

Reply to Common Council File No. 011221

From DOA-Budget and Management Division

January 10, 2002


Ref: 02010(18)

File No. 011221 is a resolution authorizing the issuance of short-term promissory notes in an amount not to exceed \$175,000,000 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 \$35,721,000 on July 22, 2002, and \$202,419,000 on November 18, 2002. These amounts represent 50.46% of the city's operating revenues for 2002.

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**



John Ledvina  
Capital Planning & Finance Specialist

JJL:jjl

FINANCE: 011221SR.DOC