



Legislation Text

File #: 170118, **Version:** 0

170118

Original

The Chair

Resolution authorizing the issuance of a general obligation promissory note.

This resolution creates a revolving loan with the Public Debt Amortization Fund to facilitate temporary cash needs of the City.

Whereas, The City desires to enter into a revolving loan agreement, evidenced by a general obligation promissory note of the City, with the Public Debt Amortization Fund for temporary cash needs of 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 Public Debt Commission is authorized and requested to issue and sell General Obligation Promissory Note (the "Revolving Loan Note") at private sale to the Public Debt Amortization Fund; and, be it

Further Resolved, That the Revolving Loan Note may be issued for various cash needs of the City as may be determined by the Common Council from time to time; and, be it

Further Resolved, That Revolving Loan Note may be issued, reissued, and redeemed from time to time, provided that the aggregate amount of the Revolving Loan Note outstanding at any time shall not exceed \$10,000,000; and, be it

Further Resolved, That the Revolving Loan Note shall:

- (1) bear interest at the rate of 0.25% plus the rate on the Wisconsin Local Government Investment Pool, its successor, or the 3-month Treasury Bill, such rate shall be adjusted on the 15th calendar day of each month (whether or not a business day);
- (2) have a maximum coupon rate not to exceed 9.00% per annum;
- (3) mature within 10 years of the date of issuance;
- (4) be in the form as attached to this resolution; and
- (5) be sold at a price of not less than 100% of the principal amount thereof; and, be it

Further Resolved, That a direct annual irrevocable tax shall be levied in each year that such Revolving Loan Note is outstanding, in an amount sufficient to pay, and for the express purpose of paying the interest on the Revolving Loan Note, 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

as follows:

**General Obligation Promissory Note Series 2017
P10**

<u>Levy Year</u>	<u>Year Due</u>	<u>Amount Due</u>
2017	2018	\$900,000
2018	2019	900,000
2019	2020	900,000
2020	2021	900,000
2021	2022	900,000
2022	2023	900,000
2023	2024	900,000
2024	2025	900,000
2025	2026	900,000
2026	2027	10,900,000

the proceeds of said taxes shall be used solely for paying the principal and interest on the Revolving Loan Note so long as any Revolving Loan Note remains outstanding. Provided however, that the City may take into account the amount outstanding under the Revolving Loan Note to abate and extend the levy; and, be it

Further Resolved, That interest on or principal of the Revolving Loan Note 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 maximum rate may be changed from time to time to reflect market conditions, and if increased, the authorization shall include a levy of a direct annual irrevocable tax for the repayment of the Revolving Loan Note adequate to pay the additional interest, but in any event shall never exceed 20% per annum; and, be it

Further Resolved, That the draws on the Revolving Loan Note may be for purposes that General Obligation Promissory Notes pursuant to file number 161127 may be issued; 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 Revolving Loan Note as may be recommended and approved by the City Attorney in consultation with the Comptroller.

Comptroller
RSL, 4/18/17
PD-8350a1W.rtf
7/27/17 technical correction. dkf