

April 11, 2001

To The Honorable,  
Common Council  
City of Milwaukee  
City Hall, Room 205

**RE: COLLATERAL PLEDGE AND BAILMENT AGREEMENT**

Dear Council Members:

Attached is a proposed resolution that authorizes the Treasurer to enter into a Collateral Pledge and Bailment Agreement where the Federal Reserve Bank will have custodial duties with respect to the collateral. The agreement allows the City to exercise its collateral rights upon the occurrence of either a statutory loss or bank default in paying the City any obligations, which exceed the amount of deposit insurance.

The proposed resolution and Collateral Pledge and Bailment Agreement was prepared by the City Attorney's Office on behalf of the City Treasurer's Office.

Sincerely,

WAYNE F. WHITTOW  
City Treasurer

WFW/JLH/rms

Attachments