

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 05/25/16

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Recommendation for Underwriter Services for the issuance of 2016 GARBs

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 checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" 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 checked="" 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. Approval of the resolution will allow Milwaukee County to use Bank of America Merrill Lynch (BofAML) as underwriter for the 2016 general airport revenue refunding bond issuances. The resolution also gives authority, at the County's option, to have BofAML provide underwriting services for any GARB issuances that occur in 2017-2019.
 - B. In January 2016, Milwaukee County authorized (File 16-70) the issuance of a not-to exceed amount of \$55 million of general airport revenue refunding bonds to refund the balance of the outstanding Airport Revenue Bonds (Series 2005A, Series 2006A, and Series 2007A). Assuming that the County would issue the combined amount of \$50 million of GARBs, the 2016 estimated cost of issuance for the underwriter is estimated to be \$105,500. The actual amounts paid by the County are dependent upon the size and structure of the final proposals.

The expenses for any issuances done in 2017-2019 will be depend upon the size and structure of the final proposals that occur during those years. It is unknown, at this time, how many issuances will be done during this time period.
 - C. The Airport operating budget will be adjusted via appropriation transfer to reflect the general airport revenue refunding bond transactions, which include the underwriter's expenses.
 - D. It is assumed that the underwriter's expenses will be paid from the proceeds of the GARB issuances.

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.

Department/Prepared By Justin Rodriguez

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

