

ENROLLED ORDINANCE 168-85

AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION REFUNDING PROMISSORY NOTES
TO REFUND GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2007

WHEREAS the County Board of Supervisors of Waukesha County, Wisconsin (the "County") hereby finds and determines that it is necessary, desirable and in the best interest of the County to raise funds for the purpose of refunding obligations of the County, including interest on them, specifically, the General Obligation Promissory Notes, Series 2007, dated May 15, 2007, maturing in the years 2015 through 2017 (the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost; and

WHEREAS the County Board of Supervisors deems it to be necessary, desirable and in the best interest of the County to refund the Refunded Obligations for the purpose of achieving debt service cost savings; and

WHEREAS counties are authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes to refinance their outstanding obligations; and

WHEREAS it is the finding of the County Board of Supervisors that it is necessary, desirable and in the best interest of the County to authorize the issuance of and to sell its general obligation promissory notes (the "Notes") to PNC Bank, National Association (the "Purchaser"), pursuant to the terms and conditions of its note purchase proposal and the related Forward Fixed Rate Lock Letter attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal");

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that:

Section 1. Authorization and Sale of the Notes. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of FOUR MILLION TWO HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$4,255,000) from the Purchaser in accordance with the terms and conditions of the Proposal, which is hereby accepted. To evidence the obligation of the County, the Chairperson and County Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the County, the Notes aggregating the principal amount of FOUR MILLION TWO HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$4,255,000) for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Refunding Promissory Notes"; shall be issued in the aggregate principal amount of \$4,255,000; shall be dated March 18, 2014; and shall be numbered R-1 and upward. The Notes shall bear interest at the rates per annum and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2015	\$1,630,000	0.80%
2016	1,585,000	0.80
2017	1,040,000	0.80

Interest is payable semi-annually on April 1 and October 1 of each year commencing on October 1, 2014. 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.

Section 3. Redemption Provisions. The Notes shall not be subject to optional redemption.

Section 4. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form on file in the County Clerk's office.

Section 5. Tax Provisions.

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

<u>Year of Levy</u>	<u>Amount</u>
2014	\$1,657,520
2015	1,599,660
2016	1,044,160

(b) *Tax Collection.* So long as any part of the principal of or interest on the Notes remains unpaid, the County 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 Notes, said tax shall be, from year to year, carried onto the tax roll of the County and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the County 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 Notes when due, the requisite amounts shall be paid from other funds of the County then available, which sums shall be replaced upon the collection of the taxes herein levied.

(d) *Appropriation.* There be and there hereby is appropriated from funds of the County on hand the sum of \$18,249.22 to be deposited in the Debt Service Account which amount will be used to meet payments with respect to debt service due on October 1, 2014.

Section 6. Segregated Debt Service Fund Account

(a) *Creation and Deposits.* There be and there hereby is established in the treasury of the County, 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 County 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 \$4,255,000 General Obligation Refunding Promissory Notes, dated March 18, 2014" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The County Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the County at the time of delivery of and payment for the Notes; (ii) any premium not used for the Refunding which may be received by the County above the par value of the Notes 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 Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes 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 Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes 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 Notes may be used to reduce the next succeeding tax levy, or may, at the option of the County, be invested by purchasing the Notes 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. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(c) *Remaining Monies.* When all of the Notes 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 County, unless the County Board of Supervisors directs otherwise.

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note 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 Notes into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the County and disbursed solely for the purpose for which borrowed or for the payment of the principal of and the interest on the Notes. In no event shall monies in the Borrowed

Money Fund be used to fund operating expenses of the general fund of the County or of any special revenue fund of the County that is supported by property taxes. 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 for which the Notes have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Ordinance shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the County, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws.

(a) The County represents and covenants that the projects financed by the Notes and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Notes or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The County further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The County further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The County Clerk or other officer of the County charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the County certifying that the County can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The County also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Notes provided that in meeting such requirements the County will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Qualified Tax-Exempt Obligations. Pursuant to Section 265(b)(3)(D)(ii) of the Code, the Notes are deemed designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the County by the manual or facsimile signatures of the Chairperson and County 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 County 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 Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the County has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes 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 Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The County hereby authorizes the officers and agents of the County to enter into, on its behalf, agreements and contracts in conjunction with the Notes, 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 Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by the County Clerk or County Treasurer (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of Notes. The County shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note 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 Note 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 Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note 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 Chairperson and County Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes 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 Note surrendered for transfer.

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

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the County at the close of business on the Record Date.

Section 15. Undertaking to Provide Continuing Disclosure. The County hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") required by Securities and Exchange Commission Rule 15c2-12 (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, if and to the extent required by the Rule. The Undertaking shall be enforceable by the owners of the Notes 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 County to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

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

Section 16 Redemption of the Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on April 1, 2014 at a price of par plus accrued interest to the date of redemption.

The County hereby directs the County Clerk to work with Robert W. Baird & Co. Incorporated ("Baird") to cause timely notice of redemption, in substantially the form on file in the County Clerk's office and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice.

Section 17. Record Book. The County 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 Notes in the Record Book.

Section 18. Bond Insurance. If the Purchaser of the Notes determines to obtain municipal bond insurance with respect to the Notes, the officers of the County are authorized to take all actions necessary to obtain such municipal bond insurance. The Chairperson and County Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Chairperson and County Clerk including provisions regarding restrictions on investment of Note 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 Notes 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 Notes provided herein.

Section 19. Conflicting Ordinances; Severability; Effective Date. All prior ordinances, resolutions, rules or other actions of the County Board of Supervisors 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.

Section 20. Effect of Ordinance. This action by the County Board of Supervisors is taken pursuant to Section 67.12(12), Wis. Stats., and is intended to constitute a "resolution" for purposes of that section.

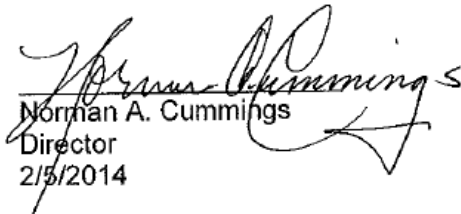
FISCAL NOTE

AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION REFUNDING PROMISSORY NOTES
TO REFUND GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2007

This ordinance authorizes the issuance of up to \$4.255 million of general obligation promissory notes to refinance the County's 2007 bond issue outstanding debt (original issue \$10.0 million).

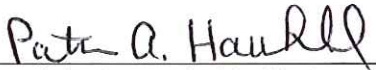
The refinancing will not extend the County's obligations into years beyond the original schedule. The County's financial advisor has estimated that the County may save between \$219,000 and \$236,000 on a net present value basis (i.e. in 2014 dollars) net of expenses over the period 2014-2017. Future cost savings are converted to current 2014 dollars to recognize the true savings at the time the refunding occurs.


Savings are somewhat greater than a traditional competitive sale since the County can take advantage of a private placement which significantly reduces issuance expense. At this time, it appears that up to five banks may potentially bid on this issue for their own portfolios. The County's financial advisor, Robert W. Baird, will coordinate the bids.


Norman A. Cummings
Director
2/5/2014

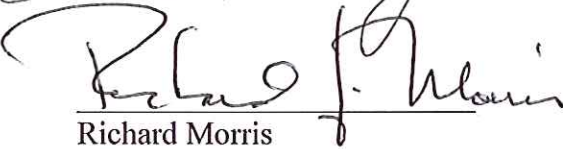
AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION REFUNDING PROMISSORY NOTES
TO REFUND GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2007

Approved by:
Finance Committee

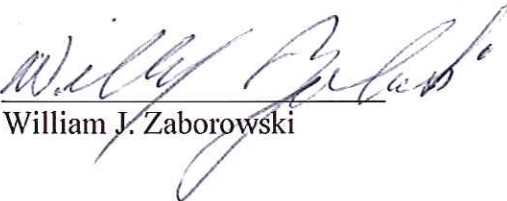

Patricia A. Haukohl, Chair


Daniel J. Draeger



Pamela Meyer


Richard Morris



Larry Nelson


William J. Zaborowski

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 2/25/2014, 
Kathleen Novack, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: _____
Vetoed: _____
Date: 2-26-14, 
Daniel P. Vrakas, County Executive

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE-02/25/14

(ORD) NUMBER-1680093

- | | |
|--------------------------|--------------------------|
| 1 C. SLATTERY..... | 2 D. Zimmermann.....AYE |
| 3 R. MORRIS.....AYE | 4 J. BATZKO.....AYE |
| 5 J. BRANDTJEN.....AYE | 6 J. JESKEWITZ..... |
| 7 J. GRANT.....AYE | 8 P. HAUKOHL.....AYE |
| 9 J. HEINRICH.....AYE | 10 D. SWAN.....AYE |
| 11 F. RUF.....AYE | 12 P. WOLFF.....AYE |
| 13 P. DECKER.....AYE | 14 P. MEYER.....AYE |
| 15 W. KOLB.....AYE | 16 M. CROWLEY.....AYE |
| 17 D. PAULSON.....AYE | 18 L. NELSON.....AYE |
| 19 C. CUMMINGS.....AYE | 20 T. SCHELLINGER....AYE |
| 21 W. ZABOROWSKI.....AYE | 22 P. JASKE.....AYE |
| 23 K. HAMMITT.....AYE | 24 D. DRAEGER.....AYE |
| 25 G. YERKE.....AYE | |

TOTAL AYES-23

TOTAL NAYS-00

CARRIED _____

DEFEATED _____

UNANIMOUS X

TOTAL VOTES-23