



Legislation Text

File #: 001597, **Version:** 2

001597

Substitute 2

THE CHAIR

Substitute resolution authorizing refunding of all or any part of General Obligation Corporate Purpose Bonds, Series BZ(1); BZ(2); General Obligation Refunding Bonds, Series of 1992, CA; Refunding Bonds, Series of 1993; CB; CB(2); A; B; C; D; Refunding Bonds, Series of 1996; E; F; G; J; K; L; O; P; and, R.

Resolution authorizes and requests the Commissioners of the Public Debt to issue and sell at a private sale General Obligation Refunding Bonds to refund portions of certain issues. The Commissioners will refund the debt whenever it makes economic sense to do so.

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series BZ(1), dated June 15, 1991, in the amount of \$36,050,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series BZ(2), dated November 15, 1991, in the amount of \$11,985,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Refunding Bonds, Series of 1992, dated February 1, 1992, in the amount of \$43,065,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series CA, dated June 15, 1992, in the amount of \$29,500,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Refunding Bonds, Series of 1993, dated April 1, 1993, in the amount of \$65,525,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series CB, dated June 15, 1993, in the amount of \$28,140,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series CB(2), dated December 15, 1993, in the amount of \$18,800,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series A, dated June 15, 1994, in the amount of \$16,580,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series B, dated December 1, 1994, in the amount of \$21,415,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series C, dated June 15, 1995, in the amount of \$27,520,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series D, dated November 15, 1995, in the amount of \$24,935,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Refunding Bonds, Series of 1996, dated February 6, 1996, in the amount of \$75,460,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series E, dated June 15, 1996, in the amount of \$30,085,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series F, dated November 15, 1996, in the amount of \$34,020,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series G, dated June 15, 1997, in the amount of \$34,145,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series J, dated December 1, 1997, in the amount of \$31,030,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series K, dated June 15, 1998, in the amount of \$48,555,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series L, dated December 15, 1998, in the amount of \$36,740,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series O, dated June 15, 1999, in the amount of \$43,215,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series P, dated December 15, 1999, in the amount of \$47,705,000; and

Whereas, The Common Council has authorized the issuance and approved the sale of General Obligation Corporate Purpose Bonds, Series R, dated September 1, 2000, in the amount of \$94,205,000, and

Whereas, As of December 31, 2000, the following unpaid amounts for principal and interest are outstanding for the above issues (the "Outstanding Bonds"):

BZ	Principal =	\$2,405,000	Interest =	\$75,757
BZ(2)	Principal =	740,000	Interest =	42,920
Refund 92	Principal =	2,930,000	Interest =	357,562
CA	Principal =	3,930,000	Interest =	223,027
Refund 93	Principal =	40,095,000	Interest =	7,167,168
CB	Principal =	8,790,000	Interest =	1,135,048
CB(2)	Principal =	10,620,000	Interest =	2,626,055
A	Principal =	3,315,000	Interest =	246,691
B	Principal =	1,355,000	Interest =	79,945
C	Principal =	7,340,000	Interest =	729,412
D	Principal =	9,770,000	Interest =	1,635,056
Refund 96	Principal =	73,055,000	Interest =	23,167,105
E	Principal =	22,055,000	Interest =	6,757,852
F	Principal =	45,505,000	Interest =	8,308,010
G	Principal =	27,650,000	Interest =	8,378,937
J	Principal =	25,540,000	Interest =	8,655,311
K	Principal =	43,145,000	Interest =	14,423,988
L	Principal =	33,590,000	Interest =	13,734,100
O	Principal =	40,770,000	Interest =	15,288,396
P	Principal =	44,855,000	Interest =	19,213,048
R	Principal =	94,205,000	Interest =	41,342,025

; and

Whereas, The Common Council of the City of Milwaukee is interested in refunding all or certain of the Outstanding Bonds; now, therefore, be it

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 sale General Obligation Refunding Bonds, Series of 2001-A (the "Bonds"), under the provisions of § 67.04(3) and § 67.08(2), Stats., for the purpose of refunding all or parts of the Outstanding Bonds, subject, however, to the terms and conditions hereinafter enumerated; and, be it

Further Resolved, By the Common Council of the City of Milwaukee that an Official Statement shall be distributed in connection with the sale of the Bonds, which shall be in substantially the form as the City's Official Statement, dated February 20, 2001; and, be it

Further Resolved, That the Bonds shall;

(1) be in an amount not to exceed \$541,660,000;

(2) bear interest at 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 \$400,000; and, be it

Further Resolved, That the Bonds shall be sold to such principal underwriters and other specified underwriters as are selected by the Commissioners of the Public Debt in accordance with a Contract of Purchase approved by the Commissioners of the Public Debt. Such agreement is hereby approved in the form as executed and delivered by the proper City officers who are hereby authorized and directed to execute the same; and, be it

Further Resolved, That the Bonds shall be designated "General Obligation Refunding Bonds, Series of 2001-A" and shall be dated as of the first or fifteenth day of the month in which they are issued, bear interest, payable semi-annually, at coupon rates as determined by the Commissioners of the Public Debt; that the Commissioners of the Public Debt shall specify the due dates for, and the amounts of, the payment of principal of said bonds, not to exceed 20 years, and interest thereon, the redemption provisions thereof, if any, the Bonds to be callable at par with the initial call date to be no later than ten years from the date of the Bonds and that such payment schedule shall be entered upon the permanent record of the Commissioners of the Public Debt and formally communicated to the City Clerk provided, however, that the payment of the outstanding Bonds to be refunded does not extend beyond the period provided in § 67.07, Stats.; and, be it

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

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

Further Resolved, That financial and economic information has been compiled by the Office of the Comptroller from its annual financial report, property tax records maintained by the Office of the Assessor and from other books and records of the City; and, be it

Further Resolved, That concurrently with the delivery of the Bonds, the City will deliver its certificate signed by its Comptroller stating that the description and statements, including financial statements, as pertaining to the City contained in the Official Statement as of its date and the date of sale and delivery of the Refunding Bonds, were and are true and correct in all material respects and do not contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary to make the statements contained therein in the light of circumstances in which they were made not misleading; and, be it

Further Resolved, That such certificate will further confirm to the effect that insofar as the descriptions and statements including financial data, contained in the Official Statement of or pertaining to non-governmental bodies and governmental bodies other than the City are concerned, such description, statements and data have been obtained from sources believed by the City to be reliable, and that the City has no reason to believe that they are untrue or incomplete in any material respect; and, be it

Further Resolved, That it is the intention of the Common Council to approve the aforementioned Official Statement on the basis of the representation of the Comptroller to be included in the certificate signed by the Comptroller and delivered concurrently with the delivery of the Refunding Bonds; and, be it

Further Resolved, For the purpose of assuring the payment of the principal of and interest on the Outstanding Bonds to be refunded, the proper City officials are authorized and directed to execute an Escrow Agreement substantially in the form of the Escrow Agreement annexed to this file with respect to the proceeds of the 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 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 sale. The deposit of the proceeds of the 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 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

Further Resolved, That the Outstanding Bonds to be considered for refunding are hereby designated, and if refunded, would be called for redemption on the respective dates as follows:

Series BZ on June 15, 2001;
Series BZ(2) on November 15, 2001;
Series CA on June 15, 2002;
Series CB on June 15, 2003;
Series CB(2) on December 15, 2003;
Series A on June 15, 2001;
Series B on December 1, 2001;
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; and
Series R on September 1, 2010; in each case at a redemption price of par plus accrued interest to the date fixed for redemption; and, be it

Further Resolved, That the City of Milwaukee further directs the Escrow Agent to give notice of redemption for each series of Outstanding Bonds 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 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

Further Resolved, That the Bonds shall be in a form approved by the City Attorney and the Commissioners of the Public Debt and shall be signed by those officers whose signatures are required by law, and shall be a general obligation of the City of Milwaukee; and, be it

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

Further Resolved, That the City of Milwaukee covenants to take all actions necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. For such purpose, the City shall comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986 as amended and the regulations of the Internal Revenue Service adopted thereunder or otherwise applicable thereto. No use of the proceeds of the sale of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused such Bonds to be "arbitrage bonds" as defined in Subsection (d)(2) of Section 103 and Section 148 of the U.S. Internal Revenue Code of 1986. The provisions of this section shall be a covenant with the owners of the Bonds; and, be it

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 being refunded to the Debt Service Fund account for the Bonds and apply same to pay the debt service for 2001 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, That the cost of issuing the Bonds, including the costs of the escrow and verification, and marketing same shall be deducted and paid from the proceeds of the Bond sale; and, be it

Further Resolved, By the Common Council of the City of Milwaukee that the Continuing Disclosure Certificate, in substantially the form as is customarily filed, to be dated the date of initial delivery of the Bonds, is hereby authorized to be executed and delivered by the Comptroller; and, be it

Further Resolved, That the obligation of the City of Milwaukee under the aforementioned Disclosure Certificate, under the terms therein specified, be and hereby is determined to be contractual for the benefit of the Bondholders from time to time; and, be it

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

Comptroller

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