

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: July 2, 2012

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Amendment to Airport General Resolution Regarding Audit Compliance Language Relating to the Airport Revenue Bonds

FISCAL EFFECT:

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

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	\$0	\$0
	Revenue		
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

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 Comptroller's Office is requesting approval of the attached resolution which amends the Airport General Resolution for the issuance of Airport Revenue Bonds to better reflect the role of the County's outside auditor. In 2000, Milwaukee County (the "County") established the parameters for the issuance of Revenue Bonds as outlined in the Wisconsin State Statutes. Since 2000, the County's outside auditor has providing the compliance letter. Virchow Krause Baker Tilly & Company (Baker Tilly), (formerly known as Virchow Krause and Company LLP) has provided a compliance letter to US Bank (the trustee for the Airport Revenue Bonds) since 2002. Until 2010, the response from Baker Tilly had been satisfactory to US Bank. In 2010, US Bank reviewed the compliance statements for all of their clients and communicated to the County that the compliance letter will need to include the language contained in the general resolution verbatim. Baker Tilly has informed Milwaukee County that the verbatim language would be in inconsistent with the standards established by the Government Accounting Standards Board. Therefore, the Comptroller's Office requested Chapman and Cutler, the County's Bond Counsel, prepare a supplemental resolution amending the existing general resolution in a manner which would provide a workable solution for all parties. The supplemental resolution amends the language to read as follows:

"The report of the auditor shall contain a statement to the effect whether, in the course of the audit, anything has come to the attention of the auditor that causes the auditor to believe that the County has failed to comply with the terms, covenants, provisions or conditions contained in the Resolution or the Bonds, insofar as they relate to accounting matters, and, if so, the nature of the non-compliance."

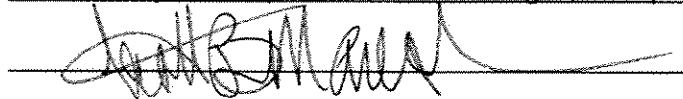
B. There is no net budgetary impact associated with this change. The cost for the compliance letter is provided in the Airport's operating budget.

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.

C. There is no net budgetary impact associated with this change

Department/Prepared By Pamela Bryant, Capital Finance Manager, Comptroller's Office

Authorized Signature

A handwritten signature in black ink, appearing to read 'Pamela Bryant', is written over a horizontal line.

Did DAS-Fiscal Staff Review?

Yes

No