



Legislation Details (With Text)

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On agenda: **Final action:** 10/16/2018
Effective date:
Title: A substitute charter ordinance relating to city public debt.
Sponsors: THE CHAIR
Indexes: DEBTS, PUBLIC, MUNICIPAL FINANCE
Attachments: 1. Hearing Notice List, 2. Notice Published on 11-1-18

Date	Ver.	Action By	Action	Result	Tally
9/5/2018	0	COMMON COUNCIL	ASSIGNED TO		
10/4/2018	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
10/4/2018	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
10/10/2018	1	FINANCE & PERSONNEL COMMITTEE	RECOMMENDED FOR PASSAGE	Pass	5:0
10/10/2018	0	FINANCE & PERSONNEL COMMITTEE	SUBSTITUTED	Pass	5:0
10/16/2018	1	COMMON COUNCIL	PASSED	Pass	14:0
10/25/2018	1	MAYOR	SIGNED		
11/1/2018	1	CITY CLERK	PUBLISHED		

180678
SUBSTITUTE 1

THE CHAIR

A substitute charter ordinance relating to city public debt.

15-02 am
15-05 am
15-07 am
15-08 am
15-10 cr
15-11 rc
15-12 rp
15-13 am
15-14 am

This charter ordinance:

1. Authorizes the city comptroller and city treasurer to designate representatives to attend meetings of the public debt commission.
2. Authorizes the city comptroller, instead of the public debt commission, to negotiate and dispose of bonds issued by the city.

3. Updates charter provisions relating to bond interest and sinking funds.
 4. Repeals provisions relating to surrender of bonds and partial retirement bonds.
- The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 15-02 of the charter is amended to read:

15-02. Meetings. The commissioners of the public debt shall fix their own times of meeting, and the mode of calling their meetings. The action of a majority of them shall be deemed the action of the commissioners. They shall transact all their business at the city hall. The comptroller shall be ex officio the secretary of the commissioners and shall preserve a full record of all their proceedings. The city treasurer shall be ex officio treasurer of the commissioners and shall have the sole responsibility for the physical custody of the securities of the public debt amortization fund, subject to such direction as the commissioners of the public debt may from time to time prescribe. Both the comptroller and the treasurer >>or their designees<< shall attend meetings of the public debt commission and shall be available for consultation.

Part 2. Section 15-05 of the charter is amended to read:

15-05. Bonds: Requirements. An accurate account shall be kept by the comptroller, or by such other officer as may be appointed by law for that purpose, of the issue of all the bonds by the [[said]] city, of their numbers, dates and amounts, of the dates of payment of interest and principal thereon, and of the particular purpose >>or purposes<< for which each bond is issued. All bonds issued by the [[said]] city shall be negotiated and disposed of by the [[~~said commissioners of the public debt~~ >> comptroller<<], and [[such]] >>the<< bonds and the proceeds thereof shall be used solely [[and only]] for the purposes defined in the law authorizing their issue, and [[in]] >>the<< amount shall not exceed the limits fixed by law for the respective purposes so defined. The commissioners of the public debt >>or the comptroller<< shall from time to time, or when requested by the common council, report to the common council of the [[said]] city the sale or other disposition of any city bonds issued by [[said]] >>the<< city.

Part 3. Section 15-07 of the charter is amended to read:

15-07. Bond Interest and Sinking Fund. A tax upon all of the taxable property, real and personal, in the [[said]] city, shall be annually levied and collected, at the same time, and in the same manner as other taxes are levied and collected in [[said]] >>the<< city, sufficient in amount for the following purposes, to-wit: to pay >>the principal and<< [[the]] interest and >>to<< provide for the sinking fund upon the bonds and scrip authorized by and issued under [[~~sections 1 and 3 of the act entitled "An act to enable the city of Milwaukee to readjust its corporate debts," approved March 19, 1861, as stipulated and provided in and by section 4 of the same act.~~]] >>ch. 67, Wis. Stats.<< Also to pay the [[annual]] >>principal and<< interest, and to provide the sinking fund upon all bonds of the [[said]] << city, issued or to be issued to provide means for the construction of water works >>or sewerage system<< for [[said]] >>the<< city, or for other purposes, under and in accordance with [[~~the provisions of chapter 406 of the private and local laws of 1871, entitled "An act authorizing the city of Milwaukee to issue bonds," approved March 23, 1871, and the several acts amendatory thereof, as specially stipulated and provided in and by section 11 of said chapter 406.~~]] >>ch. 66, Wis. Stats.<< Also to pay the >>principal and<< interest on all other bonds of [[said]] >>the<< city issued, or that may be issued under legal authority, and outstanding according to the terms thereof [[~~, and to provide a sinking fund equal to not less than five per centum each year of the principal of such bonds actually issued for the payment of such principal; provided, that this section shall not include or apply~~

~~to any bonds heretofore issued by said city to any railroad company or companies]].~~ The common council shall, on or before the first day of ~~[[October]]~~ >>December<< in each year, determine by resolution the amount of the net revenue or income of the ~~[[said]]~~ water works >>and sewerage system<< , over and above the expenses, thereof, which shall be appropriated and applied to the payment of >>principal or<< interest on the ~~[[said]]~~ water >>or sewerage<< bonds or to the sinking fund for the payment of the principal thereof, and the amount of such net revenue or income, so appropriated in and for any year to the fund for the payment of ~~[[such]]~~ >>the principal<< interest, or to ~~[[such]]~~ >>the<< sinking fund, may be deducted from the amount of tax to be levied in that year for the payment of the principal or interest of ~~[[such]]~~ >>the<< water >>or sewerage<< bonds.

Part 4. Section 15-08 of the charter is amended to read:

15-08. Tax Levy. The ~~[[commissioners of the public debt of the city of Milwaukee]]~~ >>comptroller<< shall, at least 10 days before the levy of general city taxes in each year, certify to the common council the amounts necessary to be levied that year for the interest and sinking funds, on bonds, and scrip of the ~~[[said]]~~ city. It shall be the duty of the common council to levy the tax for >>principal and<< interest >>,<<and sinking funds by law provided for, to the amount so certified by the ~~[[said commissioners]]~~ >>comptroller<<, at the same time in each year that the common council levy the tax for general city purposes; and if they refuse or neglect so to levy in any case for 5 days after the levy of the tax for general city purposes, the commissioners of the public debt shall levy the same, and certify the amount thereof forthwith to the commissioner of assessments; and if the commissioners of the public debt should likewise fail to levy such tax for interest and sinking funds within 10 days after the levy of the general city taxes in any year, ~~[[than]]~~ the judge of any court of record in Milwaukee county, either in term time or vacation, either in open court or at chambers, may, upon summary application of any holder or holders of bonds of the ~~[[said]]~~ city ~~[[other than bonds heretofore issued to any railroad company, to]]~~ >>in<< the amount of \$10,000 or more, by order, levy ~~[[such]]~~ >>the<< tax to such amount as he or she shall deem necessary, and certify the amount thereof to the commissioner of assessments, who shall in all cases cause such tax, however levied, to be extended upon the tax roll in like manner as other taxes levied by the common council. And it shall be the duty of the city treasurer, or other collector of taxes, to proceed to collect and enforce such tax in the same manner as other general city taxes are collected and enforced by law. In fixing the amount of the treasurer's bond, at the beginning of his or her term of office, the fact that he or she has to collect this tax for >>principal, << interest and sinking funds, shall be taken into consideration.

Part 5. Section 15-1-10 of the charter is created to read:

15-10. Offering Documents. With respect to the sale and issuance of debt of the city, the comptroller may prepare official statements, deem final official statements in accordance with the Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, distribute official statements, place official statements into final form, and distribute final official statements. For the purpose of this section, "official statement" shall include offering memorandums and other similar offering documents.

Part 6. Section 15-11 of the charter is repealed and recreated to read:

15-11. Bonds.

For the purposes of ch. 15, "bonds" shall include notes of the city.

Part 7. Section 15-12 of the charter is repealed.

Part 8. Section 15-13 of the charter is amended to read:

15-13. Money Held in Trust. The moneys levied and collected for or belonging to the >>principal<< interest and sinking funds, shall be held in trust for those purposes only, or for the benefit of the holders of the bonds of the different issues or classes for which such funds are specially provided, and shall in no way be diverted from the specific purposes for which they are provided; nor shall the same or any part thereof be subject to attachment or execution, or be liable by any process or proceeding, to be subject to the payment of any other debt than that to meet which they were specially raised or appropriated under this act.

Part 9. Section 15-14 of the charter is amended to read:

15-14. Coupons Cancelled on Payment. All bonds and interest coupons, paid or otherwise retired, shall be forthwith marked cancelled >>and destroyed<< by the ~~[[commissioners of the public debt]]~~ >>comptroller<< [~~, and by them returned to the common council of the said city, who shall forthwith publicly cancel the same~~].

Part 10. This is a charter ordinance and shall take effect 60 days after its passage and publication, unless within such 60 days a referendum petition is filed as provided in s. 66.0101(5), Wis. Stats., in which event this ordinance shall not take effect until submitted to a referendum and approved by a majority of the electors voting thereon.

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

LRB171280-2
Teodros W. Medhin
10/3/2018