

## LRB – FISCAL REVIEW SECTION ANALYSIS

APRIL 27, 2005 AGENDA

ITEM 13, FILE 041710

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #041710 is a resolution authorizing the issuance of general obligation refunding bonds for the purpose of providing long-term financing of short-term interim borrowing.

### Background & Discussion

1. This resolution authorizes the sale of up \$20 million in short-term notes to the Public Debt Amortization Fund until the City's next long-term financing, later this year.
2. The Milwaukee Public School's fiscal year ends on June 30<sup>th</sup>. The primary reason for the sale is to have the borrowing included in the Milwaukee Public Schools' year-end financial statements and made part of the planned refunding of the City's bonds and notes.
3. The original debt is included in the original corporate purpose bond (File #041196) and note authorizations (File #041046).
4. This resolution will not increase the amount of debt outstanding at year-end.

### Fiscal Impact

Assuming a 15-year level principal payment, amortized at 4.5%, the Comptroller's Office estimates annual debt service costs of \$2.3 million per year over a period of 15 years.

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