

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 24, 2021

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution from the Milwaukee County Select Committee on Deferred Compensation, requesting approval to execute an agreement with RVK, Inc, for investment consulting services for a three-year period with two optional one-year extensions beginning January 1, 2022

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" 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 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	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

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. Approval of this resolution will authorize the Select Committee on Deferred Compensation to enter into a three-year agreement with RVK, Inc., with two optional one-year extensions, to provide investment consulting services to the County’s 457(b) deferred compensation plan. The contract period is January 1, 2022 through December 31, 2024 with up to two possible one-year extensions that could extend the agreement to December 31, 2026.
- B. The Deferred Compensation Plan is entirely funded through fees charged to participants in the plan. There is no tax levy used to operate the program other than some minor staff time to administer the plan. The proposed agreement with RVK, Inc. is for a three-year period with two optional one-year extensions beginning January 1, 2022 in an amount of \$234,000 for the first three-years at a cost of \$78,000 per year. The optional fourth and fifth-year costs would be \$80,000 and \$83,000, respectively. The maximum cost of the agreement is \$397,000 if it extends five years.
- C. There are no budgetary impacts. There are no public funds used to operate the Plan.
- D. No assumptions were used.

Department/Prepared By Steve Cady, Policy and Research Director, Office of the Comptroller

Authorized Signature Stephen J. Cady

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

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.