

## LRB – FISCAL REVIEW SECTION ANALYSIS

NOVEMBER 9, 2005 AGENDA

ITEM 20, FILE 050610

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #050610 is a resolution amending Resolution #041196 for the purpose of permitting the issuance of General Obligation Variable Rate Debt.

### Background

1. The Comptroller annually submits a resolution for the Common Council's approval that consolidates the issuance of general obligation bonds authorized under various initial resolutions into one issue. The consolidation streamlines the bond sales and allows for flexibility in the debt issuance process.
2. On February 1, 2005, the Common Council approved Resolution #041196 that authorized the Public Debt Commissioners to issue and sell City of Milwaukee general obligation fixed rate bonds in the amount of \$247,055,012. Portions of the bonds were originally authorized in the 2002, 2003, 2004 and 2005 City Budgets and the Common Council previously adopted initial resolutions authorizing the issuance of the bonds.

### Discussion

1. This resolution amends Resolution # 041196 to permit the issuance of up to \$50 million of bonds under that resolution as variable rate debt (less than 10% of the City's outstanding General Obligation debt). Adoption of this resolution will permit the City to explore the option of issuing variable rate debt.
2. The Comptroller's Office indicates that over the long term, it has been historically beneficial to have a portion of long-term debt in variable rate, short-term interest rate, mode.

### Fiscal Impact

The resolution has no fiscal impact.

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