

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 5/10/2018

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Authorization to Enter into a Contract for New Transit Buses

FISCAL EFFECT:

No Direct County Fiscal Impact Increase Capital Expenditures

Existing Staff Time Required

Decrease Capital Expenditures

Increase Operating Expenditures
(If checked, check one of two boxes below)

Increase Capital Revenues

Absorbed Within Agency's Budget

Decrease Capital Revenues

Not Absorbed Within Agency's Budget

Decrease Operating Expenditures

Use of Contingent Funds

Increase Operating Revenues

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	n/a	Amount
	Revenue	n/a	Amount
	Net Cost	n/a	Amount
Capital Improvement Budget	Expenditure	n/a	see explanation
	Revenue	n/a	n/a
	Net Cost	n/a	see explanation

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. MCTS conducted a competitive procurement process for new transit buses. The adopted 2018 transit capital budget includes funding for new buses. Upon entering a multi-year contract for new buses, an initial bus order will be placed.
 - B. Purchasing new buses to replace fully depreciated vehicles is consistent with industry best practices for transit asset management.
 - C. Upon approval to enter into a new contract for transit buses, an initial order of buses will be placed consistent with the 2018 Adopted Capital Improvement Budget, Project No. WT104 with \$13.5 million to replace buses purchased in 2003 and 2004.
 - D. The contract requires a minimum bus purchase of an additional 32 buses. The MCTS bus replacement schedule provides for purchases of about 30 buses annually. No additional buses will be ordered under the contract unless specifically approved by the Board.

Department/Prepared by: MCDOT/MCTS

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

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.