

LRB - FISCAL SECTION ANALYSIS

FEBRUARY 25, 2003

ITEM 13 FILE 021588

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #021588 is a resolution authorizing the issuance of short-term promissory notes for the purpose of financing the operating budget on an interim basis.

Background and Discussion

1. This resolution authorizes the City of Milwaukee to issue short-term promissory notes to finance the City's operating budget until the City receives shared revenue payments from the State of Wisconsin.
2. The City of Milwaukee annually issues short-term promissory notes in anticipation of receiving shared revenue payments from the State of Wisconsin.
3. The City of Milwaukee anticipates receiving approximately \$250 million in shared revenue payments in 2003 from the State of Wisconsin.
4. The City of Milwaukee expects to receive \$45,478,150 in July and \$204,442,850 in November.
5. Shared revenue from the State of Wisconsin will provide approximately 45% of the City's General Fund operating revenue for 2003.
6. The maximum amount of the sale of the promissory notes will total no more than \$125,000,000.

Fiscal Impact

The Comptroller's Office estimates 2003 expenditures of \$1.3 million for debt service and \$150,000 for issuance costs and earn \$450,000 in General Fund revenue from the interest earned on the proceeds.

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