

Reply to Common Council File No. 021588

From DOA-Budget and Management Division

February 21, 2003


Ref: 03010(24)

File No. 021588 is a resolution authorizing the issuance of short-term promissory notes in an amount not to exceed \$125,000,000 for the purpose of financing the operating budget on an interim basis. According to sec. 67.12(1) of the Wisconsin State Statutes, this amount is not to exceed 60% of the total actual and anticipated revenues received in the fiscal year.

This sale is necessary in order to finance the city's operating budget on an interim basis pending receipt of state shared revenue payments in the amount of \$45,478,150 in July 2003, and \$204,442,850 on November 2003. These amounts represent 45% of the city's operating revenues for 2003.

The city pledges the anticipated revenue from the state as security for repayment of the obligation. However, the promissory notes do not constitute an indebtedness for the purpose of determining the city's debt limitations and no tax will be levied to repay the obligation.

RECOMMENDATION: APPROVE FILE 021588 AUTHORIZING THE SALE OF NOT MORE THAN \$125 MILLION OF SHORT TERM REVENUE ANTICIPATION NOTES TO FINANCE THE CITY'S BUDGET PENDING JULY AND NOVEMBER SHARED REVENUE PAYMENTS.



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JJL:jjl

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