



Legislation Text

File #: 191878, **Version:** 1

191878

SUBSTITUTE 1

180864

THE CHAIR

Substitute resolution authorizing the sale and issuance of General Obligation Revenue Anticipation Notes.

On April 2, 2020, the Commissioners of the Public Debt received bids for the RANs. Due to the troubled financial markets, the Commissioners rejected all bids and recommended to the City that GO Notes be issued by the City pursuant to the Revolving Loan Agreement with US Bank approved by file 180864 with terms similar to those of the RANs. This file increases the authorization of that file for 2020 GO Note purposes.

Whereas, Common Council Resolution File No. 191402 (the “RAN Resolution”) adopted by the Common Council (the “Common Council”) of the City of Milwaukee, Wisconsin (the “City”) on January 21, 2020 authorized the issuance of General Obligation Revenue Anticipation Notes of the City in the aggregate principal amount of \$150,000,000 (the “RANs”); and

Whereas, none of the RANs authorized by the RAN Resolution have heretofore been sold or issued; and

Whereas, on April 2, 2020, the Commissioners of the Public Debt received bids for the RANs, and due to the illiquidity in the municipal market created by the novel coronavirus crisis, the Commissioners rejected all bids and recommended to the City to issue the RANs as Direct Loan Notes pursuant to Common Council Resolution File No. 180864 (the “Direct Loan Resolution”); and

Whereas, the Direct Loan Resolution limited the aggregate principal amount GO Notes to \$200 million, which is insufficient to accommodate the replacement of the RAN borrowing with the issuance of GO Notes; and

Whereas, the City now desires to increase the limit provided in the Direct Loan Resolution to authorize and permit the issuance of its tax exempt general obligation promissory notes in place of the RANs:

NOW THEREFORE, be it and it hereby is Resolved, By the Common Council of the City of Milwaukee as follows:

1. The issuance of RANs authorized by the RAN Resolution shall be replaced by tax exempt

general obligation promissory notes to be issued pursuant to the Direct Loan Resolution in an amount not to exceed \$150,000,000, at an interest rate not to exceed 1.65% per annum, and shall have a maturity date no later than January 31, 2021.

2. The tax exempt general obligation promissory notes authorized hereby shall be in addition to, and not count against, the \$200 million maximum principal amount authorized under the Direct Loan Resolution.
3. Upon receipt, the City will pledge and irrevocably segregate the shared revenues to be pledged for payment of the RANs for the payment of principal of and interest on the tax exempt general obligation promissory notes authorized hereby.
4. A direct annual tax sufficient in an amount to pay, and for the express purpose of paying, the interest on the RANs as it falls due and also to pay and discharge the principal thereof at maturity, has been levied, by the Common Council, upon all taxable property in the City, and is hereby established for the RANs in the following amounts and for the following years:

<u>Levy Year</u>	<u>Year Due</u>	<u>Amount Due</u>
2020	2021	\$153,000,000.00

5. The form of the Supplement, as attached hereto, to the Revolving Loan Agreement is approved, and the officials of the City are authorized and directed to execute the Supplement with such changes as may be recommended by the City Attorney in consultation with the City Comptroller.

Comptroller

Richard Li
April 8, 2020
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