

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2017

**NEW ISSUE
BOOK ENTRY ONLY**

RATINGS: Fitch Standard & Poor's

(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 individual or corporate "alternative minimum taxable income." However, interest on the Notes is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Notes is not exempt from Wisconsin income taxes.

**\$180,000,000
CITY OF MILWAUKEE, WISCONSIN
SCHOOL REVENUE ANTICIPATION NOTES, SERIES 2017 M11
(Not a general obligation of the City)**

Dated: Expected Date of Delivery

Due: September 27, 2018

The School Revenue Anticipation Notes, Series 2017 M11 (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>
September 27, 2018	\$180,000,000			

The Notes are issued for the purpose of financing the 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 __, 2017 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 19, 2017 (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:

Martin Matson, 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 TUESDAY, OCTOBER 3, 2017**

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

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, 2016 – 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 2017 M11 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 2017 M11.

Dated Date: Expected Date of Delivery.

Sale Date and Time: Tuesday, October 3, 2017, 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: September 27, 2018

Interest Payment Date: September 27, 2018

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 (“ <i>MBSD</i> ”) 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 “ <i>Book-Entry-Only Form</i> ” 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 “ <i>private activity bonds</i> ” and the interest thereon is not required to be included as an item of tax preference for purposes of computing individual or corporate “alternative minimum taxable income.” However, interest on the Notes is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the 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 and up to 5 printed copies 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: Public Financial Management Inc. Milwaukee, Wisconsin
Record Date:	September 26, 2018
Delivery:	Delivery will be on or about October 19, 2017 (the “ <i>Expected Date of Delivery</i> ”) at the expense of the City, through the facilities of The Depository Trust Company (“ <i>DTC</i> ”), 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.)

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: Mr. Martin Matson, 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 in June 29, 2017 (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 20, 2017 (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 Year 2018 and 2017**” 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, 2017, and in March, June, and July 2018. 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 \$219 million will occur in December 2017 due to MPS receiving the majority of State Aid and property tax revenues between December 2017 and June 2018, 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).

This Note issue of \$180 million is the anticipated final interim borrowing for MPS during the 2017-2018 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 2018 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 2018 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 September 27, 2018 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 2017-2018 Fiscal Year.

Total Amount of Estimated School Operations Fund Revenues For the 2017-2018 Fiscal Year	\$982,169,341
Statutory Borrowing Limit (60% of Estimated Revenues)	589,301,605
Borrowing-School Revenue Anticipation Notes, Series 2017 M11 and commercial paper	<u>180,000,000</u>
Unused Amount Following this Issue	<u>409,301,605</u>
Percentage of Borrowing Limit Used	31%
Percentage of Borrowing to Estimated Revenues	18%

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 State Statutes as a City department. MPS is governed by MBSD. MPS has budget adoption authority (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 October 1, 2017**

<u>Year Ending December 31</u>	<u>Principal (1)</u>	<u>Interest (2)</u>	<u>Total</u>
2017	\$ 925,000	\$ 147,692	\$ 1,072,692
2018	10,459,255	4,688,594	15,147,849
2019	10,163,344	5,200,757	15,364,101
2020	9,328,988	5,339,906	14,668,894
2021	5,969,814	5,084,810	11,054,624
2022	6,305,671	5,890,404	12,196,074
2023	6,125,427	5,692,739	11,818,166
2024	4,455,000	2,156,000	6,611,000
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>\$65,837,498</u>	<u>\$39,254,728</u>	<u>\$105,092,226</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 October 1, 2017**

2017 Equalized Value of Taxable Property in the City		\$26,903,884,900
Legal Debt Limitation for City Borrowing		
5% of Equalized Value		
General Obligation Debt Outstanding subject to 5% Limit as of 10/1/17.....	\$928,187,734	
Less: Provision for current year maturities	-	
Net General Obligation Debt Outstanding subject to the 5% Limit as of 10/1/17.....		\$928,187,734
Total Debt Margin for City Borrowing (in Dollars)		\$417,006,511
As a percentage.....		31.0%
Legal Debt Limitation for School Purpose Borrowing		
2% of Equalized Value		\$538,077,698
General Obligation Debt Outstanding subject to 2% Limit as of 10/1/17.....	\$9,267,507	
Less: Provision for current year maturities	-	
Net General Obligation Debt Outstanding subject to the 2% Limit as of 10/1/17.....		\$9,267,507
Total Debt Margin for School Purpose Borrowing (in Dollars)		\$528,810,191
(As a percentage).....		98.3%

**History of Equalized Valuation in the City of Milwaukee
(2013-2017)**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Equalized Valuation</u>	<u>Percent Increase/Decrease</u>
2013	2014	\$26,089,611,100	-1.26%
2014	2015	26,138,108,100	0.19
2015	2016	25,980,469,600	-0.60
2016	2017	27,042,046,500	4.09
2017	2018	26,903,884,900	-0.51

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. 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 October 1, 2017**

Year Ending June 30	Debt Service Payments
2018	\$ 8,444,099
2019	9,171,300
2020	9,419,800
2021	9,702,800
2022	9,079,750
2023	9,668,400
2024	10,113,300
Total	<u><u>\$65,599,449</u></u>

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’s 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 \$94,185,000 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 principal and interest on these Redevelopment Lease Revenue Bonds:

**Lease Revenue Bonds
as of October 1, 2017**

Year ending	Principal	Interest	Sinking Fund	Total	Entitlement (1)
6/30/2018	\$ 440,000	\$ 4,871,312	\$ 1,461,538	\$ 6,772,850	\$2,261,613
6/30/2019	1,415,000	4,499,262	1,461,538	7,375,800	2,132,975
6/30/2020	1,995,000	4,448,112	1,461,538	7,904,650	2,132,975
6/30/2021	2,060,000	4,381,737	1,461,538	7,903,275	2,132,975
6/30/2022	2,130,000	4,307,562	1,461,538	7,899,100	2,132,975
6/30/2023	2,215,000	4,214,462	1,461,538	7,891,000	2,132,975
6/30/2024	3,800,000	4,100,837	1,461,538	9,362,375	2,132,975
6/30/2025	2,445,000	3,981,462	1,461,538	7,888,000	2,132,975
6/30/2026	2,570,000	3,856,087	1,461,538	7,887,625	2,132,975
6/30/2027	2,695,000	3,724,462	1,461,538	7,881,000	2,132,975
6/30/2028	2,835,000	3,586,212	1,461,538	7,882,750	2,132,975
6/30/2029	2,975,000	3,440,962	1,461,538	7,877,500	2,132,975
6/30/2030	3,125,000	3,288,462	1,461,538	7,875,000	2,132,975
6/30/2031	3,285,000	3,128,212	1,461,538	7,874,750	2,132,975
6/30/2032	3,455,000	2,959,712	1,461,538	7,876,250	2,132,975
6/30/2033	3,630,000	2,782,587	1,461,538	7,874,125	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	–	1,961,940	1,461,538	3,423,478	1,850,600
6/30/2039	–	1,961,940	1,461,538	3,423,478	1,850,600
6/30/2040	–	1,961,940	1,461,538	3,423,478	1,850,600
6/30/2041	38,000,000	1,961,940	(36,538,462)	3,423,478	1,850,600
	<u>\$94,185,000</u>	<u>\$78,770,617</u>	<u>\$(2,923,077)</u>	<u>\$170,032,540</u>	

(1) 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, was 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 at a fixed spread of 0.25% over 1-Month LIBOR for the life of the 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. Under the Interest Rate Exchange Agreement, MPS receives a fixed spread of 0.20% over 1-Month LIBOR for the life of

the 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 October 1, 2017**

Year Ending June 30	Loan Payments
2018	\$ 3,670,343
2019	7,340,685
2020	7,340,685
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

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.

MPS has \$34,933,000 of remaining Qualified School Construction allocation. MPS anticipates the issuance of the remaining allocation within the next five years. Additional QZAB borrowings are possible at any time whenever MPS is allocated QZAB authority from the State.

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:

Name	District	Term Expiration
Mark Sain (<i>President</i>)	District 1	2019
Larry Miller (<i>Vice President</i>)	District 5	2021
Wendell Harris, Sr.	District 2	2019
Michael Bonds, Ph.D.	District 3	2019
Annie Woodward	District 4	2021
Luis A. Báez, Ph.D.	District 6	2021
Paula Phillips	District 7	2021
Carol Voss	District 8	2019
Terrence Falk	At-Large	2019

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
Martin Matson	Comptroller	2020
Grant F. Langley	Attorney	2020
Spencer Coggs	Treasurer	2020

Public Services and Facilities

In the 2016-17 school year, MPS had approximately 76,856 full-time students attending 159 school programs within approximately 170 school buildings. The average age of the MPS buildings is

approximately 67 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 2016-2017 fiscal year.

All of MPS has been accredited by the North Central Association of Colleges and Schools.

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
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
2002-2003	98,987	11,304	3,360	113,651
2001-2002	99,054	10,497	2,046	111,597
2000-2001	99,302	9,238	1,411	109,951

* 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 and the accountants/bookkeepers, substitute teachers, educational assistants and Local 950 (Operating Engineers) expired on June 30, 2012.

The Agreements with the Milwaukee Teacher’s Education Association (“*MTEA*”), the Psychologists’ Association in the Milwaukee Public Schools (“*PAMPS*”), and the Administrators and Supervisors Council (“*ASC*”) expired on June 30, 2013.

Under Wisconsin law, negotiations may only be conducted with certified collective bargaining units and are limited to the issue of base wages. With regard to the 2016-17 contract period, MPS is engaged in base wage negotiations with *PAMPS*, *MTEA* Teachers, *MTEA* Educational Assistants, *MTEA* Accountants/Bookkeepers and Local 420. For issues outside of base wages, MPS has created and implemented an employee handbook that covers all MPS employees.

Insurance

MPS purchases commercial property insurance, auto liability insurance, 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 concert with 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 2017 premium rates are 68% lower than the monthly premium for the EPO plan, 67% lower than the monthly premium for the PPO/Indemnity Plan, and 66% 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. Effective January 1, 2017, all benefit eligible employees will receive life insurance valued at one times annual base salary and long term disability paid by the District. Also, as of January 1, 2017, MPS provides voluntary (employee paid) supplemental life and short 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 self-insures for health, dental and workers' compensation benefits and certain other general liability exposures. The accrued liability for estimated self-insured claims of \$22,748,521 recorded in the School Operations Fund and \$4,992,579 represents an estimate of the amount of claims incurred, but not paid or reported, as of June 30, 2016.

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 Standard & Poor's Ratings Services, 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, 2016, the City had approximately 48% (\$308 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. Because of 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 account for a significant portion of the School Operations Fund revenues available to MPS. For fiscal year 2016-17, MPS’s share of levy produced \$260,069,165 of the total revenues to the School Operations Fund. MPS’s 2017-18 School Operations Fund Revenues are budgeted at \$982,169,341 of which City ad valorem property taxes are estimated at \$262,840,543.

Milwaukee Public Schools Property Tax Levies All Funds (2011-2016)

Levy Year	Collection Year	Taxes Levied
2011	2012	297,786,794
2012	2013	300,605,082
2013	2014	299,450,235
2014	2015	302,278,544
2015	2016	300,634,166
2016	2017	281,169,165

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 which 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 2016, the City’s ratio of assessed to equalized value, as reported by the Department of Revenue, was 96.18 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, Vocational School 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 2016 levies (collected in 2017) were as follows (amounts in millions):

Milwaukee Public Schools	\$281.2
City of Milwaukee	263.6
Milwaukee County	130.1
State of Wisconsin	4.6
Milwaukee Area Technical College District	32.2
Milwaukee Metropolitan Sewerage District	44.7

The net tax rate for all taxing jurisdictions was \$28.70 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 2017 will be collected in 2018. 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 which 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.

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. 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.

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		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
Revenue per Pupil	\$12,705	\$13,031	\$13,137	\$14,147	\$14,599	\$15,058
Federal share (%)	7.8	7.5	7.1	16.4	16.4	15.3
State share (%)	45.3	45.7	45.5	55.2	55.2	55.0
Local share (%)	46.9	46.8	47.4	28.4	28.4	29.7

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 prohibits 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 in the 2015-2017 biennial budget, more aid will be distributed through the equalization formula. Under the 2015-2017 biennial budget, it is 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.

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, 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 2016-17 were \$3,980,222 or \$27.51 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 which 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 2016-17 school year, the MPCP was funded 25.6% from a reduction in state general aid to MPS.

In January 2017 there were 121 private schools participating in the MPCP, with a total enrollment of 27,606 students or 26,731.7 full-time equivalent in the program.

Federal School Aid

In addition to State Aid, MPS receives federal aids for specific school programs. For the 2015-16 school year, total federal aids to MPS, including food services revenues of \$50,890,355, was \$189,558,041. A portion of this amount was received after the end of the 2016 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 2015-16 school year increased by \$3,849,347. Property tax revenues for general school purposes decreased by \$2,252,970.

Total expenditures increased \$8,706,773 in 2015-16 over the previous year. Expenditures for instructional services were 58.48% 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.

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

	2016 Year End	2015 Year End	2014 Year End	2013 Year End
Revenues				
Property tax levy	\$285,825,045	\$288,078,016	\$287,372,653	\$286,559,250
Other local sources	24,196,458	18,377,886	15,950,922	13,741,738
Microsoft Settlement Refunds	5,918,672	–	1,557,605	4,492,796
State aid:				
Equalization aid	509,173,092	505,323,745	500,659,964	494,557,826
Special classes	50,423,437	53,338,018	53,565,720	51,792,301
Integration	31,692,817	32,247,348	33,522,834	34,178,357
Other state aid	58,271,730	59,520,486	51,928,558	50,161,524
Federal aid:				
Education Consolidation Improvement Act	68,908,095	77,649,649	89,387,237	96,038,429
Erate Refunds	9,682,625	–	–	52,666
Other federal aid	42,859,924	47,828,746	48,292,464	49,635,541
Intergovernmental Aid from City of Milwaukee				
Miscellaneous	1,100,712	1,103,886	506,273	3,190,257
Interest and investment earnings	4,309,635	2,835,798	2,433,869	183,416
Total Revenues	1,092,362,242	1,086,303,578	1,085,178,099	1,084,584,101
Expenditures				
Current operating:				
Instructional services:				
Undifferentiated curriculum	339,332,220	346,521,378	350,611,296	364,488,175
Regular and other curriculum	136,707,351	137,364,946	140,829,291	147,099,479
Special curriculum	147,768,628	158,171,616	162,317,985	165,369,430
Total instructional services	632,808,199	642,057,940	653,758,572	676,957,084
Community services	27,347,401	29,162,858	26,962,332	29,146,352
Pupil and staff services	114,359,927	116,865,100	110,843,729	111,575,339
General and school building administration	111,159,224	99,027,539	99,204,832	101,012,616
Business services	163,928,809	158,380,747	160,757,139	155,818,995
Debt Service:				
Principal	–	–	575,000	550,000
Interest	–	295,744	208,662	436,028
Bond Issuance Cost	–	3,258	–	1,000
Capital outlay	26,055,298	12,158,899	9,345,079	5,252,233
Total Expenditures	1,066,658,858	1,057,952,085	1,061,655,345	1,080,749,647
Excess of revenues over (under) expenditures	25,703,384	28,351,493	23,522,754	3,834,454
Other Financing Sources (Uses)				
Insurance Proceeds	173,962	843,560	–	–
Proceeds from sale of assets	30,649	–	4,140	63,500
Transfers in (out)	(25,245,686)	(28,350,899)	(23,694,603)	(21,287,465)
Total Other Financing Sources(uses)	(25,041,075)	(27,507,339)	(23,690,463)	(21,223,965)
Net Change in Fund Balances	662,309	844,154	(167,709)	(17,389,511)
Fund balance - beginning of year	79,636,834	78,792,680	78,960,389	96,349,900
Fund balance - end of year	80,299,143	79,636,834	78,792,680	78,960,389

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 2018 and 2017**

	2017-2018 Budget (1)	2016-2017 Budget (2)
Revenues (3)		
Locally Generated:		
Property Tax Levy	\$262,840,543	\$260,069,165
Nutrition.....	650,000	700,000
Other Local Sources	11,171,286	13,337,549
Subtotal.....	277,560,617	274,106,714
State Aid:		
Equalization Aid	516,347,758	516,742,805
Special Education	49,240,500	47,560,000
Integration.....	30,326,936	33,145,802
Nutrition.....	950,000	950,000
Other	46,764,300	41,933,593
Subtotal.....	643,629,494	640,332,200
Federal Aid:		
School Nutrition Commodities & Federal Indirect.....	49,900,000	48,922,000
Other	13,978,018	15,478,018
Subtotal.....	63,878,018	64,400,018
Total Revenues	982,169,341	978,838,932
Plus Use of Surplus.....	-	-
Total Sources of Funds.....	\$982,169,341	\$978,838,932
Expenditures (3)		
Instructional Services.....	\$550,047,375	\$579,331,350
Support Services	432,121,966	399,507,582
Total Expenditures	\$982,169,341	\$978,838,932
Summary		
Total Revenues and Use of Surplus	\$982,169,341	\$978,838,932
Total Expenditures	-	978,838,932
Difference	\$ -	\$ -

(1) Initial Fiscal Year 2018 School Operations Fund Budget approved May 2017.

(2) Final Fiscal Year 2017 School Operations Fund Budget approved October 2016.

(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 2017-2018. 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
2016-17 Actual Results (Unaudited)
2017-18 Projected
(Millions of Dollars)

2016-17 Actual Results

	<u>Beginning</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u>
July, 2016	34.307	57.866	104.381	(12.188)
Aug	(12.188)	25.160	74.541	(61.570)
Sept	(61.570)	128.293 (1)	85.345	(18.621)
Oct	(18.621)	201.792 (2)	139.903 (3)	43.268
Nov	43.268	23.175	92.962	(26.519)
Dec	(26.519)	157.483	128.700	2.264
Jan, 2017	2.264	194.259	88.833	107.690
Feb	107.690	65.626	109.361	63.955
Mar	63.955	186.022	105.849	144.128
Apr	144.128	40.856	86.151	98.833
May	98.833	40.629	103.190	36.272
Jun	36.272	346.013	363.327 (4)	18.958

(1) Includes \$45,000,000 of Commercial Paper proceeds.

(2) Includes \$180,000,000 of 2016 RANs.

(3) Includes repayment of Commercial Paper.

(4) Includes repayment of 2016 RANs.

2017-2018 Projected

	<u>Beginning</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u>
July, 2017	18.958	30.233	80.290	(31.099)
Aug	(31.099)	33.148	77.593	(75.544)
Sept	(75.544)	87.379	75.598	(63.763)
Oct	(63.763)	212.550 (1)	102.661	46.126
Nov	46.126	37.429	90.955	(7.400)
Dec	(7.400)	157.446	143.412	6.634
Jan, 2018	6.634	189.661	83.664	112.632
Feb	112.632	68.817	100.112	81.337
Mar	81.337	189.019	105.152	165.204
Apr	165.204	45.466	93.113	117.557
May	117.557	37.697	99.137	56.117
Jun	56.117	330.282	359.219 (2)	27.180

(1) Includes \$180,000,000 of 2017 RANs.

(2) Includes repayment of 2017 RANs.

**Milwaukee Public Schools
School Operations Fund Cash Flow Projection
July 1, 2017 - June 30, 2018
(Millions of Dollars)**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	18.958	(31.099)	(75.544)	(63.763)	46.126	(7.400)	6.634	112.632	81.337	165.204	117.557	56.117	
RECEIPTS													
Property Taxes							147.190	26.284	7.885	13.142	7.885	60.453	262.840
Integration Aid												30.327	30.327
Computer Aid	7.125												7.125
State Aid													
Equalization Aid	8.808		76.207			126.800			126.880			177.653	516.348
Other				12.005	7.386	8.836	11.789	7.386	30.618	5.000		12.985	96.005
Categorical Aid	6.281	24.079	5.549	2.433	19.043	7.438	15.399	22.803	10.395	14.741	16.486	32.242	176.889
Nutrition	1.864	5.552	0.343	0.713	1.592	5.349	7.742	3.978	5.837	5.070	5.126	8.334	51.500
Local Revenues	0.258	1.120	2.882	1.094	1.357	1.097	0.527	0.441	0.390	0.499	0.232	1.274	11.171
Other Local Receipts	1.340	2.397	2.398	2.398	2.398	2.398	2.398	2.398	2.398	2.398	2.398	2.398	27.717
Reimbursed QSCB													
Interest					1.037	0.912		0.911			0.954		3.814
GASB 45	4.557			13.907	4.616	4.616	4.616	4.616	4.616	4.616	4.616	4.616	55.392
Short-term Debt													
Note Proceeds				180.000									180.000
Total Receipts	30.233	33.148	87.379	212.550	37.429	157.446	189.661	68.817	189.019	45.466	37.697	330.282	1,419.128
DISBURSEMENTS													
Salaries and Benefits	17.393	29.138	64.371	66.754	66.507	96.163	66.175	67.777	67.637	67.925	67.591	81.952	759.383
Services & Supplies	56.438	46.048	8.829	16.265	15.268	26.090	10.816	25.544	30.845	18.518	20.325	81.426	356.412
Other Local													
Expenses	1.340	2.397	2.398	2.398	2.398	2.398	2.398	2.398	2.398	2.398	2.398	2.398	27.717
GASB 45	1.449			17.244	4.272	4.401	4.272	4.391	4.272	4.272	4.555	4.272	53.400
Debt Service	3.670	0.010			2.510	14.360	0.003	0.002			4.268	9.171	33.994
Short-term Debt													
Note Repayment												180.000	180.000
Total Disbursements	80.290	77.593	75.598	102.661	90.955	143.412	83.664	100.112	105.152	93.113	99.137	359.219	1,410.906
Balance	(31.099)	(75.544)	(63.763)	46.126	(7.400)	6.634	112.632	81.337	165.204	117.557	56.117	27.180	

Milwaukee Public Schools
School Operations Fund Cash Flow Actual
July 1, 2016 – June 30, 2017
(Millions of Dollars)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Balance	34.307	(12.188)	(61.570)	(18.621)	43.268	(26.519)	2.264	107.690	63.955	144.128	98.833	36.272	
RECEIPTS													
Property Taxes							148.129	26.732	7.015	12.269	7.325	59.480	260.950
Integration Aid												33.146	33.146
Computer Aid	6.596												6.596
State Aid													
Equalization Aid	8.960		75.132			128.039			126.982			177.774	516.887
Other	12.005				6.975	8.952	9.275	7.520	32.296	3.980		13.083	94.088
Categorical Aid	14.512	22.059	4.271	2.879	10.082	2.439	23.623	21.361	8.354	12.402	19.999	35.143	177.124
Nutrition	7.014	0.316	0.111	1.333		10.970	4.802	4.122	5.940	4.842	5.573	9.435	54.458
Local Revenues	0.170	1.162	0.097	0.675	2.358	0.268	0.076	0.695	0.098	0.108	0.182	0.560	6.448
Other Local Receipts	5.000	1.298	3.476	0.886	1.245	1.298	1.032	1.035	0.852	1.040	2.217	11.796	31.176
Reimbursed Interest (QSCB)						0.911		0.911			1.723		3.545
GASB 45	3.628	0.326	0.206	16.019	2.515	4.607	7.321	3.250	4.486	6.214	3.610	5.596	57.777
Short-term Debt			45.000										45.000
Note Proceeds				180.000									180.000
Total Receipts	57.886	25.160	128.293	201.792	23.175	157.483	194.259	65.626	186.022	40.856	40.629	346.013	1,467.194
DISBURSEMENTS													
Salaries and Benefits	26.298	20.212	64.884	67.253	67.008	105.191	66.677	68.270	68.131	68.418	68.085	82.370	772.797
Services and Supplies	61.874	53.027	16.985	8.654	23.530	17.523	20.797	36.052	33.899	13.826	27.607	77.015	390.788
Other Local Expenses	5.000	1.298	3.476	0.886	1.245	1.298	1.032	1.035	0.852	1.040	2.217	11.796	31.176
GASB 45	11.209			18.110	0.198	0.363	0.325	4.002	2.967	2.867	2.839	3.131	46.011
Debt Service		0.004			0.981	4.325	0.002	0.002			2.442	9.015	16.771
Short-term Debt				45.000									45.000
Note Repayment												180.000	180.000
Total Disbursements	104.381	74.541	85.345	139.903	92.962	128.700	88.833	109.361	105.849	86.151	103.190	363.327	1,482.543
Balance	(12.188)	(61.570)	(18.621)	43.268	(26.519)	2.264	107.690	63.955	144.128	98.833	36.272	18.958	

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 594,667 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 access to the sea lanes of the world. General Mitchell International Airport is served by domestic and international airlines. Five rail lines serve the City and provide transportation links throughout the United States. The City is also connected with the interstate highway system.

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

City of Milwaukee Selected Economic Data

Year	Population		Adjusted Gross Income Per Return
	Department of Administration	U.S. Census	
2016	594,667		Not Available
2015	595,787		\$39,931
2014	596,993		37,340
2013	596,500		37,300
2012	595,425		35,770
2011	595,525		34,100
2010	580,500	594,833	32,774
2009	584,000		32,500
2008	590,870		33,160
2000	605,572	596,974	32,370

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

Building Permits

Another indicator of economic growth is the activity in the building industry. The following table indicates building permit activity for the years 2012-2016.

General Total

Year	Value	Permits Issued
2016	\$416,249,287	1,896
2015	303,762,859	2,332
2014	539,753,288	2,443
2013	269,010,398	2,217
2012	254,896,334	2,297

Residential Building

Year	Single Family		Multi-Family		Total		Permits Issued
	Value	# Of Units	Value	# Of Units	Value	# Of Units	
2016	\$6,379,473	45	\$104,919,926	1,001	\$111,299,399	1,046	57
2015	\$4,240,620	26	78,356,702	657	82,597,322	682	46
2014	4,423,531	31	16,096,831	300	20,520,362	331	39
2013	5,429,015	43	46,923,592	430	52,352,607	473	53
2012	4,408,472	44	30,455,000	281	34,863,472	325	60

Commercial Building

Year	Value	Permits Issued
2016	\$ 81,464,755	29
2015	58,724,198	31
2014	320,611,159	49
2013	83,584,379	42
2012	52,952,469	51

Public Building

Year	Value	Permits Issued
2016	\$35,892,602	202
2015	21,178,391	252
2014	31,118,208	314
2013	24,248,685	147
2012	43,046,652	211

Alterations and Additions

Year	Value	Permits Issued
2016	\$187,592,531	1,608
2015	141,262,948	2,003
2014	167,503,559	2,041
2013	108,824,727	1,975
2012	124,033,741	1,975

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	2017 Approximate Employment
Aurora Health Care	Health Care System	26,462
Ascension Wisconsin	Health Care System	12,000
Froedtert Health	Health Care System	10,913
GE Healthcare	Health Care Technologies	6,000
Medical College of Wisconsin	Private Medical School	5,573
Children's Hospital and Health System	Health Care System	5,004
Northwestern Mutual	Insurance, Investment Products	5,000
Goodwill Industries of SE Wisconsin Inc.	Training Programs, Retail, & Food Service	4,210
U.S. Bank	Banking Services	3,700
The Marcus Corp.	Theaters and Hotel Properties	3,180
BMO Harris Bank	Bank Holding Company	3,034
FIS	Banking and Payments Technology	2,950
Rockwell Automation Inc.	Industrial Automation Products	2,900
Marquette University	University	2,811
Johnson Controls International	Control Systems, Batteries & Auto Interiors	2,800
WEC Energy Group Inc.	Electric & Natural Gas Utility	2,736
Harley-Davidson Inc.	Motorcycles & Accessories	2,694
Potawatomi Hotel & Casino	Hotel & Casino	2,617
Bon-Ton Stores Inc.	Department Stores	2,000
Sendik's Food Market	Retail Supermarkets	1,950
Briggs & Stratton Corp.	Small Gasoline Engines	1,555
Rexnord Corp.	Power Transmission Equipment	1,550
Robert W. Baird & Co. Inc.	Asset Management and Capital Markets	1,489
MillerCoors LLC	Beer Brewery	1,400
Direct Supply Inc.	Shipping & eCommerce	1,200
Patrick Cudahy LLC	Manufacturer of Processed Meats	1,190
Wells Fargo	Banking & Financial Services	1,100
JPMorgan Chase & Co.	Global Financial Services	1,005
Cargill Meat Solutions	Food Distribution	1,000
Brady Corp.	Manufacturer of Identification Materials	1,000
Komatsu Mining Corp.	Mining Equipment Manufacturer & Distributor	950
Master Lock Co. LLC	Manufacturer of Padlocks & Security Products	877
La Macchia Enterprises Inc.	Travel Planning Brands and Software	674
Caterpillar Inc.	Manufacturer of Construction & Mining Equipment	640

Source: Milwaukee Business Journal, as of July 21, 2017.

EMPLOYMENT AND INDUSTRY

During 2016, the City’s unemployment rate averaged approximately 5.8%. Presented below are unemployment rates for the City, as compared to the State of Wisconsin and the United States for the period 2012 through 2016.

Annual Unemployment Rates (Not Seasonally Adjusted)				
Year	City of Milwaukee	Milwaukee – Waukesha – West Allis Metropolitan Statistical Area	State of Wisconsin	United States
2016	5.8%	4.5%	4.1%	4.9%
2015	6.6	4.9	4.6	5.3
2014	8.0	5.9	5.4	6.2
2013	10.1	7.2	6.7	7.4
2012	10.3	7.4	7.0	8.1

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
July, 2017	5.0%	3.8%	3.3%	4.6%

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 74% of the workforce. Construction and manufacturing firms employ 15% of the workforce. Federal, State, and local governments employ 11% of the workforce. The area is not dominated by any large employers.

Ten Largest Taxpayers With 2016 Estimated Equalized Valuations

Northwestern Mutual Life Ins.	\$315,765,233
US Bank Corp.	248,360,999
Mandel Group	156,486,401
Juneau Village/Prospect Tower/Katz Properties	130,438,735
Forest County Potawatomi Community	115,368,847
Marcus Corp/Milw City Center/Pfister	106,973,437
Metropolitan Associates	102,939,661
411 E Wisconsin – FMC Investment Opportunities	91,099,838
Jackson Street Holdings	87,317,810
Gorman & Co.	83,501,052

Source: City of Milwaukee, Assessor’s Office January 2017.

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 3.5 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 Standard & Poor’s 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 and www.dtc.org.

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. Experience has shown 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, \$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 October 1, 2017.

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.*** U.S. Bank alleges its 2014 and 2015 assessments are excessive and has requested a refund in the amount of \$5.3 million. Discovery is nearly complete, and the case is anticipated to be set for trial in 2017. U.S. Bank has also filed a new lawsuit against the City in regard to its 2016 assessment and has requested a refund of \$2.6 million.
- ***Marathon Petroleum Company LP et al v. City of Milwaukee.*** This action involves the 2008-2014 assessments of oil terminal property. The taxpayers have requested a tax refund of approximately \$3,200,000 plus interest. The City was successful at trial, and the taxpayers appealed. The case is currently pending before the court of appeals.

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 individual or corporate alternative minimum taxable income. However, interest on the Notes is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the 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 not only in computing the corporate alternative minimum tax but also the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax. Interest on the Notes is not taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum 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.

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

The City has endeavored to report rating changes 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.

RATINGS

The City has requested ratings on the Notes from Fitch Ratings (“*Fitch*”), and Standard & Poor’s Global Ratings (“*Standard & Poor’s*”). Fitch has assigned a rating of “___” on the Notes. Standard & Poor’s 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 have an effect on the market price of the Notes.

FINANCIAL ADVISOR

Public Financial Management, Inc. 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 3, 2017.

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.

MARTIN MATSON
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/

Martin Matson
City Comptroller and Secretary
City of Milwaukee, Wisconsin

_____, 2017

APPENDIX A

MILWAUKEE PUBLIC SCHOOLS

Basic Financial Statements Year Ended June 30, 2016 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 19, 2017

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 2017 M11 (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 20, 2017.

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 19, 2017, mature (without option of prior redemption) on September 27, 2018 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 2017-2018 fiscal year that are due and not yet paid to the City and which are not otherwise pledged or applied through June 30, 2018; 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 individual or corporate alternative minimum taxable income. Interest on the Notes, however, is includable in earnings and profits of a corporation and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

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,

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 December 1, 2010 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 100846 duly adopted by the Common Council of the City on November 23, 2010 (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 (Exhibit B); 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) “GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

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

(6) “Material Event” means 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;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Offered Obligations, if material;
- (xi) rating changes;
- (xii) tender offers;
- (xiii) bankruptcy, insolvency, receivership or similar event of the Obligor (as specified in the Addendum Describing Annual Report).

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 of 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.

- (xiv) 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; and
- (xv) appointment of a success or additional trustee or the change of name of a trustee, if material.

(7) “Material Event Notice” means notice of a Material Event.

(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 (Exhibit C).

(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 (Exhibit A) 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 unaudited.

(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 subsection (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 Audited Financial Statements, when and if available, to the Repository.

Section 2.4. Notices of Material Events. (a) If a Material Event occurs, the City shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, a Material 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 Material 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 Material 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 Material 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. Material Event Notices. Each Material 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 December, 2010.

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 December 1, 2010. 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 December, 2010.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

**ADDENDUM DESCRIBING ANNUAL REPORT
FOR SHORT-TERM OBLIGATIONS**

This Addendum Describing Annual Report for Short-Term Obligations (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 December 1, 2010. This Addendum describes the content of Annual Financial Information prepared with respect to obligations maturing within 18 months of the date of issue. Capitalized terms that are not defined in this Addendum have the meanings set forth in the Certificate.

Obligor: The City of Milwaukee, Wisconsin

Content of Annual Financial Information for Issuer:

None (Exception for securities with a stated maturity of 18 months or less).

IN WITNESS WHEREOF, this Addendum is executed this 1st day of October, 2012.

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 December 1, 2010. 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:

\$ __,000,000 School Revenue Anticipation Notes, Series 2017 M11

Addendum Describing Annual Report:

**ADDENDUM DESCRIBING ANNUAL REPORT
FOR SHORT-TERM OBLIGATIONS**

Date of Issue:

October 19, 2017

No Previous Non-Compliance. The Issuer represents that for the period beginning 6 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 19th day of October, 2017.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

MM:RL

**City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since September 1, 2012**

Date	Submission ID	Description of Filing	CAFR (1)	
			City	MPS
		OS: Series 2017 M11 MPS RANs		
		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		
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		

(1) The current requirement for the City's audit to be filed is by June 30th. In 2018, or when the 2001-A Bonds are defeased, the new requirement will be by September 30th. MPS's audit is required to be filed by March 31st.

**City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since September 1, 2012**

Date	Submission ID	Description of Filing	CAFR (1)	
			City	MPS
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		
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		
9/22/2015	ES596432	POS: Series 2015 M7 MPS RANs		
9/10/2015	EA600555	CAFR, City, 12/31/14, previous file replaced with final formatting		
7/31/2015	EA600555	CAFR, City, 12/31/14, raw formatting (archived)	2014	
7/1/2015	ER718386	Bond Call: 2005 B10, 2019-2022 maturities		
7/1/2015	ER716342	Bond Call: 2005 B10, 2016-2018 maturities		
6/29/2015	ER713827	Bond Call: RACM 2005A (MPS Congress Craig Fratney)		
6/26/2015	ER712870	Official Statement RACM 2015A MPS QSCB		
6/4/2015	EP687877	Failure to file CAFR, City by June 30		
5/26/2015	EP685340	OS Series 2015 T4		
5/26/2015	EP685338	OS Series 2015 N2 B3		
5/26/2015	EP685335	OS Series 2015 R1		
5/8/2015	ER699706	POS: Series 2015 R1, N2, B3, and T4		
5/1/2015	ER697247	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
1/30/2015	EA572313	CAFR, MPS, 6/30/14		2014
1/23/2015	EA566970	Bond Call: 2005 B2, 2018-2022 maturities		
1/20/2015	EA564896	Bond Call: 2005 A5		
1/8/2015	ER670752	Bond Call: 2005 B2, 2018-2022 maturities		
12/31/2014	ER667442	Bond Call: 2005 B2		
10/23/2014	ER645647	Successor Trustee: 2009 M6, and 2010 M6 QSCB		
10/14/2014	EA543863	OS Series 2014 M4		
10/7/2014	EA472095	2012 CAFR, City updated to also be the AFI filing		

**City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since September 1, 2012**

Date	Submission ID	Description of Filing	CAFR (1)	
			City	MPS
10/1/2014	EP666595	POS Series 2014 M4		
7/31/2014	ER639237	CAFR, City, 12/31/13	2013	
7/29/2014	ER637373	Pension Actuarial Valuation Report, 1/1/13		
7/29/2014	ER637379	Pension Actuarial Valuation Report, 1/1/14		
7/18/2014	ER635579	Successor Trustee, 2003 RACM Pension Bonds		
7/14/2014	EA521008	Bank Loan, Series 2013 T4, PNC Line		
6/3/2014	ER626851	Failure to file CAFR, City by June 30		
5/9/2014	EA508249	Official Statement with updated financial information		
5/9/2014	EA508254	Official Statement with updated financial information		
5/9/2014	EA508256	Official Statement with updated financial information		
4/11/2014	EP645783	Rating Change: Moody's on City to "Aa3"		
1/30/2014	ER606473	Bond Call: Series 2004 B1		
12/29/2013	ER598943	CAFR, MPS, 6/30/13		2013
10/18/2013	ER579753	Official Statement with updated financial information		
9/13/2013	ER570974	CAFR, City, 12/31/11 (color)		
9/13/2013	ER570972	Official Statement with updated financial information		
8/20/2013	EA472095	CAFR, City, 12/31/12	2012	
6/26/2013	EA461298	Failure to file CAFR, City by June 30		
6/26/2013	EA461481	Bond Call: RACM 2003A (MPS NSI)		
6/17/2013	EA457491	Bond Call: RACM 2005A (MPS Congress Craig Fratney)		
5/15/2013	EA454755	Bond Call: 2004 B1		
5/15/2013	EA454753	Bond Call: 2003 B6		
5/15/2013	EA454742	Refunding: 2003 B6, 2004 B1, RACM 2005A		
5/1/2013	EP614626	Bond Call: Sewer 2003		
4/11/2013	EP612596	Bond Call: RACM 2002A (MPS NSI)		
4/2/2013	EP608693	Bond Call: Sewer 2003 S4		
2/18/2013	EA438554	CAFR, MPS, 6/30/12 (Revised)		
2/6/2013	EA440349	Bond Call: 2003 B1		
12/28/2012	ER529554	CAFR, MPS, 6/30/12		2012
10/3/2012	EP573117	Rating Change: Fitch on City to "AA"		

(1) The current requirement for the City's audit to be filed is by June 30th. In 2018, or when the 2001-A Bonds are defeased, the new requirement will be by September 30th. MPS's audit is required to be filed by March 31st.

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 2017 M11
(Not a general obligation of the City)**

“Bids for Series 2017 M11 Notes”

Sale Data:

SALE DATE AND TIME:

Tuesday, October 3, 2017
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 2017 M11 (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 Tuesday, the

3RD DAY OF OCTOBER, 2017

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 2017 M11 (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 4:00 P.M. Central Time on October 3, 2017. *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 19, 2017 (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 September 27, 2018. 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.

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 4:00 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 19, 2017, 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 or Hold-The-Offering-Price Rule 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.

All of the City’s competitive sales in the past 5 years would have met the competitive sale requirements, however, no assurance can be given that the competitive sale requirements will be met for this sale. In the event that the competitive sale requirements are not satisfied, the City shall so advise each successful bidder. Each bidder will have the option to select either the 10% Test, or the Hold-The-Offering-Price rule. Unless a bidder immediately informs the City in writing, the bidder will have been deemed to elect the 10% Test. **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 the Notes awarded to the bidder will be subject to the 10% test or hold-the-offering-price rule in order to establish the issue price of the City.

10% Test

If the competitive sale requirements are not satisfied, and a successful bidder has selected the 10% test, then the following provisions shall apply to that 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. The 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.

Until the 10% test has been satisfied as to each lot of the Notes of a successful bidder, the applicable successful bidder agrees 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 or until all Notes of that lot have been sold.

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.

Hold-The-Offering-Price Rule

If the competitive sale requirements are not satisfied, and a successful bidder has selected the hold-the-offering-price rule, then the following provisions shall apply to that bidder:

10% Test and Hold-The-Offering-Price Rule – Common provisions

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

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 2017 M11 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 Bonds is October 3, 2017.

(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.

By: _____

Name: _____

Dated: _____, 2017

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, 2018. 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, 2018 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 __, 2017 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 and up to 10 printed copies of the Final Official Statement 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.

MARTIN MATSON
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, Member
PETER ARMBRUSTER, Member
MARY REAVEY, Member

COMMISSIONERS OF THE PUBLIC DEBT

September __, 2017

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

CITY OF MILWAUKEE, WISCONSIN
SCHOOL REVENUE ANTICIPATION NOTES, SERIES 2017 M11
(Not a general obligation of the City)
\$180,000,000 maturing on September 27, 2018

October 3, 2017

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 2017 M11 (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 __, 2017 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.