

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 1/12/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Corporate Purpose Bond Initial Authorizing Resolution

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 type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input checked="" 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	\$376,100	0
	Revenue	\$376,100	
	Net Cost	0	0
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. The Office of the Comptroller is requesting the approval of the attached initial authorizing resolutions and final bond resolution for the issuance of a not-to-exceed amount of \$36.1 million to finance various capital improvement projects included in the 2013 Capital Improvement Budget and projects that were previously approved by the Board in 2011 and 2012. The attached final bond resolution authorizes the issuance of the bonds and provides parameters for the issuance and delegates approval of the sale of the bonds¹ to the Comptroller. The Comptroller's approval is limited to results of the sale that fall within parameters outlined in the resolution. An informational report will be submitted to the Finance, Personnel, and Audit Committee to communicate the final results of the bond sale. The resolution also delegates the bid opening for the sale of the bonds to the Comptroller's Office.
 - B. The total estimated debt service cost for the financing is \$50,384,583. The not-to-exceed amount includes a total cost of \$376,100 for cost of issuance that includes such items as \$266,100 for the underwriter(s) costs (bond purchaser) and \$110,000 for the Co-Financial Advisors, Co-Bond Counsels, rating agencies, printers of the official statement (bond prospectus) and \$12,747 for rounding.
 - C. An administrative transfer will be submitted to the Department of Administrative Services to adjust the debt issue expense budget. The revenue is included in the bond issue amount.
 - D. The not-to-exceed amount of \$36,100,000 assumes underwriter costs of \$7 per \$1,000 bond amount and \$3 per bond amount for all other costs. These amounts are based on previous values for not-to-exceed amounts and market conditions.

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.

Department/Prepared By Pamela Bryant

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No