

## LRB – FISCAL REVIEW SECTION ANALYSIS

FEBRUARY 4, 2004 AGENDA

ITEM 8, FILE 031382

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #031382 is a resolution authorizing the issuance of short-term promissory notes for the purpose of financing the operating budget on an interim basis.

### **Background and Discussion**

1. This resolution authorizes the City of Milwaukee to issue short-term promissory notes to finance the City's operating budget until the City receives shared revenue payments from the State of Wisconsin.
2. The City of Milwaukee annually issues short-term promissory notes in anticipation of receiving shared revenue payments from the State of Wisconsin.
3. The City of Milwaukee anticipates receiving approximately \$274 million in shared revenue payments (General Shared Revenue, ERP, Local Street Aids, etc.) in 2004 from the State of Wisconsin.
4. The City of Milwaukee expects to receive \$41,032,200 in July and \$232,515,800 in November.
5. Shared revenue from the State of Wisconsin will provide approximately 48% of the City's General Fund operating revenue for 2004.
6. The maximum amount of the sale of the promissory notes will total no more than \$125,000,000.

### **Fiscal Impact**

The Comptroller's Office estimates 2004 expenditures of \$780,000 for debt service and \$125,000 for issuance costs and earnings of \$355,000 in General Fund revenue from the interest earned on the proceeds.

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LRB Fiscal Review  
January 29, 2004