



Legislation Text

File #: 080784, Version: 2

080784
SUBSTITUTE 2
071362, 071100
THE CHAIR

Substitute resolution authorizing the issuance and sale of up to \$10,000,000 of general obligation bonds and/or notes for school purposes, and entering into replacement agreements.

With the bankruptcy of Lehman Brothers, the City, on behalf of MPS, needs to replace an agreement relating to the Milwaukee Public School's 2003 Pension Obligation Bonds. This file authorizes the replacement of the agreement, and if financially advantageous, the use of up to \$10,000,000 of General Obligation Debt to refinance the agreement.

Whereas, The City, on behalf of the Milwaukee Public Schools (MPS), in connection with MPS's 2003 Pension Obligation Financing entered into financial advantageous agreements with Lehman Brothers, and on September 15, 2008 Lehman Brothers filed for bankruptcy; and

Whereas, It is desirable to replace, and MPS has requested replacement of, the agreement with Lehman Brothers; and

Whereas, It may be financial advantageous to use general obligation debt in a refinancing of the agreement; and

Whereas, The 2008 budget of the City of Milwaukee adopted by the Common Council contemplates the issuance of \$110,000,000 of general obligation debt for contingent purposes, of which less than \$50,000,000 has been issued and/or allocated to potential purposes; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that it hereby authorizes and declares its purpose to issue and sell general obligation bonds in the aggregate amount of \$10,000,000 for school purposes; and, be it

Further Resolved, That the bonds may be issued pursuant to Resolution 071362, and Exhibit A of that resolution is amended to include \$10,000,000 for contingent borrowing for school purposes; and, be it

Further Resolved, That all, or a portion of, the bonds may be issued as notes pursuant to Resolution 071100, Exhibit A of that resolution is amended to include \$10,000,000 for contingent borrowing for school purposes, and to the extent possible, such notes shall be issued pursuant to Section 119.498, Wisconsin Statutes; and, be it

Further Resolved, That the appropriate officers and employees of the City, working in cooperation with MPS, are authorized to terminate the agreement with Lehman Brothers relating to the 2003 Pension Obligation Bonds, to enter into replacement agreements, take any and all further action so as to provide for the delivery of the replacement agreements and related documents, and if financially advantageous, to sell and issue up to \$10,000,000 of general obligation debt to refinance the agreement.

Comptroller

RSL

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10/1/08