

# FISCAL NOTE

## Executive Proposed Supplemental

**Ordinance/Motion: 2019 Omnibus**

**Title: Interest Expense**

**Requesting Agency: OMB - 2006 FUND (EN\_A90400)**

Add interest expense to fund. FBOD is charging interest to funds that are cash negative as an expense in account 57201. Due to Dolan settlement expenditures in December 2016, the fund had a negative fund balance of \$8.5 million at the end of 2018.

|                          | <b>2019-2020</b> | <b>2021-2022</b> | <b>2023-2024</b> |
|--------------------------|------------------|------------------|------------------|
| <b>Total Revenue</b>     |                  |                  |                  |
|                          |                  |                  |                  |
| DEBT SERVICE (57000)     | 548,160          | 87,000           |                  |
| <b>Total Expenditure</b> | <b>548,160</b>   | <b>87,000</b>    |                  |
|                          |                  |                  |                  |
| <b>Net Impact</b>        | <b>-548,160</b>  | <b>-87,000</b>   |                  |

Interfund loan interest expense is expected to be approximately \$635K over the life of the loan. The current plan is to pay the remaining loan balance back over four years from the General Fund with the last payment in 2022. The payments are \$2.3 million per year with the last year payment approximately \$1.87 million.

2017-2018 interest expense of \$273,160 included in 2019 amount.

Interest expense revenue is built into the loan amount of \$2.3 million per year.