

## MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 04/24/17

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Report of 2016 Lapsed Capital and Major Repair Items

### FISCAL EFFECT:

- |  |   |
|--|---|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input checked="" 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.*

	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.<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. The Department of Administrative Services (DAS) and the Office of the Comptroller (Comptroller) are requesting approval to lapse expenditures and revenues associated with completed/abandoned projects in accordance with Section 32.91(7) of the Milwaukee County General Ordinances. The DAS is required by Section 32.91(7) to prepare an annual report on operating and capital carryovers.
  - B. There are no direct costs. See item C for budgetary impact.
  - C. Operating budget capital outlay, equipment and major maintenance appropriations recommended to be lapsed total \$8,919,320. The total amount includes \$5,708,956 that relates to the Countywide Budget Abatement Account; therefore, the amount being lapsed within departments totals \$3,210,364.

Non-airport capital project fund expenditure appropriations of \$11,163,232 and budgeted revenues of \$6,706,705 are requested to be lapsed.

Excluding Airport appropriations and revenues, a net cash surplus of \$2,606,212 will be applied to the County's general fund. Unspent bond proceeds of \$1,850,313 from the lapsed capital projects will be deposited into the County's debt service reserve.

An administrative transfer will be processed to reallocate \$500,000 in cash from the Debt Service Reserve to provide funding for start-up costs for a residential treatment center in Org. Unit 8938 DHHS – Delinquency and Court Services Division to replace funds that were lapsed during the 2016-2017 carryover process. An administrative transfer will also be processed to reallocate \$91,145 of cash from the Debt Service Reserve to Project WP28402 Clarke Square Pavilion to replace the 2010 Build America Bonds that were lapsed during the 2016-2017 carryover process.

<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.

Airport capital project fund expenditure appropriations of \$10,961,555 and budgeted revenues of \$10,104,270 are requested to be lapsed. Net expenditures and revenues from lapsed Airport projects total \$857,285. The resulting cash surplus of \$1,824,473 will be deposited to the Airport reserves and the \$967,188 in deficit from bond financed projects will be accounted for in the appropriate airport balance sheet account.

D. No assumptions are being utilized.

Department/Prepared By Justin Rodriguez

Authorized Signature



Did DAS-Fiscal Staff Review? ☒ Yes ☐ No

Did CBDP Review?<sup>2</sup> ☐ Yes ☐ No ☒ Not Required

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