

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** February 2, 2024

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request to transfer all but \$5.0 million of the 2023 surplus to the Debt Service Reserve

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><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 (2024)	Subsequent Year (2025)
<b>Operating Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$5,000,000
	Net Cost	\$0	(\$5,000,000)
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

The table above shows that \$5.0 million of the 2023 surplus will be used as revenue for the 2025 budget. The remainder of the 2023 surplus will be contributed to the Debt Service Reserve per this resolution.

## 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. <sup>1</sup> 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.
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- A. The Office of the Comptroller is currently projecting a surplus in excess of \$30.0 million for 2023. This request transfers all but \$5.0 million of the remaining 2023 year-end surplus to the Debt Service Reserve. The remaining \$5.0 million of the surplus will be used as revenue in the 2025 Budget.
  - B. Adoption of this resolution will increase the Debt Service Reserve by approximately \$25.0 million, depending on the final year-end surplus. This will potentially provide for \$25.0 million in revenue to offset future debt service costs. This figure is not final until the completion of the 2023 year-end audit.
  - C. \$5.0 million of the surplus would be available for the 2025 budget. This is consistent with prior year-end actions with surpluses exceeding \$5.0 million and Wis. Stats. 59.60(6)(b)3.
  - D. The exact amount of the 2023 surplus has not yet been finalized. The amounts cited are therefore approximate and based on data that is currently available.

Department/Prepared By Cynthia J. Pahl, Financial Services Manager, Office of the Comptroller



Authorized Signature \_\_\_\_\_

- Did DAS-Fiscal Staff Review?  Yes  No
- Did CBDP Review?<sup>2</sup>  Yes  No  Not Required

<sup>1</sup> 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.

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