

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** November 13, 2017

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Utilizing the parking revenue earned prior to the sale of O'Donnell Park property to create and fund Capital Improvement Project WP52501 – Parks Point of Sale Replacement.

**FISCAL EFFECT:**

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| <input 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 checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input checked="" type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input checked="" type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
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*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
<b>Operating Budget</b>	Expenditure	\$0	\$0
	Revenue	\$1,000,000	\$0
	Net Cost	(\$1,000,000)	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$600,000	\$0
	Revenue	\$600,000	\$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. <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. Approval of this resolution will authorize the creation of a new Capital Improvement Project Parks Point of Sale Replacement. The resolution authorizes \$1.6 million in 2017 net parking revenue (after related expenses paid) from O'Donnell Park Parking Structure to satisfy the projected \$1 million operating budget deficit in the Department of Parks, Recreation, and Culture (DPRC), and allocates the remaining \$600,000 to partially fund the new point of sale system project. If the Parks Department's operating budget deficit for 2017 is less than \$1 million, the resolution directs that any surplus from the O'Donnell parking revenues will be used to further offset the total cost of the new point of sale system up to \$890,000, the projected total cost of the project. The DPRC is authorized to request additional funds from the Appropriation for Contingencies account in 2018 to satisfy any remaining costs of the Parks Point of Sale Replacement.
  - B. Upon adoption, this resolution will increase the DPRC's budgeted operating revenues for 2017 by \$1 million and increase the budgeted capital expenditures and revenues by \$600,000 for the current year. As stated earlier, the \$1.6 million in anticipated 2017 net parking revenue from O'Donnell Park will be used to address the 2017 operating deficit in the Parks Department and partially fund the new point of sale system. These are one-time funds that will be available in 2017; additional parking revenues from O'Donnell Park will not be available to the County after the sale of the O'Donnell Park properties is finalized. (According to the Office of Corporation Counsel, the closing of the real estate transaction is anticipated in November 2017)
  - C. Adoption of this resolution will result in an increase of budgeted operating revenues and budgeted capital revenues and expenditures in the DPRC and Capital Improvements Budget. The net parking revenues were initially earmarked for the Parks Amenities Matching Fund in

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<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.

the 2017 Adopted Budget, but this resolution would reallocate those monies. Due to the budget shortfall in the DPRC, this resolution provides up to \$1 million to cover the department's deficit for 2017 and provides a minimum of \$600,000 to fund a new point of sale system replacement project. It should be noted that monies placed into the Parks Amenities Matching Fund in 2017 would not be eligible for carryover unless eligible (private) matching funds for projects were approved. These funds would otherwise lapse to the County's fiscal bottom line.

If the DPRC does not receive sufficient funding from the 2017 net parking revenues from O'Donnell Park to cover the total cost of the Parks Point of Sale Replacement project, or identifies additional funds due to a lower than currently projected operating budget deficit, the department may need to request a fund transfer from the 2018 Appropriation for Contingencies account to fully fund the project.

D. No assumptions or interpretations were made.

Department/Prepared By Jessica Janz-McKnight, Research and Policy Analyst, Office of the Comptroller

Authorized Signature



Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required

