

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 7/6/15

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Project WO614 Build-out Ten Sites to Digital Project Status and Financing Request

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(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.

	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 Office of the Comptroller is requesting approval of the attached resolution to allow the County to allocate \$1,480,000 in cash from the Allocation for Contingency to finance non-bond eligible costs associated with the project, plus provide a contingency for any remaining costs, particularly those that are not bond eligible.

The Office of the Comptroller is also directing the Office of Emergency Management (OEM) to do the following:

- a. OEM will modify the contract with Motorola to reflect the need for increased expenditures.
 - b. Increase the frequency of project financial reporting by producing a monthly financial update in a format consistent with the revised budget, detailing spending by category and contract. A copy of the report will be provided to the Comptroller's Office.
- B. The requested approval will authorize and direct the Department of Administrative Services to allocate \$1,480,000 from the Appropriation for Contingency to increase expenditure authority of \$260,000 to partially replenish expenditure authority for the project and \$1,220,000 will cash finance work elements that are below the County capitalization threshold of \$2,500. The increase in cash financing will allow the County to reduce general obligation bonds for the project by \$1,220,000. Therefore, the 2015 Corporate Purpose Issue will be reduced by \$1,220,000.

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.

C. The Appropriation for Contingency will be reduced by \$1,480,000. As of April 2015, the countywide projected surplus for year-end 2015 is \$20 million. With the approval of the requested appropriation transfer, the projected surplus would be reduced to \$18.5 million. The 2015 Corporate Purpose Issue will be reduced by \$1,220,000. As a result future interest costs on the \$1,220,000 in bonding will be avoided.

D. See item B

Department/Prepared By Pamela Bryant

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required