

March 9, 2007

To the Honorable
The Common Council
Milwaukee, Wisconsin 53202

RE: Introduction of Two Resolutions Relating to Expenditure of Funds
to be Reimbursed by Greater Than Anticipated Revenue
(Debt Service Fund-Principal Expenditure)

Dear Council Members:

We are submitting the attached resolutions for introduction at the March 22, 2007 Common Council meeting. These resolutions are needed to increase the 2006 and 2007 appropriations for the Debt Service Fund-Bonded Debt Principal. General Obligation Cash Flow Promissory Notes, Series 2006 R3 and Series 2007 R2 for the purpose of financing the City's operating budgets on an interim basis in anticipation of the receipt of State shared revenue payments were issued as general obligation debt rather than Revenue Anticipation Notes. This change requires that the principal be paid from the Debt Service Fund rather than the General Fund. Operating transfers (revenues) of \$66,000,000.00 from the General Fund in 2006 and \$66,000,000 from the General Fund in 2007 were greater than anticipated and will offset the principal paid in the Debt Service Fund on these debt issues.

These resolutions are recommended for adoption.

Respectfully submitted,

W. MARTIN MORICS
Comptroller