



Legislation Text

File #: 981482, Version: 1

981482

SUBSTITUTE 1

THE CHAIR

Substitute resolution approving an agreement in conjunction with the sale of an amount not to exceed \$120,000,000 City of Milwaukee, Wisconsin short-term promissory notes, Series of 1999-A.

- Analysis-

This resolution approves an addendum to the agreement between the City and Chase Manhattan Bank, the City's fiscal agent, under which the bank will act as trustee with respect to general fund revenues to be deposited by the City to secure its cash flow borrowing.

Whereas, Common Council Resolution File No. 981190 adopted December 18, 1998 authorized the issuance of an amount not to exceed \$120,000,000 in short-term promissory notes pursuant to the provisions of sec. 67.12(1), Stats., for the purpose of financing the operating budget on an interim basis pending receipt of State shared revenue payments due in November, 1999; and

Whereas, Pursuant to the terms of such resolution, all shared revenue payments due in November, 1999 and all other general fund revenues included in the budget for calendar year 1999 which are due and not yet paid the City of Milwaukee and which are not otherwise applied are irrevocably pledged for the prompt payment of notes through December 31, 1999; and

Whereas, Pursuant to the resolution, the City has agreed to enter into an agreement under which the City will irrevocably deposit general fund revenues with the trustee to purchase direct obligations of the U.S. Government in an amount sufficient together with earnings thereon to pay the principal and interest due on the notes at maturity; and

Whereas, The Commissioners of the Public Debt have determined to issue short-term promissory notes, Series of 1999-A for delivery on or about March 2, 1999 in the principal amount of \$115,000,000 pursuant to the provisions of sec. 67.12(1), Stats., for the purpose of financing the operating budget on an interim basis pending receipt of State shared revenue payments in November, 1999; and

Whereas, The City and The Chase Manhattan Bank, the City's fiscal agent, are desirous of entering into an agreement wherein and whereby the City will deposit general fund revenues on or before December 31, 1999 with The Chase Manhattan Bank to purchase direct obligations of the U.S. Government thereon to pay the principal and interest due on the notes at maturity; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that the addendum to the agreement by and between the City and The Chase Manhattan Bank, a copy of which is annexed to the file, be and hereby is approved, and the proper City officers be and hereby are authorized and directed to execute the same on behalf of the City of Milwaukee.

Comptroller
RS:glk
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Date: 1-28-99