

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 02/18/21

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Parameters Resolutions for the 2021 Bonds and Notes Issuances

FISCAL EFFECT:

- | | |
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| <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.
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- A. The Office of the Comptroller is requesting approval of the attached parameters resolution for the issuance of a not-to-exceed (“NTE”) amount of \$86,280,000 of general obligation bonds (“Bonds”) and/or general obligation promissory notes (“Notes”) to finance various capital projects that have already been approved by the County Board and County Executive. The resolution also delegates the bid opening and approval of the winning bidder for the sales of the Obligations to the Comptroller. The Comptroller’s approval is limited to sale results that fall within the parameters outlined in the resolutions.
 - B. The estimated combined debt service costs for the not to exceed amount of \$86,280,000 is \$117,100,000, including \$30,820,000 in interest.
 - C. There is no current year budgetary impact since the debt payments will not begin until 2022 and the bond/note revenues are already budgeted for the individual projects. The 2022 Budget will need to include principal and interest expenses for the 2021 debt that is being issued. The 2022 general obligation debt service payments associated with these Obligations would be approximately \$8,000,000 if the total NTE amount were issued. The Parameters Resolution indicates an effort will be made to structure the Obligations to make the annual debt service payments on all of the outstanding debt and projected future debt as level as possible.

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.

D. The maximum true interest cost is 5.0 percent. The costs of issuance will not exceed the federally allowable 2% of the par value of the bonds. The estimated total debt service is based on five separate schedules. The separate series are anticipated to be 1) 15-year Corporate Purpose Bonds (Estimated \$37,910,000) to finance various long-term projects 2) 10-year Transit Notes (Estimated \$20,185,000) to finance Transit Bus purchases and Bus Rapid Transit ("BRT") 3) 15-year Taxable Bonds (Estimated \$14,935,000) to finance the Center for Forensic Science and Protective Medicine 4) 4-year Equipment Notes (Estimated \$8,605,000) to finance short-term equipment projects 5) 5-year Taxable Notes (Estimated \$4,645,000) to finance various projects.

Department/Prepared By Justin Rodriguez

Authorized Signature Scott B. Manske

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required