



Department of Administration
Budget and Management Division

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September 14, 2020

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SF 20030

MEMORANDUM

To: Common Council members

From: Bryan J. Rynders, Budget & Policy Manager

Subject: File: 200639: Communication from the Department of Administration relating to the final net cost of the Democratic National Convention to the City of Milwaukee.

On March 23, 2020 the City of Milwaukee was officially awarded a \$50,000,000 grant to provide security for the Democratic Presidential Candidate Nominating Convention (DNC). The DNC was designated a National Special Security Event (NSSE) by the Department of Homeland Security. The grant award specifically declares “the stated purpose of this funding is to provide support for the law enforcement activities, including personnel, necessary equipment and overtime costs associated with the 2020 Democratic Presidential Candidate Nominating Convention”.

The grant awarded to the City of Milwaukee included sixty (60) special conditions that the City needs to follow to ensure the grant award. Without compliance to these conditions the Department of Justice could pursue to terminate the award and require repayment of award funds. Throughout the entire planning process, the City has been in frequent communication with the Department of Justice and other partners to ensure the City followed the various guidelines required by the grant award. Special Condition 56 states “The recipient agrees to complete all grant draw downs on a reimbursement-only basis.” This means that the City made approved DNC expenditures in anticipation of being reimbursed by the grant award. Plainly stated, the City was not given \$50,000,000 to provide DNC security, but rather was promised to be reimbursed for approved DNC expenditures up to \$50,000,000.

As you are aware, the scope and plan of the convention changed several times while the City was preparing for the DNC. The Department of Justice required a change to the City’s approved DNC budget with each change in scope and plan. The initially approved budget was for \$50,000,000. The revision, after learning the DNC would be a combination of an in person and virtual convention, reduced the budget to \$40.9 million. The revision, after learning the DNC was moving toward a mostly-virtual platform with some speakers, a small press pool, and the majority of the technical infrastructure operating out of the Wisconsin Center in Milwaukee, reduced the budget to \$20.9 million. The final budget revision will be on actual expenditures. As previously stated, the City will only be reimbursed for the costs of the DNC. As of September 11, 2020 the City has spent \$12,623,710 for the DNC. A breakdown of the costs are below:



Category	Spent Through August 31, 2020
A-Personnel	\$93,973
B-Fringes	\$80,493
C-Travel	\$0
D-Supplies	\$1,362,250
E-Equipment	\$3,327,968
F-Construction	\$15,627
G-Contracts	\$7,743,399
H-Other	\$0
I-Indirect	\$0
Total	\$12,623,710

It is anticipated total expenditures will increase as final payroll and vendor payments are processed and finalized.

The Office of the Inspector General (OIG) will conduct an audit of the City's use of grant funds. The timeline of the audit is currently unknown. The City believes it followed all federal procurement rules and the special conditions of the grant. The City does not anticipate having to reimburse the Department of Justice any grant funds that are drawn down from the grant. However, until the audit is complete, we cannot definitively state the final net cost of the Democratic National Convention to the City of Milwaukee.

BJR: cei

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