

CITY OF MILWAUKEE

SCHOOL REVENUE ANTICIPATION NOTES

SCHOOL REVENUE ANTICIPATION NOTE RESOLUTION

FILE NO: 210298

ADOPTED: \_\_\_\_\_, 2021

## SCHOOL REVENUE ANTICIPATION NOTE RESOLUTION

All capitalized terms used in this School Revenue Anticipation Note Resolution and not otherwise defined shall have the meaning provided in by Common Council File Number 210298 (the “Common Council Resolution”).

Whereas, School Revenue Anticipation Notes have been authorized by the Common Council Resolution in the aggregate amount not to exceed of \$275,000,000 (the “RANs”) pursuant to the provisions of Section 67.12(1)(a), Wisconsin Statutes, to borrow money in anticipation of revenues for school purposes;

Whereas, MPS is a department of the City authorized by Sections 65.05, 119.46, and 119.60(1), (2m)(c) and (5), Wisconsin Statutes, to establish a School Operations Fund, and to determine its expenditures and the taxes to be levied therefor;

Whereas, MPS is temporarily in need of funds in the amount not to exceed \$275,000,000 to meet the immediate expenses of operating and maintaining the public instruction in MPS during its Fiscal Year;

Whereas, annually, the Board deems it necessary and in the best interest of MPS that funds be borrowed and revenue anticipation notes be issued to fund the temporary operating and maintenance needs of MPS, and requests the City to so issue such notes;

Whereas, the City is a municipality authorized by the provision of Section 67.12(1)(a), Wisconsin Statutes, to borrow money in anticipation of revenues for school purposes;

Whereas, the City deems it necessary and in the best interest of the City and MPS that funds be borrowed and revenue anticipation notes be issued pursuant to the provisions of Section 67.12(1)(a), Wisconsin Statutes, for the purpose of financing the operating budget of MPS on an interim basis;

Whereas, in accordance with Section 67.12(1)(a), Wisconsin Statutes, the total amount borrowed shall not exceed 60% of MPS’s total actual and anticipated receipts in the fiscal year, and shall be repaid no later than 18 months after the first day of the fiscal year;

Whereas, the tax for the operations and maintenance of schools of MPS for the Fiscal Year has been voted by the Board to be collected on the next tax roll;

Whereas, to the best of the knowledge, information and belief of the Board, MPS complies with the revenue limits set forth in Sections 121.91 and 121.92, Wisconsin Statutes.

The RANs shall be sold by the Commissioners in one or more series, at one or more times, at a true interest cost not to exceed Maximum TIC at public competitive or private sale, or to the Public Debt Amortization Fund for the purpose of investment and/or cancellation.

The RANs shall be designated as determined by the Commissioners, shall be issued no later than the Latest Issue Date, shall be dated as of the expected date of delivery, shall mature on or before the Latest Maturity Date, shall bear interest at a rate not to exceed the Maximum Coupon Rate per annum, and may be subject to redemption prior to maturity as determined by the Commissioners.

The Commissioners may authorize the RANs to be registered as directed by a purchaser. Otherwise, a global certificate shall be issued for each stated maturity date and registered only in the name of CEDE & Co. as nominee of The Depository Trust Company, New York, New York, for delivery and immobilization by the Depository Trust Company following the closing. The Depository Trust Company will act as securities depository of the RANs. The City will make payment of principal, redemption premium if any, and interest on the RANs on the due dates to the Depository Trust Company, or its nominee, as registered owner of the RANs, in same-day funds. Notices, if any, given by the City to the registered owner of the RANs will be given to the Depository Trust Company. In the event that the securities depository relationship with the Depository Trust Company for the RANs is terminated and the City does not appoint a successor securities depository, the City will prepare, authenticate and deliver at its expense fully-registered Note certificates in the denominations of \$5,000 (or such other denominations as the Commissioners may establish at the time of sale) or in the integral multiple thereof in the aggregate principal amount by maturity then outstanding to the beneficial owners of the RANs.

In accordance with authorization from the Board for the purpose of securing payment of the principal on the RANs, the proper City officers are authorized and directed to segregate within the School Operations Fund state general school aid revenue payments under Section 121.15, Wisconsin Statutes, for the Fiscal Year that are received in June of the Fiscal Year and the following July in the amount of the principal of the RANs.

In accordance with the pledge of surplus revenues in the Debt Service Fund to pay interest on the RANs, the proper City officers are authorized and directed to create a separate account in the Debt Service Fund from surplus revenues within the fund in the amount of interest due on the RANs to maturity.

Should RANs mature on or before the end of the Fiscal Year, City officers may determine whether or not it is desirable to have a Fiscal Agent to make the payments on the RANs. If it is determined that a Fiscal Agent is not desirable, the City officers are directed to pay directly, when due, the principal of and interest on the RANs.

The Comptroller is authorized to select a Fiscal Agent, and the proper City officers be and hereby are authorized to execute an agreement with the Fiscal Agent with respect to the RANs issued pursuant to this resolution.

If a Fiscal Agent is selected, the proper City officers are authorized and directed to deposit with the Fiscal Agent on or before the end of the Fiscal Year direct obligations of

the U.S. Government, or pledged revenues to purchase direct obligations of the U.S. Government, in an amount sufficient together with earnings thereon to pay, when due, the principal of and interest on the RANs to maturity.

The RANs shall not constitute an indebtedness for purposes of determining the City's constitutional debt limitation, and no additional tax shall be levied to pay the RANs.

Discharge Provision:

(A) if the City shall pay or cause to be paid to the registered owners of the RANs, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein, then the pledge of revenues, securities and funds pledged for the payment of the RANs and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the RANs shall be discharged and satisfied.

(B) Any RANs or interest installments appertaining thereto, whether at or prior to the maturity date of such RANs, shall be deemed to have been paid within the meaning of paragraph (A) if there shall have been deposited in trust with the Fiscal Agent acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined in paragraph (C), the principal of and the interest on which, when due, will provide moneys that, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of and interest due and to become due on said RANs on and prior to the maturity date thereof.

(C) The term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America or (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest.

The Continuing Disclosure Certificate, in substantially the form of the Supplemental Certificate authorized by File Number 181110 adopted on December 18, 2018, is authorized to be executed and delivered by the Comptroller for the RANs.

The City authorizes and directs the appropriate officers and employees of the City to take all action necessary or appropriate to comply with and carry out all of the provisions of the Continuing Disclosure Certificate as amended from time to time. Notwithstanding any other provision of the resolution, failure of the City to perform in accordance with the Continuing Disclosure Certificate shall not constitute a default under the resolution and the Continuing Disclosure Certificate may be enforced only as provided therein.

The Comptroller is authorized to prepare and distribute a Preliminary Official Statement and an Official Statement for the sale of the RANs; to deem the Preliminary Official Statement final for purposes of SEC Rule 15c2-12(b)(1); and authorizes the Official Statement and the information contained therein to be used by underwriters of the debt in connection with the sale of the RANs.

The cost of marketing and issuing the RANs shall be paid from amounts appropriated for said purpose, or the proceeds of the sale of the RANs, or deducted from same, and the project account or accounts credited with the net proceeds of the sale or sales.

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