

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 6/3/19

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Unspent Bond Reallocations from the Debt Service Reserve

REVISED

FISCAL EFFECT:

- | | |
|--|--|
| <input 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	See Explanation	See Explanation
	Revenue		
	Net Cost		
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 Department of Administrative Services – Office of Performance, Strategy and Budget (DAS-PSB) and the Office of the Comptroller (Comptroller) are requesting approval to reallocate approximately \$1.3 million of unspent bonds from the Debt Service Reserve.

B. The resolution will provide unspent bonds of \$652,588 to pay interest expenses. The \$652,588 of tax levy currently budgeted to pay interest expenses will be used to reduce the size of the 2019 Refunding. The County will also avoid approximately \$35,000 in future interest costs.

The resolution will also provide \$568,381 towards the financing for Project WT10401 Bus Replacement Program – 2018 in order to reduce the amount of new bonds/notes that need to be issued in 2019. The County will also avoid approximately \$125,000 in future interest costs.

This resolution will also provide \$35,000 of unspent bonds to increase expenditure authority for Project WO46501 Training Academy Boiler System Replacement.

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.

Table 2: Proposed Reallocation of Unspent Bonds

Project Description	Unspent Bond Amount*
<i>Interest Expenses/Applied Towards Refundings</i>	
Org. Unit 9960 Debt Service (2019 Interest Expenses)	\$652,588
Subtotal	\$652,588
<i>Finance with Unspent Bonds in Place of New Bonds (Debt)</i>	
WT10401 Bus Replacement Program - 2018	\$568,381
Subtotal	\$568,381
<i>Cover Project Shortfall</i>	
WO46501 Training Academy Boiler System Replacement	\$35,000
Subtotal	\$35,000
Total	\$1,255,969

*The unspent balance amount total is \$1,255,969 as of 6/3/2019. If activity changes the dollar amounts prior to a transfer being processed after final board adoption an amount as close as possible to the current unspent amount as possible will be transferred.

C. See B

D. The estimated interest savings included in the Fiscal Note for reducing the size of the 2019 taxable refunding are based on a two-year term and the interest savings for reducing the longer term bond issuance are based on a ten-year term. Rate assumptions for both issuances are based on current market conditions.

Department/Prepared By Justin Rodriguez

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

