



## Legislation Text

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**File #:** 201030, **Version:** 1

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201030

Substitute 1

170118, 180864

The Chair

Substitute resolution authorizing the Commissioners of the Public Debt to market general obligation promissory notes.

This resolution authorizes the Commissioners of the Public Debt to issue and sell City of Milwaukee general obligation promissory notes in the amount of \$1,036,918,992.63.

Whereas, general obligation bonds and notes have been authorized in the 2017, 2018, 2019, 2021 and 2021 municipal budgets; and

Whereas, resolutions 170118 and 180864 authorize up to \$10,000,000, and \$200,000,000, respectively, of Direct Loans outstanding from time to time (the “Direct Loan Notes”); and

Whereas, the City desires to provide permanent long-term financing of the Direct Loan Notes; and

Whereas, file 201025 authorizes the refunding of certain General Obligation Corporate Bonds in the amount of \$59,200,000 (the “Outstanding Bonds”), and the City desires to permit refunding of those Outstanding Bonds with General Obligation Promissory Notes authorized herein;

Now, Therefore, be it:

Resolved, by the Common Council of the City of Milwaukee in accordance with section 67.12(12), Wis. Stats., that the Commissioners of the Public Debt are authorized and requested to issue and sell, at public or private sale, general obligation promissory notes up to the aggregate amount of \$1,036,918,992.63 (“Notes”) for each of the public purposes and in the amounts shown on Exhibit A, which includes \$94,425,000 for refunding Direct Loan Notes and \$59,200,000 for the refunding of Outstanding Bonds; and, be it

Further Resolved, that purposes for which Direct Loan Notes authorized by Resolution File Numbers 170118, and 180864 may be issued shall include the purposes as described in Exhibit A attached to this file, as may be amended and supplemented from time to time; and, be it

Further Resolved, the Notes shall be issued pursuant to the attached Note Resolution as follows:

1. The Notes shall be issued on or before May 30, 2022.

2. The Notes shall be sold at a price of not less than par and accrued interest thereon and shall bear interest payable semi-annually or at maturity.
3. Notes sold on a tax-exempt basis shall bear coupon rates not to exceed 9%, with an issue True Interest Cost Rate not to exceed 7%.
4. Notes sold on a taxable basis shall bear coupon rates not to exceed 12%, with an issue True Interest Cost Rate not to exceed 10%.
5. The Commissioner of the Public Debt shall establish the due dates (not to exceed 10 years from the date of delivery), and may establish call dates at par, for the Notes.
6. A direct annual irrevocable tax shall be levied in each year that such Notes are outstanding, in an amount sufficient to pay and for the express purpose of paying the interest on said Notes, 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, and when so collected, the proceeds of said taxes shall be used solely for paying the principal and interest on such Notes so long as any Notes of said issue remain outstanding.
7. Interest on or principal of the Notes 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.
8. With respect to the issuance of any Notes sold on a tax-exempt basis, the City covenants with the holders from time to time of said Notes that (i) throughout the term of said Notes and (ii) through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") it will comply with the provisions of Sections 103 and 141 through 150 of the Code, and the applicable regulations of the Internal Revenue Service adopted thereunder, that must be satisfied in order that interest on said Notes shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103.

Comptroller  
Comptroller  
Richard Li  
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