Airport Capital Improvement Projects (Detailed in Schedule B)

The capital improvement appropriations and revenues not recommended for carryover is included in Schedule B. The financial impact of these lapsed projects along with adjustments to continuing projects is a cash surplus of \$737,105 and unspent bonds of \$1,432,217. The cash surplus will be applied to the general fund and the unspent bonds are requested to be allocated to the DSR.

Projects with Significant Lapsed Cash Surpluses and Deficits

The total lapsed cash amount from capital projects is \$737,105. The significant (greater than \$100,000) surpluses and deficits are specifically identified in pages 4-7.

¹ The total lapsed appropriations are \$10,398,973; however, the overall amount includes \$9,191,399, which relates to the Countywide Budget Abatement Account.

*Cash Surpluses (Greater Than \$100,000)*Project WP063 Estabrook Dam (+\$850,000)

The 2010 Capital Improvements Budget included an appropriation of \$2,100,000 to repair the Estabrook Dam by applying structural repairs to the dam and other nearby structures and the removal of debris to access the dam and structures for repairs. This project was included among the projects to be financed by the 2010 general obligation bonds. However, the project was delayed and only approximately \$500,000 was expended on the project at that time. The remaining approximately \$1,600,000 of the 2010 bond proceeds were applied to other projects.

In 2013, the Office of the Comptroller received authorization from the County Board to reallocate unspent bond proceeds, primarily from projects that had been delayed, to various capital projects that are continuing projects and/or contained in the Five Year Capital Improvements Plan. This was done to enable the County to comply with IRS rules regarding tax-exempt bonds. The County Board and County Executive through the approval of Resolution File No. 13-537 authorized the reallocation of the bond proceeds and directed the DAS to administratively transfer a not-to-exceed amount of \$1,630,000 in expenditure authority and general obligation bond proceeds to reestablish capital project WP063022 – Estabrook Dam Rehabilitation Project.

In April 2015, the State of Wisconsin Department of Natural Resources (“WisDNR”) awarded a stewardship grant to Milwaukee County for the repair of the Estabrook Dam, installation of a fish passage, and sediment remediation. The total amount of the grant award was \$980,717.

In July 2016, the WisDNR approved Amendment 1 to the grant agreement that allowed for an extension of the project completion date for the Estabrook Dam repairs to December 31, 2017.

In October 2016, the Milwaukee Metropolitan Sewerage District (MMSD) approved the acquisition of the land owned by Milwaukee County surrounding the Estabrook Dam. The demolition of the dam was completed in 2018.

The remaining county expenditure authority and unrealized revenues were lapsed as part of the 2017 close process that occurred in May 2018. The unrealized revenues exceeded the available expenditure authority by approximately \$275,000. Expenses were incurred from the County’s consultant, AECOM, along with County staff in the preparation of environmental review documents, dam rehabilitation construction documents and the bid construction effort for the dam rehabilitation.

In October 2018, the WisDNR approved Amendment 2 to the grant agreement, which included the following changes:

- A change in the project scope from repair or reconstruction of portions of the dam to a maintenance project
 - Sediment remediation and removal of comingled debris.
 - Associated engineering planning costs directly related to the sediment remediation and removal of comingled debris behind the dam
- Extension of the project expiration date to April 30, 2019
- Decrease of the Stewardship award amount to \$449,443.75, based on the total eligible project costs
- Addition of \$400,000 of Municipal Dam State bond revenue based on the total eligible project costs and award formula

In November 2018, the county received a grant amount of \$849,444 from WisDNR. Since all of the unrealized revenues and available expenditure authority has already been lapsed, the \$849,444 that is reimbursing the County for previous expenditures is being lapsed to the general fund.

Project WO141(01/06) Zoo Interchange (+\$143,000)

In 2013, County Board Resolution File 13-699 authorized the acceptance of land sale proceeds from the Wisconsin Department of Transportation as payment for ten parcels on Milwaukee County-owned land needed as part of the Zoo Interchange Freeway reconstruction project. The proceeds were in part used to finance legal fees related to the Zoo Interchange Project (WO14101) and used to finance relocation and storage of the O'Donnell Park panels during the County's litigation (WO14106). Both of these projects are completed and surplus appropriations of approximately \$143,000 are available and are requested to be lapsed.

Project WO52701 Charles Allis Exterior Improvements (+100,000)

A March 2017 appropriation transfer of \$464,276 allocated the remaining funds from WO50601 Charles Allis Roof Renovation and Project WO50701 Charles Allis Façade Repairs to a newly created capital project WO52701 Charles Allis Exterior Improvements ("Exterior Improvements Project"). There were not sufficient funds available to complete the scope of work for Project WO50601 Charles Allis Roof Renovation and Project WO50701 Charles Allis Façade Repairs. Project WO52701 Charles Allis Exterior Improvements was be a reduced scope of work compared to the combined scopes within Projects WO506 and WO507 and consisted of the most critical exterior needs at the Charles Allis Museum that were identified and would be able to be financed with the available funding.

The scope of work for the Exterior Improvements Project included repairs to the garage flat roof, removal of the fire escape, reconstruction of the garage chimney, repairs to the south balcony and repairs to the south stairs. The Exterior Improvements Project did not include the Roof Replacement of the balance of the facility nor the brick façade repair. The scope also included other critical and/or safety exterior improvements that were identified during the construction.

The Charles Allis Exterior Improvements project was substantially completed in November 2018. The project has surplus funds of approximately \$100,000 that are requested to be lapsed.

Cash Deficits (Greater Than \$100,000)

WP192 Parks Federal Emergency Management Agency ("FEMA") Projects (-\$582,000)

In July 2010, Milwaukee County experienced a major storm event. A May 2011, appropriation transfer created Project WP192 Countywide Parks FEMA Improvements to plan, design, and repair parkland and structures that were damaged during the July 2010 floods. The areas that were identified included the following, substantial completion dates in parenthesis:

- WP19201 Bradford Beach Parking Lot and Bike Trail (July 2014)
- WP19202 Estabrook Park Oak Leaf Trail Erosion Repair (June 2016)
- WP19203 Honey Creek Parkway/Portland Avenue Erosion
- WP19204 Oak Creek Parkway Erosion Repair (December 2016)
- WP19205 Estabrook Park/Wilson Tunnel Repair (June 2014)
- WP19206 Pleasant Valley Erosion Repair (December 2015)
- WP19207 Grant Park Picnic Area #2 Erosion Repair (May 2015)
- WP19208 Big Bay Park/Bluff Erosion Repair (November 2015)
- WP19209 Riverside Park/East Bank Erosion Repair (June 2015)
- WP19210 Juneau Park/Bluff & Oak Leaf Trail Erosion Repair (July 2015)

Subsequently added in 2014

- WP19211 Beer Line Trail (July 2017)
- WP19212 Oak Leaf Trail near Hubbard Park (July 2017)

All of the projects included in Project WP192 have been completed as of July 2017 except for Project WP19203 Honey Creek Parkway/Portland Avenue Erosion. The Parks Department was pursuing combining the project with a larger MMSD project that was part of work related to the Zoo Interchange but the combined effort was not done. An extension was requested from FEMA for Project WP19203 Honey Creek Parkway/Portland Avenue Erosion work but it was not granted. The \$213,178 of available expenditure authority and the \$195,300 of unrealized FEMA revenues are requested to be lapsed.

The process for getting FEMA reimbursement has been very difficult. Accrual of final projects cost for preparation of the reimbursement submission was slowed by the need to establish an acceptable stand of vegetation before issuing final payment to the County's contractor. Two agencies, Wisconsin Emergency Management first and FEMA second, are required to review, process and approve the reimbursement requests. This has been a very slow process and is still ongoing.

Excluding unrealized revenues related to the Honey Creek Parkway/Portland Avenue Erosion, there is approximately \$1.6 million in unrealized FEMA revenues related to the WP192 projects. The Architecture and Engineering Section ("A&E") of DAS-FM has been in contact with the FEMA and FEMA has indicated that reimbursement funds should be received in May 2019. The exact amount of the reimbursement is currently unknown. Due to the age of the unrealized grant revenues and the cash surplus within the capital projects overall, the Office of the Comptroller recommended to A&E that some of the unrealized revenues be written off to reflect a very conservative estimate. The write off amount is \$600,000.

If funds are received by the County that exceed the remaining unrealized revenue amount (exceeding the write off), an appropriation transfer will be submitted in order to reallocate any surplus funds to the Appropriation for Contingencies account.

Projects with Lapsed Bond Surpluses and Deficits

Overall a net amount of \$1,432,217 of unspent bonds are requested to be lapsed to the DSR. The projects identified on pages 7-11 make up the primary sources of the unspent bonds that are requested to be lapsed to the DSR.

Bond Surpluses (Greater Than \$100,000)

WH09001 – W. Ryan Rd. (CTH) – S. 96th St. to S. 112th St. (+\$205,000)

The 2015 Adopted Capital improvements Budget included an appropriation of \$90,000 for the start of the design and right-of-way phases of the W. Ryan Rd. (CTH) from S. 96th St. to S. 112th St. project ("W. Ryan Rd. Project") in the County Highway Improvement Program (CHIP). Financing was provided from \$20,625 in State revenue and \$69,375 in general obligation bonds. The 2016 Adopted Capital improvements Budget included an appropriation of \$90,000 for the continuation of the design and right-of-way phases of the W. Ryan Rd. Project. Financing was provided from \$20,625 in State revenue and \$69,375 in general obligation bonds.

The 2017 Adopted Capital Improvements Budget included an appropriation of \$1,540,000 for the design and construction phases for the W. Ryan Rd. Project. Financing was provided from \$713,000 in State revenue and \$827,000 in general obligation bonds. The scope of work included a pavement replacement with hot mix asphalt pavement, including shoulder paving, minor drainage and safety improvements.

The project was substantially completed in December 2017 and is now able to be closed out. Surplus bonds of approximately \$205,000 are requested to be lapsed to the DSR.

Project WH00118 – North 43rd St. (CTH G) & W. Mill Rd. (CTH S) Intersection (+\$196,000)

The 2014 Adopted Capital improvements Budget included an appropriation of \$129,650, including \$900 in net capitalized interest, for the design phase for the N. 43rd St. (CTH G) & W. Mill Rd. (CTH S) Intersection project (“N. 43rd St & W. Mill Rd. Intersection Project”) in the Highway Safety Improvement Program (HSIP). Financing was provided from \$115,875 in Federal revenue and \$13,775 in general obligation bonds.

The 2015 Adopted Capital Improvements Budget included an appropriation of \$450,883 for the construction phase of the N. 43rd St & W. Mill Rd. Intersection Project. Financing was provided from \$405,795 in Federal revenue and \$45,088 in general obligation bonds. The project included offsetting south, east and westbound directions to improve visibility in making left turn movements. Installation of overhead traffic signals heads was completed in all directions. Median openings and driveways were evaluated for improvement in access control. Proper signage and pavement markings were added to approaches.

In January 2019, an appropriation transfer was approved that allocated \$237,000 of expenditure authority to the N. 43rd St & W. Mill Rd. Intersection Project from other Highway projects that were in the process of being closed out. Financing was provided from unspent series 2010C Build America Bonds and series 2015A general obligation bonds.

The project was substantially completed in October 2017 and is in the process of being closed out. Surplus bonds of \$196,000 are being lapsed and are requested to be allocated to the DSR.

Project WH00119 – Intersection of S. 76th St. (CTH U) and W. Rawson Ave. (CTH BB) (+\$179,000)

The 2014 Adopted Capital Improvement Budget included an appropriation of \$106,181, including \$700 in net capitalized interest, for the design phase of the Intersection of S. 76th St. (CTH U) and W. Rawson Ave. (CTH BB) project (“S. 76th St & W. Rawson Ave. Intersection Project”) in the Highway Safety Improvement Program (HSIP). Financing was provided from \$94,933 in Federal revenue and \$11,248 in general obligation bonds.

The 2017 Adopted Capital Improvement Budget included an appropriation of \$959,730 for the construction phase of the S. 76th St & W. Rawson Ave. Intersection Project. Financing was provided from \$452,389 in Federal revenue and \$507,341 in general obligation bonds. The scope of work included offsetting the left turn lanes and installing overhead, per lane signal indications (monotubes) at the intersection, improving visibility and traffic signal progression/flow. Median openings and driveways were evaluated for improvement in access control. Pavement marking and signage were improved near the intersections to better direct drivers to their destination and therefore reduce side swipe crashes.

The project was substantially completed in June 2018 and is in the process of being closed out. Over realized revenues of approximately \$179,000 are being lapsed and are requested to be allocated to the DSR.

Project WH01021 – W. St. Martins Rd. – S. North Cape Rd. to S. Lovers Lane Rd. (+\$141,000)

The 2014 Adopted Capital Improvements Budget included an appropriation of \$346,300, including \$16,300 in net capitalized interest, for the design phase of the W. St. Martins Rd. (CTH MM) from S. North Cape Rd. to S. Lovers Lane Rd. project (“W. St. Martins Rd. Project”) in the County Highway Improvement Program (CHIP). Financing was provided from \$80,000 in State revenue and \$266,300 in general obligation bonds.

The 2016 Adopted Capital Improvements Budget included an appropriation of \$3,418,000 for the construction phase of the W. St. Martins Rd. Project. Financing was provided from \$768,294 in State revenue, \$2,582,800 in general obligation bonds and \$66,906 in Local revenue.

The project was substantially completed in June 2017 and was closed in 2018. Surplus bonds of approximately \$141,000 are requested to be lapsed to the DSR.

Project WP290 (01/02) Kinnickinnic Parkway Reconstruction (+\$141,000)

The 2017 Adopted Capital Improvements Budget included an appropriation of \$1,739,000 for the reconstruction of the Kinnickinnic River Parkway. Financing was provided from general obligation bonds. The scope of work included reconstruction of pavement, storm sewer, and roadway lighting systems. Replacement of municipal utilities such as sanitary sewers, water mains, storm sewers and lighting were coordinated with this project. Traffic calming measures, storm water best management practices, green infrastructure, natural areas restoration and management, and connections to city streets and state highways were also included in the reconstruction plans. The two segments included in WP290 (01/02) were S. 76th St. to S. 68th St. and S. 68th St. to W. Cleveland Avenue. These segments were substantially completed in September 2017. These projects are being closed and surplus general obligation bonds of approximately \$141,000 are requested to be lapsed to the DSR.

Project WH02016 E. Layton Avenue (S. Howell Ave. to S. Pennsylvania Ave.)
(+\$133,000)

A 2013 appropriation transfer appropriated \$375,000 for Project WH02016 E. Layton Avenue (S. Howell Ave. to S. Pennsylvania Ave.) ("E. Layton Avenue Project"). Financing was provided from a freight grant from the Wisconsin Department of Transportation (WisDOT) and the local share was provided from surplus financing in Project WH02005 W. Oklahoma Avenue (108th St to 76th St.).

The 2015 Adopted Capital Improvements Budget included an appropriation of \$3,150,000 for the right-of-way acquisition and construction phases of the E. Layton Avenue Project. Financing was provided from \$2,480,000 in Federal revenue, \$50,000 in Local revenue and \$620,000 in general obligation bonds. The scope of work included the reconditioning of E. Layton Ave. (CTH Y) from S. Howell Ave. to S. Pennsylvania Ave. (1.25 miles) and other minor drainage and safety improvements.

A January 2015 appropriation transfer added \$350,000 for the construction phase of the project. Of the \$350,000, \$150,000 was related to the bio-swales that were added to the project. The bio-swales are landscape elements designed to remove silt and pollution from surface runoff water. The bio-swales were financed by the City of Milwaukee. The remaining \$200,000 added to the project was needed to offset cost overruns and was financed by Milwaukee County general obligation bonds.

The project was substantially completed in November 2016 and was closed in 2018. Surplus bonds of approximately \$131,000 are requested to be lapsed to the DSR.

Project WO07701 Oak Creek Parkway – Rail Road Track East to Chicago Avenue
(+\$127,000)

The 2016 Adopted Capital Improvements Budget included an appropriation of \$80,000 for planning and design work for Project WO07701 Oak Creek Parkway – Rail Road Track East to Chicago Avenue ("Oak Creek Parkway Project"). Financing was provided from general obligation bonds.

In April 2018, County Board Resolution 18-282 went into effect. The resolution allocated \$1,074,992 in cash from the DSR to finance the reconstruction phase of the Oak Creek Parkway Project.

In June 2018, County Board Resolution 18-390 was approved by the County Board and County Executive. The resolution allocated \$656,171 of cash from the Oak Creek Parkway Project to Project WC027 Courthouse Light Court Windows ("Light Court Project"). The Resolution also allocated \$462,833 of unspent Series 2010A Build America Bond proceeds and \$193,338 of unspent 2014A Corporate Purpose Bonds from the Light Court Project to Oak Creek Parkway Project. The bonds were moved from the Light Court Project so that the bonds could be spent in a more timely fashion.

The Oak Creek Parkway Project was substantially completed in August 2018. Surplus 2014A Corporate Purpose bonds of approximately \$127,000 are requested to be lapsed to the DSR. In addition, surplus cash financing is requested to be lapsed to the general fund.

Project WM019 Milwaukee Public Museum Waterproofing – Garage and Plaza (+\$103,000)

The 2015 Adopted Capital Improvements Budget included an appropriation of \$398,718 for the reconstruction and waterproofing at the plaza above the Milwaukee Public Museum ("MPM") Dock/Garage. Financing was provided from general obligation bonds.

The project was substantially completed in December 2016 and was closed in 2018. Surplus general obligation bonds of approximately \$103,000 are requested to be lapsed to the DSR.

Reallocation of Unspent Bond Proceeds

There is \$1,432,217 of bonds being requested to be lapsed to the DSR. Some bonds may be allocated to capital projects. Capital projects receiving the unspent bonds must be able to spend the proceeds in a timely fashion. In most cases, this would mean that only ongoing projects with shortfalls would be considered. Other factors such as capitalization and private activity also limit which projects are considered.

The Internal Revenue Service regulations dictate the expenditure of bond proceeds within three years. Bonds that were issued prior to 2017 will be out of compliance before the end of the year. It is anticipated that bonds issued prior to 2017 will be used to pay interest costs associated with outstanding debt.

The Office of the Comptroller will work with the Department of Administrative Services and other departments to identify projects that would meet the criteria above. A final list will be submitted through request to the County Executive and County Board.

Lapsed Airport Capital Improvement Projects (Detailed in Schedule C)

The Airport capital improvement appropriations and revenues not recommended for carryover are included in Schedule C. The total amount of lapsed expenditure appropriations is \$4,988,439 and the total amount of lapsed revenues is \$5,157,173. The total lapsed amounts were primarily driven by the cancellation of Project WA24701 GMIA Deicer Pads (19R), which results in the lapsing of \$4,476,893 of expenditure authority and unrealized revenues.

The financial impact of these lapsed projects along with adjustments to continuing projects results in the Airport providing a contribution of \$168,734 from its reserve to replenish the general fund. The contribution will reconcile a deficit of \$168,734 for cash financed projects.

Bond Surplus/Deficits (Greater Than \$100,000)

No projects meet this definition.

Cash Surplus/Deficits (Greater Than \$100,000)

WA18501 GMIA Security Surveillance System (-\$260,000)

County Board Resolution 13-863 directed the creation of Project WA18501 GMIA Security Surveillance System. The resolution also allowed the county to accept a Transportation Security Administration ("TSA") grant of \$10,147,221. The 2018 shortfall is primarily a result of an error in the 2016 revenue carryover amount, which created a surplus in 2016. Since the project's inception the project was completely covered by the TSA grant with the exception of \$8,585 that was contributed from the Airport reserves.

INFORMATIONAL SCHEDULES RELATING TO CARRYOVERS**Capital Projects/Major Repairs Being Abandoned After Three Years without Spending or Encumbrance (Detailed in Schedule D)**

No projects meet this definition.

Operating Carryovers (Detailed in Schedule E and Schedule F)

Operating budget capital outlay, equipment and major maintenance appropriations being carried over from 2018 to 2019 total (-\$790,511) (Schedule E). The total non-airport appropriations being carried over total \$1,045,292.

Revenues being carried over relating to Capital Outlays and Encumbrances total \$8,105,985 (Schedule F). The total non-airport related revenues being carried over total \$2,726,574.

Capital Carryovers (Detailed in Schedule G)

Schedule G is included to summarize capital expenditures and revenues being carried over to 2019. Capital project fund expenditure appropriation carryovers from 2018 to 2019 total \$78,256,607 for corporate purpose projects. Associated revenues to be carried over total \$75,322,262. This compares to appropriation carryovers of \$75,933,881 and revenue carryovers of \$68,555,949 for 2017 to 2018.

Airport capital improvement expenditure and revenue carryovers from 2018 to 2019 total \$40,947,970 and \$46,160,828, respectively. Revenues exceed expenditure carryovers due primarily to the carryover of revenues associated with expenditures already encumbered. This compares to carryovers of \$17,427,926 in expenditures and \$23,117,743 in revenues for the Airport from 2017 to 2018.


Recommendation

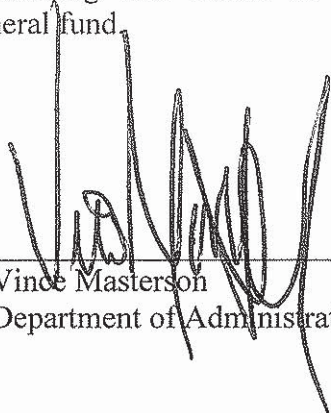
The DAS and the Comptroller recommend the lapsing of operating budget capital outlay, equipment and major maintenance appropriations that total \$1,207,574².

It is also recommended to lapse \$3,062,853 of expenditure authority and \$893,531 of revenue budget for non-airport projects. The resulting cash surplus of \$737,105 will be applied to the general fund and the \$1,432,217 in unspent bond proceeds will be deposited to the Debt Service Reserve.

A 2019 administrative transfer is recommended to move \$14,563 of grant revenue being carried over in Org. Unit 4019 Park Patrol/ Tactical Enforcement Unit ("TEU") to Org. Unit 4062 Mobile Response Team.

Finally, it is recommended to lapse \$4,988,439 of expenditure authority and \$5,157,173 of revenue budget for airport projects. The resulting cash deficit of \$168,734 will be contributed to the County to replenish the general fund.



Scott B. Manske
Office of the Comptroller

Vince Masterson
Department of Administrative Services

² The total lapsed appropriations are \$10,398,973; however, the overall amount includes \$9,191,399, which relates to the Countywide Budget Abatement Account.

Attachments

pc: Chris Abele, County Executive
Luigi Schmitt, Chairman, Committee on Finance and Audit
Supervisor Willie Johnson, Jr., Vice-Chairman, Committee on Finance and Audit
Joe Lamers, Director, Office of Performance, Strategy and Budget
Guy Smith, Director, Parks
Greg High, Director, DAS-A&E
Laurie Panella, CIO, DAS-IMSD
Donna Brown-Martin, Director- MCDOT
Raisa Koltun, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Pamela Bryant, Office of the Comptroller
Justin Rodriguez, Office of the Comptroller
Stephen Cady, Office of the Comptroller