

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 02/26/13

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Qualified Energy Conservation Bonds Delegation

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact   | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget  | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget  |  |
| <input type="checkbox"/> Decrease Operating Expenditures  | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues  |  |
| <input type="checkbox"/> Decrease Operating Revenues  |  |

*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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure		
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure	See Explanation	See Explanation
	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.<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. In January 2013, the Office of the Comptroller submitted a report to request for the delegation of the approval of the issuance/sale of a not-to-exceed amount \$10,000,000 in Taxable Qualified Energy Conservation Bonds (QECBs) and the authorization and delegation of the approval to issue a not-to-exceed amount of \$36,100,000 in General Obligation Corporate Purpose Bonds. The QECBs were authorized in 2009. Unfortunately, the resolutions attached to the January 2013 report did not include the QECBs. Therefore, the Office of the Comptroller has submitted the associated resolution for consideration at the Finance, Personnel and Audit Committee for the March 2013 cycle.
  - B. The County would issue the QECBs at the time that it issues the 2013 Corporate Purpose Bonds. The estimated costs of issuance for the bonds are \$72,700, which represents 2 percent of the par amount of the bonds, which is the maximum percentage allowable by the United States Treasury Department
  - C. A DAS-only appropriation transfer will be submitted to adjust the Debt Issue Expense Budget for the cost of issuance for the QECBs. The financing for the expenses will be funded by proceeds from the QECBs.
  - D. The allocated amount of QECBs for Milwaukee County is \$3,638,332. That amount was rounded to \$3,635,000 to calculate the maximum cost of issuance of \$72,700 for the bonds. The QECBs will be used to substitute for anticipated Corporate Purpose bonding, but will not increase the overall adopted bond financing.

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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.

Department/Prepared By Pamela Bryant

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

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