

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** January 24, 2018

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A resolution directing and authorizing the Department of Parks, Recreation, and Culture to keep the David F. Schulz Aquatic Center in Lincoln Park, as well as all other County aquatic facilities, open in 2018

**FISCAL EFFECT:**

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| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" 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	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

## 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.
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- A. This resolution, if adopted, directs and authorizes the Department of Parks, Recreation, and Culture (DPRC) to keep the David F. Schulz Aquatic Center and all other County aquatic facilities open in 2018. The resolution also directs the DPRC to comply with the 2018 Adopted Budget by identifying other opportunities to reduce costs and/or increase revenues prior to enacting any direct service cuts and to report these opportunities to the Milwaukee County Board of Supervisors as soon as practicable. Additionally, approval of the resolution will put a moratorium into effect for all departments on out-of-County travel expenditures. The moratorium will be lifted for County departments that provide a report to the County Board identifying the 0.75 percent expenditure cut required by the 2018 Adopted Budget, which does not result in direct service cuts.
  - B. The 2018 Adopted Budget includes approximately \$35.0 million in appropriations for continued funding of the programs and services operated by the Parks, including the County's aquatic facilities. Also included in the 2018 Adopted Budget is an expenditure reduction of 0.75% or \$232,246. Although a directive to maintain service at the County's aquatic facilities results in a fiscal cost to the County, it presumably is a planned expenditure, and thus, there is no fiscal impact to the County beyond that already budgeted. However, since the department must find expenditure reductions totaling \$232,246, it will need to identify other areas in which it can reduce expenditures or increase revenues. Per the resolution, the County Board is also implementing a travel moratorium which results in an expenditure reduction that can be applied towards the 0.75% cut. It can be assumed that any savings resulting from a travel moratorium will result in a direct fiscal savings to the County, but will then be used to offset the 0.75 percent expenditure reduction in the 2018 Adopted Budget for no fiscal impact beyond that already budgeted.

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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.

For 2017, the cost to operate the David F. Schulz Aquatic Center was \$271,575. This included \$423,593 in expenses and \$152,018 in revenues.

- C. The 2018 Adopted Budget includes approximately \$35.0 million in appropriations for continued funding of the programs and services operated by the Parks, including the County's aquatic facilities. Also included in the 2018 Adopted Budget is an expenditure reduction of 0.75% or \$232,246. Although a directive to maintain service at the County's aquatic facilities results in expenditures, there are sufficient budgeted funds to maintain aquatic operations at this time. However, the Parks Department will need to identify reductions to other planned program and service expenditures or increase revenues in order to meet the 0.75% expenditure reduction by the end of the fiscal year.

Many County departments have planned expenditures for travel that may not occur under the travel moratorium. The reduction of these planned expenditures by departments can be used to offset the 0.75% expenditure reduction and therefore, there is no impact beyond that already budgeted.

- D. No assumptions or interpretations were utilized.

Department/Prepared By Cynthia J. (CJ) Pahl, Financial Services Manager, Office of the Comptroller  
Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No  
Did CDBP Review?<sup>2</sup>  Yes  No  Not Required