



## Legislation Text

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**File #:** 031035, **Version:** 1

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031035  
SUBSTITUTE 1  
THE CHAIR

Substitute resolution authorizing the issuance, sale and delivery of Taxable General Obligation Promissory Notes of the City of Milwaukee, Wisconsin under Section 67.12(12), Wisconsin Statutes, in an amount of not to exceed One Hundred Twenty Five Million Dollars (\$125,000,000) for school purposes consisting of paying unfunded prior service liability contributions under the Wisconsin Retirement System for the Board of School Directors of the Milwaukee Public Schools. (Comptroller)

This resolution authorizes the issuance of up to \$125,000,000 of General Obligation Notes ("Notes") pursuant to 67.12(12) for the purpose of paying Milwaukee Public School's ("MPS") unfunded prior service liability ("UPSL") to the Wisconsin Retirement System ("WRS"). Pursuant to State Statutes, the debt service on the Notes is required to be included in MPS's budget. The Notes are anticipated to be issued along with Redevelopment Authority of the City of Milwaukee Bonds ("Bonds") for the same purpose. The Notes and Bonds will provide the amount required to payoff the UPSL, which is estimated at \$167,364,354 as of June 30, 2003.

Under current WRS 2% payment requirement, interest assessment, and assuming a 3% growth in MPS covered payroll, the UPSL will never be paid off. With the combined City and RACM financing, the total debt service will approximate the projected WRS payments, and be fully retired in 40 years.

Pursuant to 2003 Act 43, the Notes are included in the 2% debt limit for School Purposes, and not the 5% debt limit for general City purposes.

Whereas, 2003 Wisconsin Act 43, enacted August 11, 2003, provides that the Milwaukee Board of School Directors may adopt a resolution requesting the Common Council of the City to authorize the issuance of promissory notes under Section 67.12(12), Wisconsin Statutes, for school purposes consisting of paying unfunded prior service liability contributions under the Wisconsin Retirement System for the Board of School Directors of the Milwaukee Public Schools; and

Whereas, The Milwaukee Board of School Directors has adopted such a resolution; and

Whereas, Said Act 43 provides that the City's budgetary authorization beginning in 2003 is increased by \$200,000,000 for school purposes consisting of paying unfunded prior service liability contributions under the Wisconsin Retirement System; and

Whereas, The Common Council deems it advisable to authorize the issuance of notes for such purpose; now, therefore, be it

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

1. The detailed resolution appended to this file relating to the authorization and issuance of General Obligation Notes of the City of Milwaukee, in an amount not to exceed \$125,000,000 under section 67.12(12) of Wisconsin Statutes for the school purposes consisting of paying unfunded prior service liability under the Wisconsin Retirement System is hereby approved.
2. Such appended document is considered as a formal part of this adopted resolution.

Comptroller

Comptroller  
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