



## Legislation Details (With Text)

<b>File #:</b>	050102	<b>Version:</b>	2
<b>Type:</b>	Resolution	<b>Status:</b>	Passed
<b>File created:</b>	5/3/2005	<b>In control:</b>	FINANCE & PERSONNEL COMMITTEE
<b>On agenda:</b>		<b>Final action:</b>	5/20/2005
<b>Effective date:</b>			
<b>Title:</b>	Substitute resolution of the Common Council of the City of Milwaukee, Wisconsin, approving the form and authorizing the execution and delivery of an Amendatory Loan Agreement Among the Redevelopment Authority of the City of Milwaukee, the Milwaukee Board of School Directors and the City of Milwaukee, and other related documents.		
<b>Sponsors:</b>	THE CHAIR		
<b>Indexes:</b>	AGREEMENTS, INTERGOVERNMENTAL AGREEMENTS, MILWAUKEE PUBLIC SCHOOLS, MUNICIPAL BORROWING, REDEVELOPMENT AUTHORITY		
<b>Attachments:</b>	1. City Comptroller's Cover Letter.pdf, 2. Fiscal Note.pdf, 3. 5-9-05 Draft Amendatory Loan Agreement.pdf, 4. Fiscal Review Analysis.pdf		

Date	Ver.	Action By	Action	Result	Tally
5/3/2005	0	COMMON COUNCIL	ASSIGNED TO		
5/4/2005		FINANCE & PERSONNEL COMMITTEE	REFERRED TO		
5/4/2005		FINANCE & PERSONNEL COMMITTEE	REFERRED TO		
5/10/2005	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
5/18/2005	2	CITY CLERK	DRAFT SUBMITTED		
5/18/2005	1	FINANCE & PERSONNEL COMMITTEE	SUBSTITUTED	Pass	5:0
5/18/2005	2	FINANCE & PERSONNEL COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
5/20/2005	2	COMMON COUNCIL	ADOPTED	Pass	15:0
6/1/2005	2	MAYOR	SIGNED		

050102  
Substitute 2

031036  
THE CHAIR

Substitute resolution of the Common Council of the City of Milwaukee, Wisconsin, approving the form and authorizing the execution and delivery of an Amendatory Loan Agreement Among the Redevelopment Authority of the City of Milwaukee, the Milwaukee Board of School Directors and the City of Milwaukee, and other related documents.

This resolution amends a loan agreement with Milwaukee Public Schools relating to their 2003 Pension Obligation Financing through the Redevelopment Authority of the City of Milwaukee. The amendment creates the ability to convert the bonds to Index Linked bonds. This will permit MPS to reduce interest rate risk and save interest expense.

Whereas, pursuant to Section 119.50 of the Wisconsin Statutes, the City of Milwaukee, Wisconsin (the “City”) through its Treasurer holds all school moneys of the Milwaukee Board of School Directors (“MPS”), such moneys to be disbursed by the City Treasurer on the written order of the Superintendent of Schools, countersigned by the auditing officer of the City; and

Whereas, MPS, pursuant to the authority of 2003 Wisconsin Act 43, enacted August 11, 2003, borrowed money from the proceeds of a sale of Taxable Pension Funding Bonds, 2003 Series D (Milwaukee Public Schools) (the “Bonds”) of the Redevelopment Authority of the City of Milwaukee (the “Authority”) in order to finance the payment of MPS's unfunded prior service liability contributions under the Wisconsin Retirement System; and

Whereas, In connection with such loan, the Authority, MPS and the City, as custodian of MPS's school money, entered into a Loan Agreement (the “Loan Agreement”) whereby the Authority loaned proceeds of the Bonds to MPS and MPS agreed to repay such loan from moneys in the School Operations Fund held by the City; and

Whereas, In connection with the Bonds, the City on behalf of MPS entered into Swap Agreements (the “Swap Agreements”), dated December 17, 2003, with Lehman Brothers Special Financing, Inc. and Morgan Stanley Capital Services, Inc. (the “Swap Providers”); and

Whereas, In connection with the Bonds, the City on behalf of MPS entered into an Insurance and Reimbursement Agreement with MPS, Deutsche Bank National Trust Company, as trustee and MBIA Insurance Corporation (the “Insurance and Reimbursement Agreement”); and

Whereas, In connection with a conversion of mode of the Bonds by the Authority, at the direction of the City at the request of MPS, from Auction Rate Securities to Index Bonds, it is necessary to amend the Loan Agreement, the Swap Agreements and the Insurance and Reimbursement Agreement and related documents; and

Whereas, Such conversion of mode is approved by the City; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee as follows:

Section 1. Approval of Form of Amendatory Loan Agreement and Terms, Conditions and Provisions Thereof. The Amendatory Loan Agreement among the Authority, the City and MPS (the “Amendatory Loan Agreement”), in substantially the form of the draft thereof presented to and filed with the minutes of the meeting at which this resolution is being adopted, and the terms, conditions, and provisions thereof, are hereby approved, ratified and confirmed by the Common Council, and the appropriate officers of the City are hereby authorized and directed to execute and deliver to the Authority and MPS, the Amendatory Loan Agreement, together with such changes as shall be approved by such officers, upon the advice of counsel (including the City Attorney and bond counsel), such approval to be conclusively evidenced by their execution thereof.

Section 2. Approval of Form of Amendment to Insurance and Reimbursement Agreement and Terms, Conditions and Provisions Thereof. The Amendment to Insurance and Reimbursement Agreement among the City, MPS, Deutsche Bank National Trust Company, as trustee (the “Trustee”) and MBIA Insurance Corporation (“MBIA”) (the “Amendment to Insurance and Reimbursement Agreement”), in substantially the form of the draft thereof presented to and filed with the minutes of the meeting at which this resolution is being adopted, and the terms, conditions, and provisions thereof, are hereby approved, ratified and confirmed by the Common Council, and the appropriate officers of the City are hereby authorized and directed to execute and deliver to MPS, the Trustee and MBIA, the Amendment to Insurance and Reimbursement Agreement, together

with such changes as shall be approved by such officers, upon the advice of counsel (including the City Attorney and bond counsel), such approval to be conclusively evidenced by their execution thereof.

Section 3. Approval of Form of Amendatory Swap Agreements and Terms, Conditions and Provisions Thereof. The Amendatory Swap Agreements between the City on behalf of MPS and the Swap Providers (the “Amendatory Swap Agreements”), in substantially the form of the draft thereof presented to and filed with the minutes of the meeting at which this resolution is being adopted, and the terms, conditions, and provisions thereof, are hereby approved, ratified and confirmed by the Common Council, and the appropriate officers of the City are hereby authorized and directed to execute and deliver to the respective Swap Providers, the respective Amendatory Swap Agreements, together with such changes as shall be approved by such officers, upon the advice of counsel (including the City Attorney and bond counsel), such approval to be conclusively evidenced by their execution thereof.

Section 4. Related Documents; Further Actions. The appropriate officers of the City are hereby authorized and directed to take any and all further action so as to provide for the delivery of the Amendatory Loan Agreement, Amendment to Insurance and Reimbursement Agreement, Amendatory Swap Agreements and related documents.

Section 5. Invalidity of Sections, Paragraph, Clauses or Provisions. If any section, paragraph, clause or provision of this resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this resolution.

Section 6. Headings of Sections. The headings of the sections of this resolution shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections or of this resolution.

Section 7. Effective Date. This resolution shall take effect upon its adoption.

Comptroller  
Hawkins Delafield & Wood, LLP  
05/17/2005  
PD-6984a2W.doc