

**CITY OF MILWAUKEE FISCAL NOTE**

CC-170 (REV.6/86)

A) DATE: November 10, 2003

FILE NUMBER: 031039  
Original Fiscal Note  Substitute

SUBJECT: Resolution approving the terms and authorizing the entering into a Forward Purchase Agreement for the providing of investments for the Debt Service Reserve Accounts of the City's Sewerage System Revenue Bonds.

B) SUBMITTED BY (name/title/dept./ext.): Richard Li, Public Debt Specialist, Public Debt Commission x2319

C) CHECK ONE:	<input checked="" type="checkbox"/>	ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES. ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW. NOT APPLICABLE/NO FISCAL IMPACT.
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D) CHARGE TO:	<input type="checkbox"/>	DEPARTMENTAL ACCOUNT (DA) CAPITAL PROJECTS FUND (CPF) PERM. IMPROVEMENT FUNDS (PIF)	<input type="checkbox"/>	CONTINGENT FUND (CF) SPECIAL PURPOSE ACCOUNTS (SPA) GRANT & AID ACCOUNTS (G & AA)
	<input checked="" type="checkbox"/>	OTHER (SPECIFY) Debt Service		

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	Sewerage Fund Debt Service		5,000	144,000	139,000
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN <b>ANNUAL</b> BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT <b>SEPARATELY</b> .		
<input checked="" type="checkbox"/> 1-3 YEARS	<input checked="" type="checkbox"/> 3-5 YEARS	\$195,000 per year of interest earnings on the Sewerage Bonds Debt Service Reserve
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	would be locked in assuming 4.00%.
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:
\$5,000 for legal expenses to finalize the contract.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:
Assumed current interest earnings of 1.00% on the \$2,343,384, and \$2,524,600 2001 and 2003 Reserve Funds. Assumed 4.00% rate on the Forward Purchase Agreement, net of brokerage fees. Assumed contract in place by January 1, 2004
Known as "2003 Sewerage DSRF IA"

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE