

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 11/13/19

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Municipal Advisory Services Professional Services Contract

**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 checked="" 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 this resolution will authorize and direct the Office of the Comptroller to enter into a professional services contract with PFM Financial Advisors LLC ("PFM") for a term beginning on January 1, 2020 and ending on December 31, 2022. Three additional one-year options are available. Independent Public Advisors will serve as co-municipal advisor and is a certified Targeted Business Enterprise ("TBE").
- B. The fees for municipal advisor will be paid on an hourly basis. The hourly fee for the primary advisor from PFM is \$225 per hour. The hourly rates for other staff from PFM range from \$120 to \$200 per hour. The hourly rates will remain the same throughout the term of the contract.

The total expenses related to bond issuances done in 2020-2022 will depend upon the number and complexity of the bond issues. It is anticipated that, on average, four or five general obligation bond issuances will be done annually in 2020-2022. It is also anticipated that two airport revenue bond issuances will be done in 2021. It is anticipated that total annual municipal advisor expenses will range from \$125,000 to \$275,000 during the period of the contract.

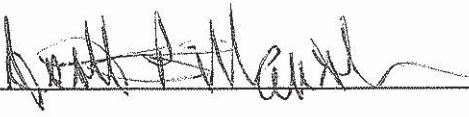
- C. The debt service operating budget will be adjusted via appropriation transfer to reflect the amount of municipal advisor expenses that are associated with the bond issuances. Approval for the appropriation transfers will be requested as part of the parameters resolutions submitted to the County Board and County Executive that are required to be approved prior to the bond issuances.
- D. It is assumed that the municipal advisor expenses associated with the bond issuances will be paid from the bond proceeds. Other services will be paid from levy in the Debt Service budget. The hourly rates will not change during the term or the option years of the agreement.

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

