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From the Milwaukee County Comptroller, Office of the Comptroller, and Chairman, Enterprise Resource Planning Executive Steering Committee, requesting authorization to process an administrative appropriation transfer to allocate \$1,500,000 of cash from the Debt Service Reserve, to replace the budgeted \$1,500,000 in general obligation bonds and/or notes for Capital Project WO60201, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, the Enterprise Resource Planning project is business management software consisting of a set of integrated applications to consolidate common business operations; and

WHEREAS, the software will replace the current functions that are supported by Milwaukee County’s (the County) legacy systems; and

WHEREAS, in December 2017, the Milwaukee County Board of Supervisors approved a request from the Executive Steering Committee on the Enterprise Platform Modernization Project (Adopted File No. 17-736); and

WHEREAS, the request was for authorization to enter into contracts with Infor, Inc.; MHC Software, Inc.; Emphasys Software; and N. Harris Computer Corporation for the implementation and licensing of certain software and hardware to replace the County’s current legacy financial and human resource systems; and

WHEREAS, the 2017-2019 budgets included appropriations of \$20,700,876; and

WHEREAS, financing was provided from \$12,139,784 in general obligation bonds and \$8,561,092 of cash (sales tax/tax levy); and

WHEREAS, the amount of cash estimated for the project was based on project budgets developed by the Information Management Services Division, Department of Administrative Services, and an analysis performed by the Office of the Comptroller (Comptroller) based on accounting standards in General Accounting Standards Board Statement 51 Accounting and Financial Reporting for Intangible Assets (GASB 51); and

WHEREAS, GASB 51 indicates which costs are eligible to be capitalized and which are expensed; and

WHEREAS, Wisconsin State Statutes do not allow the County to issue bonds to finance expenses that are not capitalized; and

WHEREAS, the adopted cash amounts were reduced as a result of limited resources available in each of the annual budgets; and

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WHEREAS, an analysis by the Comptroller shows an estimated \$1,500,000 of additional cash is needed for the project, and that \$1,500,000 of budgeted bond and note proceeds can be reduced; and

WHEREAS, the annual budgets stated that if additional cash financing was required, based on a project assessment of the actual costs, an appropriation transfer would be submitted to transfer cash from the Debt Service Reserve; and

WHEREAS, the current estimated balance of the Debt Service Reserve as of May 2019, is \$20.5 million; and

WHEREAS, the Committee on Finance and Audit, at its meeting of June 13, 2019, recommended adoption of File No. 19-500 (vote 7-0); now, therefore,

BE IT RESOLVED, the Office of the Comptroller (Comptroller) and the Department of Administrative Services are authorized and directed to perform an administrative appropriation transfer to allocate \$1,500,000 of cash from the Debt Service Reserve in order to reduce the budgeted bonds and notes for Capital Project WO60201 Enterprise Resource Planning by \$1,500,000; and

BE IT FURTHER RESOLVED, the Comptroller will work with the project management team to complete a financial evaluation of the project, and if the evaluation determines that additional funds are required, a request will be made to the County Executive and the Milwaukee County Board of Supervisors.

srb  
06/13/19  
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