

ADOPTED 2009 BUDGET

DEPT: DEBT ISSUE EXPENSE

UNIT NO. 1987
FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Appropriations are for expenses incurred for issuing bonds by Milwaukee County. The bonds are issued as provided under 67.04 of the Wisconsin Statutes,

which authorizes issuing bonds for specific purposes, subject to stated limitations.

BUDGET SUMMARY			
	2007 Actual	2008 Budget	2009 Budget
Debt Issue Expense	\$	\$ 11,500	\$ 11,500

		2007		2008		2009
<u>STATISTICAL SUPPORTING DATA</u>		<u>Actual</u>		<u>Budget</u>		<u>Budget</u>
Debt Issue Expense (8026)	\$	342,576	\$	341,500	\$	386,500
DAS-Fiscal Affairs Division - Staff Costs (9787)		0		202,185		176,349
Total Expenditures		342,576		543,685		562,849
General Obligation Bond Proceeds (4907)		96,411		202,185		176,349
Airport Cash*		35,310		0		0
Airport Revenue Bond Proceeds* (4907)		202,536		330,000		375,000
Total Bond Proceeds		334,257		532,185		551,349

* According to the Airport Master Lease Agreement, the Airport is required to pay all direct costs associated with the issuance of airport debt. Airport debt issuance costs, totaling \$375,000 have been included in the Airport's 2009 operating budget and prior years.

DESCRIPTION

Expenses not eligible to be paid from financing proceeds are reflected in this budgetary appropriation.

In addition, this non-departmental account exists to pay bond counsel, financial advisor fees and other costs associated with issuing debt, including credit rating agency fees, financial auditor fees, printing and distribution costs for the official statement, and fiscal agent and trustee fees.

Currently, a significant portion of debt issue expenses are paid from the proceeds of each financing. Under current Federal law, up to 2% of each financing may be used to cover expenses related to the issue.

BUDGET HIGHLIGHTS

- The Department of Administrative Services-Fiscal Affairs Division crosscharges the debt issue expense budget for costs associated with the preparation and issuance of the bond issues, the preparation of the capital improvements budget as it relates to capital improvements for which bonds will be issued and fiscal monitoring of the expenditure of the bond proceeds. The estimated amount for these costs for 2009 is \$176,349.
- Estimated costs of issuance amounts for the general obligation bond will be budgeted in the Debt Issue Expense Budget. The costs of issuance amounts for the Airport Revenue Bonds are budgeted in the Airport's operating budget in the debt issue expense object. Any

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adjustments to the costs of issuance amount, once the financing amounts have been determined, will be done through a DAS-only appropriation transfer. In addition, the revenue to finance the debt issue expense will be budgeted in the Debt Issue Expense and Airport operating budget instead of the General Debt Service Fund budget for a more transparent accounting of revenue and expenses associated with the issuance of debt.

- Estimated costs of issuance amounts for 2009 consist of \$176,349 for the general obligation bonds and \$375,000 for the Airport revenue bond issue. Non-Airport debt issue expenses not eligible to be paid from financing proceeds totaled \$11,500 for 2009 and will be financed with property tax levy.