

LRB – RESEARCH AND ANALYSIS SECTION

JANUARY 10, 2008 AGENDA

ITEM 19, FILE 071101

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #071101 is a substitute resolution authorizing the Commissioners of the Public Debt to market general obligation revenue anticipation notes pursuant to the provisions of Ch. 67, Stats..

Background and Discussion

1. This resolution authorizes the City of Milwaukee to issue general obligation revenue anticipation notes (RANs) to finance the City's operating budget until the City receives shared revenue payments from the State of Wisconsin. The City anticipates receiving the payments in July and November.
2. The City of Milwaukee annually issues short-term RANs in anticipation of receiving shared revenue payments from the State of Wisconsin.
3. The City of Milwaukee anticipates receiving at least \$200 million in shared revenue payments in 2008 from the State of Wisconsin.
4. Shared revenue from the State of Wisconsin will provide approximately 35% of the City's General Fund operating revenue for 2008.
5. The RANs will be repaid from the November shared revenue payment.
6. The maximum amount of the sale of the notes will total no more than \$90,000,000.

Fiscal Impact

Assuming the issuance of RANs in the amount of \$50 million at an interest rate of 4%, the Comptroller's Office estimates 2006 debt service expenditures of \$1.5 million.

Cc:	Marianne Walsh	Prepared by:	
	Craig Kammholz	Jim Carroll, X8679	Mark
Nicolini		LRB Fiscal Review	
	W. Martin Morics	January 7, 2008	
	Richard Li		
	Mike Daun		