



**City of Milwaukee
Budget and Management
Intra-Office Memo**

To: Public Works Committee

From: Mark Nicolini, Budget and Management Director

Date: February 13, 2012

Subject: Transfer of Funds from City Hall Foundation and Hollow Walk Project to City Hall Restoration Program

Common Council File No. 111320 contains a resolution transferring previously approved borrowing authority from the City Hall Foundation and Hollow Walk project to the City Hall Restoration program.

In 2011, the City began an investigation of City Hall's exterior terra cotta. The investigation is essential to provide information for the City to protect public safety, and to determine the cause of the failure and the proper repairs. The investigation will also provide factual information which will help determine the legal case the City may pursue to require warranty and contract responsibility or assert damage claims in regard to the terra cotta repair.

The expenses for the investigation are paid for through the Department of Public Works reimbursable authority. Reimbursable accounts are expected to be reimbursed at year end. To date, the City has received no reimbursement for these costs. The remaining funding available in the City Hall Restoration program is insufficient and the transfer is necessary to avoid a deficit in the reimbursable account. If the City receives any reimbursements for the project expenditures, the revenue should be deposited in the Debt Service Fund to redeem debt issued for this project.

As of February 13th, 2012 approximately \$1,650,000 has been expended or encumbered. The transfer amount provides funding to offset this amount and potential additional costs up to \$2,600,000.