



Legislation Details (With Text)

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File created:	11/5/2003	In control:	FINANCE & PERSONNEL COMMITTEE
On agenda:		Final action:	11/25/2003
Effective date:			
Title:	Substitute resolution approving the terms and authorizing the entering into a Forward Purchase Agreement for the providing of investments for the Debt Service Reserve Accounts of the City's Sewerage System Revenue Bonds. (Comptroller)		
Sponsors:	THE CHAIR		
Indexes:	AGREEMENTS, REVENUE BONDS, SEWERS		
Attachments:	1. Comptroller's Cover Letter.pdf, 2. Exhibit 1.pdf, 3. Fiscal note.pdf, 4. Fiscal Review Analysis.pdf, 5. Budget Reply.PDF		

Date	Ver.	Action By	Action	Result	Tally
11/7/2003		FINANCE & PERSONNEL COMMITTEE	REFERRED TO		
11/11/2003	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
11/12/2003	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
11/12/2003	1	CITY CLERK	DRAFT SUBMITTED		
11/19/2003	1	FINANCE & PERSONNEL COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	3:0
11/25/2003	1	COMMON COUNCIL	ADOPTED	Pass	16:0
11/26/2003	1	MAYOR	SIGNED		
4/30/2013	0	COMMON COUNCIL	ASSIGNED TO		
4/30/2013		COMMON COUNCIL	REFERRED TO		

031039

SUBSTITUTE 1

THE CHAIR

Substitute resolution approving the terms and authorizing the entering into a Forward Purchase Agreement for the providing of investments for the Debt Service Reserve Accounts of the City's Sewerage System Revenue Bonds. (Comptroller)

Resolution authorizes entering into a Forward Purchase Agreement relating to the Debt Service Reserve Accounts of the City's Sewerage System Revenue Bonds. The agreement will provide U.S. Treasury and Agency investments that earn the maximum interest that the City is permitted by the Tax Code to keep.

Whereas, The City has issued its 2001 and 2003 Sewerage System Revenue Bonds with Debt Service Reserve Accounts of \$2,343,384 and \$2,524,600 respectively (the "Accounts"); and

Whereas, The accounts are current invested in overnight deposits earning approximately 1.00%; and

Whereas, Pursuant to restrictions regarding tax-exempt debt, any earnings above the bond yields of 4.5087%, and 3.7504% on the 2001 and 2003 Debt Service Reserve Accounts, respectively must be rebated to the Federal Government; and

Whereas, The City can enter into a Forward Purchase Agreement (the "Agreement") that will provide permitted investments close to, or above the bond yields, while still maintaining liquidity of the Accounts, and such yield is significantly above current short-term interest rates; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that it determines that it is economically advantageous to enter into an Agreement in order to provide close to, or above, the maximum amount of interest earnings on the Debt Service Reserve Accounts of the Sewerage Revenue Bonds that the City is permitted to keep under the Arbitrage Regulations; and, be it

Further Resolved, That the Treasurer, Comptroller, and Trustee are authorized to enter into an Agreement for either or both Accounts with substantially the terms as shown in Exhibit 1, provided that the interest rate on the agreement is no less than 4.00%.

Comptroller

Comptroller
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