File #: 020777, **Version:** 2

020777
Substitute 2
020568
THE CHAIR
Substitute resolution amending File Number 020568 as relates to the refunding of any or all of City of Milwaukee General Obligation debt.

Common Council Resolution File No. 020568 authorized the Commissioners of the Public Debt to sell at a private or public sale general obligation refunding bonds to refund portions of certain issues of outstanding bonds and trust fund loans. This resolution amends Common Council Resolution File No. 020568 to authorize the Commissioners of Public Debt to refund general obligation promissory notes Series C-5 as part of the refunding.

Whereas, Common Council File No. 020568 authorized the Commissioners of the Public Debt to issue and sell General Obligation Refunding Bonds, Series 2002-A under the provisions of §§ 67.04(3) and 67.08(2) for the purpose of refunding all or part of outstanding bonds and trust fund loans; and

Whereas, The Common Council is desirous of including in such refunding all or part of general obligation short term promissory notes, Series C-5; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that Common Council Resolution File No. 020568 be and hereby is amended as follows:

1. The title is amended to read: Resolution authorizing refunding of all or any part of General Obligation Corporate Purpose Bonds, Series CB; CB(2); C; D; E; F; G; J; K; L; O; P; R; T; W and State Land Trust Fund Loans 9005; 9006; and, 9007 and General Obligation Short-term Promissory Note Series C-5.

2. A recital is added to read: Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Promissory Notes, Series C-5 dated November 15, 1995 in the amount of $2,915,000; and

3. The nineteenth recital is amended to read: Whereas, As of December 31, 2002, the following unpaid amounts for principal and interest are outstanding for the above issues (the "Outstanding Bonds, Outstanding Notes and Trust Fund Loans"):

CB Principal = 7,285,000   Interest =   731,990

CB(2) Principal = 4,790,000 Interest = 552,950
C Principal = 5,505,000 Interest = 411,957
D Principal = 8,150,000 Interest = 1,166,107
E Principal = 10,025,000 Interest = 1,467,660
F Principal = 23,105,000 Interest = 6,697,735
G Principal = 25,345,000 Interest = 7,019,488
J Principal = 23,540,000 Interest = 7,438,636
K Principal = 39,970,000 Interest = 12,385,901
L Principal = 31,710,000 Interest = 12,268,878
O Principal = 38,160,000 Interest = 13,298,703
P Principal = 33,900,000 Interest = 10,757,950
R Principal = 88,240,000 Interest = 36,400,156
T Principal = 86,135,000 Interest = 38,505,063
W Principal = 32,220,000 Interest = 14,065,988
Trust Loan 9005 Principal 1,715,346 Interest = 156,716
Trust Loan 9006 Principal 2,291,191 Interest = 338,743
Trust Loan 9007 Principal 3,140,150 Interest = 562,150
C-5 Principal 2,915,000 Interest = 123,863

4.   The twentieth recital is amended to read: Whereas, the Common Council of the City of Milwaukee is interested in refunding all or certain of the Outstanding Bonds, Trust Fund Loans and Outstanding Notes; now, therefore, be it

5.   The first Resolved is amended to read: Resolved by the Common Council of the City of Milwaukee that it hereby and herewith authorizes the Commission to issue and sell at a private or public sale General Obligation Refunding Bonds, Series of 2002-A under the provisions of § 67.04(3) and § 67.08(2), Stats., for the purpose of refunding all or parts of the Outstanding Bonds, Trust Fund Loans and Outstanding Notes, subject, however, to the terms and conditions hereinafter enumerated; and, be it

6.   The second Resolved is amended to read: Further Resolved, That the Bonds shall:
(1) be in an amount not to exceed $466,276,687;
(2) bear interest in a maximum coupon rate not to exceed 9.25% per annum;
(3) have a maximum True Interest Cost Rate (TIC) not to exceed 7.25%;
(4) be sold at a price of not less than 99% of the principal amount thereof plus accrued interest thereon from their date to the date of delivery and payment therefor; and
(5) realize a minimum net present value savings from the refunding of at least $250,000 or 2% of the refunded par value; and, be it

7.   The eleventh Resolved is amended to read: Further Resolved, For the purpose of assuring the payment of the principal of and interest on the Outstanding Bonds, Trust Fund Loans and Outstanding Notes to be refunded, the proper City officials are authorized and directed to execute an Escrow Agreement substantially in the form of the Escrow Agreement to be annexed to this file with respect to the proceeds of the Refunding Bonds. The City Comptroller is hereby authorized and directed to select an Escrow Agent and a Verification

Accountant with respect to the proceeds of the Refunding Bonds and the deposit of securities purchased by the City of Milwaukee. The City Comptroller and City Attorney are hereby authorized and directed to make such changes in the Escrow Agreement prior to execution as in their judgment shall be necessary and appropriate to the implementation of the same. The deposit of the proceeds of the Refunding Bonds into the Escrow Account to be established with the Escrow Agent is hereby authorized and directed to be accomplished immediately upon receipt of payment for the Refunding Bonds at the closing thereof, and the subsequent use, investment and disbursement thereof by the Escrow Agent in the manner provided in the Escrow Agreement is hereby authorized and approved; and, be it

8.   The twelfth Resolved is amended to read: Further Resolved, That the Outstanding Bonds, Trust Fund Loans and Outstanding Notes to be considered for refunding are hereby designated, and if refunded, would be called for redemption on or as soon as practical following the respective dates:

Series CB on June 15, 2003:
Series CB(2) on December 15, 2003;
Series C on June 15, 2002;
Series D on November 15, 2002;
Series E on June 15, 2006;
Series F on November 15, 2006;
Series G on June 15, 2007;
Series J on December 1, 2007;
Series K on June 15, 2008;
Series L on December 15, 2008;
Series O on June 15, 2009;
Series P on December 15, 2009;
Series R on September 1, 2010;
Series T on September 1, 2011;
Series W on March 15, 2012;
Trust Loan 9005 on March 15, 2003;
Trust Loan 9006 on March 15, 2003;Trust Loan 9007 on March 15, 2003; and
Series C-5 on November 15, 2002; in each case at a redemption price of par plus accrued interest to the date fixed for redemption; and, be it

9.   The thirteenth Resolved is amended to read: Further Resolved, That the City of Milwaukee further directs the Escrow Agent to give notice of redemption for each series of Outstanding Bonds, Trust Fund Loans and Outstanding Notes to be redeemed by mail, postage prepaid, not less than 30 days prior to the date fixed for redemption, to any registered owner of Outstanding Bonds, Trust Fund Loans and Outstanding Notes being redeemed as of a record date 45 days prior to the redemption date, and otherwise as may be required by any agreement with a securities depository therefor. Such election to redeem and direction to the Escrow Agent shall be irrevocable upon issuance of the Bonds; and, be it

10.   The seventeenth Resolved be amended to read: Further Resolved, That the City

Comptroller is authorized and directed to (i) transfer the balance in the Debt Service Fund account for the Outstanding Bonds, Trust Fund Loans and Outstanding Notes being refunded to the Debt Service Fund account for the Bonds and apply same to pay the debt service for 2002 on the Bonds when it falls due and (ii) to apply any such balance not needed to pay debt service on the Bonds in 2001 to the Escrow Account as to pay a portion of the costs of issuance of the Bonds; and, be it

Further Resolved, In all other respects, Common Council Resolution File No. 020568 shall remain in full force and effect.

Comptroller
TEH:kef
1035-2002-2691:57628