

Reply to Common Council File No. 001380

From DOA-Budget and Management Division

January 25, 2001

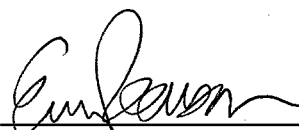
Ref: 01010 (01)

The attached file contains a resolution approving issuance and sale of general obligation short-term promissory notes for financing sewer improvement and construction in an amount not to exceed \$14,535,000.

The 2001 budget authorized borrowing of up to \$14,535,000 for the Sewer Maintenance Relay Program in the Sewer Maintenance Fund. The plan is to finance this program through revenue borrowing. The City is still finalizing this revenue borrowing, making this file necessary in order to provide borrowing authority prior to the actual sale of revenue bonds. This will allow the Relay Program to move forward by allowing contracting to occur for specific sewer projects. The intent is to not sell the promissory notes, but to supercede the notes with revenue borrowing authority once the revenue bonds are issued.

The fiscal impact of the file is to authorize the issuance of up to \$14,535,000 in general obligation promissory notes. If actually issued, these notes would require payment of principal and interest, financed through debt service tax levies. The actual fiscal impact is not known until the Public Service Commission actually issues the debt.

RECOMMENDATION: APPROVE COMMON COUNCIL FILE 001380.



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Budget & Management Division

ECP:

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