

This is a Preliminary Official Statement, subject to correction and change. The City has authorized the distribution of the Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Offered Obligations, the City will complete, adopt and deliver a Final Official Statement substantially in this form.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016

NEW ISSUES	RATINGS:	Moody's	Standard & Poor's	Fitch
BOOK ENTRY ONLY	R1 Notes:	"____"	"____"	"____"
	N2 Notes, B3 Bonds and T4 Bonds:	"____"	"____"	"____"
	(See " Ratings " herein.)			

In the opinion of Katten Muchin Rosenman LLP, and of Hurtado Zimmerman SC, Bond Counsel, in connection with the issuance of the Revenue Anticipation Notes, Series 2016 R1, the General Obligation Promissory Notes, Series 2016 N2, and the General Obligation Corporate Purpose Bonds, Series 2016 B3 (collectively, the "Tax-Exempt Obligations") under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Tax-Exempt Obligations will not be includable in gross income for federal income tax purposes. The Tax-Exempt Obligations are not "private activity bonds" and the interest thereon is not required to be included as an item of tax preference for purposes of computing individual or corporate "alternative minimum taxable income." However, interest on the Tax-Exempt Obligations is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the General Obligation Corporate Purpose Bonds, Series 2016 T4 (the "T4 Bonds") is includable in the gross income of the owners for federal income tax purposes. Interest on the Tax-Exempt Obligations and the T4 Bonds (collectively, the "Offered Obligations") is not exempt from Wisconsin income taxes.



CITY OF MILWAUKEE, WISCONSIN
\$90,000,000* Revenue Anticipation Notes, Series 2016 R1
\$127,740,000* General Obligation Promissory Notes, Series 2016 N2
\$38,020,000* General Obligation Corporate Purpose Bonds, Series 2016 B3
\$27,530,000* Taxable General Obligation Corporate Purpose Bonds, Series 2016 T4

Dated: May 20, 2016

Due: As shown herein

The \$90,000,000* Revenue Anticipation Notes, Series 2016 R1 (the "RANs" or the "R1 Notes") are limited obligations of the City of Milwaukee, Wisconsin (the "City") payable from State Aid Payments and also secured by a pledge of all other general fund revenues included in the budget for the current year which are due to the City and have not been received as of the date of delivery of the RANs and are not otherwise pledged or assigned. The RANs are not general obligations of the City and no separate debt service tax will be levied to pay the RANs.

\$127,740,000* General Obligation Promissory Notes, Series 2016 N2 (the "N2 Notes"), the \$38,020,000* General Obligation Corporate Purpose Bonds, Series 2016 B3 (the "B3 Bonds") and the \$27,530,000* Taxable General Obligation Corporate Purpose Bonds, Series 2016 T4 (the "T4 Bonds") are direct general obligations of the City, payable from taxes levied on all taxable property within the City, subject to taxation by the City, without limitation as to rate or amount.

The RANs will be dated May 20, 2016 (the "Dated Date"), and will be payable on December 20, 2016. The RANs are being issued for the public purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State of Wisconsin (the "State") shared revenue payments. Interest on the RANs shall be payable at maturity. The RANs are not subject to optional redemption prior to maturity.

The N2 Notes, B3 Bonds and the T4 Bonds will be dated the Dated Date, will bear interest payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2016 at the rates, and will mature on March 1, in the years and amounts, as detailed herein. The N2 Notes and B3 Bonds are being issued for the purpose of financing various public improvements and fiscal requirements of the City, and for the purpose of refunding outstanding commercial paper and other debt of the City. The N2 Notes are not subject to optional redemption. The B3 Bonds and the T4 Bonds are subject to optional redemption on any date on or after March 1, 2026 as described herein.

The R1 Notes, the N2 Notes, the B3 Bonds and the T4 Bonds (collectively, the "Offered Obligations") are offered for sale by competitive bid in accordance with the Official Notices of Sale dated _____, 2016 and other conditions specified in the Official Notices of Sale. The Offered Obligations are being issued subject to the legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois and of Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel to the City. It is expected that the Offered Obligations will be delivered through the facilities of The Depository Trust Company ("DTC"), New York, New York on or about May 20, 2016.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE OFFERED OBLIGATIONS. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

For Further Information Contact:

Martin Matson, Comptroller and Secretary to Public Debt Commission
City Hall, Room 404, 200 East Wells Street - Milwaukee, WI 53202 - Phone (414) 286-3321

ELECTRONIC BIDS WILL BE RECEIVED ON THURSDAY, MAY 5, 2016 UNTIL
9:45 A.M. (CENTRAL TIME) FOR THE R1 NOTES
10:00 A.M. (CENTRAL TIME) FOR THE N2 NOTES AND THE B3 BONDS
10:30 A.M. (CENTRAL TIME) FOR THE T4 BONDS

*Preliminary, subject to change in accordance with the Official Notice of Sale.

MATURITY SCHEDULES

\$90,000,000* REVENUE ANTICIPATION NOTES, SERIES 2016 R1

The R1 Notes will be dated the Dated Date, and will mature on December 20, 2016 without the option of prior redemption. Interest will be payable at maturity, at the rate or rates shown below.

Amount	Interest Rate	Yield	CUSIP (1) Base 602366
\$ _____			

\$127,740,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2016 N2

The N2 Notes will be dated the Dated Date, will bear interest at the rates shown below, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2016 and will mature on March 1 in the years and in the amounts shown below. The N2 Notes are **not** subject to optional redemption.

Maturing (March 1)	Amount*	Interest Rate	Yield	CUSIP (1) Base 602366
2017	\$ 26,060,000			
2018	17,970,000			
2019	14,020,000			
2020	13,630,000			
2021	13,385,000			
2022	8,780,000			
2023	8,200,000			
2024	8,550,000			
2025	8,565,000			
2026	8,580,000			

\$38,020,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016 B3

The B3 Bonds will be dated the Dated Date, will bear interest at the rates shown below, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2016 and will mature on March 1 in the years and in the amounts shown below. The B3 Bonds are subject to optional redemption on any date on or after March 1, 2026, as provided herein.

Maturing (March 1)	Amount*	Interest Rate	Yield	CUSIP (1) Base 602366
2027	\$ 7,295,000			
2028	7,310,000			
2029	7,330,000			
2030	7,230,000			
2031	7,245,000			
2032	800,000			
2033	810,000			

(1) The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Offered Obligations. The City is not responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Offered Obligations, or as indicated above. The CUSIP number for a specific maturity is subject to change after the issuance of the Offered Obligations.

MATURITY SCHEDULES-CONTINUED

\$27,530,000* TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016 T4

The T4 Bonds will be dated the Dated Date, will bear interest at the rates shown below, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2016 and will mature on March 1 in the years and in the amounts shown below. The T4 Bonds maturing on or after March 1, 2027 are subject to optional redemption on any date on or after March 1, 2026, as provided herein.

<u>Maturing (March 1)</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP (1) Base 602366</u>
2017	\$ 1,395,000			
2018	1,395,000			
2019	2,345,000			
2020	2,360,000			
2021	2,685,000			
2022	2,715,000			
2023	2,395,000			
2024	2,080,000			
2025	2,120,000			
2026	2,155,000			
2027	935,000			
2028	965,000			
2029	990,000			
2030	715,000			
2031	740,000			
2032	760,000			
2033	780,000			

(1) The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Offered Obligations. The City is not responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Offered Obligations, or as indicated above. The CUSIP number for a specific maturity is subject to change after the issuance of the Offered Obligations.

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than as contained in this Official Statement in connection with the sale of these securities and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities by a person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. These securities have not been registered pursuant to the Securities Act of 1933, in reliance upon exemptions contained in such Act.

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INTRODUCTION TO THE OFFICIAL STATEMENT

The purpose of this Official Statement, including the cover page and Appendices, is to set forth certain information concerning the City of Milwaukee (the “City”), located in Milwaukee County, Wisconsin, and to set forth information concerning the following securities issued by the City:

\$90,000,000* Revenue Anticipation Notes, Series 2016 R1 (the “RAN” or “R1 Notes”)
\$127,740,000* General Obligation Promissory Notes, Series 2016 N2 (the “N2 Notes”)
\$38,020,000* General Obligation Corporate Purpose Bonds, Series 2016 B3 (the “B3 Bonds”)
\$27,530,000* Taxable General Obligation Corporate Purpose Bonds, Series 2016 T4 (the “T4 Bonds”)

The following summary statement is furnished solely to provide limited introductory information regarding the City’s Offered Obligations, and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the Appendices hereto.

Summary Statement – RANs

Issuer: City of Milwaukee, Wisconsin

Issue: \$90,000,000* Revenue Anticipation Notes, Series 2016 R1

Dated Date: May 20, 2016.

Maturity: December 20, 2016

Principal: \$90,000,000*

Interest Payment Date: Payable at maturity. Interest is calculated on the basis of 30-day months and a 360-day year (term of 210 days assuming a May 20, 2016 delivery date).

Denominations: \$5,000 or integral multiples thereof.

Purpose: The RANs are issued for the purpose of financing the City’s operating budget on an interim basis in anticipation of the receipt of State shared revenue payments (“State Aid Payments”).

Security: The City has pledged and will irrevocably segregate upon receipt, State Aid Payments in an amount sufficient, with interest thereon, to pay, when due, the principal of and interest on the RANs. The City has also pledged all other general fund revenues included in the budget for the current calendar year which are due the City, which have not been received as of the date of delivery of the RANs and which are not otherwise pledged or assigned. (See “The RANs – Security for the RANs” herein).

The RANs are not a general obligation, do not constitute an indebtedness of the City for the purpose of determining the City’s constitutional debt limitation, and no tax shall be levied to pay the RANs or interest thereon.

Authority for Issuance: The Common Council of the City has authorized the issuance and sale of the RANs in accordance with the provisions of Chapters 65 and 67, including particularly Section 67.12(1)(a) of the Wisconsin Statutes.

* Preliminary, subject to change.

Form of Issuance: The RANs will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the RANs. (See “**BOOK-ENTRY-ONLY SYSTEM**” herein).

Tax Status of Interest: Bond Counsel are of the opinion that under existing law, interest on the RANs is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), Bond Counsel are of the opinion that interest on the RANs will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the RANs is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income but is includable in corporate earnings and profits and, therefore, must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the RANs is not exempt from Wisconsin income taxes. (See “**TAX MATTERS**” herein).

Redemption Feature: The RANs are not subject to redemption prior to maturity.

Official Statement: The City will provide the original purchaser of the RANs with an electronic copy and up to 25 copies of this Official Statement within seven business days following the award of the RANs.

Professionals: Bond Counsel: Katten Muchin Rosenman LLP
Chicago, Illinois
Hurtado Zimmerman SC
Wauwatosa, Wisconsin
Financial Advisor: Public Financial Management, Inc.
Milwaukee, Wisconsin
Paying Agent: City of Milwaukee, Comptroller’s Office
Milwaukee, Wisconsin

Record Date: December 15, 2016.

Delivery: Delivery of the RANs will be on or about May 20, 2016 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

Reoffering: The public reoffering price(s) or yield(s) of the RANs will be set forth on the inside front cover page of the Final Official Statement.

Continuing Disclosure Certificate: In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City’s contractual obligation arising from its acceptance of the successful bidder’s proposal, at the time of the delivery of the RAN’s the City will provide an executed copy of its Continuing Disclosure Certificate. (See “**CONTINUING DISCLOSURE**” herein).

Summary Statement – N2 Notes

Issuer:	City of Milwaukee, Wisconsin
Issue:	\$127,740,000* General Obligation Promissory Notes, Series 2016 N2
Dated Date:	May 20, 2016.
Principal Due Date:	March 1 of the years 2017 through 2026.
Interest Payment Date:	Interest on the N2 Notes is due each March 1 and September 1 commencing September 1, 2016. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or integral multiples thereof.
Purpose:	The N2 Notes are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects and fiscal requirements of the City.
Security:	Principal and interest on the N2 Notes will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the N2 Notes in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The N2 Notes will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the Notes. (See “ BOOK-ENTRY-ONLY SYSTEM ” herein).
Tax Status of Interest:	Bond Counsel are of the opinion that under existing law, interest on the Notes is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), Bond Counsel are of the opinion that interest on the N2 Notes will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the N2 Notes is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income, but is includable in corporate earnings and profits and, therefore, must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the N2 Notes is not exempt from Wisconsin income taxes. (See “ TAX MATTERS ” herein).
Redemption Feature:	The N2 Notes are not subject to redemption prior to maturity.
Official Statement:	The City will provide the original purchaser of the N2 Notes and B3 Bonds with an electronic copy and up to 25 copies of this Official Statement within seven business days following the award of the N2 Notes.

* Preliminary, subject to change.

Summary Statement – B3 Bonds

Issuer:	City of Milwaukee, Wisconsin
Issue:	\$38,020,000* General Obligation Corporate Purpose Bonds, Series 2016 B3
Dated Date:	May 20, 2016.
Principal Due Dates:	March 1 of the years 2027 through 2033.
Interest Payment Dates:	Interest on the B3 Bonds is due each March 1 and September 1 commencing September 1, 2016. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or integral multiples thereof.
Purpose:	The B3 Bonds are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects of the City.
Security:	Principal and interest on the B3 Bonds will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Bonds in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The B3 Bonds will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the B3 Bonds. (See “BOOK-ENTRY-ONLY SYSTEM” herein).
Tax Status of Interest:	Bond Counsel are of the opinion that under existing law, interest on the B3 Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the <i>“Code”</i>), Bond Counsel are of the opinion that interest on the B3 Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the B3 Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income but is includable in corporate earnings and profits and, therefore, must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the B3 Bonds is not exempt from Wisconsin income taxes. (See “TAX MATTERS” herein).
Redemption Feature:	The B3 Bonds are subject to optional redemption on any date on or after March 1, 2026. (See “Redemption Provisions” herein.)
Official Statement:	The City will provide the original purchaser of the N2 Notes and B3 Bonds with an electronic copy and up to 25 copies of this Official Statement within seven business days following the award of the B3 Bonds.

* Preliminary, subject to change.

Professionals: Bond Counsel: Katten Muchin Rosenman LLP
Chicago, Illinois
Hurtado Zimmerman SC
Wauwatosa, Wisconsin

Financial Advisor: Public Financial Management, Inc.
Milwaukee, Wisconsin

Paying Agent: City of Milwaukee, Comptroller's Office
Milwaukee, Wisconsin

Record Date: March 1 and September 1 (whether or not a business day).

Delivery: Delivery of the B3 Bonds will be on or about May 20, 2016 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

Reoffering: The public reoffering price(s) or yield(s) of the B3 Bonds will be set forth on the inside front cover page of the Final Official Statement.

Continuing Disclosure Certificate: In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the B3 Bonds the City will provide an executed copy of its Continuing Disclosure Certificate. (See **"CONTINUING DISCLOSURE"** herein).

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Summary Statement – T4 Bonds

Issuer:	City of Milwaukee, Wisconsin
Issue:	\$27,530,000* Taxable General Obligation Corporate Purpose Bonds, Series 2016 T4
Dated Date:	May 20, 2016.
Principal Due Dates:	March 1 of the years 2017 through 2033.
Interest Payment Dates:	Interest on the T4 Bonds is due each March 1 and September 1 commencing September 1, 2016. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or integral multiples thereof.
Purpose:	The T4 Bonds are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects of the City.
Security:	Principal and interest on the T4 Bonds will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Bonds in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The T4 Bonds will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the T4 Bonds. (See “ BOOK-ENTRY-ONLY SYSTEM ” herein).
Tax Status of Interest:	Interest on the T4 Bonds <i>IS</i> includable in the gross income of the owners thereof for federal income tax purposes and is not exempt from State of Wisconsin income or franchise taxes. In addition, the Internal Revenue Code of 1986, as amended, contains a number of other provisions relating to the taxation of the T4 Bonds (including, but not limited, to the treatment of and accounting for interest, premium, original issue discount and market discount thereon, gain from the disposition thereof and withholding tax on income therefrom) that may affect the taxation of certain owners, depending on their particular tax situations. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE T4 BONDS. (See “ TAX MATTERS ” herein).
Redemption Feature:	The T4 Bonds maturing on or after March 1, 2027 are subject to optional redemption on any date on or after March 1, 2026. (See “ Redemption Provisions ” herein.)

* Preliminary, subject to change.

Official Statement: The City will provide the original purchaser of the T4 Bonds with an electronic copy and up to 25 copies of this Official Statement within seven business days following the award of the T4 Bonds.

Professionals: Bond Counsel: Katten Muchin Rosenman LLP
Chicago, Illinois
Hurtado Zimmerman SC
Wauwatosa, Wisconsin

Financial Advisor: Public Financial Management, Inc.
Milwaukee, Wisconsin

Paying Agent: City of Milwaukee, Comptroller's Office
Milwaukee, Wisconsin

Record Date: February 15 and August 15 (whether or not a business day).

Delivery: Delivery of the T4 Bonds will be on or about May 20, 2016 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

Reoffering: The public reoffering price(s) or yield(s) of the T4 Bonds will be set forth on the inside front cover page of the Final Official Statement.

Continuing Disclosure Certificate: In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the T4 Bonds the City will provide an executed copy of its Continuing Disclosure Certificate. (See "CONTINUING DISCLOSURE" herein).

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THE RANs

Authority and Purpose

The Common Council of the City has authorized the issuance and sale of the RANs for the public purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State shared revenue payments, by the adoption of an authorizing Resolution on January 19, 2016 in accordance with the provisions of Section 67.12(1) of the Wisconsin Statutes, which reads as follows:

“67.12 Temporary borrowing and borrowing on promissory notes. (1) BORROWING IN ANTICIPATION OF REVENUES. (a) Except for school districts and technical college districts, any municipality that becomes entitled to receive federal or state aids, taxes levied or other deferred payments may, in the same fiscal year it is entitled to receive the payments, issue municipal obligations in anticipation of receiving the payments. The municipal obligations issued under this paragraph shall not exceed 60% of the municipality's total actual and anticipated receipts in that fiscal year and shall be repaid no later than 18 months after the first day of that fiscal year.”

Security for the RANs

The RANs are not a general obligation of the City, do not constitute debt for the purpose of determining the City's constitutional debt limitation, and no tax shall be levied to pay the RANs or the interest thereon.

Statutory Borrowing Limitation

Section 67.12(1)(a) of the Wisconsin Statutes limits issuance for the purpose of the RANs to sixty percent (60%) of the Estimated General Fund Revenues for fiscal year. The limitation is calculated as follows:

Total Amount of Estimated General Fund Revenues for 2016	738,174,923
Statutory Borrowing Limit (60% of Estimated Revenues)	442,904,954
Borrowing - Revenue Anticipation Notes, Series 2016 R1	<u>90,000,000</u>
Unused Amount Following this Issue	<u>352,904,954</u>
Percentage of Borrowing Limit Used	20%
Percentage of Borrowing to Estimated Revenues	12%

THE N2 NOTES, B3 BONDS AND T4 BONDS

Authority and Purpose

The N2 Notes, B3 Bonds and T4 Bonds are being issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes to finance various public improvement projects, and fiscal requirements of the City, to refund outstanding commercial paper and other long-term debt of the City, and to pay the associated financing costs. The Common Council of the City adopted Resolutions on December 20, 2011, February 5, 2013, January 22, 2014, April 22, 2014, January 21, 2015, November 24, 2015 and January 19, 2016 which authorize the issuance of the N2 Notes, B3 Bonds and T4 Bonds. In addition,

various initial Resolutions have been adopted authorizing purposes for the B3 Bonds and T4 Bonds that have been combined into the corporate purpose bond issues.

Proceeds of the sale of the N2 Notes, B3 Bonds and T4 Bonds are anticipated to be used for various public improvements of the City as follows:

Estimated Purposes (including commercial paper to be refunded)*	
Streets.....	\$51,578,589
Public Buildings.....	18,196,641
Bridges.....	5,232,671
Fire.....	2,833,351
Tax Incremental Districts.....	28,113,438
Police.....	6,474,114
Sanitation.....	5,423,885
Parking.....	1,057,546
Renewal and Development.....	8,402,684
Library.....	10,331,429
Parks.....	937,419
Harbor.....	1,213,242
Financing Receivables.....	26,095,000
Damages and Claims.....	5,000,000
Refunding GO Debt.....	22,400,000
Less: Premium applied to Purposes.....	0
Total.....	<u>\$193,290,000</u>

* Preliminary, subject to change. The purposes shown in the table reflect the refunding of \$66,500,000 of Commercial Paper and Line of Credit.

Plan of Refunding

In addition to providing long-term financing for \$43,500,000 of outstanding Commercial Paper and \$23,000,000 of Line of Credit, the City is also refunding \$22,400,000 of outstanding Commercial Paper that was issued to refund the following bonds:

City Bonds to be Refunded

<u>Dated Date</u>	<u>Series</u>	<u>Amount</u>	<u>Maturities</u>	<u>Redemption Date</u>
April 6, 2016	2006 B2	\$25,540,000	2017 – 2023	February 15, 2016

Cash on hand was also used to reduce the amount of refunding bonds issued.

Security for the N2 Notes, B3 Bonds and T4 Bonds

The N2 Notes, B3 Bonds and T4 Bonds will be general obligations of the City, and payment thereof is secured by a pledge of the full faith and credit of the City. The City is authorized and required to levy on all taxable property in the City such ad-valorem taxes, without limitation as to rate or amount, as may be necessary to meet the debt service requirements on the N2 Notes, B3 Bonds and T4 Bonds.

Under and by virtue of Sections 67.05(10) and 67.12(12)(ee), Wisconsin Statutes, the City is obligated to levy a direct annual tax sufficient in amount to pay, and for the express purpose of paying, the interest on the N2 Notes, B3 Bonds and T4 Bonds as it falls due, and also to pay and discharge the principal thereof at maturity. The City is, and shall be, without power to repeal such levy or obstruct the collection of such tax until all such payments have been made or provided for.

Under Section 67.035, Wisconsin Statutes, all taxes levied for paying principal and interest on valid notes or N2 Notes, B3 Bonds and T4 Bonds are declared to be without limitation. Under Section 65.06(18), Wisconsin Statutes, the omission from the budget of the payment of interest on or the principal of any bonded debt of the City when due shall not prevent the placing of the same on the tax roll for the levy and the collection of the tax and the payment of the money therefor.

Maturity and Interest Rates

The N2 Notes, B3 Bonds and T4 Bonds are to be dated May 20, 2016, and will bear interest from that date at the rates, and shall mature each March 1 in the amounts and on the dates as set forth on the inside front cover pages of this Preliminary Official Statement. Interest on the N2 Notes, B3 Bonds and T4 Bonds will be payable commencing September 1, 2016 and thereafter semiannually on March 1 and September 1 of each year and is calculated on the basis of 30-day months and a 360-day year.

Redemption Provisions

The N2 Notes are not subject to call and redemption prior to maturity. B3 Bonds will be subject to redemption prior to their maturity, at the option of the City, on any date on or after March 1, 2026 at a price of par plus accrued interest to the date fixed for their redemption. T4 Bonds maturing on or after March 1, 2027 will be subject to redemption prior to their maturity, at the option of the City, on any date on or after March 1, 2026 at a price of par plus accrued interest to the date fixed for their redemption.

If less than all outstanding B3 Bonds or T4 Bonds are called for redemption, the B3 Bonds or T4 Bonds, as applicable, shall be called in such order of maturity as shall be determined by the City. If less than all of the B3 Bonds or T4 Bonds of the same series and maturity are called for redemption, the particular B3 Bonds or T4 Bonds of such series and maturity to be redeemed shall be selected by lot. Notice of redemption shall be mailed, postage prepaid, no earlier than 60 days and no later than 30 days prior to the redemption date, to the owners of any B3 Bonds or T4 Bonds to be redeemed in whose name such B3 Bonds or T4 Bonds are registered as of the date of the notice. Any defect in the notice shall not invalidate the notice. The record date for receiving payment of the redemption price shall be the 15th calendar day (whether or not a business day) prior to the redemption date. While in Book Entry Form, as the Registered Owner, DTC will receive the Redemption Notice. The City is not responsible for DTC's notification of redemption to Participants and Beneficial Owners.

Statutory Borrowing Limitation

Wisconsin Statutes limit direct general obligation debt the City may issue. The N2 Notes, B3 Bonds and T4 Bonds do not cause these limitations to be exceeded. (See “**DEBT STRUCTURE**” herein for further details).

INVESTMENT POLICIES

The City may invest any of its funds not immediately needed in accordance with Section 66.0603 of the Wisconsin Statutes. The City, through Common Council Resolution 930358, adopted July 6, 1993, has instructed the City Treasurer to invest City funds, including Milwaukee Public Schools funds, in: (a) Certificates of Time Deposit at approved public depositories limited to the equity capital or net worth of the financial institution with collateralization required when total deposits at any institution exceed \$500,000; (b) Repurchase Agreements with public depository institutions; (c) the State of Wisconsin Local Government Investment Pool; (d) U.S. Treasury and Agency instruments; and (e) commercial paper which has a rating in the highest or second highest rating category assigned by Standard & Poor's Ratings Group, Moody's Investors Service, Inc., or some other similar nationally recognized rating agency.

To the extent possible, the City Treasurer attempts to match investments with anticipated cash flow requirements. No limits have been placed on how much of the portfolio can be invested in any of the above investment categories.

The State of Wisconsin Investment Board ("SWIB") provides the Local Government Investment Pool ("LGIP") as a subset of the State Investment Fund (the "Fund"). The LGIP includes deposits from elective participants consisting of over 1,000 municipalities and other public entities. The Fund also consists of cash balances of participants required to keep their cash balances in the Fund. These required participants include the State General Fund, State agencies and departments and Wisconsin Retirement System reserves. The LGIP portion of the Fund is additionally secured as to credit risk.

The LGIP is a local option City depository. The City utilizes the LGIP in a manner similar to a "money market" account. When other investment options provide more favorable returns, such options are utilized. As of December 31, 2014, the City had approximately 44% (\$252 million) of its and Milwaukee Public Schools' investments deposited in the LGIP.

SWIB invests the assets of the Fund, which includes assets of the LGIP. Overall policy direction for SWIB is established by an independent, eight-member Board of Trustees (the "Trustees"). The Trustees establish long-term investment policies, set guidelines for each investment portfolio and monitor investment performance.

The objectives of the Fund are to provide (in order of priority) safety of principal, liquidity, and a reasonable rate of return. The Fund includes retirement trust funds cash balances pending longer-term investment by other investment divisions. The Fund also acts as the State's cash management fund and provides the State's General Fund with liquidity for operating expenses. The Fund is strategically managed as a mutual fund with a longer average life than a money market fund. This strategic advantage is made possible by the mandatory investment of State funds for which the cash flow requirements can be determined significantly in advance. Given the role played by the Fund, the cash balances available for investment vary daily as cash is accumulated or withdrawn from various funds.

A copy of SWIB's annual report may be obtained by submitting a written request to the State of Wisconsin Investment Board, P.O. Box 7842, Madison, WI 53707-7842.

THE CITY

Location, Organization and Government

General

The City is located on the western shore of Lake Michigan in southeastern Wisconsin. The City is the hub of the metropolitan area and a thriving place to live and work. The City is Wisconsin's largest city with a population of approximately 595,787 and is the principal trade, service and financial center of southeastern Wisconsin. The surrounding Metropolitan Statistical Area ("MSA") includes the principal cities of Milwaukee, Waukesha and West Allis; the counties of Milwaukee, Ozaukee, Waukesha and Washington; and has a population of nearly 1.6 million.

The Port of Milwaukee provides access to the sea lanes of the world. General Mitchell International Airport is served by domestic and international airlines. Five rail lines serve the City and provide transportation links throughout the United States. The City is also connected with the interstate highway system.

The City was incorporated as a city on January 31, 1846, pursuant to the laws of the Territory of Wisconsin. Wisconsin gained statehood in 1848. The City, operating under a Home Rule Charter since 1874, has a council mayor form of government.

Elected Officials

The Mayor, City Attorney, Comptroller, Treasurer and Common Council members are elected officials of the City. Local elections are non-partisan. The Mayor, City Attorney, Comptroller and Treasurer are elected at-large for identical four-year terms.

The Common Council represents fifteen Aldermanic districts. Each Alderperson represents, and is elected from, an aldermanic district with a population of approximately 40,000.

City Officials

As of April 19, 2016
(initial year in office follows name)

Mayor	Tom Barrett	(2004)
City Attorney	Grant F. Langley	(1984)
City Comptroller	Martin Matson	(2012)
City Treasurer	Spencer Coggs	(2012)

Common Council

Ashanti Hamilton	(2004)	Chantia Lewis	(2016)
Chevy Johnson	(2016)	Michael J. Murphy	(1989)
Nik Kovac	(2008)	Mark A. Borkowski	(2015)
Robert J. Bauman	(2004)	Jose G. Perez	(2012)
James A. Bohl, Jr.	(2000)	Terry L. Witkowski	(2003)
Milele A. Coggs	(2008)	T. Anthony Zielinski	(2004)
Khalif Rainey	(2016)	Russell W. Stamper, II	(2014)
Robert G. Donovan	(2000)		

* The terms of all the above elected positions expire in April 2020.

Public Services and Facilities

The City is charged with primary responsibility for public safety (via its police, fire and health departments); public works (including refuse removal and a City-owned water utility); various cultural and recreational services including a library system; and general municipal administration. City government also participates in housing and neighborhood programs through separate housing and redevelopment authorities. These two latter authorities have the ability to borrow directly and issue revenue backed financings.

Other major local governmental units and their related government services are the Milwaukee Public Schools (education); Milwaukee County (parks, airport/mass transit/highways, social services and court system); Milwaukee Metropolitan Sewerage District (wastewater treatment); and the Milwaukee Area Technical College (higher education). Wisconsin Statutes require the City to issue debt for Milwaukee Public Schools. The other governmental units listed each have the statutory authority to issue general obligation debt.

Two special purpose governmental units exist with the ability to borrow and tax on a limited revenue basis. The first is the Southeastern Wisconsin Professional Baseball Park District (the “*SWPBP District*”), a public entity created by State legislation, encompassing southeastern Wisconsin counties, including Milwaukee County, to finance construction/operations of a baseball facility (“*Miller Park*”) for the National League Milwaukee Brewers baseball club. Miller Park opened in March, 2001. The SWPBP District has issued \$199 million of revenue bonds supported by a five-county, one-tenth of one percent sales tax and other ancillary revenue streams. In addition, \$45 million of lease certificates of participation have been issued by the SWPBP District to finance acquisition and installation of facility equipment, scoreboards, etc.

The second special purpose governmental unit is the Wisconsin Center District (“*WC District*”), a public entity created by the City pursuant to Section 229.42, Wisconsin Statutes, which oversees construction and operation of the Wisconsin Center, the City’s major convention complex. This complex also includes the UW-Milwaukee Panther and the Milwaukee Theater facilities, formerly known as “*MECCA*.” The Wisconsin Center, was financed by \$185 million of revenue bonds issued by the WC District and secured by a pledge of dedicated sales tax revenues from lodging, restaurant, and vehicle rentals collected in the WC District. Phase One of the Wisconsin Center was completed during 1998. Phase Two was completed in 1999. In 2001, the WC District issued \$30 million of bonds to renovate the Milwaukee Theatre.

In addition to the facilities noted above, the City is home to a 17,000+ seat indoor sports and concert venue, the BMO Harris Bradley Center, located in the heart of downtown. This facility serves the National Basketball Association Milwaukee Bucks, the Marquette University Golden Eagles men’s basketball team and the Milwaukee Admirals International Hockey League club. The City is home to the Milwaukee Art Museum, as well as major symphony, ballet and opera companies, and other theatre and performing arts.

2015 Wisconsin Act 60 authorized the WC District to borrow \$203 million to construct and operate a new sports and entertainment arena/facilities (the “*Arena*”) for the Milwaukee Bucks. Planning for the Arena is in process. Plans for the Arena include the demolition of the BMO Harris Bradley Center. The Milwaukee Admirals will relocate to the UW-Milwaukee Panther facility. Also pursuant to 2015 Wisconsin Act 60, the WC District may assume from Milwaukee County ownership and operations of Marcus Center for the Performing Arts.

On the lakefront is the Milwaukee Art Museum, which combines art, dramatic architecture and landscape design. The Quadracci Pavilion, the first Santiago Calatrava-designed building in the United

States, features a 90-foot high glass-walled reception hall enclosed by the Burke Brise Soleil, a sunscreen that can be raised or lowered creating a unique moving sculpture.

Finally, the Milwaukee area is the site of a number of higher education institutions including Marquette University, the University of Wisconsin – Milwaukee, Alverno College, Mount Mary University and the Milwaukee School of Engineering.

Employee Relations

The City has approximately 6,400 full-time employees. 2,700 employees are part of three public safety unions and 310 employees are in two non-public safety union. The remaining employees do not have collective bargaining representation.

The police officers’ and the police supervisors’ union have a contract through December 31, 2017. The firefighters’ union contract expired as of December 31, 2012. The agreement covering one non-public safety union expired on December 31, 2014. The other does not have an agreement. The City is in negotiations with the unions.

Pursuant to Wisconsin Statutes, non-public safety unions’ right to collective bargaining is limited solely to employee wages. Wisconsin Statutes does not limit the ability of public safety unions to collectively bargain on most issues.

GENERAL, DEMOGRAPHIC AND ECONOMIC INFORMATION

General

Based on 2010 census results, the City’s population is 594,833. Population in the four county area surrounding the City is estimated at 1,619,429 and represents 28% of the population of the State of Wisconsin.

City of Milwaukee Selected Economic Data

Year	Population		Adjusted Gross Income Per Return
	Department of Administration	U.S. Census	
2015	595,787		Not Available
2014	595,993		\$37,340
2013	596,500		37,300
2012	595,425		35,770
2011	595,525		34,100
2010	580,500	594,833	32,774
2009	584,000		32,500
2008	590,870		33,160
2007	590,190		33,240
2000	605,572	596,974	32,370

Sources: U.S. Census and the Wisconsin Department of Administration, Demographic Service Center and the Wisconsin Department of Revenue, Division of Research and Analysis. The Division’s population estimates are used in the distribution of State Shared Revenues.

Building Permits

Another indicator of economic growth is the activity in the building industry. The following table indicates building permit activity during the period 2011 through December 2015.

General Total

Year	Value	Permits Issued
2015		
2014	539,753,288	2,443
2013	269,010,398	2,217
2012	254,896,334	2,297
2011	269,386,167	2,340

Residential Building

Year	Single Family		Multi-Family		Total		Permits Issued
	Value	# Of Units	Value	# Of Units	Value	# Of Units	
2015							
2014	4,423,531	31	16,096,831	300	20,520,362	331	39
2013	5,429,015	43	46,923,592	430	52,352,607	473	53
2012	4,408,472	44	30,455,000	281	34,863,472	325	60
2011	17,892,282	139	42,327,598	364	60,219,880	503	222

Commercial Building

Year	Value	Permits Issued
2015		
2014	320,611,159	49
2013	83,584,379	42
2012	52,952,469	51
2011	58,518,315	47

Public Building

Year	Value	Permits Issued
2015		
2014	31,118,208	314
2013	24,248,685	147
2012	43,046,652	211
2011	49,456,901	256

Alterations and Additions

Year	Value	Permits Issued
2015		
2014	167,503,559	2,041
2013	108,824,727	1,975
2012	124,033,741	1,975
2011	101,191,071	1,815

Sources: Development Center, Department of City Development. Data accumulated from monthly reports submitted to U.S. Department of Commerce, Bureau of the Census, Construction Statistics Division, Washington D.C.

Leading Business and Industrial Firms Located Within Milwaukee County

The listing of large employers in the Milwaukee County area that follows reveals the diversity of Milwaukee County's economic base. The largest of these are shown in the following list, which includes only employers with the majority or all of their employment in Milwaukee County. The Employment Estimates can include employees located in counties contiguous to Milwaukee County.

Company	Business Description	Approximate Employment
Aurora Health Care Inc.	Health Care System	24,509
Wheaton Franciscan Healthcare	Health Care System	11,281
Froedert & Community Health	Health Care System	9,800
Roundy's Supermarkets Inc.	Retail Supermarkets	8,260
GE Healthcare	Health Care Technologies	6,000
The Medical College of Wisconsin	Private Medical School	5,170
Northwestern Mutual	Insurance, Investment Products	5,100
ProHealth Care Inc	Health Care System	4,729
Children's Hospital	Health Care System	4,530
Columbia St. Mary's Health System	Health Care System	4,500
Goodwill Industries	Training Programs, Retail, & Food Service	4,100
US Bank NA	Banking Services	3,500
Wisconsin Energy Corp	Electric & Natural Gas Utility	3,461
Johnson Controls Inc.	Control Systems, Batteries & Auto Interiors	3,400
BMO Harris Bank	Bank Holding Company	3,300
The Marcus Corp	Theaters and Hotel Properties	3,159
Rockwell Automation Inc	Industrial Automation Products	2,951
Potawatomi Bingo Casino	Casino	2,834
Harley-Davidson Inc.	Motorcycles & Accessories	2,736
Marquette University	University	2,733
(FIS) Fidelity National Info. Services	Banking and Payments Technology	2,600
Rexnord Corp.	Power Transmission Equipment	2,300
Bon-Ton Department Stores	Department Stores	2,260
Wells Fargo	Banking & Financial Services	2,220
Sendik's Food Markets	Retail Supermarkets	1,650
Briggs & Stratton Corp.	Small Gasoline Engines	1,500
Robert W Baird	Asset Management and Capital Markets	1,400
MillerCoors LLC	Beer Brewery	1,400
JPMorgan Chase & Co.	Global Financial Services	1,355
Joy Global Inc.	Manufactures & Distributes Mining Equip	1,319
Brady Corp.	Manufacturer of Identification Materials	1,147
Patrick Cudahy Inc.	Manufacturer of Processed Meats	1,100
Caterpillar Inc., (Bucyrus)	Manufactures & Distributes Mining Equip	1,000
Master Lock Co. LLC	Manufacturer of Padlocks & Security Products	750

Source: Milwaukee Business Journal, as of July 10, 2015.

EMPLOYMENT AND INDUSTRY

During 2015, the City’s unemployment rate averaged approximately 6.7%. Presented below are unemployment rates for the City, as compared to the State of Wisconsin and the United States for the period 2011 through 2015.

Annual Unemployment Rates (Not Seasonally Adjusted)				
Year	City of Milwaukee	Milwaukee – Waukesha – West Allis Metropolitan Statistical Area	State of Wisconsin	United States
2015	6.7%	5.0%	4.6%	5.3%
2014	8.1	6.0	5.4	6.2
2013	10.1	7.2	6.7	7.4
2012	10.3	7.5	7.0	8.1
2011	11.1	8.1	7.8	8.9

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Recent Monthly Unemployment Rates (Not Seasonally Adjusted)				
Month	City of Milwaukee	Milwaukee – Waukesha – West Allis Metropolitan Statistical Area	State of Wisconsin	United States
February, 2016	6.8%	5.5%	5.5%	5.2%

Source: U.S. Department of Labor, Bureau of Labor Statistics. Not Seasonally Adjusted

The City’s economic structure reveals a diversified economy with strong service and manufacturing sectors. In Milwaukee County, service sector (healthcare, service, finance, insurance, real estate and retail trade) employs 74% of the workforce. Construction and manufacturing firms employ 15% of the workforce. Federal, State, and local governments employ 11% of the workforce. The area is not dominated by any large employers.

Ten Largest Taxpayers With 2016 Estimated Equalized Valuations

US Bank Corp	\$246,859,310
Northwestern Mutual Life Ins.	173,021,542
Mandel Group	142,893,099
Forest County Potawatomi Community	128,640,384
Marcus Corp/Milw City Center/Pfister	109,723,288
Metropolitan Associates	98,217,196
Brewery Works/ Riverbend Place	93,511,446
Jackson Street Holdings	83,522,476
100 E. Wisconsin - CW Wisconsin Ave. LLC	79,959,925
Gorman & Co.	79,464,113

Source: City of Milwaukee, Assessor’s Office January 2016.

DEBT STRUCTURE

The City of Milwaukee has never defaulted in the payment of the principal or interest on its debt obligations, nor has the City issued any refunding securities for the purpose of preventing default in principal or interest on its debt obligations.

Legal Debt Limitations

Section 67.03 of the Wisconsin Statutes, as supplemented and amended, limits direct general obligation borrowing by the City to an amount equivalent to five percent of the equalized valuation of taxable property within the City. Section 119.49 of the Wisconsin Statutes, as supplemented and amended, further authorizes referendum approved-bonding in an additional amount equivalent to two percent of the equalized taxable property within the City for school capital purposes.

Debt Margin (Includes the Offered Obligations to be issued by the City)

Equalized Value of Taxable Property in the City.....		\$25,980,469,600
Legal Debt Limitation for City Borrowing		
5% of Equalized Value.....		\$1,299,023,480
General Obligation Debt Outstanding subject to 5% Limit as of 05/01/16.....	\$789,140,000	
Plus: 2016 N2, B3 and T4	193,290,000*	
Less: Provision for current year maturities	(24,195,000)	
Less: General Obligation Debt to be refunded.....	(25,540,000)	
Net General Obligation Debt Outstanding subject to the 5% Limit as of 05/01/16		\$932,695,000*
Total Debt Margin for City Borrowing (in Dollars)		\$366,328,480*
As a percentage		28.2%*
including Extendable Municipal Commercial Paper (1).....		19.6%*
Legal Debt Limitation for School Purpose Borrowing		
2% of Equalized Value.....		\$519,609,392
General Obligation Debt Outstanding subject to 2% Limit as of 05/01/16.....	\$10,902,745	
Less: Provision for current year maturities	-	
Net General Obligation Debt Outstanding subject to the 2% Limit as of 05/01/16		\$10,902,745
Total Debt Margin for School Purpose Borrowing (in Dollars)		\$508,706,647
(As a percentage).....		97.9%

(1) Excludes EMCP to be refunded by this Issue, and EMCP issued for Cash Flow purposes.

* Preliminary, subject to change.

**Analysis of General Obligation Debt
Outstanding as of May 1, 2016**

Streets.....	\$164,733,905
Tax Increment Districts.....	156,774,045
Public Buildings.....	117,979,927
Schools (5% City Borrowing).....	78,877,677
Schools (2% School Purpose Borrowing).....	10,902,745
Municipal Expenses	67,271,209
Bridges	39,413,870
Blight Elimination/Urban Renewal.....	32,981,760
Finance Real & Personal Property Tax Receivables.....	29,094,000
Police	25,604,929
Fire	17,866,601
Sewers	15,421,445
Library	15,348,419
Parking	10,726,656
Water.....	10,098,460
Playground/Recreational Facilities	4,456,835
Harbor	1,972,866
Local Improvement Projects/Special Assessments	517,396
Total	\$800,042,745

General Obligation Debt Service Requirements

The following indicates the annual requirements of principal and interest on the general obligation debt of the City.

	Total G.O. Debt Service as of 05/01/16 (1)		Series 2016 N2, B3 and T4*		Total Requirements After Issuance*
	Principal (2)	Interest (3)	Principal	Interest**	
2016	\$ 27,570,000	\$ 20,747,870		2,657,738	\$ 50,975,608
2017	92,220,239	33,163,220	27,455,000	8,978,125	161,816,583
2018	141,163,544 (4)	28,806,858	19,365,000	7,807,625	197,143,027
2019	74,491,727	25,524,066	16,365,000	6,914,375	123,295,167
2020	67,606,322	22,762,616	15,990,000	6,105,500	112,464,438
2021	58,293,148	19,911,147	16,070,000	5,304,000	99,578,296
2022	52,604,005	18,433,723	11,495,000	4,614,875	87,147,603
2023	49,043,761	16,171,953	10,595,000	4,062,625	79,873,339
2024	43,610,000	10,751,384	10,630,000	3,532,000	68,523,384
2025	38,190,000	9,068,692	10,685,000	2,999,125	60,942,817
2026	28,580,000	7,588,680	10,735,000	2,463,625	49,367,305
2027	24,900,000	5,610,187	8,230,000	1,989,500	40,729,687
2028	17,290,000	3,855,424	8,275,000	1,576,875	30,997,299
2029	11,240,000	3,301,494	8,320,000	1,162,000	24,023,494
2030	6,955,000	2,958,866	7,945,000	755,375	18,614,241
2031	1,515,000	2,792,935	7,985,000	357,125	12,650,060
2032	31,580,000	542,011	1,560,000	118,500	33,800,511
			1,590,000	39,750	1,629,750
	<u>\$766,852,745 (5)</u>	<u>\$231,991,127</u>	<u>\$193,290,000</u>	<u>\$61,438,738</u>	<u>\$1,253,572,610</u>

(1) Excludes debt to be refunded.

(2) Assumes Sinking Fund Deposits in year due.

(3) Assumes: the maximum interest rate of 9.0% on \$30,000,000 of variable rate debt (the tax levy requirement).

(4) Includes \$62 million for Series 2013 T6 that were issued to permit payment in advance to the City's retirement system. If the program is not repeated, the amount will be repaid from the amount normally budgeted for the annual contribution, thus returning the contribution to a payment made in arrears.

(5) Excludes \$7,650,000 on deposit in the sinking fund accounts.

* Preliminary, subject to change.

** Assumes an interest rate of 5.00%.

Trends of General Obligation Debt

(Thousands of Dollars)

Year 12/31	Total GO Debt	Self-Sustaining GO Debt*	Levy Supported GO Debt
2011	934,004	373,059	560,945
2012	846,299	319,662	526,637
2013	872,014	295,522	576,492
2014	863,465	276,231	587,234
2015	892,221	263,175	629,046

* General Obligation debt whose debt service requirements are paid by non-Citywide property tax revenues.

Trends of Self-Sustaining General Obligation Debt
(Thousands of Dollars)

Year 12/31	TID Program	Parking Program	Special Assessments	Delinquent Taxes (1)	Water (2)	Sewer (2)	Total Self-Sustaining
2011	\$192,838	\$12,170	\$10,462	\$52,728	\$22,053	\$82,807	\$373,059
2012	189,351	11,684	9,505	56,201	18,727	34,194	319,662
2013	179,475	11,443	2,286	58,033	15,791	28,494	295,522
2014	171,810	11,533	1,242	55,927	12,670	23,049	276,231
2015	167,898	11,768	561	54,648	10,158	18,142	263,175

General Obligation debt whose debt service requirements are paid by non-Citywide property tax revenues.

- (1) Debt issued for Delinquent Tax Purposes is paid from collections of the delinquent taxes.
(2) Years 2011 and 2012 includes temporary borrowing pending refunding with revenue bonds.

**Ratio of General Obligation Debt
to Equalized and Assessed Values and to Per Capita**

Year 12/31	Population (1)	Net Equalized Valuation	Assessed Valuation	Total GO Debt	GO Debt/Net EV	GO Debt/AV	GO Debt/capita
2011	595,525	\$27,954,669,900	\$27,917,642,983	\$934,004,150	3.34%	3.35%	\$1,568
2012	595,425	26,421,932,000	25,322,100,578	846,299,150	3.20	3.34	1,421
2013	596,500	26,089,611,100	25,034,158,099	872,014,150	3.34	3.48	1,462
2014	595,993	26,138,108,100	25,024,542,439	863,464,646	3.30	3.45	1,449
2015	595,787	25,980,469,600	25,262,963,417	892,221,179	3.43	3.53	1,498

- (1) Population estimate from the Wisconsin Department of Revenue for use in the distribution of State Shared Revenues.

The Public Debt Amortization Fund may be used to purchase and prepay City GO Debt. Assuming the unsegregated fund balance is used to prepay City GO Debt at year-end, the following results would have occurred:

Year 12/31	PDAF Unsegregated Balance	GO Debt /Net EV	GO Debt /capita
2011	\$57,046,631	3.14%	1,473
2012	57,413,536	2.99%	1,325
2013	56,790,600	3.12%	1,367
2014	61,857,951	3.07%	1,345
2015 (1)	61,857,951	3.20%	1,394

- (1) 12/31/15 balance is unknown at this time. Assumes balance is unchanged for the year.

**Computation of Net Direct and Overlapping Debt
May 1, 2016**

Governmental Unit	Debt Outstanding As of May, 2016	Percentage Applicable	Share of Debt As of May, 2016
City of Milwaukee (1)	\$ 800,042,745	100.00%	\$ 800,042,745
Area Board of Vocational, Technical and Adult Education, District No. 9	114,825,000	35.73	41,023,658
County of Milwaukee	645,409,246	44.35	286,220,943
Milwaukee Metropolitan Sewerage District..	903,893,731	45.23	408,796,378
Total Net Direct and Overlapping Debt.....	\$2,464,170,722		\$1,536,083,725

(1) Includes \$100.5 million general obligation debt outstanding, which financed Milwaukee Public Schools improvements. Figure includes the new issue, and excludes debt to be refunded and provisions for current year maturities.

Future Financing

Prior to the issuance of the Offered Obligations, the City has \$585 million authorized unissued general obligation debt for various corporate and capital improvement purposes, which can be issued at any time. The City also has \$400 million of authorized unissued revenue anticipation borrowing for City and School cash flow purposes.

The City has \$200.9 million of Extendable Municipal Commercial Paper and PNC Line of Credit outstanding which can be refinanced with General Obligation Debt. \$66.5 million for new capital purposes and \$22.4 million for refunding purposes will be refinanced with this issue, \$75.0 million are anticipated to be permanently financed with Sewer Revenue Bonds, and \$10 million are anticipated to be permanently financed with Water Revenue Bonds. The remaining \$27 million will be refinanced in a separately offered general obligation debt along with \$12 million for new money purposes.

The authorized unissued general obligation debt includes \$69 million for sewer purposes and \$27 million for water purposes. The sewer purpose debt is anticipated to be financed in 2016 on a revenue bond basis, including second lien revenue bonds sold to the State of Wisconsin Clean Water Fund Program. The water purpose debt is anticipated to be financed on a revenue bond basis, including second lien revenue bonds sold to the State of Wisconsin Safe Drinking Water Loan Program.

See “**FINANCIAL INFORMATION – City Capital Improvement Plan**” herein for information on potential future capital needs.

City Capital Improvement Plan

The City’s 2013-2018 Draft Capital Improvement Plan (“*CIP*”) outlines planned capital improvement projects and programs. Some school purpose improvements are financed by the City for Milwaukee Public School, but are not included in the *CIP*.

The six-year *CIP* plan totals \$1,045 million. About \$727 million, or 70% of the planned spending, is intended to preserve the City’s existing infrastructure facilities (streets, sewers, alleys, bridges, etc.). Approximately 57% (\$594 million) is anticipated to be borrowed with General Obligation debt, 28% (\$290 million) being borrowed with revenue debt.

Purpose	Amount (\$ Millions)
Transportation	\$326
Environment.....	457
Economic Development..	140
Public Safety	65
Miscellaneous.....	57
	<hr/>
Total	<u>\$1,045</u>

The CIP has not yet been updated for the following projects:

Milwaukee City Hall is a 120-year-old building built on a wood piling foundation. A portion of the wood pilings have begun to decay and are in need of replacement. It is estimated that \$60 million may be spent over the next 10 years to repair the foundation. Actual costs could be higher or lower. Other than for preliminary engineering, no amounts have yet been budgeted for the project and the foundation and building are currently being monitored.

The City has approved an estimated \$98.8 million for phase I of a streetcar project. Phase I includes 3.8 miles of track with a one-way route length of 2.1 miles. A Federal grant of \$54.9 million has been received for the project. The City has approved \$43.9 million of Tax Incremental District borrowing to fund the remaining estimated construction and equipment costs.

Extendable Municipal Commercial Paper Program and other Liquidity

The City has authorized the issuance of EMCP with the Extendable Municipal Commercial Paper Notes, 2012 Program, Series C6, Series R7, and Series T8 (Taxable) (the “*Series C6 Notes*”, “*Series R7 Notes*”, and “*Series T8 Notes*” respectively, and together, the “*EMCP Notes*”). Any combination of Series C6 Notes, Series R7 Notes, and Series T8 Notes, up to an aggregate total of \$200,000,000, is authorized to be outstanding at any time. The EMCP Notes are not general obligation debt of the City, however they are issued in anticipation of the issuance of general obligation promissory notes, which can be issued at any time. The EMCP Notes are authorized to be outstanding until May 22, 2017.

The EMCP Notes may be issued at any time for any purpose, including the purposes described in Future Financing above. The primary purpose of the EMCP Note program is to provide interim financing for expenditures pending the City’s next long-term financing and short-term cash flow needs. As of May 1, 2016, the City had \$150.9 million of Series C6 Notes outstanding, of which \$65.9 million will be refinanced with the Offered Obligations.

The City has a taxable General Obligation Promissory Line of Credit Note with PNC Bank (the “*Line*”) in the amount of \$50,000,000. The Line may be drawn upon at any time for any purpose, including the purposes described in Future Financing above. The primary purpose of the Line is to provide interim financing for expenditures pending the City’s next long-term financing and short-term cash flow needs. The Line is authorized to be outstanding until April, 2023. As of May 1, 2016, the City had \$50 million outstanding under the Line, \$24 million of which will be refinanced with the Offered Obligations.

Other Variable Rate Exposure

The City has no outstanding Auction Rate securities. The City has \$30 million of multi-modal general obligation bonds (the “*MMB*”) that are authorized to be outstanding through February 15, 2032, as Rolling Tender Variable Rate Bonds (the “*RTV*”), that are anticipated to remain variable rate until redeemed. The RTVs have an interest rate that is set weekly by a remarketing agent. An owner of an RTV may tender an RTV on 7-days’ notice. If the tendered RTV is not remarketed, the tendered RTV enters a 173-day extension period (total of 180 days from the tender date), during which time the City makes its best efforts to remarket into another mode, including fixed rate mode.

It is anticipated that, over time, up to 15-25% of the tax levy supported long-term general obligation debt will be in the form of variable rate debt.

In 2003, the Redevelopment Authority of the City of Milwaukee, on behalf of the Milwaukee Public Schools, issued \$130,850,000 of Taxable Pension Funding Bonds, 2003 Series D in Auction Rate Mode and insured by MBIA. In 2005, the 2003 Series D bonds were converted to Index Bonds (“*IB*”) whose interest rate is reset monthly to 1-month LIBOR + 25 basis points. The IB bond owners do not have an option to put the bonds. The 2003 Series D bonds also have an interest rate swap that pays Milwaukee Public Schools 1-month LIBOR + 20 basis points in exchange for a fixed rate of 5.56% paid by Milwaukee Public Schools, effectively converting the IB to a fixed rate with no basis risk.

REVENUE BONDING

The City has issued revenue bonds for its Water and Sewerage Systems and has issued industrial revenue bonds on behalf of borrowers for eligible projects. Additionally, the Housing Authority of the City (the “*Housing Authority*”), the Redevelopment Authority of the City (the “*Redevelopment Authority*”), the Milwaukee Economic Development Corporation and related entities also have outstanding obligations. Collectively, the programs of the Housing and Redevelopment Authorities and Milwaukee Economic Development Corporation complement the City-financed economic development projects and foster the same development objectives.

Water System Revenue Bonds – Beginning in 1998, the City and the State of Wisconsin entered into loan agreements under the State of Wisconsin Safe Drinking Water Loan Program. Subsidized loans are available for certain projects, are secured by revenues of the Milwaukee Water Works, and are repayable over a period of 20 years. As of May 1, 2015, the outstanding balance was \$15 million.

Sewerage System Revenue Bonds – In 2001, the City created the Sewerage System Revenue Bonds with the issuance of \$29,095,000 of Sewerage System Revenue Bonds, and has periodically issued debt under the Resolution. As of May 1, 2016, total outstanding Sewerage System Revenue Bonds was \$79 million with a final maturity in 2033.

In 2006, the City created the Sewerage System Second Lien Revenue Bonds for the purpose of borrowing from the State of Wisconsin Clean Water Fund Program. As of May 1, 2016, the City had \$102 million outstanding under the Program. The City hopes to satisfy as much as possible of its Sewerage System capital needs with borrowings under the Program. (See “**Future Financing**”).

Industrial Revenue Bonding Program – The City has established guidelines relating to its Industrial Revenue Bonding Program. These guidelines establish criteria for IRB financing. The guidelines delineate that the primary goals of this program are to create additional tax base, additional jobs, or both. Industrial land, buildings, and machinery and equipment used in the manufacturing process and pollution abatement equipment of new or expanding industries are eligible projects. Since the first

IRB issue in 1973, the City has closed 125 issues amounting to approximately \$265 million. The City has no responsibility to either secure or redeem IRB debt, and thus neither guarantees nor lends its own credit to these obligations.

Housing Authority of the City of Milwaukee – Most of the Housing Authority bonds and notes are secured by a lien on all revenues of the Housing Authority Low Income Housing Program. The Housing Authority has also issued debt for “stand alone” projects. The Housing Authority bonds and notes are limited obligations of the Housing Authority and are neither a general obligation of the City nor are they guaranteed by the City. As such, they are not backed by the general credit or taxing powers of the City.

Between 1983 and December 1, 2012, the Housing Authority issued revenue bonds of approximately \$149 million, of which approximately \$8.3 million are still outstanding.

Redevelopment Authority of the City of Milwaukee – The Redevelopment Authority is a public body corporate and politic formed in 1958 by action of the Common Council of the City pursuant to the Section 66.1333 (formerly Section 66.431) of the Wisconsin Statutes, as supplemented and amended (“Redevelopment Authority Act”).

The Redevelopment Authority has as its purpose the carrying out of blight elimination, slum clearance and urban renewal programs and projects as set forth in the Redevelopment Authority Act, and is authorized under the Redevelopment Authority Act to issue revenue bonds for the financing of such programs and projects, and to enter into revenue agreements to provide revenues for the payment of such revenue bonds.

Since its creation, the Redevelopment Authority has provided for the acquisition and improvement of a variety of industrial, commercial, housing and other revenue producing projects, and, in some instances, has entered into revenue agreements for the financing thereof, pursuant to authorization contained in the Redevelopment Authority Act. In connection with the financing of a number of such projects, the Redevelopment Authority has issued revenue bonds under a number of authorizing resolutions and indentures, each of which contained separate terms and conditions relating to the respective issues of revenue bonds. In each instance, the bonds issued constitute limited obligations of the Redevelopment Authority, and do not constitute an indebtedness of the City or a charge against the City’s general credit or taxing power.

The majority of these issues are supported solely by the revenues of the various projects. While in each instance, the bonds issued constitute limited obligations of the Redevelopment Authority, and do not constitute an indebtedness of the City or a charge against the City’s general credit or taxing power, there are certain issues which involve contingent liabilities of the Redevelopment Authority and/or the City.

As of May 1, 2016, the Redevelopment Authority had outstanding: one bond issue with \$21 million outstanding that has a moral obligation pledge of the City; and \$222 million in four bond issues for Milwaukee Public Schools, one secured by a lease, and three secured by loan agreement, with the Milwaukee Board of School Directors (“MBSD”). These bonds do not constitute general obligations of the City, or of MBSD, and shall not constitute or give rise to a charge against the City’s, or MBSD’s, taxing powers. The loan agreements with MBSD includes a pledge of certain state aid payable to MBSD.

The Redevelopment Authority has also issued debt payable from tax increment revenues. (See “**TAX INCREMENT DISTRICT FINANCING**” herein).

Milwaukee Economic Development Corporation – As of December 31, 2014, the Milwaukee Economic Development Corporation, itself, or through a related entity, funded loans for 1,161 small

businesses and redevelopment projects utilizing \$324 million to leverage a total of \$1.53 billion in investment. 949 loans have been enrolled in the Capital Access Program with covered loan amounts totaling \$55 million.

TAX INCREMENT DISTRICT FINANCING

Five issues of the Redevelopment Authority and Housing Authority involving over \$60 million in bonds have financed projects located within tax increment districts (“*TID*”) of the City. The City has also financed public improvements and provided grants to the Redevelopment Authority for redevelopment purposes within such districts through the issuance of its general obligation bonds. As of December 31, 2015, \$168 million general obligation bonds for TID purposes were outstanding. Under current law, tax increments received by the City have been calculated based upon the assessed valuation and the applicable tax levy in the TID. The applicable tax levy includes the public school tax levy rate for Milwaukee Public Schools.

The Redevelopment Authority of the City has approximately \$7 million of debt secured by tax increment revenues. The debt is owed to developers of projects within the TID, with no recourse to the City in the event that tax increment revenues are insufficient to repay the obligations. Pursuant to 2003 Wisconsin Acts 126, 127, 194 and 231 (enacted in February through April 2004), the allowable life of TIDs created between September 30, 1995 and October 1, 2004 for blight elimination and rehabilitation purposes is 27 years. The maximum lives for TIDs created after September 30, 2004 is 27 years for blighted and rehabilitation TIDs, and 20 years for mixed use TIDs and industrial TIDs, which, for industrial TIDs represents a reduction from 23 years, though the new law also makes them eligible for a three year extension under certain circumstances. In any year in which total TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the City’s general property tax levy.

FINANCIAL INFORMATION

Budgeting

Each department and agency prepares its own detailed estimate of needs for the ensuing fiscal year which is filed with the Mayor not later than the second Tuesday in May of each year, at which time the Comptroller submits a statement of anticipated non property tax revenues in accordance with City Charter provisions. Under the City Charter, changes to these non-property tax revenue estimates can be made only by the Comptroller. The Mayor holds hearings on departmental spending requests during July and August at the times and places the Mayor or Common Council by ordinance directs. The Mayor submits a proposed budget to the Common Council on or before September 28th of each year. This budget includes the Comptroller’s anticipated non property tax revenues. Subsequent to receipt of the budget by the Common Council, its Committee on Finance and Personnel reviews the Mayor’s proposed expenditure budget. The Mayor and Common Council hold a public hearing on the entire budget no later than the 30th day of October. The Common Council subsequently adopts a property tax levy, but cannot change the Comptroller’s anticipated revenues budget. The final budget must be adopted by the 14th of November. The City is under no State or local levy limits with respect to General Obligation Debt Service.

Adopted Budget – Combined Revenues – 2016

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Taxes						
Property Tax – General.....	\$107,996,533	–	\$61,160,365	\$949,000		\$170,105,898
Provision for Empl Retirement (1)	81,632,883					81,632,883
Contingent Fund	5,000,000					5,000,000
Total Taxes	\$194,629,416	–	\$61,160,365	\$949,000		\$256,738,781
Revenues						
Taxes and PILOT.....	\$ 17,978,800					\$ 17,978,800
Licenses and Permits	16,067,300					16,067,300
Intergovernmental Revenues	263,581,600	\$42,285,325				305,866,925
Charges for Service.....	161,880,551					161,880,551
Fines and Forfeitures	4,060,000					4,060,000
Miscellaneous Revenues.....	19,290,300	9,500,000				28,790,300
Fringe benefits (2).....	23,000,000					23,000,000
Parking	16,599,956		\$ 3,050,000	\$ 5,000,000	\$ 17,356,044	42,006,000
Water Works	–		3,760,263	12,818,000	77,266,737	93,845,000
Sewer Maintenance Fund	–		5,627,212	2,700,000	53,877,015	62,204,227
Retained Earnings.....					40,384,660	40,384,660
Delinquent Taxes			30,900,130			30,900,130
Tax Incremental Districts			22,237,062			22,237,062
Other Self Supporting Debt			32,691,692			32,691,692
Cash Flow borrowings.....			126,000,000			126,000,000
Special Assessments		9,843,361		1,548,000		11,391,361
Capital Revenue.....				19,300,000		19,300,000
Total Revenues	\$522,458,507	\$61,628,686	\$224,266,359	\$41,366,000	\$188,884,456	\$1,038,604,008
Tax Stabilization Fund						
Transfer from Reserves	\$21,087,000					\$21,087,000
Sale of Bonds and Notes						
General City				\$147,807,000		\$147,807,000
Enterprise Funds				56,326,000		56,326,000
Grand Total.....	\$738,174,923	\$61,628,686	\$285,426,724	\$246,448,000	\$188,884,456	\$1,520,562,789

(1) Includes employer and employee pension contributions and City employers' share of FICA.

(2) For budgeting purposes, Fringe Benefits are used as an offset against expenditures since these costs are budgeted twice, both as a lump sum and as individual departmental expenditures.

Adopted Budget – Combined Appropriations – 2016

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Expenditures						
Administration, Dept of	\$ 12,822,568			\$ 4,340,000		\$ 17,162,568
Assessor's Office	4,840,478			556,000		5,396,478
City Attorney.....	7,947,579					7,947,579
City Treasurer	3,079,646					3,079,646
Common Council – Clerk	9,317,681			225,000		9,542,681
Municipal Court.....	3,272,768					3,272,768
Comptroller	5,190,001					5,190,001
Dept of City Development	4,781,490			61,830,000		66,611,490
Election Commission	2,878,719					2,878,719
Employee Relations, Dept of....	5,004,998					5,004,998
Fire and Police Commission	1,765,343					1,765,343
Fire Department	111,311,820			3,179,000		114,490,820
Health Department	13,619,554			745,000		14,364,554
Library Board.....	23,527,408			5,800,000		29,327,408
Mayor's Office.....	1,290,281					1,290,281
Neighborhood Services.....	21,893,171			2,925,000		24,818,171
Police Department.....	277,233,534			9,070,000		286,303,534
Port of Milwaukee.....	4,801,671			4,400,000		9,201,671
DPW–Administration	3,720,222					3,720,222
DPW–Infrastructure.....	38,655,825			58,067,000		96,722,825
DPW–Operations	83,300,611			9,955,000		93,255,611
Water Works			\$ 3,760,263	25,660,000	\$110,807,177	140,227,440
Sewer Maintenance Fund.....			5,627,212	44,404,000	58,513,171	108,544,383
Special Purpose Accounts.....	162,856,130					162,856,130
Pension Funds	117,606,039					117,606,039
Debt Service – City.....			131,720,444			131,720,444
Debt Service – Schools.....			15,268,805			15,268,805
Debt Service – Cash Flow			126,000,000			126,000,000
Contingency	5,000,000					5,000,000
Delinquent Tax Fund		9,500,000				9,500,000
Parking			3,050,000	6,780,000	19,564,108	29,394,108
Grant & Aid Fund		42,285,325				42,285,325
Special Capital Projects				8,512,000		8,512,000
Economic Development.....		9,843,361				9,843,361
Fringe Benefit Offset	(187,542,614)					(187,542,614)
Grand Total.....	\$738,174,923	\$61,628,686	\$285,426,724	\$246,448,000	\$188,884,456	\$1,520,562, 789

Budgetary Comparison Schedule – General Fund
For The Years Ending December 31, 2010 Through 2014
(Thousands of Dollars)

	2010	2011	2012	2013	2014
Revenues:					
Property Taxes	168,031	166,841	167,927	172,594	179,269
Other Taxes.....	5,097	4,371	3,363	3,544	6,091
Licenses and Permits	12,948	13,289	14,410	15,030	16,063
Intergovernmental.....	270,939	273,240	260,141	259,735	260,886
Charges for Services	97,146	103,493	108,190	111,881	114,743
Fines and Forfeitures	5,422	5,076	5,042	4,492	4,577
Other	20,323	13,387	23,483	35,378	32,284
Total General Fund Revenues	579,906	579,697	582,556	602,654	613,913
Tax Stabilization Fund Withdrawals.....	13,070	14,600	13,767	14,900	20,000
Other Financing Sources and Equity.....					
Transfers (Net).....	49,640	46,199	47,470	107,770 (2)	49,492
Total General Fund Revenues Tax Stabilization Fund Withdrawals and Other Financing Sources	642,616	640,496	643,793	725,324	683,405
Expenditures:					
General Government.....	253,328	229,556	208,013	313,667 (2)	254,418
Public Safety.....	264,067	258,994	265,900	270,680	267,344
Public Works	94,482	96,557	93,421	99,907	103,244
Health	9,996	8,872	8,656	9,147	9,028
Culture and Recreation	15,656	15,566	15,912	15,900	16,342
Conservation and Development.....	3,747	3,991	4,320	3,379	3,519
Total Expenditures	641,276	613,536	596,222	712,680	653,895
Sources Over (Under) Expenditures	1,340	26,960	47,571	12,644	29,510
Fund Balance - January 1 (excludes reserved for use during the year).....	58,286	45,026	58,219	90,890	83,534
Fund Balance - December 31.....	59,626	71,986	105,790	103,534	113,044
Fund Balance Components:					
Reserved for Encumbrances & Carryovers.....	8,144				
Reserved for Inventory	7,220				
Reserved for Mortgage Trust.....	135				
Reserved for Environmental Remediation	303				
Reserved for Next Year's Budget (1).....	14,600				
Reserved for Subsequent Years' Budget (1).....	29,224				
New presentation as of FY 2011					
Nonspendable		15,044	15,721	15,389	17,301
Restricted.....		0	0	0	0
Committed		2,995	1,835	1,741	1,587
Assigned		26,778	35,915	43,172	44,150
Unassigned.....		27,169	52,319	43,232	50,006
Total Fund Balance	71,356	71,986	105,790	103,534	113,044

- (1) Amounts in years 2011 and later are for informational purposes only. Amounts are included in the balances below.
(2) \$62 million was borrowed in 2013 for a pension early payment program.

Tax Stabilization Fund (free fund balance)					
Reserved for Next Year's Budget.....	14,600	13,767	14,900	20,000	16,700
Reserved for Subsequent Years' Budget	29,224	34,937	59,800	49,947	56,599

City of Milwaukee
General Fund – Projected Cashflow Summary
(Millions of Dollars)
January 1, 2016 to December 31, 2016

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
BALANCE	154.194	111.279	69.170	15.812	(1.214)	80.772	6.681	95.679	82.419	60.573	47.961	210.677	
RECEIPTS													
Property Taxes	6.478	12.759	2.487	16.404	5.995	19.354	74.696	17.764	15.964	19.152	1.429	64.753	257.235
State Aids													
Shared Revenue	-	-	-	-	-	-	41.571	-	-	-	186.143	-	227.714
Highway Aids	6.388	-	-	6.388	-	-	7.218	-	-	6.388	-	-	26.382
Payment Muni. Services	-	2.336	-	-	-	-	-	-	-	-	-	-	2.336
Computer Exemption Aid	-	-	-	-	-	-	4.600	-	-	-	-	-	4.600
Other	31.047	8.327	8.456	7.465	6.934	5.340	7.900	9.401	6.737	9.582	12.484	27.997	141.670
Pension Fees	2.220	10.400	3.207	0.263	0.671	2.877	1.014	1.496	3.623	1.427	2.996	1.869	32.063
City Services Fees	3.314	2.831	2.529	2.307	2.678	2.403	2.560	2.794	2.463	3.587	5.040	4.358	36.864
City PILOTS (Major)	-	-	-	-	-	-	-	-	-	-	-	14.590	14.590
Parking Transfers	-	-	-	-	-	8.300	-	-	-	-	-	8.709	17.009
Summerfest Lease	-	-	-	-	-	-	-	-	-	-	-	1.502	1.502
Street Sweeping	-	-	-	-	-	9.063	-	-	-	-	-	9.559	18.622
Vehicle Registration Fee	0.431	0.425	0.618	0.688	0.593	0.530	0.580	0.561	0.514	0.516	0.508	0.436	6.400
Potawatomi PILOT	-	-	-	-	-	-	-	5.400	-	-	-	-	5.400
Year End Transfers	30.000	-	-	-	-	-	-	-	-	-	-	-	30.000
Delinquent Taxes Transfer	-	-	-	-	26.096	-	-	-	-	-	-	-	26.096
Note Proceeds (1)	-	-	-	-	90.000	-	-	-	-	-	-	-	90.000
TOTAL RECEIPTS	79.878	37.078	17.297	33.515	132.967	47.867	140.139	37.416	29.301	40.652	208.600	133.773	938.483
DISBURSEMENTS													
Salaries & Benefits	42.546	40.122	61.419	41.083	41.197	54.495	42.383	41.583	42.207	42.130	42.106	56.342	547.613
Services & Supplies	20.247	9.452	9.236	9.458	9.784	6.905	8.758	9.093	8.940	11.134	3.778	25.046	131.831
Employer Pension Contribution	60.000	-	-	-	-	-	-	-	-	-	-	-	60.000
Purchase Tax Delinquents	-	29.613	-	-	-	-	-	-	-	-	-	-	29.613
Contractual Tax Payment	-	-	-	-	-	60.558	-	-	-	-	-	-	60.558
Year End Transfers	-	-	-	-	-	-	-	-	-	-	-	30.000	30.000
Note Principal Repayment	-	-	-	-	-	-	-	-	-	-	-	90.000	90.000
TOTAL DISBURSEMENTS	122.793	79.187	70.655	50.541	50.981	121.958	51.141	50.676	51.147	53.264	45.884	201.388	949.615
BALANCE	111.279	69.170	15.812	(1.214)	80.772	6.681	95.679	82.419	60.573	47.961	210.677	143.062	

**City of Milwaukee
General Fund
Schedule of Cash Receipts and Disbursements
for the Year Ended December 31, 2015
(Millions of Dollars)**

	Beginning Cash Balance (Deficit)	Receipts	Disbursements	Ending Cash Balance (Deficit)
January	\$87.017	\$114.679	\$120.763	\$80.933
February	80.933	29.590	76.604	33.919
March	33.919	27.407	49.082	12.244
April	12.244	33.487	46.247	(0.516)
May	(0.516)	171.116 (1)	49.453	121.147
June	121.147	47.328	109.270	59.205
July	59.205	141.640	62.647	138.198
August	138.198	37.433	47.360	128.271
September	128.271	29.324	49.160	108.435
October	108.435	40.670	49.284	99.821
November	99.821	208.298	42.993	265.126
December (3)	265.126	133.615	244.547 (2)	154.194
		<u>\$1,014.587</u>	<u>\$947.410</u>	

- (1) \$125 million of CFNs were issued.
(2) \$125 million of CFNs were repaid in December.
(3) Estimated.

**General Fund
Projected Schedule of Cash Receipts and Disbursements
for the Year Ended December 31, 2016
(Millions of Dollars)**

	Beginning Cash Balance (Deficit)	Receipts	Disbursements	Ending Cash Balance (Deficit)	Ending Cash Balance Excluding Borrowing of \$90 Million
January	\$154.194	\$79.878	\$122.793	\$111.279	\$111.279
February	111.279	37.078	79.187	69.170	69.170
March	69.170	17.297	70.655	15.812	15.812
April	15.812	33.515	50.541	(1.214)	(1.214)
May	(1.214)	132.967 (1)	50.981	80.772	(9.228)
June	80.772	47.867	121.958	6.681	(83.319)
July	6.681	140.139	51.141	95.679	5.679
August	95.679	37.416	50.676	82.419	(7.581)
September	82.419	29.301	51.147	60.573	(29.427)
October	60.573	40.652	53.264	47.961	(42.039)
November	47.961	208.600	45.884	210.677	120.677
December	210.677	133.773	201.388 (2)	143.062	143.062
		<u>\$938.483</u>	<u>\$949.615</u>		

- (1) Amount includes CFN principal receipts.
(2) Amount includes CFN principal repayment.

City of Milwaukee
Schedule of Cash and Investment Balances – All Funds – 2015
(Millions of Dollars)

	General Fund (1)	Other Governmental Funds	Enterprise Funds	Trust and Agency Funds (1)	Total
January	\$80.933	\$271.689	\$77.660	\$37.196	\$467.478
February	33.919	209.891	87.093	59.762	390.665
March	12.244	202.811	90.709	(37.353)	268.411
April	(0.516)	175.191	104.654	74.414	353.743
May	121.147	31.372	97.104	(134.417)	115.206
June	59.205	117.324	89.382	(84.638)	181.273
July	138.198	233.674	93.780	(55.404)	410.248
August	128.271	207.368	94.139	(133.670)	296.108
September	108.435	185.893	94.413	(101.271)	287.470
October	99.821	117.090	94.843	(156.468)	155.286
November	265.126	112.079	95.314	(62.827)	409.692
December (estimate)	154.194	187.781	78.975	270.672	691.622

(1) Agency Funds includes Milwaukee Public Schools.

This schedule excludes Cash & Investment balances for Housing Authority, Redevelopment Authority, Milwaukee Economic Development Corp., and the Neighborhood Improvement Development Corp.

City of Milwaukee
Projected Schedule of Cash and Investment Balances – All Funds – 2016
(Millions of Dollars)

	General Fund (1)	Other Governmental Funds	Enterprise Funds	Trust and Agency Funds (2)	Total
January	\$111.279	\$266.579	\$53.709	\$36.087	\$467.654
February	69.170	228.994	57.769	60.804	416.737
March	15.812	211.844	62.057	(37.308)	252.405
April	(1.214)	210.223	66.843	75.795	351.647
May	80.772	185.546	65.296	(133.852)	197.762
June	6.681	203.664	77.246	(83.305)	204.286
July	95.679	217.856	84.458	(54.631)	343.362
August	82.419	195.924	87.027	(133.555)	231.815
September	60.573	164.835	88.052	(100.471)	212.989
October	47.961	158.064	85.445	(157.059)	134.411
November	210.677	136.328	78.942	(62.232)	363.715
December	143.062	237.838	59.572	273.301	713.773

(1) Balances include proceeds from the sale of the RANs and subsequent principal payment.

(2) Agency Funds includes Milwaukee Public Schools.

This schedule excludes Cash & Investment balances for Housing Authority, Redevelopment Authority, Milwaukee Economic Development Corp., the Neighborhood Improvement Development Corp., and the Century City Redevelopment Corp.

**City of Milwaukee
Assessed and Equalized Valuations**

	Year 2011 For 2012 Purposes	Year 2012 For 2013 Purposes	Year 2013 For 2014 Purposes	Year 2014 For 2015 Purposes	Year 2015 For 2016 Purposes
Real Property					
Residential	\$17,069,535,250	\$14,750,294,600	\$14,265,490,669	\$14,198,159,000	\$14,254,964,300
Industrial (Manufacturing)	746,955,100	707,123,600	709,328,200	707,900,800	726,810,200
Mercantile (Commercial)	9,191,348,932	8,992,762,442	9,195,173,876	9,178,216,405	9,430,293,399
Total Real Property	\$27,007,839,282	\$24,450,180,642	\$24,169,992,745	\$24,084,276,205	\$24,412,067,899
Personal Property	909,803,701	871,919,936	864,165,354	940,266,234	850,895,518
Total Assessed Valuations	\$27,917,642,983	\$25,322,100,578	\$25,034,158,099	\$25,024,542,439	\$25,262,963,417
Equalized Valuation as determined by the State Department of Taxation is the basis used in computing the 7% statutory debt limitation of the City of Milwaukee	\$26,421,932,000	\$26,089,611,100	\$27,954,669,900	\$26,138,108,100	\$25,980,469,600
Ratio of Assessed to Equalized Valuation	95.84%	95.95%	99.87%	95.74%	97.24%

**City of Milwaukee
Assessed Tax Rates
(Per \$1,000 of Assessed Valuation)**

	2012	2013	2014	2015	2016
Unit of Government					
City Government	\$9.25	\$10.25	\$10.58	\$10.71	\$10.61
Milwaukee Public Schools	11.11	12.31	12.47	12.62	12.43
Milwaukee County	4.89	5.44	5.53	5.50	5.46
Milwaukee Area Technical College	1.95	2.21	2.22	1.33	1.29
Milwaukee Metropolitan Sewerage District	1.51	1.70	1.78	1.79	1.79
Gross Tax Rate Per \$1,000	\$28.71	\$31.91	\$32.58	\$31.95	\$31.58
Less: State Tax Credit	(\$1.81)	(\$1.96)	(1.96)	(1.98)	(2.23)
Net Tax Rate	\$26.90	\$29.95	\$30.62	\$29.97	\$29.35

**City of Milwaukee
Property Tax Levies and Collections
(\$ Amounts in Thousands)**

Budget Year	Taxes Levied for the Fiscal Year			Cumulative Collected in Subsequent Years	
	Levy	Collections	% of Levy	Amount	% Collected
2010	291,943	281,196	96.32	9,856	99.69
2011	295,967	284,690	96.19	9,767	99.49
2012	301,051	288,294	95.76	9,086	98.93
2013	304,700	292,692	96.06	5,419	98.10
2014	307,246	295,624	96.22	0	96.22

Collection Procedures

If no payment of property taxes is received in January, the taxes become delinquent as of February 1st. If the taxes are not paid when due under the 10-month installment plan, they become delinquent for legal purposes on November 15th.

A letter is mailed to the taxpayer shortly after February 1st, telling of the delinquency and suggesting partial payments if full payment cannot be made. As directed by Chapter 74 of the Wisconsin Statutes interest at the rate of 1 percent per month is charged from the preceding January 1st. Periodic follow-up letters continue to be mailed.

Taxpayers are given every opportunity to pay their delinquent taxes and satisfactory agreements are arranged to bring this about. If a property owner continues to remain delinquent and the Treasurer's Office is unable to reach an arrangement by which the owner will pay the taxes, the Treasurer's Office starts foreclosure proceedings. The City enforces its own delinquent tax collections.

Taxes are foreclosed under Section 75.521 of the Wisconsin Statutes, which permits a legal action to be commenced one year from the date of delinquency. An exception to this provision is that legal action on owner-occupied dwellings may be deferred up to two years if authorized by Common Council action.

Insurance

The City has property insurance coverage in the amount of \$1 billion with AIG, subject to a \$250,000 deductible. The City also maintains insurance for theft, environmental matters, and its role as a wharfinger. The City is self-insured for liability. Under Wisconsin law, the City's tort liability is limited to \$50,000 in non-automobile cases and \$250,000 in automobile cases. The City follows a policy of requiring contract service providers to provide the City with indemnification and insurance as the City deems appropriate.

PENSION SYSTEM SUMMARY

Employees' Retirement System

The Employees' Retirement System (ERS) of the City is established pursuant to Section 36 of the Milwaukee City Charter provides retirement, disability and survivor benefits to the City and other agency employees and their beneficiaries. Membership in the ERS includes some classes of part-time employees, all full-time employees, and elected officials.

Active Members by Employee Groups

As of December 31, 2014

	Active Members	Covered Compensation
General City.....	3,340	\$172,643,504
Water Department.....	296	15,720,461
Policemen	1,919	136,023,688
Firemen.....	804	56,587,061
Total City of Milwaukee	6,359	\$380,974,714
School Board	3,968	\$109,796,387
Milwaukee Technical College ...	1	57,048
Milwaukee Metro Sewer Dist....	218	16,589,707
Veolia	53	4,121,292
Wisconsin Center District.....	82	3,841,653
Housing Authority	171	10,002,362
Redevelopment Authority.....	15	1,069,715
Total	10,867	\$526,452,878

ERS Membership

As of December 31, 2014

Class	Vested	Non-Vested	Inactive	Retired
General & Elected	5,912	2,328		9,052
Police.....	1,726	194		2,248
Firefighters	718	86		1,280
Certain pre-1996.....				17
Total	8,356	2,608	3,279	12,597

Source: Tables 1c and 5 of the Actuarial Valuation Report as of January 1, 2015.

The primary benefit of the ERS is a defined benefit plan with eligible employees earning a Retirement Allowance for each year of service. Funding for the ERS is derived from Member and actuarially required employer contributions. Current Retirement Allowance accrual rates and Member contributions to the system (expressed as a percentage of compensation) are as follows:

Basic Benefit Accrual Rates and Member Contributions

Class	Retirement Allowance	Maximum Allowance	Member Contribution
General and Mayor hired prior to 1/1/2014	2.0%	70%	5.5%
General hired after 12/31/2013	1.6%	70%	4.0%
Other Elected Officials enrolled prior to 1/1/2014.....	2.5%	70%	7.0%
Elected Officials first enrolled after 12/13/2013.....	2.0%	70%	4.0%
Police	2.5%	90%	7.0%
Firefighters.....	2.5%	90%	7.0%

Schedule of Funding Progress (\$ amounts in thousands)

Valuation As of Dec 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2014	\$4,797,437	\$4,935,482	\$138,045	97.2%	\$529,939	26.0%
2013	4,580,729	4,831,689	250,960	94.8	521,651	48.1
2012	4,259,889	4,689,814	429,925	90.8	523,738	81.1
2011	4,404,635	4,587,915	183,280	96.0	525,181	34.9
2010	4,641,425	4,447,548	-	104.4	538,218	0.0
2009	4,814,402	4,269,324	-	112.8	553,846	0.0
2008	4,076,297	4,113,089	36,792	99.1	536,558	6.9
2007	5,192,000	3,958,061	-	131.2	532,412	0.0

Source: Tables 14 and 16 of the Actuarial Valuation Report as of January 1, 2015.

For more information about the ERS, details on plan benefits, and for copies of their financial and actuarial reports, see <http://www.cmers.com>. The Employees' Retirement System Actuarial Valuation Report as of January 1, 2015 is available from EMMA and is hereby incorporated by reference. (See "CONTINUING DISCLOSURE" herein).

Policemen's Annuity and Benefit Fund

Membership in the Policemen's Annuity and Benefit Fund (PABF) consists of all Police Department employees whose service commenced prior to July 29, 1947. As of December 31, 2014, there were 11 members and 32 spouses receiving benefits under the fund program.

Current funding is derived from employer contributions. Chapter 35 of the City Charter provides that annual contributions consist of: 1) an amount sufficient to amortize the unfunded actuarial liability over a ten-year period with a series of level dollar payments; and 2) budgeted administrative expenses for the year.

For copies of the PABF actuarial reports, see <http://www.cmers.com>

Schedule of Funding and Contributions
(\$ amounts in thousands)

Dec 31	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio
2014	\$ 147	\$1,388	\$1,241	10.6%
2013	412	1,778	1,366	23.2
2012	651	2,152	1,501	30.2
2011	1,008	2,451	1,444	41.1
2010	1,584	2,946	1,362	53.8
2009	1,936	3,687	1,751	52.5
2008	2,147	4,296	2,148	50.0

Source: Policemen's Annuity and Benefit Fund, Actuarial Valuation Reports as of January 1, 2015 (and each prior year). Summary of Principal Results.

Other Post-Employment Benefits

The City provides other post-employment benefits (OPEB) to its retirees for health and life insurance. A single-employer defined benefit healthcare plan and life insurance plan are sponsored by the City and administered by ERS. The City provides medical insurance benefits for substantially all retirees. Retiree coverage begins at age 55 with at least 15 years of service for General City employees, at any age with at least 25 years of service for Police employees, and at age 49 with at least 22 years of service for Fire employees. In addition, the City allows employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees.

Until age 65, for retirees with at least 15 years of creditable service, the majority of the cost of the health benefit plan is paid by the City. After attaining the age of 65, and having completed a minimum of 15 years of creditable service, the City pays 25% of the base rate of the City's Basic Plan.

Eligible retirees are able to continue coverage under the City's Group Life Insurance Plan, and pay the same rate as active employees. The rates established are group rates applied consistently to all employees, without regard to age or health. Upon reaching age 65, their coverage will be reduced in accordance with a reduction schedule, with the City assuming all future premiums.

The required contribution for medical and life insurance for retirees is based upon pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2014, the City paid approximately \$34 million and \$2 million, respectively, towards medical and life insurance for retirees.

The actuarial cost of health benefits and life insurance for retirees exceeds the average amount paid by retirees, therefore, the additional cost is paid by the City and is the basis for the OPEB obligation account for under GASB 45.

Funding Status and Funding Progress

(\$ amounts in thousands)

Annual Required Contribution (ARC)	\$ 73,571
Interest on Net OPEB	13,032
Adjustment to ARC	(11,813)
	74,790
Annual OPEB Cost	74,790
Contributions Made	36,747
	38,043
Increase in net OPEB Obligation	38,043
Net OPEB Obligation – beginning of year	287,460
	\$325,503

Source: City's 2014 CAFR.

Annual Cost and Net OPEB Liability

(\$ amounts in thousands)

Year Ended Dec 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$74,790	49.9%	\$325,503
2013	71,489	52.5	287,460
2012	76,156	46.6	253,523
2011	73,071	47.3	212,886
2010	81,311	41.8	174,360
2009	77,389	37.1	127,074
2008	73,100	45.0	78,400

Source: City's 2014 and prior years CAFRs.

Schedule of Funding Progress

(\$ amounts in thousands)

Valuation As of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Jan 1, 2014	\$0	\$ 928,496	\$ 928,496	0.0%	\$381,100	227%
Jan 1, 2013	0	888,983	888,983	0.0	382,795	218
Jan 1, 2012	0	946,857	946,857	0.0	409,572	231
Jan 1, 2011	0	916,383	916,383	0.0	407,840	225
Jan 1, 2010	0	1,007,573	1,007,573	0.0	413,648	244
Jan 1, 2009	0	959,562	959,562	0.0	419,811	229
July 1, 2008	0	880,700	880,700	0.0	425,400	207

Source: City's 2014 and prior years CAFRs.

Actuarial Assumptions and Methods for the most recent valuation include:

The retiree healthcare valuation was based on the projected unit credit (PUC) cost method. The PUC method produces an explicit normal cost and actuarial accrued liability. The normal cost and actuarial accrued liability are directly proportional to the employee's service. That is, the normal cost equals the present value of future benefits divided by projected service at retirement, and the actuarial accrued liability equals the present value of benefits multiplied by the ratio of service at valuation date to projected service at retirement. Depending on the demographic characteristics of the current group and

new entrants in the future, this method could produce stable annual costs, in the aggregate, when expressed as a percentage of pay.

The OPEB valuation uses a discount rate assumption of 4.5% based on the City's projected short-term investment rate of return. The healthcare cost trends rate is 8.0% initially, and reduced by decrements to the ultimate rate of 4.5% after 9 years. The actuarial assumption for wage inflation is 3%. The amortization of the unfunded actuarial accrued liability is based on a level percentage of pay over a 30-year open amortization period.

LEGAL MATTERS

Litigation Statement

The City, its boards, officers and employees, have been defendants in numerous lawsuits over the years. Experience has shown that a relatively small number of suits commenced are reduced to judgment. The City does not carry a blanket policy of insurance against tort liability. In addition, Section 893.80 of the Wisconsin Statutes limits the amount recoverable against a political corporation, its officers, officials or employees for acts done in their official capacity to \$50,000 in tort liability for non-automobile cases and \$250,000 in automobile cases.

The City Attorney's office has reviewed the status of pending or threatened litigation, claims and assessments to which the office has devoted substantive attention in the form of legal consultation or representation and which individually represent maximum potential loss exposure in excess of \$1 million, existing on May 1, 2015.

Amoco Oil, et al. v. City of Milwaukee. Amoco, BP, Marathon, and US Oil are contesting the property tax assessments of their contiguous oil terminals. They allege that the City's inclusion of the value of certain through-put contracts is contrary to law and that a tax refund is warranted. The City asserts that the inclusion of the value of these contracts in the assessments is consistent with the law because they run with the property. The four separate cases have been consolidated in Judge Foley's court for trial in November 2015. An appeal by the losing party is likely. Each of the terminals was permitted to add tax years 2009, 2010, 2011, 2012 and 2013 to the original claim for tax year 2008. Approximately \$5 million of property taxes are being disputed.

Section 74.37 Litigation. There are presently 13 lawsuits pending against the City for property tax refunds under this statute. Of these, four have the potential to result in judgments in excess of \$1 million. Marathon Oil and US Venture sued for property tax refunds in the total amount of about \$3 million for their oil terminals for 2009-2014 in a bench trial in November, 2015. On February 29, 2016, the Judge issued a written decision sustaining the City's assessments. The plaintiffs may appeal the decision. CP-South Howell is requesting a refund of approximately \$2.4 million for its airport parking lot for tax years 2007-2014; the case is set for trial in June, 2016. Metropolitan Associates is requesting a refund of approximately \$2 million for several large residential apartment complexes around the City; one of these cases was tried in June, 2015; the court issued a decision sustaining the City's assessments; the plaintiff has filed an appeal, with a decision expected later this year. Clear Channel Outdoor brought a lawsuit for the refund of property taxes on its billboards for 2009-2013; (Lamar Outdoor has a similar claim pending); the total amount of these two claims could reach \$10 million with interest; the Circuit Court ruled in the City's favor in the Clear Channel case; Clear Channel has appealed and the appeal is pending.

William Avery, et al. v. City of Milwaukee, et al. In this 2011 civil rights action, the plaintiffs claim that William Avery was wrongly convicted in 2005 of the 1998 murder of a woman. Avery spent

six years in prison until DNA testing in 2010 linked the murder victim to another individual who has been convicted of murdering a number of other women. Avery claims that Milwaukee police officers unconstitutionally withheld exculpatory evidence and coerced false statements from witnesses. Avery also claims that supervisors in the police department permitted such alleged misconduct to occur as a matter of practice. The matter was tried in June 2015, and the jury returned a verdict against two city officers in the amount of \$1 million. Plaintiff's counsel petitioned for an award of attorneys' fees and costs totaling \$808,285.45. On September 29, 2015, the trial court set aside the verdict, entered judgment in favor of the defendants, and dismissed plaintiff's attorneys' petition for fees and costs. Plaintiff filed an appeal and the appeal is pending.

Robert Lee Stinson v. City of Milwaukee, et al. In this 2009 civil rights action, Mr. Stinson claims that he was wrongly convicted in 1984 of the murder of a 67-year-old woman. Stinson spent more than 20 years in prison until recent DNA testing of the victim's clothing produced no DNA matching Stinson's and new techniques of examining bite marks on the victim indicating that the marks did not match Stinson's teeth. Stinson claims that Milwaukee police officers unconstitutionally withheld exculpatory evidence and conspired with two dental experts to produce false evidence. The defendants have all filed dispositive motions seeking to have the court dismiss the case. The trial court denied all defendants' motions. All defendants have appealed the denial to the court of appeals and the Court of Appeals ruled in favor of all of the defendants on August 25, 2015. Stinson filed a request for rehearing and rehearing by the entire Court of Appeals, which was granted. The matter has been argued to the entire court and is now awaiting their decision.

Estate of James F. Perry, et al. v. Wenzel, et al. This case stems from the September 13, 2010 death of James F. Perry, while he was in custody at the Milwaukee County Criminal Justice Facility (County CJF). According to the complaint, Mr. Perry was in the custody of members of the City of Milwaukee Police Department (City MPD) when he apparently experienced a seizure. Medical personnel were called to the City MPD jail. They treated Mr. Perry and transported him to a local hospital for further treatment and evaluation. Mr. Perry was released from the hospital and was returned to the City MPD jail. His processing there was completed, and he was then transferred to the County CJF, where he later suffered a heart attack and died. Mr. Perry's estate and his minor son brought suit, raising constitutional and state-law claims against the City, the Police Department, the County of Milwaukee, its Sheriff's Department, and various employees thereof. Plaintiffs' claims center around the allegation that all of the City and County employees who came into contact with Mr. Perry that day were deliberately indifferent to his alleged serious medical condition. Plaintiffs also allege direct failure-to-train and failure-to-supervise claims against the City and the County. Plaintiffs claim compensatory and punitive damages, along with attorneys' fees and costs. All City defendants have been served and have filed answers to the complaint. Discovery has been completed and summary judgment motions have been filed. The parties are awaiting the Court's rulings on those motions.

Lemons v. City of Milwaukee, et al. This case stems from the sexual assault of a citizen, which was committed by former officer Ladmarald Cates, while on duty. The City, Chief Flynn, former MPD chiefs, Mr. Cates and other police personnel are named as defendants. Plaintiff claims that the City is liable under theories of unlawful policies and practices as well as the actions of defendant officers. The City maintains that Mr. Cates' actions were committed outside the scope of his employment, and he is representing himself in this action. Discovery has been completed and a motion for summary judgment has been filed by the City. The court has yet to render a decision regarding that motion.

Estate of Dontre Hamilton v. City of Milwaukee. Dontre Hamilton's estate filed a notice of injury on August 26, 2014. Litigation has been threatened, but not yet initiated by the estate and family of Dontre Hamilton who died as a result of an officer-involved shooting. Officer Christopher Manney encountered Mr. Hamilton at Red Arrow Park located in downtown Milwaukee on April 30, 2014. The

notice of injury relates that Mr. Hamilton was sleeping in the park and the officer allegedly woke and searched him for no legally justifiable purpose, causing a confrontation and struggle that resulted in the officer shooting Mr. Hamilton 14 times and causing his death. The officer has not been charged with any criminal violation as a result of the incident, but was subsequently discharged from employment, due to his decisions relative to the manner in which he approached Mr. Hamilton, although his use of force was then justified. Officer Manney has appealed his discharge to the circuit court. The notice of injury indicates that Mr. Hamilton was not married, but was survived by a minor child, his mother and his brother. Mr. Hamilton was not employed at the time of the incident. No amounts of monetary damages were specifically claimed in the notice of injury. It is too early in the process to estimate the City's liability.

LEGAL OPINIONS

The legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois, and Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel to the City, will be delivered to the purchasers of the Offered Obligations. Drafts of the legal opinions for the Offered Obligations are included herein as *Appendix B*.

RATINGS

The City has requested ratings on the Offered Obligations from Fitch Ratings, Moody's Investors Service, Inc. and Standard & Poor's Ratings Group.

Fitch Ratings has assigned a rating of "_____" on the RANs and "_____" on the N2 Notes, B3 Bonds and T4 Bonds. Moody's Investors Service, Inc. has assigned a rating of "_____" on the RANs and "_____" on the N2 Notes and B3 Bonds. Standard & Poor's Ratings Group has assigned a rating of "_____" on the RANs and "_____" on the N2 Notes, B3 Bonds and T4 Bonds.

The ratings, when issued, reflect only the views of the respective ratings agencies, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either upward or downward, or withdrawn entirely, by the respective agencies, if, in their judgment, circumstances so warrant. A revision or withdrawal of the credit rating could have an effect on the market price of the Offered Obligations.

TAX MATTERS

TAX-EXEMPT OBLIGATIONS

Summary of Bond Counsel Opinion in connection with the Tax-Exempt Obligations

Bond Counsel are of the opinion that, under existing law, interest on the Tax-Exempt Obligations is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), Bond Counsel are of the opinion that interest on the Tax-Exempt Obligations will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that interest on the Tax-Exempt Obligations is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income but is

includible in corporate earnings and profits and, therefore, must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Tax-Exempt Obligations is not exempt from Wisconsin income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Tax-Exempt Obligations in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations. These requirements relate to the use and investment of the proceeds of the Tax-Exempt Obligations, the payment of certain amounts to the United States, the security and source of payment of the Tax-Exempt Obligations and the use of the property financed with the proceeds of the Tax-Exempt Obligations.

Tax-Exempt Obligations Purchased at a Premium or at a Discount

The difference (if any) between the initial price at which a substantial amount of each maturity of the Tax-Exempt Obligations is sold to the public (the "*Offering Price*") and the principal amount payable at maturity of such Tax-Exempt Obligations is given special treatment for federal income tax purposes. If the Offering Price is higher than the maturity value of a Tax-Exempt Obligation, the difference between the two is known as "*bond premium*;" if the Offering Price is lower than the maturity value of a Tax-Exempt Obligation, the difference between the two is known as "*original issue discount*."

Bond premium and original issue discount are amortized over the term of a Tax-Exempt Obligation on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Tax-Exempt Obligations for federal income tax purposes, to the same extent and with the same limitations as current interest.

Owners who purchase Tax-Exempt Obligations at a price other than the Offering Price after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the Tax-Exempt Obligations. In addition, owners of Tax-Exempt Obligations should consult their tax advisors with respect to the state and local tax consequences of owning the Tax-Exempt Obligations; under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for federal income tax purposes.

Exclusion from Gross Income: Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of proceeds of the Tax-Exempt Obligations that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

Investment Restrictions. Except during certain "*temporary periods*," proceeds of the Tax-Exempt Obligations and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "*minor portion*") may generally not be invested in investments having a yield that is "*materially higher*" (1/8 of one percent) than the yield on the Tax-Exempt Obligations.

Rebate of Arbitrage Profit. Unless the City qualifies for an exemption, earnings from the investment of the “*gross proceeds*” of the Tax-Exempt Obligations in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Tax-Exempt Obligations are required to be paid to the United States at periodic intervals. For this purpose, the term “*gross proceeds*” includes the original proceeds of the Tax-Exempt Obligations, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Tax-Exempt Obligations.

Covenants to Comply

The City has covenanted to comply with the requirements of the Code relating to the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations.

Risks of Non-Compliance

In the event that the City fails to comply with the requirements of the Code, interest on the Tax-Exempt Obligations may become includable in the gross income of the owners thereof for federal income tax purposes retroactively to the date of issue. In such event, the City’s agreements with the owners of the Tax-Exempt Obligations require neither acceleration of payment of principal of, or interest on, the Tax-Exempt Obligations, nor payment of any additional interest or penalties to the owners of the Tax-Exempt Obligations.

Federal Income Tax Consequences in connection with the Tax-Exempt Obligations

Pursuant to Section 103 of the Code, interest on the Tax-Exempt Obligations is not includable in the gross income of the owners thereof for federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Tax-Exempt Obligations that may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE TAX-EXEMPT OBLIGATIONS.

Cost of Carry. Owners of the Tax-Exempt Obligations will generally be denied a deduction for otherwise deductible interest on any debt which is treated for federal income tax purposes as incurred or continued to purchase or carry the Tax-Exempt Obligations. As discussed below, special allocation rules apply to financial institutions.

Corporate Owners. Interest on the Tax-Exempt Obligations is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Tax-Exempt Obligations is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

Individual Owners. Receipt of interest on the Tax-Exempt Obligations may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for federal income tax purposes.

Certain Blue Cross or Blue Shield Organizations. Receipt of interest on the Tax-Exempt Obligations may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

Property or Casualty Insurance Companies. Receipt of interest on the Tax-Exempt Obligations may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

Financial Institutions. Financial institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the Tax-Exempt Obligations.

Foreign Personal Holding Company Income. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Tax-Exempt Obligations held by such a company is properly allocable to the shareholder.

The opinions of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Tax-Exempt Obligations are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Tax-Exempt Obligations are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Tax-Exempt Obligations.

SERIES 2016 T4 BONDS

Interest on the T4 Bonds will be **included** in gross income for federal income tax purposes.

STATE TAX MATTERS

Interest on the Tax-Exempt Obligations and the T4 Bonds is not exempt from State of Wisconsin income tax or franchise tax.

NO DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Offered Obligations as “*qualified tax-exempt obligations*” for purposes of Section 265 (b)(3) of the Code.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “*Commission*”), pursuant to the Securities Exchange Act of 1934 (the “*Rule*”), the City shall covenant pursuant to a Resolution adopted by the Governing Body to enter into an undertaking (the “*Undertaking*”) for the benefit of holders including beneficial holders of the Offered Obligations to provide certain financial information and operating data relating to the City annually to a central repository designated by the Commission, currently the Municipal Securities Rulemaking Board (the “*MSRB*”), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The MSRB has designated its Electronic Municipal Market Access (“*EMMA*”) system as the system to be used for continuing disclosures to investors. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the City at the time the Offered Obligations are

delivered. Such Certificate will be in substantially the form attached hereto as *Appendix C*. The City intends to fully comply with the Undertaking relating to the Offered Obligations.

A failure by the City to comply with the Undertaking will not constitute an event of default on the Offered Obligations (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Offered Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Offered Obligations and their market price.

Prior to August of 2003 the City entered into continuing disclosure undertakings (the “*Pre-2003 Undertakings*”) which contained a six-month filing requirement for Annual Financial Information. Due to the complexity and size of the City’s operations, the City had difficulty meeting that timing requirement and subsequently modified its continuing disclosure undertakings (the “*Post-2003 Undertakings*”) to use a nine-month filing requirement for Annual Filing Information. Except as discussed below, within the previous five years, the City has not failed to comply in any material respect with regards to the Post-2003 Undertakings. With regards to the Pre-2003 Undertakings the City has failed to strictly comply with the 6-month time period for filing its Annual Financial Information and updating certain information on the sewerage system that does not significantly change from year to year.

The City has endeavored to report rating changes which would impact any of its outstanding debt due to bond insurer downgrades. However, since the Nationally Recognized Statistical Rating Organizations (NRSRO) and bond insurers do not notify the City of any such rating changes, no assurance can be provided that notices of all rating changes were reported.

FINANCIAL ADVISOR

Public Financial Management, Inc. has been retained as Financial Advisor to the City in connection with the issuance of the Offered Obligations.

UNDERWRITING

The Offered Obligations will be purchased at competitive bidding conducted on May 5, 2016.

The award of the R1 Notes was made to _____,
its co-managers and associates.

The award of the N2 Notes and B3 Bonds was made to _____,
its co-managers and associates.

The award of the T4 Bonds was made to _____,
its co-managers and associates.

The public reoffering yields of the Offered Obligations will be detailed on the inside front cover of the Final Official Statement.

CLOSING DOCUMENTS AND CERTIFICATES

Simultaneously with the delivery of and payment for the Offered Obligations by the Underwriters thereof, the City will furnish to the Underwriters the following closing documents, in form satisfactory to Bond Counsel:

- (1) signature and no litigation certificates;
- (2) tax certificates;
- (3) certificates of delivery and payment;
- (4) the opinions as to the legality of the Offered Obligations under Wisconsin law and as to the tax-exempt status of the interest on the Offered Obligations for federal income tax purposes rendered by Katten Muchin Rosenman LLP, Chicago, Illinois, and Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Co-Bond Counsel to the City, in substantially the forms as set forth in *Appendix B*;
- (5) copies of this Official Statement issued in conjunction with the Offered Obligations within seven business days after the award of the Offered Obligations in accordance with SEC Rule 15c2-12(b)(3);
- (6) Continuing Disclosure Certificates; and
- (7) a statement to the effect that this Official Statement, to the best of its knowledge and belief as of the date of sale and the date of delivery, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

REPRESENTATIONS OF THE CITY

To the best of its knowledge, the information in this Official Statement does not include any untrue statement of a material fact, nor does the information omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ADDITIONAL INFORMATION

Additional information may be obtained from the undersigned City Comptroller upon request.

Martin Matson, City Comptroller
City of Milwaukee, Public Debt Commission
City Hall, Room 404
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3321

/s/

Martin Matson
City Comptroller and Secretary
City of Milwaukee, Wisconsin