

AUTHORIZING THE SALE OF \$13,500,000 GENERAL OBLIGATION
PROMISSORY NOTES, SERIES 2003

WHEREAS on March 25, 2003, the County Board of Supervisors of Waukesha County, Wisconsin (the "County") adopted an ordinance authorizing the issuance of general obligation promissory notes pursuant to Ch. 67, Wis. Stats., in an amount not to exceed \$13,500,000 for the public purpose of paying the cost of capital projects included in the County's 2003 Capital Project Expenditure Plan consisting of constructing, equipping and furnishing County buildings; constructing, reconstructing and repairing County highways and bridges; and improving County parks; and

WHEREAS the County Board of Supervisors deems it necessary and in the best interest of the County that such general obligation promissory notes now be issued, upon the terms and conditions hereinafter provided; and

WHEREAS the County has duly received bids for its proposed issue of \$13,500,000 General Obligation Promissory Notes, Series 2003 (the "Notes"); and

WHEREAS it has been determined that the best bid received was that submitted by Robert W. Baird & Co. (the "Purchaser");

NOW, THEREFORE, BE IT ORDAINED by the County Board of Supervisors of Waukesha County, Wisconsin, that:

Section 1. Award. The bid of the Purchaser for the purchase price of \$13,437,959.75 be and it hereby is accepted and the Chairperson and County Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the County. The good faith deposit of the Purchaser shall be retained by the County Treasurer until the closing of the note issue, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned.

Section 2. The Notes. The Chairperson and County Clerk shall make, execute and deliver the Notes to the Purchaser, for and on behalf of the County. The Notes shall be negotiable, general obligation promissory notes of the County, registered as to both principal and interest, in the denomination of Five Thousand Dollars (\$5,000) each or whole multiples thereof, numbered from R-1 upward and dated April 15, 2003. The Notes shall mature on April 1 of each of the years and shall bear interest at the rates per annum as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2004	\$ 550,000	2.00 %
2005	375,000	2.50
2006	425,000	2.50
2007	700,000	2.75
2008	1,000,000	3.00
2009	1,350,000	3.00
2010	2,350,000	3.35
2011	2,975,000	3.60

51	2012	1,425,000	3.75
52	2013	2,350,000	3.875

53

54 Interest on the Notes shall be payable on April 1 and October 1 of each year, commencing
55 October 1, 2003.

56

57 Notes maturing in the years 2011 through 2013 shall be subject to call and prior payment at the
58 option of the County in whole or from time to time in part on April 1, 2010 or on any date
59 thereafter at the price of par plus accrued interest to the date of redemption. The amounts and
60 maturities of the Notes to be redeemed shall be selected by the County. If less than the entire
61 principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be
62 redeemed shall be selected by lot.

63

64 Section 3. Form of Notes. The Notes shall be in substantially the form on file in the County
65 Clerk's office.

66

67 Section 4. Tax Provisions.

68

69 (A) Direct, Annual Irrepealable Tax. For the purpose of paying the principal of and
70 interest on the Notes as the same become due, the full faith, credit and resources of the County
71 are hereby irrevocably pledged and there be and there hereby is levied on all the taxable property
72 in the County a direct, annual, irrepealable tax in an amount and at the times sufficient for said
73 purpose; such tax is levied in the following years and in the following minimum amounts:

74

75	<u>Year of Levy</u>	<u>Amount</u>
76		
77	2003	\$995,575.00
78	2004	810,387.50
79	2005	850,387.50
80	2006	1,110,450.00
81	2007	1,385,825.00
82	2008	1,700,575.00
83	2009	2,640,962.50
84	2010	3,173,050.00
85	2011	1,542,781.25
86	2012	2,395,531.25

87

88 (B) Tax Collection. The County shall be and continue without power to repeal such levy
89 or obstruct the collection of said tax until all such payments have been made or provided for.
90 After the issuance of the Notes, said tax shall be, from year to year, carried into the tax rolls of
91 the County and collected as other taxes are collected, provided that the amount of tax carried into
92 said tax rolls may be reduced in any year by the amount of any surplus money in the Debt
93 Service Account created in Section 5(A) hereof.

94

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

99

100 (D) Appropriation. There be and there hereby is appropriated from funds of the County
101 on hand the sum of \$207,995.69 to be deposited in the Debt Service Account to meet payments
102 with respect to debt service due on October 1, 2003.

103
104 Section 5. Debt Service Fund and Account.

105
106 (A) Creation and Deposits. Within the debt service fund previously established in the
107 treasury of the County, there be and there hereby is established a separate and distinct account
108 designated as the "Debt Service Account for \$13,500,000 'General Obligation Promissory Notes,
109 Series 2003' dated April 15, 2003" (the "Debt Service Account") and such account shall be
110 maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished.
111 The County Treasurer shall deposit in such Debt Service Account (i) all accrued interest received
112 by the County at the time of delivery of and payment for the Notes; (ii) the taxes herein levied
113 for the specific purpose of meeting principal of and interest on the Notes when due; (iii) such
114 other sums as may be necessary at any time to pay principal of and interest on the Notes when
115 due; (iv) any premium which may be received by the County above the par value of the Notes
116 and accrued interest thereon; (v) surplus monies in the Borrowed Money Fund as specified in
117 Section 6 hereof; and (vi) such further deposits as may be required by Sec. 67.11, Wis. Stats.

118
119 (B) Use and Investment. No money shall be withdrawn from the Debt Service Account
120 and appropriated for any purpose other than the payment of principal of and interest on the Notes
121 until all such principal and interest has been paid in full and canceled; provided (i) the funds to
122 provide for each payment of principal of and interest on the Notes prior to the scheduled receipt
123 of taxes from the next succeeding tax collection may be invested in direct obligations of the
124 United States of America maturing in time to make such payments when they are due or in other
125 investments permitted by law; and (ii) any funds over and above the amount of such principal
126 and interest payments on the Notes may be used to reduce the next succeeding tax levy, or may,
127 at the option of the County, be invested by purchasing the Notes as permitted by and subject to
128 Section 67.11(2)(a), Wis. Stats., in interest-bearing obligations of the United States of America,
129 in other obligations of the County or in other investments permitted by law, which investments
130 shall continue to be a part of the Debt Service Account.

131
132 (C) Remaining Monies. When all of the Notes have been paid in full and canceled, and
133 all permitted investments disposed of, any money remaining in the Debt Service Account shall
134 be deposited in the general fund of the County, unless the County Board of Supervisors directs
135 otherwise.

136
137 Section 6. Proceeds of the Notes. All monies received by the County upon the delivery of the
138 Notes to the purchaser thereof, except for accrued interest and premium, if any, shall be
139 deposited by the County Treasurer into a special fund (the "Borrowed Money Fund") which shall
140 be maintained separate and distinct from all other funds of the County and shall be used for no
141 purpose other than the purposes for which the Notes are issued. In no event shall monies in the
142 Borrowed Money Fund be used to fund operating expenses of the general fund of the County or
143 of any special revenue fund of the County that is supported by property taxes. Monies in the
144 Borrowed Money Fund may be temporarily invested as provided in Section 66.0603(1m), Wis.
145 Stats. Any monies, including any income from permitted investments, remaining in the
146 Borrowed Money Fund after the purposes for which the Notes have been issued have been
147 accomplished, and, at any time, any monies as are not needed and which obviously thereafter
148 cannot be needed for such purposes shall be deposited in the Debt Service Account.

150 Section 7. No Arbitrage. All investments permitted by this resolution shall be legal investments,
151 but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage
152 bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended
153 (the "Code"), or the Regulations of the Commissioner of Internal Revenue thereunder
154 the "Regulations"); and an officer of the County, charged with the responsibility for issuing the
155 Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence
156 on the date of closing which will permit the conclusion that the Notes are not "arbitrage bonds,"
157 within the meaning of the Code or Regulations.

158
159 Section 8. Persons Treated as Owners; Transfer of Notes. The County Clerk shall keep books
160 for the registration and for the transfer of the Notes. The person in whose name any Note shall
161 be registered shall be deemed and regarded as the absolute owner thereof for all purposes and
162 payment of either principal or interest on any Note shall be made only to the registered owner
163 thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon
164 such Note to the extent of the sum or sums so paid.

165
166 Any Note may be transferred by the registered owner thereof by surrender of the Note at the
167 office of the County Clerk, duly endorsed for the transfer or accompanied by an assignment duly
168 executed by the registered owner or his attorney duly authorized in writing. Upon such transfer,
169 the Chairperson and County Clerk shall execute and deliver in the name of the transferee or
170 transferees a new Note or Notes of a like aggregate principal amount, series and maturity, and
171 the County Clerk shall record the name of each transferee in the registration book. No
172 registration shall be made to bearer. The County Clerk shall cancel any Note surrendered for
173 transfer.

174
175 The County shall cooperate in any such transfer, and the Chairperson and County Clerk are
176 authorized to execute any new Note or Notes necessary to effect any such transfer.

177
178 The fifteenth day of each calendar month next preceding each interest payment date shall be the
179 record dates for the Notes. Payment of interest on the Notes on any interest payment date shall
180 be made to the registered owners of the Notes as they appear on the registration book of the
181 County at the close of business on the corresponding record date.

182
183 Section 9. Compliance with Federal Tax Laws. (a) The County represents and covenants that
184 the projects financed by the Notes and their ownership, management and use will not cause the
185 Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The County
186 further covenants that it shall comply with the provisions of the Code to the extent necessary to
187 maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate
188 requirements of Section 148(f) of the Code. The County further covenants that it will not take
189 any action, omit to take any action or permit the taking or omission of any action within its
190 control (including, without limitation, making or permitting any use of the proceeds of the Notes)
191 if taking, permitting or omitting to take such action would cause any of the Notes to be an
192 arbitrage bond or a private activity bond within the meaning of the Code or would otherwise
193 cause interest on the Notes to be included in the gross income of the recipients thereof for federal
194 income tax purposes. The County Clerk or other officer of the County charged with the
195 responsibility of issuing the Notes shall provide an appropriate certificate of the County
196 certifying that the County can and covenanting that it will comply with the provisions of the
197 Code and Regulations. (b) The County also covenants to use its best efforts to meet the
198 requirements and restrictions of any different or additional federal legislation which may be
199 made applicable to the Notes provided that in meeting such requirements the County will do so

200 only to the extent consistent with the proceedings authorizing the Notes and the laws of
201 Wisconsin and to the extent that there is a reasonable period of time in which to comply.

202

203 Section 10. Utilization of The Depository Trust Company Book-Entry-Only System. In order to
204 make the Notes eligible for the services provided by The Depository Trust Company, New York,
205 New York, the County agrees to the applicable provisions set forth in the Blanket Issuer Letter of
206 Representations previously executed on behalf of the County and on file in the County Clerk's
207 office.

208

209 Section 11. Ratification. The Notice of Note Sale, which is on file in the County Clerk's office,
210 is ratified and approved. In addition, all actions taken by any committee of the County Board, by
211 the officers and employees of the County and by the County's financial consultant, Hutchinson,
212 Shockey, Erley & Co., in connection with the offering and sale of the Notes, including the
213 preparation and distribution of the Official Statement concerning the Notes, are ratified and
214 approved.

215

216 Section 12. Undertaking to Provide Continuing Disclosure. The County covenants and agrees,
217 for the benefit of the holders of the Notes, to enter into a written undertaking (the "Undertaking")
218 required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission
219 pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing
220 disclosure of certain financial information and operating data and timely notices of the
221 occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable
222 by the holders of the Notes or by the original purchaser(s) of the Notes on behalf of such holders
223 (provided that the rights of the holders and the purchaser(s) to enforce the Undertaking shall be
224 limited to a right to obtain specific performance of the obligations thereunder and any failure by
225 the County to comply with the provisions of the Undertaking shall not be an event of default
226 with respect to the Notes).

227

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

231

232 Section 13. Records. The County Clerk shall provide and keep a separate record book and shall
233 record a full and correct statement of every step or proceeding had or taken in the course of
234 authorizing and issuing these Notes.

235

236 Section 14. Bond Insurance. If the purchaser of the Notes determines to obtain municipal bond
237 insurance with respect to the Notes, the officers of the County are authorized to take all actions
238 necessary to obtain such municipal bond insurance. The Chairperson and County Clerk are
239 authorized to agree to such additional provisions as the bond insurer may reasonably request and
240 which are acceptable to the Chairperson and County Clerk including provisions regarding
241 restrictions on investment of Note proceeds, the payment procedure under the municipal bond
242 insurance policy, the rights of the bond insurer in the event of default and payment of the Notes
243 by the bond insurer and notices to be given to the bond insurer. In addition, appropriate
244 reference to the municipal bond insurance policy shall be made in the form of Note provided
245 herein.

246

247 Section 15. Closing. The Chairperson and County Clerk of the County are hereby authorized
248 and directed to execute and deliver the Notes to the purchaser thereof upon receipt of the
249 borrowed funds, accrued interest to date of delivery and premium, if any. The Chairperson and

250 County Clerk may execute the Notes by manual or facsimile signature, but at least one of said
251 officers shall sign the Notes manually.

252

253 The officers of the County are hereby directed and authorized to take all steps necessary or
254 convenient to close this issue as soon as practicable hereafter, in accordance with the terms of
255 sale thereof; and said officers are hereby authorized and directed to execute and deliver such
256 documents, certificates and acknowledgments as may be necessary or convenient in accordance
257 therewith.

258

259 Section 16. Effect of Ordinance. This action by the County Board of Supervisors is taken
260 pursuant to Section 67.12(12), Wis. Stats., and is intended to constitute a "resolution" for
261 purposes of that section.

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE-04/08/03

(RES) NUMBER-1570145

- 1 K. HERRO.....AYE
- 3 D. STAMSTA.....AYE
- 5 J. MARCHESE.....AYE
- 7 J. JESKEWITZ.....AYE
- 9 P. HAUKOHL.....AYE
- 11 K. HARENDA.....
- 13 J. MORRIS.....AYE
- 15 D. SWAN.....AYE
- 17 J. BEHREND.....
- 19 M. SONNENTAG.....AYE
- 21 W. KOLB.....AYE
- 23 P. PRONOLD.....AYE
- 25 K. CUMMINGS.....AYE
- 27 D. PAULSON.....AYE
- 29 M. THOMAS.....AYE
- 31 V. STROUD.....
- 33 D. PAVELKO.....AYE
- 35 C. SEITZ.....AYE

- 2 R. THELEN.....AYE
- 4 H. CARLSON.....
- 6 D. BROESCH.....AYE
- 8 J. DWYER.....AYE
- 10 S. WOLFF.....AYE
- 12 J. GRIFFIN.....AYE
- 14 J. LA PORTE.....AYE
- 16 R. MANKE.....AYE
- 18 D. FANFELLE.....AYE
- 20 M. KIPP.....
- 22 G. BRUCE.....AYE
- 24 A. SILVA.....AYE
- 26 S. KLEIN.....AYE
- 28 P. JASKE.....AYE
- 30 K. NILSON.....AYE
- 32 P. GUNDRUM.....AYE
- 34 R. SINGERT.....AYE

TOTAL AYES-30

TOTAL NAYS-00

CARRIED X

DEFEATED _____

UNANIMOUS X

TOTAL VOTES-30