

MILWAUKEE COUNTY FISCAL NOTE FORM**DATE:** 02/17/23Original Fiscal Note ☒Substitute Fiscal Note ☐**SUBJECT:** Resolution Authorizing the Issuance of the Airport Revenue Refunding Bonds**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	
	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 is requesting the approval of the attached authorizing and parameters resolutions for the issuance of a combined not-to-exceed amount of \$44,085,000 for the Airport Revenue Refunding Bonds, Series 2023B and Series 2023C (Airport Revenue Refunding Bonds) to refund the balance of the outstanding Airport Revenue Bonds, Series 2013A and Series 2014A, respectively.

The attached resolution authorizes the issuance of the Airport Revenue Refunding Bonds, provides parameters for the issuance, authorizes appropriation transfers to facilitate the transaction, and delegates approval of the sale of the bonds to the Comptroller. The Comptroller's approval is limited to results of the sale that fall within the parameters outlined in the resolution.

The Office of the Comptroller anticipates issuing two separate series of Revenue Refunding Bonds. The two Airport Revenue Refunding Bond issues will current refund the 2013A Airport Revenue Bonds and 2014A Airport Revenue Refunding Bonds.

- B. The Office of the Comptroller has prepared estimated debt service schedules for the issuance of a not-to-exceed amount of \$44,085,000 for the two Airport Revenue Refunding Bonds. The schedules reflect the issuance of two separate series of refunding bonds. The estimated net present value savings is \$2,156,781 or 6.82² percent for the issuance of the Airport Revenue Refunding Bonds, Series 2023B to refund the \$31,605,000 in 2013A Revenue Bonds. The estimated net

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.

² Although not included in the estimated savings calculations, the parameters resolution permits any remaining proceeds of the bonds being refunded to be applied to the refunding which would decrease the total debt service costs and increase the net present value savings.

present value savings is \$261,173 or 2.25 percent for the issuance of the Airport Revenue Refunding Bonds, Series 2023C to refund the \$11,595,000 in 2014A Revenue Bonds.

The total combined estimated debt service cost is \$55,703,309, including \$11,618,309 in interest costs.

- C. The debt service budget for the Airport will not change in 2023. The 2024 budget will reflect the savings of \$249,446 in 2024 for the Airport Revenue Refunding Bonds. The refundings are anticipated to reduce the amount of annual debt service in future years.
- D. The not-to-exceed amount of \$44,085,000 for the Airport Revenue Refunding Bonds assumes the cost of issuance will not exceed the federally allowable 2% of the par value of the bonds.

Although not included in the estimated savings calculations, the parameters resolution permits any remaining proceeds of the bonds being refunded to be applied to the refunding which would decrease the total debt service costs and increase the net present value savings.

The estimated net present value savings amount is based on current market conditions plus 50 basis points. Rates are based on market rates from February 8, 2023.

Department/Prepared By Pamela Bryant

Authorized Signature Scott B. Manske

Did DAS-Fiscal Staff Review? ☐ Yes ☐ No

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