

November 24, 2004

To the Honorable
the Common Council
City of Milwaukee
City Hall - Room 205
Milwaukee, WI 53202

Dear Council Members:

Enclosed is a resolution relating to City borrowing for the Sewerage System. In 2001, the City first issued Sewerage System Revenue Bonds. Since then, rates and fees have been adjusted to better match services and expenses. The 2005 Budget includes a dramatic increase in the transfer from the Sewerage System to the Debt Service Account to support General Obligation debt for Sewer purposes. These amounts have been previously supported by tax levy. Until revenues and expenses, including transfers, are brought back into balance, it will be difficult to issue Sewerage System Revenue bonds on an ongoing basis. In order to permit the Sewerage System to continue to make capital improvements, it is necessary to authorize the Sewerage System borrowing as General Obligation debt.

We would request that the resolution be introduced at your convenience. These resolutions are typically referred to the Finance and Personnel Committee. If we may be of any additional assistance, please contact Richard Li (x-2319) of my staff.

Very truly yours,

W. MARTIN MORICS
Comptroller

WMM:RL:as

Attachments
REF: PD-6897W.DOC