

PRELIMINARY OFFICIAL STATEMENT DATED [JANUARY __], 2023

ISSUE- BOOK-ENTRY-ONLY

RATINGS: Fitch “[A]”; S&P: “[A-]”
(See “THE NOTES – Ratings” herein.)



CITY OF MILWAUKEE, WISCONSIN
\$62,000,000* GENERAL OBLIGATION PROMISSORY NOTES, TAXABLE SERIES 2023 T1
Interest Rate ____%, Price ____%, Yield ____%

Issuer City of Milwaukee, Wisconsin (the “City”), is issuing the above-referenced notes (the “Notes”).

Dated..... February 15, 2023

Due February 1, 2028

CUSIP

Interest Payment Dates ... Each February 1 and August 1, commencing August 1, 2023.

Denomination..... \$5,000 or multiples thereof.

Purpose..... The Notes are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of allowing the City to annually advance a portion of its contribution to the Employees’ Retirement System of the City.

Security..... The Notes 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 Notes will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York (“DTC”), the securities depository for the Notes.

Redemption The Notes are not subject to redemption prior to maturity.

Tax Status..... Interest on the Notes is included in gross income for federal income tax purposes. See “TAX MATTERS” herein.

Legal Opinions The Notes are being issued subject to the legal opinions of Foley & Lardner LLP and MWH Law Group LLP, Co-Bond Counsel to the City. See “APPENDIX B” herein.

Competitive Bid The Notes 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 Notes will be available for delivery to DTC on or about February 15, 2023.

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

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 NOTES WILL BE RECEIVED
ON TUESDAY, JANUARY 24, 2023 UNTIL 10:15 A.M. (CENTRAL TIME)

* Preliminary; subject to change.

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 NOTES 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 NOTES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE NOTES 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 NOTES 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 included 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	3
THE NOTES	4
General	4
Redemption Provisions	4
Registration and Payment of Notes.....	4
Ratings	4
Book-Entry-Only Form.....	4
SECURITY	4
PLAN OF FINANCE.....	5
PRO FORMA FISCAL YEAR DEBT SERVICE REQUIREMENTS	5
TAX MATTERS.....	5
Federal Tax Status.....	6
State Tax Considerations.....	8
LITIGATION.....	8
CONTINUING DISCLOSURE	9
MUNICIPAL ADVISOR.....	9
UNDERWRITING	9
CLOSING DOCUMENTS AND CERTIFICATES	9
ADDITIONAL INFORMATION.....	10
APPENDICES	
Appendix A – City of Milwaukee, Wisconsin.....	A-1
Appendix B – Expected Form 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*

MARK CHAMBERS, JR.

JONATHAN BROSTOFF

ROBERT BAUMAN

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 three 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

MUNICIPAL 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 Notes, a prospective investor should read the entire Official Statement, including the Appendices.

Issuer:	City of Milwaukee, Wisconsin (the “City”).
Issue:	\$62,000,000* General Obligation Promissory Notes, Taxable Series 2023 T1 (the “Notes”).
Dated Date:	February 15, 2023.
Due:	February 1, 2028*
Interest Payment Dates:	Each February 1 and August 1, commencing August 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 Notes are issued for the public purpose of allowing the City to annually advance a portion of its contribution to the Employees’ Retirement System of the City.
Security:	Principal and interest on the Notes 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 Notes in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes. See “INTRODUCTION – Authorization” herein.
Form of Issuance:	The Notes 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 securities depository for the Notes. See “THE NOTES – Book-Entry-Only Form” herein.
Tax Status of Interest:	Interest on the Notes is included in gross income for federal income tax purposes. See “TAX MATTERS” herein.
Redemption*	The Notes are not subject to redemption prior to maturity.
Record Dates:	January 15 and July 15 (whether or not a business day).
Delivery:	Delivery of the Notes will be on or about February 15, 2023, at the expense of the City, through the facilities of DTC.
Reoffering:	The public reoffering price or yield of the Notes will be set forth on the front cover of the Official Statement.
Ratings:	Fitch: “[A]” S&P: “[A-]” See “THE NOTES – Ratings” herein.

* Preliminary; subject to change.

INTRODUCTION

General

This Official Statement provides information about the \$62,000,000* General Obligation Promissory Notes, Taxable Series 2022 T1 (the “Notes”), 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 NOTES” for a description of the Notes and to Appendix D for a description of the book-entry system applicable thereto.

Authorization

The City is authorized pursuant to Chapters 65 and 67 of the Wisconsin Statutes to finance a portion of its contribution to the Employees’ Retirement System of the City, and to pay the associated financing costs. The Common Council of the City adopted a Resolution on January 17, 2023, which authorizes the issuance of the Notes.

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 Notes 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 \$40,000,000 in liquidity remaining under line of credit agreements with U.S. Bank National Association and Huntington National Bank. The line of credit agreements were established in 2018 and 2021, respectively. Draws on the line of credit agreements are primarily made to provide interim financing for

* Preliminary; subject to change.

expenditures and for short-term cash flow needs. The City may draw additional amounts on the lines of credit during the year for short-term cash flow needs.

The City also intends to issue approximately \$75,000,000 in general obligation promissory notes and/or bonds in April, 2023.

THE NOTES

General

The Notes are to be dated February 15, 2023, and will bear interest from that date at the rate, and mature on the date, set forth on the cover page of this Official Statement. Interest on the Notes will be payable commencing August 1, 2023 and thereafter semiannually on February 1 and August 1 of each year and will be calculated on the basis of 30-day months and a 360-day year.

Redemption Provisions

The Notes are not subject to redemption prior to maturity.

Registration and Payment of Notes

So long as the Notes are in book-entry-only form, payment of the principal of, and interest on, the Notes 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 Notes have been rated: “[A]” by Fitch Ratings, Inc. and “[A-]” 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 Notes. The City may elect not to continue requesting ratings on the Notes from any particular rating organization or may elect to request ratings on the Notes from a different rating organization.

Book-Entry-Only Form

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

SECURITY

The Notes 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 Section 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 Notes 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 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.

PLAN OF FINANCE

Proceeds of the sale of the Notes are anticipated to be used to finance a portion of the City's annual contribution to the Employees' Retirement System of the City.

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 Notes.

	Total Fixed Rate G.O. Debt Service as of 1/17/23		Taxable Series 2023 T1 *		Total Requirements After Issuance*
	Principal ⁽¹⁾⁽⁴⁾	Interest	Principal	Interest ⁽⁵⁾	
2023	\$169,863,761 ⁽²⁾	\$45,051,966		\$1,429,444	\$216,345,202
2024	107,205,000	36,703,013		3,100,000	147,008,013
2025	109,615,000	31,908,747		3,100,000	144,623,747
2026	94,040,000	27,293,421		3,100,000	124,433,421
2027	90,105,000	22,396,522		3,100,000	115,601,522
2028	77,600,000	17,906,601	\$62,000,000	1,550,000	159,056,601
2029	71,290,000	14,743,603			86,033,603
2030	181,995,000 ⁽³⁾	10,828,264			192,823,264
2031	53,315,000	7,305,223			60,620,223
2032	42,670,000	5,320,059			47,990,059
2033	35,815,000	3,786,799			39,601,799
2034	25,655,000	2,633,106			28,288,106
2035	20,215,000	1,751,634			21,966,634
2036	14,360,000	1,073,068			15,433,068
2037	8,755,000	595,295			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
2042	995,000	21,050			1,016,050
	<u>\$1,114,118,761</u>	<u>\$230,167,627</u>	<u>\$62,000,000</u>	<u>\$15,379,444</u>	<u>\$1,421,665,833</u>

(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.

(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

U.S. Federal Tax Considerations

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Notes that acquire their Notes in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (“IRS”) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Notes as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Notes under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Notes pursuant to this offering for the issue price that is applicable to such Notes (the first price at which a substantial amount of such Notes are sold to the public) and who will hold their Notes as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”).

As used herein, “U.S. Holder” means a beneficial owner of a Note that is a “United States person,” as defined in Section 7701(a)(30) of the Code, and generally means an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation, regardless of its source, or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States Persons have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Note (other than a partnership) that is not a U.S. Holder. If a partnership holds Notes, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Notes, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Notes (including their status as U.S. Holders or Non-U.S. Holders).

It should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain, and loss with respect to the Notes at the time that such income, gain, or loss is recognized on such financial statements instead of under the rules described below.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local, or non-U.S. tax consequences to them from the purchase, ownership, and disposition of the Notes in light of their particular circumstances.

Interest on the Notes is not excluded from gross income for federal income tax purposes.

U.S. Holders

Principal and Interest. Interest on the Notes generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes) by more than a *de minimis* amount, the difference may constitute original issue discount (“OID”). U.S. Holders of Notes will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments

attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Notes purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Note issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Note.

Sale or Other Taxable Disposition of the Notes. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement, or other disposition of a Note will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Note will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Note, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Note (generally, the purchase price paid by the U.S. Holder for the Note, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Note). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Notes, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the Notes exceeds one year. The deductibility of capital losses is subject to limitations.

Additional Tax on Net Investment Income. Under Section 1411 of the Code, an additional tax is imposed on individuals, in an amount equal to 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income) and (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return or a surviving spouse). Prospective investors should consult with their own tax advisors concerning this additional tax, as it may apply to interest on the Notes as well as gain on the sale of a Note.

Information Reporting and Backup Withholding. Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Notes may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement, or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code, or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A U.S. Holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Principal and Interest. Subject to the discussions below under the headings "TAX MATTERS – U.S. Federal Tax Considerations – *Non-U.S. Holders; Information Reporting and Backup Withholding*" and "– *Foreign Account Tax Compliance Act*," payments of principal or redemption price of, and interest on, any Note to a Non-U.S. Holder, other than (1) a "controlled foreign corporation," as such term is defined in the Code, which is related to the State through stock ownership and (2) a bank which acquires such Note in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Note provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "– *Information Reporting and Backup Withholding*," or an exemption is otherwise established.

Disposition of the Notes. Subject to the discussions below under the headings "TAX MATTERS – U.S. Federal Tax Considerations – *Non-U.S. Holders; Information Reporting and Backup Withholding*" and "– *Foreign Account Tax Compliance Act*," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption,

retirement (including pursuant to an offer by the State or a deemed retirement due to defeasance of the Note), or other disposition of a Note generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement, or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Note that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Note would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "TAX MATTERS – U.S. Federal Tax Considerations – *Non-U.S. Holders; Foreign Account Tax Compliance Act*," under current U.S. Treasury Regulations, payments of principal or redemption price of, and interest on, any Notes to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the beneficial owner of the Note or a financial institution holding the Note on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and be signed by the owner under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code ("FATCA") impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless (i) the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or (ii) the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting, and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of principal of and interest on the Notes and sales proceeds of Notes held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and to gross proceeds from the sale, exchange, or retirement of debt obligations. However, the IRS has issued proposed regulations, upon which taxpayers may generally rely, that exclude gross proceeds from the sale, exchange, or retirement of debt obligations such as the Notes from the application of the withholding tax imposed under FATCA. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

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 Notes. 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 Notes.

State of Wisconsin Income and Franchise Taxes

Interest on the Notes 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 Notes.

The City is a party to numerous legal proceedings. Although none of these legal proceedings relate directly to the Notes 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 Notes or the security for the Notes.

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 Notes 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 Notes, 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, noteholders’ 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 Notes in the secondary market. Consequently, such a failure may adversely affect the liquidity of the Notes 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 DIVER at any time.

In the last five years, the City has not failed to comply in any material respect with the Undertaking or any similar past undertakings.

MUNICIPAL ADVISOR

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

UNDERWRITING

The Notes were purchased at competitive bidding conducted on January 24, 2023.

The award of the Notes was made to _____, its co-managers and associates (collectively, the “Underwriters”), at a price of \$_____.

The initial public reoffering yield of the Notes will be detailed on the cover of the Final Official Statement.

CLOSING DOCUMENTS AND CERTIFICATES

Simultaneously with the delivery of and payment for the Notes by the Underwriters, 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, which is attached as Exhibit F to this Official Statement.

The City was incorporated 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”).

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 an estimated population of 577,222*. 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 1.6 million*, which includes the Milwaukee, Racine, Ozaukee, and Waukesha, Wisconsin metropolitan areas.

GOVERNMENT

The City, in operation under a home rule City 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 four-year terms, which commence and end on the same dates. 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 City, 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 (Employees’ Retirement System Director), David Misky (Assistant Executive Director of the Redevelopment Authority of the City) and Mary Reavey (Retired City Assessment Commissioner).

* U.S. Census Bureau 2020 decennial census.

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 Officer 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 a Master of Business Administration degree 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 African American 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, the Milwaukee Public Schools ("MPS") is effectively treated by Wisconsin Statutes as a City department authorized by law to adopt its own budget. It was established in 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 Wisconsin 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. MPS is governed by a nine-member board of school directors, and also maintains a senior administrative leadership team, led by its Superintendent, Dr. Keith P. Posley.

Other major local governmental units and their related government services are 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 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, nine Neighborhood Improvement Districts, 60 Tax Incremental Districts and various development projects promoting urban renewal throughout the City. The City 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 in recent years, 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.
- 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 17,500 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 City residents for the 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, 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. Iron District MKE will include an 8,000 square foot stadium that will house the City's recently announced U.S.L. Championship soccer league. In addition to the stadium, the planned district includes 3,500-seat indoor concert venue, a 140-unit residential component, boutique hotel, and dining, nightlife, and retail operations. The stadium and entertainment venues are or is 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, Irish and German festivals along with the world's largest Irish festival.

Education. The City's educational institutions include Alverno College, Marquette University, the Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee Institute of Art & Design, Milwaukee School of Engineering, Mount Mary University, University of Wisconsin-Milwaukee and Wisconsin Lutheran College.

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, the new Bradley Symphony Center, Harley-Davidson Museum and more.

INDUSTRY AND EMPLOYMENT

The Milwaukee metropolitan area has a population of approximately 577,222 million people, with over 873,000 employees as of August 2022. Its largest industry sectors by employment include education and health services, trade, transportation and utilities, and manufacturing. The City benefits from a concentration of talent in legal, engineering and financial services.

Milwaukee Area Non-Farm Employment by Sector*
(August 2022)

	<u>Employment</u>	<u>Percentage</u>
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	<u>79,500</u>	10
	837,000	100%

**Includes Milwaukee, Waukesha and West Allis, Wisconsin metropolitan areas. Numbers do not include farm employment.
Source: Bureau of Labor Statistics, Milwaukee, Waukesha and West Allis data, updated October 27, 2022.*

Several industries stand out for the high number of firms located in the Milwaukee metropolitan area 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, 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 the 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, also in the Milwaukee region, 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 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, which recently announced it will be moving its headquarters to downtown Milwaukee), FIS, and Thomson Reuters BETA Systems.
- The Milwaukee region is home to several commercial brands, including Haribo gummi bears; Carmex lip balm, BRP North America’s outboard engines, Allen-Edmonds’ shoes and Jockey International, among others.

Population Data

Population data from the Wisconsin Department of Administration and the U.S. Census bureau for the five year period from 2017 to 2021 is included in the table below.

City Population Data

<u>Year</u>	<u>Department of Administration</u>	<u>U.S. Census</u>
2021	587,976	
2020	587,072	577,222
2019	590,547	
2018	595,555	
2017	591,076	

Employment

Estimated annual unemployment rates for the Milwaukee area for the five-year period ended December 31, 2021 are set forth below. The City attributes the increase in 2020 primarily to the effects of the COVID-19 pandemic. The unemployment rate for the City as of November 2022 was 4.96%.

Annual Unemployment Rates

<u>Year</u>	<u>City of Milwaukee</u>	<u>Milwaukee Metropolitan Area</u>	<u>State of Wisconsin</u>	<u>United States</u>
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
2018	4.0	3.2	3.0	3.9
2017	4.3	3.5	3.3	3.7

Source: U.S. Department of Labor, Bureau of Labor Statistics. Not seasonally adjusted.

** Reflects the effects of COVID-19 pandemic.*

Employers

The Milwaukee metropolitan area is home to six 2021 Fortune 500 companies and seven 2021 Fortune 1,000 companies, as set forth in the table below.

Fortune 500 and 1,000 Companies Headquartered in the Milwaukee Metropolitan Service Area (2021)

	<u>Fortune Rank</u>
Northwestern Mutual Life Insurance Co.	90
Manpower Group	165
Kohl's Corp.	195
Fiserv, Inc.	205
WEC Energy Group	400
Rockwell Automation	440
Harley-Davidson, Inc.	614
Snap-on, Inc.	623
Quad/Graphics, Inc.	746
A.O. Smith Corp.	767
REV Group, Inc.	902
Rexnord Corp.	960
Modine Manufacturing, Inc.	962

Source: Fortune.com

The non-governmental companies employing the greatest number of workers in Milwaukee County as of August 2022 set forth below.

Ten Largest City Employers in Milwaukee County

<u>Company</u>	<u>Business Description</u>	<u>Approximate Employment</u>
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 Graphics	Marketing	5,800
Children's Hospital and Health System	Health Care System	5,309
Kohl's Corp.	Retail	5,000
	Insurance, Investment	
Northwestern Mutual	Products	5,000

Note: Reflects full time equivalent employees of businesses and industrial firms, does not include government employers.

Source: 2022 Business Journal of Greater Milwaukee (August 12-18, 2022 printed edition).

Transportation

Public Transportation. Public transportation in the City is mainly provided by the Milwaukee County Transit System, which contains 60 routes and 5,500 bus stops located in Milwaukee County. Milwaukee is also home to The Hop, also known as the Milwaukee Streetcar. The Streetcar's initial line connects the Milwaukee Intermodal Station and Downtown to the Lower East Side and Historic Third Ward neighborhoods.

Milwaukee Intermodal Station. The Milwaukee Intermodal Station serves more than 1.3 million passengers per year and use the facility to make connections to Amtrak's Hiawatha Service and Empire Builder, as well as to Greyhound and other local and regional bus services. The Amtrak Hiawatha connects Milwaukee to Chicago, with 7 stops daily.

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, 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 is a modern air transportation center of 2,386 acres located six miles south of the City of Milwaukee's central business district. After three new airlines launched service to/from Milwaukee in 2021 and 2022, ten airlines now provide approximately 125 daily departures from Milwaukee. 35 cities are served nonstop, and one-stop connections are available to over 200 cities throughout the world. [A total of 4,524,345 passengers used Milwaukee Airport in 2021, and more than 5.5 million passengers

are projected for 2022. Milwaukee earned a 2021 Airport Service Quality Best Airport – North America award from Airports Council International for providing an outstanding customer experience.

Government

The City has approximately 5,794 full-time employees. Of that number, 2,282 employees are part of three public safety unions: the Milwaukee Police Association, the Milwaukee Police Supervisors’ Organization and the Milwaukee Professional Fire Fighters’ Association (collectively, the “Unions”). The City’s contracts with the Unions expire December 31, 2022.

Construction and Housing

Building Permits

The following table indicates building permit activity between 2018 and 2022.

Value of Permits

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2022	\$37,236,932	\$612,060,189	\$649,297,121
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
2018	17,222,132	614,284,725	631,506,857

Permits Issued

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2022	1,687	1,011	2,698
2021	1,793	1,013	3,544
2020	1,748	1,123	2,871
2019	1,060	1,347	2,407
2018	1,089	1,375	2,464

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.

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 MPS. General obligation bonds are secured by the full faith and taxing power of the City (to the extent not statutorily limited). The debt for governmental activities is retired by future property tax levies and other resources accumulated in the Debt Service Funds (defined below).

The City also issues general obligation notes to purchase a portion of its delinquent taxes. In addition, the City finances certain water system and sewerage system projects through the issuance of revenue bonds. City-issued water system revenue bonds and sewerage system revenue bonds were outstanding in an amount of \$7.3 million and \$161.7 million, respectively, on January 17, 2023.

Certain of the City’s general obligation bonds are characterized as 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 “A” from Fitch, Inc.

Outstanding Bonds

On a *pro forma* basis as of January 17, 2023, assuming the issuance of the Series 2023 T1 Notes, the City’s general obligation debt outstanding totaled \$1,135,393,761 (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 January 17, 2023.

<u>General Obligation Purpose</u>	<u>Principal Amount</u>
Streets	\$ 271,727,527
Municipal Expenses	166,300,084
Tax Increment Districts	162,742,028
Cash Flow Notes	119,000,000
Public Buildings	108,103,127
Finance Real & Personal Property Tax Receivables	71,553,868
Schools	53,898,925
Bridges	52,300,132
Police	50,397,852
Sanitation	43,328,566
Blight Elimination/Urban Renewal	32,602,727
Library	25,970,915
Fire	21,176,972
Parking	17,676,025
Harbor	5,392,658
Playground/Recreational Facilities	2,973,633
Sewers	<u>2,248,722</u>
Total Outstanding GO Debt	\$ 1,207,393,761

Self-Sustaining and Overlapping Debt

In addition to issuing general obligation debt payable from City-wide 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. On a *pro forma* basis as of January 17, 2023, assuming the issuance of the Series 2023 T1 Notes, the aggregate outstanding self-sustaining general obligation debt was \$496,345,643, or 41.1% 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 January 17, 2023 is set forth below.

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Debt</u>
City (1)	\$ 1,207,393,761	100.00%	\$ 1,207,393,761
Area Board of Vocational, Technical and Adult Education, District No. 9	112,590,000	36.63	41,241,269
County of Milwaukee	436,005,453	45.33	197,620,515
Milwaukee Metropolitan Sewerage District	<u>733,874,454</u>	46.21	<u>339,117,832</u>
Total Net Direct and Overlapping Debt	\$ 2,489,863,668		\$ 1,785,373,378

⁽¹⁾ [Includes \$54 million general obligation debt outstanding, which financed MPS improvements, and] *pro forma*; assumes the issuance of the Series 2023 T1 Notes.

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 January 17, 2023, assuming the issuance of the Series 2023 T1 Notes.

Statutory Debt Limit Calculation

Equalized Value of Taxable Property in the City	\$ 39,448,239,000
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Legal Debt Limitation for City Borrowing

5% of Equalized Value.....	\$ 1,972,411,950
General Obligation Debt Outstanding subject to 5% Limit as of 1/17/23. \$ 1,143,925,000	
Plus: Series 2023 T1 Notes	62,000,000
Less: General Obligation Debt to be Refunded.....	--
Net General Obligation Debt Outstanding subject to the 5% limit as of 1/17/23.....	\$ 1,205,925,000
Total Debt Margin for City Borrowing (in Dollars).....	\$766,486,950
As a percentage	38.9%

Legal Debt Limitation for School Purpose Borrowing

2% of Equalized Value.....	\$ 788,964,780
General Obligation Debt Outstanding subject to 2% Limit as of	
11/15/22.....	\$ 1,468,761
Net General Obligation Debt Outstanding subject to the 2% Limit as of 11/15/22	\$ 1,468,761
Total Debt Margin for School Purpose Borrowing (in Dollars).....	\$ 787,496,019
As a percentage	99.8%

General Obligation Bonds – MPS

Under the Wisconsin Statutes, the City is required, if requested by the Board of MPS and approved by referendum, to issue general obligation bonds under MPS' 2% debt limit to finance purchases of school sites and to construct or remodel school buildings (with an exception from the referendum requirement for certain pension obligations).

As set forth above, as of January 17, 2023, there was \$1,468,761 of debt outstanding incurred under MPS' 2% debt limit. In addition, \$52,430,164 of debt for school purposes was issued under the City's 5% debt limit.

Under the Wisconsin Statutes, the City has title to MPS' land and buildings. On June 30, 2021, the historical costs of the land and buildings as reported by MPS were approximately \$1,259,023,000. The City does not control the use of the assets or receive proceeds upon distribution. The City does not include MPS assets on its financial statements.

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 January 17, 2023, 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 January 17, 2023, \$162 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 and 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. Since 1973, the City has closed over 125 issues amounting to over \$265 million.

Redevelopment Authority of the City of Milwaukee. The Redevelopment Authority of the City of Milwaukee (“RACM”) is a public body corporate and politic formed in 1958 by action of the Common Council of the City pursuant to Wisconsin Statutes Section 66.1333. The purpose of RACM is to carry out blight elimination, slum clearance, and urban renewal programs and projects. RACM is typically the issuer of Conduit Bonds under 66.1333, with proceeds made available to third parties who agree to enter into qualified projects. However, RACM also issues revenue bonds to finance certain City functions, including MPS and Port of Milwaukee.

As of January 17, 2023, RACM bonds outstanding for MPS expenditures (“RACM-MPS Bonds”) totaled \$275 million. The RACM-MPS Bonds are comprised of 10 issues secured by leases or loan agreements with the Milwaukee Board of School Directors (“MBSD”). RACM-MPS Bonds do not constitute general obligations of the City or MBSD, and do not constitute or give rise to a charge against their respective taxing powers. The loan agreements with MBSD include a pledge of certain State aid payable to MBSD.

As of January 17, 2023, RACM had one bond issue outstanding for the Port of Milwaukee in a principal amount of \$5.4 million, secured by payments under a lease between the City and RACM. Rental payments under the lease are derived from net revenues of the Port of Milwaukee.

Housing Authority. The Housing Authority is a municipal agency of the City, established to provide public housing and services for residents of the City. The Authority was established in 1944, and is responsible to a board of commissioners appointed by the Mayor.

The Housing Authority issues revenue bonds and notes, which are typically secured by a lien on the revenues of its low income housing program. The Housing Authority has also issued debt for stand-alone projects. The City does not guaranty Housing Authority bonds and notes, which are limited obligations of the Housing Authority and not general obligations of the City.

As of January 17, 2023, the Housing Authority had \$13.7 million of mortgage revenue bonds outstanding.

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 Wisconsin Statutes Section 67.101, which provides that 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 2022 was \$5 million and the 2023 budgeted amount is \$3 million.

The PDAF unsegregated balance for the period from 2019 to 2021 is below.

<u>December 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 [and other available information]. 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 are included as Exhibit F to the 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 governmental and business-type activities, which are typically broken out in the information provided below. Unless otherwise noted, the two component units of the City, RACM and the Neighborhood Improvement Development Corporation, Inc. (a nonprofit corporation organized by the City), 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 years ended 2020 and 2021, by category, are set forth below.

Governmental Activities Revenues (Thousands of Dollars)

Category	<u>2021</u>		<u>2020</u>	
	<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	<u>70,004</u>	<u>7</u>	<u>72,875</u>	<u>7</u>
Total	\$ 1,005,512	100%	\$ 1,026,159	100%

Property Tax

The City 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. The Common Council levies taxes. 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.

The table below sets for the property tax levies for Common Council controlled purposes.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City (Controlled by the Common Council): General City Purpose	\$ 119,704,126	\$ 115,229,998	\$ 112,786,102	\$ 85,038,772	\$ 88,461,529
Provision for Employee Retirement	86,619,281	96,710,343	97,347,853	129,314,718	118,230,671
Capital Improvement Program	1,114,000	566,000	620,115	315,000	965,000
City Debt (including MPS debt)	68,558,500	73,512,200	83,446,500	85,434,549	98,545,626
Common Council Contingent Fund	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Total	\$ 280,995,907	\$ 291,018,541	\$ 299,200,570	\$ 305,103,039	\$ 311,202,826

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 City 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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Residential	14,996,676,900	16,367,808,300	16,400,446,700	19,741,611,600	22,242,016,900
Commercial	11,933,832,300	11,904,363,700	13,486,451,500	14,001,423,300	15,698,245,500
Manufacturing	763,632,800	794,891,100	816,715,100	841,168,500	861,103,500
Total Real Estate	27,694,142,000	29,067,063,100	30,703,613,300	34,584,203,400	38,801,365,900
Personal Property	<u>646,258,600</u>	<u>679,282,800</u>	<u>771,489,000</u>	<u>754,070,600</u>	<u>646,873,100</u>
Total Taxable Assessed Valuation	28,340,400,600	29,746,345,900	31,475,102,300	35,338,274,000	39,448,239,000

Top Ten Property Taxpayers by EAV

The top 10 property taxpayers in 2023, based on the 2022 Equalized Assessed Valuation (“EAV”), are shown in the following table.

<u>Taxpayer</u>	<u>2022 EAV</u>
Northwestern Mutual Life	\$ 535,394,200
Mandel Group	352,640,300
Berrada Properties	332,949,300
Weidner Investments	246,328,600
US Bank Corp.	237,444,700
Komatsu Mining	196,675,400
Irgens	194,907,400
Katz Properties	148,826,500
Metropolitan Associates	140,172,300
Marcus Corp	137,493,800

Source: City Assessor’s Office January 2023.

Delinquent Property Taxes, Special Assessments and Charges

On 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:

	<u>City Levy</u>	Purchased Taxes Receivables (Thousands of <u>Dollars</u>)	<u>Total</u>
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	<u>14,442</u>	<u>1,937</u>	<u>16,379</u>
Total delinquent property taxes receivable	\$34,288	\$4,336	\$38,624
Property taxes receivable on foreclosed property			44,395
Less: Allowance for uncollectable taxes.....			(38,402)
Net delinquent property taxes receivable, including tax deeded property.....			\$ 44,617

The City issues general obligation notes to provide funds for purchases of delinquent taxes. The City's 2023 budget includes \$13.9 million to finance delinquent tax borrowing.

State Aid

Primary Sources are described below.

- Shared Revenue Program (County and Municipal Aid, Expenditure Restraint) – general, unrestricted aid that can be used for any activity approved by the local governing body. Prior to 2004, Shared Revenue payments were based on a per capita component and an aid-able revenue component. Since 2013 each individual county and municipality receives the same Municipal Aid payment as in 2012. The Expenditure Restraint Program provides targeted general aid to municipalities. Municipalities must qualify for this formula based payment by meeting eligibility requirements of a minimum municipal tax rate and restriction in the rate of year to year growth in its budget.
- Transportation Aid (General Transportation) – Long-term, financial assistance to local governments for their transportation-related costs, including the construction and maintenance of roads under their jurisdiction. General Transportation Aid payments are made from the State's segregated transportation fund, which includes revenues from motor fuel tax, vehicle registration fees, and other transportation-related taxes and fees. 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. Each municipal government's initial entitlement equals the greater of its share of costs aid or mileage aid amounts. This revenue is utilized by municipalities for transportation related expenditures

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. Wisconsin 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 2023, these revenues are projected to total \$35.9 million.
- **Fines and Forfeitures:** In 2023, revenue from licenses and permits is estimated at \$3.3 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 2023, revenue from licenses and permits is estimated at \$17.8 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 \$52.0 million in 2023.
- **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 2023 budget did not include a budgeted withdrawal on the tax stabilization 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.	<u>58</u>	<u>20</u>	<u>24</u>
Total.....	\$ 286	100%	119%

Expenses

Expenses for the City's governmental activities are either governmental or business-type activities. The two major business-type, or proprietary, activities for the City are water services 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. The "Net Cost of Services" column 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)

	<u>2021</u>	<u>Total Cost of Services</u>		<u>% of Total</u>	<u>Net Cost of Services</u>	
		<u>% of Total</u>	<u>2020</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

Long Term Liabilities

As of December 31, 2021, the City's long-term liabilities were \$4.395 billion (which included \$159 million of short-term amortization), as set forth in more detail 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.....	<u>87</u>	<u>44</u>
Total.....	\$ 4,395	\$ 4,262

Major Governmental Funds

The City maintains several major governmental funds including the General Fund, which is used to account for substantially all of the City's financial resources, as well as a General Obligation Debt Service Fund, the PDAF, the economic development fund, grant and aid projects fund and capital projects fund. See "Debt Funds" above for a description of the PDAF 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>Revenues:</u>	<u>2021</u>	<u>2020</u>	<u>Percent Change</u>
Property taxes	\$ 216,995	\$ 216,940	0.0%
Other taxes	4,286	3,508	22.2
Licenses and permits	17,197	13,978	23.0
Intergovernmental	275,702	273,422	0.8
Charges for services	147,310	135,582	8.7
Fines and forfeits	2,578	2,008	28.4
Contributions received	2,235	3,159	-29.2
Other	<u>14,648</u>	<u>9,975</u>	46.8
Total Revenues	\$ 680,951	\$ 658,572	3.4%
Excess of Revenues over Expenditures	(49,699)	(32,258)	-54.1
Other Financing Sources Debt proceeds	900	19,234	-95.3
Transfers in	<u>38,921</u>	<u>151,036</u>	-74.2
Total Revenues and Other Financing Sources	\$ 720,772	\$ 828,842	-13.0%

<u>Expenditures and Other Financing Uses</u>			
<u>Expenditures</u>	<u>2021</u>	<u>2020</u>	<u>Percent Change</u>
General government	\$ 273,787	\$ 260,956	4.9%
Public safety	312,937	304,765	2.7
Public works	107,360	96,939	10.8
Health	12,687	8,575	48.0
Culture and recreation	19,203	15,484	24.0
Conservation and development	<u>4,676</u>	<u>4,111</u>	13.7
Other Total Expenditures	\$ 730,650	\$ 690,830	5.8
Other Financing Uses Transfers out	<u>2,109</u>	<u>2,109</u>	0.0
Total Expenditures Other Financing Uses	<u>\$ 732,759</u>	<u>\$ 692,939</u>	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 2020 and 2021 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</u> <u>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	<u>(1,523,773)</u>	<u>(1,494,586)</u>	<u>(618,121)</u>	<u>(589,178)</u>	<u>(2,141,894)</u>	<u>(2,083,764)</u>
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	<u>\$ 939,647</u>	<u>\$ 877,376</u>	<u>\$ 824,814</u>	<u>\$ 839,337</u>	<u>\$ 1,764,461</u>	<u>\$ 1,716,713</u>

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 2023 include improving the useful life of 24 miles of streets and funding for 1,300 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
(Thousands of Dollars)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
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	<u>40,766</u>	<u>27,701</u>	<u>30,501</u>	<u>37,151</u>	<u>28,878</u>	<u>30,228</u>	<u>195,225</u>
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	<u>23,370</u>	<u>25,960</u>	<u>27,710</u>	<u>27,910</u>	<u>26,710</u>	<u>24,710</u>	<u>156,370</u>
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)	<u>33,000</u>	<u>39,850</u>	<u>36,850</u>	<u>37,850</u>	<u>38,350</u>	<u>39,350</u>	<u>225,250</u>
Total Capital Improvements	<u>\$ 267,679</u>	<u>\$ 273,894</u>	<u>\$ 267,838</u>	<u>\$ 280,747</u>	<u>\$ 253,085</u>	<u>\$280,376</u>	<u>\$1,623,619</u>

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.

Employees' Retirement System

The Employees' Retirement System ("ERS") of the City 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. On 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	<u>2,989</u>
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.

Required Contributions and Net Pension Liability (\$ amounts in thousands)

Year Ended <u>Dec. 31</u>	Required <u>Contribution</u>	Percentage of Required Contribution <u>Contributed</u>	Net Pension <u>Liability</u>
2021	\$76,660	97.1%	\$927,864
2020	77,295	106.8	850,751
2019*	76,657	92.8	1,145,601
2018	74,884	93.4	303,583
2017	74,811	87.4	353,030

* Assumptions and methods were updated based on the recommendations of a new actuary.
Source: City's 2021 and prior year's Annual Comprehensive Financial Reports.

Schedule of Funding Progress

<u>Valuation As of Dec 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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-Document-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)

<u>Year Ended Dec. 31</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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)

<u>Valuation As of Jan. 1</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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

The 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.

The City's 2023 budget was adopted by the Common Council on November 4, 2022, and subsequently finalized on November 22, 2022 with the override of Mayoral vetoes. The 2023 Budget is available at <https://city.milwaukee.gov/doa/budget/Milwaukee-Budgets>.

Adopted Budget – Combined Revenues – 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Taxes						
Property Tax – General	\$88,471,529		\$98,535,626	\$965,000		\$187,972,155
Provision for Employee Retirement (1)	<u>118,230,671</u>					<u>118,230,671</u>
Contingent Fund	<u>5,000,000</u>					<u>5,000,000</u>
Total Taxes	<u>\$211,702,200</u>	=	<u>\$98,535,626</u>	<u>\$965,000</u>	=	<u>\$311,202,826</u>
Revenues						
Taxes and PILOT	\$ 20,489,000					\$ 20,489,000
Licenses and Permits	17,247,000					17,247,000
Intergovernmental Revenues	273,173,000	\$116,841,112				390,014,112
Charges for Service	173,328,780					173,328,780
Fines and Forfeitures	3,302,000					3,302,000
Miscellaneous Revenues	25,890,000	9,505,000				35,395,000
Fringe benefits (2)	52,000,000					52,000,000
Parking	10,000,000		\$3,663,780		\$26,112,345	39,776,125
Water Works			2,224,375	\$10,000	98,628,225	100,862,600
Sewer Maintenance Fund			1,668,271	5,700,000	73,279,253	80,647,524
Retained Earnings					18,497,762	18,497,762
Delinquent Taxes			13,892,708			13,892,708
Tax Incremental Districts			22,128,326			22,128,326
Other Self Supporting Debt			10,345,004			10,345,004
Cash Flow borrowings			114,500,000			114,500,000
Special Assessments				3,720,000		3,720,000
Capital Revenue				<u>38,280,000</u>		<u>38,280,000</u>
Total Revenues	<u>\$575,429,780</u>	<u>\$126,346,112</u>	<u>\$229,547,464</u>	<u>\$47,710,000</u>	<u>\$216,517,585</u>	<u>\$1,195,550,941</u>

**Tax Stabilization
Fund**

Transfer from Reserves	\$1,272,000					\$1,272,000
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**Sale of Bonds and
Notes**

General City				\$120,573,000		120,573,000
Enterprise Funds				<u>72,110,000</u>		<u>72,110,000</u>
Grand Total	<u>\$788,403,980</u>	<u>\$126,346,112</u>	<u>\$328,083,090</u>	<u>\$241,358,000</u>	<u>\$216,517,585</u>	<u>\$1,700,708,767</u>

(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 – 2023

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Expenditures						
Administration, Dept. of	\$16,299,963			\$2,095,000		\$18,394,963
Assessor's Office	4,455,048					4,455,048
City Attorney	7,071,179			\$750,000		7,821,179
City Treasurer	3,907,011					3,907,011
Common Council – Clerk	9,689,900					9,689,900
Municipal Court	3,132,137			265,000		3,397,137
Comptroller	4,418,537					4,418,537
Dept. of City Development	5,045,180			39,600,000		44,645,180
Election Commission	1,980,569					1,980,569
Emergency Communications, Dept. of	18,408,014			789,000		19,197,014
Employee Relations, Dept. of	5,045,664					5,045,664
Fire and Police Commission	4,418,365					4,418,365
Fire Department	48,334,973			3,000,000		51,334,973
Health Department	16,394,174					16,394,174
Library Board	25,792,779			1,600,000		27,392,779
Mayor's Office	1,453,616					1,453,616
Neighborhood Services	19,857,118			3,200,000		23,057,118
Police Department	300,860,638			17,930,000		318,790,638
Port of Milwaukee	6,423,600			3,319,000		9,742,600
DPW– Administration	3,054,004					3,054,004

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
DPW– Infrastructure	42,798,112			69,058,000		111,856,112
DPW–Operations	90,229,784			11,817,000		102,046,784
Water Works			\$ 2,224,375	47,010,000	\$ 110,522,308	159,756,683
Sewer Maintenance Fund			1,668,271	28,400,000	79,882,932	109,951,203
Special Purpose Accounts	164,179,754					164,179,754
Pension Funds	143,868,851					143,868,851
Debt Service – City			197,839,654			197,839,654
Debt Service – Schools			8,187,010			8,187,010
Debt Service – Cash Flow			114,500,000			114,500,000
Contingency	5,000,000					5,000,000
Delinquent Tax Fund		\$9,505,000				9,505,000
Parking			3,663,780	2,410,000	26,112,345	32,186,125
Grant & Aid Fund		116,841,112				116,841,112
Special Capital Projects				10,115,000		10,115,000
Economic Development						
Fringe Benefit Offset	<u>(163,714,990)</u>					<u>(163,714,990)</u>
Grand Total	<u>\$ 788,403,980</u>	<u>\$ 126,346,112</u>	<u>\$ 328,083,090</u>	<u>\$ 241,358,000</u>	<u>\$ 216,517,585</u>	<u>\$ 1,700,708,767</u>

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

Revenues:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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	<u>\$ 616,481</u>	<u>\$ 637,446</u>	<u>\$ 650,016</u>	<u>\$ 650,016</u>	<u>\$ 662,657</u>
Tax Stabilization Fund Withdrawals	27,579	19,000	16,000	10,000	6,500
Other Financing Sources and Equity Transfers (Net)	<u>49,549</u>	<u>59,927</u>	<u>71,380</u>	<u>178,379</u>	<u>14,648</u>
Total General Fund Revenues Tax Stabilization Fund Withdrawals and Other Financing Sources	<u>\$ 693,609</u>	<u>\$ 716,373</u>	<u>\$ 737,396</u>	<u>\$ 817,817</u>	<u>\$ 707,037</u>
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	<u>\$ 676,486</u>	<u>\$ 727,855</u>	<u>\$ 735,901</u>	<u>\$ 671,914</u>	<u>\$ 712,524</u>
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	<u>\$ 97,476</u>	<u>\$ 66,994</u>	<u>\$ 52,489</u>	<u>\$ 188,392</u>	<u>\$ 176,405</u>
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	<u>38,350</u>	<u>18,002</u>	<u>7,339</u>	<u>16,959</u>	<u>9,081</u>
Total Fund Balance	<u>\$ 97,476</u>	<u>\$ 66,994</u>	<u>\$ 52,489</u>	<u>\$ 188,392</u>	<u>\$ 176,405</u>
Tax Stabilization Fund (free fund balance)					
Reserved for Next Year's Budget	\$ 27,579	\$ 19,000	\$ 16,000	\$ 6,500	\$ 4,000
Reserved for Subsequent Years' Budget	\$ 50,737	\$ 44,182	\$ 24,327	\$ 23,854	\$ 14,696

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 COVID-19, 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 predesignated 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 City-wide 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-19 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 2023 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 former 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 COVID-19 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 Joe Biden on March 11, 2021. ARPA provides, among other funding, \$350 billion for state and local governments. The City 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

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; (v) civil rights litigation, and (vi) property tax challenges. 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. The City accruing for legal claims, which included approximately \$70.9 million in 2021.

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. The City maintains an Information Technology Management Division (ITMD) to support actively monitored technology infrastructure to provide confidentiality, integrity and accessibility of the City's data and information systems. ITMD's responsibilities include managing technology projects and ensuring that the systems, applications, networks, end user devices, and communications systems, are continuously available and operating effectively.

The City initiated a Cybersecurity Program in 2019 with the addition of a Security and Compliance Analyst position, and introduced information security policies and standards along with security awareness training in accordance with City goals, business objectives, risk tolerances, and regulatory compliance requirements. The program is designed to increase organizational awareness of informational security threats and employee responsibilities. The City also employs a Chief Information Officer (CIO) who works with departments to develop a strategic plan for the development and implementation of information technology.

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.

City Environmental Considerations

The City strives to make Milwaukee a world class eco-city. Through its Environmental Collaboration Office (“ECO”), the City collaborates with the community, develops global partnerships, implements environmental programs, and is responsible for the City’s ReFresh Milwaukee sustainability plan. The ReFresh Milwaukee sustainability plan, initially adopted in 2013, sets goals, targets, and strategies in all areas of environmental sustainability.

The City has adhere to the Paris Agreement, a global plan to counteract climate change and prevent the average global temperature from increasing by 2 degrees Celsius above pre-industrial levels. Milwaukee is part of a national coalition of local governments committed to strong action on climate that collectively represent nearly 70% of U.S. GDP, nearly two-thirds of the U.S. population, and over half of U.S. Greenhouse Gas (GHG) emissions. Within Wisconsin, Milwaukee was a founding member of the Wisconsin Local Government Climate Coalition, which advocates for state policies that are necessary for local governments to achieve their ambitious climate goals.

The City is currently developing a Climate and Equality Plan designed to combat climate change and address racial disparities in employment that exist within the City. The Climate and Equity Plan’s goal is reducing GHG emissions 45% from 2018 levels by 2030, and achieving net zero GHG emissions by 2050 follows the target set in the IPCC Special Report published in 2019 to keep global temperature rise to 1.5 degrees Celsius. To advance racial equity, ECO and other City workforce development partners are participating in the Department of Energy’s Better Buildings Workforce Accelerator. The goal is to help at least 30 people of color find work in the energy efficiency sector with family supporting wages while supporting on-going systemic change in the industry.

Other City activities include:

- The City maintains several core programs, including the Better Buildings Challenge for municipal and commercial buildings including property assessed clean energy (PACE) financing, Me2 home energy efficiency program, HOME GR/OWN vacant lot revitalization program, the Water Centric City program, and Milwaukee Shines solar program. The Milwaukee Shines solar program is collaborating on a county-wide group-buy program that is expect to facilitate solar installations on at least 40 homes. In 2020 and 2021, ECO’s Water Centric City program supported the Plastic Free Milwaukee coalition’s Lake Friendly Pledge, completed a Commercial Rainwater Harvesting Guide, and worked to implement the City’s Green Infrastructure Plan in partnership with the Department of Public Works, MPS, and MMSD. ECO also supports public outreach efforts in preparation of major efforts to clean up the Milwaukee River Estuary Area of Concern through the U.S. EPA.
- The City, through the ECO, is heavily engaged with opening pathways for solar energy in Milwaukee. In 2021, ECO and its partners completed the largest solar project in the City’s history. This 2.25 MW solar field on a City-owned landfill is owned and maintained by We Energies, which pays an estimated \$96,000 per year to the City to lease the land. This revenue supports the City’s Climate Action Planning and Program special fund.
- The City maintains a HOME GR/OWN program and Eco-Neighborhood Initiative. HOME GR/OWN empowers residents to transform neighborhoods by repurposing vacant lots into community assets that foster new economic opportunities around local, healthy food production, and distribution. In 2021 and 2022, HOME GR/OWN is concentrating its vacant lot beautification efforts on commercial corridors, maintaining pocket parks that had been previously built, and completing major renovations at Victory over Violence Park on MLK Drive. The Eco-Neighborhood Initiative is currently supporting Sherman Park Neighborhood in their efforts to spur collective actions in support of the environment. Additionally, in 2021, the City received a two-year U.S. EPA Environmental Justice Grant that will support environmental education in target

neighborhoods in partnership with Walnut Way Conservation Corporation, Sixteenth Street Community Health Centers, the Milwaukee Health Department, and Wisconsin Department of Health Services.

- The City maintains an Energy Reduction Team that supports the City's energy efficiency and renewable energy goals as outlined in ReFresh Milwaukee. This includes improving efficiency in municipal buildings by 20% from the year 2009 and getting 25% of the City's electric power from renewable energy sources by 2025. In 2020, ECO worked with the Milwaukee Public Library to complete a multi-million dollar energy saving performance contract at Central Library. Coupled with the new solar installation, the Central Library is achieving a 20% energy reduction from its 2009 baseline. In 2020, ECO completed an Energy Efficiency Plan for all City facilities and the municipal fleet. The 2023 budget includes \$45,000 in a Better Buildings Challenge capital account to implement projects identified in the Energy Reduction Plan, which will be leveraged using additional energy saving performance contracts.
- The City has implemented interdepartmental plans for Electric Vehicle Charging Infrastructure and the purchase of electric and hybrid vehicles in City fleets, including the purchase of hybrid interceptors in the Milwaukee Police Department (MPD) and electric vehicles for DPW-Parking. This effort has resulted in MPD making the hybrid interceptor their standard vehicle, with 10 vehicles delivered in 2021, 30 ordered in 2022, and funding for an additional 40 in the 2023 budget. DPW-Parking has also committed to using electric vehicles for their parking enforcement fleet after ordering three fully electric vehicles in 2021.

In addition to the above, the City expanded the Better Buildings Challenge to include a comprehensive energy efficiency program for commercial building owners, including PACE financing. In 2021, ECO outsourced administration of the PACE program to the firm that operates the multi-county PACE Wisconsin program. Since its inception, PACE has leveraged private capital to finance 16 building retrofits totaling over \$27.5 million in commercial energy efficiency and renewable energy projects since 2014.

APPENDIX B
EXPECTED FORM OF LEGAL OPINIONS

February __, 2023

City of Milwaukee
200 East Wells Street
Milwaukee, Wisconsin 53202

Subject: \$62,000,000*
City of Milwaukee, Wisconsin
General Obligation Promissory Notes, Taxable Series 2023 T1

We have acted as co-bond counsel to the City of Milwaukee, Wisconsin (the “**Issuer**”) in connection with the issuance of its \$62,000,000* General Obligation Promissory Notes, Taxable Series 2022 T1 dated February __, 2023 (the “**Notes**”).

We examined the law, a certified copy of the proceedings relating to the issuance of the Notes, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon the certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Notes are valid and binding general obligations of the Issuer.
2. All taxable property in the Issuer’s territory is subject to *ad valorem* taxation without any limit as to rate or amount to pay the principal and interest coming due on the Notes. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that the Issuer has deposited other funds, or there is otherwise surplus money, in the account within the debt service fund created for the Notes under Wisconsin law.

The rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights and by equitable principles (which may be applied in either a legal or an equitable proceeding).

We express no opinion as to the truth or completeness of any official statement or other disclosure document used in connection with the offer and sale of the Notes.

Our opinion is given as of the date of this letter. We assume no duty to update our opinion to reflect any facts or circumstances that later come to our attention or any subsequent changes in law. In acting as co-bond counsel, we have established an attorney-client relationship only with the Issuer.

Very truly yours,

* Preliminary; subject to change.

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 State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP for governmental units as prescribed by GASB; provided, however, that the City may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification, other than modifications prescribed by GASB, shall be provided to the Repository, and shall include a reference to the specific federal or State law or regulation describing such accounting basis.

(3) “Counsel” means a nationally recognized bond counsel or counsel expert in federal securities laws, acceptable to the City.

(4) “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 successor 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:

\$62,000,000* General Obligation Promissory Notes, Taxable Series 2023 T1

Addendum Describing Annual Report:

ADDENDUM DESCRIBING ANNUAL REPORT
FOR GENERAL OBLIGATION DEBT

Date of Issue:

February 15, 2023

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 February, 2023.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

* Preliminary; subject to change.

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 Underwriters take no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for the Notes, in the aggregate principal amount of the Notes, 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes 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 tenders, defaults, and proposed amendments to documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Notes 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes 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 Notes 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 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 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 NOTES; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE NOTES; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE NOTES; 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 NOTES.

APPENDIX E

OFFICIAL NOTICE OF SALE

CITY OF MILWAUKEE, WISCONSIN
\$62,000,000* GENERAL OBLIGATION PROMISSORY NOTES, TAXABLE SERIES 2023 T1
DATED FEBRUARY 15, 2023

ELECTRONIC BIDS will be received by the City of Milwaukee, Wisconsin (the “City”) for all, but not part, of its \$62,000,000* General Obligation Promissory Notes, Taxable Series 2023 T1 (the “Notes”), until **10:15 a.m. (Central Time) on Tuesday, January 24, 2023** (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 Notes. The Notes will be dated February 15, 2023 and will mature on February 1, 2028.

*The City reserves the right to increase or decrease the principal amount of the Notes on the Sale Date, in increments of \$5,000, up to \$1,000,000. If the principal amount is adjusted, the proposed purchase price will be adjusted to maintain the same gross spread per \$1,000.

Interest on the Notes will be payable on each February 1 and August 1, beginning on August 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.

Book-Entry Form. The Notes will be issued as fully registered notes 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 Notes. A single note certificate 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 Notes purchased. The City will deliver the note certificates to DTC, and will release the Notes to DTC on or about February 15, 2023 (the “Closing Date”).

Security and Purpose. The Notes will be general obligations of the City. The principal of and interest on the Notes 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 allow the City to annually advance a portion of its contribution to the Employees’ Retirement System of the City.

Bid Specifications. Each bid must indicate a purchase price and an interest rate for the Notes, which must be a multiple of one-eighth of one percent or one-twentieth of one percent. All Notes shall bear the same interest rate 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 the Notes to the public, which shall not be less than 99% of par, and the winning bidder must agree that the Notes 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 Notes.

* Preliminary; subject to change.

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 Notes will be made or all bids rejected. Each bid for the Notes 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. 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 \$620,000 (the "**Good Faith Deposit**") shall be provided by the winning bidder 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 Notes 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 Notes 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 Notes is confirmed by the adoption of the Award Resolution. The failure of the winning bidder to pay for and accept delivery of the Notes 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 Notes 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.

Award. Unless all bids are rejected, the Notes 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 Notes, 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 amount of the Notes, 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 the Notes, and the adjusted purchase price. The City will inform the winning bidder as soon as possible of the adjusted amount. The winning bidder may not withdraw its bid or change the interest rate bid or the initial reoffering price as a result of any changes made to the principal amount.

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 Notes, 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 Notes resulting from the purchase of bond insurance shall be paid by the winning bidder.

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

Rating. The Notes have been assigned a rating of "[A]" by Fitch Ratings and "[A-]" by S&P Global Ratings.

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

Closing and Delivery. The Notes 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 Notes to the Closing Date, must be made by federal wire transfer or other immediately available funds.

Closing Deliveries. The legality of the Notes 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 Notes 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 Notes.

CUSIP Number. A CUSIP identification number will be specified on the Notes, but the CUSIP number shall not constitute a part of the purchase agreement for the Notes, 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 Notes 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 Notes. 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 Obligation Debt—supplemented by a Supplemental Certificate, which will specify that the existing documents apply to the Notes (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 Notes, the City will deliver the fully executed Disclosure Undertaking on the Closing Date.

Official Statement. The preliminary official statement dated [January __], 2023 prepared in connection with the initial sale of the Notes (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 principal amount and interest rate of the Notes, together with any other information required by law, shall constitute the “**Final Official Statement**” of the City with respect to the Notes. 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 Notes 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 (which is included herein), any procedures on the financial statements addressed in the report nor in this Official Statement, nor has the independent auditor been asked to give consent to the inclusion of this Appendix F in this Official Statement.