

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/20/2017

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request by the County Comptroller to process a payment in the amount of \$2.9 million to the Milwaukee County Employee Retirement System as a result of a payment of \$2.9 from My Choice Family Care.

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 checked="" 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 | 2,900,000 | 0 |
| | Revenue | 2,900,000 | |
| | Net Cost | 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.

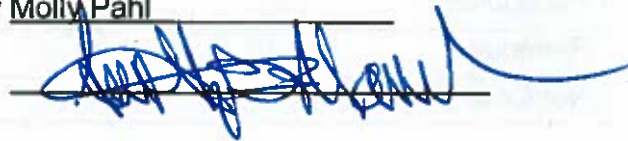
County Board File No. 16-199 authorized the execution of an Asset Transfer Agreement between Milwaukee County and My Choice Family Care as a part of the separation of the My Choice Family Care Program from Milwaukee County. Milwaukee County received a payment of \$4.2 million which was equal to the actuarially determined unfunded pension obligation (legacy costs) for current and retired Program employees as established by Buck Consulting and the cost of healthcare premium obligations for which the County is liable as established by Willis of Wisconsin, Inc. This payment included a proportionate share of the Pension Obligation Bonds issued by Milwaukee County. Milwaukee County utilized \$1.3 million of the payment to offset 2016 charges budgeted to MCFC that could not be charged after the separation. Funding of \$2.9 million remained.

Funding of \$2.9 million has been received from My Choice Family Care. This resolution authorizes the Comptroller to process a payment of \$2.9 million to the Milwaukee County Employee Retirement System to offset remaining costs of My Choice Family Care as identified above.

There is no tax levy impact to Milwaukee County as a result of the adoption of this resolution.

Department/Prepared By Molly Pahl

Authorized Signature



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.

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

