

7-29-21 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 B DEPARTMENTAL/ OTHER CHARGES

Action Required

Finance and Audit Committee
 Majority 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 2021 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
<u>0764 – Debt Service Reserve</u>		
0764 – Unspent 2019F Notes	\$3,147,153	
0764 – Cash From DS Reserve		\$3,147,153
<u>Org. 9960 Debt Service</u>		
8021 – Principal (Levy Financed)	\$2,880,000	
8022 – Interest (Levy Financed)	\$93,600	
8021 – Principal (2019F Notes From ERP Project)		\$2,880,000
8022 – Principal (2019F Notes From ERP Project)		\$93,600
<u>WO602011 – Mainframe Applications Migration (ERP Project) #</u>		
6146 – PROF. SERV-CAP/MAJOR MTCE (2019F Bonds)	\$3,147,153	
6146 – PROF. SERV-CAP/MAJOR MTCE (Cash From 9960)		\$2,973,600
6146 – PROF. SERV-CAP/MAJOR MTCE (Cash From DS Reserve)		\$173,553

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

An appropriation transfer of \$3,147,153 is requested by the Milwaukee County Comptroller to reallocate \$3,147,153 in General Obligation Promissory Notes, Series 2019F (2019F Notes) from capital project WO602011 Mainframe Applications Migration (ERP Project) to the Debt Service Reserve (“DSR”). The 2019F Notes will be allocated to Org. 9960 Debt Service to pay 2021 debt service associated with the 2019F Notes. The property tax levy (\$2,973,600) that was budgeted to pay the debt service for the 2019F Notes will be allocated to the ERP Project to replace the bond financing and \$173,553 in cash from the debt service reserve.

The 2017 through 2019 Adopted Capital Budgets included appropriations of \$6,139,784, \$3,000,000 and \$3,000,000, respectively, for the implementation of the Enterprise Resource Planning System (ERP). The ERP is business a management software consisting of a set of integrated applications to consolidate common business operations. The scope of work included the implementation and integration of various modules, such as Finance, Procurement and Cash Management. The scope also included modifications for usability, process efficiency that were not able to be accommodated in original platform implementation timelines. Work also includes software fixes and functionality to stabilize the platform. The total project amount was \$21.4 million, with financing from \$10.7 million in cash and \$10.7 million in promissory notes.

The bond financing for the ERP Project totaled \$12,139,784 initially. In June 2019, an appropriation transfer was approved to modify the financing for the 2019 appropriation from \$3,000,000 in bonds to \$1,500,000 in bonds and \$1,500,000 in sales tax revenue. Therefore, the total bond amount was \$10,639,784. In 2019, the County issued \$10,740,000 in General Obligation ERP Promissory Notes to finance the ERP Project.

The County is moving into the final stages of the ERP project, with "go live" on June 14, 2021 for a majority of the system functions. There are still a number of the work elements, including budget, that need to be implemented after "go live". While these elements are bond eligible, the project can garner greater flexibility by transferring the bond funded items to cash financing to complete project implementation. Once these work elements are completed the County will likely enter into the post development stage of the project which is not eligible for bond financing. Therefore, this appropriation transfer reallocates the remaining 2019F bond proceeds of \$3,147,153 to the debt service reserve and applies \$2,973,600 from the debt service reserve to Org. 9960 General Debt Service Fund to pay the August 2021 debt service payment. The appropriation transfer also reallocates \$2,973,600 of levy from Org. 9960 Debt Service to the Project WO602012- Mainframe Applications Migration (ERP Project). In addition, the remaining \$173,553 (\$3,147,153 minus \$2,973,600) will be traded for cash in the debt service reserve and allocated to the ERP Project. There are no tax levy implications associated with this fund transfer.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE JUNE 25, 2021.

2)	<u>From</u>	<u>To</u>
<u>9000 – Department of Parks, Recreation & Culture</u>		
32610 – Bike Trails	\$20,000	
32611 – Playgrounds	\$100,000	
32616 – Park Security	\$15,000	
32617 – Estabrook Park (MATC)	\$15,000	
32612 – Tree Replacement Fund	\$15,000	
32601 – Northpoint Snack Shop	\$5,000	
0863 – Weigel/Hearst C21	\$75,000	
32622 – Dock – Bradford Beach	\$20,000	
60601 – Repair & Maintenance of Grounds		\$20,000

60601	–	Repair & Maintenance of Grounds	\$100,000
70815	–	Minor Other Equipment	\$15,000
60601	–	Repair & Maintenance of Grounds	\$15,000
70002	–	Seeds and Plants	\$15,000
60600	–	R/M Building and Structures	\$5,000
60601	–	Repair & Maintenance of Grounds	\$50,000
70111	–	Stone, Gravel & Cinders	\$25,000
60600	-	R/M Building and Structures	\$25,000

**The above coding represents the new Infor coding system that will be used. PSB in the coming months is working on switching over to the new coding. Not available in all areas yet.

The Department of Parks, Recreation & Culture requests the opening of expenditure budgets within the Parks Expendable Trust Fund for 2021. The funds are to be used for various trust compliant expenses that enhance or improve our Parks system.

All expenditures follow the restrictions applicable to each respective trust account in accordance with the Donor intent or written trust agreement. Any unused funds revert back to the corresponding Trust accounts at year end in accordance with trust restrictions to retain their purpose and availability for future years.

This fund transfer has no tax levy impact.

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