

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 01/06/17

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Allocation of Surplus Bond/Note Proceeds to the Debt Service Reserve

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" 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 type="checkbox"/> Increase Operating Expenditures<br>(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 type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input 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.*

|                                   | <b>Expenditure or Revenue Category</b> | <b>Current Year</b> | <b>Subsequent Year</b> |
|-----------------------------------|--|---------------------|------------------------|
| <b>Operating Budget</b>           | Expenditure                            | \$0                 | See Explanation        |
|                                   | Revenue                                |                     |                        |
|                                   | Net Cost                               |                     |                        |
| <b>Capital Improvement Budget</b> | 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.<sup>1</sup> 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 authorize the Office of the Comptroller to process an administrative transfer to allocate the surplus bond proceeds from the 2016 bond/note sales to the Debt Service Reserve (DSR). The resolution will also authorize an administrative transfer to realign the budgeted bond revenues to reflect actual bond revenues in Project WT026 Bus Replacement Program.

B. The total estimated surplus proceeds are \$1,181,427. Of the \$1,181,427, an estimated \$691,745 relate to net bid premiums on the sales. In accordance with Wisconsin State Statutes, the bid premiums must be used to pay interest expenses associated with the corresponding series.

The final surplus bond/note proceed amounts will be determined after the costs of issuance on the sales are finalized.

C. See B.

D. The estimated surplus bond amounts were determined based on the actual net bid premium amounts (\$691,745) and the total estimated costs of issuance (\$386,201).

A fund transfer will be submitted to the County Board in 2017 that will reallocate the surplus bond and note proceeds to finance interest expenses and eligible capital projects.

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<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Justin Rodriguez

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

Did CDBP Review?<sup>2</sup>  Yes  No  Not Required

10/10/10