

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 12/29/20

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Initial Authorizing Resolutions for 2021 Bonds and Notes Issuances

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact <input type="checkbox"/> Existing Staff Time Required <input checked="" type="checkbox"/> Increase Operating Expenditures (If checked, check one of two boxes below) <input type="checkbox"/> Absorbed Within Agency's Budget <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget <input type="checkbox"/> Decrease Operating Expenditures <input type="checkbox"/> Increase Operating Revenues <input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures <input type="checkbox"/> Decrease Capital Expenditures <input type="checkbox"/> Increase Capital Revenues <input type="checkbox"/> Decrease Capital Revenues <input type="checkbox"/> Use of contingent funds |
|--|--|

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 | See Explanation | See Explanation |
| | 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. 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.
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- A. The Office of the Comptroller is requesting approval of the attached initial authorizing resolution of a not-to-exceed amount of \$86,280,000. The resolution also authorizes the reimbursement of expenses related to projects that occurs prior to the issuance of the bonds/notes.
 - B. The estimated debt service costs for the not-to-exceed amount of \$86,280,000 of Corporate Purpose Bonds/Notes is \$117,100,000, including \$30,820,000 in interest.
 - C. The bonds and notes issued in 2021 will not impact the 2021 operating expenses. It is anticipated that the first principal and interest payments will occur in 2022. The estimated debt service expenses for 2022 from the bonds and notes issued in 2021 is approximately \$8,000,000.
 - D. The total estimated debt service associated with the total not-to-exceed amount of \$86,280,000 is based on five individual debt schedules. The combined schedule includes a 15-year financing schedule of approximately \$37,910,000 for general projects, a 10-year financing schedule of \$20,185,000 for bus replacements/Bus Rapid Transit, a 15-year financing schedule of \$14,935,000 for the Forensic Science Center project, a 4-year financing schedule of \$8,605,000 for fleet equipment replacements and a 5-year taxable note financing schedule of \$4,645,000 to finance potential private activity projects. A more refined estimate will be provided when the Parameters Resolutions are submitted to the Finance Committee for approval.

The not-to-exceed debt service schedules also include costs of issuance. The estimated cost of issuance reflects the 2 percent maximum allowable amount. A 5.0 percent coupon is assumed for each of the bonds/notes. The actual interest rates will be based on market rates on the day of the sale and premiums that may be received.

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.

Department/Prepared By Justin Rodriguez

Authorized Signature Scott B. Manske

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required