

The COMMON COUNCIL of the City of Tomah met in SPECIAL SESSION February 23, 2021 at 6:00 p.m. with Council President Donna Evans in the Municipal Building, 819 Superior Avenue, Tomah WI. Due to COVID-19 concerns, the General Public was able to access the meeting as follows:

Zoom Meeting at: <https://zoom.us/j/7689466740?pwd=dEdLR2hXK0ZYMk1qNU5vNFlwMzdSZz09>

Meeting ID: 768 946 6740 Password: Tomah2020

or

Dial by your location +1 312 626 6799 US (Chicago)

Meeting ID: 768 946 6740 Password: 546782713.

Followed by the Pledge of Allegiance, roll call was taken with the following members present: Donna Evans, Dean Peterson, Lamont Kiefer, Travis Scholze, Jeff Cram, Richard Yarrington, Adam Gigous, Shawn Zabinski (remote). Absent: Mike Murray. Quorum present. Also present: City Administrator Bradley Hanson, City Attorney Penny Precour, Public Safety Director/Fire Chief Tim Adler, and City Clerk Becki Weyer.

Adjourn into Closed Session

Motion by Yarrington, second by Gigous, to adjourn to closed session pursuant to Wisconsin State Statute 19.85 (1) (e) deliberating or negotiating the purchasing of public properties regarding the possible relocation of the City's Fire Department from one of many possible sites located along Superior Avenue. Motion carried.

Action on Closed Session

Motion by Scholze, second by Yarrington to authorize the City Administrator, City Attorney, and Public Safety Director/Fire Chief to continue negotiations for the purchase of land for purposes of the new Public Safety Building, and to give authority to the City Administrator to sign on behalf of the city for negotiations. Motion carried.

Taxicab Driver's License Appeal for Christopher Matthew

Atty. Precour presented lawful information regarding the authority to deny licenses based on arrest records. Mr. Matthew provided documentation to show evidence of rehabilitation and fitness to engage as a licensed taxi driver. Motion by Yarrington, second by Gigous, to approve the Taxicab license for Christopher Matthew. Motion carried with three negative votes (Zabinski, Kiefer, Evans).

The Central Wisconsin Ice Racing Association use of Lake Tomah for February 27, 2021

Motion by Kiefer, second by Yarrington, to approve the Central Wisconsin Ice Racing Association use of Lake Tomah on February 27, 2021 for a motorcycle and ATV race. Motion carried.

Ehlers information and Presentation on Debt Refinancing: City of Tomah \$3,830,000 Taxable General Obligation Refunding Bonds, Series 2021A; \$1,195,000 Taxable Water System Revenue Refunding Bonds, Series 2021B; & 790,000 Taxable Sewer System Revenue Refunding Bonds, Series 2021C

Dave Ferris from Ehlers appeared to give the Council a presentation on the debt refinancing to help with savings in the General Debt service and free up debt capacity in the City.

Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$3,830,000 Taxable General Obligation Refunding Bonds, Series 2021A

Motion by Yarrington, second by Scholze, to approve the Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to exceed \$3,830,000 Taxable General Obligation Refunding Bonds, Series 2021A. Motion carried.

RESOLUTION NO. 2021-02-23-06

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED \$3,830,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021A

WHEREAS, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City of Tomah, Monroe County, Wisconsin (the "City") to raise funds to pay the cost of (i) advance refunding the portion of the 2023 through 2030 maturities of the General Obligation Refunding Bonds, Series 2014A, dated January 28, 2014 that did not refinance water or sewer projects (the "2014 General Obligation Bonds") and (ii) current refunding the State Trust Fund Loan, dated October 31, 2017 and the State Trust Fund Loan, dated April 15, 2019 (collectively, the "State Trust Fund Loans") (the "Refunding");

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the 2014 General Obligation Bonds and the State Trust Fund Loans (collectively, the "Refunded Obligations") for the purpose of achieving debt service savings;

WHEREAS, the City has authorized the issuance of not to exceed \$790,000 Taxable Sewer System Revenue Refunding Bonds and not to exceed \$1,195,000 Taxable Water System Revenue Refunding Bonds (collectively, the "Refunding Bonds") which Refunding Bonds will be used to refund portions of the 2014 General Obligation Bonds not being refunded with proceeds of the Bonds;

WHEREAS, the City is authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds (the "Bonds") to refinance its outstanding obligations;

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue the Bonds on a taxable rather than tax-exempt basis;

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell the Bonds at public sale and to obtain bids for the purchase of the Bonds; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Administrator or the City Clerk (each an "Authorized Officer") of the City the authority to accept on behalf of the City the bid for the Bonds that results in the lowest true interest cost for the Bonds (the "Proposal") and meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Authorization and Sale of the Bonds; Parameters. For the purpose of paying costs of the Refunding, the City is authorized to borrow pursuant to Section 67.04 Wisconsin Statutes, the principal sum of not to exceed THREE MILLION EIGHT HUNDRED THIRTY THOUSAND DOLLARS (\$3,830,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the conditions set forth in Section 14 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted

the Proposal (the "Purchaser") for, on behalf of and in the name of the City, Bonds aggregating the principal amount of not to exceed THREE MILLION EIGHT HUNDRED THIRTY THOUSAND DOLLARS (\$3,830,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.80% nor more than 106.00% of the principal amount of the Bonds.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable General Obligation Refunding Bonds, Series 2021A"; shall be issued in the aggregate principal amount of up to \$3,830,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$75,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed \$3,830,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$3,830,000.

<u>Date</u>	<u>Principal Amount</u>
05/01/2022	\$165,000
05/01/2023	525,000
05/01/2024	540,000
05/01/2025	485,000
05/01/2026	500,000
05/01/2027	505,000
05/01/2028	440,000
05/01/2029	440,000
05/01/2030	230,000

Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2021. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) will not exceed 2.50%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The present value debt service savings achieved by the Refunding (the "Savings") shall be at least 2.00% of the principal amount refunded.

Section 2A. Designation of Maturities. For purposes of State law, the Bonds are designated as being issued to pay and discharge the debts incurred by the City through the issuance of the Refunded Obligations and any obligations refunded by the Refunded Obligations in the order in which those debts were incurred, so that the Bonds of the earliest maturities are considered to be issued to discharge the debts which were incurred first.

Section 3. Redemption Provisions. The Bonds shall not be subject to optional redemption or shall be callable as set forth on the Approving Certificate. If the Proposal specifies that certain of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Exhibit MRP. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in the Approving Certificate in such manner as the City shall direct.

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2021 through 2029 for the payments due in the years 2021 through 2030 in the amounts as are sufficient to meet the principal and interest payments when due. The amount of tax levied in the year 2021 shall be the total amount of debt service due on the Bonds in the years 2021 and 2022; provided that the amount of such tax carried onto the tax rolls shall be abated by any amounts appropriated pursuant to subsection (D) below which are applied to payment of interest on the Bonds in the year 2021.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

(D) Appropriation. The City hereby appropriates from amounts levied to pay debt service on the Refunded Obligations or other funds of the City on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay interest on the Bonds coming due in 2021 as set forth on the schedule to be attached to the Approving Certificate.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for Taxable General Obligation Refunding Bonds, Series 2021A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account.

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. In order to accomplish the purpose for which the Bonds are issued, a portion of the proceeds of the Bonds shall be transferred to the Escrow Account, as provided below and applied to refunding the 2014 General Obligation Bonds. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Bonds have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 9. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 10. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 11. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 12. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 13. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to Old National Bank or the Escrow Agent at Closing for further distribution as directed by Ehlers.

Section 14. Conditions on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to satisfaction of the following conditions:

- (a) approval by an Authorized Officer of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Bonds, which approval shall be evidenced by execution by an Authorized Officer of the Approving Certificate; and
- (b) realization by the City of the Savings in an amount equal to at least 2.00% of the principal amount refunded.

The Bonds shall not be issued, sold or delivered until these conditions are satisfied. Upon satisfaction of these conditions, an Authorized Officer is authorized to execute a Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

Section 15. Official Statement. The Common Council hereby directs the Authorized Officers to approve the Preliminary Official Statement with respect to the Bonds and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officers or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 16. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 17. Escrow Agent; Escrow Agreement; Escrow Account. Zions Bancorporation, National Association, Chicago, Illinois, is hereby appointed escrow agent for the City, for the purpose of ensuring the payment of the principal of and interest on the 2014 General Obligation Bonds (the "Escrow Agent").

The Mayor and City Clerk, or other appropriate officers of the City, are hereby authorized and directed to execute an escrow agreement (the "Escrow Agreement") with the Escrow Agent, for the purpose of effectuating the provisions of this Resolution.

The Bond Proceeds allocable to refunding the 2014 General Obligation Bonds, other than any premium not used for the Refunding and accrued interest which shall be deposited in the Debt Service Fund Account created above, shall be deposited in a refunding escrow account which is hereby created with the Escrow Agent, pursuant to the Escrow Agreement, for the purpose of retaining the required amount of cash, if any, and acquiring the United States obligations provided for in the Escrow Agreement.

Upon transfer of the Bond Proceeds and any other necessary funds allocable to refunding the 2014 General Obligation Bonds to the Escrow Account, the taxes heretofore levied to pay debt service on the 2014 General Obligation Bonds shall be abated to the extent such transfer together with investment earnings thereon is sufficient to pay the principal of and interest on the 2014 General Obligation Bonds, but such abatement shall not affect the City's pledge of its full faith, credit and resources to make such payments. The refunding escrow account created by the Escrow Agreement shall hereinafter serve as the debt service (or sinking) fund account for the 2014 General Obligation Bonds. The Escrow Agent shall serve as custodian of said debt service (or sinking) funds.

Section 18. SLGS Subscriptions. The Escrow Agent and appropriate officers and agents of the City are authorized to submit subscriptions for United States Treasury Securities - State and Local Government Series and to purchase other U.S. government securities on behalf of the City in such amount as is necessary in order to carry out the refunding of the 2014 General Obligation Bonds.

Section 19. Redemption of the 2014 General Obligation Bonds. Subject to final approval by an Authorized Officer, the 2014 General Obligation Bonds are hereby called for prior payment and redemption on December 1, 2022 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the Escrow Agent to cause timely notice of redemption, in substantially the form to be attached to the Escrow Agreement, to be provided at the times, to the parties and in the manner set forth on the notice.

Section 20. Redemption of the State Trust Fund Loans. Subject to final approval by an Authorized Officer, the City hereby calls the State Trust Fund Loans for redemption on a date to be set forth on the Approving Certificate at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to take all actions necessary for the redemption of the State Trust Fund Loans on their redemption date. Any and all actions heretofore taken by the officers and agents of the City to effectuate such redemption are hereby ratified and approved.

Section 21. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 22. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 23. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded February 23, 2021.

Michael Murray
Mayor
ATTEST:

Rebecca Weyer, City Clerk

Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$1,195,000 Taxable Water System Revenue Refunding Bonds, Series 2021B of the City of Tomah, Monroe County, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds

Motion by Scholze, second by Cram, to approve the Resolution Authorizing the Issuance and Establishing Parameters for the sale of not to Exceed \$1,195,000 Taxable Water System Revenue Refunding Bonds, Series 2021B of the City of Tomah, Monroe County, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds. Motion carried.

RESOLUTION NO. 2021-02-23-07

A RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED \$1,195,000 TAXABLE WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021B OF THE CITY OF TOMAH, MONROE COUNTY, WISCONSIN, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Tomah, Monroe County, Wisconsin (the "City") owns and operates its Water System (the "System") which is operated for a public purpose as a public utility; and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes (the "Act"), any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility or to refund obligations issued to finance such extensions, additions and improvements from the proceeds of bonds, which bonds are to be payable only from the income and revenues of such utility and are to be secured by a pledge of the revenues of the utility; and

WHEREAS, the City has outstanding its General Obligation Refunding Bonds, Series 2014A, dated January 28, 2014 (the "2014 General Obligation Bonds"), which 2014 General Obligation Bonds refinanced, among other things, obligations used to finance additions, extensions and improvements to the System; and

WHEREAS, the City has determined that it is necessary and desirable to refund portion of the 2023 through 2030 maturities of the 2014 General Obligation Bonds which refinanced additions, extensions and improvements to the System (the "Refunded Obligations") for the purpose of restructuring the City's outstanding indebtedness (the "Refunding"); and

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell water system revenue bonds (the "Bonds") to refund the Refunded Obligations payable solely from the Revenues of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes; and

WHEREAS, the City has authorized the issuance of not to exceed \$790,000 Taxable Sewer System Revenue Refunding Bonds and not to exceed \$3,830,000 Taxable General Obligation Refunding Bonds (collectively, the "Refunding Bonds") which Refunding Bonds will be used to refund the portion of the 2014 General Obligation Bonds not refunded by the Bonds; and

WHEREAS, pursuant to a resolution adopted on December 9, 2003 (the "2003 Resolution"), the City has heretofore issued its Water System Revenue Bonds, Series 2003A, dated December 23, 2003 (the "2003A Bonds"), which 2003A Bonds are payable from the Revenues of the System; and

WHEREAS, pursuant to a resolution adopted on November 9, 2004 (the "2004 Resolution"), the City has heretofore issued its Water System Revenue Bonds, Series 2004A, dated November 24, 2004 (the "2004A Bonds"), which 2004A Bonds are payable from the Revenues of the System; and

WHEREAS, pursuant to a resolution adopted on December 12, 2006 (the "2006 Resolution"), the City has heretofore issued its Water System Revenue Bonds, Series 2006A, dated December 27, 2006 (the "2006A Bonds"), which 2006A Bonds are payable from the Revenues of the System; and

WHEREAS, pursuant to a resolution adopted on June 14, 2016 (the "2016 Resolution"), the City has heretofore issued its Water System Revenue Bonds, Series 2016, dated June 22, 2016 (the "2016 Bonds"), which 2016 Bonds are payable from the Revenues of the System; and

WHEREAS, pursuant to a resolution adopted on June 12, 2018 (the "2018 Resolution"), the City has heretofore issued its Water System Revenue Bonds, Series 2018, dated June 27, 2018 (the "2018 Bonds"), which 2018 Bonds are payable from the Revenues of the System; and

WHEREAS, the 2003A Bonds, the 2004A Bonds, the 2006A Bonds, the 2016 Bonds and the 2018 Bonds shall collectively be referred to as the "Prior Bonds"; and

WHEREAS, the 2003 Resolution, the 2004 Resolution, the 2006 Resolution, the 2016 Resolution and the 2018 Resolution shall collectively be referred to as the "Prior Resolutions"; and

WHEREAS, the Prior Resolutions permit the issuance of additional bonds on a parity with the Prior Bonds upon certain conditions, and those conditions have been met; and

WHEREAS, other than the Prior Bonds, no bonds or obligations payable from the Revenues of the System are now outstanding; and

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell the Bonds at a public sale and to obtain bids for the purchase of the Bonds; and

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue the Bonds on a taxable rather than tax-exempt basis; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Administrator or the City Clerk (each an "Authorized Officer") the authority to accept on behalf of the City the bid for the Bonds that results in the lowest true interest cost for the Bonds (the "Proposal") so long as the Proposal meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, the Common Council of the City of Tomah, Monroe County, Wisconsin, do resolve that:

Section 1. Authorization and Sale of the Bonds; Parameters. For the purpose of paying the costs of the Refunding, the City is authorized to borrow pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of not to exceed ONE MILLION ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$1,195,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the conditions set forth in Section 17 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser, on behalf of and in the name of the City, the Bonds in a principal amount of not to exceed ONE MILLION ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$1,195,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.80% nor more than 106.00% of the principal amount of the Bonds.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable Water System Revenue Refunding Bonds, Series 2021B"; shall be issued in the aggregate principal amount of up to \$1,195,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$50,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed \$1,195,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$1,085,000.

<u>Date</u>	<u>Amount</u>
05/01/2023	\$135,000
05/01/2024	135,000
05/01/2025	140,000
05/01/2026	145,000
05/01/2027	150,000
05/01/2028	150,000
05/01/2029	155,000
05/01/2030	75,000

Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2021. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) will not exceed 3.00%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of maturities or mandatory redemptions is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices and will be confirmed in the Approving Certificate.

The Refunding is advantageous and necessary to the City.

The Bonds, together with interest thereon, shall be payable only out of the Debt Service Fund hereinafter provided, and shall be a valid claim of the registered owner or owners thereof only against the Debt Service Fund and the Revenues pledged to such Fund, and sufficient Revenues are pledged to the Debt Service Fund, and shall be used for no other purpose than to pay the principal of and interest on the Bonds, the Prior Bonds and any Parity Bonds as the same fall due.

The Bonds shall either not be subject to optional redemption or be callable as set forth in the Approving Certificate. If the Proposal specifies that certain of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established for such Bonds in such manner as the City shall direct.

Section 3. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 4. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Bonds, the Prior Bonds and Parity Bonds.

"Bond Year" means the twelve-month period ending each May 1...

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" or "Current Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 8 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) 10% of the proceeds of the Bonds (up to the amount permitted to be deposited from proceeds of the Bonds pursuant to Section 148 (d)(1) of the Code); (b) the maximum annual debt service on the Bonds in any Bond Year; and (c) 125% of average annual debt service on the Bonds. If Parity Bonds which are to be secured by the Reserve Fund are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Fund prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Fund and the Parity Bonds to be issued in any Bond Year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Fund and the Parity Bonds to be issued.

"Revenues" or "Gross Earnings" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it, funds appropriated by the Common Council for services provided by the System to the City and all moneys received from any other source, including income derived from investments.

"System" means the entire Water System of the City including all property of every nature now or hereafter owned by the City for the extraction, collection, storage, treatment, transmission, distribution, metering and discharge of industrial and potable public water, including all improvements and extensions thereto made by the City while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such Water System and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 5A. Income and Revenue Funds. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the Prior Bonds, the Bonds and Parity Bonds, certain funds of the System have heretofore been created and established which shall be used solely for the following respective purposes:

(a) Revenue Fund, into which shall be deposited as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund, the Reserve Fund, the Depreciation Fund and the Surplus Fund in the amounts and in the manner set forth in Section 5B hereof and used for the purposes described below.

(b) Operation and Maintenance Fund, which shall be used for the payment of Current Expenses.

(c) Debt Service Fund, which shall be used for the payment of the principal of, premium, if any, and interest on the Prior Bonds, the Bonds and Parity Bonds as the same becomes due.

(d) Reserve Fund, which shall be used for the payment of the principal of, premium, if any, and interest on the Bonds if funds in the Debt Service Fund are not sufficient. **The Prior Bonds are not secured by the Reserve Fund.**

(e) Depreciation Fund, which may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund not required during the current Fiscal Year for purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

(f) Surplus Fund, which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Prior Bonds, the Bonds and Parity Bonds when the Debt Service Fund shall be insufficient for such purpose, and thereafter shall be disbursed as follows: (i) at any time, to remedy any deficiency in any of the Funds provided in this Section 5A hereof; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the City for advances made by the City to the System or for any other lawful purpose.

Section 5B. Application of Revenues. After the delivery of the Bonds, the Gross Earnings of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

(a) to the Operation and Maintenance Fund, in an amount equal to the estimated Current Expenses for such month and for the following month (after giving effect to available amounts in said Fund from prior deposits);

(b) to the Debt Service Fund, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds, the Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the Bonds and any Parity Bonds coming due during such Bond Year (after giving effect to available amounts in said Fund from accrued interest, any premium or any other source);

(c) to the Reserve Fund, amounts necessary to restore the amount on deposit in the Reserve Fund to the Reserve Requirement in the manner set forth in this Section 5B;

(d) to the Depreciation Fund, an amount determined by the Governing Body to be sufficient to provide a proper and adequate depreciation account for the System; and

(e) to the Surplus Fund, any amount remaining in the Revenue Fund after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund, the Reserve Fund, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfer shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any fund required or permitted by subsection (a) through (e) of this Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Common Council that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund shall be sufficient in any event to pay the interest on the Prior Bonds, the Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures.

The City covenants and agrees that upon the issuance of the Bonds an amount sufficient to make the amount on deposit in the Reserve Fund equal to the Reserve Requirement shall be deposited into the Reserve Fund and shall be maintained therein.

The City covenants and agrees that at any time that the Reserve Fund is drawn on and the amount in the Reserve Fund shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Fund from those funds in the Debt Service Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Fund. No such payments need be made into the Reserve Fund at such times as the monies in the Reserve Fund are equal to the highest remaining annual debt service requirement on the Bonds and Parity Bonds secured by the Reserve Fund in any Bond Year. If at any time the amount on deposit in the Reserve Fund exceeds the Reserve Requirement, the excess shall be transferred to the Debt Service Fund and used to pay principal and interest on the Bonds and Parity Bonds. If for any reason there shall be insufficient funds on hand in the Debt Service Fund to meet principal or interest becoming due on the Bonds or Parity Bonds secured by the Reserve Fund, then all sums then held in the Reserve Fund shall be used to pay the portion of interest or principal on such Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Fund until an amount equal to the Reserve Requirement is on deposit in the Reserve Fund.

Section 6. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing water services for public purposes shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the System, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 5A of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or to make any subsequent payment over and above such reasonable cost and value.

Section 7. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Common Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Debt Service Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Debt Service Fund;

(c) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(d) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Bonds, the Prior Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(e) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(f) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used. The owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto; and

(g) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 5A of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Debt Service Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Debt Service Fund.

Section 8. Additional Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

a. (1) The Net Revenues for the last completed Fiscal Year preceding the issuance of such additional obligations must have been at least equal to 1.25 times the average combined annual interest and principal requirements on all Bonds, Prior Bonds and any Parity Bonds then outstanding payable from the revenues of the System (other than the Bonds, Prior Bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, in the written opinion of a financial advisor, an independent consulting engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or

(2) An independent certified public accountant, financial advisor or consulting professional engineer provides a certificate setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Gross Revenues of the System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal Year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

b. The payments required to be made into the funds and accounts enumerated in Section 5A of this Resolution (including the Reserve Fund, but not the Surplus Fund) must have been made in full.

c. The additional obligations must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 1 of each year.

d. If the additional obligations are to be secured by the Reserve Fund, the amount on deposit in the Reserve Fund must be equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 4 of this Resolution.

e. The proceeds of the additional obligations must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

While any of the Prior Bonds are outstanding, unless waived by the owners of the Prior Bonds, Parity Bonds may not be issued unless the terms and conditions set forth in the Prior Resolutions are also satisfied.

Section 9. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Debt Service Fund. An amount of proceeds of the Bonds equal to the Reserve Requirement shall be deposited in the Reserve Fund. An amount of proceeds of the Bonds sufficient to provide for the payment of the Refunded Obligations being refunded by the Bonds shall be deposited into a refunding escrow account established by the Escrow Agreement (defined below). The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in the Debt Service Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 13. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 14. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 15. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 16. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 17. Conditions on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to approval by an Authorized Officer of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Bonds. Satisfaction of such conditions shall be evidenced by execution by an Authorized Officer of the Approving Certificate.

The Bonds shall not be issued, sold or delivered until these conditions have been satisfied. Upon satisfaction of the conditions, an Authorized Officer is authorized to execute the Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

Section 18. Escrow Agent; Escrow Agreement; Escrow Account. Zions Bancorporation, National Association, Chicago, Illinois, is hereby appointed escrow agent for the City, for the purpose of ensuring the payment of the principal of and interest on the Refunded Obligations (the "Escrow Agent").

The Mayor and City Clerk, or other appropriate officers of the City, are hereby authorized and directed to execute an escrow agreement (the "Escrow Agreement") with the Escrow Agent, for the purpose of effectuating the provisions of this Resolution.

The Bond proceeds allocable the Refunding shall be deposited in a refunding escrow account which is hereby created with the Escrow Agent, pursuant to the Escrow Agreement, for the purpose of retaining the required amount of cash, if any, and acquiring the United States obligations provided for in the Escrow Agreement.

Section 19. SLGS Subscriptions. The Escrow Agent and appropriate officers and agents of the City are authorized to submit subscriptions for United States Treasury Securities - State and Local Government Series and to purchase other U.S. government securities on behalf of the City in such amount as is necessary in order to carry out the Refunding.

Section 20. Redemption of Refunded Obligations. Subject to final approval by an Authorized Officer, as evidenced by the execution of the Approving Certificate, the Refunded Obligations are called for prior payment and redemption on December 1, 2022.

The City hereby directs the Escrow Agent to cause timely notice of redemption, in substantially the form to be attached to the Escrow Agreement, to be provided at the times, to the parties and in the manner set forth on the notice.

Section 21. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to Old National Bank or the Escrow Agent at Closing for further distribution as directed by Ehlers.

Section 22. Official Statement. The Common Council hereby directs the Authorized Officers to approve the Preliminary Official Statement with respect to the Bonds and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officers or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 23. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 24. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 25. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 26. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 27. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions, rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In the case of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control so long as any Prior Bonds are outstanding

Adopted, approved and recorded February 23, 2021.

Michael Murray
Mayor

ATTEST: _____
Rebecca Weyer
City Clerk

Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$790,000 Taxable Sewer System Revenue Refunding Bonds, Series 2021C of the City of Tomah, Monroe County, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds

Motion by Kiefer, second by Yarrington, to approve the Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$790,000 Taxable Sewer System Revenue Refunding Bonds, Series 2021C of the City of Tomah, Monroe County, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds. Motion Carried.

RESOLUTION NO. 2021-02-23-08 _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED \$790,000 TAXABLE SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021C OF THE CITY OF TOMAH, MONROE COUNTY, WISCONSIN, AND PROVIDING FOR THE PAYMENT OF THE BONDS AND OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of Tomah, Monroe County, Wisconsin (the "City") owns and operates its Sewer System (the "System") which is operated for a public purpose as a public utility; and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility or to refund obligations issued to finance such extensions, additions and improvements from the proceeds of bonds, which bonds are to be payable only from the income and revenues of such utility and are to be secured by a pledge of the revenues of the utility; and

WHEREAS, the City has outstanding its General Obligation Refunding Bonds, Series 2014A, dated January 28, 2014 (the "2014 General Obligation Bonds") which 2014 General Bonds refinanced, among other things, obligations used to finance additions, extensions and improvements to the System; and

WHEREAS, the City has determined that it is necessary and desirable to refund the portion of the 2023 through 2030 maturities of the 2014 General Obligation Bonds which refinanced additions, extensions and improvements to the System (the "Refunded Obligations") for the purpose of restructuring the City's outstanding indebtedness (the "Refunding"); and

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell sewer system revenue bonds (the "Bonds") to refund the Refunded Bonds payable solely from the Revenues of the System, which Bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes; and

WHEREAS, the City has authorized the issuance of not to exceed \$1,195,000 Taxable Water System Revenue Refunding Bonds and not to exceed \$3,830,000 Taxable General Obligation Refunding Bonds (collectively, the "Refunding Bonds") which Refunding Bonds will be used to refund the portion of the 2014 General Obligation Bonds not refunded by the Bonds; and

WHEREAS, the City has no bonds or obligations outstanding which are payable from the Revenues of the System; and

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell sewer system revenue refunding bonds (the "Bonds") at a public sale and to obtain bids for the purchase of the Bonds; and

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue the Bonds on a taxable rather than tax-exempt basis; and

WHEREAS, in order to facilitate the sale of the Bonds in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to either the City Administrator or the City Clerk (each an "Authorized Officer") the authority to accept on behalf of the City the bid for the Bonds that results in the lowest true interest cost for the Bonds (the "Proposal") so long as the Proposal meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, the Common Council of the City of Tomah, Monroe County, Wisconsin, do resolve that:

Section 1. Authorization and Sale of the Bonds; Parameters. For the purpose of paying the costs of the Refunding, the City is authorized to borrow pursuant to Section 66.0621, Wisconsin Statutes, the principal sum of not to exceed SEVEN HUNDRED NINETY THOUSAND DOLLARS (\$790,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the conditions set forth in Section 17 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser, on behalf of and in the name of the City, the Bonds in a principal amount of not to exceed SEVEN HUNDRED NINETY THOUSAND DOLLARS (\$790,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.80% nor more than 106.00% of the principal amount of the Bonds.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable Sewer System Revenue Refunding Bonds, Series 2021C"; shall be issued in the aggregate principal amount of up to \$790,000; shall be dated as of their date of issuance; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to \$50,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed \$790,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$790,000.

<u>Date</u>	<u>Amount</u>
05/01/2023	\$100,000
05/01/2024	95,000
05/01/2025	100,000
05/01/2026	100,000
05/01/2027	110,000
05/01/2028	110,000
05/01/2029	110,000
05/01/2030	65,000

Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on November 1, 2021. The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) will not exceed 3.00%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of maturities or mandatory redemptions is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices and will be confirmed in the Approving Certificate.

The Refunding is advantageous and necessary to the City.

The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund hereinafter provided, and shall be a valid claim of the registered owner or owners thereof only against the Special Redemption Fund and the Revenues pledged to such Fund, and sufficient Revenues are pledged to the Special Redemption Fund, and shall be used for no other purpose than to pay the principal of and interest on the Bonds and any Parity Bonds as the same fall due.

The Bonds shall either not be subject to optional redemption or be callable as set forth in the Approving Certificate. If the Proposal specifies that certain of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established for such Bonds in such manner as the City shall direct.

Section 3. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 4. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Bonds and Parity Bonds.

"Bond Year" means the Twelve-month period ending on each May 1.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 8 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) 10% of the proceeds of the Bonds (up to the amount permitted to be deposited from proceeds of the Bonds pursuant to Section 148 (d)(1) of the Code); (b) the maximum annual debt service on the Bonds in any Bond Year; and (c) 125% of average annual debt service on the Bonds. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued in any Bond Year; and (c) 125% of average annual debt service on the outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it, funds appropriated by the Common Council for services provided by the System to the City and all moneys received from any other source, including income derived from investments.

"System" means the entire sewerage system of the City including all property of every nature now or hereafter owned by the City for the collection, transmission, treatment, storage, metering and disposal of domestic, industrial and public sewage, including all improvements and extensions thereto made by the City while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such sewerage system and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 5. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the following separate and special funds, which are hereby created and established and shall be used and applied as described below:

- Revenues in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Operation and Maintenance Expenses shall be set aside into the Sewer System Operation and Maintenance Fund (the "Operation and Maintenance Fund").

- Revenues in amounts sufficient to pay the principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Sewer System Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Bonds and Parity Bonds.

- Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Sewer System Depreciation Fund (the "Depreciation Fund").

The Operation and Maintenance Fund and Depreciation Fund shall be deposited as received in public depositories to be selected by the Common Council in the manner required by Chapter 34, Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Money in the Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses for one month. Any money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund, which fund is hereby continued.

Revenues shall be deposited in the Depreciation Fund each month until such amount as the Common Council may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

It is the express intent and determination of the Common Council that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Fund to pay promptly all principal and interest falling due on the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Revenues so set aside for payment of the principal of and interest on the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing or subject to mandatory redemption on the next redemption date.

The minimum amounts to be so deposited for debt service on the Bonds will be set forth on the schedule attached to the Approving Certificate.

The Special Redemption Fund shall be used for no purpose other than the payment of interest on and principal of the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

A Reserve Account is hereby established to additionally secure the payment of principal of and interest on the Bonds. The City covenants and agrees that upon the issuance of the Bonds an amount sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited into the Reserve Account and shall be maintained therein.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts created by this section.

Section 6. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing sewer services for public purposes shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the revenues derived from the System, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 5 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor and (b) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or to make any subsequent payment over and above such reasonable cost and value.

Section 7. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Common Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

(c) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(d) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(e) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(f) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used. The owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City relating thereto; and

(g) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 5 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 8. Additional Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

a. (1) The Net Revenues for the last completed Fiscal Year preceding the issuance of such additional obligations must have been at least equal to 1.25 times the average combined annual interest and principal requirements on all Bonds and any Parity Bonds then outstanding payable from the revenues of the System (other than the Bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, in the written opinion of a financial advisor, an independent consulting engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or

(2) An independent certified public accountant, financial advisor or consulting professional engineer provides a certificate setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Gross Revenues of the System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal Year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

b. The payments required to be made into the funds and accounts enumerated in Section 5 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

c. The additional obligations must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 1 of each year.

d. If the additional obligations are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 4 of this Resolution.

e. The proceeds of the additional obligations must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 9. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount of proceeds of the Bonds sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. An amount of proceeds of the Bonds, after taking into account other amounts deposited, sufficient to provide for the Refunding shall be

deposited in a refunding escrow account established by the Escrow Agreement (defined below). The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 13. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 14. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by the Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 15. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 16. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 17. Conditions on Issuance and Sale of the Bonds. The issuance of the Bonds and the sale of the Bonds to the Purchaser are subject to approval by an Authorized Officer of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Bonds. Satisfaction of such conditions shall be evidenced by execution by an Authorized Officer of the Approving Certificate.

The Bonds shall not be issued, sold or delivered until these conditions have been satisfied. Upon satisfaction of the conditions, an Authorized Officer is authorized to execute the Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser.

Section 18. Escrow Agent; Escrow Agreement; Escrow Account. Zions Bancorporation, National Association, Chicago, Illinois, is hereby appointed escrow agent for the City, for the purpose of ensuring the payment of the principal of and interest on the Refunded Obligations (the "Escrow Agent").

The Mayor and City Clerk, or other appropriate officers of the City, are hereby authorized and directed to execute an escrow agreement (the "Escrow Agreement") with the Escrow Agent, for the purpose of effectuating the provisions of this Resolution.

The Bond proceeds allocable to refunding the Refunded Obligations shall be deposited in a refunding escrow account which is hereby created with the Escrow Agent, pursuant to the Escrow Agreement, for the purpose of retaining the required amount of cash, if any, and acquiring the United States obligations provided for in the Escrow Agreement.

Section 19. SLGS Subscriptions. The Escrow Agent and appropriate officers and agents of the City are authorized to submit subscriptions for United States Treasury Securities - State and Local Government Series and to purchase other U.S. government securities on behalf of the City in such amount as is necessary in order to carry out the Refunding.

Section 20. Redemption of Refunded Obligations. Subject to final approval by an Authorized Officer, as evidenced by the execution of the Approving Certificate, the Refunded Obligations are called for prior payment and redemption on December 1, 2022.

The City hereby directs the Escrow Agent to cause timely notice of redemption, in substantially the form to be attached to the Escrow Agreement, to be provided at the times, to the parties and in the manner set forth on the notice.

Section 21. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to Old National Bank or the Escrow Agent at Closing for further distribution as directed by Ehlers.

Section 22. Official Statement. The Common Council hereby directs the Authorized Officers to approve the Preliminary Official Statement with respect to the Bonds and deem the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by the Authorized Officers or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 23. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 24. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 25. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 26. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 27. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions, rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Adopted, approved and recorded February 23, 2021.

Michael Murray
Mayor

ATTEST:
Rebecca Weyer
City Clerk

To assist with the transition to a new City Treasurer and current staff with their daily duties

Administrator Hanson requested the council authorize the City Administrator to hire an interim City Treasurer (ICT) during the recruiting of the current City Treasurer.

Motion by Scholze, second by Zabinski, to grant the City Administrator the authority to locate and retain the services of an ICT during the vacancy of the outgoing City Treasurer and up to one month after the new City Treasurer assumes their role. Motion carried.

Presentation on the Documentary "All the Queens Horses"

Discussion on the Documentary "All the Queens Horses"

Administrator Hanson introduced to the Council the potential for future segregation of duties within the city to allow for appropriate oversight and management.

ADJOURN

Motion by Scholze, second by Kiefer to adjourn. Motion carried. Meeting adjourned at 7:43 p.m.

Respectfully,

Rebecca Weyer, City Clerk

Donna Evans, City Council President