

INTERGOVERNMENTAL COOPERATION AGREEMENT
BETWEEN
THE CITY OF MILWAUKEE
AND
MILWAUKEE BOARD OF SCHOOL DIRECTORS

This Agreement is made this ____ day of _____, 2007, by and between the City of Milwaukee (“City”) and the Milwaukee Board of School Directors (“Board”).

Whereas, the Board has requested that the City issue City of Milwaukee General Obligation Notes and Bonds under § 67.12, Stats., in an various amounts over time for capital improvement projects for Milwaukee Public Schools; and

Whereas, the Board desires that the City issue additional amounts over time for additional capital improvement projects for Milwaukee Public Schools; and

Whereas, the City is willing to enter into this Agreement to assist the Board in its efforts to undertake such additional capital improvements, provided the Board reimburse the City for its debt service on previously issued debt and future debt to be issued; and

Whereas, the City’s Common Council has approved entering into this Agreement through the adoption of File No. 070881, adopted on _____, 2007; and

Whereas, the Board has approved entering into this Agreement through its action on _____;

Now therefore, as and for the good and valuable consideration herein expressed, the parties promise and covenant as follows:

I. City Activities. The City shall sell general obligation notes and bonds under § 67.12, Stats., in an amount not to exceed \$6,000,000 in accordance with Common Council Resolution File Numbers 041194, 051146, and 061004 for ADA improvements, and in the

amount of \$2,000,000 if such amount is approved by the Common Council in the 2008 Budget of the City.

II. Board Activities. The Board shall expend the proceeds of the sale for ADA purposes, or such other purposes as may be agreed to by the City. The administrative officials and staff, including the Superintendent, of MPS shall take all necessary ministerial action to include in the proposed annual budget of MPS for each Fiscal Year during the term of this Agreement moneys sufficient to make and for the purpose of making reimbursement in full to the City in advance for the debt service in each calendar year following the sale of such notes and bonds and to pay over such sums sufficient no later than December 31st, of the year prior to the calendar year in which such debt service shall become due and payable, and to make available for such purposes such sums as are included in the budget. The City acknowledges that the Board is not obligated to make any appropriation for such payment. In the event that the proposed annual budget, or the adopted annual budget, does not provide for sufficient funds to reimburse the City in full, the Board shall notify the Comptroller of the City within 10 days of the submission of the proposed annual budget or of the adoption of the annual budget, describing therein the amount of any shortfall. The debt service amounts for reimbursable debt previously issued is shown in the attached Exhibit 1. At the time of issuance of additional debt, the President of the Board and the Superintendent shall acknowledge the issuance of debt in the form of Exhibit 2.

III. Refundings. The Board acknowledges that from time to time the City may refinance outstanding debt, and that such refinancing may include reimbursed debt. In order to expedite such refundings, which may be time sensitive, the Board hereby consents to refundings, and the application of this agreement to the refinancing debt, provided that a refunding does not

increase the total debt service to be reimbursed. At the time of issuance of additional refinancing debt, the President of the Board and the Superintendent shall acknowledge the issuance of refinancing debt in the form of Exhibit 2.

IV. Variable Rate Debt. The City may issue debt with a variable rate of interest. The total cost of the debt includes credit enhancement, remarketing, and annual rating fees. The Board agrees that the debt service to be reimbursed shall include an allocable portion of those fees. In providing for the interest on the debt, the City may be required to levy for interest at the maximum rate. In such event, any amounts not used for interest that year shall be (at the City's discretion): 1) Applied to debt service due in the subsequent year; or 2) Used to prepay principal; or 3) As may be agreed between the City and the Board.

V. Issuance Expenses. The Board shall reimburse the City for the allocable portion of issuance expenses on debt issued.

VI. Additional Obligations. The Board may, from time to time, request the City to issue additional reimbursable debt for various school purposes. The Board shall notify the City of a request for the issuance of additional reimbursable debt in the form of Exhibit 3. Unless the City and the Board agree otherwise, this Intergovernmental Agreement shall govern any such City issued additional reimbursable debt.

In Witness Whereof, the parties have had their presence duly executed in their respective names by their respective officers as of the day and year first written above.

CITY OF MILWAUKEE

Mayor

Approved as to
form, content, and execution
this ____ day of _____, 2007

City Clerk

COUNTERSIGNED:

City Attorney

W. Martin Morics, Comptroller

MILWAUKEE BOARD OF
SCHOOL DIRECTORS

President

Superintendent

Exhibit 1

Schedule of Outstanding Reimbursable Debt

Exhibit 2

Acknowledgement of Reimbursed School Debt issued by the City

Pursuant to an Intergovernmental Cooperation Agreement dated _____, 2007 (the “Agreement”) between the City and the Board (as defined in the Agreement), the Board acknowledges the issuance of General Obligation Notes and Bonds as described below (the “Debt”) for School Purposes, and that the Board shall reimburse the City for debt service on the Debt as provided for in the Agreement.

Name of Issue(s):

Date of Issue(s):

Amount(s) and purpose(s):

Estimated debt service requirements: See Attached

Dated this _____ of _____, 20__

MILWAUKEE BOARD OF
SCHOOL DIRECTORS

President

Superintendent

Exhibit 3

Request for Additional Reimbursed School Debt to be issued by the City

Pursuant to an Intergovernmental Cooperation Agreement dated _____, 2007 (the “Agreement”) between the City and the Board (as defined in the Agreement), the Board requests that the City issue additional reimbursable debt as detailed below, and to apply the Agreement to such debt.

Date(s) of Board Resolution(s) requesting the issuance of debt:

Amount(s):

Purpose(s):

Dated this _____ of _____, 20__

MILWAUKEE BOARD OF
SCHOOL DIRECTORS

President

Superintendent