

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 5/18/22

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Corrective Actions for Active Projects to address issues related to Bonds and other Project Adjustments

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 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 Office of the Comptroller (Comptroller) are requesting approval to:

- Lapse \$940,655 of bond funding for seven (7) projects to the Debt Service Reserve. A listing of the seven (7) projects, whose bond funding is being lapsed, are shown in Table 1. Five (5) of the projects are substantially complete and no longer need the bond funds. Remaining two projects represent old bond issuances, which will now be funded by cash.
- Utilize the lapsed bond proceeds of \$940,655 from the Debt Service Reserve (“DSR”) to ensure timely spending of the bond proceeds. (Table 2)
 - Use \$413,842 of unspent bond proceeds to reduce the size of the 2022 Corporate Purpose Bond Issuances
 - Use \$526,813 to pay eligible 2022 debt service expenses. Debt Service interest is an eligible expense for lapsed tax-exempt bonds and immediately utilizes old debt proceeds to meet IRS guidelines.
- Utilize the \$526,813 of tax levy freed by payment of 2022 debt service expenses to increase Appropriation for Contingency and complete funding on another project. (Table 3)
 - Increase the Org Unit 1945 Appropriation for Contingencies by \$359,608.
 - Allocate \$167,205 from Org unit 9960 Debt Service to capital project WP0682 – Whitnall Clubhouse HVAC Replacement and Kitchen Improvements.

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.

- Cash Fund two (2) lapsed bond capital projects with cash. Replace Series 2015A Bonds that financed Project WP054801 Kletzsch Dam Repairs and Improvements and Series 2016A Bonds that financed Project WO051710 War Memorial Restroom Renovations with \$505,661 of cash from the Debt Service Reserve. The remaining bond proceeds for these two projects were lapsed in the first bullet above. (Table 1)
- Lapse \$500,000 of Bond budget and expenditure authority from Project WO028901- CJF Intercoms and Door Controls. This does not represent bond proceeds being lapsed but simply the authority for the issuance of the bonds. These funds are no longer needed for the project.
- Transfer \$118,079 from Project WO060201 Enterprise Platform Modernization – Phase 1 to Project WO064701 Enterprise Platform Modernization – Phase 3.

B. The resolution will:

- Reduce the balance in the Debt Service Reserve by \$434,994.
- Increase the balance in the unallocated contingency account by \$359,608
- Decrease the size of the 2022 Bond Issuances by \$413,842.
- Transfer funding of \$118,079 from Project WO060201 Enterprise Platform Modernization – Phase 1 to Project WO064701 Enterprise Platform Modernization – Phase 3

C. See B

D. Since all the projects listed in the report/resolution are still active, the dollar amounts are subject to change. An amount as close as possible to the amounts listed will be used.

Department/Prepared By Justin Rodriguez

Authorized Signature Scott B. Manske

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review? Yes No Not Required