Legislation Text

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181360

Original

THE CHAIR

Resolution Authorizing the Sale and Issuance of General Obligation Refunding Notes and Bonds.

Resolution authorizes and requests the Commissioners of the Public Debt to issue and sell at a private or public 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 City of Milwaukee (the “City”) has issued the following General Obligation bonds (the "Outstanding Bonds"):

Dated Date	Series	Outstanding	1st Redemption Date
2/20/2009	2009 B2	17,450,000	2/15/2019
2/19/2010	2010 T3	7,970,000	2/01/2020
4/15/2010	2010 B5	38,400,000	5/1/2020

; and

Whereas, The Common Council is interested in refunding a portion of the Outstanding Bonds; and

Whereas, Other general obligation debt of the City is sold from time to time, and it is advantageous to combine the issuance of various general obligation debt into one offering; 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 or public sale General Obligation Refunding Bonds and/or Promissory Notes (the “Bonds”) under the provisions of § 67.04(3), § 67.05(15), § 67.08(2), and § 67.12(12), 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, that the Bonds shall;

(1) be in one or more series of bonds in an aggregate amount not to exceed $63,820,000;
(2) bear interest at a maximum coupon rate not to exceed 7.00% per annum;
(3) have a maximum True Interest Cost Rate (TIC) not to exceed 5.00%;
(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) be issued on or before June 1, 2020; and, be it

Further Resolved, that the Outstanding Bonds to be considered for refunding, and if refunded, would be called for redemption on the first available redemption date at a redemption price of par plus accrued interest to the date fixed for redemption, are hereby designated as follows:

Dated Date	Series	Callable Bonds	1st Redemption Date
2/20/2009	2009 B2	17,450,000	2/15/2019
2/19/2010	2010 T3	7,970,000	2/01/2020
4/15/2010	2010 B5	38,400,000	5/1/2020

; and be it

Further Resolved, That the Commissioners of the Public Debt shall determine the series and maturities of the Outstanding Bonds to be refunded (the "Refunded Bonds"); and be it

Further Resolved, That the Bonds, if sold at a private sale, shall be sold to the Public Debt Amortization Fund, and/or such underwriter(s) as is (are) selected by the Commissioners of the Public Debt in accordance with a Bond Purchase Agreement approved by the Commissioners of the Public Debt. Such agreement, as required if a private sale is utilized, 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, be dated, 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 Bonds does not extend beyond the period provided in § 67.07, Stats.; and, be it

Further Resolved, That a direct annual irrepealable 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

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Further Resolved, For the purpose of assuring the payment of the principal of and interest on the Refunded Bonds, the proper City officials may, and are authorized to, execute an Escrow Agreement with respect to the proceeds of the Bonds. The City Comptroller is hereby authorized 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. The deposit of the proceeds of the Bonds into the Escrow Account to be established with the Escrow Agent is hereby authorized 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 an Escrow Agreement is hereby authorized and approved; and, be it

Further Resolved, That the City authorizes the giving of a notice of redemption for each Refunded Bond to be redeemed by mail, postage prepaid, not less than 30 days prior to the date fixed for redemption, to any registered owner of a Refunded Bond 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 to give such notice, 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; and, be it

Further Resolved, That a global certificate shall be issued for each stated maturity of the 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 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 same-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, as directed by the registered owner of the Bonds; provided however, that should any Bond be sold to the Public Debt Amortization fund, the bond may be registered in the name of the Public Debt Amortization Fund; and, be it

Further Resolved, That the City covenants, for Bonds that are issued on a tax-exempt basis, 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 issued on a tax-exempt basis; and, be it

Further Resolved, That the City Comptroller is authorized and directed to (i) transfer the balance in the Debt Service Fund for the Refunded Bonds, including accumulated taxes from tax incremental districts, to the Escrow Account to pay the debt service on the Refunded Bonds and (ii) to apply any such balance not needed

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to pay debt service on the Refunded Bonds to the Escrow Account 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, That the Continuing Disclosure Certificate, in substantially the form of the Supplemental Certificate authorized by File Number 181110 adopted on December 18, 2018, is authorized to be executed and delivered by the Comptroller for the Notes; and, be it

Further Resolved, That the City of Milwaukee authorizes and directs the appropriate officers and employees of the City to take all action necessary or appropriate 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 the resolution, failure of the City to perform in accordance with the Continuing Disclosure Certificate shall not constitute a default under the resolution and the Continuing Disclosure Certificate may be enforced only as provided therein; and, be it

Further Resolved, That the City 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; and be it

Further Resolved, That the Bonds may be sold as bonds or promissory notes, and be sold, with or without a separate series designation, in combination with any other general obligation debt sold from time to time; and be it

Further Resolved, That the Bonds may be issued as direct loan notes pursuant to Resolution File Numbers 160691, 170118, and 180864 at the discretion of the Comptroller to provide temporary financing pending the issuance of the Bonds. No approval of the Public Debt Commission is required for the issuance of the direct loan notes. The amount issued as direct loan notes and permanently financed by the Bonds shall not count against the amount of Bonds authorized to be issued; and be it

Further Resolved, That for any Outstanding Bond maturing before December 31, 2020, the redemption price may be paid from excess balance in the Debt Service Fund; and be it

Further Resolved, That in lieu of purchasing and cancelling debt by the Public Debt Amortization Fund, a like amount of proceeds may be transferred at the direction of the Commissioners of the Public Debt to the Debt Service Fund and/or Escrow Fund and used to provide for and redeem called Refunded Bonds.

Comptroller
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