

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 04/29/16

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Report of 2015 Lapsed Capital and Major Repair Items

FISCAL EFFECT:

- | | |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input checked="" 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 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.
- A. The Department of Administrative Services (DAS) and the Office of the Comptroller (Comptroller) are requesting approval to lapse expenditures and revenues associated with completed/abandoned projects 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. There are no direct costs. See item C for budgetary impact.
 - C. Operating budget capital outlay, equipment and major maintenance appropriations recommended to be lapsed total \$1,150,039.

Non-airport capital project fund expenditure appropriations of \$9,838,558 and budgeted revenues of \$8,385,434 are requested to be lapsed.

Excluding Airport appropriations and revenues, a net cash surplus of \$29,850 will be applied to the County's general fund. Unspent bond proceeds of \$1,423,274 from the lapsed capital projects will be deposited into the County's debt service reserve. A portion (\$121,998) of the bond proceeds are Qualified Energy Conservation Bonds and must be applied towards the County's Bus Replacement Program (Project WT026). An administrative transfer is also being processed to reallocate \$500,000 of the unspent bond proceeds to Project WJ021 HOC (ACC North) HVAC System and Window Replacements. In addition, the DAS and Comptroller will work with departments to develop an appropriation transfer to utilize the balance (\$801,276) of the unspent bond proceeds. The transfer will be submitted to the Finance, Personnel, and Audit Committee for the June Cycle.

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.

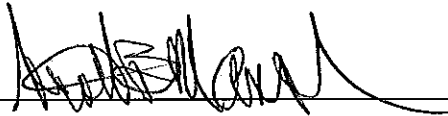
An administrative transfer will also be processed to reallocate \$109,000 in cash from the Debt Service Reserve to the Facilities Management Division of the Department of Administrative Services to finance an evaluation of the items identified in the 2010 Graef Report to determine which of the Priority 1 items remain to be completed and to repair items found to be incomplete. An administrative transfer will also be processed to reallocate \$17,194 in cash from the Debt Service Reserve to the Highway Division of the Department of Transportation for the purpose of making pedestrian/traffic safety improvements

Airport capital project fund expenditure appropriations of \$22,885,620 and budgeted revenues of \$24,643,493 are requested to be lapsed. Net expenditures and revenues from lapsed Airport projects total -\$1,757,872. The contribution consists of a cash deficit of -\$2,130,135 and surplus Airport bond proceeds of \$372,263. The cash deficit will be offset by a contribution from Airport reserves and the surplus bond proceeds will be deposited in the appropriate balance sheet account.

D. No assumptions are being utilized.

Department/Prepared By Justin Rodriguez

Authorized Signature



Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

Did CDBP Review?² ☐ Yes ☐ No ☒ Not Required

