



Legislation Text

File #: 120974, **Version:** 1

120974

Substitute 1

The Chair

Substitute Resolution authorizing \$50,000,000 general obligation direct loan program and related agreements.

This resolution creates a Direct Loan Program for the liquidity needs of the City. The City has Extendable Municipal Commercial Paper in order to meet the primary liquidity needs of the City. In the event of a credit or other crisis, the Direct Loan Program will be available as an alternative liquidity source.

Whereas, the City has an Extendable Commercial Paper Program available to meet the primary liquidity needs of the City; and

Whereas, it is desirable to diversify the City's access to liquidity in the event of market disruptions; and

Whereas, the City desires to enter into a Line of Credit Agreement for the general obligation promissory notes to provide a Direct Loan source of liquidity for the City;

Now, Therefore, be it

Resolved, By the Common Council of the City of Milwaukee in accordance with Chapter 67 of Wisconsin Statutes, that the Commissioners of the Public Debt are authorized and requested to issue and sell Taxable General Obligation Promissory Notes (the "Direct Loan Notes") at private sale; and, be it

Further Resolved that the Direct Loan Notes may be issued for the purposes that Extendable Municipal Commercial Paper Notes pursuant to file number 111565 may be issued, for refunding maturing Extendable Municipal Commercial Paper Notes, for refunding tendered Rolling Tender Variable Rate Bonds, and for other purposes as may be determined by the Common Council from time to time; and, be it

Further Resolved, that the Line of Credit Agreement for the Direct Loan Notes (the "Agreement"), a form of which is attached to this resolution, is approved and authorizes and directs the appropriate officers to execute and deliver the Agreement with such changes as may be recommended and approved by the City Attorney in consultation with the Comptroller; and, be it

Further Resolved, that Direct Loan Notes may be issued, reissued, and redeemed from time to time, and converted into a Term Loan pursuant to the Agreement provided that the aggregate amount of Direct Loan

Notes outstanding at any time shall not exceed \$50,000,000; and be it

Further Resolved, that the Direct Loan Notes shall:

- (1) bear interest at a maximum coupon rate not to exceed 15.00% per annum;
- (2) mature no later than 10 years from the date of issuance; and
- (3) be sold at a price of not less than 100% of the principal amount thereof plus accrued interest thereon from their date to the date of delivery and payment therefor; and, be it

Further Resolved, that a direct annual irrevocable tax shall be levied in each year that such Direct Loan Notes are outstanding, in an amount sufficient to pay, and for the express purpose of paying the interest on the Direct Loan Notes, as it falls due, and also to pay and discharge the principal thereof at maturity, and shall be extended upon the tax roll of the City of Milwaukee and shall be collected by the officers of the City in the same manner and at the same time as taxes for general City purposes for such years are extended and collected, the proceeds of said taxes shall be used solely for paying the principal and interest on the Direct Loan Notes so long as any Direct Loan Notes of said issue remain outstanding. Provided however, that the City may take into account the Term Loan provisions when establishing a levy for maturing principal; and, be it

Further Resolved, that interest on or principal of the Direct Loan Notes falling due at any time when there shall be on hand insufficient funds from proceeds of the tax levy for the payment of such interest or principal shall be paid promptly when due from other funds of the City, which funds shall be reimbursed thereof out of the proceeds of the taxes above levied when such taxes shall have been collected; and, be it

Further Resolved, that the Commissioners of the Public Debt are authorized to approve, and the appropriate officers of the City are authorized and directed to execute and deliver such other documents to support the Direct Loan Notes as may be recommended and approved by the City Attorney in consultation with the Comptroller.

Comptroller

RSL
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