

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** November 22, 2013

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request to Approve the Reimbursement the Estabrook Dam with Future General Obligation Bonds

**FISCAL EFFECT:**

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| <input checked="" 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<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	See Explanation	See Explanation
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost	See Explanation	See Explanation

## 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.

A. The Office of the Comptroller is requesting approval of the attached resolution that expresses the County's intent to reimburse the Estabrook Dam Rehabilitation capital project for expenditures incurred prior to the issuance of general obligation bonds.

B. There are no direct costs since this action is a reallocation of existing 2010 Build America Bonds (BABs). Approximately, \$1.6 million would be included in a future general obligation bond issue to replenish the \$1,589,709 in 2010 BABs that were reallocated to various projects in 2013.

C. Resolution 13-537 authorized the Department of Administrative Services to re-establish capital project WP063022 – Estabrook Dam Rehabilitation Project for a not-to-exceed amount of \$1,630,000 in expenditure authority and general obligation bond revenues, authorized and directed the Office of the Comptroller to submit a reimbursement resolution to the Committee on Finance, Personnel and Audit in July 2013, to establish the County's intent to reimburse itself for expenditures incurred on the Estabrook Dam Rehabilitation Project prior to the issuance of the bonds and specified that the Office of the Comptroller shall determine the appropriate time to issue the general obligation bonds to finance the Estabrook Dam Rehabilitation Project based on the funding needs of the project.

The Estabrook Dam Rehabilitation Project continued to incur minor expenditures of \$40,000 subsequent to approval of the reallocations in June and July. Until the final costs of these minor expenditures were known, the Comptroller office was unable to determine the amount to be reallocated for the project. Therefore, the Office of the Comptroller could not submit a reimbursement resolution to the Committee on Finance, Personnel and Audit in July 2013. The final reallocated amount for this project has now been determined to be \$1,589,708 and a transfer of this amount has been processed.

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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.

The \$1,600,000 reimbursement resolution will allow for the bonding equal to that amount starting with expenditures incurred sixty days prior to the approval of the resolution, which we believe will be October 19, 2013. No expenditures have been incurred since that date for the Estabrook Dam Rehabilitation Project.

D. N/A

Authorized Signature



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Did DAS-Fiscal Staff Review?

Yes

No

Did CDBP Review?<sup>2</sup>

Yes

No

Not Required