



Legislation Text

File #: 201259, Version: 1

201259

Substitute 1

991863, 021776, 100863

The Chair

Substitute resolution authorizing the sale and issuance of up to \$150,000,000 Sewerage System Capital Improvement and Refunding Revenue Bonds. (Comptroller)

This resolution authorizes and provides for the sale by the City of a series of Sewerage System Revenue Bonds in the principal amount not to exceed \$150,000,000 for refunding and financing the costs of improvements to the City's Sewerage System; prescribing certain details of such bonds; and certain other matters related thereto.

Whereas, In interpreting the terms of this Series 2021 Resolution (hereinafter defined), all terms which are defined in Section 1.01 of the Resolution (hereinafter defined) shall have the same meanings, respectively, in this Series 2021 Resolution as such terms are given in said Section 1.01 of the Resolution. "Resolution" means Common Council Resolution File No. 991863 adopted by the Common Council on August 2, 2001, as amended; and

Whereas, The Resolution provides the authority (when utilized in conjunction with separate "Series" resolutions) for the issuance of Sewerage System Revenue Bonds to be payable from the revenues of the Sewerage System; and

Whereas, It is hereby found and determined that it is necessary and required that the City authorize and issue at this time a series of bonds to provide money for the improvement of any plant and equipment in the City's Sewerage System, within or without the corporate limits of the City, for the collection, transportation, pumping, storage, treatment and disposal of sewage or storm water and surface water, including necessary lateral, main and interception sewers of the City; and

Whereas, It is hereby found and determined that it is necessary and required that the City authorize and issue at this time a series of bonds to provide money for the refunding of outstanding Sewerage System Revenue Bonds of the City; and

Whereas, This Series 2021 Resolution is adopted pursuant to Section 66.0621, Wisconsin Statutes, and the Resolution; and

Whereas, the Exhibit to this file number 201259 provides additional detail on the issuance of the Sewerage System Revenue Bonds and is incorporate herein by reference, now, therefore, be it

Resolved, By The Common Council of the City of Milwaukee, that the City of Milwaukee does hereby

authorize the issuance and sale of Series 2021 Sewerage System Revenue Bonds not to exceed: 1) \$42,000,000 for the purpose of refunding all or a portion of the outstanding Sewerage System Revenue Bonds, Series 2011 S1 dated June 9, 2011 and the outstanding Sewerage System Revenue Bonds, Series 2013 S5 dated June 26, 2013 (the “Prior Bonds”), providing for the redemption of Prior Bonds, providing for the defeasance of Prior Bonds in accordance with Section 12.01 of the Resolution; and 2) \$108,000,000 for the purpose of financing the Costs of Improvements to the City’s Sewerage System (the “2021 Improvements”) consisting of repair, improvement, and replacement of existing sewers, infiltration and inflow reduction projects, flood mitigation projects, water quality projects, and downspout disconnection projects, all at an estimated cost of \$108,000,000, to make such credit to the Reserve Account in the Special Redemption Fund as may be necessary in connection with the issuance and sale of the Series 2021 Bonds and to pay the costs of issuance of the Series 2021 Bonds. Such purposes shall also include the refunding of General Obligation debt and Commercial Paper debt issued for the above purposes. This authorization constitutes a Series Resolution within the meaning of the Resolution and is adopted in accordance with Article X of the Resolution, and shall be subject to the terms and conditions and limitations established in the Resolution; and, be it

Further Resolved, the Series 2021 Bonds shall be issued pursuant to the attached Sewerage Bond Resolution as follows:

1. The Series 2021 Bonds are to be issued in accordance with Sections 3.01 and 3.03 of the Resolution and shall be issued as Tax-exempt Bonds.
2. In accordance with the provisions of the Resolution, the Series 2021 Bonds shall mature at any such time or times not exceeding 40 years from the date of issuance
3. The interest rate for the Series 2021 Bonds maturing in any year shall not exceed 6.00%.
4. The Series 2021 Bonds shall have a redemption price of par and the latest initial redemption date shall be the last debt service payment date in 2031
5. The Commissioners of the Public Debt of the City shall adopt in one or more resolutions actions taken pursuant to the authority granted herein or in the Resolution, which resolutions shall be filed with the City Clerk of the City.
6. The Series 2021 Bonds shall be sold at public or private sale on such date or dates and at such price or prices, all as shall be determined by the Commissioners of the Public Debt; provided that the Series 2021 Bonds shall be sold at a price not less than 99.0% of the par value thereof and at a true interest cost rate not in excess of 6.00%.
7. There is hereby created and established the “Series 2021 Debt Service Reserve Account” as a sub account of the Reserve Account of the Special Redemption Fund, and from and after the time of the delivery of the Series 2021 Bonds, there shall be on deposit in the Series 2021 Debt Service Reserve Account therein, an amount equal to the Series 2021 Reserve Account Requirement which shall equal an amount equal to the maximum annual principal and interest requirements for Sewerage System Revenue Bonds outstanding at the time of the issuance of the Series 2021 Bonds, less amounts on deposit in the Reserve Account sub accounts for Sewerage System Revenue Bonds outstanding at the time of issuance of the Series 2021 Bonds, or such lesser amount as may be determined by the Commissioners of the Public Debt. Any increase in the Reserve Account Requirement resulting from the issuance of the Series 2021 Bonds shall be funded from the proceeds of the Series 2021 Bonds.

8. The Commissioners of the Public Debt are authorized to determine which outstanding Sewerage System Revenue Bonds are to be refunded, establish redemption date(s) for the Prior Bonds, and call for redemption the Prior Bonds, with such redemption notice to be non-cancellable upon the issuance of the Series 2021 Bonds.

9. Pursuant to Section 6.06 (B) (2) of the Resolution, amounts in the Surplus Fund that are not required to meet any deficiency referred to in Section 6.06 (A) of the Resolution may be applied for the redemption of Bonds and the expenses of such redemption at any time, and that the Commissioners may establish within the Surplus Fund an account for the early redemption of Series 2013 Bonds (the "Series 2013 Bonds Redemption Account") and may establish a schedule of transfers of amounts in the Surplus Fund to the Series 2013 Bonds Redemption Account. Such transfers shall be made at such times and in such amounts as may be determined by the Commissioners. Amounts in the Series 2013 Bonds Redemption Account may be used (1) to pay the redemption price of Series 2013 Bonds pursuant to Article V of the Resolution or (2) to defease or discharge Series 2013 Bonds by providing an irrevocable deposit of funds for such redemption pursuant to Section 12.01 of the Resolution. Such transfers to the Series 2013 Bond Redemption Account are not required to be budgeted and shall not be deemed to be "Debt Service" under any provision of the Resolution.

And, be it Further Resolved, That the purposes for which General Obligation Promissory Notes, pursuant to Common Council File Number 180864, may be issued shall also include the temporary financing of the refunding of the Prior Bonds until the issuance of the Series 2021 Bonds; and, be it

Further Resolved, That the interest on the Series 2021 Bonds is intended to be excluded from gross income for purposes of federal income taxation. In order to maintain such exclusion, the City affirms that the tax covenant made in Section 8.13 of the Resolution shall apply to the Series 2021 Bonds. In furtherance of the foregoing, the City shall comply with the provisions of the Tax Certificate executed by an Authorized Officer in connection with the Series 2021 Bonds; the obligation of the City to comply with the provisions herein with respect to the rebate to the Department of the Treasury of the United States of America relating to the Series 2021 Bonds shall remain in full force and effect so long as the City shall be required by the Code to rebate such earnings on the gross proceeds of the Series 2021 Bonds notwithstanding that the Series 2021 Bonds are no longer outstanding; 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 Series 2021 Bonds; and, be it

Further Resolved, That the City 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.

Comptroller
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