

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2022

10/20/2022 Distribution #4; Foley & MWH
ISSUE- BOOK-ENTRY ONLY

RATINGS: Fitch __; S&P: __ - See "RATINGS" herein.



CITY OF MILWAUKEE, WISCONSIN
\$23,750,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022 N7
\$9,040,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022 B8

- Issuer** City of Milwaukee, Wisconsin (the "City"), is issuing the above-referenced notes and bonds (the "N7 Notes" and the "B8 Bonds", respectively, and, collectively, the "Obligations").
- [Prices and Yields** See inside front cover.]
- Interest Rates** See inside front cover.
- Dated.....** Date of delivery
- Interest Payment Dates ...** Each April 1 and October 1, commencing April 1, 2023.
- Principal Payment Dates.** See inside front cover (to be designated as maturity dates of serial bonds or sinking fund payment dates of term bonds by the bidder in its offer to purchase the Obligations pursuant to the terms hereof).
- Denomination.....** \$5,000 or multiples thereof.
- Purpose.....** The Obligations are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects and fiscal requirements of the City.
- Security.....** The Obligations are general obligations of the City, payable out of receipts from an irrevocable *ad valorem* tax levied on all taxable property within the City. See "SECURITY" herein.
- Issuance and Payment** The Obligations 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 ("DTC"), the securities depository for the Obligations.
- Redemption** The N7 Notes are not subject to redemption prior to maturity. The B8 Bonds are subject to (i) mandatory sinking fund redemption and (ii) optional redemption on any date on and after April 1, 2032*. See "THE OBLIGATIONS – Redemption Provisions" herein.
- Tax Status.....** In the opinion of Foley & Lardner LLP and MWH Law Group LLP, interest on the Obligations is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Obligations is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. See "TAX MATTERS" herein.
- Legal Opinions.....** The Obligations are being issued subject to the legal opinions of Foley Lardner LLP and MWH Law Group LLP, Co-Bond Counsel to the City.
- Competitive Bid** The Obligations are offered for sale by competitive bid in accordance with the Official Notice of Sale attached to this Preliminary Official Statement as Appendix E.
- Delivery Date.....** The City expects that the Obligations will be available for delivery to DTC on or about December 21, 2022.

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

*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.

For Further Information Contact:

Aycha Sawa, Comptroller and Secretary to Public Debt Commission
City Hall, Room 404, 200 East Wells Street - Milwaukee, WI 53202 - Phone (414) 286-3321
www.MilwaukeeBonds.com

**ELECTRONIC BIDS FOR THE N7 NOTES AND THE B8 BONDS WILL BE RECEIVED
ON WEDNESDAY, NOVEMBER 30, 2022 UNTIL 10:15 A.M. (CENTRAL TIME)**

MATURITY SCHEDULES

\$23,750,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022 N7

<u>Maturing (April 1)</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 602366</u>
2024	\$2,570,000			
2025	2,585,000			
2026	2,600,000			
2027	2,620,000			
2028	2,635,000			
2029	2,655,000			
2030	2,675,000			
2031	2,695,000			
2032	2,715,000			

\$9,040,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022 B8

<u>Maturing (April 1)</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾ Base 602366</u>
2033	\$1,860,000			
2034	1,850,000			
2035	1,870,000			
2036	1,895,000			
2037	1,565,000			

* Preliminary; subject to change.

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

THE OBLIGATIONS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS RECOMMENDATIONS THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE OBLIGATIONS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

**CAUTIONARY STATEMENTS REGARDING
FORWARD-LOOKING STATEMENTS IN
THIS OFFICIAL STATEMENT**

Certain statements incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

TABLE OF CONTENTS

	Page
CITY OF MILWAUKEE, WISCONSIN	1
SUMMARY OF THE OFFERING.....	2
INTRODUCTION	3
General	3
Authorization	3
Statutory Borrowing Limit.....	3
The City.....	3
Additional Financing Plans	4
THE OBLIGATIONS	4
General	4
Redemption Provisions*	4
Registration and Payment of Obligations.....	5
Ratings	5
Book-Entry-Only Form.....	5
SECURITY	5
Rights and Remedies of Bondholders	6
PLAN OF FINANCE.....	6
PRO FORMA FISCAL YEAR DEBT SERVICE REQUIREMENTS	6
TAX MATTERS.....	7
Federal Tax Status.....	7
State Tax Considerations.....	8
LITIGATION.....	9
CONTINUING DISCLOSURE.....	9
FINANCIAL ADVISOR	10
UNDERWRITING	10
CLOSING DOCUMENTS AND CERTIFICATES	10
ADDITIONAL INFORMATION.....	10
 APPENDICES	
[TO UPDATE BASED ON STRUCTURE]	
Appendix A – City of Milwaukee, Wisconsin.....	A-1
Appendix B – Expected Forms of Legal Opinions.....	B-1
Appendix C – Form of Continuing Disclosure Certificate	C-1
Appendix D – Book-Entry-Only System.....	D-1
Appendix E – Official Notice of Sale	E-1
Appendix F – Annual Comprehensive Financial Report of the City of Milwaukee, Wisconsin for the Year Ended December 31, 2021	F-1

CITY OF MILWAUKEE, WISCONSIN

MAYOR
CAVALIER JOHNSON

COMMON COUNCIL*
PRESIDENT - JOSE PEREZ

ALDERPERSONS*

ROBERT BAUMAN

NIKIYA DODD

MILELE A. COGGS

KHALIF J. RAINEY

JOCASTA ZAMARRIPA

MICHAEL J. MURPHY

MARK A. BORKOWSKI

JOSE G. PEREZ

SCOTT SPIKER

MARINA DIMITRIJEVIC

RUSSELL W. STAMPER, II

***There are currently four vacancies on the Common Council**

COMPTROLLER
AYCHA SAWA

CITY TREASURER
SPENCER COGGS

CITY ATTORNEY
TEARMAN SPENCER

CITY CLERK
JIM OWCZARSKI

PROFESSIONAL SERVICES

CO-BOND COUNSEL

Foley Lardner LLP
Milwaukee, Wisconsin

MWH Law Group LLP
Milwaukee, Wisconsin

FINANCIAL ADVISOR

PFM Financial Advisors LLC

SUMMARY OF THE OFFERING

Selected information is presented on this page for the convenience of the reader. To make an informed investment decision regarding the Obligations, a prospective investor should read the entire Official Statement, including the Appendices.

Issuer:	City of Milwaukee, Wisconsin (the “City”)
Issue:	\$23,750,000* General Obligation Promissory Notes, Series 2022 N7 (the “N7 Notes”) \$9,040,000* General Obligation Corporate Purpose Bonds, Series 2022 B8 (the “B8 Bonds” and, together with the N7 Notes, collectively, the “Obligations”)
Dated Date:	December 21, 2022.
Principal Due Dates:	April 1 of the years [2024 through 2032] for the N7 Notes*. April 1 of the years [2033 through 2037] for the B8 Bonds*.
Interest Payment Dates:	Each April 1 and October 1, commencing April 1, 2023. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	\$5,000 or multiples thereof.
Purpose:	The Obligations are issued for the public purpose of financing various public improvement projects of the City.
Security:	Principal and interest on the Obligations will be payable out of receipts from an irrevocable <i>ad valorem</i> 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 Obligations in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes. See “INTRODUCTION – Authorization” herein.
Form of Issuance:	The Obligations will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as security depository for the Obligations. See “THE OBLIGATIONS – Book-Entry-Only Form” herein.
Tax Status of Interest:	Co-Bond Counsel are of the opinion that interest on the Obligations is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Obligations is taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. See “TAX MATTERS” herein.
Redemption*	The N7 Notes are not subject to redemption prior to maturity. The B8 Bonds are subject to (i) mandatory sinking fund redemption and (ii) optional redemption on any date on and after April 1, 2032. See “THE OBLIGATIONS – Redemption Provisions” herein.
Record Dates:	March 15 and September 15 (whether or not a business day).
Delivery:	Delivery of the Obligations will be on or about December 21, 2022 at the expense of the City, through the facilities of DTC.
Reoffering:	The public reoffering price(s) or yield(s) of the Obligations will be set forth on the inside front cover page of the Official Statement.

* Preliminary; subject to change.

Ratings: Fitch:
S&P:
See "RATINGS" herein.

INTRODUCTION

General

This Official Statement provides information about the \$23,750,000* General Obligation Promissory Notes, Series 2022 N7 (the "N7 Notes" or the "Notes") and \$9,040,000* General Obligation Corporate Purpose Bonds, Series 2022 B8 (the "B8 Bonds" or the "Bonds" and, together with the N7 Notes, the "Obligations"), which are being issued by the City of Milwaukee, Wisconsin (the "City").

This introduction is a brief description of certain matters set forth in this Official Statement and is qualified by reference to the entire Official Statement, including the Appendices hereto. Reference should be made to the material under the caption "THE OBLIGATIONS" for a description of the Obligations and to Appendix D for a description of the book-entry system applicable thereto.

This Official Statement incorporates by reference [_____].

Authorization

The City is authorized 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 January 18, 2022, which authorize the issuance of the Obligations. In addition, the Common Council adopted various Initial Resolutions on January 17, 2018, January 15, 2019, January 21, 2020, January 19, 2021 and January 18, 2022 authorizing purposes for the B8 Bonds that have been combined into the corporate purpose bond issue.

Statutory Borrowing Limit

Wisconsin Statutes limit direct general obligation debt the City may issue. In particular, Section 67.03 of the Wisconsin Statutes 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. Not included in such limitation is referendum approved-bonding for school capital purposes, which is authorized by Section 119.49 of the Wisconsin Statutes in an additional amount equivalent to two percent of the equalized value of taxable property within the City.

The issuance of the Obligations does not cause the statutory borrowing limit described above to be exceeded.

The City

The City is located on the western shore of Lake Michigan in the southeast corner of the State of Wisconsin (the "State"). The City is the hub of the metropolitan area. The City is the State's largest city with a population of approximately 577,309 and is the principal trade, service and financial center of southeastern Wisconsin. Milwaukee is the main cultural and economic center of the combined population of 2.05 million for the Milwaukee-Racine-Waukesha metropolitan area.

The Port of Milwaukee provides multimodal access to the region, including domestic markets via its access to the Great Lakes – St. Lawrence Seaway system and the Mississippi River. General Mitchell International Airport is served by domestic and international airlines. Two rail lines serve the City, including access to Port Milwaukee, providing 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.

For additional information about the City, see Appendix A and Appendix F.

Additional Financing Plans

The City has access to \$30,000,000 in liquidity under line of credit agreements with US Bank National Association and Huntington National Bank. Draws on the line of credit agreements are primarily made to provide interim financing for expenditures and for short-term cash flow needs. The City may draw on the lines of credit prior to the end of the year for short-term cash flow needs.

The City also intends to issue approximately \$62,000,000 in general obligation promissory notes in February, 2023.

THE OBLIGATIONS

General

The Obligations are to be dated December 21, 2022, and will bear interest from that date at the rates, and mature each April 1 in the amounts and years, set forth on the inside front cover page of this Official Statement. Interest on the Obligations will be payable commencing April 1, 2023 and thereafter semiannually on April 1 and October 1 of each year and will be calculated on the basis of 30-day months and a 360-day year.

Redemption Provisions*

Optional Redemption

The N7 Notes are **not** subject to redemption prior to maturity.

The B8 Bonds are subject to redemption prior to their maturity, at the option of the City, on any date on and after April 1, 2032 at a price of par (100% of the principal amount to be redeemed) plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The B8 Bonds maturing on April __, 20_ (the “Term Bonds”) are subject to redemption prior to their maturity date at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date, from mandatory sinking fund payments that are required to be made in amounts sufficient to redeem, on April 1 of each of the years set forth below, the respective principal amounts of the Term Bonds specified below:

Redemption Date	Principal Amount
-----------------	------------------

(a) Stated Maturity

Optional redemption (or any purchase by the City in lieu of redemption) of the Term Bonds will be applied to reduce the mandatory sinking fund payments established for the Term Bonds so redeemed in such order and manner as the City may direct.

* Preliminary, subject to change.

Selection of Bonds to be Redeemed

If less than all outstanding B8 Bonds are called for redemption, the B8 Bonds shall be called in such order of maturity as shall be determined by the City.

If less than all of the B8 Bonds of the same maturity are called for redemption, the particular B8 Bonds of such maturity to be redeemed shall be selected by lot. The record date for receiving payment of the redemption price shall be the 15th calendar day (whether or not a business day) prior to the redemption date.

Notice of Redemption

Notice of redemption shall be mailed, postage prepaid, no earlier than 60 days and no later than 30 days prior to the redemption date, to the owners of any B8 Bonds to be redeemed in whose name such B8 Bonds are registered as of the date of the notice. Any defect in the notice shall not invalidate the notice. So long as the B8 Bonds are in book-entry form, DTC, as the registered owner, will receive any redemption notice. The City is not responsible for DTC's notification of redemption to DTC Participants and Beneficial Owners. A redemption notice may be revoked by sending notice to the securities depository at least 15 days before the proposed redemption date.

Effect of Redemption

Interest on any Bond called for redemption will cease to accrue on the redemption date so long as the Bond is paid or money is provided for its payment.

Registration and Payment of Obligations

So long as the Obligations are in book-entry-only form, payment of the principal of, and interest on, the Obligations on each payment date will be made by wire transfer to the securities depository or its nominee by the Paying Agent—which is the City Comptroller.

Ratings

The Obligations have been rated: “__” by Fitch, Inc. and “__” by S&P Global Ratings.

Any explanation of what a rating means may only be obtained from the rating organization giving the rating. A securities rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time. A rating organization may lower or withdraw its rating if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may adversely affect the market price of the Obligations. The City may elect not to continue requesting ratings on the Obligations from any particular rating organization or may elect to request ratings on the Obligations from a different rating organization.

Book-Entry-Only Form

The Obligations are being initially issued in book-entry-only form. Purchasers of the Obligations (“Beneficial Owners”) will not receive bond or note certificates but instead will have their ownership in the Obligations recorded in the book-entry system. Bond and note certificates are to be issued and registered in the name of a nominee of DTC, which acts as securities depository for the Obligations. Ownership of the Obligations by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (“DTC Participants”). All transfers of ownership in the Obligations must be made, directly or indirectly, through DTC Participants. A description of DTC and its procedures is attached as Appendix D.

SECURITY

The Obligations will be general obligations of the City, and payment thereof is secured by a pledge of the full faith and credit of the City. Pursuant to Wisconsin Statutes Sections 67.05(10) and 67.12(12)(ee), 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 Obligations 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 of 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.

Under Chapter 15-08 of the Milwaukee City Charter it is the duty of the Common Council to levy sufficient tax to pay principal and interest on debt of the City at the same time the general city tax is levied. If the Common Council refuses or neglects to do so then the commissioners of the public debt are empowered to do the same.

Rights and Remedies of Bondholders

[TO COME]

PLAN OF FINANCE

Proceeds of the sale of the Obligations are anticipated to be used for various public improvements of the City as follows: [Discuss separate tables for Notes and Bonds.]

<u>Estimated Purposes*</u>	
Streets	\$ 16,268,741
Tax Incremental Districts	5,503,258
Public Buildings	3,960,308
Sanitation.....	3,951,724
Police.....	2,432,561
Library.....	673,408
Total	\$ 32,790,000

* Preliminary; subject to change.

PRO FORMA FISCAL YEAR DEBT SERVICE REQUIREMENTS

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

	Total Fixed Rate G.O. Debt Service as of 04/02/22		Series 2022 N7, B8*		Total Requirements After Issuance*
	Principal (1)(4)	Interest	Principal	Interest (5)	
2022	--	\$35,400	--	--	\$35,400
2023	\$169,863,761 (2)	44,400,579	--	\$1,275,167	215,539,507
2024	104,635,000	34,670,263	\$2,570,000	1,575,250	143,450,513
2025	97,030,000	30,234,872	2,585,000	1,446,375	131,296,247
2026	91,440,000	25,976,671	2,600,000	1,316,750	121,333,421
2027	87,485,000	21,210,272	2,620,000	1,186,250	112,501,522
2028	74,965,000	16,851,726	2,635,000	1,054,875	95,506,601
2029	68,635,000	13,820,978	2,655,000	922,625	86,033,603
2030	179,320,000(3)	10,038,889	2,675,000	789,375	192,823,264
2031	50,620,000	6,650,098	2,695,000	655,125	60,620,223
2032	39,955,000	4,800,184	2,715,000	519,875	47,990,059
2033	33,955,000	3,381,299	1,860,000	405,500	39,601,799
2034	23,805,000	2,320,356	1,850,000	312,750	28,288,106
2035	18,345,000	1,531,884	1,870,000	219,750	21,966,634
2036	12,465,000	947,443	1,895,000	125,625	15,433,068
2037	7,190,000	556,170	1,565,000	39,125	9,350,295
2038	2,750,000	350,383			3,100,383
2039	2,810,000	255,139			3,065,139
2040	2,745,000	163,558			2,908,558
2041	2,320,000	80,146			2,400,146
	<u>\$1,070,333,761</u> (4)	<u>\$218,276,310</u>	<u>\$32,790,000</u>	<u>\$11,844,417</u>	<u>\$1,333,244,488</u>

(1)

(1) Assumes Sinking Fund Deposits in year due.

(2) Includes \$61 million for Series 2018 N1 that were issued to permit prepayment of certain municipal expenses. If the program is not repeated, the amount will be repaid from the amount normally budgeted for said expenses, thus returning the expenses to payment made in arrears.

(3) Includes \$119 million for Series 2020 R9 that were issued for Annual Cash Flow purposes. The amount is intended to be repaid from a State Shared Revenue Payment anticipated to be received in November, 2030.

(4) Excludes \$31,275,000 on deposit in sinking fund accounts.

(5) Assumes a 5.00% interest rate.

* Preliminary; subject to change.

TAX MATTERS

Federal Tax Status

Federal Income Tax

In the opinion of Co-Bond Counsel, under existing law, interest on the Obligations is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Obligations is taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. The City must comply with certain requirements of the Internal Revenue Code for interest on the Obligations to be, or continue to be, excluded from gross income for federal income tax purposes. The City has agreed to comply with those requirements to the extent it may lawfully do so. Its failure to do so may cause interest on the Obligations to be included in gross income for federal income tax purposes, perhaps even starting from the date on which the Obligations are issued. No provision is made for an increase in interest rates or a redemption of the Obligations in the event interest on the Obligations is included in gross income.

The opinions of Co-Bond Counsel will be based on legal authorities that are current as of their date, will cover certain matters not directly addressed by those authorities, and will represent Co-Bond Counsel's judgment regarding the proper treatment of the Obligations for federal income tax purposes. The Opinions will not be binding on the Internal Revenue Service (IRS) or the courts and will not be a guaranty of result. As to questions of fact, Co-Bond Counsel will rely upon certified proceedings and certifications of public officials and others without independently undertaking to verify them.

Co-Bond Counsel will express no opinion about other federal tax matters regarding the Obligations. Other federal tax law provisions may adversely affect the value of an investment in the Obligations for particular owners of those Obligations. Prospective investors should consult their own tax advisors about the tax consequences of owning an Obligation.

The IRS has an active tax-exempt bond enforcement program. Under current IRS procedures, owners of the Obligations would have little or no right to participate in an IRS examination of the Obligations. Moreover, it may not be practicable to obtain judicial review of IRS positions with which the City disagrees. Any action of the IRS, including selection of the Obligations for examination, the conduct or conclusion of such an examination, or an examination of obligations presenting similar tax issues, may affect the marketability of the Obligations.

The Inflation Reduction Act of 2022 (the "Act") was signed into law on August 16, 2022. For tax years beginning after December 31, 2022, the Act imposes an alternative minimum tax of 15% on the "adjusted financial statement income" of certain corporations. Interest on the Obligations will be taken into account in determining adjusted financial statement income. Other current and future legislative proposals, if enacted into law, may cause the interest on the Obligations to be subject, directly or indirectly, to federal income taxation or otherwise prevent the owners of the Obligations from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the marketability of the Obligations. Prospective investors should consult their own tax advisors about the Act and other federal legislative proposals.

Premium Obligations

Obligations purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, such as the Obligations, the interest on which is excluded from gross income for federal income tax purposes.

During each taxable year, an owner of Obligations with amortizable bond premium must reduce his, her, or its tax basis in the Obligation by the amount of the amortizable bond premium that is allocable to the portion of that taxable year during which the owner owned the Obligation. The adjusted tax basis in an Obligation will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the Obligation.

Owners of Obligations purchased at a premium should consult their own tax advisors with respect to the federal tax consequences of owning such Obligations, including computation of their tax basis and the effect of any purchase of Obligations that is not made in the initial offering at the issue price. Owners of such Obligations should also consult their own tax advisors with respect to the state and local tax consequences of owning those Obligations.

State Tax Considerations

General

In addition to the federal income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of the Obligations. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Obligations.

State of Wisconsin Income and Franchise Taxes

Interest on the Obligations is not exempt from current State of Wisconsin income or franchise taxes.

LITIGATION

To the knowledge of the City no litigation, administrative action or proceeding is pending or threatened, restraining or enjoining, or seeking to restrain or enjoin, the validity, issuance and delivery of the Obligations.

The City is a party to numerous legal proceedings. Although none of these legal proceedings relate directly to the Obligations or the security therefor, some involve claims against the City for substantial amounts. While the ultimate disposition of these pending legal proceedings cannot be determined at this time, the City does not expect that the pending legal proceedings will have a material adverse effect on the Obligations or the security for the Obligations.

For additional information regarding current litigation of which the City is a party, see Appendix A.

CONTINUING DISCLOSURE

The City has made an undertaking to enable brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Obligations to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Undertaking"). In the Undertaking, the City has agreed, for the benefit of the Beneficial Owners of the Obligations, to provide to the municipal securities rulemaking board ("MSRB"), through the Electronic Municipal Market Access system administered by the MSRB ("EMMA"), an annual report presenting certain financial information and operating data about the City. The City has also agreed to provide notices of the occurrence of certain events specified in the Undertaking. The Undertaking is attached as Appendix C.

If the City fails to comply with the Undertaking, bondholders' sole remedy is to obtain specific performance of the obligations under the Undertaking. The Undertaking requires certain defaults be reported, which, in accordance with the Rule, must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the liquidity of the Obligations and their market price.

Because the rating agencies and bond insurers are not contractually obligated to notify the City of rating changes, there is a risk that the City will not be able to satisfy the requirement that it post notices of rating changes on EMMA pursuant to the Undertaking.

The City currently contracts with Lumesis Inc. to utilize its DIVER Issuer Disclosure Management service to verify the City's compliance with its continuing disclosure undertakings and proper filing of the notices. DIVER provides the City with a semi-annual analysis of disclosure filings made by the City compared to the City's disclosure obligations. The City may suspend use of Lumesis at any time.

[Prior to August of 2003 the City entered into continuing disclosure undertakings (the "*Pre-2003 Undertakings*") which contained a six-month filing requirement for Annual Financial Information. Due to the complexity and size of the City's operations, through June 30, 2017, the City failed to strictly comply with the 6-month time period for filing its Annual Financial Information and updating certain information on the sewerage system that does not significantly change from year to year. The last issue with a Pre-2003 Undertaking matured on June 15, 2019.]

[Except as described above, i][I]n the last five years, the City has not failed to comply in any material respect with the Undertaking or any similar past undertakings.

FINANCIAL ADVISOR

PFM Financial Advisors LLC has been retained as Financial Advisor to the City in connection with the issuance of the Obligations.

UNDERWRITING

The Obligations were purchased at competitive bidding conducted on November 30, 2022.

The award of the Obligations was made to _____, its co-managers and associates, at a price of \$_____.

The initial public reoffering yields of the 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 Obligations by the Underwriters thereof, the City will furnish to the Underwriters usual and customary documents, including a Closing Certificate of the City that includes representations as to due authorization, no default, litigation and the anti-fraud provisions, among others, in form satisfactory to Co-Bond Counsel.

ADDITIONAL INFORMATION

Periodically, the City Comptroller’s office updates its website with information regarding prospective financings and financial information. Requests for additional information and inquiries may also be directed to:

Aycha Sawa, City Comptroller
City of Milwaukee, Public Debt Commission
City Hall, Room 404
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3321
PDC@Milwaukee.gov

/s/

Aycha Sawa
City Comptroller and Secretary
City of Milwaukee, Wisconsin

APPENDIX A

CITY OF MILWAUKEE, WISCONSIN

This Appendix A highlights significant aspects of the operations of the City of Milwaukee, Wisconsin (the “City” or “Milwaukee”) and this offering, but does not contain all of the information an investor should consider before making its investment decision. This Appendix A should be read in conjunction with the City’s Annual Comprehensive Financial Report, including the letter of transmittal, management’s discussion and analysis, and the accompanying financial statements and disclosures attached as Appendix F.

CITY OF MILWAUKEE

The City was incorporated as a city on January 31, 1846, pursuant to the laws of the territory of Wisconsin. Milwaukee is nationally recognized for its manufacturing, arts, recreation, museums, academic institutions, revitalized lakefront and rivers, beautiful neighborhoods and well-maintained housing. It is the economic hub of the southeast region and entire State of Wisconsin (“State”).

Geographically, Milwaukee consists of 96.9 square miles and is situated in the southeast corner of the State with Lake Michigan at its east boundary. It is located approximately 75 miles east of the State capital, Madison, Wisconsin. Milwaukee is the 31st largest city in the United States, with a 2022 Wisconsin Department of Administration estimated population of 577,309. Milwaukee is the largest city, by population, and the only city of the first class within the State. Milwaukee is the main cultural and economic center of the combined population of 2.05 million for the Milwaukee-Racine-Waukesha metropolitan area.

GOVERNMENT

The City, in operation under a Home Rule Charter since 1874, provides for a council-mayor form of government. The Mayor, Comptroller, Treasurer, City Attorney, and 15 Common Council members are elected officials of the City. Local elections are nonpartisan. Officials are elected to identical four-year terms. The most recent City general election for these positions was held in April 2020. The Mayor is the Chief Executive Officer and maintains a cabinet form of government controlling major City departments by appointing department heads subject to confirmation by the Common Council.

The Mayor is responsible for the preparation of an annual City expenditure budget, subject to review and adoption by the Common Council. The Common Council is responsible for the management and control of the finances and property of the City and has the full power and authority to establish, enforce, and modify all regulations for the government. The Comptroller, as the Chief Financial Officer for the City, is responsible for establishing City accounting policies and procedures, revenue estimating and monitoring, examination and investigation of all matters related to the finances of the City, issuance of debt, and financial reporting. The City Treasurer is responsible for the receipt, disbursement, and investment of all monies accruing to the City, including the collection of property taxes. The City Attorney is responsible for all legal matters of the corporation, including furnishing legal opinions, drafting all legal documents and defending the City in any legal actions.

The City’s public debt commission supervises the sale and issuance of municipal debt and to administer the public debt amortization fund. It is composed of three members, appointed by the Mayor and confirmed by the Common Council to three-year terms. A member continues to serve after the completion of his or her term until reappointed or until a successor has been appointed. Current commissioners include Bernard Allen (Employee’s Retirement System Director), David Misky (Assistant Executive Director of the Redevelopment Authority of the City of Milwaukee) and Mary Reavey (Retired City Assessment Commissioner).

ADMINISTRATIVE OFFICERS

Mayor. Mayor Cavalier Johnson took office as Acting Mayor of the City in late 2021. Before taking on his role as Acting Mayor, Mayor Johnson served as Common Council President while representing the City's 2nd Aldermanic District. In April of 2022, Mayor Johnson was elected as the forty-fifth Chief Executive of the City. He is the first Black Mayor elected in the City, and the fourth elected mayor in the past sixty-two years. After graduating Bay View High School, Mayor Johnson earned a bachelor's degree from the University of Wisconsin-Madison and returned home to work for the Milwaukee Area Workforce Investment Board (MAWIB), now Employ Milwaukee. Before his election as Alderman, he served as a staff assistant in the Mayor's Office. Mayor Johnson serves on the boards of the Milwaukee YMCA, ACLU-Wisconsin and Milwaukee Community Brainstorming Conference

Comptroller. In April of 2020, Aycha Sawa was elected as Comptroller for the City, becoming the first woman to serve in that position. She began her work with the City in 2010 as an auditor and, after promotions to several positions at the City, became Deputy Comptroller in 2017. Before that, she worked for Baker Tilly auditing various governments, and as an auditor for the State. In 2006, Comptroller Sawa received her Accounting Bachelors of Business Administration degree from the University of Wisconsin Madison. She received her CPA certification in 2010 and her auditing certification (CIA) in 2015.

City Attorney. In April of 2020, Tearman Spencer was elected as City Attorney, becoming the first African American City Attorney to serve in that position. Prior to becoming the City Attorney, he operated a national law practice. Before becoming an attorney, he was a safety engineer. He holds a bachelor's degree from the University of Southern California, and MBA from Golden Gate University, and a law degree from the University of Wisconsin Madison.

City Treasurer. In April of 2012, Spencer Coggs was elected as Treasurer for the City, becoming the first Black Treasurer to serve in that position. Prior to becoming the Treasurer, he served in the Wisconsin State Assembly from 1983 until 2003, and in the Wisconsin State Senate from 2003 until 2013. Before his political career, he worked as a City health officer, postal worker, and industrial printer. He holds degrees from Milwaukee Area Technical College and the University of Wisconsin Milwaukee.

MUNICIPAL SERVICES

The City 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.

In addition, MPS is effectively treated by Wisconsin Statutes as a City department authorized by law to adopt its own budget. It was established on February 3, 1846, and operates under Chapter 119 of the Wisconsin Statutes. MPS provides elementary, secondary, vocational and special education services for grades K4 through 12. The City is required to levy and collect property taxes to support the MPS budget. All funds for MPS flow through the City Treasurer who, as the custodian of such funds by Statute, disburses them at the direction of the Superintendent/Auditing Officer of MPS. The City Comptroller, City Treasurer and City Attorney perform their respective functions for MPS as well as the City.

Other major local governmental units and their related government services are the Milwaukee Public Schools ("MPS")(discussed below); 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).

ECONOMIC DEVELOPMENT

Economic Development. Economic development is encouraged to promote the growth of employment opportunities for the citizens of Milwaukee and support private investment to grow the City's tax base. Four key development approaches are utilized: 1) direct financial assistance to small businesses that helps owners take advantage of opportunities to increase sales and employment; 2) use of tax incremental financing to provide public infrastructure improvements or other assistance to encourage private investments that will increase the tax base, employment or availability of commercial services in underserved areas; 3) partnerships with organizations that improve the business environment, either in a particular geographic area or a particular industry segment; and 4) management of projects to redevelop underutilized or vacant properties for eventual sale to private owners.

The City takes an active role in guiding economic development to serve the community in a number of ways: The City manages programs intended to assist in local business retention efforts, provides permit assistance to new businesses, and seeks out appropriate sites for these businesses. As of December 31, 2021 the City managed 30 active Business Improvement Districts, 9 Neighborhood Improvement Districts, 60 Tax Incremental Districts and various development projects promoting urban renewal throughout the City. The City of Milwaukee collaborates with surrounding governmental jurisdictions to promote economic development. The long term benefit of these efforts is to create economic growth and expand the tax base in the City.

Recent Developments. The City's emphasis on development has resulted in several value added projects, including:

- BMO Harris Bank completed a new 25-story office tower directly across from City Hall on Wells Street. Northwestern Mutual changed the City's skyline with the construction of a 32-story office tower, and completed a 33-story upscale apartment tower. The office tower, at one million square feet, is the largest office structure in the state of Wisconsin.
- The Milwaukee Bucks basketball team has driven development in the downtown area, beginning with the construction of the Fiserv Forum a multi-purpose arena that has the capacity for approximately 17,000 individuals. The Fiserv Forum opened in August 2018 after a \$524 million investment. The venue hosts up to 100 events a year, including the Milwaukee Bucks, major concerts, Marquette men's basketball and other sports and entertainment events. Adjacent to the Fiserv Forum, a \$36.4 million "deer district" was constructed to function as an indoor/outdoor social space, anchoring the retail, living, hotel and restaurant space surrounding the Fiserv Forum.
- A new high-rise, known as the Couture, broke ground in 2021 along Milwaukee's lakefront. The project will include a 44-story, \$188 million mixed-use development with apartments and retail. It is expected to create more than 2,000 jobs, and similar to other downtown projects, has an emphasis on hiring residents during construction. The development is expected to be completed in 2023.
- Michels Corporation continues construction of their \$100 million development on the Kinnickinnic River. Phase one consists of an eight-story office building to house their infrastructure division headquarters which is now open. The remaining construction includes an apartment building, hotel, and two additional office buildings along with a number of first-floor and riverwalk commercial spaces.
- Komatsu Mining constructed a \$285 million headquarters and manufacturing facility in the City's Harbor District. The Komatsu facility was placed in service in the summer of 2022.
- The Wisconsin Center District broke ground on Phase Three of their expansion and renovation in 2021. This phase is expected to double the square footage of the Wisconsin Center with an exhibition hall of 300,000 contiguous square feet. Construction is expected to be completed in 2024.

- A newly announced mixed-use development known as the Iron District commenced construction in September 2022. The development will include a new concert venue, hotel, and professional soccer stadium. The project will also include apartments, restaurant, and retail space. The outdoor soccer stadium will seat 8,000 with the intent of attracting a professional soccer team to Milwaukee. The stadium and entertainment venue are expected to open in 2024.
- The City and private sector interests have joined in a formal partnership to chart a course for development and recreational opportunities in the area around the Milwaukee harbor - the neighborhood that includes the Port of Milwaukee, the University of Wisconsin-Milwaukee's School of Freshwater Science, and the headquarters of Rockwell International.

Tourism. Tourism is also a major contributor to the local economy. Milwaukee's arts, entertainment, professional sports, restaurants, parks, conventions, and businesses attract millions of visitors a year. There are 20 major annual festivals hosted in Milwaukee. Summerfest is promoted as the world's largest music festival and attracts about one million attendees each year. Milwaukee's ethnic festivals include the nation's largest Native American, Polish, Italian, and 3-day German festivals along with the world's largest Irish festival. COVID-19 caused the cancellation of many of these festivals in 2020 and 2021 but Summerfest resumed a modified schedule in 2021 and most are on set to resume in 2022.

Education. The City's educational institutions include Alverno College, Marquette University, the Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee School of Engineering, Mount Mary University, University of Wisconsin-Milwaukee, Herzing and Wisconsin Lutheran College. Additionally, Direct Supply has also opened a new technology center on the MSOE campus.

Entertainment and Culture. The arts set the Milwaukee region apart from other urban areas its size. More than 150 arts and cultural organizations are located in the Milwaukee Region. The City's venues include the Milwaukee Art Museum, Discovery World, Milwaukee Public Museum, Marcus Performing Arts Center, new Bradley Symphony Center, Harley-Davidson Museum and more.

INDUSTRY AND EMPLOYMENT

The Milwaukee region is a recognized center of innovation and advanced manufacturing. Several industries stand out for the high number of firms located here and the concentration of talent, including the following:

- Milwaukee is the center of a cluster of energy, power and control companies. This cluster, known as the Smart Energy Hub, includes energy efficiency, renewable energy, distributed generation, control technologies, and energy storage companies and university research. The Mid-West Energy Research Consortium (M-WERC), headquartered in Milwaukee, is focused on the growth and economic competitiveness of the Energy, Power & Controls industry cluster across the Midwest region.
- There are more than 240 food and beverage manufacturing companies in the region, with a majority in the food ingredients and seasonings/dressings industries.
- The Milwaukee region's water industry is a \$10.5 billion market, supporting 20,000 jobs and accounting for 4% of the total world water business. More than 120 water-related companies locate operations here, including five of the 11 largest water firms in the world. Many are headquartered here or nearby, including water industry giants Badger Meter, A.O. Smith and Kohler, along with a number of smaller, emerging firms.
- The Milwaukee region is a national leader in precision manufacturing and the production of

sophisticated industrial controls and medical imaging equipment. It is also nation's leading producer of mining machinery, hoists, monorails, speed changers, drives and gears. Sixteen percent of the region's workforce is employed in manufacturing, ranking second in the nation among the top 50 metros for manufacturing jobs. The region is especially noted for engine and equipment manufacturing, automation and advanced manufacturing, and medical technology. Locally based manufacturers on the Fortune 1000 list include A.O. Smith, Harley-Davidson, Modine Manufacturing, Rexnord, REV Group, Rockwell Automation and Snap-On. S.C. Johnson is on the Forbes list of America's largest private companies. The region's Next Generation Manufacturing Council serves as an epicenter for manufacturers to come together to address issues common to the cluster industries.

- Approximately seven percent of the region's workforce is employed in the financial services sector, which is second only to Boston. The region's finance and insurance cluster generates \$8.9 billion in gross regional product and employs more than 45,000 workers.
- Northwestern Mutual, the world's largest provider of individual life insurance plans, employs more than 5,000 at its campuses in downtown Milwaukee and suburban Franklin. Mortgage Guaranty Insurance Corp. (MGIC) is the nation's leading provider of private mortgage insurance. The region also is home to Robert. W. Baird, a global private equity, research and financial services firm.
- The Milwaukee area ranks as having among the highest employment specializations in two of four bioscience categories: medical devices & equipment, and chemicals & agricultural feedstock. The Milwaukee region is home to several internationally recognized medical technology and biotech firms. GE Healthcare Technologies, a global leader in medical imaging and information technologies, patient monitoring systems and healthcare services, is based in Waukesha and has multiple facilities in the region. The Medical College of Wisconsin in Milwaukee ranks as one of the top 100 academic research institutions in the United States. The Milwaukee County Research Park's Technology Innovation Center, one of the largest high-tech incubators in the country, is specifically designed to provide laboratory and office space, networking opportunities and other critical services for biotech and information technology start-ups.
- There are more than 2,500 high-tech firms in the Milwaukee region, employing more than 12,000 people. Major area financial industry providers include Fiserv (a Fortune 500 company headquartered in the region), FIS, and Thomson Reuters BETA Systems.
- The Milwaukee region is home to Harley-Davidson motorcycles; Haribo gummi bears; Carmex lip balm, BRP North America's outboard engines, Allen-Edmonds' shoes and Jockey International, among others.

Employment Statistics

Reflecting the effects of the COVID-19 pandemic, estimated not seasonally adjusted employment in the Metropolitan Area, including the Milwaukee and Racine Metro Areas, totaled 851,703 for 2020 (a decrease of 4.30% from 2019). However, estimated employment in the same Metropolitan Area totaled 879,290 in 2021 (an increase of 3.14% from 2020). (*Source: WI Department of Workforce Development*).

Ten Largest City Employers

Company	Business Description	2022 Approximate Employment
Advocate Aurora Health Inc.	Health Care System	29,503
Froedtert Health, Inc.	Health Care System	14,058
Ascension Wisconsin	Health Care System	10,449
Roundy's Supermarkets, Inc.	Retail Supermarkets	7,800
Medical College of Wisconsin	Private Medical School	6,554
GE Healthcare	Health Care System	6,000
Quad	Marketing	5,800
Children's Hospital and Health System	Health Care System	5,309
Kohl's Corp.	Retail	5,000
Northwestern Mutual	Insurance, Investment Products	5,000

Note: Reflects FTE equivalent employees of businesses and industrial firms, does not include Government Employers. Data includes all of Milwaukee County

Source: 2021 Business Journal of Greater Milwaukee (August 13, 2021)

Milwaukee Area Employment December, 2021

	Employment	Percentage
Natural Resources, Mining, & Construction	32,200	4%
Manufacturing	120,200	14
Trade, Transportation & Utilities	145,100	17
Information	12,100	1
Finance	46,500	6
Professional & Business Services	122,800	15
Education & Health Services	161,600	19
Leisure & Hospitality	72,500	9
Other Services	44,800	5
Government	79,500	10
Total Non-Farm	837,300	

Non-Farm

Source: Bureau of Labor Statistics, Milwaukee Area Economic Study, updated February 3, 2022.

Reflecting the impact from the COVID-19 pandemic, the City's unemployment rate averaged approximately 6.5%; compared to the State average of 3.8% and the United States average of 5.3% (from U.S. Department of Labor, Bureau of Labor Statistics) in 2021. Milwaukee's rate decreased from 9.3% in 2020.

Annual Unemployment Rates (Not Seasonally Adjusted)

Year	City of Milwaukee	Milwaukee – Waukesha – West Allis Metropolitan Statistical Area	State of Wisconsin	United States
2021*	6.5%	4.4%	3.8%	5.3%
2020	9.3	7.1	6.3	8.1
2019	4.3	3.4	3.2	3.7

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

*Preliminary, subject to change.

Construction and Housing

Building Permits

The following table indicates building permit activity during the period 2019 through 2021.

Value of Permits

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2021	\$36,551,501	\$444,988,354	\$481,539,855
2020	47,913,277	473,978,640	521,891,917
2019	16,124,147	506,302,061	522,426,208

Permits Issued

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2021	1,793	1,013	3,544
2020	1,748	1,123	2,871
2019	1,060	1,347	2,407

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.

Transportation

Public Transportation. [To Come]

Port of Milwaukee. Of vital importance to both the local and state economies, the Port of Milwaukee is an international seaport providing transportation and distribution services to commercial businesses in the area. The protected harbor permits year-round use of the port with access to the eastern seaboard via the St. Lawrence Seaway and to the Gulf of Mexico through the Mississippi River. The Port of Milwaukee processed 2.3 million metric tons of cargo in 2021. The port is served by the Union Pacific and Canadian Pacific railways, and has convenient access to the interstate highway system. Principal inbound commodities include cement, machinery, steel, salt, barley and limestone. Outbound commodities include bottom ash, cement, bio-diesel, ethanol, butane, wheat, corn and soybeans. The Port is also home to U.S. Coast Guard and U.S. Naval Reserve stations. In 2021, the Port and the Delong Company broke ground on a new \$35 million agricultural export facility on Jones Island. The Board of Harbor Commissioners, which governs the Port of Milwaukee, also facilitates public access including cultural and recreational activities for the public by leasing property to the Milwaukee Art Museum, Milwaukee World Festival, Discovery World at Pier Wisconsin, cruise ships and the Lake Express high-speed ferry.

Milwaukee Mitchell International Airport. The City is home to the Milwaukee County owned and operated Milwaukee Mitchell International Airport (the "Airport"). The Airport, a medium hub airport, is Wisconsin's largest and busiest airport located on approximately 2,386 acres approximately six miles south of downtown Milwaukee. The airfield at the Airport contains two air carrier runways and three other runways. The terminal complex consists of a main terminal building and two concourses with 37 gates. The Airport also contains a six-level parking structure for automobile parking and rental car operations. Origin and Destination ("O&D") passengers – those persons beginning or ending their journey at the Airport – now account for over 98.8 percent of total Airport enplanements. According to preliminary data from the FAA Air Carrier Activity Information System ("ACAIS"), the Airport ranked 52nd among U.S. commercial service airports based on calendar year ("CY") 2018 revenue enplanements. The Airport is served by each of the industry's four major domestic airlines, which

accounted for 88.4 percent of enplanements in 2018. Including affiliates, Southwest Airlines (“Southwest”) accounted for 42.2 percent; Delta Air Lines (“Delta”), 25.2 percent; American Airlines (“American”), 12.2 percent; and United Air Lines (“United”), 8.8 percent of enplaned passengers in 2018. Frontier, Air Canada, Alaska Airlines (“Alaska”), and other smaller airlines accounted for the remaining 11.6 percent. Low cost carriers (“LCCs”) including Southwest and Frontier (now an ultra-low cost carrier or “ULCC”) accounted for nearly 50 percent of enplanements.

The County has entered into substantially similar airline-airport use and lease agreements (the “AULA”) with seven signatory airlines (the “Signatory Airlines”) as of July 2016, providing the terms and conditions upon which the Signatory Airlines use the Airport. The County executed an amendment with each Signatory Airline to extend the term of the AULA for an additional five years ending December 31, 2020 (the “Amended AULA”). The Amended AULA retains most of the provisions of the AULA, which went into effect on October 1, 2010, including the cost center residual rate methodology. The Signatory Airlines are Alaska, American, Air Canada, Delta, Frontier, Southwest and United. See “AIRLINE-AIRPORT USE AND LEASE AGREEMENT” herein, for a more detailed description of the AULA

The Airport System’s long-term capital program includes [UPDATE].

DEBT STRUCTURE

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the City and for Milwaukee Public Schools. General obligation bonds are secured by the full faith and unlimited taxing power of the City. The debt for governmental activities will be retired by future property tax levies and other resources accumulated in the Debt Service Funds. The City also issues general obligation notes to purchase a portion of its delinquent taxes. Revenue bonds are issued to fund water system and sewerage system projects. As of November 15, 2022, Water System Revenue Bonds were outstanding in an amount of \$7.3 million, and the City’s total outstanding Sewerage System Revenue Bonds was \$161.7 million.

Certain of the City’s general obligation bonds are characterized self-sustaining, which are described below. These bonds include Water Works, Sewer Maintenance, Transportation, and Port of Milwaukee Proprietary Funds, the repayment of which is funded by revenues from those operations or, if the revenues are not sufficient, by future tax levies.

The City maintains ratings on its general obligation bonds and notes of “A” from S&P Global Ratings and “AA-” from Fitch, Inc.

Outstanding Bonds

As of November 15, 2022, the City’s general obligation debt outstanding totaled \$1,102,603,761 (exclusive of amounts on deposit in the City’s General Obligation Debt Service Fund of \$31,275,000). The following table provides a summary of the purposes of the City’s general obligation debt as November 15, 2022.

Streets	\$ 255,458,786
Tax Increment Districts.....	157,238,770
Public Buildings.....	143,519,661
Cash Flow Notes	119,000,000
Municipal Expenses	94,300,084
Finance Real & Personal Property Tax Receivables	71,553,868
Schools (5% City Borrowing)	52,430,164
Bridges	52,300,132
Police	47,965,291
Blight Elimination/Urban Renewal	32,602,727
Library	25,297,507
Fire	21,176,972
Parking	17,676,025
Harbor	5,392,658
Playground/Recreational Facilities	2,973,633
Sewers.....	2,248,722
Total GO Debt subject to the 5% City Debt Limit	\$ 1,101,135,000
GO Debt subject to the 2% School Purpose Debt Limit	1,468,761
Total Outstanding GO Debt	\$ 1,102,603,761

Self-Sustaining and Overlapping Debt

In addition to issuing general obligation debt payable from Citywide property tax revenues, the City issues self-sustaining debt that is payable from certain non-tax revenue streams. This includes general obligation debt payable under its TID program, Parking Program, Water and Sewer Programs, as well as debt issued for delinquent tax purposes and other municipal debt. As of November 15, 2022, the aggregate outstanding self-sustaining general obligation debt was \$428,842, or 38.9% of the total general obligation debt outstanding.

The City is also obligated for debt other than governmental obligations issued by other governmental units. The governmental unit, debt outstanding and percentage share of the outstanding obligations as of November 15, 2022 is set forth below.

Governmental Unit	Debt Outstanding	Percentage Applicable	Share of Debt
City of Milwaukee (1)	\$1,135,393,761*	100.00%	\$1,135,393,761*
Area Board of Vocational, Technical and Adult Education, District No. 9.....	135,875,000	36.63	49,770,472
County of Milwaukee.....	464,579,788	45.33	210,571,901
Milwaukee Metropolitan Sewerage District	725,094,914	46.21	339,681,798
Total Net Direct and Overlapping Debt	\$2,470,943,463*		\$1,735,417,932*

(1) Includes \$54 million general obligation debt outstanding, which financed MPS improvements. Figure includes the new issue.

* Preliminary, subject to change

Applicable Debt Limit

Section 67.03 of the Wisconsin Statutes 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 further authorizes referendum approved-bonding for school capital purposes in an additional amount equivalent to two percent of the equalized taxable property within the City.

The following table reflects the status of the statutory limitations [on a pro forma basis as of the Date of Issuance].

Statutory Debt Limit Calculation

Equalized Value of Taxable Property in the City		\$ 39,448,239,000
Legal Debt Limitation for City Borrowing		
5% of Equalized Value.....		\$ 1,972,411,950
General Obligation Debt Outstanding subject to 5% Limit as of 11/15/22	\$1,101,135,000	
Plus: 2022 N7, B8,	32,790,000	
Less: Provision for current year maturities.....	--	
Less: General Obligation Debt to be Refunded	--	
Net General Obligation Debt Outstanding subject to the 5% Limit as of 11/15/22.....		\$ 1,133,925,000*
Total Debt Margin for City Borrowing (in Dollars)		838,486,950*
As a percentage		42.5%*
Legal Debt Limitation for School Purpose Borrowing		
2% of Equalized Value.....		\$ 788,964,780
General Obligation Debt Outstanding subject to 2% Limit as of 04/01/22	\$ 1,468,761	
Less: Provision for current year maturities.....	--	
Net General Obligation Debt Outstanding subject to the 2% Limit as of 04/01/22.....		\$ 1,468,761
Total Debt Margin for School Purpose Borrowing (in Dollars)		\$ 787,496,019
(As a percentage).....		99.8%

* Preliminary, subject to change.

General Obligation Bonds – Milwaukee Public Schools

Under the Wisconsin Statutes, the City is required, if requested by the Board of Milwaukee Public Schools, and if approved by referendum, to issue general obligation bonds, under the School's 2% debt limit, to finance purchases of school sites and to construct or remodel school buildings, and without referendum for certain pension obligations. As of November 15, 2022, there was \$1,468,761 of debt outstanding. There is also \$52,430,164 of debt for school purposes issued under the City's 5% debt limit. Under the Wisconsin Statutes, the City has title to the land and buildings of the Milwaukee Public Schools. However, the City does not control the use of the assets or receive the proceeds upon disposition of the assets. At June 30, 2021, the historical costs of the land and buildings as reported by Milwaukee Public Schools were approximately \$1,259,023,000. These assets are excluded from the financial statements of the City.

Safe Drinking Water and Clean Water Loans

The City participates in the State of Wisconsin Safe Drinking Water Loan Program and Clean Water Program. Under these programs, subsidized loans are available for certain projects, are secured by revenues of the related utility, and are repayable over a period of 20 years. As of November 15, 2022, the outstanding balance of Safe Drinking Water loans was \$93.3 million and the outstanding balance of Clean Water loans was \$155.5 million. The City intends to maximize its borrowings under the programs to fund its capital expenses for sewer and water services.

Tax Increment Districts Financings

Five issues of the Redevelopment Authority of the City of Milwaukee (“RACM”) and the Housing Authority of the City of Milwaukee (“HACM”) involving over \$61 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 RACM for redevelopment purposes within such districts through the issuance of its general obligation

bonds. As of November 15, 2022, \$157 million of general obligation debt for TID purposes was 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 MPS.

RACM has approximately \$74 million of debt payable from tax increment revenues, subject to appropriation by the Common Council. The 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. Pursuant to Section 66.1105 of the Wisconsin Statutes, the allowable life of TIDs vary from 20 to 27 years, depending upon the date of creation of the TID and the nature of the TID.

Conduit Bonds

To encourage economic development within the City and surrounding areas, the City issues bonds as a conduit issuer and loans proceeds thereof to a non-governmental entity (“Conduit Bonds”). Conduit Bonds issued by the City are not a debt of the City. The City is not obligated to levy any tax or make any appropriation for the payment of the principal of, or interest on, Conduit Bonds.

The City’s conduit bond programs include the following:

Industrial Revenue Bonding Program

The City maintains an Industrial Revenue Bonding Program. The primary goals of this program are to create additional tax base, additional jobs, or both. Eligible projects include industrial land, buildings, and machinery and equipment used in the manufacturing process and pollution abatement equipment of new or expanding industries. Industrial revenue bonds issued by the City under the Industrial Revenue Bonding are not a direct obligation of the City.

Redevelopment Authority of the City of Milwaukee

The Redevelopment Authority of the City (“RACM”) is a public body corporate and politic formed in 1958 by action of the Common Council of the City pursuant to Wis. Stat. Section 66.1333. The purpose of RACM is carrying out of blight elimination, slum clearance and urban renewal programs and projects. It is authorized 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.

As of November 15, 2022, the Redevelopment Authority had outstanding \$275 million in 10 bond issues outstanding for Milwaukee Public Schools, seven secured by leases, and three secured by loan agreements, 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. The loan agreements with MBSD includes a pledge of certain state aid payable to MBSD.

As of November 15, 2022, the Redevelopment Authority had outstanding \$5.9 million in one bond issue outstanding for Port Milwaukee. The bonds are secured by rental payments due under a lease between the City and the Redevelopment Authority. Rental payments under the lease are derived from net revenues of Port Milwaukee.

Housing Authority.

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.

As of November 15, 2022, the Housing Authority had outstanding \$13.7 million of Mortgage Revenue Bonds.

Debt Funds

The City maintains two separate debt service funds, the General Obligation Debt Service Fund and the Public Debt Amortization Fund (“PDAF”).

General Obligation Debt Service Fund

The General Obligation Debt Service Fund accounts for resources accumulated and payments made for principal and interest on the City’s outstanding general obligation debt. The 2021 fund balance of the General Obligation Debt Service Fund decreased \$1 million to \$29 million compared to the 2020 balance of \$30 million.

PDAF

The PDAF is governed by State Statutes Section 67.101 whereby accumulated funds can be used for the retirement of public debt, among other things. The Public Debt Commission oversees the use of the PDAF. The primary sources of revenue for the fund are one-third of earnings on city investments and earnings on the fund’s investments. The PDAF withdrawal for 2021 was \$10.5 million and the 2022 budgeted amount is \$5 million.

The PDAF unsegregated balance for the period from 2019 to 2020 is below.

<u>Year 12/31</u>	<u>PDAF Balance</u>
2019	48,862,006
2020	44,655,674
2021	43,131,377

FINANCIAL POSITION

The information below represents a summary of certain portions of the City’s Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. It is not intended to be inclusive, but rather to highlight specific information relating to the City’s financial position. It should be read in conjunction with the information presented in the City’s Annual Comprehensive Financial Report, including the letter of transmittal, management’s discussion and analysis, and the accompanying financial statements and disclosures which is included as Appendix F to this Official Statement.

The City’s financial operations are categorized by governmental activities, which consist of basic services such as police, fire, and public works that are supported by taxes and general revenue (“government activities”); business-type activities, which are self-supporting operations, include its Sewer Maintenance and Parking funds, the Milwaukee Water Works, and the Port of Milwaukee (the “business-type activities”). This section focuses on the City’s government and business-type activities, which are typically broken out in the information provided below. Unless otherwise noted, component units of the City, currently RACM and the Neighborhood Improvement Corporation, are not discussed below.

Revenue

Revenue for the City’s governmental activities is generated from five categories: property taxes, State aids, charges for services, grants and contributions and miscellaneous. Revenue amounts for the current and prior year,

by category, are set forth below.

Governmental Activities Revenues
(Thousands of Dollars)

Category	2021		2020	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
Property taxes.....	\$ 369,565	37%	\$ 352,910	34%
State aids.....	273,422	27%	273,422	27%
Charges for services.....	167,975	17%	157,196	15%
Grants and contributions.....	124,546	12%	169,756	17%
Miscellaneous.....	70,004	7%	72,875	7%
Total.....	\$ 1,005,512	100%	\$ 1,026,159	100%

Property Tax

The City of Milwaukee levies property taxes for general City operations and collects the City's share of tax levies of certain other governmental units that are certified to the City. Taxes are levied by the Common Council. The City collects taxes, and offers citizens two types of payment options. The first option is a lump sum payment due on or before January 31. The second option is four installment payments due on or before January 31, March 31, May 31, and July 31.

Insert Property Tax Rates and Levies from Budget.

City Property Values

The City Assessor has the statutory duty to determine the full market value of all locally assessable, nonexempt property in the City to ensure that property taxes are levied uniformly and equitably. The Assessor assesses all property at full market value as of January 1; publishes an annual assessment roll that describes the property and lists the owners' names and addresses and sets forth the assessed valuations that are used in computing property tax statements for City taxpayers.

The “equalized value,” also called the “full value assessment” or the “aggregate full value,” attempts to equalize the various local assessment policies so that a basis for uniformity of property values throughout the State is established. Under Section 70.57, Wisconsin Statutes, the State Department of Revenue is required to determine the equalized value of all taxable property in each county and taxation district. Based on several economic factors, including past sales studies, the State Department of Revenue calculates a percentage which, when applied to the assessed value, produces a value which most closely approximates the full market value of each county and taxation district. The State Department of Revenue shall notify each county and taxation district of its equalized value on August 15; with school districts being notified on October 15. All municipalities must assess taxable property at a minimum of 90% of State equalized values at least once every five years.

2022 Equalized Value by Class of Property

Insert table from budget.

Ten Largest Taxpayers with 2021 Estimated Equalized Valuations

Northwestern Mutual Life	\$517,533,139
Mandel Group	322,389,763
Weidner Investments	246,017,499
Berrada Properties	243,584,439
US Bank Corp.	231,426,914
Irgens	201,102,440
Katz Properties	140,304,600
Forest County Potawatomi Community	137,172,661
Metropolitan Associates	132,585,391
Aurora Health	132,219,811

Source: City of Milwaukee, Assessor's Office January 2022.

At December 31, 2021, delinquent property taxes include delinquent sewer and water charges and special assessments by year levied, tax deeded property, and allowance for uncollectible taxes. These delinquent property taxes are reported as part of taxes receivable in the General Fund and Special Revenue Fund - Delinquent Tax and consist of the following:

	City Levy	Purchased Taxes Receivables <i>(Thousands of Dollars)</i>	Total
2016 and Prior	\$ 7,685*	\$ 1,076	\$ 8,761
2017.....	2,482	297	2,779
2018.....	3,534	362	3,896
2019.....	6,145	664	6,809
2020.....	14,442	1,937	16,379
Total delinquent property taxes receivable	<u>\$ 34,288</u>	<u>\$ 4,336</u>	<u>38,624</u>
Property taxes receivable on foreclosed property			<u>44,395</u>
Less: Allowance for uncollectable taxes.....			<u>(38,402)</u>
Net delinquent property taxes receivable, including tax deeded property.....			<u><u>\$ 44,617</u></u>

The City issues General Obligation notes to provide funds for various public improvement projects, general City financing, and purchases of delinquent taxes. The City's 2022 budget includes \$12.9 million to finance delinquent tax borrowing.

State Aid

Primary Sources are described below. *Update, including a more detailed description of shared revenue. Also, let's only list material state aid.*

- State Shared Taxes – Long-term, payment to municipalities based on population and property values.
- State Highway Aid – Long-term, funded by state gasoline tax and motor vehicle fees. This revenue source is based on the type and size of governmental unit. Aid is distributed under a formula which considers the number of miles, types of roads in a municipality and local costs of maintaining the roads. This revenue is utilized by municipalities for major street repairs.
- State Payment for Municipal Services – It is a payment in lieu of taxes funded in the state budget based on the value of State-owned property within a local jurisdiction; recognizes the cost of municipal services to

state facilities.

- State Recycling Aid – Since its inception in 1990, this State-funded grant program has existed to assist local units of government in recovering their recycling costs. Expenditure Restraint Program – Starting in 1991, the State of Wisconsin implemented a program to provide additional financial assistance to cities with tax rates above the statewide average. In order to qualify for payments, the City must adopt an annual budget reflecting an increase no greater than the increase in the Consumer Price Index (CPI). Debt service expenditures are excluded from cost controls. Additional allowances for annual increases may be made due to growth in the City's tax base.
- State Computer Reimbursement – Exempted business computers from being subject to property taxes beginning with the 1999 property tax collected in 2000. It also provides for a state aid payment to municipalities to offset the loss of this taxable property. This aid payment is recognized as General Fund revenue.
- Fire Insurance Dues – The State of Wisconsin collects 2% of all fire insurance premiums sold in Wisconsin. All municipalities receive a share based on equalized value of real property improvements. Funds may be used for fire inspection, prevention and protection, training, purchase of fire protection equipment and funding of firefighters' pension programs.
- State Personal Property Exempt – Effective January 1, 2018 the State exempted machinery, tools, and patterns, other than items already considered exempt manufacturing property under prior law. A new state aid program was also created to reimburse municipalities for lost personal property tax revenue.
- Video Service Provider Aid – The aid is distributed by the State to each municipality imposing the video service provider fee. The aid is equal to .5% of the gross receipts used to calculate fee revenue and is intended to reimburse municipalities for the mandated reduction in communities' video service provider fee.

Grant and Aid Projects

Grant and aid projects include Federal and State grants whose proceeds are legally restricted to expenditures for specific purpose. This has included Federal ARPA funds, State funding for transportation and public works, among others.

Charges for Services

Charges for services are revenues received for services delivered by City departments. State statutes specify the types of services for which user fees can be assessed and prohibit the establishment of fee amounts that exceed the cost of service (*i.e.*, snow and ice fees only can be used to support the cost of snow and ice removal, as opposed to general government expenditures). Major charges for services include solid waste, snow and ice, street lighting, and sewer maintenance.

Other

- Miscellaneous Revenues: Miscellaneous revenues include the transfer from the transportation fund, interest on investments, funds from the sale of surplus property, real estate property sales, several spending offset accounts, and other revenues not included in any other category. In 2022, these revenues are expected to total \$34.3 million.

- **Fines and Forfeitures:** In 2022, revenue from licenses and permits is estimated at \$2.6 million. Fines and forfeitures include payments received from individuals as penalties for violating municipal laws. The revenue in this account reflects collections made by the Municipal Court.
- **Licenses and Permits:** In 2022, revenue from licenses and permits is estimated at \$16.7 million. These funds include charges administered by various departments for legal permission to engage in a business, occupation, or other regulated activity.
- **Fringe Benefit Offset:** The fringe benefit costs associated with reimbursable, grant, enterprise fund, and capital activity are gross budgeted in the general fund. These other funds make a payroll payment to the general fund to offset the cost of their general fund budgeted fringe benefits, which is anticipated to be \$31.9 million in 2022.
- **Tax Stabilization Fund (TSF):** The tax stabilization fund accumulates unexpended appropriations and revenue surpluses. It assists in stabilizing the city’s tax rate and protects citizens from tax rate fluctuations that can result from variations in non-property tax revenues. The balance of the fund as of January 1, 2022 was \$18.7 million. .

The total amount that can be withdrawn from the tax stabilization fund in any one year is an amount that prevents an increase of more than 3% in the City's property tax rate and is anticipated to be available as of April 15 of the year covered by the budget. Such amount must be included in the adopted budget, which requires a majority affirmative vote of the Common Council. Fund withdrawals not needed to stabilize the tax rate can be made for up to 50% of the available balance, but require a three-fourths affirmative vote of the Common Council prior to budget adoption The 2022 withdrawal will be \$4.0 million, which is 16.8% of the fund balance.

Revenue for the City’s business activities for the current and prior year, by category, are set forth below.

Business type program revenues

(Millions of Dollars)

	<u>Amount</u>	<u>Percentage of Total</u>	
		<u>Revenue</u>	<u>Expense</u>
Water.....	\$ 100	35%	42%
Sewer.....	77	27%	32%
Transportation.....	37	13%	15%
Port.....	14	5%	6%
MMSD sewer user charges.....	58	20%	24%
Total.....	\$ 286	100%	119%

Expenses

Expenses for the City’s governmental activities is either governmental or business-type activities. The two major business-type, or proprietary, activities for the City are water services (Water Works) and sewer maintenance. General government includes most City departments, such as: the Mayor, Common Council, Administration, Employee Relations, Municipal Court, City Attorney, Comptroller and Treasurer. Public safety includes Fire, Police and Neighborhood Services.

Governmental Activities

The table below presents the gross and net costs (total costs less the revenues generated by the activities) of each of the City’s largest programs. “Net cost” shows the remaining costs, by function that are funded by non-

program revenues such as City taxes and State aids.

Governmental Activities - Cost of Services
(Thousands of Dollars)

	Total Cost of Services				Net Cost of Services	
	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>% of Total</u>	<u>2021</u>	<u>2020</u>
General government.....	\$ 290,849	21%	\$ 249,456	18%	\$ 236,637	211,994
Public safety.....	624,406	46%	710,794	53%	547,157	596,284
Public works	234,986	18%	233,775	17%	125,705	129,236
Health	50,530	4%	38,265	3%	17,835	13,296
Culture and recreation.....	35,827	3%	31,054	2%	30,846	26,323
Conservation and development.....	78,832	6%	67,345	5%	64,729	26,604
Interest on long-term debt...	25,627	2%	25,542	2%	25,627	25,542
Total Governmental Activities...	\$ 1,341,057	100%	\$ 1,356,231	100%	\$ 1,048,536	1,029,279

Business-type activities

Operating revenues, expenses and income for Water Works and Sewer Maintenance are shown in the table below.

Major Enterprise Funds - Revenues and Expenses
(Thousands of Dollars)

	<u>Water Works</u>	<u>Sewer Maintenance</u>
Revenues.....	\$ 99,730	\$ 70,970
Expenses.....	\$ 83,448	\$ 26,183
Net Position.....	\$ 16,282	\$ 44,787

Business -type revenues, expenses and net position for the current year compared to the previous year are set forth below.

Business-type Revenues, Expenses and Net Position
(Thousands of Dollars)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percentage</u>
Revenues.....	\$ 288,317	\$ 262,467	\$ 25,850	10%
Expenses/Transfers.....	\$ 272,278	\$ 262,386	\$ 9,892	4%
Net Position.....	\$ 817,057	\$ 801,018	\$ 16,039	2%

Long Term Liabilities

Total 2021 long-term liabilities were \$4.395 billion (which included \$159 million of short-term amortization), is shown below.

Total Long-term Liabilities
(Millions of Dollars)

	<u>2021</u>	<u>2020</u>
Outstanding debt.....	\$ 1,651	\$ 1,626
OPEB.....	1,681	1,690
Pension.....	928	851
Compensated absences.....	48	51
Claims and judgments.....	87	44
Total.....	\$ 4,395	\$ 4,262

Major Governmental Funds

The City maintains several major government funds including the general account, which is used to account for substantially all of the City’s financial resources, as well as a general obligation debt service fund, the public debt amortization fund, the economic development fund, grant and aid projects fund and capital projects fund. See “___” for a description of the public debt amortization fund and the general obligation debt service fund. The general fund is described below.

General Fund

The General Fund is the City’s primary operating fund and the largest funding source for day-to-day services. General Fund revenues increased \$22 million from December 31, 2020 to December 31, 2021, mainly due to recovery of revenues from reduced levels in 2020 due to the COVID-19 pandemic and Federal assistance.

The table below presents a summary of revenues and expenditures of the General Fund compared to prior year.

General Fund
Summary of Revenues, Expenditures and Other Financing Sources and Uses
(Thousands of Dollars)

<u>Revenues and Other Financing Sources</u>				<u>Expenditures and Other Financing Uses</u>			
<u>Revenues:</u>	<u>2021</u>	<u>2020</u>	<u>Percent Change</u>	<u>Expenditures</u>	<u>2020</u>	<u>2020</u>	<u>Percent Change</u>
Property taxes	\$ 216,995	\$ 216,940	0.0%	General government.	273,787	\$ 260,956	4.9%
Other taxes	4,286	3,508	22.2%	Public safety	312,937	304,765	2.7%
Licenses and permits	17,197	13,978	23.0%				
Intergovernmental	275,702	273,422	0.8%	Public works	107,360	96,939	10.8%
Charges for services	147,310	135,582	8.7%	Health	12,687	8,575	48.0%
Fines and forfeits	2,578	2,008	28.4%	Culture and recreation	19,203	15,484	24.0%
Contributions received	2,235	3,159	-29.2%	Conservation and development	4,676	4,111	13.7%
Other	14,648	9,975	46.8%				
Total Revenues	680,951	658,572	3.4%	Other			
Excess of Revenues over Expenditures	(49,699)	(32,258)	-54.1%	Total Expenditures	730,650	690,830	5.8%
Other Financing Sources				Other Financing Uses			
Debt proceeds	900	19,234	-95.3%	Transfers out	2,109	2,109	0.0%
Transfers in	38,921	151,036	-74.2%				
Total Revenues and Other Financing Sources	720,772	828,842	-13.0%	Total Expenditures			
				Other Financing Uses	\$ 732,759	\$ 692,939	5.7%
				Net Change in Fund Balance	\$ (11,987)	\$ 135,903	108.8%

Proprietary Funds

The City also maintains certain proprietary funds, including Water Works and Sewer Maintenance, among others.

Capital Assets

The City’s capital assets include land, buildings, infrastructure, improvements other than buildings, machinery and equipment, furniture and furnishings, non-utility property, and construction in progress. A schedule comparing the assets by type for 2021 and 2020 for both governmental and business-type activities is shown in the table below. The two largest business-type activities are the Sewer Maintenance Fund and the Water Works Fund.

Net Capital Assets (Thousands of Dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Capital assets not being depreciated:						
Land.....	\$ 166,495	\$ 166,651	\$ 19,252	\$ 19,252	\$ 185,747	\$ 185,903
Construction in progress...	153,549	139,532	27,376	33,966	180,925	173,498
Intangible right of ways.....	1,342	1,342	-	-	1,342	1,342
Capital assets being depreciated.....						
Buildings.....	388,959	387,655	135,086	133,703	524,045	521,358
Infrastructure.....	1,877,214	1,871,580	1,382,337	1,336,856	3,259,551	3,208,436
Improvements other than buildings.....	11,966	12,175	15,112	11,419	27,078	23,594
Machinery and equipment	262,980	259,353	321,008	312,581	583,988	571,934
Intangible software.....	14,722	14,722	-	-	14,722	14,722
Nonutility property.....	-	-	3,918	3,918	3,918	3,918
Accumulated depreciation	(1,523,773)	(1,494,586)	(618,121)	(589,178)	(2,141,894)	(2,083,764)
Total.....	<u>\$ 1,353,454</u>	<u>\$ 1,358,424</u>	<u>\$ 1,285,968</u>	<u>\$ 1,262,517</u>	<u>\$ 2,639,422</u>	<u>\$ 2,620,941</u>
Net investment in capital assets.....	\$ 939,647	\$ 877,376	\$ 824,814	\$ 839,337	\$ 1,764,461	\$ 1,716,713

Major Capital Projects

The City maintains an annual plan for capital projects that includes a listing of large-scale projects each year. Major projects implemented in or planned for 2022 include improving the useful life of 22 miles of streets and funding for 1,100 lead water service line replacements. The City has a Capital Improvements Committee to provide a continuing analysis and public focus on the City’s investment and management of its public facilities and networks.

The City also maintains a Capital Improvement Plan (“CIP”), which outlines planned capital improvement projects and programs for five-year periods. Some school purpose improvements are financed by the City for MPS, but are not included in the CIP. Future amounts are for planning purposes and are likely to be reduced. The table below sets forth the CIP for 2022-2027.

2022-2027 Capital Improvement Plan
(Amounts in Thousands of Dollars)

	2022	2023	2024	2025	2026	2027	Total
Transportation	\$ 99,549	\$ 104,998	\$ 101,052	\$ 110,091	\$ 86,797	\$ 108,288	\$ 610,775
Redevelopment and Blight Elimination	6,150	6,250	6,250	6,250	6,250	6,250	37,400
Public Safety	10,154	11,000	7,700	9,040	9,040	10,540	57,474
Miscellaneous	40,766	27,701	30,501	37,151	28,878	30,228	195,225
Total General City	\$ 156,619	\$ 149,949	\$ 145,503	\$ 162,532	\$ 130,965	\$ 155,306	\$ 900,874
Levy supported GO Borrowing	\$ 86,256	\$88,343	\$88,492	\$92,085	\$93,103	\$ 89,898	\$ 538,177
Grants	43,744	38,586	37,751	49,969	18,462	48,156	236,668
Cash Levy	315	1,000	1,000	1,000	1,000	1,000	5,315
Special Assessment	3,034	3,360	3,550	3,568	3,690	3,542	20,744
Cash Revenues	23,370	25,960	27,710	27,910	26,710	24,710	156,370
Total Revenues for General City	\$ 156,719	\$ 157,249	\$ 158,503	\$ 174,532	\$ 142,965	\$ 167,306	\$ 957,274
Tax Incremental Districts							
GO Debt repaid by TID Increment	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 150,000
Developer Financed	10,000	12,000	13,000	12,000	12,000	12,000	71,000
Total for Tax Incremental Districts	\$ 35,000	\$ 37,000	\$ 38,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 221,000
Water (primarily funded by revenue bonds)	\$ 43,060	\$ 47,095	\$ 47,485	\$ 43,365	\$ 46,770	\$ 48,720	\$ 276,495
Sewer (primarily funded by revenue bonds)	33,000	39,850	36,850	37,850	38,350	39,350	225,250
Total Capital Improvements	\$ 267,679	\$ 273,894	\$ 267,838	\$ 280,747	\$ 253,085	\$ 280,376	\$ 1,623,619

Investment Practices

The City maintains a pooled cash and investment account that is available for use by all funds, except the Debt Service Fund, the Water Works Proprietary Fund and component entities that maintain separate cash and investments. - Cash temporarily idle during the year and under the control of the City Treasurer was invested in demand deposits, certificates of deposit, and repurchase agreements (all of which are permissible under State Statutes). The average interest earnings rate for City funds on short-term investments was 0.06% in 2021. The City uses the State of Wisconsin Local Government Investment Pool to provide flexibility for short-term investments while maintaining high standards of safety and liquidity. The investable balance generates interest earnings for the City, which is used to offset the property tax levy. The City’s long-term pooled cash investment program is in accordance with Section 66.0603 of the Wisconsin Statutes, and earned an annualized net investment rate of return of 2.11% on about \$33.7 million in investments.

Employes’ Retirement System

The Employes’ Retirement System (“ERS”) of the City of Milwaukee manages the City’s retirement funds. The ERS was created by an act of the State Legislature in 1937 to provide retirement-related benefits for members and their beneficiaries.

The Annuity and Pension Board (“Board”) governs the ERS, and serves as trustee of the City’s retirement funds. The ERS’ executive director is responsible for daily operations, and also serves as secretary for the Board. The Board consists of three representatives appointed by the President of the Common Council, three representatives elected by the active members of the ERS, one member elected by retired members of the ERS, and the City Comptroller, who serves as an *ex officio* voting member.

Membership in the ERS is comprised of active, inactive and benefit recipients (mainly retired employees) of the City. The main benefit of the plan, which is a defined benefit plan, is a retirement allowance for eligible employees. At January 1, 2022, the measurement date, the membership of the plan was as follows:

Plan members currently receiving benefits	13,758
Inactive plan members entitled to, but not yet receiving benefits	5,512
Current employees:	
Vested	7,105
Non-Vested	2,989
Total	<u>29,364</u>

In May 2022, ERS’ actuary presented the January 1, 2022 actuarial valuation to the Board. The valuation was based on the actuarial assumptions and methods adopted by the Board, taking into account investment results, actual experience of the ERS, and actuarial assumptions consistent with accepted actuarial principles. Consistent with the City’s Stable Employer Contribution Policy, required actuarially determined employer contributions are adjusted every five years. The current period is 2018-2022.

The actuarial valuation showed the actuarial value of assets was \$5.73 billion as of January 1, 2022. The actuarial liability was \$6.88 billion, the unfunded actuarial liability was \$1.14 billion, and the present value of future normal costs was \$765 million. The ERS’s funded ratio, which is the ratio of actuarial assets to actuarial liability, increased from 80.7% in 2021 to 83.4% in 2022.

Valuation As of Dec 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2021	\$5,734,986	\$6,875,927	\$1,140,941	83.4%	\$579,351	196.9%
2020	5,440,867	6,745,299	1,304,432	80.7	586,369	222.5
2019	5,285,205	6,597,457	1,312,252	80.1	596,386	220.0
2018*	5,219,184	6,400,901	1,181,717	81.5	581,663	203.2
2017	5,233,486	5,819,762	586,276	89.9	577,118	101.6

*Assumptions and methods were updated based on the recommendations of a new actuary. This increased the actuarial accrued liability by \$449.6 million.

Source: Table 15 of the Actuarial Valuation Report as of January 1, 2022.

The required employer contribution is determined actuarially, based on the annual cost of accrual of benefits and amortization of the unfunded actuarial liability offset by employee contributions. The recommended employer contribution for 2022 was \$88.1 million for all ERS employers and is due to ERS by January 31, 2023. This contribution represents 15.2% of employees’ pensionable compensation.

The Board is responsible for the investment of the ERS assets. The responsibilities of the Board relating to the investment management of the ERS’s assets include: establishing reasonable investment objectives and policy guidelines; using reasonable care, skill and caution in selecting investment professionals; and evaluating performance results of investment managers and other investment professionals on a systematic and regularly scheduled basis. The ERS obtained an 18.9% net of fee return outperformed the policy benchmark for 2021.

The January 1, 2022 actuarial valuation report can be found at <https://www.cmers.com/CMERS/Reports/Actuary/2022-CMERS-Valuation-Documents-FINAL.pdf>.

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 a life insurance plan are sponsored by the City and administered by 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.

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 2021, the City paid approximately \$37.3 million and \$3.9 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.

Annual Cost and Net OPEB Liability

(\$ amounts in thousands)

Year Ended Dec. 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2021	\$134,199	30.8%	\$1,680,554
2020	145,270	25.1	1,690,355
2019	107,412	38.0	1,444,166
2018	80,742	44.5	1,212,927
2017	84,172	40.5	473,309

* In 2018, the City implemented GASB 75, which requires recording the entire net OPEB liability.

Source: City's 2021 and prior year's Annual Comprehensive Financial Reports.

Schedule of Funding Progress

(\$ amounts in thousands)

Valuation As of Jan. 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2021	\$0	\$1,680,665	\$1,680,665	0.0%	\$346,833	484
2020	0	1,690,355	1,690,355	0.0	388,040	436
2019	0	1,444,166	1,444,166	0.0	375,432	385
2018	0	1,212,927	1,212,927	0.0	422,509	287
2017	0	1,061,772	1,061,772	0.0	409,521	260

Source: City's 2021 and prior year's Annual Comprehensive Financial Reports.

Budget

City's budget must be adopted by the 14th of November of each year. In preparation thereof, each department and agency prepares its own detailed estimate of needs for the ensuing fiscal year that is filed with the Mayor in each May, 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.

Adopted Budget – Combined Revenues – 2022

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Taxes						
Property Tax – General	\$ 85,038,772		\$ 85,434,549	\$ 315,000		\$ 170,788,321
Provision for Employee Retirement (1)	129,314,718					129,314,718
Contingent Fund	5,000,000					5,000,000
Total Taxes	219,353,490	-	\$ 85,434,549	\$ 315,000	-	305,103,039
Revenues						
Taxes and PILOT	\$ 18,249,000					\$ 18,249,000
Licenses and Permits	16,743,000					16,743,000
Intergovernmental Revenues	273,571,000	\$267,330,723				540,901,723
Charges for Service	168,146,240					168,146,240
Fines and Forfeitures	2,602,000					2,602,000
Miscellaneous Revenues	24,299,000	9,000,000				33,299,000
Fringe benefits (2)	31,897,107					31,897,107
Parking	10,000,000		\$3,315,185		\$26,666,348	39,981,533
Water Works			2,418,250	\$10,000	99,204,780	101,633,030
Sewer Maintenance Fund			2,405,000	1,000,000	69,696,659	73,101,659
Retained Earnings					13,821,246	13,821,246
Delinquent Taxes			12,746,914			12,746,914
Tax Incremental Districts			31,772,142			31,772,142
Other Self Supporting Debt			7,209,778			7,209,778
Cash Flow borrowings			116,300,000			116,300,000
Special Assessments		13,420,602		3,034,000		16,454,602
Capital Revenue				23,370,000		23,370,000
Total Revenues	\$ 545,507,347	\$ 289,751,325	\$ 176,167,269	\$ 27,414,000	\$ 209,389,033	\$1,248,228,974
Tax Stabilization Fund						
Transfer from Reserves	\$ 4,000,000					\$ 4,000,000
Sale of Bonds and Notes						
General City				\$ 109,956,000		109,956,000
Enterprise Funds				76,350,000		76,350,000
Grand Total	\$ 768,860,837	\$ 289,751,325	\$ 261,601,818	\$ 214,035,000	\$ 209,389,033	\$1,743,638,013

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

(2) 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 – 2022

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Expenditures						
Administration, Dept. of	\$14,845,750			\$1,592,000		\$16,437,750
Assessor's Office	4,508,937					4,508,937
City Attorney	7,522,010					7,522,010
City Treasurer	3,796,037					3,796,037
Common Council – Clerk	9,476,225					9,476,225
Municipal Court	2,919,623			259,000		3,178,623
Comptroller	4,559,225					4,559,225
Dept. of City Development ..	4,503,400			36,450,000		40,953,400
Election Commission	3,609,350					3,609,350
Emergency Communications, Dept. of	9,215,134					9,215,134
Employee Relations, Dept. of	4,587,398					4,587,398
Fire and Police Commission	3,305,238			685,000		3,990,238
Fire Department	83,151,348			1,830,000		84,981,348
Health Department	8,005,882			160,000		8,165,882
Library Board	25,205,587			664,000		25,869,587
Mayor's Office	1,377,686					1,377,686
Neighborhood Services	17,610,157					17,610,157
Police Department	280,432,042			7,220,000		287,652,042
Port of Milwaukee	6,856,288			2,812,000		9,668,288
DPW–Administration	3,067,269					3,067,269
DPW–Infrastructure	38,036,199			66,318,000		104,354,199
DPW–Operations	84,002,296			10,570,000		94,572,296
Water Works			\$2,418,250	43,060,000	\$105,132,491	150,610,741
Sewer Maintenance Fund			2,405,000	33,000,000	77,590,194	112,995,194
Special Purpose Accounts	160,418,916					160,418,916
Pension Funds	152,914,670					152,914,670
Debt Service – City			129,522,459			129,522,459
Debt Service – Schools			7,640,924			7,640,924
Debt Service – Cash Flow			116,300,000			116,300,000
Contingency	5,000,000					5,000,000
Delinquent Tax Fund		\$9,000,000				9,000,000
Parking			3,315,185	1,300,000	26,666,348	31,281,533
Grant & Aid Fund		267,330,723				267,330,723
Special Capital Projects				8,115,000		8,115,000
Economic Development		13,420,602				13,420,602
Fringe Benefit Offset	(170,065,830)					(170,065,830)
Grand Total	\$768,860,837	\$289,751,325	\$261,601,818	\$214,035,000	\$209,389,033	\$1,743,638,013

Budgetary Comparison Schedule – General Fund
For The Years Ending December 31, 2017 Through 2021
(Thousands of Dollars)

	2017	2018	2019	2020	2021
Revenues:					
Property Taxes	\$ 190,775	\$ 198,951	\$ 204,786	\$ 204,786	\$ 216,995
Other Taxes	3,795	2,831	3,821	3,821	4,286
Licenses and Permits.....	15,597	17,232	18,502	18,502	17,197
Intergovernmental	265,701	268,792	270,575	270,575	275,702
Charges for Services	117,873	119,579	125,728	125,728	131,251
Fines and Forfeitures.....	3,356	3,297	2,633	2,633	2,578
Other	19,384	26,764	23,971	23,971	14,648
Total General Fund Revenues.....	\$ 616,481	\$ 637,446	\$ 650,016	\$ 650,016	\$ 662,657
Tax Stabilization Fund Withdrawals	27,579	19,000	16,000	10,000	6,500
Other Financing Sources and Equity					
Transfers (Net)	49,549	59,927	71,380	178,379	14,648
Total General Fund Revenues Tax Stabilization Fund Withdrawals and Other Financing Sources.....	\$ 693,609	\$ 716,373	\$ 737,396	\$ 817,817	\$ 707,037
Expenditures:					
General Government	\$ 228,607	\$ 274,345	\$ 275,018	\$ 244,495	\$ 257,271
Public Safety	314,648	317,095	319,348	304,221	312,277
Public Works.....	100,482	103,588	107,133	96,564	107,321
Health.....	10,245	9,867	11,818	8,561	12,623
Culture and Recreation.....	17,925	18,416	18,078	13,965	18,359
Conservation and Development	4,579	4,544	4,506	4,108	4,673
Total Expenditures.....	\$ 676,486	\$ 727,855	\$ 735,901	\$ 671,914	\$ 712,524
Sources Over (Under) Expenditures.....	17,123	(11,482)	1,495	145,903	(5,487)
Fund Balance - January 1 (excludes reserved for use during the year).....	80,353	78,476	50,994	42,489	181,892
Fund Balance - December 31	\$ 97,476	\$ 66,994	\$ 52,489	\$ 188,392	\$ 176,405
Fund Balance Components:					
Nonspendable.....	\$ 18,401	\$ 19,476	\$ 21,621	\$ 21,206	\$ 23,377
Restricted	0	0	0	0	0
Committed.....	3,444	3,066	2,949	123,007	122,337
Assigned.....	37,281	26,450	20,580	27,220	21,610
Unassigned.....	38,350	18,002	7,339	16,959	9,081
Total Fund Balance.....	\$ 97,476	\$ 66,994	\$ 52,489	\$ 188,392	\$ 176,405
Tax Stabilization Fund (free fund balance)					
Reserved for Next Year's Budget	\$ 27,579	\$ 19,000	\$ 16,000	\$ 6,500	\$ 6,500
Reserved for Subsequent Years' Budget.....	\$ 50,737	\$ 44,182	\$ 24,327	\$ 16,959	\$ 16,959

COVID-19 and ARPA

The COVID-19 pandemic has altered the behavior of businesses and people in a manner that has had negative effects on global, state and local economies. There can be no assurances that the continued spread of COVID-19 will not materially adversely affect the financial condition of the City. Potential impacts to the City associated with the pandemic include, but are not limited to, reductions in commercial and manufacturing activity and increases in unemployment, with corresponding decreases in major revenues from sources such as real property taxes and other taxes, including hotel, admission, and parking taxes, and could increase the property tax delinquency rate. The degree of any such impact on the City's operations and finances is extremely difficult to predict due to the

evolving nature of the transmission of COVID-19, including uncertainties relating to (i) the duration of the pandemic, (ii) the severity of new variants of COVID19 and (iii) the ability of vaccine distribution to contain the spread, as well as with regard to what new actions may be taken by governmental authorities to contain or mitigate its impact.

City Responses

During 2020, the City actively monitored its revenue collections on a weekly basis and continually evaluated possible mitigation and expense reduction measures that might be required in response to the revenue losses. The City implemented the following expense reduction measures in 2020: (i) suspension of hiring, except for specific critical and pre-designated positions, (ii) deferred non-essential discretionary spending, (iii) limited approvals of contracts and task orders to those essential to key capital projects and critical tasks, (iv) delayed classes for the police and fire divisions and (v) limited overtime to those activities that were necessary for safety, critical operations or emergency management.

On March 15, 2020, the Mayor issued a proclamation of emergency that mandated citywide health and safety measures designed to mitigate the spread of COVID-19, to expire. As of June 21, 2021, all City employees who had been working remotely for some or all of the time were required to return to their pre-pandemic hours and place of work. City Hall also reopened to the public on June 21, 2021.

Although many restrictions were loosened after the first quarter of 2021 with the rollout of the COVID vaccines and most remaining State health orders have been lifted by the State, the City continues to carefully monitor the impact of COVID-19 on its revenue collections in order to make any spending adjustments that may be needed in order to maintain a balanced budget. The 2022 budget assumes the continued recovery of the local economy with improving revenue collections as employees return to work and sports and entertainment venues resume operations at greater capacity.

Financial Relief

Pursuant to the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), approved by the United States Congress and signed by President Trump on March 27, 2020, the City was allocated approximately \$103 million of grant assistance under the CARES Act. The City used the CARES Act funds to reimburse itself for eligible costs incurred beginning March 1, 2020 and ending December 31, 2020 that were related to necessary expenditures incurred due to the public health emergency declared with respect to the pandemic, primarily in the areas of public safety and public health.

The American Rescue Plan Act of 2021 (“ARPA”) was approved by the United States Congress and signed by President Biden on March 11, 2021. ARPA provides, among other funding, \$350 billion for state and local governments. The City of Milwaukee has been awarded a direct ARPA payment totaling \$394.2 million. The City of Milwaukee has been awarded a direct ARPA payment totaling \$394.2 million. The first half of these funds was received in 2021, with the second half received on June 6, 2022.

ARPA generally provides that such aid to state and local governments may be used to cover costs incurred to (i) support public health expenditures to mitigate COVID-19 impacts, medical expenses, behavioral healthcare, and certain public health and safety staff; (ii) address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector; (iii) replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic; (iv) provide premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors; and (v) invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand

access to broadband internet. To date, approximately \$129 million has been allocated to the General Fund to offset lost revenues. The deadline to commit the allocated funds is December 31, 2024, and the deadline to fully expend the funds is December 31, 2026.

OTHER

Employees

The City has approximately 5,794 full-time employees. Approximately, 2,282 employees are part of three public safety unions. The remaining employees do not have collective bargaining representation. The City recently completed negotiations with the unions. Contract expiration dates are as follows:

<u>Union</u>	<u>Contract Expiration Date</u>
Police Officers	December 31, 2022
Police Supervisors	December 31, 2022
Firefighters	December 31, 2022

Litigation

In addition to routine litigation incidental to performance of the City’s governmental functions and litigation arising in the ordinary course relating to contract and tort claims and alleged violations of law, certain special litigation matters are currently being litigated and/or appealed and adverse final outcomes of such litigation could have a substantial or long-term adverse effect on the City’s General Fund. These proceedings involve: (i) environmental-related actions and proceedings in which it has been or may be alleged that the City is liable for damages, including but not limited to property damage and bodily injury, or that the City should pay fines or penalties or the costs of response or remediation, because of the alleged generation, transport, or disposal of toxic or otherwise hazardous substances by the City, or the alleged disposal of such substances on or to City-owned property; (ii) contract disputes and other commercial litigation; (iii) union arbitrations and other employment-related litigation; (iv) potential and certified class action suits; and (v) civil rights litigation. The ultimate outcome and fiscal impact, if any, on the General Fund of the claims and proceedings described in this paragraph are not currently predictable. *Question: Is this included in the ACFR?*

Cybersecurity

The City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. *Add a description of the City’s program.*

Risk Management

The City is self-insured for workers’ compensation, health and dental insurance, uninsured motorist motor vehicle coverage for City employees, and general liability claims. With certain exceptions, it is the policy of the City not to purchase commercial insurance against property or liability risks. Instead, the City has found it is more economical to manage its risk internally, setting aside funds as needed for estimated current claim settlements and judgments through annual and supplemental appropriations as needed. The City also purchases and maintains limited coverage for certain facilities and employee bonding. Indemnity and insurance protection is also required of City contractors, vendors, lessees and permit holders. The City has property insurance coverage in the amount of \$1 billion with Travelers, subject to a \$500,000 deductible. The City also maintains insurance for theft, environmental matters, and its role as a wharfinger. The City is self-insured for liability.

Under Wisconsin law, the City’s tort liability is limited to \$50,000 in non-automobile cases and \$250,000

in automobile cases. The City follows a policy of requiring contract service providers to provide the City with indemnification and insurance as the City deems appropriate.

[ESG SECTION – TO BE DISCUSSED]

APPENDIX B
EXPECTED FORMS OF LEGAL OPINIONS

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

MASTER CONTINUING DISCLOSURE CERTIFICATE

This Master Continuing Disclosure Certificate (the “Certificate”) dated as of February 1, 2019 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 181110 duly adopted by the Common Council of the City on December 18, 2018 (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; 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 Obligations 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) “Event” means such events as described in Addendum Describing Enumerated Events.

(5) “Event Notice” means notice of an Enumerated Event.

(6) “GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

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

(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.

(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 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 audited.

(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 paragraph (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 Unaudited Financial Statements by the dates required, and will also provide Audited Financial Statements, when and if available, to the Repository.

Section 2.4. Notices of Enumerated Events. (a) If an Enumerated Event occurs, the City shall provide, in a timely manner (as may be further defined in the Addendum Describing Enumerated Events), an Enumerated 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 Enumerated 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 Enumerated 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 Enumerated 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. Enumerated Event Notices. Each Enumerated 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 February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING ENUMERATED EVENTS

This Addendum Describing Listed Events (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 February 1, 2019. This Addendum describes specific events required to be reported by Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (the “Rule”). Capitalized terms that are not defined in this Addendum have the meanings set forth in the Certificate. “Obligor” shall mean the entity specified in the Addendum Describing Annual Report.

Enumerated Event: 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, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Offered Obligations, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Obligor. Note: 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.
- (xiii) 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;
- (xiv) appointment of a success or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

As used in clauses (xv) and (xvi), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For purposes of reporting the above enumerated events, “timely manner” shall mean not in excess of ten (10) business days after the occurrence of the event.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

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 February 1, 2019. 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. Pursuant to that modification, continuing disclosure filings will be provided to the Municipal Securities Rulemaking Board for disclosure on the EMMA system.

Information submitted to the MSRB for disclosure on the EMMA shall be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SID (State Information Depository)

None.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

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 February 1, 2019. 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

Information and operating data included in the Annual Financial Information for Issuer:

1. Audited Financial Statements, if available, or Unaudited Financial Statements of the Issuer.
2. Operating data for the reporting year of the type included in the City’s Comprehensive Annual Financial Report (“CAFR”) for the year ending December 31, 2017, Required Supplementary Information Exhibit E-1, and Statistical Section Tables 5, 6, 7, and 8. If the CAFR does not contain the information, then the City agrees to provide such operating data, to the extent such information is prepared by the City. No separate filing is required if the operating data is included in the document filed pursuant to paragraph 1.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

SUPPLEMENTAL CERTIFICATE

This Supplemental Certificate is executed and delivered by the City of Milwaukee, Wisconsin (the "Issuer") to supplement the Master Continuing Disclosure Certificate (the "Certificate"), executed and delivered by the Issuer and dated February 1, 2019. Pursuant to the provisions of the Certificate, the Issuer hereby determines that the Certificate and the Addendum Describing Annual Report, as described below, shall apply to the following issue of obligations:

Name of Obligations:

____ \$ _____,000 General Obligation Promissory Notes, Series 2022 N7
____ \$ _____,000 General Obligation Corporate Purpose Bonds, Series 2022 B8

Addendum Describing Annual Report:

ADDENDUM DESCRIBING ANNUAL REPORT
FOR GENERAL OBLIGATION DEBT

Date of Issues:

December ____, 2022

No Previous Non-Compliance. The Issuer represents that for the period beginning 5 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 ____ day of December, 2022.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

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 Obligations. The 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 or bond certificate will be issued for each maturity of the 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 S&P Global 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 and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Obligation (“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 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all 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 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 Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations 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 Obligations within a maturity 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 Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 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 the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Participants and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying 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.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, note and bond 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 and 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 the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY, THE PAYING AGENT NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE OBLIGATIONS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE OBLIGATIONS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE OBLIGATIONS; OR (5) THE SELECTION BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF OBLIGATIONS.

APPENDIX E

OFFICIAL NOTICE OF SALE

OFFICIAL NOTICE OF SALE

CITY OF MILWAUKEE, WISCONSIN
\$23,750,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2022 N7
\$9,040,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022 B8
DATED DECEMBER 21, 2022

ELECTRONIC BIDS will be received by the City of Milwaukee, Wisconsin (the “City”) for all, but not part, of its \$23,750,000 General Obligation Promissory Notes, Series 2022 N7 (the “Notes”), and its \$9,040,000 General Obligation Corporate Purpose Bonds, Series 2022 B8 (the “Bonds” and together with the Notes, the “Obligations”), until **10:15 a.m. (Central Time) on Wednesday, November 30, 2022** (the “Sale Date”), at which time the bids will be publicly opened and read in the office of the City’s Comptroller, 200 East Wells Street, Room 404, Milwaukee, Wisconsin. The bids will be presented to the City’s Public Debt Commission (the “Commission”) for consideration for award by resolution (the “Award Resolution”) at a meeting of the Commission to be held at 3:00 p.m., Central Time, on the Sale Date.

Bids must be submitted electronically via PARITY as described herein.

Terms of Obligations. The Obligations will be dated December 21, 2022 and will be payable as to principal on April 1 of each year, in the years and the respective principal amounts, as follows:

Notes:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	[\$2,570,000]	2029	[\$2,655,000]
2025	[2,585,000]	2030	[2,675,000]
2026	[2,600,000]	2031	[2,695,000]
2027	[2,620,000]	2032	[2,715,000]
2028	[2,635,000]		

Bonds:

<u>Year</u>	<u>Amount*</u>
2033	[\$1,860,000]
2034	[1,850,000]
2035	[1,870,000]
2036	[1,895,000]
2037	[1,565,000]

*The City reserves the right to increase or decrease the principal amount of the Obligations on the Sale Date, in increments of \$5,000, up to \$1,000,000 in each year. If individual maturities are increased or decreased, then the proposed purchase price will be adjusted to maintain the same gross spread per \$1,000.

Interest on the Obligations will be payable on each April 1 and October 1, beginning on April 1, 2023, and will be computed on the basis of a 360-day year of twelve 30-day months.

Redemption Provisions. The Notes are not subject to optional redemption prior to maturity. The Bonds will be subject to redemption prior to maturity at the option of the City, in whole or in part, on April 1, 2032 and on any date thereafter, at a price of par plus accrued interest to the date of redemption, and without premium. Bonds may be redeemed in the order of maturity selected by the City.

Term Bond Option. Bids for the [Bonds] may contain a maturity schedule providing for any combination of serial bonds or term bonds, as described below under “**Bid Specifications**”. The term bonds, if any, shall be subject to mandatory partial sinking fund redemption in the amounts and years designated in the winning bid, at a price of par plus accrued interest to the redemption date, and without premium. The principal amount of Bonds maturing or subject to mandatory partial sinking fund redemption in each year must conform to the schedule set forth above under “**Terms of Obligations**”. [Term Notes are not allowed.]

Book-Entry Form. The Obligations will be issued as fully registered notes and bonds without coupons and, 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 single note or bond certificate for each separate maturity will be issued to DTC and immobilized in its custody. Individual purchases will be made in book-entry form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of Obligations purchased. The City will deliver the note and bond certificates to DTC, and will release the Obligations to DTC on or about December 21, 2022 (the “**Closing Date**”).

Security and Purpose. The Obligations will be general obligations of the City. The principal of and interest on the Obligations will be payable from *ad valorem* taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the City. The Notes are to be issued to finance various public improvement projects and fiscal requirements of the City, including the current refunding of outstanding bonds. The Bonds are to be issued to finance various public improvement projects of the City.

Tax Status. In the opinion of Foley & Lardner LLP and MWH Law Group LLP, co-bond counsel, under existing law, interest on the Obligations will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Obligations will be taken into account in determining “adjusted financial statement income” for purposes of computing the federal alternative minimum tax imposed on certain corporations for taxable years beginning after December 31, 2022. Interest on the Obligations will not be exempt from current State of Wisconsin income or franchise taxes.

Not Qualified Tax-Exempt Obligations. The City will not designate the Obligations as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Each bid must indicate a purchase price for the Obligations and an interest rate for each maturity, which must be multiples of one-eighth of one percent or one-twentieth of one percent; [no interest rate shall exceed 5.00%]. All Obligations of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity, and a zero rate of interest shall not be named. No supplemental interest shall be specified. Each bid must include the initial offering price at which the bidder reasonably expects to sell each maturity of the Obligations to the public, which shall not be less than 99% of par nor more than 105% of par, and the winning bidder must agree that each maturity of the Obligations will be offered to the public at such price plus accrued interest, if any, to the Closing Date. Each bid shall offer to purchase all the Obligations.

Each bid must specify whether the principal amount of [Bonds] payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual principal payment dates immediately preceding the maturity date of such term bond. The mandatory sinking fund

payment specified for any year must be equal to the full principal amount of [Bonds] listed as payable in that year in the table above under “**Terms of Obligations**”. The same interest rate specified for the nominal maturity date of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

For informational purposes only, bidders are requested to state in their bids the true interest cost to the City, as described in this Notice of Sale.

All bids shall be deemed to incorporate the provisions of this Notice of Sale. 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. Each bid for the Obligations shall constitute a valid offer that, if accepted by the Commission, will form a binding contract. The City reserves the right, in its discretion, to reject any or all bids, and to waive any informality or non-complying provision in any bid.

PARITY. Bids must be submitted electronically through PARITY in accordance with this Notice of Sale [within a one hour period prior to the time of sale on the Sale Date]. No bids will be received after the time on the Sale Date established above for the opening of bids. If any provisions in this Notice of Sale conflict with any instructions or directions set forth in PARITY, then this Notice of Sale shall control. Information regarding the fee for use of PARITY may be obtained from PARITY, and payment of such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders should refer to their contract/agreement with PARITY, or contact munis@ihsmarkit.com or by telephone at 212-849-5023. The City assumes no responsibility or liability for bids submitted through PARITY.

[PARITY is an independent service offered by i-Deal LLC; i-Deal LLC is not an agent of the City.]

Participating Underwriters. The winning bidder agrees to provide the Commission with a list of all firms that are participating 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. The winning bidder further agrees to supply to the City all necessary pricing information and any participating underwriter identification necessary to complete the City’s Official Statement within 24 hours after the award.

Good Faith Deposit. A good faith deposit in the amount of \$327,900 (the “**Good Faith Deposit**”) shall be provided by the winning bidder, which may be submitted in the form of a cashier’s check payable to the order of the City’s Treasurer or by federal wire transfer pursuant to wire instructions provided by the City. The Good Faith Deposit must be received by the City no later than [12:30] p.m. Central Time on the Sale Date (the “**Due Time**”). The City reserves the right to award the Obligations to the winning bidder in the event a Good Faith Deposit sent by wire has not been received by the Due Time as long as the wire has been initiated and a federal wire reference number has been provided by such time. In the event the Good Faith Deposit is not received by the Due Time, the City may award the Obligations to the bidder submitting the next best bid. The Good Faith Deposit is a guarantee of good faith on the part of the winning bidder to ensure performance of the requirements of the sale if the bid is accepted by the Commission and the award of the Obligations is confirmed by the adoption of the Award Resolution. The failure of the winning bidder to pay for and accept delivery of the Obligations as provided herein shall constitute a default and entitle the City to retain the Good Faith Deposit as the City’s agreed liquidated damages. The Good Faith Deposit will be retained by the City and applied to the purchase price of the Obligations on the Closing Date (no interest will accrue to the winning bidder on the Good Faith Deposit amount held by the City).

[The winning bidder agrees that, in addition to the general terms for the Good Faith Deposit, the required amount of the Good Faith Deposit represents liquidated damages for the City in the event that the winning bidder fails to provide the Good Faith 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 Good Faith Deposit

by the Due Time, and regardless of whether the City is able to complete the transaction with another bidder at a higher or lower cost, or at all. The winning bidder agrees to reimburse the City for costs to collect the liquidated damages, and to the jurisdiction of Wisconsin courts.]

Only the winning bidder is required to submit a Good Faith Deposit. Any good faith checks submitted by unsuccessful bidders will be returned promptly upon the official determination of the bid to be accepted.

Award. Unless all bids are rejected, the Obligations shall be awarded, by adoption of the Award Resolution, to the bidder whose qualifying bid results in the lowest true interest cost to the City, subject to receipt of the Good Faith Deposit as described above. The computation by a bidder of the true interest cost contained in any bid shall be for informational purposes only and shall not constitute a part of the bid. 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 (principal plus premium), the future debt service payments from the payment dates to the date of the Obligations, calculated on the basis of a 360-day year of twelve 30-day months, and with semi-annual compounding.

The City will contact the winning bidder shortly after opening of the bids. If the City adjusts the principal amounts of the Obligations in any maturities, the purchase price will be adjusted to maintain the same gross spread per \$1,000. The City will recalculate the underwriting discount, which shall be a fixed percentage of the par amount of each Obligation, and the adjusted purchase price. The City will inform the winning bidder as soon as possible of the adjusted amounts. The winning bidder may not withdraw its bid or change the interest rates bid or the initial reoffering prices as a result of any changes made to the principal amounts.

Bond Insurance at Winning Bidder's Option. A policy of municipal bond insurance or commitment therefor may be purchased at the option of the winning bidder, provided that the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole expense of the winning bidder. In the event an insurance policy is purchased for the Bonds, the winning bidder shall also be responsible for ascertaining whether or not the municipal bond insurer requires specific language to be included in the Award Resolution with respect to the insurer and the insurance policy. However, the City does not have the authority to enter into agreements with the bond insurer. *The winning bidder shall provide, or cause the insurer to provide, any such required language to co-bond counsel no later than 12:30 p.m. Central Time on the Sale Date.* Any increased costs of issuance for the Bonds resulting from the purchase of bond insurance shall be paid by the winning bidder.

The use of bond insurance will require insurance related certifications by the bidder in the issue price certificate described below under "**Establishment of Issue Price**".

Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery on the Bonds.

Rating. The Obligations will be assigned ratings by Fitch Ratings and S&P Global Ratings, a division of S&P Global, Inc.

Paying Agent. The City Comptroller (the "**Paying Agent**") will act as authentication agent, paying agent, and registrar for the Obligations. The Paying Agent is *not* a FAST agent for DTC.

Closing and Delivery. The Obligations shall be delivered to DTC for receipt at least one business day prior to the Closing Date for credit to the account of the winning bidder on the Closing Date. Payment

of the purchase price on the Closing Date, including accrued interest, if any, from the date of the Bonds to the Closing Date, must be made by federal wire transfer or other immediately available funds.

Establishment of Issue Price. The winning bidder shall assist the City in establishing the issue price of the Obligations and shall execute and deliver to the City on the Closing Date an “issue price” or similar underwriter certificate for the Obligations setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Obligations, together with the supporting pricing wires or equivalent communications, and compliance with the representations and covenants below, and identifying all underwriters for purposes of the issue price rules, and shall certify that it is an underwriter with an established industry reputation for underwriting municipal bonds.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Obligations (the “**competitive sale requirements**”) because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Obligations to the bidder who submits a firm offer to purchase the Obligations at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Obligations, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. In that event, *the winning bidder shall be required to elect at the time of the acceptance of the bid on the Sale Date whether to comply with its obligation to assist the City in establishing the “issue price” of the Bonds on the basis of the “general rule” or on the basis of the “hold-the-offering price” rule, as further described below.* If the winning bidder makes no express election, it shall be treated as having elected to apply the “general rule”.

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all the maturities of the Obligations will be subject to either the “general rule” or the “hold-the-offering price” rule, as applicable, to establish the issue price of the Obligations.

For purposes of the agreements and representations of the underwriters, the “**10 percent test**” is met when the first 10% of a maturity is first sold to the public at a single price. The winning bidder shall advise the City if any maturity of the Obligations satisfies the 10% test as of the time of the award of the Obligations on the Sale Date. The winning bidder shall also promptly advise the City, at or before the time of award of the Obligations on the Sale Date, which maturities of the Obligations shall be subject to the “general rule” and which shall be subject to the “hold-the-offering-price rule”.

If the winning bidder elects to comply on the basis of the “**general rule**”, the City intends to treat the first price at which 10% of a maturity of the Obligations is sold to the public as the issue price of that

maturity, applied on a maturity-by-maturity basis. The City, however, may in its sole discretion choose to apply one or more different interpretations of the issue price rule for purposes of its federal income tax compliance (for example, by averaging the prices at which the first 10% is sold). Until the 10% test has been satisfied as to each maturity of the Obligations, the winning bidder agrees to promptly report to the City and to its financial advisor the prices at which the unsold Obligations of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Obligations of that maturity or until all Obligations of that maturity have been sold. If such election is made, the City will not require bidders to comply with the “hold-the-offering-price rule”.

If the winning bidder elects to comply on the basis of the “**hold-the-offering-price rule**”, then the City may determine to treat (i) the first price at which 10% of a maturity of the Obligations is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the Sale Date of any maturity of the Obligations as the issue price of that maturity, in each case applied on a maturity-by-maturity basis.

By electing the hold-the-offering-price rule, the winning bidder (i) agrees to confirm that the underwriters have offered or will offer the Obligations to the public on or before the date of award at the offering price or prices set forth in the bid submitted by the winning bidder (the “**initial offering price**”), or at the corresponding yield or yields, and (ii) agrees, on behalf of the underwriters participating in the purchase of the Obligations, that the underwriters will neither offer nor sell unsold Obligations of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the 5th business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City and its financial advisor when the underwriters have sold 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the 5th business day after the Sale Date.

The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires and representations relating to actual sales, (ii) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires and representations relating to actual sales, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires, and representations relating to actual sales.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it

sells to the public the unsold Obligations of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Obligations of that maturity or all Obligations of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Obligations to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Obligations of that maturity or all Obligations of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Obligations to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this section of the Notice of Sale:

- (i) **“maturity”** means each maturity of substantially identical Obligations. For this purpose, Obligations are not treated as substantially identical if they have different credit or payment terms. For example, Obligations having the same nominal maturity are not treated as having the same “maturity” for this purpose if they have different interest rates.
- (ii) **“public”** means any person (including any individual, trust, estate, partnership, association or corporation) other than an underwriter or a related party.
- (iii) a winning bidder of any of the Obligations is a **“related party”** to an underwriter if the underwriter and the winning bidder are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).
- (iv) **“underwriter”** means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Obligations to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Obligations to the public).

Closing Deliveries. The legality of the Obligations will be approved by Foley & Lardner LLP and MWH Law Group LLP, co-bond counsel, whose unqualified approving opinions will be furnished to the winning bidder on the Closing Date without cost. There will also be furnished on the Closing Date customary closing documents, including a certificate of the City to the effect that the official statement with respect to the Obligations did not, as of its date, and does not, as of the Closing Date, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in

light of the circumstance under which they were made, not misleading, and stating that there is no litigation pending or threatened affecting the validity of or security for the Obligations.

CUSIP Numbers. CUSIP identification numbers will be specified on the Obligations, but the CUSIP numbers shall not constitute a part of the purchase agreement for the Obligations, and any error or omission with respect thereto shall not constitute cause for refusal by the winning bidder to accept delivery of and pay for the Obligations in accordance with the terms of its bid.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the City will enter into a continuing disclosure undertaking to provide annual financial information and notices of the occurrence of certain events to the Municipal Securities Rulemaking Board for the benefit of the owners of the Obligations. The undertaking will consist of four existing documents—a Master Continuing Disclosure Certificate, an Addendum Describing Enumerated Events, an Addendum Describing Repository and SID, and an Addendum Describing Annual Report for General Obligations—supplemented by a Supplemental Certificate, which will specify that the existing documents apply to the Obligations (collectively, the “**Disclosure Undertaking**”). The details and terms of the City’s reporting obligations are set forth in the form of the Disclosure Undertaking attached as an appendix to the Preliminary Official Statement (as defined below). As a condition of closing for the Obligations, the City will deliver the fully executed Disclosure Undertaking on the Closing Date.

Official Statement. The preliminary official statement dated _____, 2022 prepared in connection with the initial sale of the Obligations (the “**Preliminary Official Statement**”) is in a form which the City deems final as of its date for purposes of Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, except for the omission of information described in such Section (b)(1). The Preliminary Official Statement is subject to revision, amendment, and completion in a “final official statement” as defined in Section (e)(3) of Rule 15c2-12.

The Preliminary Official Statement, when supplemented with information specifying the maturity dates, principal amounts, and interest rates of the Obligations, together with any other information required by law, shall constitute the “**Final Official Statement**” of the City with respect to the Obligations. The City agrees that, pursuant to Section (b)(3) of Rule 15c2-12, no more than seven business days after the Sale Date, it shall provide, without cost, an electronic version of the Final Official Statement to the managing underwriter of the winning bidder. Immediately upon receiving the Final Official Statement, the winning bidder agrees to file it with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

Further Information. Additional information with respect to the Obligations may be obtained by contacting the undersigned:

Aycha Sawa
City Comptroller and Secretary of the
Public Debt Commission
City of Milwaukee
200 East Wells Street, Room 404
Milwaukee, Wisconsin 543202
414-286-3321
PDC@Milwaukee.gov

APPENDIX F

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF
THE CITY OF MILWAUKEE, WISCONSIN
FOR THE YEAR ENDED DECEMBER 31, 2021**

The independent auditor has not been engaged to perform, and has not performed since the date of its report ([a portion of] which is included herein), any procedures on the financial statements addressed in the report nor on this Official Statement, nor has the independent auditor been asked to give consent to the inclusion of this Appendix F in this Official Statement.