

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: May 22, 2023

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Milwaukee County Treasurer, requesting authorization to modify the authorizing resolution approving contracts with PFM Asset Management, LLC, Dana Investment Advisors, Inc., and Johnson Financial Group, for investment advisory services

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input 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	\$0	\$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. Approval of this resolution modifies the resolution adopted as part of File No. 21-633 which authorized the Treasurer to enter into agreements with PFM Asset Management, LLC, Dana Investment Advisors, Inc., and Johnson Financial Group to provide investment advisory services as follows:
 - Investment Advisory vendors shall be remunerated per their fee schedule included in their existing contract based on the RFP with no annual cap on individual contract payments provided the total amount paid to the three investment consultants shall not exceed \$300,000, or the amount budgeted in Agency 194 – Org. Unit 1989 – Investment Management Fees, without County Board approval.
 - B. There are no direct costs as it does not modify the rate for which the three investment consultants are being compensated. It removes the annual per vendor cap and adjusts the not-to-exceed amount for all three investment advisory contracts at the amount budgeted for these services, \$300,000. There was an inadvertent error in the resolution in File No. 21-633 authorizing these contracts. This resolution does not change the fee schedules for each investment advisory firm as determined through the original RFP process.
 - C. There are no budgetary impacts as the County Board of Supervisors appropriated \$300,000 for investment management advisor fees. This resolution would not allow the total fees to exceed this amount without County Board approval.
 - D. No assumptions were made.

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 Rex Queen, Deputy Treasurer, Accounting Manager, Office of the Treasurer

Authorized Signature *Rex Queen*

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required