

..Number

080960

..Version

Proposed Substitute A

..Reference

..Sponsor

The Chair

..Title

Substitute resolution authorizing the Commissioners of the Public Debt to market general obligation promissory notes pursuant to the provisions of Ch. 67, Stats.

..Analysis

This resolution authorizes the Commissioners of the Public Debt to issue and sell City of Milwaukee general obligation promissory notes in the amount of \$965,148,438

..Body

Whereas, General obligation bonds and notes have been authorized in the 2005, 2006, 2007, 2008, and 2009 municipal budgets; and

Whereas, the City has authorized up to \$125,000,000 of General Obligation Commercial Paper Promissory Notes, 2008 Program Series C2, Series R3 and Series T4 (Taxable) to be outstanding from time to time (the "Commercial Paper Notes"); and

Whereas, the City desires to provide permanent long-term financing of the Commercial Paper Notes; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee in accordance with sec. 67.12(12), Stats., that the Commissioners of the Public Debt are authorized and requested to issue and sell general obligation promissory notes up to the aggregate amount of \$965,148,438 for each of the public purposes and in the amounts shown on Exhibit A; and, be it

Further Resolved, That debt issued for purposes and amounts set forth in Exhibit A apart from this resolution shall not like wise be issued pursuant to this resolution; and, be it

Further Resolved, That the general obligation promissory notes herein authorized shall be sold by the Commissioners of the Public Debt at public or private sale, and/or directly to the Public Debt Amortization Fund, and at such times as the Commissioners shall determine to be prudent and appropriate; and, be it

Further Resolved, That the general obligation promissory notes herein authorized shall be issued on or before April 30, 2010; and, be it

Further Resolved, That the Commissioners of the Public Debt are authorized to prepare the forms and establish the procedures required in the issuance and sale of general obligation promissory notes herein authorized in accordance with the provisions of Ch. 67, Stats., and the provisions of the City of Milwaukee ordinances, such notes to be in a form approved by the City

Attorney and to be executed by those officers of the City whose signatures are required by law; and, be it

Further Resolved, That the general obligation promissory notes herein authorized shall be sold at a price of not less than par plus accrued interest thereon; and, be it

Further Resolved, That general obligation promissory notes sold on a tax-exempt basis shall be dated as of the expected date of delivery, or the first or fifteenth day of the month in which they are issued, bear interest, payable semi-annually or at maturity, at coupon rates as determined by the Commissioners of the Public Debt, not to exceed 9.5%; with an issue True Interest Cost Rate not to exceed 7.5%; that general obligation promissory notes sold on a taxable basis shall be dated as of the expected date of delivery, or the first or fifteenth day of the month in which they are issued, bear interest, payable semi-annually or at maturity, at coupon rates as determined by the Commissioners of the Public Debt, not to exceed 12%; with an issue True Interest Cost Rate not to exceed 10%; that the Commissioner of the Public Debt may establish call dates at par for any or all of the notes; that the Commissioners of the Public Debt shall specify the due dates for, and the amounts of, the payment of principal of said notes, not to exceed 10 years from the date of delivery, and interest thereon, and that such payment schedule shall be entered upon the permanent record of the Commissioners of the Public Debt and formally communicated to the City Clerk; and, be it

Further Resolved, That a direct annual irrevocable tax shall be levied in each year that such notes are outstanding, in an amount sufficient to pay and for the express purpose of paying the interest on said notes, as it falls due, and also to pay and discharge the principal thereof at maturity, and shall be extended upon the tax roll of the City of Milwaukee and shall be collected by the officers of the City in the same manner and at the same time as taxes for general City purposes for such years are extended and collected, and when so collected, the proceeds of said taxes shall be used solely for paying the principal and interest on such notes so long as any bonds of said issue remain outstanding; and, be it

Further Resolved, That interest on or principal of the notes falling due at any time when there shall be on hand insufficient funds from proceeds of the tax levy for the payment of such interest or principal shall be paid promptly when due from other funds of the City, which funds shall be reimbursed thereof out of the proceeds of the taxes above levied when such taxes shall have been collected; and, be it

Further Resolved, That the Continuing Disclosure Certificate, in substantially the form of the Supplemental Certificate authorized by File Number 031384 adopted on February 10, 2004, is authorized to be executed and delivered by the Comptroller for the notes; and, be it

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

resolution and the Continuing Disclosure Certificate may be enforced only as provided therein; and, be it

Further Resolved, That a global certificate shall be issued for each stated maturity date and registered only in the name of CEDE & Co. as nominee of The Depository Trust Company, New York, New York, for delivery and immobilization by the Depository Trust Company following the closing. The Depository Trust Company will act as securities depository of the notes. The City will make payment of principal, redemption premium if any, and interest on the notes on the due dates to the Depository Trust Company, or its nominee, as registered owner of the notes, in same-day funds. Notices, if any, given by the City to the registered owner of the notes will be given to the Depository Trust Company. In the event that the securities depository relationship with the Depository Trust Company for the notes is terminated and the City does not appoint a successor securities depository, the City will prepare, authenticate and deliver at its expense fully-registered certificated notes in the denominations of \$5,000 or in the integral multiple thereof in the aggregate principal amount by maturity then outstanding to the beneficial owners of the notes; provided however, that should any notes be owned by the Public Debt Amortization Fund, such note may be registered in the name of the Public Debt Amortization Fund and be in denominations of any amount; and, be it

Further Resolved, That with respect to the issuance of any general obligation corporate purpose notes sold on a tax-exempt basis, the City covenants with the holders from time to time of said notes that (i) throughout the term of said notes and (ii) through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") it will comply with the provisions of Sections 103 and 141 through 150 of the Code, and the applicable regulations of the Internal Revenue Service adopted thereunder, that must be satisfied in order that interest on said notes shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103; and, be it

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

..Requestor
Comptroller
..Drafter
Comptroller
RSL
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