

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 03/28/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report of 2013 Carryovers to 2014 Fiscal Year

FISCAL EFFECT:

- | | |
|--|---|
| <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 checked="" 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.
- A. The Department of Administrative Services (DAS) and the Office of the Comptroller (Comptroller) are requesting approval of the preliminary recommended expenditures and revenues to be carried over from 2013 to 2014 in accordance with Section 32.91(7) of the Milwaukee County General Ordinances . The DAS is required by Section 32.91(7) to prepare an annual report on operating and capital carryovers.
 - B. Approval of the carryovers will not provide additional expenditure authority. The purpose of the carryover is to allocate previously appropriated expenditure and revenues that have not been expended or encumbered to the new fiscal year. Encumbered amounts are automatically carried over, and therefore are not included in this request.
 - C. Operating budget capital outlay, equipment and major maintenance appropriations recommended to be carried over from 2013 to 2014 total \$6,253,733. Revenues recommended to be carried over total \$8,267,299.

Capital project fund expenditure appropriation carryovers from 2013 to 2014 total \$65,485,532 for corporate purpose projects. Associated revenues to be carried over total \$53,376,428. Airport capital improvement expenditure and revenue carryovers from 2013 to 2014 total \$59,768,199 and \$117,619,121, respectively.

Excluding Airport appropriations and revenues, \$2,636,587 will be allocated to the County's general fund in 2013. This amount reflects the lapsing of \$2,675,000 in cash from Project WO150 – Courthouse Fire. As stated above, this amount was previously approved for carry over at the February 2014 meeting of the County Board of Supervisors.

The lapsed \$2,675,000 amount was combined with a net cash deficit of \$38,413.36 that is primarily the result of over expenditures for major maintenance repairs for Project WO114102 –

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.

Courthouse Complex Improvements (net deficit of \$29,680) and Project WO114162 – Transit Infrastructure Improvements (net deficit of \$17,122). According to the Department, these deficit amounts could be offset with surpluses from the other major maintenance projects to be completed in 2014.

Unspent bond proceeds of \$733,701 from the lapsed capital projects will be deposited into the County's debt service reserve. The majority of the bond proceeds are Build America Bonds and must be applied towards capital improvement projects. The DAS and Comptroller are in the process of determining the Build America Bond amount. In addition, the DAS and Comptroller will work with departments to develop an appropriation transfer to utilize the lapsed Build America Bonds.

Net expenditures and revenues from lapsed Airport projects total \$2,058,661, which reflects the lapsing of project expenditure deficits or unrealized revenues to the Airport's reserve. As a result, the Airport will receive a contribution to its reserves of \$2,058,661 from the lapsed capital projects. The contribution consists of \$288,249.15 in cash and \$1,770,412 in Airport bond proceeds.

D. N/A

Department/Prepared By Pamela Bryant

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

