



City of West Allis

Legislation Text

File #: R-2010-0162, **Version:** 1

Resolution relative to approving a Loan Agreement between the City of West Allis and West Allis Memorial Hospital for City payment and Hospital repayment of funds related to \$2,285,000 of remaining principal from the 1998c General Obligation Refunding Bonds.

WHEREAS, the City on January 20, 1998 found it in the best interest of the City on behalf of the West Allis Memorial Hospital to issue a total of \$24,735,000 in Refunding Bonds of which the West Allis Memorial Hospital was the recipient of \$21,915,000; and,

WHEREAS, the City on March 16, 2010 (R-2010-0088) approved a partial call of \$255,000 in Principal for the remaining 1998c General Obligation Refunding Bonds owed in 2011 and 2012 (2011 - \$200,000 and 2012 - \$55,000); and,

WHEREAS, \$2,285,000 of principal still remains outstanding at the fixed rate of 4.5%, with \$1,785,000 of principal being payable on June 1, 2011 and \$500,000 of principal being payable on June 1, 2012; and,

WHEREAS, if the City is permitted to call the remaining \$2,285,000 on behalf of West Allis Memorial Hospital utilizing City funds and to create a new Loan between the West Allis Memorial Hospital and the City, a rate of 4.0% will be charged; and,

WHEREAS, the establishment of a new note will require the City to offset the note with fund balance for 2010 in the amount of \$2,285,000 and in 2011 for \$500,000. Such funds shall be moved from what is currently classified as "Designated for Post Retirement Benefits" to be returned once the funds have been received by the City; and,

WHEREAS, the City is willing to finance the Loan and the borrower is willing to accept the Loan, in accordance with the terms and conditions of the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis that the attached Loan Agreement be and is hereby approved.

BE IT FURTHER RESOLVED that the proper City officials are hereby authorized and directed to execute said agreement on behalf of the City.

ADM\ORDRES\ADMR396