

COOPERATION AGREEMENT

For Financing

**UNFUNDED PENSION LIABILITY WITH
THE WISCONSIN RETIREMENT SYSTEM**

**MILWAUKEE BOARD
OF SCHOOL DIRECTORS
AND
CITY OF MILWAUKEE
AND
REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

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AGREEMENT made this ____ day of August, 2003, by and between the Milwaukee Board of School Directors (“MPS”), a body politic, organized and existing under Chapter 119, Wis. Stats., with its principal officers located at 5225 West Vliet Street, Milwaukee, Wisconsin, the City of Milwaukee (“CITY”), a Wisconsin municipal corporation, whose address is 200 East Wells Street, Milwaukee, Wisconsin, and the Redevelopment Authority of the City of Milwaukee (“RACM”), a public body corporate and politic, whose address is 809 North Broadway, Milwaukee, Wisconsin.

W I T N E S S E T H:

WHEREAS, Wisconsin Statutes, Section 119.498, amended July, 2003 as part of Senate Bill 77, which is awaiting the Governor’s signature, authorizes the CITY to issue general obligation promissory notes (“GO Notes”) for MPS purposes consisting of paying unfunded prior service liability (“UPSL”) contributions under the Wisconsin Retirement System (“WRS”). The legislation further authorizes such GO Notes to be counted against the 2% limit for general obligation school bonds, and requires MPS to include the repayment of the GO Notes in its annual budget; and

WHEREAS, Wisconsin Statutes, Section 66.1333(5s), enacted July, 2003 as part of Senate Bill 77, which is awaiting the Governor’s signature, alternatively authorizes RACM to issue up to \$200 million in bonds (“Revenue Bonds”) for MPS to finance or refinance the payment of UPSL contributions under WRS. The legislation further authorizes MPS to pledge revenues of the school district to the repayment of such Revenue Bonds; and

WHEREAS, MPS desires to pursue the feasibility of issuing GO Notes and/or Revenue Bonds (collectively, “Obligations”) to reduce the current cost of the UPSL under WRS; and

WHEREAS, the CITY is experienced in the issuance of bonds and the selection and retention of persons and firms to provide professional services in conjunction with such financings; and

WHEREAS, the CITY has a contract with Hawkins, Delafied & Wood, and Quarles & Brady LLP to provide co-bond counsel services for CITY bond issues and financings (“City’s Bond Counsel”); and

WHEREAS, the CITY has a contract with Robert W. Baird & Co. to provide financial advisory services for CITY bond issues and financings (“City’s Financial Advisor”); and

WHEREAS, In order to structure the issuance of Obligations to finance the UPSL contributions under WRS, MPS, the CITY, and RACM, through this Cooperation Agreement, agree that it is desirable and cost effective to utilize the City’s Bond Counsel and City’s Financial Advisor to evaluate and implement financing on behalf of MPS;

WHEREAS, In order to structure the issuance of Obligations to finance the UPSL contributions under WRS, MPS, the CITY, and RACM, through this Cooperation Agreement, agree that the selection and retention of underwriters, including minority underwriters, other financial or legal advisors, and other firms to provide services in connection with such financing, shall be the responsibility of the CITY, acting through the Public Debt Commission (“PDC”), and the Comptroller of the CITY (“Comptroller”), in consultation with the appropriate staff of MPS and RACM; and

WHEREAS, MPS has, by Board action on July ___, 2003, authorized the President and Superintendent to execute this Agreement on its behalf; and

WHEREAS, the CITY has, by Common Council File Number _____ adopted July ___, 2003, authorized the proper CITY officers to execute this Agreement on its behalf; and

WHEREAS, RACM has, by Resolution No. _____ adopted August ___, 2003, authorized its Chairman and Executive Director to execute this Agreement on its behalf;

NOW, THEREFORE, MPS, the CITY, and RACM, in consideration of the premises and of the mutual promises and undertakings hereinafter contained, mutually agree as follows:

1. CITY Responsibilities. The CITY, acting through the PDC, the Comptroller, and other officers and employees, in consultation with the appropriate staff of MPS and RACM, shall undertake the following:
 - a.) The retention of the City’s Bond Counsel and the City’s Financial Advisor for such financing.
 - b.) The selection and retention of all persons and firms necessary for the provision of professional services in conjunction with the issuance of Obligations, including, without limitation, underwriters, co-underwriters, other financial or legal advisors, and other firms to provide services in connection with such financing

- c.) The execution of contracts with all persons and firms retained to provide professional services in conjunction with the issuance of Obligations. All such contracts, except for Bond Counsel and Financial Advisor, shall be approved by the Superintendent of MPS and Executive Director of RACM, in writing, prior to execution by the CITY. MPS and/or RACM may, at their option, be a party to any such contract.
 - d.) Ongoing cooperation with MPS and RACM staff and the persons and firms retained to provide professional services in order to structure and close on the issuance of Obligations.
2. RACM Responsibilities. RACM, acting through its Executive Director, in consultation with the appropriate staff of MPS, shall undertake the following:
- a.) Ongoing cooperation with MPS and CITY staff and the persons and firms retained to provide professional services, as necessary, in order to structure and close on the issuance of Obligations.
3. MPS Responsibilities. MPS shall undertake the following:
- a.) The provision to the CITY of copies of all reports and plans, prepared in conjunction with the UPSL contributions under WRS, which are necessary to structure and close on the issuance of Obligations.
 - b.) The provision of MPS staff assistance to the CITY and RACM, as necessary, in order to assist the CITY and RACM in the performance of their responsibilities under this Agreement.
 - c.) Should the issuance of Obligations occur, all expenses of the financing shall be paid from proceeds of the Obligations as costs of issuance. Any amount not provided for as a cost of issuance shall be paid directly by MPS. Such costs may include the cost of staff time of the CITY.
 - d.) Should the issuance of Obligations not occur, any out-of-pocket costs of the CITY related to the financing shall be reimbursed by MPS within 60 days of termination of this Agreement. Such costs include, but are not limited to, fees and expenses of the City's Financial Advisor, fee and expenses of City's Bond Counsel and publication costs to solicit underwriters. Such amount shall not exceed \$20,000 for fees and expenses of the Financial Advisor and \$5,000 for other fees and expenses, without prior notice to and the written consent of the Superintendent of MPS.
 - e.) Ongoing cooperation with CITY and RACM staff and the persons and firms retained to provide professional services in order to structure and close on the issuance of Obligations.

4. RACM Obligations Not Financial. RACM's obligations under this Agreement relate solely to the provision of staff and non-monetary assistance to MPS in order to structure and close on the issuance of Obligations. The parties do not intend to create any financial obligations on the part of RACM by virtue of the actions contemplated by this Agreement or pursuant to any contracts for professional services which may be executed by RACM in conjunction with the issuance of Obligations.
5. CITY Obligations Not Financial. The CITY's obligations under this Agreement relate solely to the provision of staff and non-monetary assistance to MPS in order to structure and close on the issuance of Obligations. The CITY may, but is not obligated to, pay for services to expedite the financing. If paid, such amounts shall be reimbursable as previously provided.
6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.
7. Severability. Should any portion, term, condition or provision of this Agreement be declared by a court of competent jurisdiction to be illegal or in conflict with any law of the United States or the State of Wisconsin, or be otherwise rendered unenforceable or ineffectual, the legality and enforceability of the remaining provisions shall not be affected thereby.
8. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, provided that all such counterparts, in the aggregate, shall contain the signatures of each of the parties.
9. Headings. All Section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Agreement.
10. Notices. Any and all notices and communications provided for herein or made hereunder shall be given in writing and shall be deemed given to a party at the earlier of (i) when actually delivered to such party, (ii) when facsimile transmitted to such party to the facsimile number indicated for such party below (or to such other facsimile number for a party as such party may have substituted by notice pursuant to this Section) or (iii) when mailed to such party by registered or certified U.S. Mail (return receipt requested) or sent by overnight courier, confirmed by receipt, and addressed to such party at the address designated below for such party (or to such other address for such party as such party may have substituted by notice pursuant to this Section):

Redevelopment Authority
of the City of Milwaukee
809 North Broadway
Milwaukee, WI 53202

Milwaukee Public Schools
5225 West Vliet Street
Milwaukee, WI 53201-2181

Attn: Executive Director
Fax: (414) 286-0833

Attn: Superintendent
Fax: (414) 475-8585

The City of Milwaukee
200 East Wells St
Milwaukee, WI 53202

Attn: Comptroller
Fax: (414) 286-0653

11. Term. The term of this Agreement shall commence on the date first above written and terminate on June 30, 2004 or on the date when no Obligations remain outstanding, whichever is later; provided, however, that any party may terminate this Agreement at any time upon sixty (60) days written notice.

**MILWAUKEE BOARD
OF SCHOOL DIRECTORS**

Jeff Spence, President

William Andrekopoulos
Superintendent of Schools

CITY OF MILWAUKEE

John O. Norquist, Mayor

Ronald D. Leonhardt, City Clerk

COUNTERSIGNED:

W. Martin Morics, Comptroller

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

Tom D. Mellencamp, Chair

Julie A. Penman, Executive Director

Approved as to form and execution
this ____ day of _____, 2003.

Assistant City Attorney

07-16-03
1049-2003-1493
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