

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 9, 2012**

**NEW ISSUES**  
BOOK ENTRY ONLY

**RATINGS:**  
R1 Notes: Moody's Rating Requested Standard & Poor's Rating Requested  
N2 Notes, B3 Bonds, T4 Notes and T5 Bonds: Rating Requested Rating Requested  
(See "Ratings" herein.)

*In the opinion of Katten Muchin Rosenman LLP, and of Hurtado, S.C. Bond Counsel, in connection with the issuance of the General Obligation Cash Flow Promissory Notes, Series 2012 R1, the General Obligation Promissory Notes, Series 2012 N2, and the General Obligation Corporate Purpose Bonds, Series 2012 B3 (collectively, the "Tax-Exempt Obligations") under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Tax-Exempt Obligations will not be includable in gross income for federal income tax purposes. The Tax-Exempt Obligations are not "private activity bonds" and the interest thereon is not required to be included as an item of tax preference for purposes of computing individual or corporate "alternative minimum taxable income." However, interest on the Tax-Exempt Obligations is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Tax-Exempt Obligations and the Taxable Obligations (collectively referred to herein as, the "Offered Obligations") is not exempt from Wisconsin income taxes.*

*In the opinion of Hurtado, S.C., Bond Counsel, in connection with the issuance of the Taxable General Obligation Promissory Notes, Series 2012 T4 and the Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5 (the "Taxable Obligations"), under existing law, interest on the Taxable Obligations IS includable in gross income of the owners for federal income tax purposes.*



**CITY OF MILWAUKEE, WISCONSIN**  
**\$100,000,000 General Obligation Cash Flow Promissory Notes, Series 2012 R1**  
**\$126,890,000\* General Obligation Promissory Notes, Series 2012 N2**  
**\$8,455,000 General Obligation Corporate Purpose Bonds, Series 2012 B3**  
**\$6,085,000 Taxable General Obligation Promissory Notes, Series 2012 T4**  
**\$3,540,000 Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5**

**Dated:** Expected Date of Delivery (May 3, 2012)

**Due:** As shown herein

The \$100,000,000 General Obligation Cash Flow Promissory Notes, Series 2012 R1 (the "CFNs" or "R1 Notes"), the \$126,890,000\* General Obligation Promissory Notes, Series 2012 N2 (the "N2 Notes"), the \$8,455,000 General Obligation Corporate Purpose Bonds, Series 2012 B3 (the "B3 Bonds") (the R1 Notes, N2 Notes and B3 Bonds, collectively, the "Tax-Exempt Obligations") and the \$6,085,000 Taxable General Promissory Notes, Series 2012 T4 (the "T4 Notes") and the \$3,540,000 Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5 (the "T5 Bonds") (the T4 Notes and T5 Bonds, collectively, the "Taxable Obligations"). The Tax-Exempt Obligations and the Taxable Obligations (collectively referred to herein as the "Offered Obligations") are direct general obligations of the City of Milwaukee, Wisconsin (the "City" and the "State" respectively), payable from taxes levied on all taxable property within the City, subject to taxation by the City, without limitation as to rate or amount.

The CFNs will be dated the Expected Date of Delivery, and will be payable on December 4, 2012. The CFNs are being issued for the public purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State shared revenue payments. Interest on the CFNs shall be payable at maturity. The CFNs are not subject to optional redemption prior to maturity.

The N2 Notes, B3 Bonds, T4 Notes and T5 Bonds will be dated the Expected Date of Delivery, will bear interest payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2012 at the rates, and will mature on May 1, in the years and amounts, as detailed herein. The N2 Notes, B3 Bonds, T4 Notes and T5 Bonds are being issued for the purpose of financing various public improvements and fiscal requirements of the City, and for the purpose of refunding of certain outstanding obligations of the City. The N2 Notes and T4 Notes are not subject to optional redemption as provided herein. The B3 Bonds and T5 Bonds are subject to optional redemption on any date on or after May 1, 2022 as provided herein.

The Offered Obligations have been offered for sale by competitive bid in accordance with the Official Notices of Sale dated April 9, 2012 and other conditions specified in the Official Notices of Sale. The Tax-Exempt Obligations are being issued subject to the legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois, and of Hurtado, S.C., Wauwatosa, Wisconsin, Bond Counsel to the City, and the Taxable Obligations are being issued subject to the legal opinion of Hurtado, S.C., Wauwatosa, Wisconsin, Bond Counsel to the City. It is expected that the Offered Obligations will be delivered through the facilities of the Depository Trust Company ("DTC"), New York, New York on or about May 3, 2012 (the "Expected Date of Delivery").

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

For Further Information Contact:  
Michael J. Daun, Deputy City Comptroller and Secretary to Public Debt Commission  
City Hall, Room 404, 200 East Wells Street - Milwaukee, WI 53202 - Phone (414) 286-3321

**ELECTRONIC BIDS WILL BE RECEIVED ON WEDNESDAY, APRIL 18, 2012 UNTIL**  
**9:45 A.M. (CENTRAL TIME) FOR THE CFN's**  
**10:00 A.M. (CENTRAL TIME) FOR THE TAXABLE OBLIGATIONS**  
**10:30 A.M. (CENTRAL TIME) FOR THE TAX-EXEMPT OBLIGATIONS**

*\*Preliminary, subject to change.*

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.

## MATURITY SCHEDULES

### \$100,000,000 GENERAL OBLIGATION CASH FLOW PROMISSORY NOTES, SERIES 2012 R1

The CFNs will be dated the Expected Date of Delivery, and will mature on December 4, 2012 without the option of prior redemption. Interest will be payable at maturity, at the rate or rates shown below.

Amount	Interest Rate	Yield	CUSIP <sup>(1)</sup> Base 602366
\$100,000,000			

### \$126,890,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012 N2

The N2 Notes will be dated the Expected Date of Delivery, will bear interest at the rates shown below, payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2012 and will mature on May 1 in the years and in the amounts shown below. The N2 Notes are **not** subject to optional redemption.

Maturing (May 1)	Amount*	Interest Rate	Yield	CUSIP <sup>(1)</sup> Base 602366	Maturing (May 1)	Amount*	Interest Rate	Yield	CUSIP <sup>(1)</sup> Base 602366
2013	\$23,175,000				2018	\$15,620,000			
2014	16,280,000				2019	13,460,000			
2015	11,855,000				2020	9,375,000			
2016	12,860,000				2021	7,300,000			
2017	12,765,000				2022	4,200,000			

\*Preliminary, subject to change.

### \$8,455,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012 B3

The B3 Bonds will be dated the Expected Date of Delivery, will bear interest at the rates shown below, payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2012 and will mature on May 1 in the years and in the amounts shown below. The B3 Bonds are subject to optional redemption on any date on or after May 1, 2022, as provided herein.

Maturing (May 1)	Amount	Interest Rate	Yield	CUSIP <sup>(1)</sup> Base 602366
2023	\$1,670,000			
2024	1,680,000			
2025	1,690,000			
2026	1,700,000			
2027	1,715,000			

### {MATURITY SCHEDULES FOR THE T4 NOTES AND T5 BONDS ON NEXT PAGE}

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

## MATURITY SCHEDULES-CONTINUED

### \$6,085,000 TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012 T4

The T4 Notes will be dated the Expected Date of Delivery, will bear interest at the rates shown below, payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2012 and will mature on May 1 in the years and in the amounts shown below. The T4 Notes are **not** subject to optional redemption.

Maturing (May 1)	Amount	Interest Rate	Yield	CUSIP <sup>(1)</sup>		Interest Rate	Yield	CUSIP <sup>(1)</sup>
				Base 602366	Maturing (May 1)			
2013	\$435,000				2018	\$675,000		
2014	435,000				2019	685,000		
2015	435,000				2020	700,000		
2016	625,000				2021	710,000		
2017	670,000				2022	715,000		

### \$3,540,000 TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012 T5

The T5 Bonds will be dated the Expected Date of Delivery, will bear interest at the rates shown below, payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2012 and will mature on May 1 in the years and in the amounts shown below. The T5 Bonds are subject to optional redemption on any date on or after May 1, 2022, as provided herein.

Maturing (May 1)	Amount	Interest Rate	Yield	CUSIP <sup>(1)</sup>	
				Base 602366	Base 602366
2023	\$300,000				
2024	310,000				
2025	330,000				
2026	345,000				
2027	365,000				
2028	380,000				
2029	400,000				
2030	350,000				
2031	370,000				
2032	390,000				

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

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

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## INTRODUCTION TO THE OFFICIAL STATEMENT

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

\$100,000,000 General Obligation Cash Flow Promissory Notes, Series 2012 R1 (the "CFNs" or "R1 Notes")  
\$126,890,000\* General Obligation Promissory Notes, Series 2012 N2 (the "N2 Notes")  
\$8,455,000 General Obligation Corporate Purpose Bonds, Series 2012 B3 (the "B3 Bonds")  
\$6,085,000 Taxable General Obligation Promissory Notes, Series 2012 T4 (the "T4 Notes")  
\$3,540,000 Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5 (the "T5 Bonds")

\*Preliminary, subject to change.

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

### SUMMARY STATEMENT-CFNS

Issuer:	City of Milwaukee, Wisconsin
Issue:	\$100,000,000 General Obligation Cash Flow Promissory Notes, Series 2012 R1
Dated Date:	The Expected Date of Delivery, which is anticipated to be May 3, 2012
Maturity:	December 4, 2012
Principal:	\$100,000,000
Interest Payment Date:	Payable at maturity. Interest is calculated on the basis of 30-day months and a 360-day year (term of 211 days assuming a May 3, 2012 delivery date).
Denominations:	\$5,000 or integral multiples thereof.
Purpose:	The CFNs are issued for the purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State shared revenue payments ("State Aid Payments").
Security:	Principal and interest on the CFNs will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City. The City has also pledged and will irrevocably segregate upon receipt, State Aid Payments in an amount sufficient, with interest thereon, to pay, when due, the principal of and interest on the CFNs. The City has also pledged all other general fund revenues included in the budget for the current calendar year which are due the City, which have not been received as of the date of delivery of the Notes and which are not otherwise pledged or assigned. (See "THE CFNs - SECURITY FOR THE CFNs" herein).
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the CFNs in accordance with the provisions of Chapters 65 and 67, including particularly Section 67.12(12) of the Wisconsin Statutes.
Form of Issuance:	The CFNs will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the CFNs. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

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

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

Official Statement: The City will provide the original purchaser of the CFNs with an electronic copy and up to 100 copies of this Official Statement within seven business days following the award of the CFNs.

Professionals: Bond Counsel: Katten Muchin Rosenman LLP  
Chicago, Illinois

Hurtado, S.C.  
Wauwatosa, Wisconsin

Financial Advisor: Robert W. Baird & Co.  
Milwaukee, Wisconsin

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

Record Date: December 3, 2012 (whether or not a business day).

Delivery: Delivery of the CFNs will be on or about May 3, 2012 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

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

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

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## SUMMARY STATEMENT-N2 NOTES

Issuer:	City of Milwaukee, Wisconsin	
Issue:	\$126,890,000* General Obligation Promissory Notes, Series 2012 N2	
Dated Date:	The Expected Date of Delivery, which is anticipated to be May 3, 2012	
Principal Due Date:	May 1 of the years 2013 through 2022.	
Interest Payment Date:	Interest on the N2 Notes is due each May 1 and November 1 commencing November 1, 2012. Interest is calculated on the basis of 30-day months and a 360-day year.	
Denominations:	\$5,000 or integral multiples thereof.	
Purpose:	The N2 Notes are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects, fiscal requirements of the City, and to refund certain outstanding obligations of the City.	
Security:	Principal and interest on the N2 Notes will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.	
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the N3 Notes in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.	
Form of Issuance:	The N2 Notes will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the Notes. (See "BOOK-ENTRY-ONLY SYSTEM" herein).	
Tax Status of Interest:	Bond Counsel are of the opinion that under existing law, interest on the Notes is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), Bond Counsel are of the opinion that interest on the N2 Notes will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the N2 Notes is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income, but is includable in corporate earnings and profits and, therefore, must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the N2 Notes is not exempt from Wisconsin income taxes. (See "TAX MATTERS" herein).	
Redemption Feature:	The N2 Notes are <u>not</u> subject to redemption prior to maturity. (See "REDEMPTION PROVISIONS" herein.)	
Official Statement:	The City will provide the original purchaser of the N2 Notes with an electronic copy and up to 100 copies of this Official Statement within seven business days following the award of the N2 Notes.	
Professionals:	Bond Counsel:	Katten Muchin Rosenman LLP Chicago, Illinois  Hurtado, S.C. Wauwatosa, Wisconsin

*\*Preliminary, subject to change.*

Financial Advisor: Robert W. Baird & Co.  
Milwaukee, Wisconsin

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

Escrow Agent: The Bank of New York Mellon Trust Company, N.A.  
Milwaukee, Wisconsin

Record Date: April 15 and October 15 (whether or not a business day).

Delivery: Delivery of the N2 Notes will be on or about May 3, 2012 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

Reoffering: The public reoffering price or yield of the N2 Notes will be set forth on the inside front cover page of the Final Official Statement.

Continuing Disclosure Certificate: In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the N2 Notes the City will provide an executed copy of its Continuing Disclosure Certificate. (See "CONTINUING DISCLOSURE" herein).

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## SUMMARY STATEMENT-B3 BONDS

Issuer:	City of Milwaukee, Wisconsin.
Issue:	\$8,455,000 General Obligation Corporate Purpose Bonds, Series 2012 B3.
Dated Date:	The Expected Date of Delivery, which is anticipated to be May 3, 2012.
Principal Due Dates:	May 1 of the years 2023 through 2027.
Interest Payment Dates:	Interest on the B3 Bonds is due each May 1 and November 1 commencing November 1, 2012. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or integral multiples thereof.
Purpose:	The B3 Bonds are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects and to current refund certain outstanding obligations of the City.
Security:	Principal and interest on the B3 Bonds will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Bonds in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The B3 Bonds will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the B3 Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" herein).
Tax Status of Interest:	Bond Counsel are of the opinion that under existing law, interest on the B3 Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), Bond Counsel are of the opinion that interest on the B3 Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the B3 Bonds is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income but is includable in corporate earnings and profits and, therefore, must be taken into account when computing, for example, corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the B3 Bonds is not exempt from Wisconsin income taxes. (See "TAX MATTERS" herein).
Redemption Feature:	The B3 Bonds are subject to optional redemption on any date on or after May 1, 2022. (See "REDEMPTION PROVISIONS" herein.)
Official Statement:	The City will provide the original purchaser of the B3 Bonds with an electronic copy and up to 100 copies of this Official Statement within seven business days following the award of the B3 Bonds.

Professionals: Bond Counsel: Katten Muchin Rosenman LLP  
Chicago, Illinois

Hurtado, S.C.  
Wauwatosa, Wisconsin

Financial Advisor: Robert W. Baird & Co.  
Milwaukee, Wisconsin

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

Record Date: April 15 and October 15 (whether or not a business day).

Delivery: Delivery of the B3 Bonds will be on or about May 3, 2012 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

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

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

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## SUMMARY STATEMENT-T4 NOTES

Issuer:	City of Milwaukee, Wisconsin.
Issue:	\$6,085,000 Taxable General Obligation Promissory Notes, Series 2012 T4
Dated Date:	The Expected Date of Delivery, which is anticipated to be May 3, 2012
Principal Due Dates:	May 1 of the years 2013 through 2022
Interest Payment Dates:	Interest on the T4 Notes is due each May 1 and November 1 commencing November 1, 2012. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or integral multiples thereof.
Purpose:	The T4 Notes are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects of the City.
Security:	Principal and interest on the T4 Notes will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Bonds in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The T4 Notes will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the T4 Notes. (See "BOOK-ENTRY-ONLY SYSTEM" herein).
Tax Status of Interest:	Interest on the T4 Notes <i>IS</i> includable in the gross income of the owners thereof for federal income tax purposes and is not exempt from State of Wisconsin income or franchise taxes. In addition, the Code contains a number of other provisions relating to the taxation of the T4 Notes (including, but not limited, to the treatment of and accounting for interest, premium, original issue discount and market discount thereon, gain from the disposition thereof and withholding tax on income therefrom) that may affect the taxation of certain owners, depending on their particular tax situations. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE T4 NOTES. (See "TAX MATTERS" herein.)
Redemption Feature:	The T4 Notes are <u>not</u> subject to redemption prior to maturity. (See "REDEMPTION PROVISIONS" herein.)
Official Statement:	The City will provide the original purchaser of the T4 Notes with an electronic copy and up to 100 copies of this Official Statement within seven business days following the award of the T4 Notes.

Professionals:	Bond Counsel:	Hurtado, S.C. Wauwatosa, Wisconsin
	Financial Advisor:	Robert W. Baird & Co. Milwaukee, Wisconsin
Paying Agent:	City Official:	City of Milwaukee, Comptroller's Office Milwaukee, Wisconsin
Record Date:	April 15 and October 15 (whether or not a business day).	
Delivery:	Delivery of the T4 Notes will be on or about May 3, 2012 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.	
Reoffering:	The public reoffering price(s) or yield(s) of the T4 Notes will be set forth on the inside front cover page of the Final Official Statement.	
Continuing Disclosure Certificate:	In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the T4 Notes the City will provide an executed copy of its Continuing Disclosure Certificate. (See "CONTINUING DISCLOSURE" herein).	

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## SUMMARY STATEMENT-T5 BONDS

Issuer:	City of Milwaukee, Wisconsin.
Issue:	\$3,540,000 Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5
Dated Date:	The Expected Date of Delivery, which is anticipated to be May 3, 2012
Principal Due Dates:	May 1 of the years 2023 through 2032
Interest Payment Dates:	Interest on the T5 Bonds is due each May 1 and November 1 commencing November 1, 2012. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or integral multiples thereof.
Purpose:	The T5 Bonds are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects of the City.
Security:	Principal and interest on the T5 Bonds will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Bonds in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The T5 Bonds will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the T5 Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" herein).
Tax Status of Interest:	Interest on the T5 Bonds <i>IS</i> includable in the gross income of the owners thereof for federal income tax purposes and is not exempt from State of Wisconsin income or franchise taxes. In addition, the Code contains a number of other provisions relating to the taxation of the T5 Bonds (including, but not limited, to the treatment of and accounting for interest, premium, original issue discount and market discount thereon, gain from the disposition thereof and withholding tax on income therefrom) that may affect the taxation of certain owners, depending on their particular tax situations. <b>PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE T5 BONDS.</b> (See "TAX MATTERS" herein.)
Redemption Feature:	The T5 Bonds are subject to optional redemption on any date on or after May 1, 2022. (See "REDEMPTION PROVISIONS" herein.)
Official Statement:	The City will provide the original purchaser of the T5 Bonds with an electronic copy and up to 100 copies of this Official Statement within seven business days following the award of the T5 Bonds.

Professionals:	Bond Counsel:	Hurtado, S.C. Wauwatosa, Wisconsin
	Financial Advisor:	Robert W. Baird & Co. Milwaukee, Wisconsin
Paying Agent:	City Official:	City of Milwaukee, Comptroller's Office Milwaukee, Wisconsin
Record Date:	April 15 and October 15 (whether or not a business day).	
Delivery:	Delivery of the T5 Bonds will be on or about May 3, 2012 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.	
Reoffering:	The public reoffering price(s) or yield(s) of the T5 Bonds will be set forth on the inside front cover page of the Final Official Statement.	
Continuing Disclosure Certificate:	In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the T5 Bonds the City will provide an executed copy of its Continuing Disclosure Certificate. (See "CONTINUING DISCLOSURE" herein).	

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## **THE CFNs**

### **AUTHORITY AND PURPOSE**

The Common Council of the City has authorized the issuance and sale of the CFNs for the public purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State shared revenue payments, by the adoption of an authorizing Resolution on December 20, 2011 in accordance with the provisions of Chapters 67.12(12) of the Wisconsin Statutes.

### **SECURITY FOR THE CFNS**

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

Under and by virtue of Sections 67.05(10) and 67.12(12) (7)(ee), Wisconsin Statutes, the City is obligated to levy a direct annual tax sufficient in amount to pay and for the express purpose of paying the interest on the CFNs as it falls due, and also to pay and discharge the principal thereof at maturity. The City is, and shall be, without power to repeal such levy or obstruct the collection of such tax until all such payments have been made or provided for.

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

The City also has pledged, and will irrevocably segregate upon receipt, State Aid Payments due in November, 2012 in an amount sufficient, with interest thereon, to pay, when due, the principal of and interest on the CFNs. The City has also pledged other General Fund Revenues included in the budget for the current calendar year which are due to the City, but which have not been received as of the date of delivery of the CFNs.

### **STATUTORY BORROWING LIMITATION**

Wisconsin Statutes limit the amount of direct general obligation debt the City may issue. The CFNs are within these limitations. (See "DEBT STRUCTURE" herein for further details).

# THE N2 NOTES, B3 BONDS, T4 NOTES and T5 BONDS

## AUTHORITY AND PURPOSE

The N2 Notes, B3 Bonds, T4 Notes and T5 Bonds are being issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes to finance various public improvement projects and fiscal requirements of the City, and to pay the associated financing costs. The Common Council of the City adopted Resolutions on December 12, 2006, January 15, 2008, January 16, 2009, January 20, 2010, January 19, 2011, November 2, 2011, December 20, 2011, February 28, 2012 and April 11, 2012 which authorize the issuance of the N2 Notes, B3 Bonds T4 Notes, and T5 Bonds. In addition, various initial Resolutions have been adopted authorizing purposes for the B3 Bonds and T5 Bonds that have been combined into the corporate purpose bond issues.

Proceeds of the sale of the N2 Notes, B3 Bonds, T4 Notes and T5 Bonds are anticipated to be used for various public improvements of the City as follows:

### Purposes (including commercial paper to be refunded)

Renewal and Development	\$5,634,418
Library	923,400
Public Buildings	10,379,439
Harbor	207,796
Fire	664,680
Police	3,324,495
Bridges	3,844,470
Streets	197,693
Parks	138,059
Parking	1,010,550
Financing Receivables	31,590,000
Tax Incremental Districts	7,450,000
Refunding of long-term bonds	<u>79,605,000*</u>
Total	<u>\$144,970,000</u>

The purposes shown in the table reflect the refunding of \$14,000,000 of Commercial Paper.

\* *Preliminary, subject to change*



## PLAN OF REFUNDING

In addition to providing long-term financing for \$14,000,000 of outstanding Commercial Paper, the City is also refunding the following Bonds:

### City Bonds to be Refunded\*

<u>Dated Date</u>	<u>Series</u>	<u>Amount</u>	<u>Maturities</u>	<u>Redemption Date</u>
3/15/02	W	\$1,270,000	2018-2019	03/15/12 <sup>(1)</sup>
9/1/02	Y	5,750,000	2013-2014	09/01/12
9/1/02	Y	6,975,000	2016-2019	09/01/12
4/3/03	2003 B1	7,195,000	2014-2020	03/15/13
10/16/03	2003 B6	3,010,000	2014-2015	10/01/13
5/6/04	2004 B1	24,200,000	2015-2021	02/15/14
3/23/05	2005 B2	9,660,000	2018-2022	02/15/15
12/1/05	2005 B10	11,545,000	2018-2022	08/15/15
12/1/05	2005 V8	10,000,000	2025	06/01/12

<sup>(1)</sup> The Series W Bonds were refunded on 3/15/2012 with a temporary borrowing, which, in turn, will be refunded with the N2 Notes.

\* Preliminary, subject to change

The current refunding proceeds for the Commercial Paper, the Series W refunded temporary borrowing and the Series 2005 V8 Bonds, will be deposited in the City's General Obligation Debt Service Fund pending redemption of the refunded obligations.

The refunded Series Y, 2003 B1, 2003 B6, 2004 B1, 2005 B2, and 2005 B10 Bonds constitute the "Advanced Refunded Bonds." Upon delivery of the N2 Notes, the City will create and establish the 2012 Escrow Account with Bank of New York Mellon, Milwaukee, Wisconsin, for the payment of the Advanced Refunded Bonds, and a portion of the proceeds of sale of the N2 Notes shall be credited to such 2012 Escrow Account in the sums required for the payment of principal and interest on such Advanced Refunded Bonds until their redemption on their respective redemption dates, and payment of the redemption price of par plus accrued interest.

## SECURITY FOR THE N2 NOTES, B3 BONDS, T4 NOTES AND T5 BONDS

The N2 Notes, B3 Bonds, T4 Notes and T5 Bonds shall be general obligations of the City, and payment thereof is secured by a pledge of the full faith and credit of the City. The City is authorized and required to levy on all taxable property in the City such ad-valorem taxes, without limitation as to rate or amount, as may be necessary to meet the debt service requirements on the N2 Notes, B3 Bonds, T4 Notes and T5 Bonds.

Under and by virtue of Sections 67.05(10) and 67.12(12)(7)(ee), Wisconsin Statutes, the City is obligated to levy a direct annual tax sufficient in amount to pay, and for the express purpose of paying, the interest on the N2 Notes, B3 Bonds, T4 Notes and T5 Bonds as it falls due, and also to pay and discharge the principal thereof at maturity. The City is, and shall be, without power to repeal such levy or obstruct the collection of such tax until all such payments have been made or provided for.

Under Section 67.035, Wisconsin Statutes, all taxes levied for paying principal and interest on valid notes or N2 Notes, B3 Bonds, T4 Notes and T5 Bonds are declared to be without limitation. Under Section 65.06(18), Wisconsin Statutes, the omission from the budget of the payment of interest on or the principal of any bonded debt of the City when due shall not prevent the placing of the same on the tax roll for the levy and the collection of the tax and the payment of the money therefor.

## **MATURITY AND INTEREST RATES**

The N2 Notes, B3 Bonds, T4 Notes and T5 Bonds are to be dated the Expected Date of Delivery, and will bear interest from that date at the rates, and shall mature each May 1 in the amounts and on the dates as set forth on the inside front cover pages of this Preliminary Official Statement. Interest on the N2 Notes, B3 Bonds, T4 Notes and T5 Bonds will be payable commencing November 1, 2012 and thereafter semiannually on May 1 and November 1 of each year and is calculated on the basis of 30-day months and a 360-day year.

## **REDEMPTION PROVISIONS**

The N2 Notes and T4 Notes are **not** subject to call and redemption prior to maturity. The B3 Bonds and T5 Bonds will be subject to redemption prior to their maturity, at the option of the City, on any date on or after May 1, 2022 at a price of par plus accrued interest to the date fixed for their redemption. If less than all outstanding B3 Bonds and T5 Bonds are called for redemption, the B3 Bonds and T5 Bonds shall be called in such order of maturity as shall be determined by the City. If less than all of the B3 Bonds and T5 Bonds of the same series and maturity are called for redemption, the particular B3 Bonds and T5 Bonds of such series and maturity to be redeemed shall be selected by lot. Notice of redemption shall be mailed, postage prepaid, to the owners of any B3 Bonds and T5 Bonds to be redeemed in whose name such B3 Bonds and T5 Bonds are registered as of a record date, which shall be 60 days prior to the redemption date. While in Book Entry Form, as the Registered Owner, DTC will receive the Redemption Notice. The City is not responsible for DTC's notification of redemption to Participants and Beneficial Owners.

## **STATUTORY BORROWING LIMITATION**

Wisconsin Statutes limit direct general obligation debt the City may issue. The N2 Notes, B3 Bonds, T4 Notes and T5 Bonds do not cause these limitations to be exceeded. (See "DEBT STRUCTURE" herein for further details).

## **INVESTMENT POLICIES**

The City may invest any of its funds not immediately needed in accordance with Section 66.0603 of the Wisconsin Statutes. The City, through Common Council Resolution 930358, adopted July 6, 1993, has instructed the City Treasurer to invest City funds, including Milwaukee Public Schools (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 Group, Moody's Investors Service, Inc., or some other similar nationally recognized rating agency.

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

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

The LGIP is a local option City depository. The City utilizes the LGIP in a manner similar to a "money market" account. When other investment options provide more favorable returns, such options are utilized. As of December 31, 2011, the City had approximately 44.59% (\$315,985,037) 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. Given 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.

## **THE CITY**

### **LOCATION, ORGANIZATION AND GOVERNMENT**

#### **GENERAL**

The City is located on the western shore of Lake Michigan in southeastern Wisconsin. The City is the hub of the metropolitan area and a thriving place to live and work. The City is Wisconsin’s largest city with a population of approximately 595,525 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, counties, and has a population of nearly 1.6 million.

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

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

#### **ELECTED OFFICIALS**

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

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

#### **CITY OFFICIALS**

**As of April, 2012**

(initial year in office follows name)

Mayor	Tom Barrett	(2004)
City Attorney	Grant F. Langley	(1984)
City Comptroller	Martin Matson	(2012)*
City Treasurer	Spencer Coggs	(1976)*

#### **COMMON COUNCIL**

Ashanti Hamilton	(2004)	Robert W. Puente	(2004)
Joe Davis, Sr.	(2003)	Michael J. Murphy	(1989)
Nik Kovac	(2008)	Joseph A. Dudzik	(2002)
Robert J. Bauman	(2004)	Jose G. Perez	(2012)*
James A. Bohl, Jr.	(2000)	Terry L. Witkowski	(2003)
Milele A. Coggs	(2008)	T. Anthony Zielinski	(2004)
Willie C. Wade	(2003)	Willie L. Hines, Jr.	(1996)
Robert G. Donovan	(2000)		

\*As of April 17, 2012.

## PUBLIC SERVICES AND FACILITIES

The City, employing approximately 6,400 people on a full time basis plus others in a seasonal capacity, is charged with primary responsibility for public safety (via its police, fire and health departments); public works (including refuse removal and a City-owned water utility); various cultural and recreational services including a library system; and general municipal administration. City government also participates in housing and neighborhood programs through separate housing and redevelopment authorities. These two latter authorities have the ability to borrow directly and issue revenue backed financings.

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

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

The second special purpose governmental unit is the Wisconsin Center District ("WC District"), a public entity created by State legislation, which oversees construction/operation of the Frontier Airline Center (formerly, Midwest Airline Center), the City's major convention complex. This complex also includes the US Cellular Arena and the Milwaukee Auditorium facilities, formerly known as "MECCA." The Frontier Airline Center, was financed by \$185 million of revenue bonds issued by the WC District and secured by a pledge of dedicated sales tax revenues from lodging, restaurant, and vehicle rentals collected in the WC District. Phase One of the Frontier Airline Center was completed during 1998. Phase Two was completed in 1999. In 2001, the WC District issued \$30 million of bonds to renovate the Milwaukee Auditorium which was renamed the Milwaukee Theatre.

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

On the lakefront is the Milwaukee Art Museum, which combines art, dramatic architecture and landscape design. The Quadracci Pavilion, the first Santiago Calatrava-designed building in the United States, features a 90-foot high glass-walled reception hall enclosed by the Burke Brise Soleil, a sunscreen that can be raised or lowered creating a unique moving sculpture.

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

## EMPLOYEE RELATIONS

The City has approximately 6,400 full-time employees, 2,900 of which, in 5 bargaining units, are covered by labor agreements. One labor agreement covering 112 members expires on May 31, 2012, and another labor agreement covering 38 members expires on July 31, 2012. Those two agreements cover non-public safety officers, and pursuant to 2011 Act 10, the unions may only negotiate wages. Three other agreements, covering 2,700 public safety members, expires on December 31, 2012. 2011 Act 10 did not affect the ability of public safety unions to negotiate most issues.

On March 30, 2012, a Federal Court declared null and void a provision of 2011 Act 10 that requires non-public safety public employee unions to hold certification elections each year. Approximately 3,000 full-time City employees in 14 bargaining units with contracts that expired on December 31, 2011, and 2 bargaining units that have unexpired labor agreements, are affected by the ruling. The City is not a party to the litigation, and anticipates an appeal of the ruling. Prior to the ruling, 9 of the 16 bargaining units representing approximately 855 employees filed for annual certification. The City does not know which, if any, of the remaining bargaining units will choose to remain a bargaining unit if the ruling is upheld.

## GENERAL, DEMOGRAPHIC AND ECONOMIC INFORMATION

### GENERAL

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

### CITY OF MILWAUKEE SELECTED ECONOMIC DATA

Year	Population		Adjusted Gross Income Per Return
	Department of Administration	U.S. Census	
2011	595,525		Not Available
2010	580,500	594,833	\$32,753
2009	584,000		32,492
2008	590,870		33,144
2007	590,190		33,225
2000	605,572	596,974	32,370

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

## BUILDING PERMITS

Another indicator of economic growth is the activity in the building industry. The following table indicates building permit activity during the period 2006 through December 2011.

### General Total

<u>Year</u>	<u>Value</u>	<u>Permits Issued</u>
2011	\$269,386,167	2,340
2010	283,026,280	2,065
2009	290,326,431	1,723
2008	249,992,533	2,067
2007	336,748,300	2,405

### Residential Building

<u>Year</u>	<u>Single Family</u>		<u>Multi-Family</u>		<u>Total</u>		<u>Permits Issued</u>
	<u>Value</u>	<u># Of Units</u>	<u>Value</u>	<u># Of Units</u>	<u>Value</u>	<u># Of Units</u>	
2011	\$17,892,282	139	\$42,327,598	364	\$60,219,880	503	222
2010	8,400,090	84	91,179,501	726	99,579,591	810	118
2009	7,269,207	59	37,354,152	409	44,623,359	468	72
2008	15,632,811	90	63,975,007	509	79,607,818	599	104
2007	24,940,117	160	\$123,505,408	677	148,445,525	837	187

### Commercial Building

<u>Year</u>	<u>Value</u>	<u>Permits Issued</u>
2011	\$58,518,315	47
2010	53,319,884	67
2009	127,122,466	37
2008	59,502,236	74
2007	82,501,318	105

### Public Building

<u>Year</u>	<u>Value</u>	<u>Permits Issued</u>
2011	\$49,456,901	256
2010	22,238,704	129
2009	10,808,648	107
2008	9,107,611	85
2007	19,791,921	140

### Alterations and Additions

<u>Year</u>	<u>Value</u>	<u>Permits Issued</u>
2011	\$101,191,071	1,815
2010	107,888,101	1,751
2009	107,771,958	1,506
2008	101,774,868	1,804
2007	86,009,536	1,973

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

**LEADING BUSINESS AND INDUSTRIAL FIRMS  
LOCATED WITHIN MILWAUKEE COUNTY**

The listing of large employers in the Milwaukee County area that follows reveals the diversity of Milwaukee County's economic base. The largest of these are shown in the following list, which includes only employers with the majority or all of their employment in Milwaukee County.

Employer	2011 Employment Estimates	Type of Business or Service
Aurora Health Care	22,000 <sup>(1)</sup>	Health Care
U.S. Government (Includes Zablocki V.A. Medical Center)	10,800 <sup>(2)</sup>	Government
Milwaukee Public Schools	9,142	Education
Wheaton Franciscan Healthcare	8,356	Health care provider
Froedtert Memorial Lutheran Hospital and Community Health	8,000	Health care provider
Kohl's Corporation	7,700	Specialty department stores
Wal-Mart Stores	7,360	Discount retail stores and warehouse clubs
Roundy's Supermarket	6,800	Retail grocer
Quad Graphics	6,700	Commercial printing
City of Milwaukee	6,400	Government
Milwaukee County	5,457	Government
Northwestern Mutual Life	5,000	Insurance
GE Healthcare Technologies	3,000	Medical imaging, healthcare services
Medical College of Wisconsin	4,877	Medical school/academic/health care
Children's Hospital of Wisconsin	4,604	Health care provider
ProHealth Care, Inc.	4,302	Health care provider
Columbia-St. Mary's	4,190	Health care provider
WE Energies	4,060	Electric/natural gas utility
BMO Financial Group <sup>(3)</sup>	3,924	Holding company banking/finance and data services
University of Wisconsin-Milwaukee	3,881	Education
Walgreens Co.	3,521	Retail drugstore chain
U. S. Bank	3,467	Finance, banking
Briggs and Stratton	3,000	Manufacturer, small engines, automotive locks and keys
Target Corporation	3,000	Discount department store chain
Rockwell Automation	3,000	Industrial automation, power and control

<sup>(1)</sup> Aurora's employee number includes four hospitals, rehabilitation, homecare and hospice facilities and their corporate office within a six-county area in and around the City of Milwaukee.

<sup>(2)</sup> Preliminary.

<sup>(3)</sup> Formerly M&I Marshall & Ilsley Bank, acquired by Toronto-based BMO Financial Group. The acquisition was completed in July, 2011.

Source: The 2012 Business Journal Book of Lists, Employer contacts March 2012 and the U.S. Bureau of Labor Statistics February 2012.

## EMPLOYMENT AND INDUSTRY

During 2011, the City's unemployment rate averaged approximately 10.6%. Presented below are unemployment rates for the City, as compared to the State of Wisconsin and the United States for the period 2007 through December 2011.

### ANNUAL UNEMPLOYMENT RATES

(Not Seasonally Adjusted)

<u>Year</u>	<u>City of Milwaukee</u>	<u>Milwaukee - Waukesha-West Allis Metropolitan Statistical Area</u>	<u>State of Wisconsin</u>	<u>United States</u>
2011	10.6%	7.9%	7.5%	8.9%
2010	11.5	8.7	8.3	9.6
2009	11.4	8.9	8.7	9.3
2008	6.6	4.8	4.7	5.8
2007	7.2	5.1	4.9	4.6

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

### RECENT MONTHLY UNEMPLOYMENT RATES

(Not Seasonally Adjusted)

<u>Month</u>	<u>City of Milwaukee</u>	<u>Milwaukee - Waukesha-West Allis Metropolitan Statistical Area</u>	<u>State of Wisconsin</u>	<u>United States</u>
January, 2012	10.3% <sup>(1)</sup>	_7.7% <sup>(1)</sup>	7.6% <sup>(1)</sup>	8.8%

<sup>(1)</sup> Preliminary.

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. The service sector (service, finance, insurance, real estate and retail trade) employs over 69% of the workforce. Manufacturing firms employ 17% of the workforce. The area is not dominated by any large employers. Less than two percent of the manufacturers have employment levels greater than 500. Less than one percent of the employers in finance, insurance and services have more than 500 employees.



**TEN LARGEST TAXPAYERS WITH 2011 ESTIMATED EQUALIZED VALUATIONS**

US Bank Corporation	\$ 249,092,565
Northwestern Mutual Life Ins.	\$ 193,493,375
Mandel Group	\$ 106,732,616
Marcus Corp/Milw City Center/Pfister	\$ 97,387,873
Metropolitan Associates	\$ 94,846,441
NNN 411 East Wisconsin LLC	\$ 89,724,353
100 E. Wisconsin-CW Wisconsin Ave. LLC	\$ 79,822,218
Towne Realty	\$ 75,787,573
Flanders Westborough	\$ 56,704,469
875 East Wisconsin-875 East Sponsor LLC	\$ 54,442,335

Source: City of Milwaukee, Assessor's Office February 2012.

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## DEBT STRUCTURE

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

### LEGAL DEBT LIMITATIONS

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

### DEBT MARGIN

*(Includes the Offered Obligations to be issued by the City)*

2011 Equalized Value of Taxable Property in the City		\$27,954,669,900
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#### Legal Debt Limitation for City Borrowing

5% of Equalized Value		\$1,397,733,495
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General Obligation Debt Outstanding subject to 5% Limit as of 05/01/12	\$835,525,000	
Plus: 2012 R1, N2, B3, T4, T5	244,970,000 *	
Less: Provision for current year maturities	(56,525,000)	
Less: Refunded Long-term Debt	(81,605,000)*	
Plus: 2012 Extendable Variable Rate	30,000,000 *	
Less: Refunded Commercial Paper	(24,000,000)	
Net General Obligation Debt Outstanding subject to the 5% Limit as of 05/01/12		\$948,365,000

Total Debt Margin for City Borrowing (in Dollars)		\$449,368,495
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(As a percentage)		32.1%
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(As a percentage excluding Cash Flow Notes)		39.3%
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#### Legal Debt Limitation for School Purpose Borrowing

2% of Equalized Value		\$559,093,398
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General Obligation Debt Outstanding subject to 2% Limit as of 05/01/12	14,774,150	
Less: Provision for current year maturities	-	
Net General Obligation Debt Outstanding subject to the 2% Limit as of 05/01/12		\$14,774,150

Total Debt Margin for School Purpose Borrowing (in Dollars)		\$544,319,248
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(As a percentage)		97.4%
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\* Preliminary, subject to change

## **DEBT REFUNDED**

The City has issued the following series of general obligation refunding bonds that have outstanding escrow amounts:

\$45,240,000 General Obligation Refunding Bonds, Series 2005 A5, dated June 7, 2005, for the purpose of refunding portions of seven general obligation issues, with a final escrow payment in 2012, with Associated Trust Company, National Association as escrow trustee.

None of the refunded debt is reflected in the "DEBT MARGIN" presentation above.

### **ANALYSIS OF GENERAL OBLIGATION DEBT OUTSTANDING AS OF MAY 1, 2012**

Tax Increment Districts	\$183,267,992
Public Buildings	149,129,478
Schools (5% City Borrowing)	111,469,469
Schools (2% School Purpose Borrowing)	14,774,150
Streets	108,399,833
Sewers	80,567,916
Finance Real & Personal Property Tax Receivables	41,451,000
Police	29,530,933
Bridges	26,618,345
Blight Elimination/Urban Renewal	25,475,758
Water	18,090,561
Fire	17,171,090
Library	12,249,720
Parking	10,842,602
Local Improvement Projects/Special Assessments	10,424,199
Playground/Recreational Facilities	7,554,494
Harbor	2,659,244
Grant & Aid Improvements (City Share)	611,908
Economic Development	4,572
Industrial Land Bank	3,207
Milwaukee Exposition and Convention Center	1,238
Resource Recovery	1,043
Lakefront Development	398
<b>TOTAL</b>	<b><u><u>\$850,299,150</u></u></b>

## GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

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

Year	Total G.O. Debt Service as of 5/1/12 <sup>(1) *</sup>		Series 2012 N2/B3/T4/T5				Extendable Variable Rate <sup>(7)</sup>	Total Requirements After Issuance
	Principal <sup>(2)</sup>	Interest <sup>(3)</sup>	New Money <sup>(4)</sup>		Refunding <sup>(6)</sup>			
			Principal	Interest <sup>(5)</sup>	Principal	Interest <sup>(5)</sup>		
2012	\$56,525,000	\$23,492,401		\$1,416,242	\$0	\$1,724,775	\$1,687,500	\$84,845,917
2013	92,555,000	34,678,072	\$19,495,000	2,780,875	4,115,000	3,877,375	2,700,000	160,201,322
2014	78,634,504	31,457,395	9,705,000	2,050,875	7,010,000	3,599,250	2,700,000	135,157,024
2015	71,583,467	28,655,812	4,015,000	1,707,875	8,275,000	3,217,125	2,700,000	120,154,279
2016	67,363,434	25,348,425	3,735,000	1,514,125	9,750,000	2,766,500	2,700,000	113,177,484
2017	59,880,239	23,066,338	3,585,000	1,331,125	9,850,000	2,276,500	2,700,000	102,689,201
2018	92,028,544	17,179,886	3,440,000	1,155,500	12,855,000	1,708,875	2,700,000	131,067,805
2019	44,916,727	14,192,857	2,320,000	1,011,500	11,825,000	1,091,875	2,700,000	78,057,959
2020	42,876,322	12,668,008	2,340,000	895,000	7,735,000	602,875	2,700,000	69,817,205
2021	35,578,148	10,802,354	2,360,000	777,500	5,650,000	268,250	2,700,000	58,136,253
2022	30,474,005	10,332,853	2,375,000	659,125	2,540,000	63,500	2,700,000	49,144,483
2023	29,823,761	8,970,633	1,970,000	550,500	0	0	2,700,000	44,014,895
2024	24,265,000	4,363,690	1,990,000	451,500	0	0	2,700,000	33,770,190
2025	20,410,000	3,432,094	2,020,000	351,250	0	0	2,700,000	28,913,344
2026	13,385,000	2,629,538	2,045,000	249,625	0	0	2,700,000	21,009,163
2027	9,620,000	1,281,134	2,080,000	146,500	0	0	2,700,000	15,827,634
2028	3,665,000	87,894	380,000	85,000	0	0	2,700,000	6,917,894
2029	0	0	400,000	65,500	0	0	2,700,000	3,165,500
2030	0	0	350,000	46,750	0	0	2,700,000	3,096,750
2031	0	0	370,000	28,750	0	0	2,700,000	3,098,750
2032	0	0	390,000	9,750	0	0	32,700,000	33,099,750
	<u>\$773,584,150</u>	<u>\$252,639,385</u>	<u>\$65,365,000</u>	<u>\$17,284,867</u>	<u>\$79,605,000</u>	<u>\$21,196,900</u>	<u>\$85,687,500</u>	<u>\$1,295,362,801</u>

<sup>(1)</sup> Excludes debt to be refunded.

<sup>(2)</sup> Assumes Sinking Fund Deposits in year due.

<sup>(3)</sup> Assumes: the maximum interest rate of 12.0% on \$65,000,000 of variable rate debt (the tax levy requirement).

<sup>(4)</sup> Includes new money, and refunding of commercial paper.

<sup>(5)</sup> Assumes 5.00% on the 2011 N2/B3/T4/T5.

<sup>(6)</sup> Refunding of outstanding long-term debt.

<sup>(7)</sup> Assumes the maximum interest rate of 9.0%. Preliminary, subject to change.

\* Preliminary, subject to change.

**TRENDS OF GENERAL OBLIGATION DEBT  
(THOUSANDS OF DOLLARS)**

Year 12/31	Total GO Debt	Self-Sustaining GO Debt*	Levy Supported GO Debt
2007	\$747,298	\$294,952	\$452,346
2008	788,579	291,317	497,262
2009	804,474	293,039	511,435
2010	916,034	342,400	573,634
2011	934,004	373,059	560,945

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

**TRENDS OF SELF-SUSTAINING GENERAL OBLIGATION DEBT  
(THOUSANDS OF DOLLARS)**

Year 12/31	TID Program	Parking Program	Special Assessments	Delinquent Taxes <sup>(1)</sup>	Water	Sewer <sup>(2)</sup>	Total Self-Sustaining
2007	\$143,886	\$11,733	\$16,458	\$28,320	\$19,895	\$74,661	\$294,952
2008	165,217	10,743	14,631	34,136	17,049	49,541	291,317
2009	164,106	11,616	12,994	40,508	17,049	46,766	293,039
2010	167,944	11,753	11,623	47,575	13,453	90,052	342,400
2011	192,838	12,170	10,462	52,728	22,053	82,807	373,059

<sup>(1)</sup> Debt issued for Delinquent Tax Purposes is paid from collections of the delinquent taxes.

<sup>(2)</sup> Includes temporary borrowing pending refunding with revenue bonds.

**RATIO OF GENERAL OBLIGATION DEBT  
To Equalized And Assessed Values And To Per Capita**

Year 12/31	Population <sup>(1)</sup>	Net Equalized Valuation	AV	Total GO Debt	GO Debt /Net EV	GO Debt /AV	GO Debt /capita
2007	\$590,190	\$31,887,192,100	\$29,374,372,962	\$747,298,112	2.34%	2.54%	1,266
2008	590,870	32,257,525,000	30,431,675,204	788,579,150	2.44	2.59%	1,335
2009	584,000	31,266,329,200	28,994,573,372	804,474,150	2.57	2.77%	1,378
2010	580,500	29,520,783,200	28,048,464,348	916,034,150	3.10	3.27%	1,578
2011	595,525	27,954,669,900	27,917,642,983	934,004,150	3.34	3.35%	1,568

<sup>(1)</sup> Population estimate from the Wisconsin Department of Revenue for use in the distribution of State Shared Revenues.

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

Year 12/31	PDAF Unsegregated Balance	GO Debt /Net EV	GO Debt /capita
2007	\$50,824,739	2.18%	1,180
2008	50,916,679	2.29	1,248
2009	50,444,955	2.41	1,291
2010	55,453,164	2.92	1,482
2011 <sup>(1)</sup>	55,453,164	3.14	1,475

<sup>(1)</sup> 12/31/11 balance is unknown at this time. Assumes balance is unchanged for the year.

**COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT  
MAY 1, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding As of May 1, 2012</u>	<u>Percentage Applicable</u>	<u>Share of Debt As of May 1, 2012</u>
City of Milwaukee <sup>(1)</sup>	\$963,139,150*	100.00%	\$963,139,150
Area Board of Vocational, Technical and Adult Education, District No. 9	80,060,000	37.34	29,894,404
County of Milwaukee <sup>(2)</sup>	614,819,152	45.75	281,279,762
Milwaukee Metropolitan Sewerage District	928,417,875	46.78	434,313,882
<b>TOTAL NET DIRECT AND OVERLAPPING DEBT</b>	<b><u><u>\$2,586,436,177</u></u></b>		<b><u><u>\$1,708,627,198</u></u></b>

\*Preliminary, subject to change.

<sup>(1)</sup> Includes \$126 million general obligation debt outstanding, which financed Milwaukee Public Schools improvements. Figure includes the new issue, and excludes debt to be refunded and provisions for current year maturities.

<sup>(2)</sup> Includes approximately \$928,417,875 of low interest loans from the State of Wisconsin Clean Water Fund, supported by the full faith and credit of the MMSD.

**FUTURE FINANCING**

Prior to the issuance of the Offered Obligations, the City has \$470 million authorized unissued general obligation debt for various corporate and capital improvement purposes, which can be issued at any time. In addition, the City has \$400 million of authorized unissued revenue anticipation borrowing for City and School cash flow purposes.

The City intends to issue up to \$30 million of long-term extendable variable rate debt for street purposes, and permanently financing approximately \$10 million of outstanding commercial paper issued for street purposes.

The authorized unissued general obligation debt includes \$67 million for sewer purposes. In addition, there is currently outstanding \$42 million of General Obligation Commercial Paper that was issued on a temporary basis for sewer purposes. Most of the sewer purpose debt will be financed on a revenue bond basis, including second lien revenue bonds sold to the State of Wisconsin Clean Water Fund Program. The remaining portion will be financed on a long-term basis with general obligation debt.

See “FINANCIAL INFORMATION — CITY CAPITAL IMPROVEMENTS PLAN” herein for information on potential future capital needs.

**CITY CAPITAL IMPROVEMENTS PLAN**

The City’s 2012-2017 Draft Capital Improvement Plan (“CIP”) outlines planned capital improvement projects and programs. Some school purpose improvements are financed by the City for Milwaukee Public School, but are not included in the CIP.

The six-year CIP plan totals \$988 million. About \$652 million, or 66% of the planned spending, is intended to preserve the City’s existing infrastructure facilities (streets, sewers, alleys, bridges, etc.). Approximately 66% (\$654 million) is anticipated to be borrowed with General Obligation debt, with the balance (\$334 million) being borrowed with revenue debt.

<u>Purpose</u>	<u>Amount (\$Millions)</u>
Transportation	\$323
Environment	334
Economic Development	179
Public Safety	64
Miscellaneous	<u>88</u>
Total	<u><u>\$988</u></u>

## COMMERCIAL PAPER PROGRAM

The City has authorized the issuance of Commercial Paper (“CP”) with the General Obligation Commercial Paper Promissory Notes, 2008 Program Series C2, Series R3, and Series T4 (Taxable) (the “Series C2 Notes”, “Series R3 Notes”, and “Series T4 Notes” respectively, and together, the “CP Notes”). Any combination of Series C2 Notes, Series R3 Notes, and Series T4 Notes, up to an aggregate total of \$125,000,000, is authorized to be outstanding at any time. The CP Notes are general obligation debt of the City and are additionally secured by a direct pay letter of credit from State Street Bank that expires on December 1, 2012. The CP Notes are authorized to be outstanding until January 31, 2018.

The CP Notes may be issued at any time for any purpose, including the purposes described in Future Financing above. The primary purpose of the CP Note program is to provide interim financing for expenditures pending the City’s next long-term financing and short-term cash flow needs. As of December 31, 2011, the City had \$66,000,000 of Series C2 Notes outstanding.

The City is in the process of creating a new Extendable Commercial Paper Program to provide for future needs.

The Extendable Municipal Commercial Paper 2012 Program Series, is intended to replace future commercial paper needs that would have been financed with the 2008 Program Series

## AUCTION RATE AND OTHER VARIABLE RATE EXPOSURE

The City has no outstanding Auction Rate securities. The City’s CP Notes are additionally secured by a direct pay letter of credit that expires on December 1, 2012 provided by State Street Bank. The \$12,000,000 outstanding Series 2005 V8 is a 7-day variable rate demand bond secured by a Stand-By Bond Purchase Agreement that expires on December 1, 2012.

The \$12,000,000 of outstanding Series 2005 V8 will be refunded with \$10 million of the proceeds of N2 Notes and \$2,000,000 from tax levy. It is anticipated that, over time, up to 15-25% of the tax levy supported long-term general obligation debt will be in the form of variable rate debt. See “FUTURE FINANCING” herein for a description of the City’s plans for future variable rate debt.

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

## REVENUE BONDING

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

Water System Revenue Bonds, Series 1998 — In 1998, the City and the State of Wisconsin entered into a loan agreement under the State of Wisconsin Safe Drinking Water Loan Program. Subsidized loans are available for certain projects, are secured by revenues of the Milwaukee Water Works, and are repayable over a period of 20 years. As of December 1, 2011, the outstanding balance was \$7.5 million.

Sewerage System Revenue Bonds — In 2001, the City created the Sewerage System with the issuance of \$29,095,000 of Sewerage System Revenue Bonds, and in 2003, the City issued an additional \$33,885,000 of Sewerage System Revenue Bonds. In 2011, the City issued \$52,565,000 of refunding and new money Sewerage System Revenue Bonds. As of December 31, 2011, total outstanding Sewerage System Revenue Bonds was \$62 million with a final maturity in 2031.



In 2006, the City created the Sewerage System Second Lien Revenue Bonds for the purpose of borrowing from the State of Wisconsin Clean Water Fund Program. As of December 31, 2011, the City had \$80.5 million outstanding under the Program. The City hopes to satisfy as much as possible of its Sewerage System capital needs with borrowings under the Program. (See “FUTURE FINANCING”).

Industrial Revenue Bonding Program — The City has established guidelines relating to its Industrial Revenue Bonding Program. These guidelines establish criteria for IRB financing. The guidelines delineate that the primary goals of this program are to create additional tax base, additional jobs, or both.

Industrial land, buildings, and machinery and equipment used in the manufacturing process and pollution abatement equipment of new or expanding industries are eligible projects. Since the first IRB issue in 1973, the City has closed 125 issues amounting to approximately \$265 million. The City has no responsibility to either secure or redeem IRB debt, and thus neither guarantees nor lends its own credit to these obligations.

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

Between 1983 and December 1, 2011, the Housing Authority issued revenue bonds of approximately \$149 million, of which approximately \$8.990 million are still outstanding.

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

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

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

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

As of December 31, 2011, the Redevelopment Authority had outstanding: two bond issues with \$36,490,000 outstanding that have a Moral Obligation Pledge of the City; and \$253,939,122 in six bond issues for MPS, one secured by a lease, and five secured by loan agreement, with the Milwaukee Board of School Directors (“MBSD”). These bonds do not constitute general obligations of the City, or of MBSD, and shall not constitute or give rise to a charge against the City’s, or MBSD’s, taxing powers. These pledges create only financial obligations of the City, or MBSD, which are subject to annual appropriation. The loan agreement with MBSD includes a pledge of certain state aid payable to MBSD.

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

Milwaukee Economic Development Corporation As of December 31, 2011, the Milwaukee Economic Development Corporation, itself, or through a related entity, funded loans for 1,080 small businesses and redevelopment projects utilizing \$260.9 million to leverage a total of \$1.299 billion in investment. 954 loans have been enrolled in the Capital Access Program with covered loan amounts totaling \$53.1 million.

The Milwaukee Economic Development Corporation had notes and debentures payable under the Small Business Administration's Section 503 and 504 loan programs in the amount of \$9.5 million as of December 31, 2011.

## **TAX INCREMENT DISTRICT FINANCING**

Five issues of the Redevelopment Authority and Housing Authority involving over \$60 million in bonds have financed projects located within tax increment districts ("TID") of the City. The City has also financed public improvements and provided grants to the Redevelopment Authority for redevelopment purposes within such districts through the issuance of its general obligation bonds. As of December 31, 2011, \$193 million general obligation bonds for TID purposes were outstanding. Under current law, tax increments received by the City have been calculated based upon the assessed valuation and the applicable tax levy in the TID. The applicable tax levy includes the public school tax levy rate for Milwaukee Public Schools.

The Redevelopment Authority of the City has approximately \$42 million of debt secured by tax increment revenues. One of those issues, in the approximate amount of \$20 million, has the Moral Obligation Pledge of the City. The remaining debt is owed to developers of projects within the TID, with no recourse to the City in the event that tax increment revenues are insufficient to repay the obligations. In 1996, the Wisconsin Legislature passed a property tax relief measure which increased the portion of statewide school revenues funded by State equalization aid to two-thirds from approximately one-half of all funds' budgets. The 2011 Assessed Tax Rate for Milwaukee Public Schools is \$11.11 per thousand dollars of assessed value, down from \$15.70 in 1995 (amounts are net of the school state tax credit). As a result, tax increment revenues for certain TIDs received by the City have been, and are expected to continue to be, reduced and therefore have the impact of either increasing the time needed to recover incurred project costs, including future debt service requirements; reducing the funding of active and proposed TIDs; or may require the City to fund TID cash flow deficiencies with other City revenues. In connection with the change in the School Aid formula, the State Legislature extended the allowable life of all TIDs established before October 1, 1995 from a maximum 23 years to a maximum 27 years to accommodate the lower school property tax rate. Pursuant to 2003 Wisconsin Acts 126, 127, 194 and 231 (enacted in February through April 2004), the allowable life of TIDs created between September 30, 1995 and October 1, 2004 for blight elimination and rehabilitation purposes is 27 years. The maximum lives for TIDs created after September 30, 2004 is 27 years for blighted and rehabilitation TIDs, and 20 years for mixed-use TIDs and industrial TIDs, which, for industrial TIDs represents a reduction from 23 years, though the new law also makes them eligible for a three-year extension under certain circumstances. In any year in which total TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the City's general property tax levy.

## **FINANCIAL INFORMATION**

### **BUDGETING**

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

**ADOPTED BUDGET - COMBINED REVENUES - 2012**

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
<b>Taxes</b>						
Property Tax - General	\$115,230,737	—	\$68,736,570	\$1,025,000	—	\$184,992,307
Provision for Empl Retirement <sup>(1)</sup>	58,016,150	—	—	—	—	58,016,150
Common Council Cont	5,000,000	—	—	—	—	5,000,000
<b>Total Taxes</b>	<b>178,246,887</b>	<b>—</b>	<b>68,736,570</b>	<b>1,025,000</b>	<b>—</b>	<b>248,008,457</b>
<b>Revenues</b>						
Taxes	16,147,300	—	—	—	—	16,147,300
Licenses and Permits	12,647,600	—	—	—	—	12,647,600
Intergovernmental Revenues	259,851,500	63,846,247	—	—	—	323,697,747
Charges for Service	133,120,514	—	—	—	—	133,120,514
Fines and Forfeitures	5,304,000	—	—	—	—	5,304,000
Miscellaneous Revenues	3,710,825	12,300,000	—	—	—	16,010,825
Fringe benefits <sup>(2)</sup>	25,000,000	—	—	—	—	25,000,000
Parking	22,410,157	—	2,170,000	5,000,000	15,866,843	45,447,000
Water Works	—	—	5,870,907	630,000	78,356,093	84,857,000
Sewer Maintenance Fund	12,734,075	—	11,408,929	6,440,000	25,219,115	55,802,119
Retained Earnings	—	—	—	—	9,734,527	9,734,527
Sinking Fund	—	—	64,058,277	—	—	64,058,277
Cash Flow borrowings	—	—	125,000,000	—	—	125,000,000
Special Assessments	—	7,703,639	—	1,065,600	—	8,769,239
Capital Revenue	—	—	—	15,058,000	—	15,058,000
<b>Total Revenues</b>	<b>490,925,971</b>	<b>83,849,886</b>	<b>208,508,113</b>	<b>28,193,600</b>	<b>129,176,578</b>	<b>940,654,148</b>
<b>Tax Stabilization</b>						
Transfer from Reserves	13,767,000	—	—	—	—	13,767,000
<b>Sale of Bonds and Notes</b>						
General City	—	—	—	96,308,100	—	96,308,100
Enterprise Funds	—	—	—	46,990,000	—	46,990,000
<b>Grand Total</b>	<b>\$682,939,858</b>	<b>\$83,849,886</b>	<b>\$277,244,683</b>	<b>\$172,516,700</b>	<b>\$129,176,578</b>	<b>\$1,345,727,705</b>

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

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

**ADOPTED BUDGET – COMBINED APPROPRIATIONS – 2012**

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Administration, Dept of	\$ 9,480,298	—	—	\$600,000	—	\$10,080,298
Assessor's Office	4,627,225	—	—	—	—	4,627,225
City Attorney	7,629,058	—	—	—	—	7,629,058
City Treasurer	3,063,379	—	—	—	—	3,063,379
Common Council - Clerk	8,555,215	—	—	40,000	—	8,595,215
Municipal Court	3,505,745	—	—	—	—	3,505,745
Comptroller	5,652,900	—	—	—	—	5,652,900
Dept of City Development	4,682,014	—	—	29,176,000	—	33,858,014
Election Commission	2,912,189	—	—	—	—	2,912,189
Employee Relations, Dept of	4,541,064	—	—	—	—	4,541,064
Fire and Police Commission	1,300,016	—	—	—	—	1,300,016
Fire Department	105,025,041	—	—	3,424,000	—	108,449,041
Health Department	13,161,487	—	—	450,000	—	13,611,487
Library Board	22,699,974	—	—	2,577,000	—	25,276,974
Mayor's Office	1,215,279	—	—	—	—	1,215,279
Neighborhood Services	17,236,668	—	—	—	—	17,236,668
Police Department	236,229,306	—	—	1,502,000	—	237,731,306
Port of Milwaukee	5,018,503	—	—	225,000	—	5,243,503
DPW-Administration	4,533,496	—	—	1,220,000	—	5,753,496
DPW-Infrastructure	39,508,604	—	—	52,981,700	—	92,490,304
DPW-Operations	79,476,499	—	—	10,239,000	—	89,715,499
Water Works	—	—	5,870,907	9,320,000	82,125,061	97,315,968
Sewer Maintenance Fund	—	—	11,408,929	43,950,000	26,592,120	81,951,049
Special Purpose Accounts	163,659,514	—	—	—	—	163,659,514
Pension Funds	87,566,061	—	—	—	—	87,566,061
Debt Service - City	—	—	132,794,847	—	—	132,794,847
Debt Service - Schools	—	—	—	—	—	—
Debt Service - Cash Flow	—	—	125,000,000	—	—	125,000,000
Contingency	5,000,000	—	—	—	—	5,000,000
Delinquent Tax Fund	—	12,300,000	—	—	—	12,300,000
Parking	—	—	2,170,000	5,790,000	20,459,397	28,419,397
Grant & Aid Fund	—	63,846,247	—	—	—	63,846,247
Special Capital Projects	—	—	—	11,022,000	—	11,022,000
Economic Development	—	7,703,639	—	—	—	7,703,639
Fringe Benefit Offset <sup>(1)</sup>	(153,339,677)	—	—	—	—	(153,339,677)
<b>Grand Total</b>	<b>\$682,939,858</b>	<b>\$83,849,886</b>	<b>\$277,244,683</b>	<b>\$172,516,700</b>	<b>\$129,176,578</b>	<b>\$1,345,727,705</b>

<sup>(1)</sup>For budgeting purposes, Fringe Benefits are used as an offset against expenditures since these costs are budgeted twice, both as a lump sum and as individual departmental expenditures.

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEARS ENDING DECEMBER 31, 2006 THROUGH 2010**  
(Thousands of Dollars)

<b><u>Revenues:</u></b>	<u>2006</u>	<u>2007</u> <sup>(1)</sup>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Property Taxes	141,102	137,253	141,573	156,410	168,031
Other Taxes	5,202	5,311	4,839	3,504	5,097
Licenses and Permits	13,729	13,704	12,918	12,186	12,948
Intergovernmental	272,417	272,539	271,100	272,337	270,939
Charges for Services	73,528	76,496	86,410	91,057	97,146
Fines and Forfeitures	5,541	5,800	5,277	4,802	5,422
Other	<u>17,353</u>	<u>18,883</u>	<u>12,864</u>	<u>19,967</u>	<u>20,323</u>
TOTAL GENERAL FUND REVENUES	<u>528,872</u>	<u>529,986</u>	<u>534,981</u>	<u>560,263</u>	<u>579,906</u>
Tax Stabilization Fund Withdrawals	16,328	23,175	29,457	22,379	13,070
Other Financing Sources and Equity					
Transfers (Net)	<u>37,761</u>	<u>43,224</u>	<u>40,234</u>	<u>46,896</u>	<u>49,640</u>
TOTAL GENERAL FUND REVENUES TAX STABILIZATION FUND WITHDRAWALS AND OTHER FINANCING SOURCES	<u>582,961</u>	<u>596,385</u>	<u>604,672</u>	<u>629,538</u>	<u>642,616</u>
<b><u>Expenditures:</u></b>					
General Government	178,004	201,021	199,004	202,066	253,328
Public Safety	250,672	257,137	266,370	276,060	264,067
Public Works	86,482	93,956	103,149	97,093	94,482
Health	10,428	10,359	10,118	10,446	9,996
Culture and Recreation	17,882	17,548	16,782	17,329	15,656
Conservation and Development	<u>3,217</u>	<u>3,279</u>	<u>3,456</u>	<u>4,230</u>	<u>3,747</u>
TOTAL EXPENDITURES	<u>546,685</u>	<u>583,300</u>	<u>598,879</u>	<u>607,224</u>	<u>641,276</u>
SOURCES OVER (UNDER) EXPENDITURES	36,276	13,085	5,793	22,314	1,340
Fund Balance - January 1 (excludes reserved for use during the year)	68,899	82,000	65,628	49,042	58,286
Fund Balance - December 31	<u>105,175</u>	<u>95,085</u>	<u>71,421</u>	<u>71,356</u>	<u>59,626</u>
Fund Balance Components:					
Reserved for Encumbrances & Carryovers	15,616	21,376	22,865	21,919	8,144
Reserved for Inventory	6,886	6,252	7,248	6,827	7,220
Reserved for Mortgage Trust	280	218	173	141	135
Reserved for Environmental Remediation	303	303	303	303	303
Reserved for Next Year's Budget	23,175	29,457	22,379	13,070	14,600
Reserved for Subsequent Years' Budget	<u>58,915</u>	<u>37,479</u>	<u>18,453</u>	<u>29,096</u>	<u>29,224</u>
TOTAL FUND BALANCE	<u>105,175</u>	<u>95,085</u>	<u>71,421</u>	<u>71,356</u>	<u>59,626</u>

<sup>(1)</sup> In 2007, balances presented on a Budget Basis do not match balances presented on a Generally Accepted Accounting Principles ("GAAP") basis due to borrowing for certain expenditures authorized in the current fiscal year but not completed until the subsequent fiscal year. Budget Basis recognizes the revenues and expenditures in the same fiscal year, whereas GAAP does not recognize the revenues until the year the borrowing actually occurs. On a GAAP basis, the balances for "Reserve for Subsequent Years' Budget" and "Total Fund Balance" in 2007 were \$33,247 and \$90,853, respectively.

**CITY OF MILWAUKEE  
GENERAL FUND - PROJECTED CASHFLOW SUMMARY  
(MILLIONS OF DOLLARS)  
JANUARY 1, 2012 TO DECEMBER 31, 2012**

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
<b>BALANCE</b>	<b>81.374</b>	<b>118.797</b>	<b>21.050</b>	<b>(16.657)</b>	<b>5.872</b>	<b>82.196</b>	<b>16.041</b>	<b>39.470</b>	<b>9.133</b>	<b>10.852</b>	<b>(0.470)</b>	<b>136.679</b>	
<b>RECEIPTS</b>													
Property Taxes	2.764	8.067	5.098	6.733	7.629	8.184	52.481	10.440	14.434	13.513	1.237	83.302	213.882
State Aids													
Shared Revenue	-	-	-	-	-	-	41.090	-	-	-	185.717	-	226.807
Highway Aids	6.176	-	-	6.170	-	-	6.960	-	-	6.170	-	-	25.476
Payment Muni. Services	-	1.912	-	-	-	-	-	-	-	-	-	-	1.912
Computer Exemption Aid	-	-	-	-	-	-	3.900	-	-	-	-	-	3.900
Other	9.550	5.674	14.152	7.474	10.236	13.117	13.005	15.185	9.282	14.076	9.477	9.580	130.808
Delinquent Taxes Transfer	31.404	-	-	-	-	-	-	-	-	-	-	-	31.404
Pension Fees	2.234	-	0.487	-	2.392	3.154	1.018	2.632	1.695	0.879	2.691	1.163	18.345
City Services Fees	3.075	2.340	2.432	1.846	2.376	1.805	2.147	2.556	2.128	3.093	4.927	3.180	31.905
City PILOTS (Major)	-	-	-	-	-	-	-	-	-	-	-	12.668	12.668
Parking Transfers	-	-	-	-	-	10.205	-	-	-	-	-	10.205	20.410
Summerfest Lease	-	-	-	-	-	-	-	-	-	-	-	1.351	1.351
Street Sweeping	-	-	-	-	-	6.070	-	-	-	-	-	6.070	12.140
Vehicle Registration Fee	0.378	0.630	0.378	0.378	0.630	0.630	0.630	0.567	0.567	0.567	0.567	0.378	6.300
Potawatomi PILOT	-	-	-	-	-	-	-	5.500	-	-	-	-	5.500
Year End Transfers	34.218	-	-	-	-	-	-	-	-	-	-	-	34.218
Note Proceeds <sup>(1)</sup>	-	-	-	50.000	100.000	-	-	-	20.000	-	-	-	170.000
<b>TOTAL RECEIPTS</b>	<b>89.799</b>	<b>18.623</b>	<b>22.547</b>	<b>72.601</b>	<b>123.263</b>	<b>43.165</b>	<b>121.231</b>	<b>36.880</b>	<b>48.106</b>	<b>38.298</b>	<b>204.616</b>	<b>127.897</b>	<b>947.026</b>

Maximum deficit occurs in July and November.

<sup>(1)</sup> Includes the CFNs, and anticipated commercial paper for cash flow purposes.

**CITY OF MILWAUKEE**  
**GENERAL FUND - PROJECTED CASHFLOW SUMMARY (MILLIONS OF DOLLARS)**  
**(MILLIONS OF DOLLARS) (CONTINUED)**  
**JANUARY 1, 2012 TO DECEMBER 31, 2012**

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
<b>DISBURSEMENTS</b>													
Salaries & Benefits	39.205	42.281	51.381	38.019	37.720	38.222	38.530	51.528	38.728	39.121	38.718	39.896	493.349
Services & Supplies	13.171	12.650	8.873	12.053	9.219	11.470	9.272	15.689	7.659	10.499	8.749	6.980	126.284
Employer Pension Contribution	-	25.000	-	-	-	-	-	-	-	-	-	-	25.000
Purchase Tax Delinquents	-	36.439	-	-	-	-	-	-	-	-	-	-	36.439
Contractual Tax Payment	-	-	-	-	-	59.628	-	-	-	-	-	-	59.628
Year End Transfers	-	-	-	-	-	-	-	-	-	-	-	29.300	29.300
Note Principal Repayment <sup>(1)</sup>	-	-	-	-	-	-	50.000	-	-	-	20.000	100.000	170.000
<b>TOTAL DISBURSEMENTS</b>	<b>52.376</b>	<b>116.370</b>	<b>60.254</b>	<b>50.072</b>	<b>46.939</b>	<b>109.320</b>	<b>97.802</b>	<b>67.217</b>	<b>46.387</b>	<b>49.620</b>	<b>67.467</b>	<b>176.176</b>	<b>940.000</b>
<b>BALANCE</b>	<b>118.797</b>	<b>21.050</b>	<b>(16.657)</b>	<b>5.872</b>	<b>82.196</b>	<b>16.041</b>	<b>39.470</b>	<b>9.133</b>	<b>10.852</b>	<b>(0.470)</b>	<b>136.679</b>	<b>88.400</b>	

<sup>(1)</sup> Includes the CFNs, and anticipated commercial paper for cash flow purposes.

**CITY OF MILWAUKEE  
GENERAL FUND  
PROJECTED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(MILLIONS OF DOLLARS)**

	Beginning Cash Balance (Deficit)	Receipts	Disbursements	Ending Cash Balance (Deficit)		Ending Cash Balance Excluding RAN and CP
January	\$81.374	\$89.799	\$52.376	\$118.797		\$118.797
February	118.797	18.623	116.370	21.050		\$21.050
March	21.050	22.547	60.254	(16.657)		(\$16.657)
April	(16.657)	72.601	50.072	5.872	(1)	(\$44.128)
May	5.872	123.263	46.939	82.196	(1)	(\$67.804)
June	82.196	43.165	109.320	16.041		(\$133.959)
July	16.041	121.231	97.802	39.470	(2)	(\$60.530)
August	39.470	36.880	67.217	9.133		(\$90.867)
September	9.133	48.106	46.387	10.852	(1)	(\$109.148)
October	10.852	38.298	49.620	(0.470)		(\$120.470)
November	(0.470)	204.616	67.467	136.679	(2)	\$36.679
December	136.679	127.897	176.176	88.400	(2)	\$88.400
		<u>\$947.026</u>	<u>\$940.000</u>			

(1) Balance includes RAN and CP principal receipts.

(2) Balance includes RAN and CP principal repayments.



**CITY OF MILWAUKEE  
GENERAL FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(MILLIONS OF DOLLARS)**

	Beginning Cash Balance <u>(Deficit)</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash Balance <u>(Deficit)</u>
January	\$56.982	\$102.292	\$54.588	\$104.686
February	104.686	17.354	94.906	27.134
March	27.134	40.496	64.999	2.631
April	2.631	25.228	51.376	(23.517)
May	(23.517)	68.323 <sup>(1)</sup>	48.413	(3.607)
June	(3.607)	142.293 <sup>(1)</sup>	157.288 <sup>(2)</sup>	(18.602)
July	(18.602)	123.021	49.036	55.383
August	55.383	36.321	58.615	33.089
September	33.089	28.648	58.766	2.971
October	2.971	38.956	67.931	(26.004)
November	(26.004)	212.644	50.829	135.811
December <sup>(3)</sup>	135.811	<u>130.275</u>	<u>184.712</u> <sup>(2)</sup>	81.374
		<u>\$965.851</u>	<u>\$941.459</u>	

Notes:

<sup>(1)</sup> \$46 million of CP were issued in May, and \$100 million of RANs were issued in June

<sup>(2)</sup> \$46 million of CP were repaid in June, and \$100 million of RANs were repaid in December

<sup>(3)</sup> Estimated.

**CITY OF MILWAUKEE  
SCHEDULE OF CASH AND INVESTMENT  
BALANCES - ALL FUNDS  
2011  
(MILLIONS OF DOLLARS)**

	General Fund <sup>(1)</sup>	Other Governmental Funds	Enterprise Funds	Trust and Agency Funds <sup>(2)</sup>	Total
January	\$104.686	\$261.005	\$40.899	\$145.688	\$552.278
February	27.134	192.825	41.305	106.365	367.629
March	2.631	173.592	41.746	203.221	421.190
April	(23.517)	170.602	42.270	95.520	284.875
May	(3.607)	162.758	42.606	10.568	212.325
June	(18.602)	227.212	43.105	95.736	347.451
July	55.383	224.261	43.493	58.282	381.419
August	33.089	218.555	43.910	40.074	335.628
September	2.971	209.228	44.372	46.374	302.945
October	(26.004)	257.359	44.866	47.378	323.599
November	135.811	235.933	45.315	137.465	554.524
December (estimate)	81.374	215.476	46.201	425.808	768.859

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

<sup>(2)</sup> Agency Funds includes Milwaukee Public Schools.

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

**CITY OF MILWAUKEE**  
**PROJECTED SCHEDULE OF CASH AND INVESTMENT**  
**BALANCES - ALL FUNDS**  
**2012**  
**(MILLIONS OF DOLLARS)**

	General Fund <sup>(1)</sup>	Other Governmental Funds	Enterprise Funds	Trust and Agency Funds <sup>(2)</sup>	Total
January	\$118.797	\$220.975	\$43.080	\$148.072	\$530.924
February	21.050	207.381	53.858	99.887	382.176
March	(16.657)	200.944	54.183	189.090	427.560
April	5.872	211.513	55.729	87.572	360.686
May	82.196	194.319	55.415	8.381	340.311
June	16.041	196.103	66.941	89.786	368.871
July	39.470	197.283	73.891	55.994	366.638
August	9.133	181.864	73.549	37.707	302.253
September	10.852	150.006	71.826	43.631	276.315
October	(0.470)	176.555	65.039	44.578	285.702
November	136.679	169.426	55.195	129.630	490.930
December	88.400	182.420	50.034	414.060	734.914

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

<sup>(2)</sup> Agency Funds includes Milwaukee Public Schools.

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

**CITY OF MILWAUKEE  
ASSESSED AND EQUALIZED VALUATIONS**

	Year 2007 For 2008 Purposes	Year 2008 For 2009 Purposes	Year 2009 For 2010 Purposes	Year 2010 For 2011 Purposes	Year 2011 For 2012 Purposes
Real Property					
Residential	\$18,753,914,925	\$19,173,232,823	\$17,743,825,065	\$17,156,626,561	\$17,069,535,250
Industrial (Manufacturing)	726,692,200	772,959,900	732,007,800	732,279,700	746,955,100
Mercantile (Commercial)	8,950,205,395	9,483,547,328	9,485,580,238	9,202,213,459	9,191,348,932
Total Real Property	<u>\$28,430,812,520</u>	<u>\$29,429,740,051</u>	<u>\$27,961,413,103</u>	<u>\$27,091,119,720</u>	<u>\$27,007,839,282</u>
Personal Property	943,560,442	1,001,936,153	983,160,269	957,344,628	909,803,701
Total Assessed Valuations	<u><u>\$29,374,372,962</u></u>	<u><u>\$30,431,676,204</u></u>	<u><u>\$28,944,573,372</u></u>	<u><u>\$28,048,464,348</u></u>	<u><u>\$27,917,642,983</u></u>
Equalized Valuation as determined by the State Department of Taxation is the basis used in computing the 7% statutory debt limitation of the City of Milwaukee	\$31,887,192,100	\$32,257,525,000	\$31,266,329,200	\$29,520,783,200	\$27,954,669,900
Ratio of Assessed to Equalized Valuation	92.12%	94.34%	92.57%	95.01%	99.87%

**CITY OF MILWAUKEE**  
**ASSESSED TAX RATES**  
(Per \$1,000 of Assessed Valuation)

	2008	2009	2010	2011	2012
Unit of Government					
City Government	\$8.01	\$8.09	\$9.12	\$9.25	\$9.25
Milwaukee Public Schools	8.84	9.82	10.85	11.11	11.11
Milwaukee County	4.41	4.38	4.87	4.89	4.89
Milwaukee Area Technical College	1.92	1.94	2.02	1.95	1.95
Milwaukee Metropolitan Sewerage District	1.39	1.37	1.52	1.51	1.51
Gross Tax Rate Per \$1,000	\$24.57	\$25.60	\$28.38	\$28.71	\$28.71
Less: State Tax Credit	(\$1.43)	(\$1.57)	(\$1.81)	(\$1.81)	(\$1.81)
Net Tax Rate	\$23.14	\$24.03	\$26.57	\$26.90	\$26.90

**CITY OF MILWAUKEE**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
(\$ Amounts in Thousands)

Budget Year	Taxes Levied for the Fiscal Year			Cumulative Collected in Subsequent Years	
	Levy	Collections	% of Levy	Amount	% Collected
2006	\$261,685	\$255,823	97.76%	\$5,566	99.89%
2007	265,319	257,350	97.00	7,433	99.80
2008	286,180	277,119	96.83	7,830	99.57
2009	276,186	265,691	96.20	5,300	98.12
2010	291,943	281,099	96.29	0	96.29

## **COLLECTION PROCEDURES**

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

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

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

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

The rate of current tax collections continues at an historically high level. Current collections for 2010 were approximately 96.3% percent of the total tax levied.

## **INSURANCE**

The City has property insurance with the State of Wisconsin Local Government Property Insurance Fund. This insurance is subject to a \$25,000 deductible. The City is uninsured for liability. Under Wisconsin law, the City's exposure in tort liability is limited to \$50,000 in non-automobile cases and \$250,000 in automobile cases. The City maintains a wharfinger's liability policy on its port with coverage up to \$10 million and a deductible of \$500,000. The City follows a policy of requiring contract service providers to provide the City with indemnification and insurance as may be deemed appropriate by the City.

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## PENSION SYSTEM SUMMARY

### EMPLOYEES' RETIREMENT SYSTEM

The Employees' Retirement System (ERS) of the City is established pursuant to Section 36 of the Milwaukee City Charter. Membership in the ERS includes some classes of part-time employees, all full-time employees, and elected officials.

#### ERS Membership

As of December 31, 2010

<u>Class</u>	<u>Vested</u>	<u>Non-Vested</u>	<u>Inactive</u>	<u>Retired</u>
General & Elected	6,807	1,572		8,160
Police	1,711	275		2,182
Firefighters	793	89		1,200
Certain pre-1996				<u>26</u>
Total	<u>9,311</u>	<u>1,936</u>	<u>4,158</u>	<u>11,568</u>

Source: Table 5 of the Actuarial Valuation Report as of January 1, 2011.

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

#### Basic Benefit Accrual Rates and Member Contributions

<u>Class</u>	<u>Retirement Allowance</u>	<u>Maximum Allowance</u>	<u>Member * Contribution</u>
General, and Mayor	2.0%	70%	5.5%
Elected Officials, excluding the Mayor	2.5%	None	7.0%
Police	2.5%	90%	7.0%
Firefighters	2.5%	90%	7.0%

\* For employees hired prior to January 1, 2010, in addition to paying the actuarially-required employer contribution, the City makes the Member contribution on behalf of the employee. 2011 Wisconsin Act 10 provides that all state and local public employees make an employee contribution, except as otherwise provided under collective bargaining agreements. The City Attorney and independent outside counsel have advised the City that the City's Home Rule status, a 2000 Global Pension Settlement, and prior state statutes, create contractual pension rights for City employees which supersede the employee contribution requirement of 2011 Wisconsin Act 10. As a result, the City has continued to make the Member contribution on behalf of City employees hired prior to 2010.

#### Schedule of Funding Progress

(\$ amounts in thousands)

Valuation As of <u>Dec 31</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued Liability <u>(AAL)</u>	Unfunded AAL <u>(UAAL)</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
2010	\$4,641,425	\$4,447,548	\$ -	104.4%	\$538,218	0.0%
2009	4,814,402	4,269,324	-	112.8	553,846	0.0
2008	4,076,297	4,113,089	36,792	99.1	536,558	6.9
2007	5,192,000	3,958,061	-	131.2	532,412	0.0
2006	4,899,721	3,846,481	-	127.4	528,854	0.0

**Schedule of Employer Contributions**  
(\$ amounts in thousands)

Year Ended <u>Dec 31</u>	Annual Actuarially <u>Required Contribution</u>	Percentage <u>Contributed</u>
2010	\$1,450	0%
2009	60,098	100%
2008	-	n/a
2007	-	n/a
2006	-	n/a

Source: Tables 11a and 11b of the Actuarial Valuation Report as of January 1, 2011.

Actuarial Assumptions and Methods include:

- Actuarial Cost Method: Projected Unit Credit
- Amortization Method: Closed; Level Percent of Pay; Pay assumed to grow 3% per year
- Remaining Amortization Period: 23 years
- Asset Valuation Method: 5-year smoothed market, 20% corridor
- Investment Rate of Return: 8.5% average
- Projected Salary Increases: General: 3.5-8.5%; Police and Fire: 4.0-15.4%
- Inflation Assumption: 3.0%
- Cost of Living Adjustments: Varies by Employee Class

For more information about the ERS, details on plan benefits, and for copies of their financial and actuarial reports, see <http://www.cmers.com>

**FIREMEN’S ANNUITY AND BENEFIT FUND**

The Firemen’s Annuity and Benefit Fund was established in 1923 pursuant to Chapter 423 of the 1923 Laws of Wisconsin. In 1947, the Firemen’s Annuity and Benefit Fund was closed to new entrants. The final pre-1947 member retired in 1989. There are approximately 60 members or their spouses currently receiving benefits under the Fund program.

The Principal Mutual Life Insurance Company made a proposal to provide annuities guaranteeing benefit payments to members and spouses, exclusive of duty disability benefits, beginning in February 1990 in consideration of a single premium payment on January 31, 1990 in the amount of \$20,419,207. The Retirement Board of the Firemen’s Annuity and Benefit Fund and the Common Council authorized acceptance of the proposal and payment of the required premium on December 19, 1989. The Retirement Board ceased its activities and the Firemen’s Annuity and Benefits Fund was dissolved. The City will be liable to pay retirement benefits if the insurance company defaults on its obligations under the annuity policy. The estimated value of those benefits is under \$3,000,000.

**POLICEMEN’S ANNUITY AND BENEFIT FUND**

Membership in the Policemen’s Annuity and Benefit Fund consists of all Police Department employees whose service commenced prior to July 29, 1947. As of December 31, 2010, there were 25 members and 56 spouses receiving benefits under the fund program.

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



### Schedule of Funding and Contributions

<u>Dec 31</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued <u>Liability</u>	Unfunded AAL <u>(UAAL)</u>	Funded <u>Ratio</u>	Annual Required <u>Contribution</u>	Percent <u>Contributed</u>
2010	\$1,584,173	\$2,945,917	\$1,361,744	53.8%	\$268,667	100%
2009	1,935,745	3,686,621	1,750,876	52.5	329,672	100
2008	2,147,172	4,295,606	2,148,434	50.0	41,423	100
2007	4,779,417	5,049,363	269,946	94.7	56,972	100
2006	5,585,697	5,956,676	371,279	93.8	307,582	100

Source: Table 2 of the Actuarial Valuation Report as of January 1, 2011, and as of January 1, 2010.

### OTHER POST-EMPLOYMENT BENEFITS

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

Until age 65, for retirees with at least 15 years of creditable service, the majority of the cost of the health benefit plan is paid by the City. After attaining the age of 65, and having completed a minimum of 15 years of creditable service, the City pays 25% of the applicable HMO premium, or 25% of the base rate (0% of the major medical rate) of the City's Basic Plan.

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

The required contribution for medical and life insurance for retirees is based upon pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2010, the City paid approximately \$32.9 million and \$1.2 million, respectively, towards medical and life insurance for retirees.

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

### Funding Status and Funding Progress

Annual Required Contribution (ARC)	\$80,498,000
Interest on Net OPEB	5,373,000
Adjustment to ARC	<u>(4,560,000)</u>
Annual OPEB Cost	81,311,000
Contributions Made	<u>34,025,000</u>
Increase in net OPEB Obligation	47,286,000
Net OPEB Obligation – beginning of year	<u>127,074,000</u>
Net OPEB Obligation – end of year	<u>\$174,360,000</u>

Source: City's 2010 CAFR

### Annual Cost and Net OPEB Liability

Year Ended <u>Dec 31</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2010	\$81,311,000	45.0%	\$174,360,000
2009	77,389,000	37.1	127,074,000
2008	73,100,000	45.0	78,400,000
2007	67,600,000	43.5	38,200,000

Source: City's 2010 and 2009 CAFRs

### Schedule of Funding Progress

(\$ amounts in thousands)

Valuation As of <u>Dec 31</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued Liability <u>(AAL)</u>	Unfunded AAL <u>(UAAL)</u>	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a Percentage of Covered <u>Payroll</u>
2009	\$ 0	\$1,007,573	\$1,007,573	0.0%	\$413,648	244%
2008	0	959,562	959,562	0.0	419,811	229
July 2008	0	880,700	880,700	0.0	425,400	207
2006	0	806,300	806,300	0.0	412,700	195

Source: City's 2010, 2009, 2008, and 2007 CAFRs

Actuarial Assumptions and Methods include:

The retiree healthcare valuation was based on the projected unit credit (PUC) cost method. The PUC method produces an explicit normal cost and actuarial accrued liability. The normal cost and actuarial accrued liability are directly proportional to the employee's service. That is, the normal cost equals the present value of future benefits divided by projected service at retirement, and the actuarial accrued liability equals the present value of benefits multiplied by the ratio of service at valuation date to projected service at retirement. Depending on the demographic characteristics of the current group and new entrants in the future, this method could produce stable annual costs, in the aggregate, when expressed as a percentage of pay.

The OPEB valuation uses a discount rate assumption of 4.5% based on the City's projected short-term investment rate of return. The healthcare cost trends rate is 9% initially, and reduced by decrements to the ultimate rate of 4.5% after 10 years. The actuarial assumption for wage inflation is 3.5%. The amortization of the unfunded actuarial accrued liability is based on a level percentage of pay over a 30-year open amortization period.

## LEGAL MATTERS

### LITIGATION STATEMENT

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

The City Attorney's office has reviewed the status of pending or threatened litigation, claims and assessments to which the office has devoted substantive attention in the form of legal consultation or representation and which individually represent maximum potential loss exposure in excess of \$1 million, existing on March 26, 2012.

***Amoco Oil, et al. v. City of Milwaukee.*** Amoco, BP, Marathon, and US Oil are contesting the property tax assessments of their contiguous oil terminals. They allege that the City's inclusion of the value of certain through-put contracts is contrary to law and that a tax refund is warranted. The City asserts that the inclusion of the value of these contracts in the assessments is consistent with the law because they run with the property. Following the June 2011 lifting of the stay imposed during the pendency of *Metropolitan Associates v. City of Milwaukee*, (plaintiff successfully challenged the validity of 2008 amendments to § 74.37 of the Wisconsin Statutes that would have been favorable to the City in future tax cases), four separate cases have been consolidated in Judge Moroney's court for trial on December 12, 2012. In addition, following the lifting of the stay, each of the terminals was permitted to add tax years 2009 and 2010 to the original claim for tax year 2008. Approximately \$3.9 million of property taxes are being disputed.

***Section 74.37 Litigation.*** Several plaintiffs have brought a series of approximately a dozen similar lawsuits against the City for the refund of allegedly excessive property taxes on various commercial properties such as apartment buildings and pharmacies. The first of these lawsuits was brought in 2009 for the 2008 tax year. All of these cases were stayed by the Chief Judge for Milwaukee County Circuit Court pending the Wisconsin Supreme Court's resolution of the case of *Metropolitan Associates v. City of Milwaukee*. With the resolution of that case, the stay was lifted in June of 2011. The 2009 and 2010 tax years have now been added to most of these cases. Circuit Court branches have begun to issue scheduling orders that will result in these cases progressing to adjudication beginning about the middle of 2012. In addition, a dozen new lawsuits were filed in the second half of 2011 for tax year 2010. These cases are also moving toward adjudication in 2012 and 2013. Appeals by the losing party are likely in many of these cases. The city estimates that up to \$7.3 million of property taxes are being disputed.

***William Avery, et al. v. City of Milwaukee, et al.*** In this 2011 civil rights action, the plaintiffs claim that William Avery was wrongly convicted in 2005 of the 1998 murder of a woman. Avery spent six years in prison until DNA testing in 2010 linked the murder victim to another individual who has been convicted of murdering a number of other women. Avery claims that Milwaukee police officers unconstitutionally withheld exculpatory evidence and coerced false statements from witnesses. Avery also claims that supervisors in the police department permitted such alleged misconduct to occur as a matter of practice. The parties are in the early stages of discovery in the matter. The defendants plan to file a dispositive motion asking the court to dismiss the action.

***Chaunte Ott v. City of Milwaukee, et al.*** In this 2009 civil rights action, Ott claims that he was wrongly convicted in 1996 of the 1995 murder of a girl. Ott spent 13 years in prison until recent DNA testing linked the murder victim to another individual. Ott claims that Milwaukee police officers unconstitutionally withheld exculpatory evidence and coerced false statements from witnesses. Ott also claims that supervisory individuals in the department permitted such alleged misconduct to occur as a matter of practice. The matter is still in the discovery stage. Defendants plan to file a dispositive motion asking the court to dismiss the case.

### LEGAL OPINIONS

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

## RATINGS

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

Moody's Investors Service, Inc. has assigned a rating of "\_\_\_\_" on the CFNs and "\_\_\_\_" on the N2 Notes, B3 Bonds, T4 Notes and T5 Bonds. Standard & Poor's Ratings Group has assigned a rating of "\_\_\_\_" on the CFNs and "\_\_\_\_" on the N2 Notes, B3 Bonds, T4 Notes and T5 Bonds.

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

## TAX MATTERS

### TAX-EXEMPT OBLIGATIONS

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

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

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

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

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

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

Owners who purchase Tax-Exempt Obligations at a price other than the Offering Price after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the Tax-Exempt Obligations. In addition, owners of Tax-Exempt Obligations should consult their tax advisors with respect to the state and local tax consequences of owning the Tax-Exempt Obligations; under the applicable provisions

of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for federal income tax purposes.

### **Exclusion from Gross Income: Requirements**

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

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

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

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

### **Covenants to Comply**

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

### **Risks of Non-Compliance**

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

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

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

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

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

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

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

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

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

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

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

## **TAXABLE OBLIGATIONS**

Interest on the Taxable Obligations will be **included** in gross income for federal income tax purposes.

## **STATE TAX MATTERS**

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

## **NO DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS**

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

## **CONTINUING DISCLOSURE**

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

Continuing disclosure undertakings entered into prior to August of 2003 required that the City provide Annual Financial Information (AFI) within six months of the end of each fiscal year. Each of the City’s continuing disclosure undertakings since August of 2003 have required filing AFI within nine months of the end of the fiscal year. While the City has consistently filed AFI within nine months, it has not proven feasible to do so within six months. In each of the last five years, AFI was not available within the six-month requirement and the city filed notices to that effect as required under the pre-August 2003 continuing disclosure undertakings. In the future, the City anticipates continuing to file AFI subsequent to the

six month deadline. and expects to file required notices of failure to file AFI before June 30 of each year. The City has complied in all material respects with all continuing disclosure undertakings entered into since August of 2003.

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

## **FINANCIAL ADVISOR**

Robert W. Baird & Co. has been retained as Financial Advisor to the City in connection with the issuance of the Offered Obligations.

## **UNDERWRITING**

The Offered Obligations will be purchased at competitive bidding conducted on April 18, 2012.

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

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

The award of the T4 Notes and T5 Bonds was made to \_\_\_\_\_, its co-managers and associates.

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

## **CLOSING DOCUMENTS AND CERTIFICATES**

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

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

## **REPRESENTATIONS OF THE CITY**

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

## **ADDITIONAL INFORMATION**

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

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

/s/

---

Martin Matson  
City Comptroller and Secretary  
City of Milwaukee, Wisconsin



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**{PLACEHOLDER}**

**APPENDIX A**

**Audited Annual Financial Report of  
the City of Milwaukee, Wisconsin  
for the Year Ended December 31, 2010**

**Selected Sections**

The complete Comprehensive Annual Financial Report  
can be downloaded at the City Comptroller's web page at:

[www.milwaukee.gov](http://www.milwaukee.gov)

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**APPENDIX B**

**Draft Form of Legal Opinions**

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**APPENDIX C**

**Form of Continuing Disclosure Certificate**

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## MASTER CONTINUING DISCLOSURE CERTIFICATE

This Master Continuing Disclosure Certificate (the "Certificate") dated as of 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 or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligor.

- (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 1<sup>st</sup> day of December, 2010.

CITY OF MILWAUKEE, WISCONSIN

By: \_\_\_\_\_  
Comptroller

**ADDENDUM DESCRIBING ANNUAL REPORT  
FOR GENERAL OBLIGATION DEBT**

This Addendum Describing Annual Report for General Obligation Debt (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 general obligation debt of the Issuer. 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:

Audited Financial Statements, if available, or Unaudited Financial Statements of the Issuer.

IN WITNESS WHEREOF, this Addendum is executed this 1<sup>st</sup> day of December, 2010.

CITY OF MILWAUKEE, WISCONSIN

By: \_\_\_\_\_  
Comptroller

WMM:RL

## 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:

\$100,000,000 General Obligation Cash Flow Promissory Notes, Series 2012 R1  
\_\_\_\_\_,000 General Obligation Promissory Notes, Series 2012 N2  
8,455,000 General Obligation Corporate Purpose Bonds, Series 2012 B3  
6,085,000 Taxable General Obligation Promissory Notes, Series 2012 T4  
3,540,000 Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5

Addendum Describing Annual Report:

ADDENDUM DESCRIBING ANNUAL REPORT  
FOR GENERAL OBLIGATION DEBT

Date of Issues:

May 3, 2012

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 3<sup>rd</sup> day of May, 2012.

CITY OF MILWAUKEE, WISCONSIN

By: \_\_\_\_\_  
Comptroller

MM:RL

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**APPENDIX D**

**BOOK-ENTRY-ONLY SYSTEM**

## BOOK-ENTRY-ONLY SYSTEM

*The information in this section concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Offered Obligations. The Offered Obligations 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 Offered Obligations, 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 a Standard & Poor's rating of 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Offered Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Obligations 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 Offered Obligations 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 Offered Obligations, except in the event that use of the book-entry system for the Offered Obligations is discontinued.

To facilitate subsequent transfers, all Offered Obligations 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 Offered Obligations with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 Offered Obligations 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 Offered Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Offered Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Offered Obligations 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 Issuer or Agent, 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 securities 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, Agent, or Issuer, 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 Issuer or Agent, 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.

A Beneficial Owner shall give notice to elect to have its Offered Obligations purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Offered Obligations by causing the Direct Participant to transfer the Participant's interest in the Offered Obligations, on DTC's records, to Agent. The requirement for physical delivery of Offered Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Offered Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Offered Obligations to Agent's DTC account.

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

The 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 or Bond 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 Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**NEITHER THE CITY, THE PAYING AGENT 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 OFFERED OBLIGATIONS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE OFFERED OBLIGATIONS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE OFFERED OBLIGATIONS; 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 OFFERED OBLIGATIONS.**

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**APPENDIX E**

**Official Notices of Sale and Bid Forms**

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

**FOR**

**\$100,000,000**

**CITY OF MILWAUKEE, WISCONSIN  
GENERAL OBLIGATION  
CASH FLOW PROMISSORY NOTES, SERIES 2012 R1**

**Sale Data:**

**SALE DATE AND TIME:**

Wednesday, April 18, 2012  
9:45 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**  
**\$100,000,000**  
**CITY OF MILWAUKEE, WISCONSIN**  
**GENERAL OBLIGATION**  
**CASH FLOW PROMISSORY NOTES, SERIES 2012 R1**

NOTICE IS HEREBY GIVEN that the City of Milwaukee, Wisconsin (the "City"), will receive sealed bids and electronic bids until 9:45 A.M., Central Time, on Wednesday, the

**18<sup>TH</sup> DAY OF APRIL 2012**

at the Office of the City Comptroller, in said City, for the purchase of One Hundred Million Dollars (\$100,000,000) General Obligation Cash Flow Promissory Notes, Series 2012 R1 (the "Notes"). Sealed bids should be delivered to Room 404, 200 E. Wells St., Milwaukee, Wisconsin. Electronic bids must be submitted via PARITY through their competitive bidding application BidComp. Sealed bids will be opened, and electronic bids will be retrieved, and publicly announced in 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 April 18, 2012. *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 Official Statement, including Appendices.*

**Details of the Notes**

The expected Date of Delivery is May 3, 2012 (the "Expected Date of Delivery"). The Notes will be dated as of the Expected Date of Delivery, will bear interest payable at maturity, and will mature on December 4, 2012. 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 \$10,000,000 principal amount of the Notes at a particular interest rate will be entertained, and all bids must be in multiples of \$10,000,000. **Coupons:** Bidders are required to name the interest rate or rates the Notes are to bear. Such rates shall be no greater than 4%, and be in multiples of one-eighth of one percent or one-twentieth of one percent. **Minimum Price:** No bid at less than par value plus accrued interest, if any, will be considered.

**Good Faith Deposit**

The winning bidder(s) must submit 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 (0.50%) 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 the 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. 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 winning bidder 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 will result in the winning bid being rejected, and the City will negotiate with the next highest bidder(s) for the completion of the transaction.
4. The winning 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 winning 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 winning bid due to failure to provide the Deposit by the Due Time, and regardless of whether the City is able to complete the transaction with another bidder. The winning 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 of a 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, and not all of the equal bids can be accepted, then the City shall determine by lot, which bid(s) to accept.

The winning bid or bids will be reported to PARITY, but the City assumes no responsibility or liability for 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 the PARITY, in accordance with the requirements prescribed by this Notice of Sale. For bidders submitting their electronic bid via PARITY, please refer to your agreement with PARITY regarding any requirements for participation. If more than one bid, either through the same method or through more than one method, including using more than one electronic 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, a Bidder agrees:**

1. The City may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Issue and interest rate or rates to be borne by the Issue and any other information included in such transmission) as though the same information were submitted on the 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 Bid Form, this Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the Bidder shall be bound by the terms of such contract.

2. To comply with the rules of the electronic bidding service. 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 Bid Form and this Notice of Sale, the terms set forth in the Bid Form and this Notice of Sale shall control.
3. That the Bidder is solely responsible for making necessary arrangements to access electronic bidding services. The City shall not have any duty or obligation to provide or assume such access. None of the electronic bidding services are an agent of the City. The City shall have no liability whatsoever based on the Bidders use of the electronic service including, but not limited to, any failure by the electronic service 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. 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 notice, 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 notice, the terms of this notice 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 May 3, 2012, 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 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 interest rate then outstanding as directed by the registered owners of the Notes.

### **Issue Price Certificate**

In order for the City to comply with certain conditions of the Internal Revenue Code relating to the exclusion of interest on the Notes from gross income for Federal tax purposes, the successful bidder will be required to complete, execute, and deliver to the City a certification regarding "Issue Price". Each bidder, by submitting its bids, agrees to complete, execute and deliver such certificate if its bid is accepted by the City. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel. We anticipate the Issue Price Certificate to be similar to the following:

We hereby certify that as of \_\_\_\_\_, 20\_\_, the date on which the Notes were sold by the Issuer (the "Sale Date"), all of the Notes were offered and the first 10 percent or more of the Notes were [actually][reasonably expected to be] sold to the General Public for money in a bona fide public offering at the initial offering prices shown on the attached schedule (the "Issue Price"), which does not exceed the fair market value of the Notes as of the Sale Date. On this basis, we have determined the Issue Price of the Notes to be \$\_\_\_\_\_.

For purposes of this certificate, "General Public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers.

It is understood by the undersigned that the certifications contained in this certificate will be relied upon by the Issuer and Bond Counsel in determining that the Notes are tax-exempt under Section 103 of the Internal Revenue Code of 1986.

### **Minority Participation**

The Commission has been disappointed with the degree of minority underwriter participation in the bidding for City Notes and Bonds. The Commission, under its stated policy, strongly desires that a minimum of 5% of the Notes are underwritten by firms which are certified by the State of Wisconsin as being minority-owned. The Commission urges prospective bidders to utilize the list of firms so certified by the State of Wisconsin that is available from the City Comptroller upon request, and to include such firms in their bidding group. The Commission further strongly desires certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority participation in bids is strongly encouraged by the Commission, but is not a requirement for submitting a bid.

### **Authorization, Security, and Conditions of Delivery**

The Notes have been approved by a resolution adopted by the Common Council of the City. The Notes will be direct general obligations of the City, payable from taxes levied on all taxable property within said City, subject to taxation by said City, without limitation as to rate or amount. The Notes are being issued pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the purpose of financing the operating budget of the City on an interim basis pending receipt of State shared revenue payments due in November, 2012. As additional security for repayment of the Notes and interest thereon, the City has pledged, and will irrevocably segregate upon receipt, State shared revenue payments due in November, 2012 in an amount sufficient with interest thereon to pay the principal and interest due on the Notes at maturity and the City has irrevocably pledged all other General Fund Revenues included in the budget for calendar year 2012 which are due the City and not yet paid as of the date of delivery of, and payment for, the Notes and which are not otherwise applied.

The Notes are being issued subject to the legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois and of Hurtado, S.C., 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 April 11, 2012 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). The successful bidder(s) will also be furnished with up to one hundred copies of the Final Official Statement (pro rata) issued in conjunction with this offering



within seven business days after the award of the Notes in accordance with SEC Rule 15c2-12(b)(3). 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 and 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 a central repository designated by the SEC.

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, including downgrade of the bond insurer prior to delivery.** Reprinting of the Final Official Statement due to bond insurance related issues that arise after the date of sale shall be at the sole expense of the bidder.

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

MICHAEL J. DAUN  
City Deputy 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

KENNETH C. KREI, Chairperson  
MARGARET J. HENNINGSEN, Member  
JENNIFER A. MISWALD, Member  
COMMISSIONERS OF THE PUBLIC DEBT

April 11, 2012

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

**\$100,000,000**  
**CITY OF MILWAUKEE, WISCONSIN**  
**GENERAL OBLIGATION CASH FLOW PROMISSORY NOTES, SERIES 2012 R1**

April 18, 2012

Commissioners of the Public Debt  
 200 E. Wells St., Room 404  
 Milwaukee, Wisconsin 53202

Commissioners:

We offer to purchase the General Obligation Cash Flow Promissory Notes, Series 2012 R1 (the “Notes”) of the City of Milwaukee, Wisconsin, in the principal amount(s) set forth below, as described in the Official Notice of Sale, dated April 11, 2012 of said Notes, which Notice 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, and we will pay you par value and accrued interest to the date of delivery (plus a premium, if any), as shown:

	<u>Principal Amount</u> <u>(\$10,000,000 minimum) <sup>(1)</sup></u>	<u>Interest</u> <u>Rate <sup>(2)</sup></u>	<u>Premium</u> <u>(if any)</u>
Bid A:	\$ _____	_____ %	\$ _____
Bid B:	\$ _____	_____ %	\$ _____
Bid C:	\$ _____	_____ %	\$ _____
Bid D:	\$ _____	_____ %	\$ _____
Bid E:	\$ _____	_____ %	\$ _____

(1) Each Bid shall be a minimum of \$10,000,000, and in multiples of \$10,000,000.

(2) Interest rate must be no greater than 4.00%, and in multiples of 1/8 or 1/20 of one percent.

This bid is made for prompt acceptance and subject to the conditions of the Official Notice of Sale. As required by said Notice, enclosed herewith is a certified check or a cashier’s check drawn on a state or national bank or trust company 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 said Notice. 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.

**If this bid is not accompanied by a Good Faith Deposit, we agree to the additional terms for Good Faith Deposit Submitted After Bids Are Due.**

By 3:00 p.m. Central Time on the day after receiving the award, we will provide to the City the following information for each member of the underwriting syndicate: Names, initial participation, and minority status. In addition, prior to closing, we agree to provide final participation for each member.

By: \_\_\_\_\_

Phone Number: \_\_\_\_\_

\_\_\_\_\_  
 Company Name

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

**RECEIPT**

Return of Good Faith Deposit is hereby acknowledged: \_\_\_\_\_

By: \_\_\_\_\_

In order to assist the Commission in minority underwriting participation, please list minority underwriting firms who have participated in your bidding group and their initial percentages:

\_\_\_\_\_  
\_\_\_\_\_

**Please attach a list of account members –**

If we receive the award of the Notes, we agree to provide the Commissioners of the Public Debt with a list of all firms that are participating with us in the underwriting of the Notes so awarded and the amount of each firm’s participation, specifying which are minority-owned and specifying the amount of the initial participation and the final participation of each firm. We further agree to supply to the City all necessary pricing information and any Participating Underwriter identification necessary to complete the Final Official Statement within 24 hours after the award of the Notes. Immediately upon receiving the Final Official Statement from you, we agree to file it with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

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

**FOR**

**\$135,345,000\***

**CITY OF MILWAUKEE, WISCONSIN  
GENERAL OBLIGATION NOTES AND BONDS**

**comprised of**

**\$126,890,000\***

**GENERAL OBLIGATION PROMISSORY NOTES  
SERIES 2012 N2**

**and**

**\$8,455,000**

**GENERAL OBLIGATION CORPORATE PURPOSE BONDS  
SERIES 2012 B3**

**Sale Data:**

**SALE DATE AND TIME:**

Wednesday, April 18, 2012  
10:30 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®

\* Subject to change in accordance with this Official Notice of Sale

**OFFICIAL NOTICE OF SALE**  
**CITY OF MILWAUKEE, WISCONSIN**

**\$126,890,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012 N2**  
**AND**  
**\$8,455,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012 B3**

NOTICE IS HEREBY GIVEN that the City of Milwaukee, Wisconsin (the “City”), will receive sealed bids and electronic bids until 10:30 A.M., Central Time, on Wednesday, the

**18<sup>th</sup> DAY OF APRIL, 2012**

at the Office of the City Comptroller, in said City, for the purchase of One Hundred Twenty Six Million Eight Hundred Ninety Thousand Dollars (\$126,890,000)\* General Obligation Promissory Notes, Series 2012 N2 (the “Notes”) and Eight Million Four Hundred Fifty Five Thousand Dollars (\$8,455,000) General Obligation Corporate Purpose Bonds, Series 2012 B3 (the “Bonds”, and collectively with the Notes, the “Obligations”). Electronic bids must be submitted via PARITY through their competitive bidding application BidComp. Sealed bids will be opened, and electronic bids will be retrieved, and publicly announced in 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 April 18, 2012. *Information regarding the Obligations 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 Official Statement, including Appendices.*

**Details of the Obligations**

The expected Date of Delivery is May 3, 2012 (the “Expected Date of Delivery”). The Obligations will be dated as of the Expected Date of Delivery, and will bear interest payable commencing on November 1, 2012 and semiannually thereafter on May 1 and November 1. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Notes mature on May 1, in each of the years and in the principal amounts as follows:

<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>	<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>
2013	\$23,175,000	2018	\$15,620,000
2014	16,280,000	2019	13,460,000
2015	11,855,000	2020	9,375,000
2016	12,860,000	2022	7,300,000
2017	12,765,000	2022	4,200,000

The Notes are not subject to redemption prior to maturity.

The Bonds mature on May 1, in each of the years and in the principal amounts as follows:

<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>	<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>
2023	\$1,670,000	2026	\$1,700,000
2024	1,680,000	2027	1,715,000
2025	1,690,000		

The Bonds are subject to redemption prior to their maturity at the option of the City on any date on or after May 1, 2022, at a price of par plus accrued interest to the date fixed for their redemption. If less than all outstanding Bonds are called for redemption, the Bonds shall be called in such order of maturity as shall be determined by the City. If less than all of the

\* Subject to Change in accordance with this Official Notice of Sale

Bonds of any maturity are called for redemption, the particular Bonds of such maturity to be redeemed shall be selected by lot. Notice of redemption shall be mailed, postage prepaid, to the owners of any Bonds to be redeemed in whose name such Bonds are registered as of a record date, which shall be 45 days prior to the redemption date.

### **Bid Parameters**

No bid for less than all of the Obligations will be considered. **Coupons:** Bidders are required to name the interest rate or rates the Obligations are to bear. The rates shall be less than, or equal to 5.00%; the rates for Bonds maturing in 2023 and thereafter, shall be equal to, or greater than the rate on the prior maturity, including the 2022 maturity of the Notes; and the rates shall be in multiples of one-eighth of one percent or one-twentieth of one percent. There shall be only one rate for Obligations maturing on the same date. **Minimum Price:** No bid at less than par value plus accrued interest, if any, will be considered.

### **Good Faith Deposit**

The winning bidder must submit 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 Million Dollars (\$1,000,000), payable to the City Treasurer of Milwaukee, Wisconsin, as a guarantee of good faith, to be forfeited to said City by the successful bidder as liquidated damages should such bidder fail to take up and pay for the Obligations when ready. The Deposit of the successful bidder will be retained by the City and deducted from the purchase price at the time of closing. No adjustment of the Deposit will be made as a result in the change in the final par amount of the Notes.

The good faith checks of the unsuccessful bidders will be returned promptly upon the official determination of the bid to be accepted. All bids shall remain firm until 6:00 P.M. Central Time, by which time the official award of the Obligations 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 after the time Bids are due, subject to the following conditions:

5. 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.
6. The winning bidder 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.
7. Failure to provide a Deposit by the Due Time will result in the winning bid being rejected, and the City will negotiate with the next highest bidder(s) for the completion of the transaction.
8. The winning 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 winning 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 winning bid due to failure to provide the Deposit by the Due Time, and regardless of whether the City is able to complete the transaction with another bidder. The winning bidder agrees to reimburse the City for costs to collect the liquidated damages, and to the jurisdiction of Wisconsin courts.

### **Award**

The Obligations will be awarded to the qualified bidder 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.

Prior to the award of the Notes, the aggregate principal amount of the Notes offered for sale may be revised upward in an amount not to exceed \$5,000,000 or downward in an amount not to exceed \$25,000,000. A SUCCESSFUL

BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE PRICE OR INTEREST RATE BID AT THE INITIAL OFFERING PRICE AS A RESULT OF ANY REVISION MADE TO THE PRINCIPAL AMOUNT OF THE NOTES. In the event of any such revision, no re-bidding or re-calculation of bids submitted will be required or permitted. Notes will be awarded up to the revised aggregate principal amount.

The City will contact the successful bidder shortly after opening of the bids. The successful bidder will then have 30 minutes to provide the City with the reoffering yield and prices of each maturity of the Notes. The City will calculate the underwriting discount, which shall be a fixed percentage of the par amount of each Offered Obligation. Based upon the information, and the cost of the escrow securities, the City will recalculate the par amount of each maturity of the Notes being offered, and the adjusted bid price. The City will inform the successful bidder as soon as possible of the anticipated adjusted amounts. The final adjusted amounts is subject to a CPA Verification Report for the refunding, which will be prior to the meeting of the Public Debt Commission to make the official award.

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

### **Submission of Bids**

Sealed proposals for the purchase of the Obligations must be made using the Official Bid Form or, if submitted electronically via the PARITY, in accordance with the requirements prescribed by this 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, including using more than one electronic method, shall be submitted by the same bidder for the Obligations, each such bid shall be considered a separate proposal for the purchase of the Obligations.

**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, a bidder agrees:**

4. The City may regard the electronic transmission of the bid via the electronic service (including information about the Purchase Price for the Obligations and interest rate or rates to be borne by the Obligations and any other information included in such transmission) as though the same information were submitted on the 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 Bid Form, this Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.
5. To comply with the rules of the electronic bidding service. 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 Bid Form and this Notice of Sale, the terms set forth in the Bid Form and this Notice of Sale shall control.
6. That the bidder is solely responsible for making necessary arrangements to access electronic bidding services. The City shall not have any duty or obligation to provide or assume such access. None of the electronic bidding services is an agent of the City. The City shall have no liability whatsoever based on the bidders use of the electronic service including, but not limited, to any failure by the electronic service 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 Obligations 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 Obligations 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. 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 notice, 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 notice, the terms of this notice 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 Obligations**

Payment for the Obligations shall be made in Federal Reserve Funds or other available funds immediately subject to use by the City. The Obligations will be delivered on or about May 3, 2012, or as soon thereafter as the Obligations may be ready for delivery, at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.

The Obligations, 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 Obligations. A certificate for each interest rate 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 Obligation purchased. The successful bidder shall be required to deposit the Obligations with DTC as a condition to delivery of the Obligations. The City will make payment of the principal and interest on the Obligations to DTC or its nominee as registered owner of the Obligations. 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 Obligations. 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 Obligations. 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 Obligations is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, Notes and Bonds in fully registered certificated notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Obligations of the same interest rate then outstanding as directed by the registered owners of the Obligations.

### **Issue Price Certificate**

In order for the City to comply with certain conditions of the Internal Revenue Code relating to the exclusion of interest on the Obligations from gross income for Federal tax purposes, the successful bidder will be required to complete, execute, and deliver to the City a certification regarding "Issue Price". Each bidder, by submitting its bids, agrees to complete, execute and deliver such certificate if its bid is accepted by the City. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel. We anticipate the Issue Price Certificate to be similar to the following:

We hereby certify that as of \_\_\_\_\_, 20\_\_, the date on which the Obligations were sold by the Issuer (the "Sale Date"), all of the Obligations were offered and the first 10 percent or more of the Obligations were [actually][reasonably expected to be] sold to the General Public for money in a bona fide public offering at the initial offering prices shown on the attached schedule (the "Issue Price"), which do not exceed the fair market value of the Obligations as of the Sale Date. On this basis, we have determined the Issue Price of the Obligations to be \$\_\_\_\_\_.

For purposes of this certificate, "General Public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers.



It is understood by the undersigned that the certifications contained in this certificate will be relied upon by the Issuer and Bond Counsel in determining that the Obligations are tax-exempt under Section 103 of the Internal Revenue Code of 1986.

### **Minority Participation**

The Commission has been disappointed with the degree of minority underwriter participation in the bidding for City debt. The Commission, under its stated policy, strongly desires that a minimum of 5% of City debt is underwritten by firms which are certified by the State of Wisconsin as being minority-owned. The Commission urges prospective bidders to utilize the list of firms so certified by the State of Wisconsin that is available from the City Comptroller upon request, and to include such firms in their bidding group. The Commission further strongly desires certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority participation in bids is strongly encouraged by the Commission, but is not a requirement for submitting a bid.

### **Authorization, Security, and Conditions of Delivery**

The Obligations have been approved by resolutions adopted by the Common Council of the City and are issued for the financing of various public improvement projects, fiscal requirements of the City, and refunding outstanding obligations of the City. The Obligations will be direct general obligations of the City, payable from taxes levied on all property within said City, subject to taxation by said City, without limitation as to rate or amount.

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

The successful bidder will be furnished with the usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Obligations. The Preliminary Official Statement is in a form which the City "deems final" as of April 11, 2012 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). The successful bidder will also be furnished with up to one hundred copies of the Final Official Statement issued in conjunction with this offering within seven business days after the award of the Obligations in accordance with SEC Rule 15c2-12(b)(3). It is anticipated that CUSIP identification numbers will be included on the Obligations, but neither the failure to include such numbers on any Obligation 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 Obligations in accordance with terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Obligation 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 Obligations 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 Obligations, to provide in a timely manner and notice of certain events with respect to the Obligations. Notice of the occurrence of certain events with respect to the Obligations will be provided to each nationally recognized municipal securities information repository, to the Municipal Securities Rulemaking Board and to the Wisconsin State Information Repository, if created.

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. The City will assist in the reoffering of the Obligations 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 does not have the option to refuse delivery of the Obligations due to bond insurance related issues, including downgrade of the bond insurer prior to delivery.** Reprinting of the Final Official Statement due to bond insurance related issues that arise after the date of sale shall be at the sole expense of the bidder.

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

MICHAEL J. DAUN  
City Deputy 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

KENNETH C. KREI, Chairperson  
MARGARET J. HENNINGSSEN, Member  
JENNIFER A. MISWALD, Member

COMMISSIONERS OF THE PUBLIC DEBT

April 11, 2012

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

**CITY OF MILWAUKEE, WISCONSIN**  
**\$126,890,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012 N2**  
**AND**  
**\$8,455,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012 B3**

April 11, 2012

Commissioners of the Public Debt  
 200 E. Wells St., Room 404  
 Milwaukee, Wisconsin 53202

Commissioners:

For all but no part of \$135,345,000\* notes and bonds, comprised of the \$126,890,000\* General Obligation Promissory Notes, Series 2012 N2 (the “Notes”) and the \$8,455,000 General Obligation Corporate Purpose Bonds, Series 2012 B3 (the “Bonds”), we offer to pay a price of \$ \_\_\_\_\_ (not less than \$135,345,000), plus accrued interest from May 3, 2012, the dated date, to the date of delivery. The Notes and Bonds shall bear interest as follows:

<u>Series 2012 N2 (Notes)</u>		<u>Series 2012 B3 (Bonds)</u>	
May 1, 2013	____.____% **	May 1, 2023	____.____% **+
May 1, 2014	____.____% **	May 1, 2024	____.____% **+
May 1, 2015	____.____% **	May 1, 2025	____.____% **+
May 1, 2016	____.____% **	May 1, 2026	____.____% **+
May 1, 2017	____.____% **	May 1, 2027	____.____% **+
May 1, 2018	____.____% **		
May 1, 2019	____.____% **		
May 1, 2020	____.____% **		
May 1, 2021	____.____% **		
May 1, 2022	____.____% **		

\*\* Rates must be less than, or equal to 5.00%, and in multiples of 1/8 or 1/20 of one percent.  
 + Rates must be equal to, or greater than, the rate on the prior maturity (including the Notes).

This bid is made for prompt acceptance and subject to the conditions of the Official Notice of Sale. As required by said Notice, enclosed herewith is a certified check or a cashier’s check drawn on a state or national bank or trust company in the amount of \$1,000,000 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 said Notice.

**If this bid is not accompanied by a Good Faith Deposit, we agree to the additional terms for Good Faith Deposit Submitted After Bids Are Due.**

By 3:00 p.m. Central Time on the day after receiving the award, we will provide to the City the following information for each member of the underwriting syndicate: Names, initial participation, and minority status. In addition, prior to closing, we agree to provide final participation for each member.

By: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_

\_\_\_\_\_  
 Company Name

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

\* Subject to change in accordance with the Official Notice of Sale

**RECEIPT**

Return of Good Faith Deposit is hereby acknowledged: \_\_\_\_\_

By: \_\_\_\_\_

In order to assist the Commission in minority underwriting participation, please list minority underwriting firms who have participated in your bidding group and their initial percentages:

\_\_\_\_\_  
\_\_\_\_\_

**Please attach a list of account members –**

If we receive the award, we agree to provide the Commissioners of the Public Debt with a list of all firms that are participating with us in the underwriting and the amount of each firm’s participation, specifying which are minority-owned and specifying the amount of the initial participation and the final participation of each firm. We further agree to supply to the City all necessary pricing information and any Participating Underwriter identification necessary to complete the Final Official Statement within 24 hours after the award. Immediately upon receiving the Final Official Statement from you, we agree to file it with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

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

**FOR**

**\$9,625,000**

**CITY OF MILWAUKEE, WISCONSIN  
TAXABLE GENERAL OBLIGATION NOTES AND BONDS**

**comprised of**

**\$6,085,000**

**TAXABLE GENERAL OBLIGATION PROMISSORY NOTES  
SERIES 2012 T4**

**and**

**\$3,540,000**

**TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS  
SERIES 2012 T5**

**Sale Data:**

**SALE DATE AND TIME:**

Wednesday, April 18, 2012  
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**  
**CITY OF MILWAUKEE, WISCONSIN**

**\$6,085,000 TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012 T4**  
**AND**  
**\$3,540,000 TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012 T5**

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

**18<sup>th</sup> DAY OF APRIL, 2012**

at the Office of the City Comptroller, in said City, for the purchase of Six Million Eight Five Thousand Dollars (\$6,085,000) Taxable General Obligation Promissory Notes, Series 2012 T4 (the “Notes”) and Three Million Five Hundred Forty Thousand Dollars (\$3,540,000) Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5 (the “Bonds”, and collectively with the Notes, the “Obligations”). Electronic bids must be submitted via PARITY through their competitive bidding application BidComp. Sealed bids will be opened, and electronic bids will be retrieved, and publicly announced in 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 April 18, 2012. *Information regarding the Obligations 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 Official Statement, including Appendices.*

**Details of the Obligations**

The expected Date of Delivery is May 3, 2012 (the “Expected Date of Delivery”). The Obligations will be dated as of the Expected Date of Delivery, and will bear interest payable commencing on November 1, 2012 and semiannually thereafter on May 1 and November 1. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Notes mature on May 1, in each of the years and in the principal amounts as follows:

<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>	<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>
2013	\$435,000	2018	\$675,000
2014	435,000	2019	685,000
2015	435,000	2020	700,000
2016	625,000	2022	710,000
2017	670,000	2022	715,000

The Notes are not subject to redemption prior to maturity.

The Bonds mature on May 1, in each of the years and in the principal amounts as follows:

<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>	<u>Maturing</u> <u>(May 1)</u>	<u>Amount</u>
2023	\$300,000	2028	\$380,000
2024	310,000	2029	400,000
2025	330,000	2030	350,000
2026	345,000	2031	370,000
2027	365,000	2032	390,000

The Bonds are subject to redemption prior to their maturity at the option of the City on any date on or after May 1, 2022, at a price of par plus accrued interest to the date fixed for their redemption. If less than all outstanding Bonds are called for redemption, the Bonds shall be called in such order of maturity as shall be determined by the City. If less than all of the

Bonds of any maturity are called for redemption, the particular Bonds of such maturity to be redeemed shall be selected by lot. Notice of redemption shall be mailed, postage prepaid, to the owners of any Bonds to be redeemed in whose name such Bonds are registered as of a record date, which shall be 45 days prior to the redemption date.

### **Bid Parameters**

No bid for less than all of the Obligations will be considered. **Coupons:** Bidders are required to name the interest rate or rates the Obligations are to bear. The rates shall be less than, or equal to 6.00%; the rates for Bonds maturing in 2023 and thereafter, shall be equal to, or greater than the rate on the prior maturity, including the 2022 maturity of the Notes; and the rates shall be in multiples of one-eighth of one percent or one-one hundredth of one percent. There shall be only one rate for Obligations maturing on the same date. **Minimum Price:** No bid at less than par value plus accrued interest, if any, will be considered.

### **Good Faith Deposit**

The winning bidder must submit 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 Hundred Thousand Dollars (\$100,000), payable to the City Treasurer of Milwaukee, Wisconsin, as a guarantee of good faith, to be forfeited to said City by the successful bidder as liquidated damages should such bidder fail to take up and pay for the Obligations when ready. The Deposit of the successful bidder 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 to be accepted. All bids shall remain firm until 6:00 P.M. Central Time, by which time the official award of the Obligations 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 after the time Bids are due, subject to the following conditions:

9. 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.
10. The winning bidder 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.
11. Failure to provide a Deposit by the Due Time will result in the winning bid being rejected, and the City will negotiate with the next highest bidder(s) for the completion of the transaction.
12. The winning 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 winning 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 winning bid due to failure to provide the Deposit by the Due Time, and regardless of whether the City is able to complete the transaction with another bidder. The winning bidder agrees to reimburse the City for costs to collect the liquidated damages, and to the jurisdiction of Wisconsin courts.

### **Award**

The Obligations will be awarded to the qualified bidder 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.

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

## Submission of Bids

Sealed proposals for the purchase of the Obligations must be made using the Official Bid Form or, if submitted electronically via the PARITY, in accordance with the requirements prescribed by this 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, including using more than one electronic method, shall be submitted by the same bidder for the Obligations, each such bid shall be considered a separate proposal for the purchase of the Obligations.

**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, a bidder agrees:**

7. The City may regard the electronic transmission of the bid via the electronic service (including information about the Purchase Price for the Obligations and interest rate or rates to be borne by the Obligations and any other information included in such transmission) as though the same information were submitted on the 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 Bid Form, this Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.
8. To comply with the rules of the electronic bidding service. 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 Bid Form and this Notice of Sale, the terms set forth in the Bid Form and this Notice of Sale shall control.
9. That the bidder is solely responsible for making necessary arrangements to access electronic bidding services. The City shall not have any duty or obligation to provide or assume such access. None of the electronic bidding services is an agent of the City. The City shall have no liability whatsoever based on the bidders use of the electronic service including, but not limited, to any failure by the electronic service 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 Obligations 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 Obligations 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. 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 notice, 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 notice, the terms of this notice 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.

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The Obligations, 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 Obligations. A certificate for each interest rate 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 Obligation purchased. The successful bidder shall be required to deposit the Obligations with DTC as a condition to delivery of the Obligations. The City will make payment of the principal and interest on the Obligations to DTC or its nominee as registered owner of the Obligations. 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 Obligations. 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 Obligations. 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 Obligations is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, Notes and Bonds in fully registered certificated notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Obligations of the same interest rate then outstanding as directed by the registered owners of the Obligations.

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The Commission has been disappointed with the degree of minority underwriter participation in the bidding for City debt. The Commission, under its stated policy, strongly desires that a minimum of 5% of City debt is underwritten by firms which are certified by the State of Wisconsin as being minority-owned. The Commission urges prospective bidders to utilize the list of firms so certified by the State of Wisconsin that is available from the City Comptroller upon request, and to include such firms in their bidding group. The Commission further strongly desires certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority participation in bids is strongly encouraged by the Commission, but is not a requirement for submitting a bid.

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The Obligations are being issued subject to the legal opinions of Hurtado, S.C., Wauwatosa, Wisconsin, Bond Counsel, which opinions, together with the completed Obligations, will be furnished to the successful bidder at the expense of the City. The form of such opinion appears as Appendix B in the Official Statement.

The successful bidder will be furnished with the usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Obligations. The Preliminary Official Statement is in a form which the City “deems final” as of April 11, 2012 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). The successful bidder will also be furnished with up to one hundred copies of the Final Official Statement issued in conjunction with this offering within seven business days after the award of the Obligations in accordance with SEC Rule 15c2-12(b)(3). It is anticipated that CUSIP identification numbers will be included on the Obligations, but neither the failure to include such numbers on any Obligation 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 Obligations in accordance with terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Obligation 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 Obligations 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 Obligations, to provide in a timely manner and notice of certain events with respect to the Obligations. Notice of the occurrence of certain events with respect to the Obligations will be provided to each nationally recognized municipal securities information repository, to the Municipal Securities Rulemaking Board and to the Wisconsin State Information Repository, if created.

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. The City will assist in the reoffering of the Obligations 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 does not have the option to refuse delivery of the Obligations due to bond insurance related issues, including downgrade of the bond insurer prior to delivery.** Reprinting of the Final Official Statement due to bond insurance related issues that arise after the date of sale shall be at the sole expense of the bidder.

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

MICHAEL J. DAUN  
City Deputy 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

KENNETH C. KREI, Chairperson  
MARGARET J. HENNINGSSEN, Member  
JENNIFER A. MISWALD, Member

COMMISSIONERS OF THE PUBLIC DEBT

April 11, 2012

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

**CITY OF MILWAUKEE, WISCONSIN**  
**\$6,085,000 TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2012 T4**  
**AND**

**\$3,540,000 TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2012 T5**

April 11, 2012

Commissioners of the Public Debt  
 200 E. Wells St., Room 404  
 Milwaukee, Wisconsin 53202

Commissioners:

For all but no part of \$9,625,000 notes and bonds, comprised of the \$6,085,000 Taxable General Obligation Promissory Notes, Series 2012 T4 (the “Notes”) and the \$3,540,000 Taxable General Obligation Corporate Purpose Bonds, Series 2012 T5 (the “Bonds”), we offer to pay a price of \$ \_\_\_\_\_ (not less than \$9,625,000), plus accrued interest from May 3, 2012, the dated date, to the date of delivery. The Notes and Bonds shall bear interest as follows:

<u>Series 2012 T4 (Notes)</u>		<u>Series 2012 T5 (Bonds)</u>	
May 1, 2013	____.____% **	May 1, 2023	____.____% **+
May 1, 2014	____.____% **	May 1, 2024	____.____% **+
May 1, 2015	____.____% **	May 1, 2025	____.____% **+
May 1, 2016	____.____% **	May 1, 2026	____.____% **+
May 1, 2017	____.____% **	May 1, 2027	____.____% **+
May 1, 2018	____.____% **	May 1, 2028	____.____% **+
May 1, 2019	____.____% **	May 1, 2029	____.____% **+
May 1, 2020	____.____% **	May 1, 2030	____.____% **+
May 1, 2021	____.____% **	May 1, 2031	____.____% **+
May 1, 2022	____.____% **	May 1, 2032	____.____% **+

\*\* Rates must be less than, or equal to 6.00%, and in multiples of 1/8 or 1/100 of one percent.  
 + Rates must be equal to, or greater than, the rate on the prior maturity (including the Notes).

This bid is made for prompt acceptance and subject to the conditions of the Official Notice of Sale. As required by said Notice, enclosed herewith is a certified check or a cashier’s check drawn on a state or national bank or trust company in the amount of \$100,000 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 said Notice.

**If this bid is not accompanied by a Good Faith Deposit, we agree to the additional terms for Good Faith Deposit Submitted After Bids Are Due.**

By 3:00 p.m. Central Time on the day after receiving the award, we will provide to the City the following information for each member of the underwriting syndicate: Names, initial participation, and minority status. In addition, prior to closing, we agree to provide final participation for each member.

By: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_

\_\_\_\_\_  
 Company Name

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

**RECEIPT**

Return of Good Faith Deposit is hereby acknowledged: \_\_\_\_\_

By: \_\_\_\_\_

In order to assist the Commission in minority underwriting participation, please list minority underwriting firms who have participated in your bidding group and their initial percentages:

\_\_\_\_\_  
\_\_\_\_\_

**Please attach a list of account members –**

If we receive the award, we agree to provide the Commissioners of the Public Debt with a list of all firms that are participating with us in the underwriting and the amount of each firm’s participation, specifying which are minority-owned and specifying the amount of the initial participation and the final participation of each firm. We further agree to supply to the City all necessary pricing information and any Participating Underwriter identification necessary to complete the Final Official Statement within 24 hours after the award. Immediately upon receiving the Final Official Statement from you, we agree to file it with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

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