

12-19-19 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 D CAPITAL IMPROVEMENT- RECEIPT OF REVENUE

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 departments:

1)	<u>From</u>	<u>To</u>
<u>WA26901 GMIA – Terminal Fire Alarm System Replacement #</u>		
4707 – Contribution from Reserves	\$939,350	
4901 – Passenger Facility Charges		\$939,350

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

An appropriation transfer of \$939,350 is requested by the Director of Transportation and the Airport Director. The transfer will change the local share for the project from Passenger Facility Charge (“PFC”) revenue to the Airport Development Fund – Depreciation (“ADFD”) account.

The 2019 Adopted Budget included an appropriation of \$939,350 for the planning and design phase of Project WA26901 – GMIA Terminal Fire Alarm System Replacement. The scope of the project includes the complete upgrade and replacement of the building fire alarm system at GMIA. The work includes the replacement of aging and obsolete panels with current technology, replacement of detection and annunciation devices that are more than five years old, replacement of inter-panel communications method to digital fiber optic techniques and the upgrade of all audio transmission protocols to digital systems. The scope also includes the addition of areas of the airport that currently do not have voice communication to occupants. Financing was to be provided from PFC revenue. Due to construction moving out to 2022 from 2020, design is no longer eligible for PFC use. Construction is being moved out to 2022 in order to complete design so that a final FAA PFC eligibility percentage can be determined prior to construction.

It is anticipated that the construction phase of the project will be requested for the 2022 budget. The current construction estimate is approximately \$7.5 million. The financing for the construction phase of the project is anticipated to be provided from PFCs (75%) and the ineligible portion is anticipated to be financed with the ADFD funds.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.

2)	<u>From</u>	<u>To</u>
<u>WA26301 GMIA Howell Tunnel Rehabilitation #</u>		
4901 – Passenger Facility Charge Revenue		\$332,971
4707 – Contribution from Reserves	\$332,971	
<u>WA26401 GMIA Taxiway E&F Pavement Rehabilitation #</u>		
4901 – Passenger Facility Charge Revenue		\$380,801
4707 – Contribution from Reserves	\$380,801	
<u>WA26701 GMIA Taxiway P Pavement Rehabilitation #</u>		
4901 – Passenger Facility Charge Revenue		\$60,126
4707 – Contribution from Reserves	\$60,126	

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

An appropriation transfer of \$773,898 is requested by the Director of Transportation and the Airport Director. The transfer will modify the revenue authority for the local share of projects WA263 – GMIA Howell Tunnel Rehabilitation, WA264 – GMIA Taxiways E&F Pavement Rehabilitation and WA267 – GMIA Taxiway P Pavement Rehabilitation from Passenger Facility Charges (“PFC”) to Airport Development Fund (“ADF”).

The transfer is necessary to fund the Airport's local share for these projects until PFC Application Number 18, which includes these projects, is submitted to and approved by the Federal Aviation Administration (FAA). Once FAA approval of PFC Application Number 18 occurs, an additional appropriation transfer request will be submitted to reimburse the ADF reserve revenue with PFC revenue.

For background information purposes, the FAA requires that in order to issue a new PFC at a \$4.50 per passenger collection rate, all previous PFC applications must be amended up to \$4.50. The Airport received FAA approval and existing PFC Application Numbers 14, 15, 16, and 17 were amended to the \$4.50 collection rate in August 2019. PFC Application Number 18 is the next new application the Airport intends to submit to the FAA for approval. The Airport intends to submit a draft of PFC Application Number 18 to the FAA by late 2019/early 2020. It is anticipated that the final draft will be submitted prior to the end of Q3 2020 and final approval will occur in Q4 2020.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.

3)	<u>From</u>	<u>To</u>
<u>WA27101 Replacement of Jet Bridges – 2019 #</u>		
4901 – Passenger Facility Charge Revenue		\$2,280,056
4707 – Contribution from Reserves	\$2,280,056	

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

An appropriation transfer of \$2,280,056 is requested by the Director of Transportation and the Airport Director. The transfer will modify the revenue authority for the local share of Project WA27101 Replacement of Jet Bridges – 2019 from Passenger Facility Charges (“PFC”) to Airport Development Fund (“ADF”).

The 2019 Adopted Budget included an appropriation of \$2,280,056 for the replacement of three passenger loading bridges (Gates D48, D41, and D45). The scope included the purchase and installation of the passenger loading bridges, electrical and security improvements to each gate location and concrete foundation repair work as needed. The passenger loading bridges will have ground power and pre-conditioned air features, enabling the docked aircraft to completely power down thereby reducing air emissions and noise. Financing was anticipated to be provided from PFCs.

The transfer is necessary to fund the Airport's local share for these projects until PFC Application Number 18, which includes these projects, is submitted to and approved by the Federal Aviation Administration (FAA). Once FAA approval of PFC Application Number 18 occurs, an additional appropriation transfer request will be submitted to reimburse the ADF reserve revenue with PFC revenue.

For background information purposes, the FAA requires that in order to issue a new PFC at a \$4.50 per passenger collection rate, all previous PFC applications must be amended up to \$4.50. The Airport received FAA approval and existing PFC Application Numbers 14, 15, 16, and 17 were amended to the \$4.50 collection rate in August 2019. PFC Application Number 18 is the next new application the Airport intends to submit to the FAA for approval. The Airport intends to submit a draft of PFC Application Number 18 to the FAA by late 2019/early 2020. It is anticipated that the final draft will be submitted prior to the end of Q3 2020 and final approval will occur in Q4 2020.

There is separate appropriation transfer request being submitted this cycle that will move expenditure and revenue budget from Project WA243 Replacement of Jet Bridges – 2018 and Project WA213 Replacement of Jet Bridges - 2019 to WA271. The combined number of Passenger Loading Bridges that were anticipated to be replaced with the 2017-2019 appropriations was nine. There have been four PLBs installed and existing remaining expenditure authority is anticipated to provide sufficient expenditure authority for three bridges bringing the total replaced to seven. Additional future appropriations will need to be provided in order to replace the remaining two bridges.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.

4)	<u>From</u>	<u>To</u>
<u>WA24301 Replacement of Jet Bridges – 2018 #</u>		
6030 – Advertising	\$187	
6050 – Contract Pers Serv Short	\$923	
6080 – Postage	\$500	
6146 – Prof Serve Cap/Major Mtce	\$923	
7930 – Photo, Printing, Binding	\$468	
8552 – Machine & Equipment New > \$2500	\$553,096	
9706 – Prof Div Services	\$79,805	
2299 – Other State Grants and Reimbursements		\$453
2699 – Other Federal Grants and Reimbursements		\$2,718
4707 – Contribution From Reserves		\$632,731
<u>WA27101 Replacement of Jet Bridges – 2019 #</u>		
8509 – Other Bldg Improvement – (Cap)		\$635,902
4707 – Contribution From Reserves	\$635,902	

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

An appropriation transfer of \$635,902 is requested by the Director of Transportation and the Airport Director. The transfer will move the remaining budgeted revenues and expenditures from WA24301 GMIA Jet Bridge Replacement – 2018 to WA27101 GMIA Jet Bridge Replacement – 2019.

The 2018 Adopted Budget included an appropriation of \$1,545,318 for the replacement of three passengers loading bridges. Financing was anticipated to be provided from Passenger Facility Charge (“PFC”) revenue. A May 2018 appropriation transfer was approved that changed the financing source from PFC revenue to the Airport Development Fund (“ADF”). The financing for the project was changed pending the approval of PFC application 18. It was anticipated that PFC 18 was going to be submitted in Q4 2018 and approved by the end of 2019. Additional time for the FAA to review drafts of the PFC application 18 has resulted in a delay of the submission of the final PFC application 18 and final

FAA approval. It is now anticipated that the final draft will be submitted prior to the end of Q3 2020 and final approval will occur in Q4 2020.

During 2018, one passenger loading bridge was replaced at Gate 35. The remaining funds in Project WA24301 are requested to be transferred to Project WA27101 GMIA Jet Bridge Replacement – 2019.

The 2019 Adopted Budget included an appropriation of \$2,280,056 for Project WA27101 Replacement of Jet Bridges – 2019. The scope of Project WA27101 includes the replacement of three passenger loading bridges (Gates D48, D41, and D45). The scope included the purchase and installation of the passenger loading bridges, electrical and security improvements to each gate location and concrete foundation repair work as needed. The passenger loading bridges will have ground power and pre-conditioned air features, enabling the docked aircraft to completely power down thereby reducing air emissions and noise.

Both capital projects are part of the PFC Application Number 18 request to be submitted to the FAA and the local share will ultimately be funded with PFC monies. The FAA requires that in order to issue a new PFC at \$4.50 per passenger collection rate, all previous PFC applications must be amended up to \$4.50. The Airport received FAA approval and existing PFC Application Numbers 14, 15, 16, and 17 were amended to the \$4.50 collection rate in August 2019. PFC Application Number 18 is the next new application the Airport intends to submit to the FAA for approval. The Airport intends to submit a draft of the PFC Application Number 18 to the FAA by late 2019/early 2020. It is now anticipated that the final draft will be submitted prior to the end of Q3 2020 and final approval will occur in Q4 2020.

An additional appropriation transfer will be necessary once PFC 18 is approved to reimburse the ADF reserve for the local share cost of the project.

This appropriation transfer request will align and approved funds under one project (WA27101) for jet bridge replacements funds are being transferred from Project WA24301. The additional funds are required in Project WA27101 so that the three PLBs identified in the 2019 Adopted Budget can be purchased and installed.

There is a separate appropriation transfer request being submitted this cycle that will similarly move expenditure and revenue budget from Project WA21301 Replacement of Jet Bridges - 2018 to Project WA27101. The combined number of Passenger Loading Bridges that were anticipated to be replaced with the 2017-2019 appropriation was nine. There have been four PLBs installed and existing remaining expenditure authority is anticipated to provide sufficient expenditure authority for three more bridges bringing the total replaced to seven. Additional future appropriations will need to be provided in order to replace the remaining two bridges.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.

5)	<u>From</u>	<u>To</u>
<u>WA21301 Replacement of Jet Bridges – 2017 #</u>		
6030 – Advertising	\$11	
6050 – Contract Pers Serv Short	\$1,000	
6080 – Postage	\$500	
6146 – Prof Serve Cap/Major Mtce	\$2,499	
8509 – Other Bldg Improvement	\$221,738	
9706 – Prof Div Services	\$7,504	
4707 – Contribution from Reserves		\$233,252
<u>WA27101 Replacement of Jet Bridges – 2019 #</u>		
8509 – Other Bldg Improvement – (Cap)		\$233,252
4707 – Contribution from Reserves	\$233,252	

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

An appropriation transfer of \$233,252 is requested by the Director of Transportation and the Airport Director. The transfer will move the remaining budgeted revenues and expenditures from WA21301 GMIA Jet Bridge Replacement – 2017 to WA27101 GMIA Jet Bridge Replacement – 2019.

The 2017 Adopted Budget included an appropriation of \$1,500,000 for Project WA21301 Replacement of Jet Bridges – 2017. The scope of Project WA21301 included the replacement of three passenger loading bridges. Financing was provided from the Airport Development Fund (“ADF”). An October 2017 appropriation transfer added an additional \$256,123 of expenditure authority to the project to cover additional work related to passenger loading bridge at Gate D36. Project WA21301 was substantially completed in August 2018. Three new passenger loading bridges were put in place at gates D36, D42, and D44.

The 2019 Adopted Budget included an appropriation of \$2,280,056 for Project WA27101 Replacement of Jet Bridges – 2019. The scope of Project WA27101 includes the replacement of three passenger loading bridges (Gates D48, D41, and D45). The scope included the purchase and installation of the passenger loading bridges, electrical and security improvements to each gate location and concrete foundation repair work as needed. The passenger loading bridges will have ground power and pre-conditioned air features, enabling the docked aircraft to completely power down thereby reducing air emissions and noise.

Both capital projects are part of the Passenger Facility Charge (PFC) Application Number 18 request to be submitted to the FAA and the local share will ultimately be funded with PFC monies. The FAA requires that in order to issue a new PFC at \$4.50 per passenger collection rate, all previous PFC applications must be amended up to \$4.50. The Airport received FAA approval and existing PFC Application Numbers 14, 15, 16, and 17 were amended to the \$4.50 collection rate in August 2019. PFC Application Number 18 is the next new application the Airport intends to submit to the FAA for approval. The Airport intends to submit a draft of the PFC Application Number 18 to the FAA by late 2019/early 2020. It is anticipated that the final draft will be submitted prior to the end of Q3 2020 and final approval will occur in Q4 2020.

Therefore, an additional appropriation transfer will be necessary once PFC 18 is approved to reimburse the ADF reserve for the local share cost of the project.

This appropriation transfer request will align funds under one project (Project WA27101) for jet bridge replacements. Funds are being decreased from Project WA21301. The additional funds are required in Project WA27101 so that the three PLBs identified in the 2019 Adopted Budget can be purchased and installed.

There is a separate appropriation transfer request being submitted this cycle that will similarly move expenditure and revenue budget from Project WA243 Replacement of Jet Bridges - 2018 to WA27101. The combined number of Passenger Loading Bridges that were anticipated to be replaced with the 2017-2019 appropriations was nine. There have

been four PLBs installed and existing remaining expenditure authority is anticipated to provide sufficient expenditure authority for three more bridges bringing the total replaced to seven. Additional future appropriations will need to be provided in order to replace the remaining two bridges.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.

6)	<u>From</u>	<u>To</u>
<u>WT14201 Bus Lift Replacements (Maint/FDL Facilities) #</u>		
8589 – Oth Capital Outlay (CAP)		\$100,000
4907 – Bond and Note Proceeds	\$100,000	
<u>WT12101 Bus Replacements – 2019 #</u>		
8554 – Vehicle Replacements		\$100,000
4907 – Bond and Note Proceeds	\$100,000	

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

An appropriation transfer of \$100,000 is requested by the Director of the Department of Transportation to increase expenditure authority and general obligation bonds and notes in Project WT14201 - Bus Lift Replacements and to reduce an equal amount of expenditure authority and general obligation bonds and notes in Project WT12101 - Bus Replacement Program - 2019. This transfer request also recognizes a scope change in Project WT142, changing the location of one lift from the Fleet Maintenance Facility to the Kinnickinnic Garage.

The 2019 Adopted Capital Improvements Budget included an appropriation of \$897,458 for replacement of four condemned hydraulic bus maintenance lifts (#25, #26, #41, #42) at the Milwaukee County Transit System (MCTS) Fleet Maintenance/Hillside location (Project WT10701).

Installation of the new lifts includes saw-cutting the concrete floor in order to remove existing lift equipment, environmental remediation as necessary, installing new lift equipment, hookup of new electrical and hydraulic fluids, and restoration of concrete floor. Replacements are would eliminate or reduce leakage of hydraulic fluid thereby reducing volume of fluid required on an annual basis and reduce the potential for future soil and ground water contamination.

A May 2019 appropriation transfer moved funding from Project WT10701 to Project WT14201 to reflect a change of the scope of the project. MCDOT and DAS-Architecture and Engineering (AE) staff have indicated that with the closing of the Milwaukee County Transit System MCTS Fiebrantz Station, additional buses have been moved to the Fond du Lac Station and has created an immediate need to replace lifts at the Fond du Lac Facility. As a result, MCDOT and AE recommended that bus lifts in the MCTS Fond du Lac facility be replaced. Lifts 25, 41, and 42 originally included in capital project WT10701 will not be replaced in 2019. Adopted Capital Project WT142 calls for the replacement of four MCTS bus lifts, three at the Fond du Lac Garage and one at the Fleet Maintenance Facility.

This December 2019 appropriation transfer is required as a result of prices being higher than expected due primarily to the heavy-duty lifts required to support battery-electric buses, which are heavier than standard diesel buses. In addition, this fund transfer requests a change in the location of one replacement lift from the Fleet Maintenance Facility to the Kinnickinnic Garage. This change is necessary so that the Kinnickinnic Garage will have one heavy-duty bus lift to support battery-electric buses. As a result, the scope of Project WT14201 will include replacement of three lifts at Fond Du Lac Station and one replacement at Kinnickinnic Station.

The additional \$100,000 required for the bus lift project would come from funds available in capital Project WT12101 - MCTS Bus Replacement Program - 2019. Funding for 23 Gillig buses is currently encumbered under Project WT12101 as planned and detailed in the 2019 Adopted Budget. Upon final delivery and inspection of the 23 buses, approximately \$120,000 will remain in WT121, sufficient to address the immediate shortfall in Project WT14201 but not enough to purchase an additional bus.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.

7)	<u>From</u>	<u>To</u>
<u>WT12401 Battery Electric Buses #</u>		
8554 – Vehicles - Replacement		\$1,700,000
2699 – Other Fed Grants and Reimbursements	\$1,700,000	

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

An appropriation transfer of \$1,700,000 is requested by the Director of the Department of Transportation to increase expenditure authority in Project WT12401 - Battery-Electric Bus Acquisitions and to increase an equal amount of federal revenue in Project WT12401. This transfer request increases expenditure authority and recognizes the receipt of a federal low-no emissions grant award of \$1,700,000 for Project WT12401.

The 2019 Adopted Budget included an appropriation of \$5,116,000 for the purchase of four batter-electric buses (“BEBs”), infrastructure improvements and charging infrastructure. Financing is being provided from general obligation bonds; however, the budget indicated that since this is a new program and all of the infrastructure improvements are unknown at this time, there may be items that are not eligible for bond financing. Other financing sources may be required, and the DOT-Transit shall submit a request if needed.

The project initiates the transition of MCTS buses away from fossil fuels to lessen exposure to volatile diesel fuel prices and achieve savings over the total lifecycle of the new vehicles. In accordance with County Board Resolution File No. 19-439, the MCDOT applied for and received a Federal Transit Administration Section 5339(c) grant award in the amount of \$1,700,000. The grant funding will be applied toward the purchase of four BEBs and the total project budget in Project WT124 will increase by \$1,700,000 from \$5,116,000 to \$6,816,000.

The grant funds are being used to increase the total project budget rather than replace some of the budgeted general obligation bonds. Although the costs per bus are estimated to be \$850,000 with a 50% federal share; the costs associated with the BEB infrastructure improvements and charging infrastructure are anticipated to be higher than what was included in the 2019 Adopted Budget. There is no detailed cost estimate available for the BEB infrastructure improvements and charging infrastructure.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.