

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: March 15, 2017

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Audit Services Division Ordinance Authority Litigation

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact <input type="checkbox"/> Existing Staff Time Required <input checked="" type="checkbox"/> Increase Operating Expenditures (If checked, check one of two boxes below) <input type="checkbox"/> Absorbed Within Agency's Budget <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget <input type="checkbox"/> Decrease Operating Expenditures <input type="checkbox"/> Increase Operating Revenues <input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures <input type="checkbox"/> Decrease Capital Expenditures <input type="checkbox"/> Increase Capital Revenues <input type="checkbox"/> Decrease Capital Revenues <input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|---------------------------------|--------------|-----------------|
| Operating Budget | Expenditure | \$35,000 | \$0 |
| | Revenue | \$0 | \$0 |
| | Net Cost | \$0 | \$0 |
| Capital Improvement Budget | Expenditure | \$0 | \$0 |
| | Revenue | \$0 | \$0 |
| | Net Cost | \$0 | \$0 |

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
 - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
 - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
 - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
- A. The Audit Services Division requests to retain via professional service contract outside counsel and initiate an action against MCSO concerning Audit's authority under MCGO § 34.095. The proposed action should yield a ruling as to Audit's authority.
 - B. It is estimated that the requested action will cost around \$10,000 to \$35,000. The amount depends upon the extent of litigation necessary. Funds are available in the Litigation Reserve account. The initial budgeted amount including 2016 encumbrances was \$860,473. As of March 15, 2017, actual expenditures and encumbrances totaled \$314,877.02. As of March 15, 2017, the net amount available was \$545,595.98. There are two potential encumbrances which may reduce the available funds to \$482,799.98.
 - C. The Audit Services Division does not anticipate any current year budgetary impacts. The costs will be borne by Litigation Reserve funds. No 2018 fiscal impact is anticipated at this time.
 - D. The litigation cost estimates and the use of Litigation Reserve funds for the proposed PSC were provided by the Office of the Corporation Counsel. The actual cost may be higher or lower than the range provided. Either party can challenge an adverse circuit court ruling in appellate court and so on.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Comptroller's Audit Division / Jerome Heer

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required