

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2020

**NEW ISSUE
BOOK ENTRY ONLY**

RATINGS: Fitch S&P
“ ___ ” “ ___ ”

(See “RATINGS” herein)

In the opinion of Katten Muchin Rosenman LLP, and of Hurtado Zimmerman SC, Bond Counsel, under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Notes will not be includable in gross income for federal income tax purposes. The Notes 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 “alternative minimum taxable income.” Interest on the Notes is not exempt from Wisconsin income taxes.

**\$180,000,000
CITY OF MILWAUKEE, WISCONSIN
SCHOOL REVENUE ANTICIPATION NOTES, SERIES 2020 M8
(Not a general obligation of the City)**

Dated: Expected Date of Delivery

Due: July 1, 2021

The School Revenue Anticipation Notes, Series 2020 M8 (the “Notes”) are issued in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in the principal amounts of \$5,000 or any integral multiple thereof and will be in book-entry-only form. Purchasers will not receive certificates representing their beneficial ownership in the Notes. Interest shall be payable at maturity. The Notes are not a general obligation of the City, do not constitute an indebtedness for the purpose of determining the City’s constitutional debt limitation, and no tax shall be levied to pay the Notes or the interest thereon. The Notes are not subject to redemption prior to maturity.

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP (1) Base 602424</u>
July 1, 2021	\$180,000,000			

The Notes are issued for the purpose of financing general operating purposes of the Milwaukee Public Schools pending receipt of school State Aid payments from the State of Wisconsin (the “State”). School Operations Fund revenues have been pledged as security for the repayment on the Notes. In addition, the City has pledged available surplus revenues in its Debt Service Fund to the payment of interest due on the Notes. (See “THE NOTES – Security and Purpose” herein.)

The Notes have been offered for sale by competitive bid in accordance with the Official Notice of Sale dated September __, 2020 and are being issued subject to the legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, and of Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel to the City, and other conditions specified in the Official Notice of Sale. Delivery of the Notes will be on or about October 15, 2020 (the “Expected Date of Delivery”) in New York, New York.

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

For Further Information Contact:

Aycha Sawa, City Comptroller and Secretary to Public Debt Commission
City Hall, Room 404, 200 East Wells Street - Milwaukee, WI 53202 - Phone (414) 286-3321
www.MPSBonds.com and www.MilwaukeeBonds.com

- (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 Notes. The City is not responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the Notes, or as indicated above. CUSIP numbers are subject to change after the issuance of the Notes.

**ELECTRONIC BIDS FOR THE NOTES WILL BE RECEIVED
UNTIL 10:00 A.M. (CENTRAL TIME) ON THURSDAY, OCTOBER 1, 2020**

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 securities, the City will complete, adopt and deliver a Final Official Statement substantially in this form.

No dealer, broker, salesperson or other person has been authorized by the City of Milwaukee or Milwaukee Public Schools 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 of Milwaukee or Milwaukee Public Schools since the date hereof. The Notes have not been registered pursuant to the Securities Act of 1933, in reliance upon exemptions contained in such Act.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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APPENDICES

- APPENDIX A – Audited Annual Financial Report of the Milwaukee Public Schools for the Year Ended June 30, 2019 – Selected Sections of the Comprehensive Annual Financial Report and Independent Auditors’ Report
- APPENDIX B – Draft Form of Legal Opinion
- APPENDIX C – Form of Continuing Disclosure Certificate
- APPENDIX D – Official Notice of Sale and Bid Form

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 (“City”), Milwaukee Public Schools (“MPS”) and the offering of \$180,000,000 School Revenue Anticipation Notes, Series 2020 M8 of the City dated the Expected Date of Delivery (the “Notes”).

The following information is furnished solely to provide limited introductory information regarding the Notes 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 Appendices hereto.

Summary Statement

Issuer: City of Milwaukee, Wisconsin.

Issue: \$180,000,000 School Revenue Anticipation Notes, Series 2020 M8.

Dated Date: Expected Date of Delivery.

Sale Date and Time: Thursday, October 1, 2020, Until 10:00 A.M. C.T.

Principal Amounts,
Interest Rates and Yields:

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
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Maturity Date: July 1, 2021

Interest Payment Date: July 1, 2021

Interest: Calculated on a 30/360 day basis.

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

Purpose: To finance MPS operations on an interim basis pending receipt of school State Aid payments.

Security: MPS and the City have pledged and will irrevocably segregate upon receipt, school State Aid payments in an amount sufficient with interest thereon, to pay, when due, the principal of and interest on the Notes. MPS and the City have also pledged all other revenues of the School Operations Fund included in the budget for the current fiscal year that are due MPS, that have not been received as of the date of delivery of the Notes, and that are not otherwise pledged or assigned. The City has also pledged available surplus revenues of the City’s Debt Service Fund to the payment of interest on the Notes. (See “**THE NOTES – Security and Purpose**” herein.)

The Notes 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 Notes or interest thereon.

Authority for Issuance: The City of Milwaukee Common Council and the Milwaukee Board of School Directors ("MBSD") have authorized the issuance and sale of the Notes in accordance with the provisions of the City Charter and Section 67.12(1), Wisconsin Statutes.

Form of Issuance: The Notes will be issued in fully registered "Book-Entry-Only Form" 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 Exemption: Under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Notes will not be includable in gross income for federal income tax purposes. The Notes 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 "alternative minimum taxable income." Interest on the Notes is not exempt from Wisconsin income taxes. (See "TAX STATUS" herein)

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

Official Statement: The City will provide each original purchaser of the Notes with an electronic copy of this Official Statement within seven business days following the award of the Notes.

Professionals: Bond Counsel: Katten Muchin Rosenman LLP
Chicago, Illinois
Hurtado Zimmerman SC
Wauwatosa, Wisconsin
Financial Advisor: PFM Financial Advisors LLC
Milwaukee, Wisconsin

Record Date: June 30, 2021

Delivery: Delivery will be on or about October 15, 2020 (the "Expected Date of Delivery") at the expense of the City, through the facilities of The Depository Trust Company ("DTC"), New York, New York.

Reoffering: The public reoffering price(s) and/or yield(s) of the Notes are detailed on the cover 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 Notes, the City will provide an executed copy of its Continuing Disclosure Certificate. (See "Continuing Disclosure" and

APPENDIX C – Form of Continuing Disclosure Certificate herein.) Potential Bidders may request a CD Lookback Analysis from DIVER by Lumesis for the City (See **Appendix D**).

Additional Information:

Periodically, the City updates its investor relations websites (www.MPSBonds.com and www.MilwaukeeBonds.com) with information regarding prospective financings and financial information. Inquiries may also be directed to: Ms. Aycha Sawa, City Comptroller, City Hall, Room 404, 200 East Wells Street, Milwaukee, WI 53202; Phone (414) 286-3321; or by emailing PDC@milwaukee.gov.

THE NOTES

Authority

Pursuant to Sections 65.05 and 119.46 of the Wisconsin Statutes, the Milwaukee Board of School Directors (the “*MBSD*”), the governing board of Milwaukee Public Schools (“*MPS*”), has full responsibility for its budget expenditures, and the required tax levy. These requirements are included with the City’s financial requirements and MPS is effectively treated as a department of the City.

Pursuant to a resolution adopted on June 25, 2020 (the “*MBSD Resolution*”), MBSD has determined that it will be necessary to finance the operating budget of MPS on an interim basis, and has requested the City to issue notes pursuant to Section 67.12(1), Wisconsin Statutes, for that purpose.

The Common Council of the City has authorized the issuance and sale of the Notes through adoption of a resolution on June 16, 2020 (the “*City Resolution*”) in accordance with the provisions of the City Charter and Section 67.12(1), Wisconsin Statutes.

Security and Purpose

Pursuant to the MBSD Resolution, MBSD has authorized the City to issue the Notes, and to pledge all revenues of the School Operations Fund included in the budget for the current fiscal year, that are due MPS, that have not been received as of the date of delivery of the Notes, and that are not otherwise pledged or assigned, as security for repayment of the Notes (the “*Pledged Revenues*”).

The School Operations Fund is established by Section 119.46, Wisconsin Statutes, and is held by the City on behalf of MPS. Revenues from the local property tax, school State Aid payments and federal school aid payments are deposited into the School Operations Fund. See “**REVENUES OF MILWAUKEE PUBLIC SCHOOLS**” generally, and the summary presented under the caption “**MILWAUKEE PUBLIC SCHOOLS – School Operations Fund Budget Fiscal Years 2021 and 2020**” herein.

“*State Aid*” means the general school aids paid by the State to MPS pursuant to subchapter II of Chapter 121, Wisconsin Statutes, as the same may be amended or renumbered from time to time, or any other payments made directly or indirectly by the State to MPS in partial or full replacement or substitution for the school aid payments now made under subchapter II of Chapter 121, Wisconsin Statutes.

Pursuant to Section 121.15, Wisconsin Statutes, MBSD is anticipating receipt of State Aid payments from the State of Wisconsin to the School Operations Fund in December, 2020, and in March, June, and July 2021. Such payments, per Section 119.50, Wisconsin Statutes, shall be received by the City Treasurer.

The Notes are being issued to fund MPS operations pending receipt of State Aid. MPS anticipates a cash flow deficit of approximately \$247 million will occur in November of 2020 due to MPS receiving the majority of State Aid and property tax revenues between December 2020 and June 2021, which is not until the last seven months of the MPS fiscal year. In contrast to the timing of the State Aid and property tax revenues, MPS expenditures are relatively evenly distributed throughout the school year (See the summary presented under the caption “**MILWAUKEE PUBLIC SCHOOLS – School Operations Fund Monthly Cash Flow Summary**” herein). In 2020, the City made draws on its lines of credit for school cash flow purposes in September for \$72 million. The \$72 million drawn will be refunded by the RANs.

This Note issue of \$180 million is the anticipated final interim borrowing for MPS during the 2020-2021 Fiscal Year. (See “**BORROWING-REVENUE BONDS – Borrowing – Future Financing**” herein.)

Pursuant to the City Resolution, the Common Council of the City has pledged the Pledged Revenues for the repayment of the Notes and has established a segregated account within the School Operations Fund to capture State Aid received under Section 121.15, Wisconsin Statutes, in June 2020 in the principal amount of the Notes. The MBSD and City Resolutions also direct the City Treasurer to segregate, for payment of the full amount of the Notes, June 2021 State Aid in the principal amount of the Notes. The City Treasurer has no discretion to otherwise apply such revenues.

The City has also pledged available surplus revenues in its Debt Service Fund to the payment of interest on the Notes.

Maturity, Interest Rates and Redemption

The Notes are dated the Expected Date of Delivery and will mature on July 1, 2021 in the principal amount of \$180,000,000 without option of prior redemption. Interest is payable at maturity at the rates as shown on the cover of this Official Statement and is calculated on a 30/360 day basis.

Statutory Borrowing Limitations

Section 67.12(1)(a) of the Wisconsin Statutes limits issuance for the purpose of the Notes to sixty percent (60%) of the Estimated School Operation Fund Revenues for the 2020-2021 Fiscal Year.

Total Amount of Estimated School Operations Fund Revenues For the 2020-2021 Fiscal Year	\$998,393,719
Statutory Borrowing Limit (60% of Estimated Revenues)	599,036,231
Borrowing-School Revenue Anticipation Notes, Series 2020 M8	<u>180,000,000</u>
Unused Amount Following this Issue	<u>\$419,036,231</u>
Percentage of Borrowing Limit Used	30%
Percentage of Borrowing to Estimated Revenues	18%

COVID-19 PANDEMIC

On July 16, 2020, the Milwaukee Board of School Directors adopted a phased-in reopening plan for the 2020-2021 school year. The first 30-45 days of the school year will be Full Remote Learning (virtual instruction). Pending further health and safety guidance, the District will proceed to Hybrid Learning, and then Face-to-Face learning. Details on the plan can be found at:

https://esb.milwaukee.k12.wi.us/public_itemview.aspx?ItemId=10833&mtgId=1070

The 2020-2021 Adopted budget contains a limited amount for COVID-19 related expenditures. The 2020-2021 Final budget will be adopted in October, 2020 when the September enrollment numbers and final State Aid allocations are known. The final adopted budget will include a comprehensive response to COVID-19.

It is estimated that COVID-19 related expenditures will be approximately \$90 million, with \$40 million funded by various grants programs. Some expenditures will partially be offset by savings, such as virtual learning will reduce transportation costs. Prior to COVID-19, MPS was in the process of implementing transportation savings by converting from a 2 tier to a 3 tier transportation system (3 routes per bus). The transportation changes permits increased physical distancing on the busses. The District is in the process of developing options for dealing with COVID-19 for selection by the MBSD when the Final budget is adopted.

MILWAUKEE PUBLIC SCHOOLS

General

MPS was established on February 3, 1846, and operates under Chapter 119 of the Wisconsin Statutes. MPS is effectively treated by Wisconsin Statutes as a City department. MPS is governed by MBSD. MPS has budget adoption authority (and the City must then levy and collect a tax to support the MBSD budget). MPS provides elementary, secondary, vocational and special education services for grades K through 12 to residents of the City, whose boundaries are coterminous with those of MPS. All funds for MPS flow through the City Treasurer who, by statute, disburses them at the direction of the Director/Board Clerk of MBSD. The City Comptroller, City Treasurer and City Attorney perform their respective functions for MPS as well as the City.

Financial Information

MPS has full control of all expenditures and revenues required to operate the school district. Section 119.46 of the Wisconsin Statutes requires MPS to transmit to the City a budget to operate, maintain, equip and improve the schools. The City's Common Council must levy and collect property taxes equal to the amount of money budgeted by MPS. All taxes so collected and all other funds received by MPS for these purposes are deposited to accounts of the school district.

Borrowing – General Obligation Debt

MPS does not have authority to issue debt. The City has the authority (under Chapters 67 and 119, Wisconsin Statutes) to issue municipal obligations for specific school purposes including the acquisition of sites and constructing, enlarging and remodeling school buildings for the purpose of providing additional classroom space to accommodate anticipated school enrollments. Such municipal

obligations require the adoption of a resolution by the City and the levying by the City of required debt service. The table below shows the City’s outstanding general obligation debt for school purposes. The City also has authorized but unissued general obligation debt for school purposes. (See “**BORROWING-REVENUE BONDS – Borrowing – Future Financing**” herein.)

**City of Milwaukee
Outstanding General Obligation Debt
for School Purposes (Other than RANs)
as of September 15, 2020**

<u>Year Ending December 31</u>	<u>Principal (1)</u>	<u>Interest (2)</u>	<u>Total</u>
2020	\$ 925,000	\$ 92,547	\$ 1,017,547
2021	5,931,000	5,084,924	11,015,924
2022	6,266,857	5,889,550	12,156,407
2023	6,086,613	5,691,201	11,777,814
2024	4,432,312	2,115,433	6,587,745
2025	4,205,000	2,116,450	6,321,450
2026	3,450,000	1,958,250	5,408,250
2027	4,450,000	979,125	5,429,125
	<u>\$35,746,782</u>	<u>\$23,967,479</u>	<u>\$59,714,261</u>

(1) Assumes Sinking Fund Deposits in year due.

(2) Compound interest is included in year paid.

Wisconsin Statutes establish a limit on the authority of the City to incur general obligation indebtedness in any form for City and school purposes of 7% of the full value of taxable property located within the City, as equalized by the Wisconsin Department of Revenue. Of the 7%, 2% is authorized for school purposes only. The City may issue bonded debt for school purposes pursuant to the provisions of Chapter 119 or Chapter 67. Bonded indebtedness issued by the City under Chapter 119 for school purposes is limited to 2% of the full value of taxable property in the City as equalized by the Wisconsin Department of Revenue. Separately, bonded indebtedness issued by the City under Chapter 67 for school purposes counts against the City’s debt limit of 5% of the full value of taxable property within the City. Debt issued under Chapter 67 requires adoption of a resolution by the City but does not require voter approval.

**Total Unused Debt Margin for the City of Milwaukee
as of September 15, 2020**

Equalized Value of Taxable Property in the City \$31,475,102,300

Legal Debt Limitation for City Borrowing

5% of Equalized Value \$1,573,755,115

General Obligation Debt Outstanding subject to 5% Limit

as of 9/15/20..... \$1,218,880,000

Less: Provision for current year maturities and debt to be refunded .. (72,000,000)

Net General Obligation Debt Outstanding subject to the 5% Limit

as of 9/15/20..... \$1,146,880,000

Total Debt Margin for City Borrowing (in Dollars) \$426,875,115

As a percentage..... 27.1%

Legal Debt Limitation for School Purpose Borrowing

2% of Equalized Value \$629,502,046

General Obligation Debt Outstanding subject to 2% Limit

as of 9/15/20..... \$4,585,914

Less: Provision for current year maturities..... -

Net General Obligation Debt Outstanding subject to the 2% Limit

as of 9/15/20..... \$4,585,914

Total Debt Margin for School Purpose Borrowing (in Dollars) \$624,916,132

(As a percentage)..... 99.3%

**History of Equalized Valuation in the City of Milwaukee
(2016-2020)**

Levy Year	Collection Year	Equalized Valuation	Percent Increase/Decrease
2016	2017	\$27,042,046,500	4.09%
2017	2018	26,903,884,900	-0.51
2018	2019	28,340,400,600	5.34
2019	2020	29,746,345,900	4.96
2020	2021	31,475,102,300	5.81

BORROWING-REVENUE BONDS

The following sections provide information on outstanding revenue obligations issued by the Redevelopment Authority of the City of Milwaukee (“RACM”) for school purposes.

Neighborhood Schools Initiative

Beginning in 2002, RACM issued bonds to partially finance and refinance the initial cost of providing approximately 750,000 square-feet of additional classroom capacity for MPS, in order to

implement the Neighborhood Schools Initiative and for related activities of MPS (the “*NSI Revenue Bonds*”). No additional new money bonds may be issued under the authorizing statute for these bonds. The NSI Revenue Bonds have a pledge of certain transportation aid from the State. The NSI Revenue Bonds do not constitute general obligations of MPS or the City and shall not constitute or give rise to a charge against the City’s taxing powers. The schedule of remaining debt service payments on the NSI Revenue Bonds is as follows:

**Redevelopment Authority of the City of Milwaukee
Neighborhood School Initiative Revenue Bonds
Annual Debt Service Payments as of June 30, 2020**

Year Ending June 30	Debt Service Payments
2021	\$9,702,800
2022	9,079,750
2023	9,668,400
2024	10,113,300
Total	\$38,564,250

Lease Revenue Bonds

The lease revenue bonds do not constitute general obligations of MPS or the City and shall not constitute or give rise to a charge against the City’s taxing powers. MPS does, however, have an obligation to pay rents under a lease to support the debt service on the lease revenue bonds. Under the lease, the annual rent payments constitute a budgeted expenditure of MPS payable only if funds are budgeted and appropriated annually by MPS from its School Operations Fund. MPS’ obligation under the lease may be terminated on an annual basis by MPS if MPS fails to budget and appropriate for lease payments.

Redevelopment Lease Revenue Bonds. Since 2015, RACM has issued five series of Redevelopment Lease Revenue Bonds in the aggregate principal amount of \$129,118,000 and loaned the proceeds to MPS to fund certain remodeling, renovation and equipping projects at MPS schools. The following table sets forth the required rental payments (subject to certain credits) under each MPS lease in respect of the required remaining principal and interest on these Redevelopment Lease Revenue Bonds:

**Lease Revenue Bonds
as of June 30, 2020**

Year Ending	Principal (1)	Interest	Sinking Fund	Total	Direct Payment Entitlement (5)
6/30/2021	\$2,060,000	\$4,409,163	\$1,721,538	\$8,190,702	\$2,132,975
6/30/2022	2,130,000	4,334,988	1,741,538	8,206,527	2,132,975
6/30/2023	2,215,000	4,241,888	1,741,538	8,198,427	2,132,975
6/30/2024	3,800,000 (1)	4,128,263	1,741,538	9,669,802	2,132,975
6/30/2025	12,445,000 (2)	4,008,888	1,361,538 (4)	17,815,427	2,132,975
6/30/2026	2,570,000	3,883,513	1,661,538	8,115,052	2,132,975
6/30/2027	2,695,000	3,751,888	1,661,538	8,108,427	2,132,975
6/30/2028	8,268,000 (3)	3,611,165	(138,462) (4)	11,740,703	2,132,975
6/30/2029	6,875,000 (3)	3,460,636	1,461,538	11,797,175	2,132,975
6/30/2030	7,025,000 (3)	3,303,846	1,461,538	11,790,385	2,132,975
6/30/2031	7,185,000 (3)	3,139,306	1,461,538	11,785,845	2,132,975
6/30/2032	7,355,000	2,966,516	1,461,538	11,783,055	2,132,975
6/30/2033	7,530,000	2,785,101	1,461,538	11,776,640	2,132,975
6/30/2034	3,510,000	2,607,095	1,461,538	7,578,633	2,100,125
6/30/2035	3,685,000	2,433,379	1,461,538	7,579,917	2,032,850
6/30/2036	3,865,000	2,251,087	1,461,538	7,577,626	1,962,313
6/30/2037	4,055,000	2,059,854	1,461,538	7,576,393	1,888,400
6/30/2038	0	1,961,940	1,461,538	3,423,478	1,850,600
6/30/2039	0	1,961,940	1,461,538	3,423,478	1,850,600
6/30/2040	0	1,961,940	1,461,538	3,423,478	1,850,600
6/30/2041	38,000,000	1,961,940	(36,538,462) (4)	3,423,478	1,850,600
	<u>\$125,268,000</u>	<u>\$65,224,340</u>	<u>\$(7,507,692)</u>	<u>\$182,984,647</u>	

- (1) Mandatory Tender date for \$1,470,000 2016C QZAB. 11/15/51 final maturity.
- (2) Mandatory Tender date for \$10,000,000 2017B QSCB (Tax Credit). 11/15/50 final maturity.
- (3) Mandatory Tender dates for \$24,933,000 2017C QSCB (Tax Credit). 11/15/50 final maturity.
- (4) Assumes use of accumulated sinking fund to meet Mandatory Tender and Maturity requirements.
- (5) Amount MPS is entitled to receive of direct payment from the US Treasury for reimbursement of interest paid on its 2015 QSCB and 2016B QECB Bonds. The amount is subject to sequestration.

Pension Obligation Bonds

In December, 2003, RACM issued its \$146,569,122 Taxable Pension Funding Bonds, 2003 Series C and 2003 Series D (Milwaukee Public Schools) (the “*Pension Bonds*”). RACM loaned the proceeds of the Pension Bonds to MPS, which, together with the proceeds of a general obligation note issue issued by the City, were used to retire MPS unfunded actuarial accrued liability owed to the Wisconsin Retirement System with respect to retirement benefits for MPS employees. MPS is obligated to make payments to RACM sufficient to pay the principal of and interest on the Pension Bonds, subject to annual appropriation. MPS repayment obligation is payable solely from and secured by a pledge of monies in the School Operations Fund. MPS has also pledged certain State Aid payments received by MPS from the State of Wisconsin to secure the payment of debt service.

The 2003 Series D Pension Bonds were issued as variable rate securities. In 2005, the 2003 Series D Pension Bonds were converted to index linked securities at a fixed spread of 0.25% over 1-Month LIBOR for the life of the 2003 Series D Pension Bonds. The City, on behalf of MPS, entered into Interest Rate Exchange Agreements to synthetically fix the interest rate payable for the entire term of the Pension Bonds. Current Counterparties to the Interest Rate Exchange Agreements are: Morgan Stanley Capital Services LLC; PNC Bank, National Association; and Wells Fargo Bank, N.A. Under the Interest Rate Exchange Agreement, MPS receives a fixed spread of 0.20% over 1-Month LIBOR for the life of

the 2003 Series D Pension Bonds. The schedule of loan payments, after taking into account the Interest Rate Exchange Agreements, is as follows:

**Redevelopment Authority of the City of Milwaukee
Taxable Pension Funding Bonds
(Milwaukee Public Schools)
Annual Loan Payments as of June 30, 2020**

Year Ending June 30	Loan Payments
2021	\$ 7,340,685
2022	7,340,685
2023	7,340,685
2024	13,590,685
2025	13,315,060
2026	14,420,228
2027	14,239,603
2028	15,298,978
2029	15,743,353
2030	15,707,728
2031	16,707,103
2032	16,766,478
2033	17,725,853
2034	17,890,228
2035	18,804,603
2036	19,353,978
2037	19,673,353
2038	20,530,533
2039	20,957,713
2040	21,784,893
2041	8,787,073
2042	7,239,253
2043	6,891,433
2044	6,296,806

The publication of LIBOR is scheduled to be discontinued for securities paid in U.S. Dollars by the end of 2021. The 2003 Series D Pension Bonds and the Interest Rate Exchange Agreements are all based upon LIBOR. The City and MPS are monitoring the situation and are waiting until a replacement index is widely in use before amending the related agreements. Currently, there is only one entity that is the beneficial owner of all the 2003 Series D Pension Bonds.

Pursuant to Sections 66.1333(5s) and 119.499 of the Wisconsin Statutes, should MPS fail to make payment on the Pension Bonds, the trustee of the Pension Bonds can request the State to divert MPS State equalization aid to the trustee of the Pension Bonds in order to pay debt service obligations on the Pension Bonds.

Borrowing – Qualified Zone Academy Projects

In December, 2001, MPS entered into an \$8,590,000 Lease Purchase Agreement (2001 QZAB Project) for the purpose of purchasing and installing certain equipment for use at the Lynde and Harry

Bradley Technology and Trade School. In November, 2002 and in August, 2003, respectively, MPS entered into a \$4,979,000 Lease and Deferred Payment Agreement (2002 QZAB Project), and a \$2,650,000 Lease and Deferred Payment Agreement (2003 QZAB Project), respectively. In December 2005, MPS entered into a \$2,021,000 Lease and Deferred Payment Agreement (2005 QZAB Project) and in December, 2006, entered into a \$1,078,100 Lease and Deferred Payment Agreement (2006 QZAB Project) for the purpose of constructing certain improvements to, and purchasing and installing certain equipment for use at, various MPS schools.

MPS entered into the pre-2016 QZAB Agreements with each investor, under which MPS has made sufficient annual impoundment payments to date, so that no future payments are due from MPS. The QZAB maturities range from 2015 to 2022. MPS has fulfilled all of its financial obligations with respect to its pre-2016 QZAB Agreements.

In December 2016, MPS entered into a \$1,470,000 Lease Purchase Agreement (2016 QZAB Project) for the purpose of constructing certain improvements to, and purchasing and installing certain equipment for the use at various MPS schools. The debt service for the post-2015 QZAB bonds are included in the debt service for Lease Revenue Bonds.

Borrowing – Future Financing

The City has \$8,000,000 of authorized, but unissued, general obligation borrowing authority for school purposes.

Board of School Directors

MPS is governed by a nine member Board of Directors. Eight Directors represent and are elected by districts. One member is elected at-large. Directors serve staggered four-year terms which expire in April, and annually, at its organizational meeting, elect a president. The current members and the years in which their terms of office expire are as follows:

<u>Name</u>	<u>District</u>	<u>Term Expiration</u>
Larry Miller (<i>President</i>)	District 5	2021
Luis A. Báez, Ph.D. (<i>Vice President</i>)	District 6	2021
Marva Herndon	District 1	2023
Erika Siemsen	District 2	2023
Sequanna Taylor	District 3	2023
Annie Woodward	District 4	2021
Paula Phillips	District 7	2021
Megan O’Halloran	District 8	2023
Bob Peterson	At-Large	2023

The City officials, who serve in identical capacities for MPS, and the year in which their terms of office expire are as follows:

Name	Title	Term Expiration
Aycha Sawa	Comptroller	2024
Tearman Spencer	Attorney	2024
Spencer Coggs	Treasurer	2024

Public Services and Facilities

In the 2019-20 school year, MPS had approximately 74,633 full-time students attending 159 school programs within approximately 142 occupied school buildings. The average age of the MPS buildings is approximately 78 years, however, significant investment was made in upgrading many of these buildings in the 1970’s and 1980’s and by the Neighborhood Schools Initiative in 2002-2006.

The purpose and responsibility of MPS is to provide an efficient educational system for children enrolled in the public schools, whereby each child has access to programs and services that are appropriate to his or her educational needs. In addition to the regular educational programs, MPS offers comprehensive programs in the areas of special education, early childhood education, and bilingual education. Through its specialty school programs, MPS offers advanced educational programs in such areas as language, fine arts, Montessori, International Baccalaureate, STEAM (science, technology, engineering, arts and math), business, and technical trades. In addition, MPS provides community recreation and education services through its parks and centers for the elderly.

MPS did not close any school buildings in the 2019-2020 fiscal year. MPS has eight closed school buildings, two of which are expected to be sold in the coming months.

Enrollment

MPS tracks enrollment based on the amount of State Aid revenue allocated to its schools together with two other Milwaukee school groups: (i) those eligible for the Milwaukee Parental Choice Program (“MPCP”) and (ii) certain charter schools. The inclusion of both groups affects the levels of State Aid funding that MPS receives. Below is a table that provides historical enrollment data for City of Milwaukee residents whose enrollment affects MPS’s State Aids. Reduction in enrollment at MPS schools over the period shown can be attributed largely to increased enrollment at charter schools and schools eligible for MPCP funding.

Average Student Membership*

School Year	MPS	MPCP	Charter Schools	Total
2018-2019	75,905	27,770	8,455	112,130
2017-2018	77,164	27,697	7,813	112,674
2016-2017	78,652	26,913	7,526	113,091
2015-2016	78,173	26,470	8,807	113,454
2014-2015	80,437	25,745	8,413	114,595
2013-2014	81,744	24,776	7,964	114,484
2012-2013	81,752	23,789	7,459	113,000
2011-2012	82,982	22,220	6,863	112,065
2010-2011	84,422	20,256	7,159	111,837
2009-2010	85,239	20,372	6,124	111,735
2008-2009	87,137	19,428	5,296	111,861
2007-2008	89,110	18,558	5,487	113,155
2006-2007	92,224	17,088	4,830	114,142
2005-2006	94,973	14,604	4,489	114,066
2004-2005	96,874	14,071	4,066	115,011
2003-2004	98,338	12,882	3,601	114,821

* Membership can be generally defined as resident enrollment adjusted for FTE.

Employee Relations

All eligible MPS personnel are covered by the Municipal Employment Relations Act (“*MERA*”) of the Wisconsin Statutes. Pursuant to *MERA*, employees have rights to organize and, after significant changes were made to the law by 2011 Act 10, very limited rights to collectively bargain with municipal employers.

The Collective Bargaining Agreements (“*Agreements*”) between the MPS with Local 150 (Food Service and Building Service), Local 1616 (Technical and Grounds), Local 1053 (Clerical), and Local 950 (School Engineers) expired on June 30, 2011. Agreements with Milwaukee Teacher’s Education Association substitute teachers in Milwaukee Public Schools expired on June 30, 2012. Agreements with the Administrators and Supervisors Council expired on June 30, 2013.

The Agreements with the Psychologists’ Association in the Milwaukee Public Schools (PAMPS) and the Milwaukee Teacher’s Education Association teachers, accountants/bookkeepers, and educational assistants expired on June 30, 2020. Regarding the 2020-21 contract period, MPS has not completed base wage negotiations with MTEA teachers, accountants/bookkeepers, and educational assistants and the Psychologists’ Association in the Milwaukee Public Schools.

Under Wisconsin law, negotiations may only be conducted with certified collective bargaining units and are limited to the issue of base wages. For issues outside of base wages, MPS has created and implemented an employee handbook that covers all MPS employees.

Insurance

MPS purchases commercial property, auto liability, errors and omissions insurance, fiduciary liability and excess liability insurance. MPS assumes a \$250,000 self-insured retention for any one loss or occurrence under its self-insured general liability program. MPS purchases excess liability insurance

for its general liability that provides per occurrence and general aggregate protection. MPS is fully self-insured for environmental-related liabilities and purchases no excess environmental liability insurance.

MPS provides health insurance benefits to employees and retirees through a self-insured PPO/Indemnity plan, self-insured exclusive provider organization (“EPO”) plan, and a self-insured high deductible health plan (“HDHP”) with a health savings account (“HSA”) option. MPS purchases stop-loss insurance for all three of the above medical and corresponding prescription drug (“Rx”) plans. The Rx benefits are self-funded and offered in addition to the medical plan. Should an employee elect to forego health insurance, there is a \$500 annual opt-out program.

Effective January 1, 2015, MPS approved providing post-Medicare benefits to eligible retirees through a fully-insured Medicare Advantage plan. This fully-insured Medicare Advantage plan provides comparable benefits to the current self-insured PPO/Indemnity and EPO plans; however 2020 premium rates are 72% lower than the monthly premium for the EPO plan, 71% lower than the monthly premium for the PPO/Indemnity Plan, and 70% lower than the HDHP plan.

Life insurance benefits are provided for active and retired employees through a variable funding life insurance program. Life insurance costs that exceed certain rates are funded by MPS. All benefit eligible employees receive life insurance valued at one times annual base salary. Effective July 1, 2018, MPS discontinued offering to pay long-term disability, and now provides a voluntary (employee paid) supplemental life, short-term disability and long-term disability insurance programs.

MPS provides dental insurance benefits through a fully insured dental maintenance organization (DMO) and through a self-insured indemnity plan. MPS does not purchase stop-loss insurance for its self-insured dental indemnity plan.

Additionally, MPS provides a fully-insured vision plan and medical and dependent care flexible spending programs.

MPS is fully self-insured for workers’ compensation benefits and does not purchase stop-loss insurance.

MPS recognized a liability for health, dental and workers’ compensation benefits and certain other general liability exposures in the School Operations Fund. The accrued liability for estimated self-insured health and dental claims totaled \$17,555,818, of which \$14,616,200 represents an estimate of the amount of claims incurred, but not paid or reported as of June 30, 2019. The District also recognized a liability of \$295,510 for workers’ compensation claims that were due as of June 30, 2019. [update this information to June, 2020?]

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 MPS 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 S&P Global Ratings, 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 municipal 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, 2019, the City had approximately 73% (\$359 million) of its and MPS’ 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. Due to 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.

REVENUES OF MILWAUKEE PUBLIC SCHOOLS

Sources of Funding

In addition to borrowing, MPS revenues are derived from three major sources - local property taxes, state school aids and federal school aids. Sources of MPS revenues are detailed in the four year summary presented under the caption “**MILWAUKEE PUBLIC SCHOOLS – General Fund – Four Year Summary**”.

Local Property Tax

Property taxes levied on behalf of MPS by the City for a significant portion of the School Operations Fund revenues available to MPS. For fiscal year 2019-20, MPS’ share of levy produced \$236,151,371 of the total revenues in the School Operations Fund. MPS’ 2019-20 School Operations Fund Revenues are budgeted at \$998,393,719, of which City ad valorem property taxes are estimated at \$236,151,371.

**Milwaukee Public Schools
Property Tax Levies
All Funds
(2014-2019)**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>
2014	2015	\$302,278,544
2015	2016	300,634,166
2016	2017	281,169,165
2017	2018	272,114,388
2018	2019	250,390,173
2019	2020	262,887,645

In addition to taxes for operations levied under Section 119.46 of the Wisconsin Statutes, the MBSD by two-thirds vote of members elect may direct the City to levy a tax to provide funds to purchase school sites and construct or remodel school buildings. The school construction fund taxes in any one year may not exceed 0.6 mills on each dollar of assessed valuation of taxable property in the City.

Property Subject to Taxation – The City, at the direction of the MBSD, is required to levy and collect ad valorem taxes on or against all taxable property within MPS. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt from taxation. These include, but are not limited to, property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; certain charitable property not used for profit; religious property; manufacturing machinery and equipment; business computers; non-profit cemeteries; household furnishings and personal effects not used to produce income; intangible personal property; and inventories of merchandise and materials and supplies that are held for consumption by a business or are held primarily for sale.

Assessment of Property – The City Tax Commissioner’s staff of assessors and appraisers annually conducts appraisals in order to determine the full (fair market) value of all non-manufacturing taxable real property and full cash value of all taxable personal property within MPS as of January 1st. Real property is divided into classes for taxation purposes. In cities there are four classes of real estate: (1) Residential; (2) Commercial; (3) Manufacturing; and (4) Agricultural.

The assessed value of a property is intended to represent current full market (cash) value and, with certain exceptions, is determined from manuals and associated data published by the State Department of Revenue. The State Department of Revenue certifies the competency of local assessors and supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes. Annually, the Department analyzes sales data reported to the Register of Deeds for each county to determine the relative level of local assessments to actual market sales. This process is referred to as “*equalization*.” The ratios developed by the Department of Revenue are reported to each assessor.

Assessed valuation represents the value upon which ad valorem property taxes are levied. Wisconsin law requires that assessed values in any taxation district be established within 10% of “*full value*,” as determined by the Department of Revenue, at least once during each four-year period ending with the current year. If a district fails to meet this criterion in any year, the district’s assessors are subject to special supervision by Department of Revenue employees during the ensuing assessment year. For 2018, the City’s ratio of assessed to equalized value, as reported by the Department of Revenue, was 99.98 percent. Full values of any two major classes of property must also be within 10% during such four-year period or State Revenue Department supervision is required.

For each assessment year, the City assessors must complete their assessments for review by the Tax Commissioner on or before the second Monday in May.

Manufacturing property is assessed by the Wisconsin Department of Revenue, which annually notifies the City of the assessed value of all such property to be placed on the City tax roll. Manufacturing machinery and equipment are exempt from local property taxes.

Property owners are notified of increases in assessed valuation of their land or improvements, or taxable personal property in accordance with certain statutory deadlines. Property owners are given the opportunity to object to the amount or valuation of their real or personal properties by filing written objections with the board of assessors, which consists of the chief assessor, chief appraiser, supervising assessors and assistant supervising assessors of the Tax Commissioner's office and a City Board of Review or, for State assessments of manufacturing property, by the State Tax Appeals Commission. The City Board of Review consists of nine residents of the City appointed by the Mayor with approval of the City Common Council for staggered five-year terms.

Adjustments for increases or decreases in assessed values resulting from appeals are made. Upon conclusion of such hearings, the tax assessors are required to complete the assessment roll of all taxable property for the City and return it to the City Tax Commissioner no later than the first Monday of November each year. The Tax Commissioner must prepare the tax roll and return it to the City Treasurer for collection no later than the third Monday in December. Assessments may be appealed to the State courts from the Board of Review or State Tax Appeals Commission within a short period of time, provided the taxes are paid timely on the challenged assessment. Refund of any excess taxes paid may be ordered by the court. If rebated or abated taxes reduce equalized values of the City, the Wisconsin Department of Revenue may prorate the rebated amounts among all taxing jurisdictions which levied a tax against the subject property or adjust equalized values.

In addition to the MPS tax levy, owners of property within MPS are obligated to pay taxes to other taxing entities in which their property is located. There are five other active taxing entities which have authority to levy ad valorem property taxes on property within MPS. These include the City, Milwaukee County, the State of Wisconsin, Milwaukee Area Technical College District and Milwaukee Metropolitan Sewerage District. As a result, property owners within the MPS' boundaries are subject to a variety of different mill levies.

The 2019 levies (collected in 2020) were as follows (amounts in millions):

City of Milwaukee	\$291.0
Milwaukee Public Schools (net of school tax credit)	262.9
Milwaukee County	132.7
Milwaukee Metropolitan Sewerage District	45.6
Milwaukee Area Technical College District	32.8

The net tax rate for all taxing jurisdictions was \$26.07 per \$1,000 of assessed property value.

Property Tax Collections – Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 will be collected in 2020. Taxes are due on January 31st in the year of collection; however, taxes on real property may be paid in 10 equal installments not later than the last day of each month from January to October without interest or penalty. Personal property taxes may be paid in 10 equal installments on the last day of each month from January to October without interest or penalty. First installments that are not timely paid within the prescribed time bear interest at the rate of 1% per month until paid, plus 0.5% of the tax with interest from February 1. The City Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for

such collection, remits the balance to MPS on a monthly basis from January through May and any balance of the annual levy remaining on June 30 is remitted to MPS by June 30th of each year. In response to the COVID-19 pandemic, the State passed 2020 Act 185, which included provisions for a moratorium on the collection of interest and penalties for property taxes. The City and County of Milwaukee have enacted the moratorium. The temporary moratorium is for interest and penalties on late property tax installments after April 1, 2020 until October 1, 2020. If the property taxes are not current by September 30, 2020, interest and penalties will be charged back to February 1, 2020. Only properties that were current as of April 1, 2020 qualify for the moratorium.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1 of the levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the City Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of such realty. Delinquent personal property taxes are enforceable by an action in debt and the property taxed or other property may be seized on execution to pay the judgment. Tax sales on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale.

State Aid

The Wisconsin Constitution requires the State Legislature to provide for establishment of district schools "*which shall be free and without charge for tuition to all children between the ages of 4 and 20 years.*" MPS receives revenues in the form of general school aids from the State ("*State Aid*") as well as federal sources. State Aid is divided into two general categories, referred to as general and categorical aids. As explained below, general aid consists of equalization aid (determined by formula based upon pupil membership and property valuation) and integration aid (determined by a formula based on the number of students transferring into and out of minority areas). Categorical aid is based upon specific instructional or supporting programs. In 1996, the Governor and the State Legislature approved reducing funding for schools from property taxes. The State approved increasing its proportionate share of school aid from 40% to at least 66.7% beginning in 1996-1997. Although the State has a multi-year tradition of providing State Aid to local school districts to reduce their reliance on local property taxes, there can be no assurance that the State will not decrease, perhaps materially, the amount of State Aid provided to MPS.

Aid to High Poverty Districts

A school district is eligible for aid if, in the October preceding each biennium, the number of pupils eligible for free or reduced-price lunch divided by the district's September membership is equal to at least 50 percent after rounding to the nearest whole percentage point. An eligible school district's aid entitlement is calculated by dividing the total appropriation amount by the prior year aid membership of all eligible school districts. This per pupil amount is then multiplied by each district's prior year aid membership to determine the payment amount.

High poverty aid payments are not treated as an exemption to a district's revenue limit under Section 121.91, Wisconsin Statutes. Rather, high poverty aid is required to reduce a district's maximum allowable levy, and in the case of Milwaukee, offset the general aid reduction attributable to the MPCP. Additionally, due to the inclusion of the high poverty aid program in Subchapter II – General Aid of Section 121, Wisconsin Statutes, these payments will be treated as general aid payments for purposes of calculating a district's shared costs in the computation of Equalization Aid.

State Aid-General Aid

Equalization Aid

MPS receives the majority of its State Aid in the form of equalization aid. Equalization aid is paid based on a formula designed to compensate for differences in property values between Wisconsin school districts. The effect is to equalize the property tax base supporting each Wisconsin student.

The State guarantees a minimum tax base to support the education of each public school child. The ratio of MPS' equalized valuation to the State's guaranteed valuation determines the percentage of shared costs funded by local property tax versus State equalization aid. The formula for equalization aid is:

$$\text{Equalization Aid} = \text{Shared Costs} \times \frac{\text{Net Guaranteed Valuation}}{\text{Guaranteed Valuation}}$$

where Net Guaranteed Valuation equals Guaranteed Valuation minus Equalized Valuation. Shared Costs equals the net cost of the general fund plus the net cost of the debt service fund.

While MPS' annual revenue per pupil has been above the State-wide average during the past three school years (as detailed below), these revenues have been met with above average federal and State Aid payments.

Annual Revenues Per Pupil

	Statewide			Milwaukee		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Revenue per Pupil	\$13,459	\$13,760	\$14,316	\$14,925	\$15,302	\$15,623
Federal share (%)	7.2	7.0	6.8	16.2	16.2	15.7
State share (%)	46.2	46.7	47.9	56.6	58.0	60.4
Local share (%)	46.6	46.3	45.3	27.2	25.8	23.9

Integration Aid

MPS also receives integration aid from the State under a plan where compensation is paid for each minority pupil transferring from an attendance area where minority pupils comprise 30% or more of the population to an attendance area which has less than a 30% minority population. Also, aid is paid for each non-minority pupil transferring from a non-minority attendance area to a minority attendance area.

The State provides for intradistrict transfer aid as well as interdistrict transfer aid. Intradistrict aid is calculated by multiplying the number of eligible transfer pupils by 0.25 and multiplying the product by the district's current equalization aid per pupil.

For interdistrict transfers, the State provides a financial incentive for both the sending and receiving districts. The receiving district is paid an amount equal to its average cost per pupil for each student it receives. The sending district is allowed to continue to count the transferred students for equalization aid purposes at 0.75 full-time equivalent (FTE), thereby removing any disincentive for transferring students. MPS must pay the transportation costs for its students sent to other districts, as well as the students it receives from other districts.

The State's biennial budget for 2015-2017 prohibited any pupils from participating in the integration aid program unless those pupils attended a public school in a school district or attendance area under the program in the 2015-2016 school year. Integration aid funding is provided as a first draw from the general school aids appropriation. If less integration aid is distributed to MPS as a result of the changes to the program, more aid will be distributed through the equalization formula. Under the 2015-2017 biennial budget, it was possible that a four-year-old kindergarten pupil participating in the program in the 2015-16 school year could continue in the program through high school up through the 2028-29 school year. Funding for the program is being phased out annually such that the amount will be \$0 in the 2022-2023 school year. Pursuant to Section 121.85(6)(a), (am) and (ar) of the Wisconsin Statutes, as long as the NSI Revenue Bonds are outstanding, integration aid base amounts for a particular school year will not be less than \$32,919,256 (the "*Minimum Base Amount*"). MPS currently expects to receive the Minimum Base Amount annually through the 2022-2023 school year.

State Aid-Categorical Aid

MPS receives State Aid in the form of categorical aids to finance or reimburse specific categories of instructional or supporting programs.

Pupil transportation aids are paid to reimburse MPS for transportation of public and non-public school pupils. Reimbursement for transportation aids is made on the basis of the number of children/mileage transported during the prior year and miles transported during the regular school year, with an additional flat per pupil payment for summer school. MPS is not required to transport children who live two miles or less from the school attended following the shortest commonly traveled route unless the route is considered hazardous.

The State pays tuition for the following types of children attending public schools:

- a) children in children's homes;
- b) children of parents employed at and residing on the grounds of a state or federal military camp, federal veteran's hospital, or state, charitable or penal institution; and
- c) children in foster homes or group homes if the home is located outside the district in which the child's parent or guardian resides and is exempt from property tax.

School library aid paid from the common school fund under Article 10, sections 4 and 5 of the Wisconsin Constitution and Section 43.70 of the Wisconsin Statutes, and is distributed on the basis of the number of children between age 4 and 20 residing in the district as of June 30 of the year before payments are made. School library aid payments to MPS for 2019-20 were \$5,728,407 or \$36.99 per child.

The State pays special aids to the district to finance approved programs for handicapped children or children with exceptional educational needs, including those with visual or hearing disabilities, speech or language disabilities, learning disabilities and requiring homebound instruction. This aid has been decreasing as a percent of costs for the last two decades.

Other categorical aids include grants for demonstration projects to assist minors in avoiding or overcoming problems resulting from the abuse of alcohol or drugs; State matching payments for school lunch programs required under 42 U.S.C. 1751, et. seq.; elderly food service aid; grants to provide pre-school structured educational experience focusing on the needs of low-income pupils and encouraging early skill development; bilingual/bicultural aids for programs designed to improve comprehension, speaking, reading and writing ability of limited English speaking pupils in the English language; youth initiatives for education and training programs for youths 14 through 21; and Wisconsin morning milk

program for children enrolled in kindergarten through grade 5. MPS also receives funding under Sections 119.71 and 119.74 of the Wisconsin Statutes for five-year old kindergarten and early childhood education.

These categorical aids are in addition to equalization aid and integration aid.

Milwaukee Parental Choice Program

Beginning in the 1990-91 school year, low-income children constituting up to 1.5% of the pupils in grades kindergarten to 12 residing in the City and enrolled in MPS may attend at no charge any private non-sectarian school located in the City that meets all public school health and safety laws and codes, complies with federal nondiscrimination laws and meets a standard of advancement, attendance, academic progress, or parental involvement. Beginning in the 1996-97 school year, no more than 15% of the school district's membership may attend private school under Wisconsin Statute 119.23. In 2006 Wisconsin Act 125 increased the limit of participants to 22,500 students. In June 2011 Wisconsin Act 32 eliminated the enrollment cap on the MPCP and increased the family income limitation for student eligibility. Upon proof of a pupil's enrollment in the private school, the State Superintendent provides a proportionate share of basic and supplemental State school aids. The private school choice program was further expanded under 2013 Wisconsin Act 20, which created a Statewide private school choice program. Prior to 2013-14, the reduction to the general aid for MPS was equal to 45% of the estimated cost of the choice program. After consideration of the city choice levy aid, the MPS aid reduction was 38.4% of the program in 2012-13. Under 2013 Wisconsin Act 20, the MPS aid reduction is further decreased. Beginning in the 2013-14 school year and annually thereafter, the aid reduction equals a percentage determined by subtracting 3.2 percentage points from the percentage in the previous school year. This establishes a 12-year phase-out of the MPS aid reduction, after which the program will be fully State funded. In the 2019-20 school year, the MPCP was funded 16% from a reduction in state general aid to MPS.

In October 2019 there were 130 private schools participating in the MPCP, with a total enrollment of 28,978 students or 28,147 full-time equivalent students in the program.

Federal School Aid

In addition to State Aid, MPS receives federal aids for specific school programs. For the 2018-19 school year, total federal aids to MPS, including food services revenues of \$50,471,454, were \$189,382,234. A portion of this amount was received after the end of the 2019 fiscal year.

MPS has applied for and received federal aid for numerous other programs. In general, these federal aids are known as categorical aids and require MPS to incur the expenditure first, with federal reimbursement to follow. The federal programs administered by the Wisconsin Department of Public Instruction from which MPS received program reimbursement include the following: Title I – Disadvantaged and Low Income Children; Special Education – Grants to States; Special Education-Preschool Grants; Carl D. Perkins Vocational Education; School Improvement Grants; Title II; Title III and Improving Teacher Quality State Grants. MPS received aid directly from the Federal Government in the case of several federal programs including the Drug Free Schools program, Gear Up and Head Start.

General Fund Trends

Equalization Aid revenues in the 2018-19 school year increased by \$7,288,757. Property tax revenues for general school purposes decreased by \$23,577,115.

Total expenditures increased by \$1,244,763 in 2018-19 over the previous year. Expenditures for instructional services were 58.01% of total expenditures. MPS remains under a revenue cap limitation first imposed in 1993-1994. Despite this restriction, MPS expects to provide all necessary instructional and operating services without major disruptions.

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**Milwaukee Public Schools
General Fund
Four Year Summary**

	2019 Year End	2018 Year End	2017 Year End	2016 Year End
Revenues				
Property tax levy	\$239,062,424	\$262,639,539	\$277,702,427	\$285,825,045
Other local sources	32,191,818	31,216,908	28,893,749	24,196,458
Microsoft Settlement Refunds			–	5,918,672
State aid:				
Equalization aid	531,143,819	523,855,062	516,742,805	509,173,092
Special classes	45,107,974	46,082,609	48,340,685	50,423,437
Integration	30,367,359	30,368,152	33,145,802	31,692,817
Other state aid	111,524,748	83,882,693	67,231,882	58,271,730
Federal aid:				
Education Consolidation Improvement Act	69,195,068	70,743,913	76,904,906	68,908,095
Erate Refunds	5,805,226	5,836,244	4,237,974	9,682,625
Other federal aid	42,420,863	46,112,061	40,292,639	42,859,924
Intergovernmental Aid from City of Milwaukee				
Miscellaneous	788,521	1,736,469	848,568	1,100,712
Interest and investment earnings	4,404,903	4,737,063	5,269,364	4,309,635
Total Revenues	1,112,012,723	1,107,210,713	1,099,610,801	1,092,362,242
Expenditures				
Current operating:				
Instructional services:				
Undifferentiated curriculum	350,475,544	351,822,598	369,393,609	339,332,220
Regular and other curriculum	129,834,427	134,543,176	137,132,552	136,707,351
Special curriculum	148,993,337	143,737,974	140,994,226	147,768,628
Total instructional services	629,303,308	630,103,748	647,520,387	632,808,199
Community services	32,844,657	29,562,731	29,120,113	27,347,401
Pupil and staff services	126,604,414	126,899,702	120,557,578	114,359,927
General and school building administration	121,735,702	118,247,463	112,522,003	111,159,224
Business services	165,258,721	169,461,590	171,711,067	163,928,809
Debt Service:				
Principal		–	–	–
Interest		–	–	–
Bond Issuance Cost		–	–	–
Capital outlay	9,041,517	9,268,322	14,409,748	26,055,298
Total Expenditures	1,084,788,319	1,083,543,556	1,095,840,896	1,066,658,858
Excess of revenues over (under) expenditures	27,224,404	23,667,157	3,769,905	25,703,384
Other Financing Sources (Uses)				
Insurance Proceeds	456,028	–	–	173,962
Proceeds from sale of assets		–	845,053	30,649
Transfers in (out)	(26,061,078)	(28,436,198)	(42,705,879)	(25,245,686)
Total Other Financing Sources(uses)	(25,605,050)	(28,436,198)	(41,860,826)	(25,041,075)
Net Change in Fund Balances	1,619,354	(4,769,041)	(38,090,921)	662,309
Fund balance - beginning of year	37,439,181	42,208,222	80,299,143	79,636,834
Fund balance - end of year	39,058,535	37,439,181	42,208,222	80,299,143

Source: Comprehensive Annual Financial Report, State of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.

**Milwaukee Public Schools
School Operations Fund Budget
Fiscal Years 2021 and 2020**

	<u>2020-2021 Budget (1)</u>	<u>2019-2020 Budget (2)</u>
Revenues		
Locally Generated:		
Property Tax Levy	\$232,690,026	\$236,151,371
Nutrition.....	650,000	650,000
Other Local Sources	17,453,191	16,825,833
Subtotal.....	<u>250,793,217</u>	<u>253,627,204</u>
State Aid:		
Equalization Aid	520,296,826	521,697,211
Special Education	48,000,000	45,750,734
Integration	30,302,458	30,302,079
Nutrition.....	920,000	980,000
Other	82,074,123	81,349,337
Subtotal.....	<u>681,593,404</u>	<u>680,079,361</u>
Federal Aid:		
School Nutrition Commodities & Federal Indirect.....	49,626,000	49,626,000
Other	16,381,095	15,781,095
Subtotal.....	<u>66,007,005</u>	<u>65,407,095</u>
Total Revenues	998,393,719	999,113,600
Plus Use of Surplus.....	4,000,000	3,379,900
Total Sources of Funds.....	<u><u>1,002,393,719</u></u>	<u><u>1,002,787,560</u></u>
Expenditures (3)		
Instructional Services.....	\$552,365,078	\$563,932,285
Support Services	450,028,644	438,855,275
Total Expenditures	<u><u>1,002,393,719</u></u>	<u><u>1,002,757,560</u></u>
Summary		
Total Revenues and Use of Surplus	1,002,393,719	1,002,787,560
Total Expenditures	<u>1,002,393,719</u>	<u>1,002,787,560</u>
Difference	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

- (1) Initial Fiscal Year 2021 School Operations Fund Budget approved May 2020.
(2) Final Fiscal Year 2020 School Operations Fund Budget approved October 2019.
(3) Revenue and Expenditure categories include allocations based on estimates and may differ from actual experience.

The management of MPS has prepared the projected financial information set forth below to present the cash flow needs of MPS for the fiscal year 2020-2021. It is the belief of MPS management that these projections are reasonable and reflect the best current estimates and judgments regarding future

cash flows. MPS independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information set forth below, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, this prospective financial information.

**Milwaukee Public Schools
School Operations Fund Monthly Cash Flow Summary
2019-20 Actual Results (Unaudited)
2020-21 Projected
(Millions of Dollars)**

2019-20 Actual Results

	<u>Beginning</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u>
July, 2019	45.378	27.521	91.754	(18.855)
Aug	(18.855)	68.166 (1)	64.619	(15.308)
Sept	(15.308)	111.998 (1)	71.392	25.298
Oct	25.298	252.147 (2)	177.854 (3)	99.591
Nov	99.591	34.885	125.217	9.259
Dec	9.259	155.707	167.661 (3)	(2.694)
Jan, 2020	(2.694)	160.377	97.443	60.239
Feb	60.239	101.099	106.570	54.768
Mar	54.768	226.069	98.366	182.471
Apr	182.471	32.913	85.293	130.092
May	130.092	38.275	113.936	54.431
Jun	54.431	307.346	313.848 (4)	47.929

- (1) Includes Line of Credit Proceeds
(2) Includes 2019 M7 Note and Line of Credit Proceeds
(3) Includes repayment of Line of Credit
(4) Includes repayment of 2019 M7 Notes

2020-2021 Projected

	<u>Beginning</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u>
July, 2020	47.929	20.742	101.746	(33.074)
Aug	(33.074)	28.996	69.665	(73.743)
Sept	(73.743)	161.294 (1)	78.101	9.450
Oct	(62.550)	202.707 (2)	210.737 (3)	1.420
Nov	1.420	32.000	100.110	(66.690)
Dec	(66.690)	156.096	120.317	(30.912)
Jan, 2021	(30.912)	201.730	100.277	70.541
Feb	70.541	76.943	109.498	37.986
Mar	37.986	205.876	108.010	135.852
Apr	135.852	44.927	133.178	47.601
May	47.601	37.880	92.357	(6.876)
Jun	(6.876)	385.184	334.776 (4)	43.532

- (1) Includes Line of Credit Proceeds
(2) Includes 2020 M8 Note Proceeds
(3) Includes repayment of Line of Credit
(4) Includes repayment of 2020 M8 Notes

Milwaukee Public Schools
School Operations Fund Cash Flow Projection
July 1, 2020 - June 30, 2021
(Millions of Dollars)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	47.929	(33.074)	(73.743)	(62.550)	1.420	(66.690)	(30.912)	70.541	37.986	135.852	47.601	(6.876)	
RECEIPTS													
Property Taxes							159.909	37.370	10.139	15.354	8.401	58.517	289.690
Integration Aid	-	-	-	-	-	-	-	-	-	-	-	30.302	30.302
Computer Aid	7.405	-	-	-	-	-	-	-	-	-	-	1.400	8.805
State Aid													
Equalization Aid	8.272	-	78.045	-	-	124.871	-	-	130.074	-	-	176.901	518.163
Other	-	-	-	-	7.200	11.044	11.565	7.200	37.722	4.100	-	42.438	121.269
Categorical Aid	-	23.300	9.430	3.322	15.458	6.121	17.442	20.949	17.583	14.735	16.913	44.661	189.914
Nutrition	0.700	0.309	0.539	1.439	2.807	6.735	6.731	4.395	5.348	4.206	6.495	11.492	51.196
Local Revenues	0.178	0.436	0.138	0.282	0.654	0.934	0.331	0.420	0.171	0.797	0.126	12.986	17.453
Other Local Receipts	1.379	4.951	1.142	0.986	0.748	1.300	1.583	1.519	0.669	1.565	0.811	2.317	18.970
Reimbursed QSCB													
Interest	-	-	-	-	0.964	0.921	-	0.921	-	-	0.964	-	3.770
OPEB	2.808	-	-	16.678	4.169	4.169	4.169	4.169	4.170	4.170	4.170	4.170	52.842
Short-term Debt	-	-	72.000	-	-	-	-	-	-	-	-	-	72.000
Note Proceeds				180.000									180.000
Total Receipts	20.742	28.996	161.294	202.707	32.000	156.096	201.730	76.943	205.876	44.927	37.880	385.184	1,554.374
DISBURSEMENTS													
Salaries and Benefits	15.052	29.186	70.279	113.317	75.990	75.089	73.846	78.653	78.363	116.590	77.412	47.006	850.783
Services & Supplies	57.344	35.524	6.680	9.022	15.325	24.568	20.837	25.523	25.179	11.021	6.449	93.628	331.100
Other Local Expenses	1.379	4.951	1.142	0.986	0.748	1.300	1.583	1.519	0.669	1.565	0.811	2.317	18.970
OPEB	24.297	-	-	15.412	3.799	3.799	4.003	3.799	3.799	4.002	3.799	3.799	70.508
Debt Service	3.674	0.004	-	-	4.248	15.561	0.008	0.004	-	-	3.886	8.026	35.411
Short-term Debt	-	-	-	72.000	-	-	-	-	-	-	-	-	72.000
Note Repayment												180.000	180.000
Total Disbursements	101.746	69.665	78.101	210.737	100.110	120.317	100.277	109.498	108.010	133.178	92.357	334.776	1,558.772
Balance	(33.074)	(73.743)	9.450	1.420	(66.690)	(30.912)	70.541	37.986	135.852	47.601	(6.876)	43.532	

Milwaukee Public Schools
School Operations Fund Cash Flow Actual
July 1, 2019 – June 30, 2020
(Millions of Dollars)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	45.378	(18.855)	(15.308)	25.298	99.591	9.259	(2.694)	60.239	54.768	182.471	130.092	54.431	
RECEIPTS													
Property Taxes						-	121.011	64.738	8.156	11.536	7.832	22.878	236.151
Integration Aid	-	-	-	-	-	-	-	-	-	-	-	30.302	30.302
Computer Aid	7.405	-									1.400		8.805
State Aid													
Equalization Aid	8.923	-	78.328			126.382			128.198		-	179.121	520.952
Other	-	-	0.008	0.071	6.796	7.928	8.864	6.770	67.900	6.165	-	14.476	118.978
Categorical Aid	0.800	12.299	7.465	2.446	16.182	8.182	17.527	19.559	11.404	3.342	18.547	31.003	148.757
Nutrition	6.644	0.342	0.695	1.301	5.368	5.841	4.684	3.966	5.180	4.911	3.895	1.922	44.747
Local Revenues	0.111	0.146	0.137	0.144	0.476	0.933	0.193	0.653	0.104	0.094	0.104	19.818	22.914
Other Local Receipts	1.379	4.951	1.142	0.986	0.748	1.300	1.583	1.519	0.669	1.565	0.811	2.320	18.970
Reimbursed QSCB Interest					0.961	0.918		0.921			0.871		3.671
OPEB	2.260	0.428	0.222	12.199	4.354	4.223	6.516	2.973	4.459	5.301	4.816	5.506	53.256
Short-term Debt		50.000	24.000	55.000		-							129.000
Note Proceeds				180.000									180.000
Total Receipts	27.521	68.166	111.998	252.147	34.885	155.707	160.377	101.099	226.069	32.913	38.275	307.346	1,516.504
DISBURSEMENTS													
Salaries and Benefits	13.650	26.468	63.733	68.912	102.762	68.095	66.968	71.327	71.064	70.202	105.731	42.629	771.541
Services & Supplies	67.066	29.528	6.517	10.554	12.824	28.064	24.260	28.815	21.941	8.846	(1.400)	74.490	311.507
Other Local Expenses	1.379	4.951	1.142	0.986	0.748	1.300	1.583	1.519	0.669	1.565	0.811	2.320	18.970
OPEB	9.656			18.402	4.636	4.610	4.632	4.909	4.692	4.680	4.910	4.730	65.857
Debt Service	0.003	3.672			4.247	15.592				-	3.885	9.679	37.078
Short-term Debt Repayment				79.000		50.000							129.000
Note Repayment												180.000	180.000
Total Disbursements	91.754	64.619	71.392	177.854	125.217	167.661	97.443	106.570	98.366	85.293	113.936	313.848	1,513.953
Balance	(18.855)	(15.308)	25.298	99.591	9.259	(2.694)	60.239	54.768	182.471	130.092	54.431	47.929	

THE CITY OF MILWAUKEE

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 595,555 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, in the counties of Milwaukee, Ozaukee, Waukesha and Washington, and has a population of nearly 1.6 million.

The Port of Milwaukee provides multimodal access to the region, including domestic markets via its access to the Great Lakes – St. Lawrence Seaway system and the Mississippi river. General Mitchell International Airport is served by domestic and international airlines. Two rail lines serve the City, including access to Port Milwaukee, providing 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.

City of Milwaukee Selected Economic Data

Year	Population		Adjusted Gross Income Per Return
	Department of Administration	U.S. Census	
2019	587,072		
2018	595,555		\$43,034
2017	591,076		41,059
2016	594,667		39,885
2015	595,787		39,931
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
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 Policy. 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 for the years 2015-2019.

Value of Permits

Year	Residential	Commercial	Public	Other	Total
2019	\$16,124,147	\$506,302,061	*	*	\$522,426,208
2018	17,222,132	614,284,725	*	*	631,506,857
2017	33,624,270	778,690,826	*	*	812,315,096
2016	111,299,399	81,464,755	\$35,892,602	\$187,592,531	416,249,287
2015	82,597,322	58,724,198	21,178,391	141,262,948	303,762,859

Permits Issued

Year	Residential	Commercial	Public	Other	Total
2019	1,060	1,347	*	*	2,407
2018	1,089	1,375	*	*	2,464
2017	2,180	1,364	*	*	3,544
2016	46	29	202	1,608	1,885
2015	39	31	252	2,003	2,325

* In 2017, the City implemented a new computer system for the issuance and recording of permit data. The new system combines Public and Other into the Residential and Commercial categories.

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 which 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 may include employees located in counties contiguous to Milwaukee County.

Company	Business Description	2019 Approximate Employment
Advocate Aurora Health	Health Care System	28,557
Froedtert Health	Health Care System	13,472
Ascension Wisconsin	Health Care System	10,746
Roundy's Supermarkets Inc.	Retail Supermarkets	8,400
Quad	Marketing Solutions	8,000
Kohls Corporation	Retailer	7,000
Medical College of Wisconsin	Private Medical School	6,324
GE Healthcare	Medical Imaging Technology	6,000
Children's Hospital and Health System	Health Care System	5,436
Northwestern Mutual	Insurance, Investment Products	5,000
ProHealth Care	Health Care System	4,338
U.S. Bank	Banking Services	3,700
Rockwell Automation Inc.	Industrial Automation Products	3,600
The Marcus Corp.	Theaters and Hotel Properties	3,098
Piggly Wiggly Midwest	Retail Grocer	3,290
FIS	Banking and Payments Technology	3,000
WEC Energy Group Inc.	Electric & Natural Gas Utility	3,000
Marquette University	University	2,932
Uline, Inc.	Packaging Distributor	2,720
Harley-Davidson Inc.	Motorcycles & Accessories	2,612
Goodwill Industries of SE Wisconsin Inc.	Training Programs, Retail, & Food Service	2,589
BMO Harris Bank	Bank Holding Company	2,348
Amazon	Retail Shopping Services	2,500
SC Johnson	Cleaning Supplies Manufacturer	2,500
Molson Coors LLC	Beer Brewery	1,500
Smithfield Foods	Manufacturer of Processed Meats	1,200
CleanPower	Commercial Cleaning Services	1,100
Boucher Automotive Group Inc.	Automobile Dealer	1,061

Source: Milwaukee Business Journal, Vol. 37, No. 17 (Dec. 27, 2019)

EMPLOYMENT AND INDUSTRY

During 2019, the City’s unemployment rate averaged approximately __%. Presented below are unemployment rates for the City, as compared to the State of Wisconsin and the United States for the period 2015 through 2019.

Annual Unemployment Rates (Not Seasonally Adjusted)				
Year	City of Milwaukee	Milwaukee – Waukesha – West Allis Metropolitan Statistical Area	State of Wisconsin	United States
2019	4.5%	3.5%	3.3%	3.7%
2018	4.0	3.2	3.0	3.9
2017	4.5	3.5	3.3	4.4
2016	5.6	4.3	4.0	4.9
2015	6.6	4.9	4.5	5.3

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
June, 2020	12.8%	10.0%	8.7%	11.2%

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

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 over 76% of the workforce. Construction and manufacturing firms employ 13% 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 2019 Estimated Equalized Valuations

Northwestern Mutual Life Ins.	\$437,599,805
US Bank Corp.	219,810,881
Mandel Group	201,416,820
Juneau Village/Prospect Tower/Katz Properties	125,515,383
411 E Wisconsin – FMC Investment Opportunities	117,639,236
Metropolitan Associates	112,685,763
Aurora Health	109,727,025
Irgens	108,528,766
Jackson Street Holdings	106,451,815
Forest County Potawatomi Community	101,777,354

Source: City of Milwaukee, Assessor’s Office January 2020.

BOOK-ENTRY-ONLY SYSTEM

The information contained in the following paragraphs of this subsection “BOOK-ENTRY-ONLY SYSTEM” has been extracted from a document prepared by The Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY ONLY ISSUANCE.” The City makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “*banking organization*” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “*clearing corporation*” within the meaning of the New York Uniform Commercial Code, and a “*clearing agency*” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has S&P Global Ratings rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the

identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "*street name*," and will be the responsibility of such Participant and not of DTC, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that City believes to be reliable, but City takes no responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY

DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE NOTES; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE NOTES; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE NOTES; OR (5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF NOTES.

LEGAL MATTERS

Litigation

MPS and its directors, officers and employees have been defendants in numerous lawsuits over the years. It has been MPS' experience that a relatively small number of suits commenced are reduced to judgment. MPS maintains Commercial General Liability Insurance, Umbrella General Liability Insurance and School Teachers Error and Omissions Insurance. Section 893.80 of the Wisconsin Statutes limits the amount recoverable against a political corporation or its officers, officials or employees for acts performed in their official capacity to \$50,000 in tort liability in non-automobile cases and, under Section 345.05(3) of the Wisconsin Statutes, to \$250,000 in automobile cases.

The City Attorney's Office has currently 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 **September 15**, 2020.

Section 74.37 Litigation. Various lawsuits are pending against the City for property tax refunds under Section 74.37 of the Wisconsin Statutes. As the tax collector, the City would pay any refund owed, and recover approximately 1/3 of the payment from MPS. Litigation with the potential for an MPS share of more than \$1,000,000 are:

- ***U.S. Bank N.A. v. City of Milwaukee.*** In this excessive assessment action, U.S. Bank alleges its 2014 and 2015 assessments are excessive and has requested a refund in the amount of \$5.3 million. Trial was completed in February 2019 and the parties are engaged in post-trial briefing. U.S. Bank has another lawsuit pending against the City regarding its 2016 and 2017 assessments and has requested a refund of \$2.8 million.
- ***Metropolitan Associates v. City of Milwaukee.*** This excessive assessment action involves the 2015-2018 assessments of seven apartment complexes located on the south side of the City of Milwaukee. Metropolitan has requested a tax refund of approximately \$1,505,000 plus interest. Discovery is ongoing.
- ***Wisconsin and Milwaukee Hotel, LLC v. City of Milwaukee.*** This excessive assessment action involves the 2014 and 2015 assessments of the downtown Marriott Hotel. Wisconsin and Milwaukee Hotel ("WMH") has requested a refund in the amount of approximately \$980,000 plus interest. The circuit court ruled in favor of the City, and WMH appealed. The case is pending in the court of appeals. WMH has another lawsuit against the City regarding its 2016 assessment, requesting a refund of \$775,325 plus interest and costs. WMH then has another lawsuit against the City regarding its 2017 and 2018 assessments requesting a refund of \$1.53 million plus interest and costs.

- ***Citgo Petroleum v. City of Milwaukee.*** This excessive assessment action involves the 2015-2016 assessments of oil terminal property. Citgo has requested a refund in the amount of approximately \$606,000 plus interest. Citgo has also filed a claim against the City regarding its 2017-2018 assessments and requested a refund of \$595,000.
- ***U.S. Venture v. City of Milwaukee.*** This excessive assessment action involves the 2015-2016 assessment of oil terminal property. U.S. Venture has requested a refund in the amount of approximately \$1,804,000 plus interest. U.S. Venture has also filed a claim against the City in regard to its 2017-2018 assessment and requested a refund of \$1,748,000.

LEGAL OPINION

The legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois, and of Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel to the City, will be delivered to the purchasers of the Notes. A draft of the legal opinion for the Notes are included herein as **APPENDIX B**.

TAX STATUS

Summary of Bond Counsel Opinion

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 (the “Code”), Bond Counsel are of the opinion the Notes are not “*private activity bonds*” within the meaning of Section 141(a) of the Code. Accordingly, interest on the Notes is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the Notes 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 Notes in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Notes. These requirements relate to the use and investment of the proceeds of the Notes, the payment of certain amounts to the United States, the security and source of payment of the Notes and the use of the property financed with the proceeds of the Notes.

Notes Purchased at a Premium or at a Discount

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

Bond premium and original issue discount are amortized over the term of a Note 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 Note for federal income tax purposes, to the same extent and with the same limitations as current interest.

Owners who purchase Notes 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 Notes. In addition, owners of Notes should consult their tax advisors with respect to the state and local tax consequences of owning the Notes; 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 Notes. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of Note proceeds 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 Notes 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 Notes.

Rebate of Arbitrage Profit. Unless the City qualifies for an exemption, earnings from the investment of the “*gross proceeds*” of the Notes 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 Notes 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 Notes, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Notes.

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 Notes.

Risks of Non-Compliance

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

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Notes 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 Notes 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 NOTES.

Cost of Carry. Owners of the Notes 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 Notes. As discussed below, special allocation rules apply to financial institutions.

Corporate Owners. Interest on the Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes.

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 Notes 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 Notes 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 Notes are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Notes.

State Tax Matters

Interest on the Notes is not exempt from State of Wisconsin income or franchise tax.

NO DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Notes as “*qualified tax-exempt obligations*” for purposes of Section 265 (b)(3) of the Code relating to the ability of certain financial institutions (within the meaning of Section 265(b)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “Commission”), pursuant to the Securities Exchange Act of 1934, 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 Notes to provide certain financial information and operating data relating to the City annually (the “Annual Financial Information”) 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 certain enumerated events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the City at the time the Notes 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 Notes.

A failure by the City to comply with the Undertaking will not constitute an event of default on the Notes (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 Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price. Except as discussed below, within the previous five years, the City has not failed to comply in any material respect with its Undertakings.

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, through June 30, 2017, the City 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 last issue with a Pre-2003 Undertaking matured on June 15, 2019.

The City has endeavored to report rating changes that 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.

The City has contracted with Lumesis to utilize its DIVER Issuer Disclosure Management service to verify the City’s compliance with its Undertakings and proper filing of the notices. DIVER provides the City with a semi-annual analysis of disclosure filings made by the City compared to the City’s disclosure obligations. Potential Bidders may request a complimentary copy of the CD Lookback analysis from the City by calling 414-286-2319, or by e-mailing pdcc@milwaukee.gov.

RATINGS

The City has requested ratings on the Notes from Fitch Ratings (“Fitch”), and S&P Global Ratings (“S&P”). Fitch has assigned a rating of “___” on the Notes. S&P has assigned a rating of “___” on the Notes.

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 effect the market price of the Notes.

FINANCIAL ADVISOR

PFM Financial Advisors LLC has been retained as Financial Advisor to the City in connection with the issuance of the Notes.

UNDERWRITING

The Notes will be purchased at competitive bidding conducted on October 1, 2020.

The award of \$_____,000,000 of the Notes was made to _____, _____, _____, its co-managers and associates.

The public reoffering yields on the Notes will be detailed on the cover of the Final Official Statement.

LEGISLATION

The City is not aware of any pending legislation that would cause significant adverse consequences to either the Notes, the financial condition of the City or the financial condition of MPS.

CLOSING DOCUMENTS AND CERTIFICATES

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

- (1) a signature and no litigation certificate;
- (2) a tax certificate;
- (3) a certificate of delivery and payment;
- (4) the opinions as to the legality of the Notes under Wisconsin law and as to the tax-exempt status of the interest thereon for federal income tax purposes rendered by Katten Muchin Rosenman LLP, Chicago, Illinois, and of Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel to the City, in substantially the form as set forth in **APPENDIX B**;
- (5) copies of this Official Statement issued in conjunction with the Notes within seven business days after the award of the Notes in accordance with SEC Rule 15c2-12(b)(3);
- (6) a Continuing Disclosure Certificate; 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 our 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

Periodically, the City updates its investor relations websites (www.MPSBonds.com and www.MilwaukeeBonds.com) with information regarding prospective financings and financial information. Additional information may be obtained from the undersigned City Comptroller upon request.

AYCHA SAWA
City Comptroller and Secretary
City of Milwaukee
Public Debt Commission
City Hall - Room 404
200 East Wells Street
Milwaukee, Wisconsin 53202
414-286-3321
PDC@milwaukee.gov

/s/

Aycha Sawa
City Comptroller and Secretary
City of Milwaukee, Wisconsin

_____, 2020

[PLACE HOLDER]

APPENDIX A

MILWAUKEE PUBLIC SCHOOLS

**Basic Financial Statements
Year Ended June 30, 2019 and Independent Auditors' Report**

Selected Sections

The complete Comprehensive Annual Financial Report
can be downloaded at the Milwaukee Public School's web page at:

www.milwaukee.k12.wi.us

The independent auditor has not been engaged to perform, and has not performed since the date of its report (a portion of which is included herein), any procedures on the financial statements addressed in the report nor on this Official Statement.

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APPENDIX B

Draft Form of Legal Opinion

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October 15, 2020

The City Comptroller and the Commissioners
of the Public Debt of the City of Milwaukee,
Wisconsin

We have examined a record of proceedings relating to the issuance of \$180,000,000 aggregate principal amount of School Revenue Anticipation Notes, Series 2020 M8 (the "Notes") of the City of Milwaukee (the "City"), a municipal corporation of the State of Wisconsin. The Notes are authorized and issued pursuant to the provisions of Chapter 65 and Chapter 67 of the Wisconsin Statutes and the City Charter and by virtue of a resolution passed by the Common Council of the City on June 16, 2020.

The Notes constitute an issue of "revenue anticipation notes" under Section 67.12(1) of the Wisconsin Statutes and are issuable in fully registered form in the denominations of \$5,000 or any integral multiple thereof. The Notes are dated October 15, 2020, mature (without option of prior redemption) on July 1, 2021 and bear interest from their date payable at maturity. \$_____ principal amount of the Notes bear interest at the rate of ____ percent (___%) per annum and \$_____ principal amount of the Notes bear interest at the rate of ____ percent (___%) per annum.

In our opinion, the Notes are valid and legally binding limited obligations of the City; payment of the principal of the Notes is secured by an irrevocable pledge of all School Operations Fund revenues for the 2020-2021 fiscal year that are due and not yet paid to the City and which are not otherwise pledged or applied through June 30, 2021; and payment of the interest on the Notes is secured by a pledge of surplus revenues of the Debt Service Fund of the City. The Notes are not general obligations of the City and neither the full faith and credit nor the general taxing power of the City is pledged as security for the payment of the principal of or interest on the Notes. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are further 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 (the "Code"), we are of the opinion that interest on the Notes will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Notes are not "private activity bonds" within the meaning of Section 141(a) of the Code; accordingly, interest on the Notes is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Notes. These requirements relate to the use and investment of the proceeds of the Notes, the payment of certain amounts to the United States, the security and source of payment of the Notes and the use of the property financed with the proceeds of the Notes. The City has covenanted to comply with these requirements.

Interest on the Notes is not exempt from Wisconsin income taxes.

Respectfully submitted,

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APPENDIX C

Form of Continuing Disclosure Certificate

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MASTER CONTINUING DISCLOSURE CERTIFICATE

This Master Continuing Disclosure Certificate (the “Certificate”) dated as of February 1, 2019 is executed and delivered in connection with the issuance, from time to time, of municipal securities of the City of Milwaukee, Wisconsin (the “City”) and pursuant to Resolution 181110 duly adopted by the Common Council of the City on December 18, 2018 (the “Resolution”). Capitalized terms used in this Certificate shall have the respective meanings specified above or in Article I hereof. Pursuant to the Resolution, the City agrees as follows:

ARTICLE I - Definitions

Section 1.1. Definitions. The following capitalized terms used in this Certificate shall have the following respective meanings:

(1) “Annual Financial Information” means, collectively, (i) the financial information and operating data as described in an Addendum Describing Annual Report; and (ii) information regarding amendments to this Certificate required pursuant to Sections 4.2(c) and (d) of this Certificate.

The descriptions contained in clause (i) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. Where such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a new Addendum Describing Annual Report shall be executed describing the information to be provided.

(2) “Audited Financial Statements” means the annual financial statements, if any, of the City, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP for governmental units as prescribed by GASB; provided, however, that the City may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification, other than modifications prescribed by GASB, shall be provided to the Repository, and shall include a reference to the specific federal or State law or regulation describing such accounting basis.

(3) “Counsel” means a nationally recognized bond counsel or counsel expert in federal securities laws, acceptable to the City.

(4) “Event” means such events as described in Addendum Describing Enumerated Events.

(5) “Event Notice” means notice of an Enumerated Event.

(6) “GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

(7) “GASB” means the Governmental Accounting Standards Board.

(8) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

(9) “Offered Obligations” means an issue of municipal securities of the City in connection with which the City has executed and delivered a Supplemental Certificate.

(10) “Official Statement” means the “final official statement” as defined in paragraph (f)(3) of the Rule.

(11) “Repository” means the SID and repository(ies), as designated from time to time by the SEC to receive continuing disclosure filings. The SID, repository(ies), and filing information are set forth in the Addendum Describing Repository and SID as may be revised from time to time.

(12) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Certificate, including any amendments and official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.

(13) “SEC” means the United States Securities and Exchange Commission.

(14) “Security Holders” means the holders from time to time of Offered Obligations.

(15) “SID” means, at any time, a then-existing state information depository, if any, as operated or designated as such by or on behalf of the State for the purposes referred to in the Rule. As of the date of this Certificate, there is no SID.

(16) “State” means the State of Wisconsin.

(17) “Unaudited Financial Statements” means the same as Audited Financial Statements, except the same shall not have been audited.

(18) “Underwriters” means the underwriter(s) purchasing an issue of Offered Obligations.

ARTICLE II - The Undertaking

Section 2.1. Purpose. This Certificate shall apply to Offered Obligations, and shall constitute a written undertaking for the benefit of the Security Holders, and is being executed and delivered solely to assist the Underwriters in complying with paragraph (b)(5) of the Rule.

Section 2.2. Annual Financial Information. (a) The City shall provide Annual Financial Information for the City with respect to each fiscal year of the City, by no later than nine months after the end of the respective fiscal year, to the Repository.

(b) The City shall provide, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, notice of any failure of the City to provide the Annual Financial Information by the date specified in subsection (a) above to the Repository.

Section 2.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the dates required by Section 2.2(a) hereof, the City shall provide Unaudited Financial Statements by the dates required, and will also provide Audited Financial Statements, when and if available, to the Repository.

Section 2.4. Notices of Enumerated Events. (a) If an Enumerated Event occurs, the City shall provide, in a timely manner (as may be further defined in the Addendum Describing Enumerated Events), an Enumerated Event Notice to the Repository.

(b) Upon any legal defeasance of an Offered Obligation, the City shall provide notice of such defeasance to the Repository, which notice shall state whether the Offered Obligations to be defeased have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 2.5. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and SEC Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that under some circumstances compliance with this Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the City under such laws.

Section 2.6. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information or Enumerated Event Notice, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Financial Information or Enumerated Event Notice in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information or Enumerated Event Notice.

ARTICLE III - Operating Rules

Section 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the City provides Annual Financial Information by specific reference to documents (i) either (1) provided to the Repository existing at the time of such reference, or (2) filed with the SEC, or (ii) if such a document is an Official Statement, available from the MSRB.

Section 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 3.3. Enumerated Event Notices. Each Enumerated Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Offered Obligations.

Section 3.4. Transmission of Information and Notices. Transmission of information and notices shall be as prescribed by the SEC and the Repository. The transmission requirements are described in the Addendum Describing Repository.

ARTICLE IV - Termination, Amendment and Enforcement

Section 4.1. Termination. (a) The City's obligations under this Certificate with respect to an Offered Obligation shall terminate upon legal defeasance, prior redemption or payment in full of the Offered Obligation.

(b) This Certificate or any provision hereof, shall be null and void in the event that the City (1) delivers to the City an opinion of Counsel, addressed to the City, to the effect that those portions of the Rule which require the provisions of this Certificate or any of such provisions, do not or no longer apply to the Offered Obligations, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the Repository.

Section 4.2. Amendment. (a) This Certificate may be amended, by written certificate of the Comptroller, without the consent of the Security Holders if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the City or the type of business conducted thereby; (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (3) the City shall have received an opinion of Counsel addressed to the City, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the Security Holders; and (4) the City delivers copies of such opinion and amendment to the Repository.

(b) In addition to subsection (a) above, this Certificate may be amended and any provision of this Certificate may be waived, without the consent of the Security Holders, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Certificate; (2) the City shall have received an opinion of Counsel to the effect that performance by the City under

this Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and (3) the City shall have delivered copies of such opinion and amendment to the Repository.

(c) To the extent any amendment to this Certificate results in a change in the types of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, other than changes prescribed by GASB, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of any such amendment shall be provided by the City to the Repository.

Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the Security Holders. Beneficial owners of Offered Obligations shall be third-party beneficiaries of this Certificate.

(b) Except as provided in this subparagraph (b), the provisions of this Certificate shall create no rights in any person or entity. The obligations of the City to comply with the provisions of this Certificate shall be enforceable by the Security Holders, including beneficial owners of Offered Obligations. The Security Holders' rights to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under this Certificate and the Resolution. In consideration of the third-party beneficiary status of beneficial owners of Offered Obligations pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be Security Holders for purposes of this subsection (b).

(c) Any failure by the City to perform in accordance with this Certificate shall not constitute a default under the Resolution and any rights and remedies provided by the Resolution upon the occurrence of a default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, I have hereunto executed this Certificate this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING ENUMERATED EVENTS

This Addendum Describing Listed Events (the “Addendum”) is delivered by the City of Milwaukee, Wisconsin (the “City”) pursuant to the Master Continuing Disclosure Certificate (the “Certificate”), executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes specific events required to be reported by Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (the “Rule”). Capitalized terms that are not defined in this Addendum have the meanings set forth in the Certificate. “Obligor” shall mean the entity specified in the Addendum Describing Annual Report.

Enumerated Event: Any of the following events with respect to the Offered Obligations, whether relating to the City or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Offered Obligations, or other events affecting the tax-exempt status of the Offered Obligations;
- (vii) modifications to rights of Security Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Offered Obligations, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Obligor. Note: The event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligor in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligor, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligor.
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Obligor or the sale of substantially all of the assets of the Obligor, other than pursuant to its terms, if material;
- (xiv) appointment of a success or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

As used in clauses (xv) and (xvi), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For purposes of reporting the above enumerated events, “timely manner” shall mean not in excess of ten (10) business days after the occurrence of the event.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING REPOSITORY AND SID

This Addendum Describing Repository (the “Addendum”) is delivered by the City of Milwaukee, Wisconsin (the “Issuer”) pursuant to the Master Continuing Disclosure Certificate, executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes the filing information as specified by the Securities and Exchange Commission.

Repositories

In December, 2008, the Securities and Exchange Commission modified Exchange Act Rule 15c2-12 to require that Continuing Disclosure shall be made to the Electronic Municipal Market Access system administered by the MSRB (“EMMA”). Pursuant to that modification, continuing disclosure filings will be provided to the Municipal Securities Rulemaking Board for disclosure on the EMMA system.

Information submitted to the MSRB for disclosure on the EMMA shall be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SID (State Information Depository)

None.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

SUPPLEMENTAL CERTIFICATE

This Supplemental Certificate is executed and delivered by the City of Milwaukee, Wisconsin (the "Issuer") to supplement the Master Continuing Disclosure Certificate (the "Certificate"), executed and delivered by the Issuer and dated February 1, 2019. Pursuant to the provisions of the Certificate, the Issuer hereby determines that the Certificate and the Addendum Describing Annual Report, as described below, shall apply to the following issue of obligations:

Name of Obligations:

\$180,000,000 School Revenue Anticipation Notes, Series 2020 M8

Addendum Describing Annual Report:

ADDENDUM DESCRIBING ANNUAL REPORT
FOR SHORT-TERM OBLIGATIONS

Date of Issue:

October 15, 2020

No Previous Non-Compliance. The Issuer represents that for the period beginning 5 years prior to the date hereof, it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

IN WITNESS WHEREOF, this Supplemental Certificate is executed this 15th day of October, 2020.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

AS:RL

If this table is helpful to you, please let the City know by sending an e-mail to pdcc@milwaukee.gov. Otherwise, the table may be removed from future Official Statements.

**City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since October 1, 2015**

Date	Submission ID	Description of Filing	CAFR(1)	
			City	MPS
		OS: Series 2020 M8		
		POS: Series 2020 M8		
		Financial Obligation: US Bank		
7/23/20	RE1049566	Annual Financial Information: OS Series 2020 N4, B5, T6, T7		
7/23/20	RE1049560	CAFR, City, 12/31/19	2019	
5/27/20	RE1029736	Voluntary: Safe Drinking Water Loan, Water Revenue		
5/7/20	SS1055978	Voluntary: COVID-19		
4/28/20	SS1051413	Financial Obligation: US Bank		
4/8/20	RE1019511	OS: Series 2020 N4, B5		
4/8/20	RE1019514	OS: Series 2020 T6, T7		
4/2/20	ES1049320	Bond Call: 2010 B5		
3/25/20	ES1046410	POS: Series 2020 R3		
3/25/20	ES1046417	POS: Series 2020 N4, B5		
3/25/20	ES1046429	POS: Series 2020 T6, T7		
2/28/20	ES1039061	Voluntary: Financial Obligation 2020 S1 Clean Water Fund Loan		
12/23/19	ER992553	Bond Call: 2010 T3		
12/23/19	ER992230	CAFR, MPS, 6/30/19		2019
12/19/19	ER991646	Rating Change: Fitch on Sewerage Revenue Bonds		
10/11/19	ER972898	OS: Series 2019 M7		
10/4/19	ER971088	Financial Obligation: US Bank		
9/19/19	ER966837	POS: Series 2019 M7		
9/13/2019	ES1004670	Rating Change: Fitch on City GO		
7/30/2019	ES997692	CAFR, City, 12/31/18	2018	
7/23/2019	ER956314	Pension Actuarial Valuation Report, 1/1/19		
5/8/2019	ER945267	Annual Financial Information: OS Series 2019 R2, N3, B4, T5		
5/8/2019	ER945242	OS: Series 2019 R2		
5/8/2019	ER945243	OS: Series 2019 N3, B4		
5/8/2019	ER945245	OS: Series 2019 T5		
4/18/2019	ER939482	Rating Change: S&P on City GO and Sewers		
4/18/2019	ER939425	POS: Series 2019 R2		
4/18/2019	ER939434	POS: Series 2019 N3, B4		
4/18/2019	ER939436	POS: Series 2019 T5		
2/12/2019	ES956134	Bank Loan: US Bank Master Revolving Loan Agreement		
1/2/2019	ES946759	Bond Call: 2009 B2		
12/21/2018	ER915062	CAFR, MPS, 6/30/18		2018

(1) As of June 30, 2018, the filing deadline for the City's audit is September 30th. MPS' audit is required to be filed by March 31st.

If this table is helpful to you, please let the City know by sending an e-mail to pdc@milwaukee.gov. Otherwise, the table may be removed from future Official Statements.

**City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since October 1, 2015**

Date	Submission ID	Description of Filing	CAFR(1)	
			City	MPS
9/28/2018	ER895075	OS: Series 2018 M10		
9/14/2018	ES927113	POS: Series 2018 M10		
7/30/2018	ES917717	Pension Actuarial Valuation Report, 1/1/18		
7/20/2018	EP806204	CAFR, City, 12/31/17, raw formatting	2017	
6/29/2018	ES910940	Unaudited CAFR, City, 12/31/17		
6/1/2018	ES902596	Failure to file CAFR, City by June 30		
5/16/2018	ES898126	Annual Financial Information: OS Series 2018 R3, N4, B5, T6, T7		
5/11/2018	ES895529	OS: Series 2018 R3		
5/11/2018	ES895531	OS: Series 2018 N4, B5		
5/11/2018	ES895536	OS: Series 2018 T6, T7		
5/1/2018	ES891489	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
4/23/2018	ES888345	POS: Series 2018 R3		
4/23/2018	ES888338	POS: Series 2018 N4, B5		
4/23/2018	ES888342	POS: Series 2018 T6, T7		
4/5/2018	ES882832	Rating Change: Moody's on Sewer Revenue Bonds		
4/4/2018	ES882560	Rating Change: S&P on MPS Pension Bonds Bond Insurer		
3/19/2018	ES871151	Rating Change: S&P on MPS Pension Bonds		
3/13/2018	ES869567	Rating Change: Moody's on City GO and RACM Summerfest Bonds		
3/2/2018	ER877771	Rating Change: S&P on MPS NSI Bonds		
2/1/2018	ER873797	Bond Call: 2008 B7		
2/1/2018	ER872203	CAFR, MPS, 6/30/17, previous file replaced with revised version		
1/29/2018	ER873333	OS: Series 2018 N1		
1/26/2018	ER872203	CAFR, MPS, 6/30/17 (archived)		2017
1/18/2018	ES850796	POS: Series 2018 N1		
12/29/2017	ER506658	Corrected typo in Failure to file CAFR, City by June 30, 2012		
12/8/2017	ER861838	POS: RACM MPS 2017C QSCBs		
11/7/2017	ER853451	Pension Actuarial Valuation Report, 1/1/17		
11/7/2017	EP803719	Rating Change: Fitch on MPS Pension Bonds		
10/5/2017	ES822384	OS: Series 2017 M11 MPS RANs		
9/27/2017	ER848376	POS: Series 2017 M11 MPS RANs		
8/8/2017	EP798860	Rating Change: Moody's on MPS Pension and NSI Bonds		
8/2/2017	ER841452	CAFR, City, 12/31/16	2016	
6/26/2017	EP377478	OS: RACM MPS 2017 Refunding NSI - Supplement Rating Change		
6/14/2017	ER831649	Annual Financial Information: OS Series 2017 R3, N4, B5		

If this table is helpful to you, please let the City know by sending an e-mail to pdc@milwaukee.gov. Otherwise, the table may be removed from future Official Statements.

**City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since October 1, 2015**

Date	Submission ID	Description of Filing	CAFR(1)	
			City	MPS
6/14/2017	ER831646	Failure to file CAFR, City by June 30		
6/13/2017	EP377479	OS: RACM MPS 2017 Lease		
6/13/2017	EP377478	OS: RACM MPS 2017 Refunding NSI		
6/1/2017	ES810072	POS: RACM MPS 2017 Lease		
6/1/2017	ES810070	POS: RACM MPS 2017 Refunding NSI		
5/9/2017	EP779249	OS: Series 2017 T6 and T7		
5/9/2017	EP779244	OS: Series 2017 N4 and B5		
5/9/2017	EP779240	OS: Series 2017 R3		
5/1/2017	ER825087	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
4/24/2017	ER822910	POS: Series 2017 T6 and T7		
4/24/2017	ER822904	POS: Series 2017 N4 and B5		
4/24/2017	ER822885	POS: Series 2017 R3		
1/31/2017	ER806929	CAFR, MPS, 6/30/16		2016
1/9/2017	ER794709	Bond Call: 2007 B5		
1/9/2017	ER794708	Bond Call: 2006 B10		
12/7/2016	ES786074	Bank Loan: JP Morgan Chase Line		
12/7/2016	ES786061	OS: Series 2016 W10 Water		
11/29/2016	ES377098	OS: RACM MPS 2016A, 2016B QECCB		
11/21/2016	ES781334	Bank Loan: US Bank Line		
11/21/2016	ES781270	POS: Series 2016 W10 Water		
11/18/2016	ES780313	Bond Call: 2012 F9 & V10		
10/12/2016	EP752983	OS: Series 2016 M8 MPS RANs		
9/29/2016	EP750542	POS: Series 2016 M8 MPS RANs		
9/23/2016	ES663847	Rating Change: Moody's on RACM Summerfest		
8/16/2016	ES652467	OS: Series 2016 S7 Sewers		
8/3/2016	EP744796	POS: Series 2016 S7 Sewers		
8/2/2016	ES652017	Pension Actuarial Valuation Report, 1/1/16		
8/2/2016	ES651988	Pension Actuarial Valuation Report, 1/1/15		
8/1/2016	ES650872	CAFR, City, 12/31/15, raw formatting	2015	
6/14/2016	ER764909	OS: Series 2016 B6		
6/14/2016	ER764907	OS: Series 2016 N5		
6/1/2016	ES640183	Annual Financial Information: POS Series 2016 N5, B6		
6/1/2016	ES640180	POS: Series 2016 N5, B6		
6/1/2016	EP741451	Failure to file CAFR, City by June 30		
5/12/2016	EP735406	OS: Series 2016 T4		
5/12/2016	EP735405	OS: Series 2016 N2, B3		

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**City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since October 1, 2015**

Date	Submission ID	Description of Filing	CAFR(1)	
			City	MPS
5/12/2016	EP735402	OS: Series 2016 R1		
5/2/2016	ER755640	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
4/26/2016	EP735155	POS: Series 2016 T4		
4/26/2016	EP735154	POS: Series 2016 N2, B3		
4/26/2016	EP735152	POS: Series 2016 R1		
3/8/2016	ES622894	Rating Change: Moody's on RACM (MPS NSI) to "A1" and "A2"		
1/4/2016	ES611748	CAFR, MPS, 6/30/15		2015
1/4/2016	ES611742	Bond Call: 2006 B2		
11/19/2015	EP705011	Reoffering Circular, Series 2012 V10		
10/5/2015	ER730150	OS Series 2015 M7 MPS RANs		

APPENDIX D

Official Notice of Sale and Bid Form

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**OFFICIAL NOTICE OF SALE AND
OFFICIAL BID FORM**

FOR

\$180,000,000

**CITY OF MILWAUKEE, WISCONSIN
SCHOOL REVENUE ANTICIPATION NOTES, SERIES 2020 M8
(Not a general obligation of the City)**

“Bids for Series 2020 M8 Notes”

Sale Data:

SALE DATE AND TIME:

Thursday, October 1, 2020
10:00 a.m. Central Time

PLACE OF ACCEPTANCE FOR SEALED BIDS:

City of Milwaukee
Office of the City Comptroller
City Hall, Room 404
200 E. Wells St.
Milwaukee, Wisconsin 53202
Bids will also be accepted electronically via PARITY

OFFICIAL NOTICE OF SALE

\$180,000,000

CITY OF MILWAUKEE, WISCONSIN SCHOOL REVENUE ANTICIPATION NOTES, SERIES 2020 M8 (Not a general obligation of the City)

NOTICE IS HEREBY GIVEN that the City of Milwaukee, Wisconsin (the “City”), will receive sealed and electronic bids until 10:00 A.M., Central Time, on Thursday, the

1st DAY OF OCTOBER, 2020

at the Office of the City Comptroller, in said City, for the purchase of One Hundred Eighty Million Dollars (\$180,000,000) School Revenue Anticipation Notes, Series 2020 M8 (the “Notes”). Sealed bids should be delivered to City Hall, Room 404, 200 E. Wells St., Milwaukee, Wisconsin. Electronic bids must be submitted via PARITY through its competitive bidding application BidComp. Sealed bids will be opened, electronic bids will be retrieved, and all bids will be publicly announced in City Hall, Room 404, 200 E. Wells St., Milwaukee, Wisconsin shortly after the deadline for the receipt of bids. In the event PARITY is not accessible during the 30 minutes prior to the time bids are due, the City reserves the right to extend the deadline for submitting bids. The official award will be considered at a meeting of the City’s Public Debt Commission scheduled for 3:00 P.M. Central Time on October 1, 2020. *Information regarding the Notes is furnished solely to provide limited summary information, and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in the Preliminary Official Statement, including Appendices.*

Details of the Notes

The expected date of delivery is October 15, 2020 (the “Expected Date of Delivery”). The Notes will be dated as of the Expected Date of Delivery, will bear interest payable at maturity. The Notes will mature on July 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Notes are not subject to redemption prior to maturity.

Continuing Disclosure

The City has contracted with Lumesis to utilize its DIVER Issuer Disclosure Management service to verify the City’s compliance with its Undertakings and proper filing of the notices. DIVER provides the City with a semi-annual analysis of disclosure filings made by the City compared to the City’s disclosure obligations. Potential Bidders may request a complimentary copy of the CD Lookback analysis from the City by calling 414-286-2319, or by e-mailing pdc@milwaukee.gov.

Bid Parameters

Partial Bids: Bidders may bid for all of the Notes or part of the Notes. No bid for less than \$30,000,000 principal amount at a particular interest rate will be entertained, and all bids must be in multiples of \$30,000,000. **Coupons:** Bidders are required to name the interest rate or rates the Notes are to bear. Such rates shall be no greater than 5.00%, and be in multiples of one-eighth of one percent or one-twentieth of one percent. **Minimum/Maximum Price:** No bid at less than par value, nor more than 105.0% of par value, plus accrued interest, if any, will be considered.

Good Faith Deposit

Bids must be accompanied by a Good Faith Deposit (“Deposit”) in the form of a certified check or a cashier’s check drawn on a state or national bank or trust company in the amount of one-half of one percent of the par value of the maximum amount of Notes bid for, payable to the City Treasurer of Milwaukee, Wisconsin, as a guarantee of good faith, to be forfeited to said City by the successful bidder(s) as liquidated damages should such

bidder(s) fail to provide an Issue Price certificate and/or take up and pay for the Notes when ready. The deposit of the successful bidder(s) will be retained by the City and deducted from the purchase price at the time of closing.

The good faith checks of the unsuccessful bidders will be returned promptly upon the official determination of the bid(s) to be accepted. In the event of an award of less than all of the Notes included in a bid, the City shall, promptly, issue to such successful bidder(s) a check representing the amount of good faith deposit in excess of one-half of one percent of the amount of the Notes awarded. All bids shall remain firm until 6:00 P.M. Central Time on the sale date. A meeting of the Public Debt Commission of the City is scheduled for 3:00 P.M. Central Time on the sale date at which time the official award of the Notes will be made or all bids rejected.

Good Faith Deposit Submitted After Bids Are Due – Terms and Conditions: Bidders may elect to provide a Deposit (one-half of one percent (0.50%) of the par value of the amount of Notes won) after the time Bids are due, subject to the following conditions:

1. Submission of a bid without providing a Deposit prior to the time bids are due, in consideration for the City considering the bid, the bidder shall be deemed to have consented to these additional terms for Good Faith Deposit Submitted After Bids Are Due.
2. The highest bidder(s) shall provide the City a Deposit by cashier's check or a certified check drawn on a state or national bank or trust company (or wire transfer such amount as instructed by the City) payable to the City by 1:00 P.M., Central time ("Due Time") on the date bids are open.
3. Failure to provide a Deposit by the Due Time may (at the City's option) result in the bid being rejected, and the City will negotiate with the next highest bidder(s) for the completion of the transaction.
4. The bidder agrees that, in addition to the general terms for the Good Faith Deposit, the Deposit amount represents liquidated damages for the City in the event that the high bidder fails to provide the Deposit by the Due Time. The City shall be entitled to the liquidated damages even if the City rejects the bid due to failure to provide the Deposit by the Due Time, and regardless of whether, and upon what terms, the City is able to complete the transaction with another bidder. The bidder agrees to reimburse the City for costs to collect the liquidated damages, and to the jurisdiction of Wisconsin courts.

Award

The Notes will be awarded to the qualified bidder or combination of bidders offering the lowest true interest cost to the City. The City's computation of true interest cost of each bid will be controlling. True interest cost can be estimated as follows: the present value rate necessary to discount, to the Purchase Price (hereinafter defined), the future debt service payments from the payment dates to the Expected Date of Delivery, calculated on the basis of a 360-day year of twelve 30-day months, and with semi-annual compounding. The "Purchase Price" is principal, plus premium, plus accrued interest to the Expected Date of Delivery. The City reserves the right to reject any or all bids or to waive any irregularity in any bid.

In awarding the Notes, the City may accept a bid in a principal amount less than the principal amount bid. If only part of the Notes bid for are awarded to a bidder, the premium offered, if any, shall be prorated. If any two or more bids shall be equal, the City shall determine by lot, which bid to accept.

The winning bid or bids will be reported to PARITY, but the City assumes no responsibility or liability for auction results posted on such website.

Submission of Bids

Sealed proposals for the purchase of said Notes must be made using the Official Bid Form or, if submitted electronically via PARITY, in accordance with the requirements prescribed by this Official Notice of Sale. For bidders submitting their electronic bid via PARITY, please refer to your contract/agreement with PARITY regarding

any requirements for participation. If more than one bid, either through the same method or through more than one method, shall be submitted by the same bidder for any part of the Notes, each such bid shall be considered a separate proposal for purchase of such part.

Any prospective bidder intending to submit an electronic bid must submit its electronic bid via PARITY through their competitive bidding application BidComp. By submitting an electronic bid, the bidder agrees:

1. The City may regard the electronic transmission of the bid via PARITY (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted on the Official Bid Form and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the City, the terms of the Official Bid Form, this Official Notice of Sale, and the information transmitted through PARITY shall form a contract, and the bidder shall be bound by the terms of such contract.
2. To comply with the rules of PARITY, in the event of any conflict between such rules (regardless of what the rules are called or how they are established) and the terms set forth in the Official Bid Form and this Official Notice of Sale, the terms set forth in the Official Bid Form and this Official Notice of Sale shall control.
3. That the bidder is solely responsible for making necessary arrangements to access PARITY. The City shall not have any duty or obligation to provide or assume such access. PARITY is not an agent of the City. The City shall have no liability whatsoever based on the bidders use of PARITY, including, but not limited to any failure by PARITY to correctly or timely transmit information provided by the bidder.

The City assumes no responsibility or liability for bids submitted through PARITY. The City also assumes no responsibility for the accuracy of information on the City's Notes presented by, nor of calculations performed by, nor of restrictions on the entry of bids enforced by, PARITY. If any provisions in this Official Notice of Sale conflict with information provided by PARITY, this Official Notice of Sale shall control. The City's computation of true interest cost of each bid will be controlling.

An electronic bid shall be deemed an irrevocable offer to purchase the Notes on the terms provided in the Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY, the use of such facility being the sole risk of the prospective bidder.

For purposes of both the sealed bid process and the electronic bid process, the time as maintained by the City shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the City. All bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Official Bid Form.

Bids may be submitted electronically via PARITY pursuant to this Official Notice of Sale, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 404-8102. The fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder.

Payment and Delivery of the Notes

Payment for the Notes shall be made in Federal Reserve Funds or other available funds immediately subject to use by the City. The Notes will be delivered on or about Thursday, October 15, 2020, or as soon thereafter as the Notes may be ready for delivery, at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

The Notes, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Notes. A certificate for each interest rate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in Book-Entry-Only form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder(s) shall be required to deposit the Notes with DTC as a condition to delivery of the Notes. The City will make payment of the principal and interest on the Notes to DTC or its nominee as registered owner of the Notes. Transfer of said payments to participants of DTC will be the responsibility of DTC; transfer of said payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by rules and procedures of DTC and the participants. No assurance can be given by the City that DTC, its participants and other nominees of beneficial owners will make prompt transfer of said payments. The City assumes no liability for failures of DTC, its participants or other nominees to promptly transfer said payments to beneficial owners of the Notes. Notices, if any, given by the City to DTC are redistributed in the same manner as are payments. The City assumes no liability for the failure of DTC, its participants or other nominees to promptly transfer said notices to the beneficial owners of the Notes. The City is not responsible for supervising the activities or reviewing the records of DTC, its participants or other persons acting through such participants. In the event that the securities depository relationship with DTC for the Notes is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, Notes in fully registered certificated notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturity and interest rate then outstanding as directed by the registered owners of the Notes.

**Establishment of Issue Price
(10% Test to Apply if Competitive Sale Requirements are Not Satisfied)**

Each successful bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form included as part of this Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of each successful bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor. Any questions concerning such certification should be directed to Bond Counsel.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Notes to the bidder or bidders who submits a firm offer to purchase the Notes at the highest price (or lowest true interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise each successful bidder. The City shall treat the first price at which 10% of each lot the Notes (the “10% test”) is sold to the public as the issue price of that lot. Each successful bidder shall advise the City if any lot of the Notes satisfies the 10% test as

of the date and time of the award of the Notes. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any lot of the Notes as the issue price of that lot. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the lots of the Notes will be subject to the 10% test in order to establish the issue price of the Notes of that lot.**

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each lot of the Notes, the applicable successful bidders agree to promptly report to the City the prices at which the unsold Notes of that lot have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Notes of that lot.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes of each lot allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Notes of that lot or all Notes of that lot have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Notes of each lot allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that lot or all Notes of that lot have been sold to the public, if and for so long as directed by the party to winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public).
- (3) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Notes are awarded by the City to the successful bidder or bidders.

Issue Price Certificate – Competitive Sale Requirements

The undersigned, on behalf of _____ (“Winning Underwriter”), hereby certifies as set forth below with respect to the sale of the \$ _____ principal amount of School Revenue Anticipation Notes, Series 2020 M8 of the City of Milwaukee, Wisconsin (the “Notes”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering price of the Notes to the Public by the Winning Underwriter is \$ _____ (the “Expected Offering Price”). The Expected Offering Price is the price for the Maturity of the Notes used by Winning Underwriter in formulating its bid to purchase the Notes.

(b) Winning Underwriter was not given the opportunity to see other bids prior to submitting its bid but was able to see the ranking of its bid relative to other bids (*i.e.*, “Leader”, “Cover”, “3rd” *etc.*).

(c) The bid submitted by Winning Underwriter constituted firm offer to purchase the Notes.

2. ***Defined Terms.***

(a) *Maturity* means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates or credit terms, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means, in, the case of corporations, any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is October 1, 2020.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Winning Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City of Milwaukee with respect to certain of the representations set forth in the Tax Compliance Certificate pertaining to the Notes and with respect to compliance with the federal income tax rules affecting the Notes, and by Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Issue Price Certificate – 10% Test

The undersigned, on behalf of _____ (“Underwriter”), hereby certifies as set forth below with respect to the sale of the \$ _____ principal amount of School Revenue Anticipation Notes, Series 2020 M8 of the City of Milwaukee, Wisconsin (the “Notes”).

1. ***Sale of the Notes.*** As of the date of this certificate, for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A. [NOTE: This statement must be modified if 10% of any maturity is not sold by the issue date of the Notes]

2. **Defined Terms.**

- (a) *Issuer* means City of Milwaukee, Wisconsin.
- (b) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (d) An *underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Bond Counsel in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Authorization, Security, and Conditions of Delivery

The Notes have been approved by a resolution adopted by the Common Council of the City. The Notes 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 Notes or the interest thereon. The Notes are being issued pursuant to the provisions of Section 67.12(1), Wisconsin Statutes, for the purpose of financing the operating budget of the Milwaukee Public Schools (the “MPS”) on an interim basis pending receipt of school state aid payments due in June, 2021. In accordance with the authorization contained in a resolution adopted by the School Board, MPS and the City have irrevocably pledged all revenues of the School Operations Fund included in the budget for the current fiscal year which are due MPS, which have not been received as of the date of delivery of the Notes, and which are not otherwise pledged or assigned, as security for repayment of the Notes. Such pledge is on parity with other obligations of MPS. In accordance with the authorization contained in said resolution adopted by the School Board, the City has authorized and directed the proper City officers to segregate within the School Operations Fund the school state aid payments received under Section 121.15, Wisconsin Statutes, in June, 2020 in the principal amount of the Notes. In addition, the City has pledged available surplus revenues in its Debt Service Fund to the payment of interest on the Notes.

The Notes are being issued subject to the legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois and of Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel, which opinions, together with the completed Notes, will be furnished to the successful bidder(s) at the expense of the City. The form of such opinion appears as Appendix B in the Official Statement.

The successful bidder(s) will be furnished with the usual closing documents, including a certificate that no litigation is pending affecting the issuance of said Notes. The Preliminary Official Statement is in a form which the City “deems final” as of September __, 2020 for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a Final Official Statement as defined in SEC Rule 15c2-12(e)(3). Within seven days of the award of the Notes, each successful bidder will be provided with an electronic copy of the Final Official Statement in pdf format without cost. It is anticipated that CUSIP identification numbers will be included on the Notes, but neither the failure to include such numbers on any Notes nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes in

accordance with terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Note or a part of the contract evidenced thereby, and no liability shall hereafter attach to the City or any of its officers or agents because of or on account of such numbers.

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 Notes the City will provide an executed copy of its Continuing Disclosure Certificate. Said Certificate will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interests in the Notes, to provide in a timely manner notice of certain events with respect to the Notes. Notice of the occurrence of certain events with respect to the Notes will be provided to the Municipal Securities Rulemaking Board.

The successful bidder(s) may, at its option, refuse to accept the Notes if prior to their delivery, any income tax law of the United States of America shall provide that the interest on such Notes is includable or shall be includable at a future date in gross income for federal income tax purposes, and in such case the deposit made by them will be returned and they will be relieved of their contractual obligations arising from the acceptance of their proposal.

The City understands that, from time to time, it is advantageous to take bond insurance into account when submitting a bid. Bond insurance is at the sole discretion and risk of the bidder(s). The use of bond insurance will require insurance related certifications by the bidder in the Issue Price certificate. The City will assist in the reoffering of the Notes with insurance by including bidder provided bond insurance information in the Final Official Statement. However, the City does not have the authority to enter into agreements with the bond insurer. The successful bidder(s) do not have the option to refuse delivery of the Notes due to bond insurance related issues.

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

AYCHA SAWA
City Comptroller and Secretary
Public Debt Commission
City Hall, Room 404
200 E. Wells St.
Milwaukee, WI 53202

By order of the Commissioners of the
Public Debt of the City of Milwaukee
BERNARD J. ALLEN, Chairperson
DAVID MISKY, Member
MARY REAVEY, Member

COMMISSIONERS OF THE PUBLIC DEBT

September __, 2020

OFFICIAL BID FORM
(Electronic Bids also accepted via PARITY – See the Official Notice of Sale)

CITY OF MILWAUKEE, WISCONSIN
SCHOOL REVENUE ANTICIPATION NOTES, SERIES 2020 M8
(Not a general obligation of the City)
\$180,000,000 maturing on April 1, 2021

October 1, 2020

Commissioners of the Public Debt
 City Comptroller's Office
 City Hall, Room 404
 200 E. Wells St.
 Milwaukee, Wisconsin 53202

Commissioners:

We offer to purchase the School Revenue Anticipation Notes, Series 2020 M8 (the "Notes") of the City of Milwaukee, Wisconsin, in the principal amount(s) set forth below, described in the Official Notice of Sale, dated September __, 2020 of said Notes, which Official Notice of Sale is by reference incorporated herein, and made a part of the bid described herein.

The Notes shall bear interest at the following rate(s) per annum (on a 30/360 day basis), and we will pay you par value and accrued interest to the date of delivery (plus a premium, if any), as shown:

	Principal Amount (\$30,000,000 minimum)*	Interest Rate**	Premium *** (if any)
Bid A:	\$ _____	_____ %	\$ _____
Bid B:	\$ _____	_____ %	\$ _____
Bid C:	\$ _____	_____ %	\$ _____
Bid D:	\$ _____	_____ %	\$ _____
Bid E:	\$ _____	_____ %	\$ _____

* Bids in excess of \$30,000,000 must be in multiples of \$30,000,000.
 ** Interest rate must be no greater than 5.0%, and in multiples of 1/8 or 1/20 of one percent.
 *** Not to exceed 5.0% (105.0% price) of the Principal Amount.

This bid is made for prompt acceptance and subject to the conditions of the Official Notice of Sale. As required by the Official Notice of Sale, enclosed herewith is a certified check or a cashier's check drawn on a state or national bank or trust company, or a Financial Surety Bond, for one-half of one percent (0.50%) of the maximum amount of the Notes bid for as a good faith deposit, payable to the City Treasurer of the City of Milwaukee, which deposit is to be promptly returned to us if our bid is not accepted, but otherwise to be applied in accordance with the Official Notice of Sale. We understand that in the event the Commission awards to us part of the Notes subject to the bids described herein, it will refund a pro rata share of the selected good faith deposit.

By: _____

Phone Number: _____

 Company Name

No addition, alteration or change is to be made to the form of this bid.