

INTERGOVERNMENTAL COOPERATION AGREEMENT
by and between

City of Milwaukee
and
Milwaukee Board of School Directors

This Intergovernmental Cooperation Agreement is made as of this ____ day of October, 2009 by and between the City of Milwaukee (the “City”) and the Milwaukee Board of School Directors (the “Board”).

WHEREAS, the Board has requested the City issue City of Milwaukee general obligation notes and bonds under Wis. Stat. § 67.12, pursuant to the Qualified School Construction Bonds program authorized by the American Recovery and Reinvestment Act of 2009 (the “Program”) for the purpose of financing capital improvement projects for Milwaukee Public Schools;

WHEREAS, the City is willing to enter into this Agreement to assist the Board in its efforts to undertake such capital improvements, provided the Board reimburse the City for all costs of debt service and debt issuance therefor;

WHEREAS, the City’s Common Council has approved entering into this Agreement through its adoption of File No. _____, adopted on _____, 2009; and

WHEREAS, the Board has approved entering into this Agreement through its action on _____.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION I

City Activities

The City shall sell general obligation notes and bonds pursuant to Wis. Stat. § 67.12 in an amount not to exceed \$_____ in accordance with Common Council Resolution No.

_____ and pursuant to the Program for the purpose of financing capital improvements for Milwaukee Public Schools (the “Debt Instruments”).

SECTION II

Board Activities

A. The Board requests the issuance of up to \$_____ of Debt Instruments and authorizes the City to issue such Debt Instruments without further action or approval on the part of the Board. The Board shall expend the proceeds of the Debt Instruments (“Proceeds”) for those capital improvement projects described on attached Exhibit 1 (“Approved Projects”). No Proceeds shall be expended for any project or purpose other than the Approved Projects without an amendment to this Agreement approved and signed by both parties. At the time of issuance of the Debt Instruments, the President of the Board and the Superintendent of Milwaukee Public Schools shall acknowledge such issuance by execution and delivery to the City of a notice in the form of Exhibit 2 attached.

B. The Board shall cause all administrative officials to take the necessary ministerial action to include in the proposed annual budget for Milwaukee Public Schools, for each fiscal year during the term of this Agreement, funds sufficient to reimburse in full the City in advance for debt service on the Debt Instruments (“Debt Service”) in each calendar year following the sale of the Debt Instruments. Such reimbursement shall be due and payable no later than December 31 of the year prior to the year in which such Debt Service shall become due. The parties acknowledge it is their mutual intent to have the initial payments of Debt Service to be due in 2011, such that payment by the Board in reimbursement thereof to the City shall be due and payable in December, 2010.

C. In the event that any proposed annual budget of the Board, or the adopted and final annual budget of the Board, does not provide for sufficient funds to reimburse the City in

full for the cost of Debt Service, the Board shall notify the Comptroller of the City within 10 days of the submission of the proposed annual budget, or of the adoption of the annual budget, as the case may be, describing therein the amount of any shortfall in the Debt Service. In such event, the parties acknowledge that, pursuant to Wis. Stat. Sec. 65.06(18), the amount of Debt Service shall be included in the tax roll for the levy and collection of the tax for such year. The Board authorizes the City to report the amount of the Debt Service to the State of Wisconsin Department of Public Instruction as attributable to spending by the Board and the allocation of such amount to the levy for Milwaukee Public Schools.

D. The Board shall limit the amount budgeted each year for the school construction fund to an amount no greater than the statutory maximum amount provided at Wis. Stat. § 119.48, less the amount of Debt Service for such year. The Board shall notify the City of the amount of its adopted construction fund tax levy by delivery of a notice to the City Clerk, Comptroller and Mayor no later than November 15 of each year in which this Agreement remains effective.

SECTION III

Issuance Expenses

The Board shall reimburse, indemnify and hold the City harmless for the issuance expenses on the Debt Instruments, including without limitation professional fees, premiums payable, the cost of any credit enhancements, remarketing costs, annual rating fees and any other out-of-pocket costs.

SECTION IV

Reporting Requirements

The Board shall be responsible for compliance with all accounting and reporting requirements as provided by the Program and as may be required by the Internal Revenue

Service for tax exempt debt. The Board shall promptly provide the City with a copy of all such reports generated pursuant to the Program. The City shall provide the Board with such assistance as is reasonably requested by the Board as may be necessary to prepare such reports.

SECTION V

Support Services

Notwithstanding the terms of that certain Intergovernmental Cooperation Agreement between the City and the Board dated _____, 1999, or otherwise, on and after December 31, 2009, the City shall have no obligation to provide any support services to the Board, other than those support services required of the City as a matter of law. Upon the request of the Board, the City shall consider providing such additional support services and the parties hereto shall negotiate in good faith as to the nature and extent of such additional support services and the amount of reimbursement to be paid by the Board to the City for the cost to the City of providing such additional support services to the Board.

Signatures appear on following page.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective officers as of the date first set forth above.

CITY OF MILWAUKEE

By: _____
Tom Barrett, Mayor

By: _____
Ronald D. Leonhardt, City Clerk

Countersigned

By: _____
W. Martin Morics, Comptroller

Approved as to form and execution this _____ day of _____, 2009.

Assistant City Attorney

MILWAUKEE BOARD OF SCHOOL DIRECTORS

By: _____
Board President

By: _____
William G. Andrekopoulos, Superintendent

EXHIBIT 1

Capital Improvement Projects

EXHIBIT 2

Acknowledgement of Reimbursed School Debt issued by the City

Pursuant to an Intergovernmental Cooperation Agreement dated _____, 2009 (the “Agreement”) between the City and the Board (as defined in the Agreement), the Board acknowledges the issuance of General Obligation Notes and Bonds as described below (the “Debt”) for School Purposes, and that the Board shall reimburse the City for debt service on the Debt as provided for in the Agreement.

Name of Issue(s):

Date of Issue(s):

Amount(s) and purpose(s):

Estimated debt service requirements: See Attached

Dated this _____ of _____, 20____

MILWAUKEE BOARD OF
SCHOOL DIRECTORS

Board President

Superintendent

