



Legislation Text

File #: 201031, Version: 1

201031

Substitute 1

The Chair

Substitute resolution authorizing the Commissioners of the Public Debt to market general obligation corporate purpose bonds.

This resolution authorizes the Commissioners of the Public Debt to issue and sell City of Milwaukee general obligation corporate purpose bonds in the amount of \$659,824,562.58.

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 Corporate Purpose Refunding Bonds authorized herein;

Now, Therefore, be it:

Resolved, by the Common Council of the City of Milwaukee in accordance with Sections 67.05(13) and 67.05 (15), Wisc. Stats., that the Commissioners of the Public Debt are authorized and requested to issue and sell, at public or private sale, general obligation corporate purpose bonds up to the aggregate amount of \$659,824,562.58 ("Bonds") 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, the Bonds shall be issued pursuant to the attached Bond Resolution as follows:

1. The Bonds shall be issued on or before May 30, 2022.
2. The Bonds 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. Bonds 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. Bonds 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 20 years from the date of delivery), and shall establish call dates at par no later than 10 years from the date of delivery, for the Bonds.
6. 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 said 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, and when so collected, the proceeds of said taxes shall be used solely for paying the principal and interest on such Bonds so long as any Bonds of said issue remain outstanding.
7. 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.
8. With respect to the issuance of any Bond sold on a tax-exempt basis, the City covenants with the holders from time to time of said Bond that (i) throughout the term of said Bonds 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 Bond 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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