

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 02/16/23

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Recommendation for Underwriter Services

FISCAL EFFECT:

- No Direct County Fiscal Impact
 - Existing Staff Time Required
- Increase Operating Expenditures
(If checked, check one of two boxes below)
 - Absorbed Within Agency's Budget
 - Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures
- Increase Operating Revenues
- Decrease Operating Revenues
- Increase Capital Expenditures
- Decrease Capital Expenditures
- Increase Capital Revenues
- Decrease Capital Revenues
- 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. Approval of the resolution will allow Milwaukee County to use **Citigroup Global Markets Inc. ("Citi")** as underwriter for perspective 2023 airport bond financings. The resolution also gives authority, at the County's option, to have Citi provide underwriting services for any GARB issuances that occur in 2024-2028.
 - B. Citi's cost proposal indicated included an average takedown of \$1.75 per \$1000 of bonds. It also included miscellaneous expenses of \$1,500. Based on the anticipated 2023 refundings, Citi's underwriter expenses will be \$73,966.

The expenses for any issuances done in 2024-2028 are dependent 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. There are no current year budgetary impacts. The underwriter expenses and underwriter's discount will be incorporated into 2023 financings. The principal and interest expenses from the 2023 financings will be budgeted in 2024 and future Airport operating budgets and will be financed by airport rates and charges.
- 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 Scott B. Manske

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required