

## LRB – RESEARCH AND ANALYSIS

DECEMBER 16, 2009 AGENDA

ITEM 36, FILE 091046

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #091046 is a resolution relating to issuance and sale of general obligation bonds in the aggregate amount of \$40,700,000 for grants and financing receivables.

### Background and Discussion

1. The Comptroller's Office annually submits initial-borrowing resolutions for projects and programs approved in the adopted budget.
2. The resolution authorizes the sale of general obligation bonds in the amount of \$40,700,000 for grants and financing receivables (Delinquent Taxes).
3. The 2010 Budget authorizes \$24 million in borrowing for Delinquent Taxes. It is projected that 2010 delinquent tax financing will require \$37 million in borrowing. This resolution authorizes \$16 million in 2010 Contingent Borrowing to finance the project shortfall in 2010 Delinquent Tax borrowing authority. The 2010 Budget authorizes \$150 million in Contingent Borrowing.
4. The table below shows the uses and the amount of borrowing authorized by this resolution.

Borrowing Use	Amount
Delinquent Tax	\$24,000,000
Contingent Borrowing (Delinquent Tax)	\$16,000,000
Grants	\$700,000
<b>Total</b>	<b>\$40,700,000</b>

### Fiscal Impact

This resolution authorizes general obligation debt for the detailed specific purpose. The actual debt is issued pursuant to a separate General Obligation note or General Obligation Bond resolution. Until the actual structuring of the debt issue is determined by the Public Debt Commission, details relating to the long-term fiscal impact will not be known. Depending on actual sale date in 2010, a maximum of 6 months interest would be incurred during the year. If sold after July 1, 2010, there would be no fiscal impact in 2010.

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