Legislation Text

File #: 091322, **Version:** 1

091322

Substitute 1

091023, 091024, 090555, 091323

THE CHAIR

Substitute resolution authorizing $14,360,000 of contingent borrowing for school purposes.
In 1993, the Redevelopment Authority of the City of Milwaukee (RACM) issued bonds to finance the construction of two schools for Milwaukee Public Schools (MPS). The 1993 Bonds were refinanced by RACM in 2003. The 2003 Bonds have a final maturity in 2014, and are callable in 2010. MPS has requested that the City issue GO Debt, reimbursed by MPS, to refinance the remaining $14,360,000 of RACM 2003 Bonds. MPS would reimburse the City for the debt service on the GO Debt.

The refunding was not contemplated in the 2010 Budget of the City, so an allocation of Contingent Borrowing would be needed for the refunding.
Whereas, In 1990, the Redevelopment Authority of the City of Milwaukee (the "RACM") issued debt (the "1990 Bonds") to finance for the Milwaukee Public Schools (the "MPS") the construction of the Grand Avenue School and the Milwaukee Education Center, and the 1990 Bonds were refinanced by RACM in 1993 and 2003 (the 2003 refunding being the "2003 Bonds"); and

Whereas, The 2003 Bonds have a final maturity in 2014, are callable on March 1, 2010, and can be refinanced at a lower interest cost; and

Whereas, MPS has requested that the City issue General Obligation Bonds for school purposes in order to lower the interest rate on the 2003 Bonds, and has agreed to reimburse the City for debt service on the refunding bonds; and

Whereas, The 2010 Budget of the City includes $150,000,000 of Contingent Borrowing for purposes not contemplated at the time of the adoption of the 2010 Budget, and desires to use $14,360,000 of Contingent Borrowing for school purposes in order to refinance the 2003 Bonds;

Whereas, Resolution File No. 090555 has authorized the issuance of Bonds for School Purposes, and if needed, the City desires to use a portion of that authority for this refunding purpose; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that it hereby authorizes up to $14,360,000 of Contingent Borrowing for school purposes in order to refinance the 2003 Bonds; and, be it

Further Resolved, That the debt may be issued as Notes pursuant to Resolution Number 091023 (including commercial paper notes) and/or as Bonds pursuant to Resolution Number 091024, and such debt (the

"Refunding Debt") shall be an additional purpose for Exhibit A of those resolutions, including refunding of commercial paper if the Refunding Debt is temporarily issued as commercial paper; and, be it

Further Resolved, That the proper City Officials, as agent for MPS, are authorized to direct RACM to cause the 2003 Bonds to be refunded and redeemed as soon as practical, and that upon issuance of the Refunding Debt, such redemption shall be irrevocable; and, be it

Further Resolved, If General Obligation Bonds are issued pursuant to this resolution, such bonds may be issued pursuant to the initial borrowing resolution 090555 for school purposes, and the amount of such initial borrowing resolution used shall be replaced by initial borrowing resolution 091323 for school purposes; and, be it

Further Resolved, That the proper City Officials are authorized to enter into an agreement, or amend an existing agreement, with MPS regarding reimbursement to the City for the debt service on the Refunding Debt; and, be it

Further Resolved, The Refunding Debt shall be issued by September 1, 2010, and any amount not issued by that date shall be deemed dropped borrowing authority.
Comptroller

RSL
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