



Department of Public Works
Infrastructure Services Division

Ghassan Korban, P.E.
Commissioner of Public Works

Jeffrey S. Polenske, P.E.
City Engineer

Timothy J. Thur, P.E.
Infrastructure Administration Manager

June 28, 2018

To the Honorable, the Common Council

Subject: Review of the Financial Condition of
the Sewerage System

Dear Council Members:

The Department of Public Works is submitting a "Statement of Mid-Year Review for Financial Condition" of the Sewer Maintenance Fund as required by the Sewerage System Revenue Bonds Master Resolution, Article VIII, section 8.02, adopted August, 2001, and the second lien resolution, section 11, adopted by the City of Milwaukee on June 20, 2006.

The analysis covers the current year, 2018, and the proposed budget for 2019. The data for the current year covers actual revenue and actual expenditures through May, plus an estimate for revenue and expenditures through the end of the current year. The 2019 proposed budget was used for the projected year 2019.

The estimated debt service coverage of 3.53 for 2018 and 3.47 for 2019 exceeds the minimum requirement of 1.20 for the senior bonds. The estimated debt service coverage of 1.99 for 2018 and 1.86 for 2019 exceeds the requirement of 1.20 for the second lien debt.

If you have any questions regarding this report, please contact Mr. Max Riesing at (414) 286-3415.

Sincerely,



Jeffrey S. Polenske, P.E.
City Engineer



Ghassan Korban, P.E.
Commissioner of Public Works

NM
MR:sb
MR

Attachments

c: Mr. Martin Matson, Comptroller, City of Milwaukee
Mr. Mark Nicolini, Budget and Management Division, City of Milwaukee
Mr. Nader Jaber, Environmental Engineering, Engineer in Charge

