

12-19-19 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 F 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, Performance, Strategy, and Budget (PSB), 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>1945 Appropriation for Contingency</u>		
8901 – Unallocated Contingency	\$190,000	
<u>WO64101-Building Retro-Commissioning - Phase 1 *</u>		
6146 – Prof Services-Cap/Major Mtce		\$190,000

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

An appropriation transfer of \$190,000 is requested by the Director of Administrative Services (DAS) from unallocated contingency (in Org 1945) and authorization to create new capital project WO64101-Building Retro-Commissioning - Phase 1.

Retro-commissioning provides a "tune up" of building HVAC, lighting, and other systems to ensure that they operate as designed, resulting in energy savings, reduction of maintenance issues, and enhanced occupant comfort. The retro-commissioning will focus on the Criminal Justice Facility and other critical Milwaukee County facilities. DAS-Facilities Management (DAS-FM) staff has indicated that retro-commissioning typically provides a payback period of two years or less.

This appropriation transfer is the first of two phases in the retro-commissioning project. During Phase 1, the selected facilities will be audited for energy-saving opportunities. Phase 2 of the project will involve implementation of the identified energy-saving measures. Upon the completion of the technical audit (i.e. Phase 1), the DAS-FM staff anticipates requesting Phase 2 funding as part of the 2021 capital budget process or requesting funding in 2020 from the appropriation from contingencies.

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>WP192 Parks FEMA Projects#</u>		
8527 – Land Improvements-(CAP)		\$75,870
<u>1945- Appropriation for Contingencies</u>		
8901 – Appropriation for Contingencies	\$75,870	

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

An appropriation transfer is requested by the Director of the Department of Parks, Recreation and Culture transfer \$75,870 from the org 1945-Appropriation for Contingencies to capital project WP192. to enable repayment of Federal Emergency Management Agency ("FEMA") FEMA and Wisconsin Emergency Management (WEM) for over payment of grant revenue issued to Milwaukee County.

WP192 Parks FEMA Projects

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 process for getting FEMA reimbursement was 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, were required to review, process and approve the reimbursement requests. This was a very slow process and was just recently completed.

In May 2019, the County Board and County Executive approved File 19-432. File 19-432 included the lapsing of certain capital funds. The 2018-year end balances included approximately \$1.8 million in unrealized FEMA revenues related to the WP192 projects. During the process of carryover of funds into 2019, the exact amount of the reimbursement was 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. As part of the File 19-432, approximately \$582,000 was written off. File 19-432 also stated that 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. An appropriation transfer was submitted (and approved by the County Board) in September 2019 identifying surplus FEMA revenue of \$927,849, of which \$767,849 was deposited in the unallocated contingency account.

Subsequent to the September 2019 deposit of surplus FEMA revenue in the unallocated contingency account, FEMA has notified the County that it was mistakenly over reimbursed for costs incurred on several FEMA projects (WP192). The overpayments primarily stem from FEMA and WEM issuing final reimbursement checks for their portion (87.5%) of the total project cost without accounting for advance payments issued in 2011.

This appropriation transfer will provide for repayment to FEMA and WEM for reimbursement overages by transferring \$75,870 from org 1945-Appropriation for Contingencies to capital project WP192.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.