

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 01/8/16

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Resolutions for the issuance of 2016 Airport Revenue Refunding Bonds

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 checked="" 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	
	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 the approval of the attached authorizing resolution and final bond resolution for the issuance of a not-to-exceed amount of \$54,390,000 of General Airport Revenue Refunding Bonds to refund the balance of the outstanding debt for the \$29,010,000 Series 2005A Airport Revenue Bonds (Series 2005A Revenue Bonds), the \$25,665,000 Series 2006A Airport Revenue Bonds (Series 2006A Revenue Bonds), and the \$13,445,000 Series 2007A Airport Revenue Bonds (Series 2007A Revenue Bonds). The attached resolutions authorize the issuance of the bonds and provides parameters for the issuance and delegates approval of the sale of the bonds to the Comptroller. The Comptroller's approval is limited to results of the sale that fall within parameters outlined in the resolution. An informational report will be submitted to the Finance, Personnel, and Audit Committee to communicate the final results of the bond sale.
 - B. The estimated net present values savings for the refunding is \$2,596,517 (or 4.7%). Total estimated debt service for the refunding is \$74,157,483. The not-to-exceed amount includes a total cost of \$250,000 for cost of issuance and an underwriter's discount of \$244,755.
 - C. An administrative transfer will be submitted to the Department of Administrative Services to adjust the budget for cost of issuance expenses. The revenue is included in the bond issue amount.

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 not-to-exceed amount of \$54,390,000 assumes the cost of issuance will not exceed the federally allowable 2% of the par value of the bonds. It also assumes that approximately \$1.1 million in savings from the change in the requirement for the Airport Debt Service Reserve is used to reduce the par amount of the refunding bonds. The Underwriter costs of \$244,755 are based on an assumption of \$4.50 per \$1,000 bond. The estimated net present value amount is 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

