

LRB-FISCAL REVIEW SECTION ANALYSIS

FEBRUARY 5, 2002 AGENDA

ITEM 15, FILE 021478

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #021478 is a resolution authorizing the Commissioners of Public Debt to market general obligation "corporate purpose bonds" pursuant to the provisions of Chapter 67.

Background

1. The Comptroller annually submits a resolution for the Common Council's approval that consolidates the issuance of general obligation bonds authorized under various initial resolutions into one issue. The consolidation streamlines the bond sales and allows for flexibility in the debt issuance process. Since some bonds authorized to be sold in last year's resolution were not sold, this resolution rescinds last year's resolution so that the unsold bonds can be combined in this new resolution.

Discussion

1. The resolution authorizes the Public Debt Commissioners to issue and sell City of Milwaukee general obligation bonds in the amount of \$185,224,929. Portions of the bonds were originally authorized in the 2000, 2001, 2002 and 2003 City Budgets and the Common Council previously adopted initial resolutions authorizing the issuance of the bonds.
2. Some bonds authorized to be sold in last year's "corporate purpose resolution" (File #011358) were not sold. The authority to issue those bonds were carried over (File #021058). This resolution rescinds last year's "corporate purpose resolution" so that those authorized, but unissued, bonds can be combined into this new corporate purpose resolution.

Fiscal Impact

1. Until the actual structuring of the debt issue is determined by the Public Debt Commission, details relating to the long-term fiscal impact are not known. Depending on actual sale date in 2003, a maximum of 6 months interest would be incurred during the current year. If sold after July 1, 2003, there would be no fiscal impact in 2003.

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