

Reply to Common Council File No. 001568
From DOA-Budget and Management Division

March 8, 2001

Ref: 00010(04)

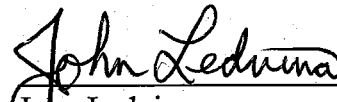
Common Council File 001568 contains a resolution authorizing the Commissioners of the Public Debt to issue and sell City of Milwaukee general obligation corporate purpose bonds in the amount of \$181,881,235. These bonds have been authorized in the 1998, 1999, 2000 and 2001 city budgets for the purpose of financing capital projects and special assessments. The initial resolutions have been adopted authorizing the issuance of such bonds.

In 2000, a corporate purpose resolution (File 991686) was adopted combining general obligation bonds authorized under various initial resolutions into one issue designated corporate purpose bonds. Some of these authorized bonds were not sold.

The purpose of the resolution in the file is to rescind the authority of the corporate purpose resolution adopted in 2000 and to combine general obligation bonds authorized under various initial resolutions into one issue. Consolidation into one issue will streamline the actual bond sales and allow for flexibility within the debt issuance process. The aggregate amount of this borrowing authority totals \$181,881,235 for each of the public purposes provided by the underlying resolutions. In addition, this resolution specifies the parameters in which the bonds can be sold.

Depending on the actual sale of these bonds, a maximum of six months of interest would be incurred if these bonds were sold before July 1, 2001. There would be no fiscal impact if these bonds were sold after this time. The Public Debt Commission determines the actual structuring of the debt issue. Historically, city debt of this nature has been structured as 15-year level principal retirement issues. It is anticipated that the first corporate purpose sale will be in June 2001.

RECOMMENDATION: APPROVE



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