

LRB – RESEARCH AND ANALYSIS

OCTOBER 18, 2006 AGENDA

ITEM 10, FILE 060718

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #060718 is resolution authorizing the issuance of general obligation refunding bonds.

Background & Discussion

1. On December 13, 2005, the Common Council authorized the issuance of General Obligation Notes (Resolution #050991) for purposes that includes the Sewer Maintenance Fund.
2. The City is in the process of borrowing for the Sewer Maintenance Fund at favorable low interest rates from the State's Clean Water Fund (CWFP).
3. The State of Wisconsin's CWFP is one of the subsidized loan programs included in the Environmental Improvement Fund (EIF). The CWFP provides loans to municipalities for wastewater treatment and urban storm water projects.
4. Because of the long process it takes to borrow from the CWFP, on July 20, 2006, the City borrowed \$10,000,000 for Sewer Maintenance Fund purposes pursuant to Resolution #050991 on an interim basis ("Series 2006 P4") pending a loan from the CWFP
5. In the event that the CWFP loan process is not completed prior to the maturity of the Series 2006 P4 on January 1, 2007, this resolution authorizes a refunding of the Series 2006 P4.

Fiscal Impact

The resolution has no fiscal impact.

Cc: Marianne Walsh
Craig Kammholz
Mark Nicolini
W. Martin Morics
Mike Daun
Richard Li

Prepared by:
Jim Carroll, X8679
LRB Fiscal Review
October 16, 2006