



## Legislation Text

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101332  
ORIGINAL

100279

THE CHAIR

Resolution authorizing \$95,000,000 of contingent borrowing for the purpose of financing the operating budget of the Milwaukee Public Schools on an interim basis.

In 2010, \$253,000,000 of school revenue anticipation notes (RANs) were authorized by Resolution 100279 to be issued, of which \$225,000,000 was issued. The resolution authorized up to \$100,000,000 of general obligation debt, of which \$95,000,000 was issued, may be used on a temporary basis and then refunded by the RANs. For State Statute purposes, \$95,000,000 of RANs were "refunding notes" that refunded the temporary general obligation debt. However, accounting, for Generally Accepted Accounting Principles purposes, desires the refunding RANs to be authorized as Contingent Borrowing debt, not as Refunding Debt.

Whereas, The Milwaukee Public Schools (the "MPS") is a department of the City of Milwaukee (the "City") authorized by Sections 65.05 and 119.46, Wisconsin Statutes, to establish a School Operations Fund, and to determine its expenditures and the taxes to be levied therefore; and

Whereas, MPS was temporarily in need of funds in the amount not to exceed \$353,000,000 to meet the immediate expenses of operating and maintaining the public instruction in MPS during the 2010-2011 fiscal year commencing July 1, 2010 and ending June 30, 2011 (the "Need"); and

Whereas, In accordance with Section 67.12(1)(a), Wisconsin Statutes, the total amount borrowed shall not exceed 60% of MPS's total actual and anticipated receipts in the fiscal year, and shall be repaid no later than 18 months after the first day of the fiscal year;

Whereas, In 2010, \$95,000,000 of general obligation debt was issued to provide temporary funding for the Need pending the issuance of School Revenue Anticipation Notes; and

Whereas, In 2010, the City issued \$225,000,000 of School Revenue Anticipation Notes, \$95,000,000 of which were refunding notes in order to refund the \$95,000,000 of general obligation debt (the refunding portion being "Refunding Notes") issued for the Need; and

Whereas, General Accepted Accounting Principles desires the Refunding Notes to be authorized as Contingent Borrowing, rather than as Refunding Borrowing; and

Whereas, The 2010 Budget of the City authorizes the issuance of \$150,000,000 of Contingent Borrowing, of

which \$18,377,600 was used, and \$130,670,400 is remaining; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that it hereby and herewith authorizes and declares its purpose to use \$95,000,000 of 2010 Contingent Borrowing for school revenue anticipation notes (the “RANs”) pursuant to the provisions of Section 67.12(1), Wisconsin Statutes, in order to financing the operating budget of the Milwaukee Public Schools on an interim basis; and, be it

Further Resolved, That \$95,000,000 of the \$225,000,000 of School Revenue Anticipation Notes, Series 2010 M8 are deemed to be issued pursuant to this resolution.

Comptroller

RSL  
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