

Martin Matson
Comptroller

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Office of the Comptroller

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May 1, 2018

MPS - Board Governance

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PM 12:4

Ms. Jacqueline Mann
Director, Office of Board Governance/Board Clerk
Milwaukee Public Schools
5225 W Vliet St, Room 273
Milwaukee, WI 53208

Dear Ms. Mann:

The City of Milwaukee anticipates the issuance of Revenue Anticipation Notes for the Milwaukee Public Schools in order to provide temporary funds in advance of the receipt of State Aid Payments. Should the Milwaukee Board of School Directors determine that the temporary borrowing is desirable, enclosed are two copies of a resolution that will need to be adopted by the Board.

If the resolution is adopted, certified copies of the resolution as well as certifications relating to the adoption meeting itself (members present, specific Board vote, etc.) will be required. Richard Li of my staff will be in contact with you or your staff with the specific details of the required certifications.

Your assistance in having this item placed before the Board is appreciated. If there are any questions, or if we may be of any further assistance, please feel free to contact Richard Li at 286-2319.

Sincerely,

A handwritten signature in cursive script that reads 'Martin Matson'.

Martin Matson
Comptroller

MM:RL
Attachments

cc: Mr. Thomas Conjurski, Chief Financial Officer
Ms. LaWanda Baldwin, Comptroller

REF: PD-8419W.DOC



RESOLUTION AUTHORIZING THE SALE OF REVENUE ANTICIPATION NOTES

Whereas, Milwaukee Public Schools (“MPS”) is a department of the City of Milwaukee (“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 therefor;

Whereas, MPS is temporarily in need of funds in the amount not to exceed \$275,000,000 to meet the immediate expenses of operating and maintaining the public instruction in MPS during the 2018-2019 school year (“Fiscal Year”);

Whereas, the Milwaukee Board of School Directors (“Board”) deems it necessary and in the best interest of MPS that funds be borrowed and revenue anticipation notes (“RANs”) be issued to fund the temporary need;

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, the tax for the operations and maintenance of schools of MPS for the Fiscal Year heretofore has been voted to be collected on the next tax roll;

Whereas, to the best of the knowledge, information and belief of the Board, MPS complies with the revenue limits set forth in Sections 121.91 and 121.92, Wisconsin Statutes; and

Whereas, the City may enter into an interest rate exchange agreement in order to better match the interest rate on the RANs with the interest earnings on the investments to pay the maturing debt service; now, therefore, be it

Resolved, by the Milwaukee Board of School Directors that it hereby requests the City to issue revenue anticipation notes pursuant to the provisions of Section 67.12(1), Wisconsin Statutes, in an amount not to exceed \$275,000,000; and be it

Further resolved, that the City and its proper City officers be and hereby are authorized and directed to segregate within the School Operations Fund, for the payment of the principal of the RANs, state aid revenue payments under Section 121.15, Wisconsin Statutes, received in June and July for the Fiscal Year in the amount of the principal of the RANs; and be it

Further resolved, that the City and its proper City officers be and hereby are authorized to irrevocably pledge and assign as security for the repayment of the RANs and interest thereon, all revenues of the School Operations Fund attributable to the Fiscal Year which are due MPS, in the Fiscal Year, and not yet paid as of the date of delivery of the RANs, and which are not otherwise pledged and/or applied; and be it

Further resolved, that all or a portion of the RANs may be issued as General Obligation and/or note anticipation note debt of the City and shall be considered RANs under this resolution. RANs may also be issued to refinance RANs, and that such refinancing(s) shall be in addition to the amount authorized by this resolution provided that the total amount of RANs outstanding shall not exceed the authorized amount; and be it

Further resolved, that the Board consents to the use of an interest rate exchange agreement in connection with the RANs in order to better match the interest rate on the RANs with the interest earnings on the investments used to pay the maturing principal and interest of the RANs.