

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 08/28/15

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: 2015 Bond Issues - Parameters Resolution - 2nd Amendment

FISCAL EFFECT:

- | | |
|--|---|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input checked="" 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.
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- A. The Office of the Comptroller (Comptroller) are requesting approval to modify the parameters resolution (Resolution File No. 15-32) to provide for the issuance of long-term and short-term bonds, to update the estimated issuance amount for bonds, including annual principal amounts for each series, and provide for an increase or decrease in the principal of each maturity of up to \$1,250,000 and \$750,000 for the long-term and short-term bonds, respectively.
 - B. The 2015 Adopted Capital Improvements Budget included a bond amount of \$51,734,665 to finance various capital projects. Similar to 2013 and 2014, there are several projects that will incur modest expenditures in 2015. Therefore, the Comptroller's Office will not include these projects in the 2015 bond issue. This action does not impact the implementation of any of the projects or change their budget authority.

Other adjustments include the following: Project WH02015 – South North Cape Road (Hi-View Drive to South Carroll Circle) was delayed from the 2014 bond issue and has been included in the 2015 bond issue and Project WT026 – Transit Buses will be financed in a separate 2015 financing (Qualified Energy Conservation Bonds) that was authorized by the County Board of Supervisors in February of 2015 (Resolution File No. 15-32).

Table 1 outlines the adjustments to the 2015 adopted bond amount for the 2015 bond issuance.

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 1	
Description	Amount
2015 Adopted Bond Amount	\$51,734,665
WH02015 - S. North Cape Rd. (Hi-View Dr. to S. Carroll Circle)	\$1,044,306
WT026 - Transit Buses (Financed In a Separate 2015 Financing)	(\$4,760,000)
2015 Financing Changes	(\$13,070,698)
Total Project Bond Amount	\$34,948,273
Cost of Issuance	\$681,727
Estimated Bond Issue Amount	\$35,630,000

The proposed 2015 bond issuance amount of \$34,948,273 will be divided into a long-term issuance of \$31,047,709 and a short-term issuance of \$3,930,564. The final overall bond amount for the long-term and short-term bonds will be reported in an informational report to the Finance, Personnel and Audit Committee after the sale of the bonds.

The \$13,070,698 decrease to the 2015 bond financing consists of \$11.3 million in delayed projects and a net reduction of \$1.8 million in bonds that resulted from additional cash financing added to the projects subsequent to the adopted budget.

The bond amount for the 2015 Corporate Purpose Bond Issue is reduced from a not-to-exceed amount of \$53,600,000 to \$50,000,000. The not-to-exceed amount of \$50,000,000 includes the long-term and short-term bonds. The total estimated debt service amount for the not-to-exceed amount of \$50,000,000 is \$60,274,618, which is decrease of \$9,641,226.

In addition to the annual principal increase or decrease of \$1,250,000 for the long-term bonds, the long-term bonds are limited to a total principal amount of \$46,000,000.

C. See item B.

D. The assumptions used reflect the maximum amounts that can be issued.

Department/Prepared By Pamela Bryant

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?? Yes No Not Required