



AGENDA - AMENDED
City of Milton
Common Council Meeting
Tuesday, July 19, 2016
7:00 PM
MILTON CITY HALL
Council Chambers, 710 S. Janesville Street

- 1. Call to Order and Confirmation of Appropriate Meeting Notice.**
- 2. Approval of Agenda**
- 3. Public comments regarding items which can be affected by Council Action**
Presenters must sign in with the City Clerk in order to speak.
- 4. Approval of the Consent Agenda**
 - 4.a. Approval of Common Council Minutes – July 5, 2016.**

Documents:

[07-05-2016 Common Council Minutes.pdf](#)
 - 4.b. Approval of Minutes - Personnel & Finance Committee Minutes – June 21, 2016.**

Documents:

[06-21-2016 Personnel and Finance Committee Minutes.pdf](#)
 - 4.c. Personnel & Finance Committee Item: Approve Operator Licenses as Presented.**

Documents:

[Memo - New Operator Licenses.pdf](#)
 - 4.d. Approval of Minutes - Public Safety Committee Minutes – May 17, 2016.**

Documents:

[05-17-2016 Public Safety Committee Minutes.pdf](#)
 - 4.e. Community Development Authority Item: Approve the Façade Grant Reimbursement – Jake & Lucy LLC and Junction Pub.**
- 5. Discussion and Possible Action Regarding Resolution 2016-22 Approving the Project Plan and Establishing the Boundaries for and the Creation of Tax Incremental District No. 9, City of Milton, Wisconsin.**

Documents:

[Memo - TIF 9 Creation Resolution 2016-22.pdf](#)
[Resolution 2016-22 Approving the Project Plan and Establishing the Boundaries for and the Creation of Tax Incremental District No. 9.pdf](#)
[Project Plan 2016-7-6.pdf](#)

6. Discussion and Possible Action Regarding a Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B.

Documents:

[Memo - Resolution for 7.64 million dollars borrowing.pdf](#)
[Milton Parameters Resolution.pdf](#)
[Pre sale report for 7.64 million dollars borrowing.pdf](#)

7. Discussion and Possible Action Regarding an Engagement letter with Quarles & Brady for the issuance of 2016B General Obligation Corporate Purpose Bonds.

Documents:

[Memo - Engagement letter with Quarles and Brady.pdf](#)
[Engagement letter with Quarles and Brady.pdf](#)

8. AMENDED Discussion and Possible Action Regarding the Filing of an Ethics Complaint by the Milton City Council.

Documents:

[Ordinance 417 - Council Ethics - FINAL.pdf](#)

9. General Items

10. Team Building Exercise.

11. Mayor and Alderperson Reports

12. Staff Reports

13. City Administrator

14. Chief of the Joint Fire Department

15. Chief of the Police Department

16. City Clerk/Deputy Treasurer

17. Director of Public Works

18. Director of the Library

19. Finance Director

20. Motion to Adjourn

**Please note that upon reasonable notice, at least 48 hours in advance, efforts will be made to accommodate the needs to disabled individuals through appropriate aids and services. For additional information to request this service, please contact the City Clerk's Office at 868-6900, 710 S. Janesville Street, Milton, WI 53563.

Posted by Elena Hilby July 15, 2016 at Dave's Ace Hardware, Piggly Wiggly, Milton City Hall.

Common Council Mission Statement: With integrity and involved citizens, the City of Milton Common Council will strive to preserve a high quality of life, meet the public's needs with cost effective services, and foster a community in which people are proud to live.

**City of Milton
Common Council Minutes**

7/5/2016 - Minutes

1. Call to Order and Confirmation of Appropriate Meeting Notice.

Mayor Anissa Welch called the July 5, 2016 Common Council meeting to order at approximately 7:00 pm. City Clerk/Deputy Treasurer Elena Hilby confirmed the appropriate meeting notices were posted.

Present: Mayor Anissa Welch, Ald. Dave Adams, Ald. Jeremy Zajac, Ald. Maxine Striegl, Ald. Ryan Holbrook, Ald. Nancy Lader, and Ald. Lynda Clark.

Also Present: Director of Public Works Howard Robinson, City Attorney Mark Schroeder, Police Chief Scott Marquardt, Fire Chief Loren Lippincott, and City Clerk/Deputy Treasurer Elena Hilby.

2. Approval of Agenda

Ald. Clark moved to approve the agenda. Ald. Lader seconded and the motion carried.

3. Public comments regarding items which can be affected by Council Action

Mayor Welch welcomed those in attendance and asked if there were any registered speakers.

Connie Weeks of 602 E Madison Ave, Unit 21 appeared to speak about Wisconsin United To Amend.

4. Approval of the Consent Agenda

Ald. Holbrook moved to approve the consent agenda. Ald. Clark seconded and the motion carried.

4.a. Approval of Common Council Minutes – May 17, 2016.

4.b. Approval of Common Council Minutes – June 21, 2016.

4.c. Approval of Plan Commission Minutes – June 7, 2016.

4.d. Approval of Public Works Committee Minutes - March 1, 2016.

4.e. Public Works Committee Item: Approve Resolution 2016-21 Preliminary Public Works Resolution Allowing Scheduling of a Public Hearing for Potential Curb and Gutter Assessments on Chicago Street.

5. Discussion and Possible Action on 2016 Roadway Improvement Projects and Authorization to Seek Bids.

Ald. Clark moved to approve the proposed 2016 Roadway Improvement Projects and authorize staff to obtain bids for these projects as presented. Ald. Lader seconded, and the motion carried.

6. Discussion and Possible Action on an Amendment to the Class B Beer and Class B Liquor License Junction Pub, Kimori Inc.

Ald. Clark moved to approve the amendment to the Class B Beer and Class B Liquor license for Junction Pub, Kimori Inc. to include the outdoor patio/dining area as part of the licensed establishment for the subject business. Ald. Zajac seconded, and the motion carried.

7. Next Meeting – Tuesday, July 19, 2016 at 7:00 p.m.

8. General Items

Ald. Clark

- Asked for information regarding the community garden and the food pantry. DPW Robinson reported that the lots were full.

9. Team Building Exercise.

10. Mayor and Alderperson Reports

Mayor Welch

- Stated the 4th of July weekend was successful and expressed gratitude to all the volunteers.

Ald. Clark

- Recognized the Milton Veteran's Monument and reminded people that bricks can still be purchased.
- Recognized the Gathering Place and mentioned a motivational speaker that will appear on Wed. July 13 at 6:30pm.
- The event Flowers and Fireflies will be on July 21 at 5:30-7:30pm.
- Another Concerts in the Park is coming up soon.
- Tourism Committee has been asked to think about an event celebrating the 50th anniversary of Milton Junction and Milton coming together as one entity.

Ald. Lader

- Mentioned the library tour that took place last weekend and mentioned another one will be happening on July 9.

Ald. Adams

- Reported that the DNR has not filled the investigator position yet and that he spoke with someone from the DNR and Ethanol regarding his concerns.

Ald. Striegl

- Reported that she received complaints about fireworks in conflict with our ordinances happening over the past weekend.

11. Staff Reports

12. City Administrator

No report.

13. Chief of the Joint Fire Department

No report.

14. Chief of the Police Department

- Saturday is the next Coffee with a Cop at the new Kwik Trip from 9am - 11am.
- Wants to get going on our first public forum meeting.

15. City Clerk/Deputy Treasurer

No report.

16. Director of Public Works

- The next brush collection starts on July 11, 2016.

17. Director of the Library

No report.

18. Finance Director

No report.

19. Motion to Adjourn

Ald. Clark moved to adjourn the meeting of the Common Council at 7:45 pm. Ald. Striegl seconded, and the motion carried.

Respectfully submitted,
Elena Hilby
City Clerk

City of Milton
Personnel and Finance Committee Minutes

6/21/2016 - Minutes

1. Call to Order

Ald. Dave Adams called the June 21, 2016 meeting of the Personnel & Finance Committee to order at approximately 6:31 p.m.

Present: Ald. Dave Adams and Ald. Maxine Striegl.

Also Present: Ald. Lynda Clark, Ald. Ryan Holbrook, Finance Director / Treasurer Dan Nelson, Police Chief Scott Marquardt, and Assistant to the City Administrator Inga Cushman.

Excused: Ald. Nancy Lader.

2. Approval of Agenda

Ald. Striegl motioned to approve the agenda. Ald. Adams seconded, and the motion carried.

3. Approval of Minutes - Personnel & Finance Committee Minutes – May 17, 2016.

Ald. Striegl motioned to approve the minutes. Ald. Adams seconded, and the motion carried.

4. Discussion and Possible Action on the “Class B” Combination Beer and Liquor License Application from Jake & Lucy LLC, DBA "TBD" located at 106 Merchant Row.

Ald. Adams motioned to recommend to Common Council to deny the "Class B" Combination Beer and Liquor License Application from Jake & Lucy LLC, DBA TBD located at 106 Merchant Row because of the health, safety, and welfare of the community. The committee had concerns due to limited information being provided on the application. The committee had concerns over the limited number of tables at the restaurant and whether the new business, Junction Pub, or Fredrick's Supper Club would be selling alcohol on the patio. The committee was also concerned about the lack of a formal name for the business. Ald. Striegl seconded, and the motion carried.

5. Discussion and Possible Action on the Class “B” Beer and “Class C” Wine License Application from Rockie’s LLC, DBA Rockie’s Pizza & Subs located at 301 Parkview Drive.

Ald. Striegl motioned to recommend to Common Council approval of the Class "B" Beer and "Class C" Wine License application from Rockie's LLC, DBA Rockie's Pizza & Subs located at 301 Parkview Drive. Ald. Adams seconded, and the motion carried.

6. Discussion and Possible Action to Approve Renewal Operator’s Licenses.

Ald. Striegl motioned to approve the renewal operator's licenses as presented. Ald. Adams seconded, and the motion carried.

7. Discussion and Possible Action to Approve Operator’s Licenses.

Ald. Striegl motioned to approve the operator's licenses as presented. Ald. Adams seconded, and the motion carried.

8. Discussion and Possible Action on a Retiree Health Insurance Extension for Ann Keen Berg.

Ald. Striegl motioned to recommend to the Common Council to deny the request. Ald. Adams seconded, and the motion carried.

9. Discussion and Possible Action Regarding Treasurer’s Report – May 2016.

Finance Director Nelson reviewed the report. Ald. Striegl motioned to accept the Treasurer's Report. Ald. Adams seconded, and the motion carried.

10. Treasurer's Report

11. General Items

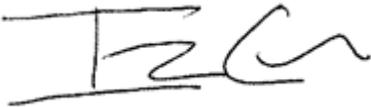
There were no general items.

12. Next Meeting Date – Tuesday, July 19, 2016 at 6:30 p.m.

13. Motion to Adjourn

Ald. Striegl motioned to adjourn the June 21, 2016 meeting of the Personnel & Finance Committee at approximately 6:40 p.m. Ald. Adams seconded, and the motion carried.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'IC' followed by a stylized flourish.

Inga Cushman
Assistant to the City Administrator



Office of the City Clerk

To: City of Milton Common Council
From: Elena Hilby, City Clerk/Deputy Treasurer
Date: July 19, 2016
Subject: Discussion and Possible Action to Approve Operator Licenses.

Discussion

The following operator license applications have been received in the Clerk's Office. A successful background check has been completed and Staff recommends approval of these licenses. A New Operator License will be issued to the following individuals:

- Kellie Clatworthy

Staff Recommendation

To recommend to the Common Council to approve the operator licenses as presented.

Attachments

None.

**City of Milton
Public Safety Committee Minutes**

5/17/2016 - Minutes

1. Call to Order

Chair Jeremy Zajac called the meeting of the Public Safety Committee to order at 6:13 PM.

Present: Ald. Jeremy Zajac, Ald. Ryan Holbrook, and Ald. Maxine Striegl.

Also Present: Police Chief Scott Marquardt, Director of Public Works Howard Robinson, and City Clerk/Deputy Treasurer Elena Hilby.

2. Approval of Agenda

Ald. Striegl moved to approve the agenda. Ald. Holbrook seconded, and the motion carried.

3. Approval of Minutes - Public Safety Committee Minutes – April 19, 2016.

Ald. Holbrook moved to approve the minutes. Ald. Striegl seconded, and the motion carried.

4. Monthly Statistical Report.

Chief Marquardt presented the report.

5. Discussion and Possible Action Regarding School Traffic Issues.

Ald. Striegl expressed concern about crossing guards holding traffic too long. Chief Marquardt stated that he would bring the concern to the attention of the crossing guards and review their policies.

6. Chief of Police Informational Report to Committee

- Chief Marquardt addressed questions regarding breathalyzer tests.
- Announced that it is Police Week.
- Addressed the skate boarding incident at the Veterans' Memorial Park.

7. Next Meeting Date – Tuesday, June 21, 2016 at 6:00 p.m.

8. Motion to Adjourn

Ald. Striegl moved to adjourn the meeting of the Public Safety Committee at 6:25 PM. Ald. Holbrook seconded, and the motion carried.

Respectfully submitted,
Elena Hilby
City Clerk



Office of the City Administrator

To: Mayor Welch, Common Council Members
From: Al Hulick, City Administrator
Date: July 19, 2016
Subject: Discussion and Possible Action Adopting Resolution 2016-22 Approving the Project Plan and Boundaries for the Creation of Tax Incremental Finance District Number 9 (Resolution 2016-22)

Summary

The City Administration is recommending the creation of Tax Incremental Finance District Number 9 in the City's east side Crossroads Business Park. TIF 9 is being created to encompass the vacant land that has development potential that is currently located within TIF 6 on the east side of STH 26. As TIF 6 begins to near the end of its useful life, the creation of TIF 9 would allow the City to remain competitive within the region when offering potential development incentives within the industrial park.

Background

By State Law, municipalities are not allowed to make expenditures from a TIF within the final 5 years of the Project Plan. This is commonly referred to as the "expenditure period." The TIF 6 expenditure period officially expires in 2021. Therefore, TIF 6 only has 5 years left to make expenditures, which could be problematic when attempting to negotiate a deal for new development in TIF 6 because the City would not be able to offer the "full" 10-year assessment that has become customary in Wisconsin.

Therefore, the creation of TIF 9 would "reset the clock" in terms of expenditure periods and incentive packages. This will keep Milton competitive in the economic development market for its vacant industrial land.

Additionally, the creation of TIF 9 will help ensure the closure of TIF 6 at its earliest possible date. State Law requires that each TIF District be closed at the end of its useful life (20 years) or when the Project Plan has been completed; whichever comes first. In the case of TIF 6, the City will not be able to "complete" the Project Plan, but we will be able to finalize as much of it as possible within the expenditure period, pay off the remaining debt service, and close the TIF before the end of its 20 year life. Because TIF 9 only includes the vacant land within TIF 6, all development that has occurred within TIF 6 will then return to the tax roles at the time of closure to be shared amongst the overlying taxing jurisdictions proportionately.



Recommendation

The City Administration, Joint Board of Review, and Community Development Authority recommend the City Council approve Resolution 2016-22 approving the Project Plan and establishing the boundaries for Tax Incremental Finance District Number 9.

RESOLUTION NO. 2016-22

**RESOLUTION APPROVING THE PROJECT PLAN AND ESTABLISHING THE
BOUNDARIES FOR AND THE CREATION OF
TAX INCREMENTAL DISTRICT NO. 9,
CITY OF MILTON, WISCONSIN**

WHEREAS, the City of Milton (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 9 (the "District") is proposed to be created by the City as an industrial district in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, a Project Plan for the District has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to owners of all property in the proposed district, to the chief executive officers of Rock County, the Milton School District, and the Blackhawk Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the CDA, on July 5, 2016 held a public hearing concerning the project plan and boundaries and proposed creation of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the CDA designated the boundaries of the District, adopted the Project Plan, and recommended to the Common Council that it create such District and approve the Project Plan and

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

1. The boundaries of the District that shall be named "Tax Incremental District No. 9, City of Milton", are hereby established as specified in Exhibit A of this Resolution.
2. The District is created effective as of January 1, 2016.

3. The Common Council finds and declares that:
- (a.) Not less than 50% by area of the real property within the District is suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101, and has been zoned for industrial use.
 - (b.) Based upon the findings, as stated in 3.a. above, the District is declared to be an industrial district based on the identification and classification of the property included within the District.
 - (c.) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
 - (d.) The equalized value of the taxable property in the District plus the value increment of all other existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
 - (e.) The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
 - (f.) The project costs relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.
 - (g.) Any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.
4. The Project Plan for "Tax Incremental District No. 9, City of Milton" (attached as Exhibit B) is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to apply to the Wisconsin Department of Revenue, in such form as may be prescribed, for a "Determination of Tax Incremental Base", as of January 1, 2016, pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(b).

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes that the City Assessor is hereby authorized and directed to identify upon the assessment roll returned and examined under Wisconsin Statutes Section 70.45, those parcels of property which are within the District, specifying thereon the name of the said District, and the City Clerk is hereby authorized and directed to make similar notations on the tax roll made under Section 70.65 of the Wisconsin Statutes.

Adopted this _____ day of _____, 2016.

Mayor

City Clerk

EXHIBIT A -

**LEGAL BOUNDARY DESCRIPTION OR MAP OF
TAX INCREMENTAL DISTRICT NO. 9
CITY OF MILTON**

THIS CAN BE FOUND IN THE PROJECT PLAN

PROJECT PLAN

THIS WILL BE HANDED OUT SEPARATELY



July 6, 2016

Project Plan for the Creation of Tax Incremental District No. 9



Organizational Joint Review Board Meeting Held:	July 5, 2016
Public Hearing Held:	July 5, 2016
Consideration for Approval by CDA:	July 5, 2016
Consideration for Adoption by Common Council:	Scheduled for: July 19, 2016
Consideration for Approval by the Joint Review Board:	Scheduled for: July 26, 2016



Tax Incremental District No. 9 Creation Project Plan

City of Milton Officials

Common Council

Anissa Welch	Mayor
David Adams	Aldersperson
Lynda Clark	Aldersperson
Nancy Lader	Aldersperson
Theresa Rusch	Aldersperson
Maxine Striegl	Aldersperson
Jeremy Zajac	Aldersperson

City Staff

Al Hulick	City Administrator
Elena Hilby	City Clerk
Dan Nelson	City Finance Director
Mark Schroeder, Consigny Law Firm	City Attorney
Inga Cushman	Assistant to City Administrator
Leanne Schroeder	Administrative Assistant

CDA

Al Hulick, Executive Director	Dave Schumacher
Nancy Lader	Mike Sessler
Maxine Striegl	Ethel Himmel
Amanda Benway	Vacant

Joint Review Board

Anissa Welch	City Representative
Jeremy Zajac	Rock County
Renea Ranguette	Blackhawk Technical College District
Mary Ellen Van Valin	Milton School District
Nathan Bruce	Public Member



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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 9 (the “TID” or “District”) is a proposed 258 acre industrial district to be created by the City of Milton (“City”). A map of the proposed District boundaries is located in Section 3 of this plan. All parcels are currently located in the City’s Tax Incremental District (“TID”) No. 6. TID No. 9 is being created because TID No. 6 is nearing the end of its expenditure period and maximum life. The land that is being included in TID No. 9 has development potential that the City would like to realize over a longer period of time than what remains in TID No. 6.

Estimated Total Project Expenditures.

The City anticipates making total project expenditures of approximately \$7,950,000 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in two phases. The Expenditure Period of this District is 15 years from the date of adoption of the authorizing Resolution of the Common Council (the “Creation Resolution”). The infrastructure projects to be undertaken pursuant to this Project Plan are expected to be financed with General Obligation Debt issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. The City expects that incentives to developers would be made on a “Pay as You Go” basis. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, is located in Section 10 of this plan.

Economic Development

As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$18,200,000 will be created as a result of new development and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and associated values is located in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2036; 1 year earlier than the 20 year maximum life of this District.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:

- In order to make the areas included within the District suitable for development, the City will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; and development incentive payments. Due to the extensive initial investment in public infrastructure that is required in order to allow development to occur, the City has determined that development of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development of the area is unlikely to occur.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
 - As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
 - The development expected to occur is likely to generate additional employment opportunities for residents of Milton and the larger region.
 3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
 - If approved, the District’s creation would become effective for valuation purposes as of January 1, 2016. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2016 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.
 4. Not less than 50% by area of the real property within the District is suitable for industrial sites and zoned for industrial use within the meaning of Wisconsin Statutes Section 66.1101. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of the creation of the District will remain zoned for industrial use for the life of the District.
 5. Based upon the findings, as stated above, the District is declared to be an industrial District based on the identification and classification of the property included within the District.

6. The project costs relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

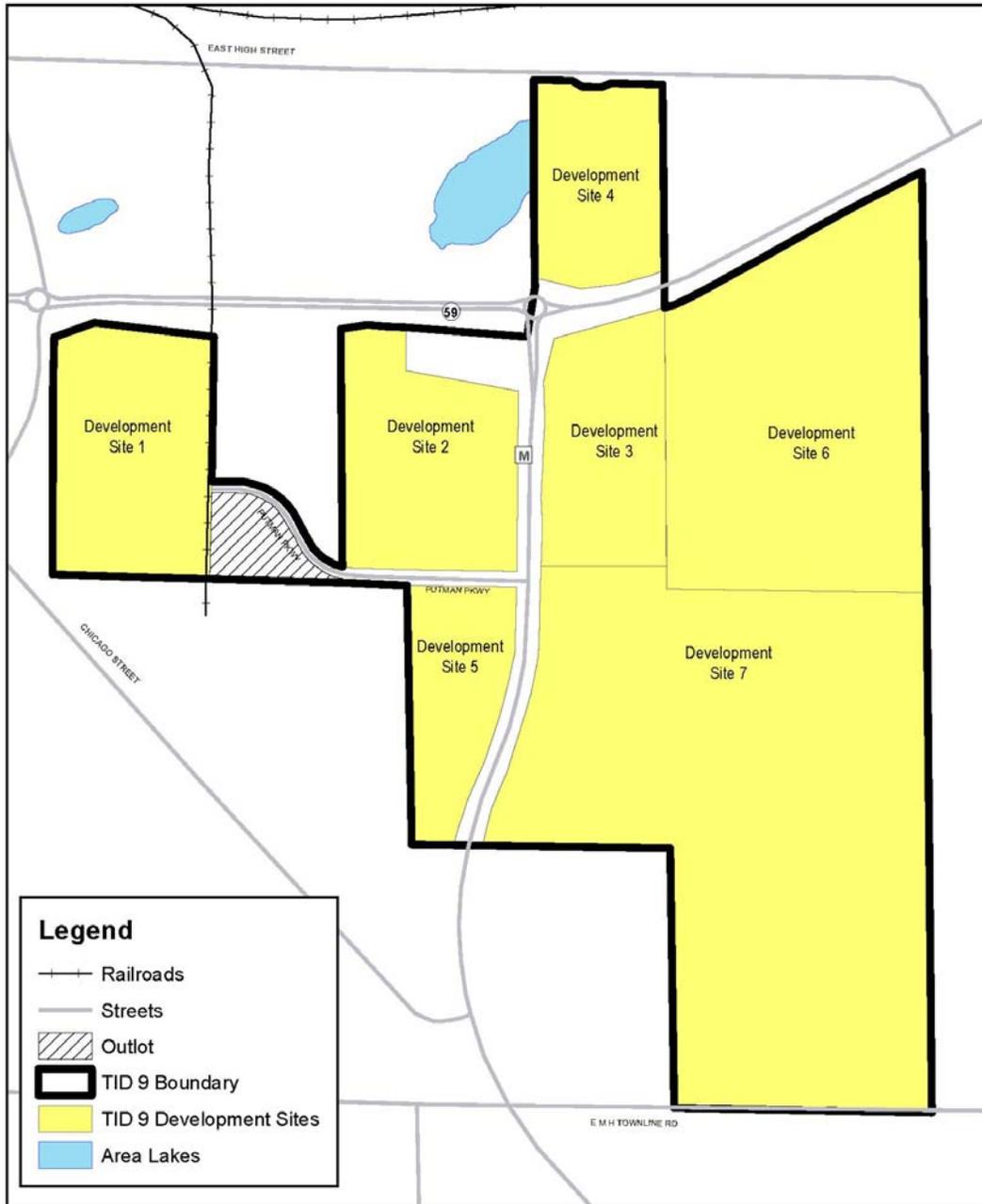
SECTION 2: Type and General Description of District

The District is being created by the City under the authority provided by Wisconsin Statutes Section 66.1105. This District is created as an “Industrial District” based upon a finding that at least 50%, by area, of the real property within the District is zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101 (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test).

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that industrial, distributor and related private development locates in this District. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote industrial development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in this Plan relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.

Based upon the findings, as stated within this Plan, the District is declared to be an industrial District based on the identification and classification of the property included within the district.

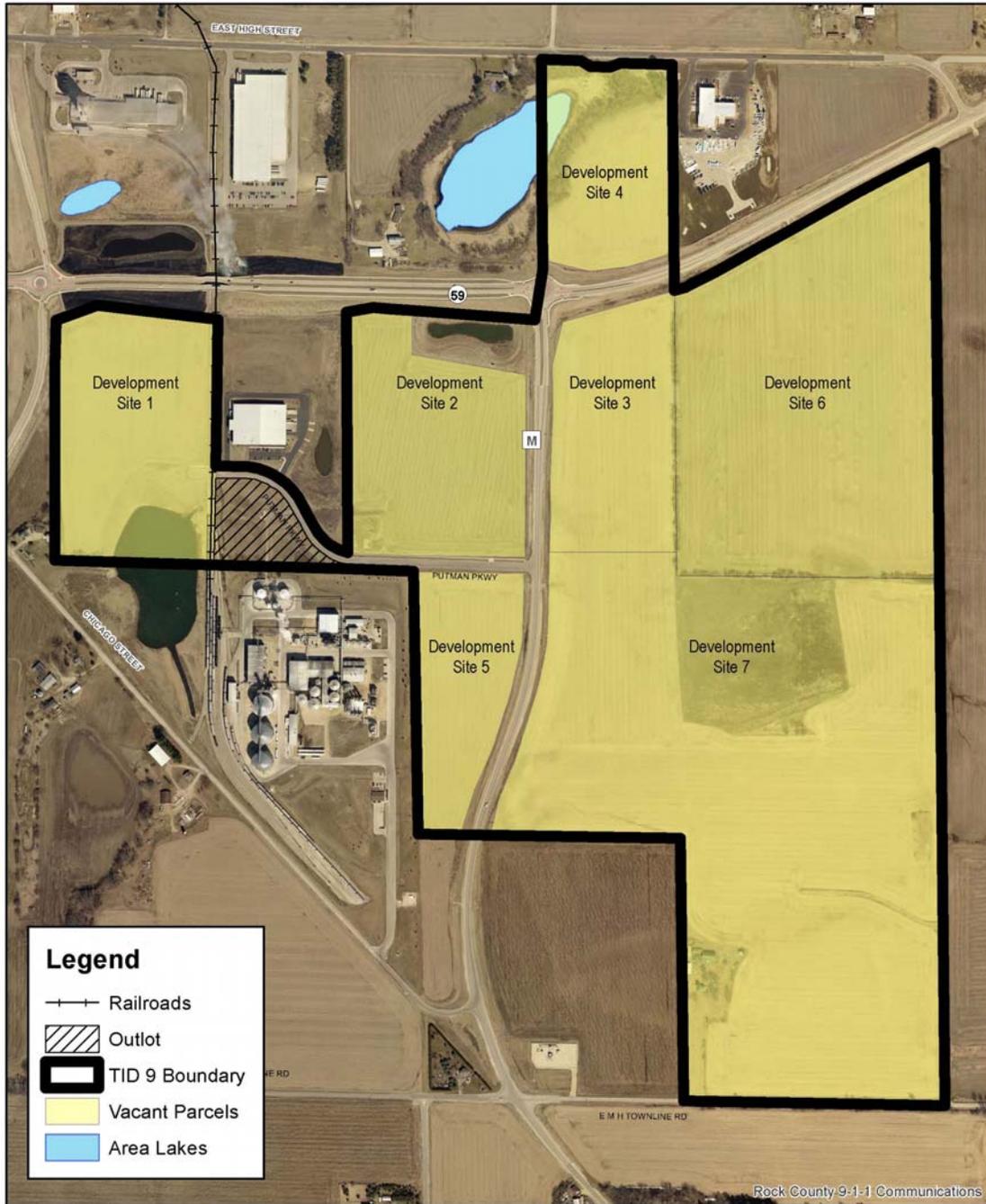
SECTION 3: Preliminary Map of Proposed District Boundary



City of Milton, Wisconsin

TID 9: Preliminary Map of Proposed Boundary

SECTION 4: Map Showing Existing Uses and Conditions



City of Milton, Wisconsin
TID 9: Existing Uses & Conditions

SECTION 5: Preliminary Parcel List and Analysis

City of Milton, Wisconsin																
Tax Increment District # 9																
Base Property Information																
Property Information							Assessment Information				Equalized Value				District Classification	
Site Ref. #	Tax ID	Parcel Number	Street Address	Owner	Acreage		Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)
1	257159103	V-23-1466.3	710 Janesville St Milton, WI	53563-1748	City of Milton	11.00	0	0	0	0	101.74%	0	0	0	0	11.00
1*	257159100	V-23-1466	710 Janesville St Milton, WI	53563-1748	City of Milton	16.94	0	0	0	0	101.74%	0	0	0	0	16.94
2	257159105	V-23-1466.6	710 Janesville St Milton, WI	53563-1748	City of Milton	9.48	0	0	0	0	101.74%	0	0	0	0	9.48
2	257159502	V-23-1468.2	710 Janesville St Milton, WI	53563-1748	City of Milton	12.80	0	0	0	0	101.74%	0	0	0	0	12.8
3, 4, 5 & 7	257 159501	V-23-1468.1	P.O. Box 684 Mequon, IL	53092-0684	Belardi Family Investment	152.52	75,400	87,200	162,600	0	101.74%	74,110	85,709	0	159,819	152.52
6	257159609	V-23-1469	7011 E High Street Milton, WI	53563	Frederick Farms, LLP	54.74	15,100		15,100		101.74%	14,842	0	0	14,842	54.74
					Total Acreage	257.48	90,500	87,200	0	177,700		88,952	85,709	0		257.48
Notes:																
* The future outlot shown in Development Site #1 is shown within this total.																
											Estimated Base Value 174,661					

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$34,146,261. This value is less than the maximum of \$43,443,384 in equalized value that is permitted for the City of Milton. The City therefore expects to be in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Milton, Wisconsin		
Tax Increment District # 9		
Valuation Test Compliance Calculation		
District Creation Date	7/19/2016	
	Valuation Data Currently Available 2015	Valuation Data Est. Creation Date
Total EV (TID In)	362,028,200	362,028,200
12% Test	43,443,384	43,443,384
Increment of Existing TIDs		
TID #6	30,617,900	30,617,900
TID #7	3,353,700	3,353,700
TID #8	0	0
Total Existing Increment	33,971,600	33,971,600
Projected Base of New or Amended District	174,661	174,661
Total Value Subject to 12% Test	34,146,261	34,146,261
Compliance	PASS	PASS

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The following is a list of public works and other TIF-eligible projects that the City expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

In order to promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

Site Preparation Activities

Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

In order to make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management

system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

In order to create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

In order to create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

In order to create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

In order to attract development consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

CDA Type Activities

Contribution to Community Development Authority

As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of

any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program

To encourage private redevelopment consistent with the objectives of this Plan, the City, through its CDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Rail Spur

To allow for development, the City may incur costs for installation of a rail spur to serve development sites located within the District.

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

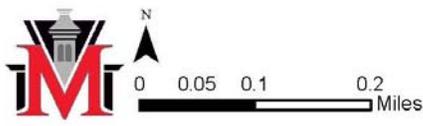
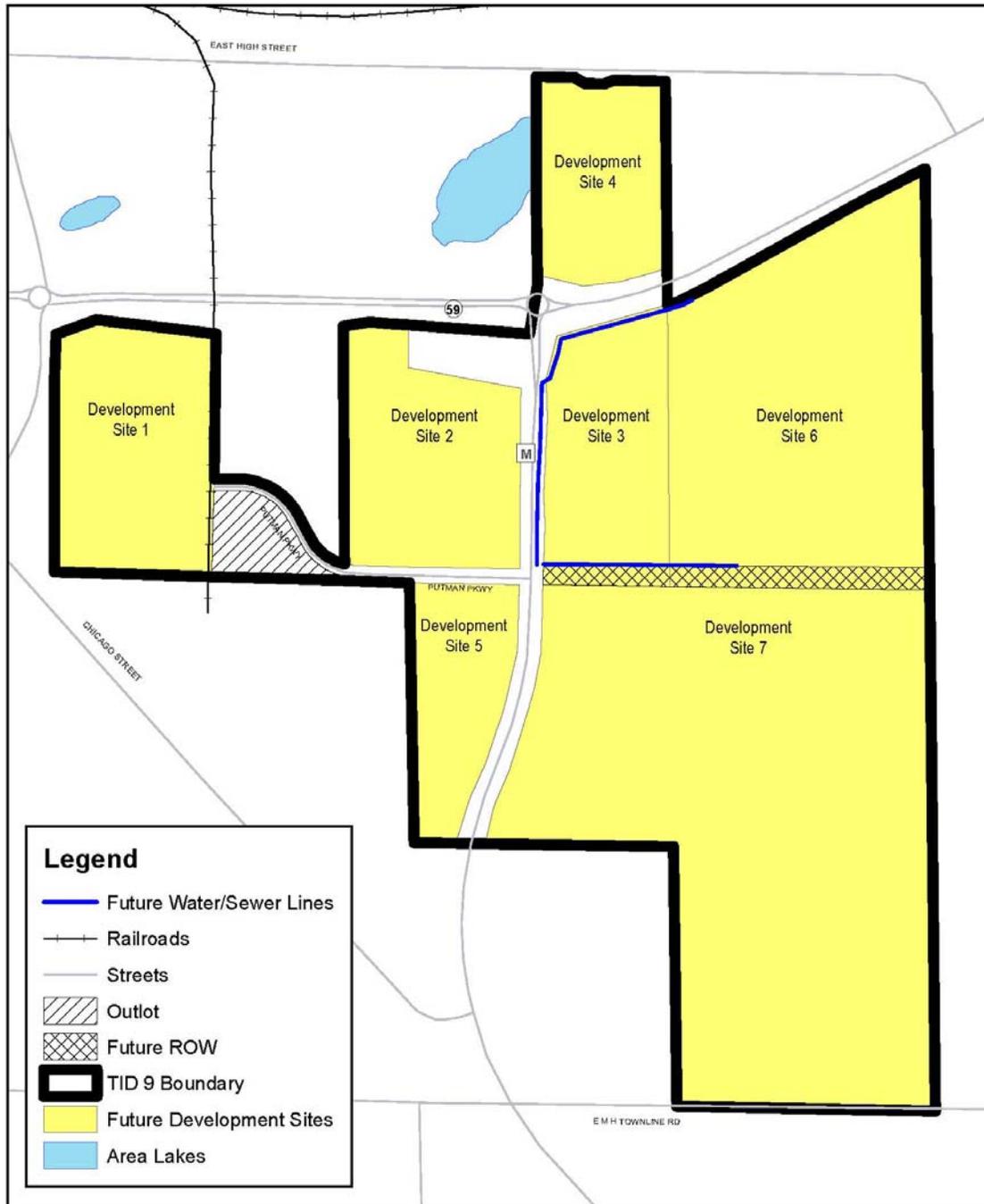
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

SECTION 8: Map Showing Proposed Improvements and Uses



City of Milton, Wisconsin

TID 9: Proposed Improvements & Uses

SECTION 9: Detailed List of Project Costs

All costs are based on 2016 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2016 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without amending the Plan.

Proposed TIF Project Cost Estimates

City of Milton, Wisconsin					
Tax Increment District # 9					
Estimated Project List					
Project ID	Project Name/Type	Phase I Infrastructure 2017	Phase II Infrastructure 2019	Development Incentives	Total (Note 1)
1	Development Incentive			3,600,000	3,600,000
2	Telco Improvements	150,000			150,000
3	Right of Way Construction	500,000	500,000		1,000,000
4	Utility Extensions	700,000	500,000		1,200,000
5	Land Acquisition	400,000	1,600,000		2,000,000
Total Projects		<u>1,750,000</u>	<u>2,600,000</u>	<u>3,600,000</u>	<u>7,950,000</u>
Notes:					
Note 1 Project costs are estimates and are subject to modification					

SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Available Financing Methods

Implementation of this Plan may require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$18,101,410, of which \$4,241,410 is currently unused and could be made available to finance Project Costs.

Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of the its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

Implementation and Financing Timeline

City of Milton, Wisconsin			
Tax Increment District # 9			
Estimated Financing Plan			
	G.O. Bond 2017	G.O. Bond 2019	Totals
Infrastructure Projects			
Phase I	1,750,000		1,750,000
Phase II		2,600,000	2,600,000
Total Project Funds	1,750,000	2,600,000	4,350,000
Estimated Finance Related Expenses			
Municipal Advisor	18,400	21,000	
Bond Counsel	10,000	10,000	20,000
Rating Agency Fee	11,000	11,000	22,000
Paying Agent	675	675	1,350
Underwriter Discount	12.50 22,688	12.50 33,438	56,138
Total Financing Required	1,812,763	2,676,113	4,488,875
Estimated Interest	0.25% (2,188)	0.25% (3,250)	(5,438)
Assumed spend down (months)	6	6	
Rounding	4,425	2,138	6,563
Net Issue Size	1,815,000	2,675,000	4,490,000
Notes:			

Development Assumptions

City of Milton, Wisconsin												
Tax Increment District # 9												
Development Assumptions												
Construction Year		Actual	Site # 1 ¹	Site # 2 ¹	Site # 3 ¹	Site # 4 ¹	Site # 5 ¹	Site # 6 ¹	Site # 7 ¹	Annual Total	Construction Year	
1	2016									0	2016	1
2	2017					500,000				500,000	2017	2
3	2018		1,700,000	5,000,000	3,500,000					10,200,000	2018	3
4	2019						2,500,000			2,500,000	2019	4
5	2020							2,500,000		2,500,000	2020	5
6	2021								2,500,000	2,500,000	2021	6
7	2022									0	2022	7
8	2023									0	2023	8
9	2024									0	2024	9
10	2025									0	2025	10
11	2026									0	2026	11
12	2027									0	2027	12
13	2028									0	2028	13
14	2029									0	2029	14
15	2030									0	2030	15
16	2031									0	2031	16
17	2032									0	2032	17
18	2033									0	2033	18
19	2034									0	2034	19
20	2035									0	2035	20
Totals		0	1,700,000	5,000,000	3,500,000	500,000	2,500,000	2,500,000	2,500,000	18,200,000		

Notes:
¹Valuation Estimates are from email from City received on 6/3/2016

Increment Revenue Projections

City of Milton, Wisconsin

Tax Increment District # 9

Tax Increment Projection Worksheet

Type of District	Industrial	Base Value	174,661	
District Creation Date	July 19, 2016	Appreciation Factor	0.00%	Apply to Base Value
Valuation Date	Jan 1, 2016	Base Tax Rate	\$25.63	
Max Life (Years)	20	Rate Adjustment Factor	0.00%	
Expenditure Periods/Termination	15 7/19/2031	Tax Exempt Discount Rate	3.50%	
Revenue Periods/Final Year	20 2037	Taxable Discount Rate	4.50%	
Extension Eligibility/Years	Yes 3			
Recipient District	No			

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2016	0	2017	0	0	2018	\$25.63	0	0	0
2	2017	500,000	2018	0	500,000	2019	\$25.63	12,813	11,961	11,733
3	2018	10,200,000	2019	0	10,700,000	2020	\$25.63	274,202	259,276	252,016
4	2019	2,500,000	2020	0	13,200,000	2021	\$25.63	338,268	554,057	535,675
5	2020	2,500,000	2021	0	15,700,000	2022	\$25.63	402,334	892,812	858,528
6	2021	2,500,000	2022	0	18,200,000	2023	\$25.63	466,400	1,272,229	1,216,675
7	2022	0	2023	0	18,200,000	2024	\$25.63	466,400	1,638,815	1,559,399
8	2023	0	2024	0	18,200,000	2025	\$25.63	466,400	1,993,005	1,887,365
9	2024	0	2025	0	18,200,000	2026	\$25.63	466,400	2,335,217	2,201,208
10	2025	0	2026	0	18,200,000	2027	\$25.63	466,400	2,665,857	2,501,536
11	2026	0	2027	0	18,200,000	2028	\$25.63	466,400	2,985,316	2,788,931
12	2027	0	2028	0	18,200,000	2029	\$25.63	466,400	3,293,972	3,063,950
13	2028	0	2029	0	18,200,000	2030	\$25.63	466,400	3,592,190	3,327,127
14	2029	0	2030	0	18,200,000	2031	\$25.63	466,400	3,880,323	3,578,970
15	2030	0	2031	0	18,200,000	2032	\$25.63	466,400	4,158,713	3,819,969
16	2031	0	2032	0	18,200,000	2033	\$25.63	466,400	4,427,689	4,050,589
17	2032	0	2033	0	18,200,000	2034	\$25.63	466,400	4,687,569	4,271,279
18	2033	0	2034	0	18,200,000	2035	\$25.63	466,400	4,938,661	4,482,465
19	2034	0	2035	0	18,200,000	2036	\$25.63	466,400	5,181,262	4,684,557
20	2035	0	2036	0	18,200,000	2037	\$25.63	466,400	5,415,658	4,877,946
Totals		18,200,000		0		Future Value of Increment		8,023,621		

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Cash Flow

City of Milton, Wisconsin Tax Increment District # 9 Cash Flow Projection

Year	Projected Revenues			Expenditures							Balances			Year	
	Tax Increments	Total Land Sales	Total Revenues	G.O. Bond 1,815,000 Dated Date: 05/01/17			G.O. Bond 2,675,000 Dated Date: 05/01/19			Developer Incentive Payments	Total Expenditures	Annual	Cumulative		Principal Outstanding
				Principal	Est. Rate ¹	Interest	Principal	Est. Rate ¹	Interest						
2016			0							0	0	0	0		2016
2017		990,000	990,000							10,000	10,000	980,000	980,000	1,815,000	2017
2018	0	0	0		1.50%	83,494				230,000	313,494	(313,494)	666,506	1,815,000	2018
2019	12,813	800,000	812,813		1.70%	55,663				260,000	315,663	497,151	1,163,657	4,490,000	2019
2020	274,202	800,000	1,074,202		1.80%	55,663		1.75%	126,274	310,000	491,936	582,266	1,745,923	4,490,000	2020
2021	338,268	0	338,268	25,000	1.90%	55,425		1.95%	84,183	360,000	524,608	(186,339)	1,559,584	4,465,000	2021
2022	402,334	0	402,334	25,000	2.00%	54,938	50,000	2.05%	83,670	360,000	573,608	(171,273)	1,388,311	4,390,000	2022
2023	466,400	0	466,400	50,000	2.10%	54,163	50,000	2.15%	82,620	360,000	596,783	(130,382)	1,257,928	4,290,000	2023
2024	466,400	0	466,400	50,000	2.20%	53,088	50,000	2.25%	81,520	360,000	594,608	(128,207)	1,129,721	4,190,000	2024
2025	466,400	0	466,400	50,000	2.35%	51,950	50,000	2.35%	80,370	360,000	592,320	(125,920)	1,003,801	4,090,000	2025
2026	466,400	0	466,400	100,000	2.45%	50,138	115,000	2.45%	78,374	360,000	703,511	(237,111)	766,690	3,875,000	2026
2027	466,400	0	466,400	100,000	2.55%	47,638	115,000	2.60%	75,470	350,000	688,108	(221,707)	544,983	3,660,000	2027
2028	466,400	0	466,400	100,000	2.75%	44,988	115,000	2.70%	72,423	130,000	462,410	3,990	548,973	3,445,000	2028
2029	466,400	0	466,400	100,000	2.85%	42,188	155,000	2.80%	68,700	100,000	465,888	513	549,486	3,190,000	2029
2030	466,400	0	466,400	155,000	2.95%	38,476	155,000	3.00%	64,205	50,000	462,681	3,719	553,205	2,880,000	2030
2031	466,400	0	466,400	110,000	3.05%	34,513	260,000	3.10%	57,850		462,363	4,038	557,242	2,510,000	2031
2032	466,400	0	466,400	125,000	3.15%	30,866	260,000	3.20%	49,660		465,526	874	558,116	2,125,000	2032
2033	466,400	0	466,400	135,000	3.25%	26,704	260,000	3.30%	41,210		462,914	3,486	561,603	1,730,000	2033
2034	466,400	0	466,400	150,000	3.35%	21,998	260,000	3.40%	32,500		464,498	1,903	563,506	1,320,000	2034
2035	466,400	0	466,400	165,000	3.45%	16,639	260,000	3.50%	23,530		465,169	1,231	564,737	895,000	2035
2036	466,400	0	466,400	180,000	3.60%	10,553	260,000	3.60%	14,300		464,853	1,548	566,285	455,000	2036
2037	466,400	0	466,400	195,000	3.75%	3,656	260,000	3.70%	4,810		463,466	2,934	569,219	0	2037
Total	8,023,621	2,590,000	10,613,621	1,815,000		832,735	2,675,000		1,121,668	3,600,000	10,044,403				Total

Notes:

¹ Assumes estimated interest rates of 6/6/2016 WI BQ Scale A+ with .5% added to 2017 borrowing and .75% added to 2019 borrowing

Projected TID Closure

SECTION 11: Annexed Property

Properties proposed for inclusion within the District were annexed by the City on or after January 1, 2004. Annexed land was included in TID No. 6 by amendment and TID 6 has made the required tax payments to the town.

SECTION 12: Estimate of Property to be Devoted to Retail Business

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13: Proposed Zoning Ordinance Changes

The City does not anticipate that the District will require any changes in zoning ordinances.

And any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.

SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of Milton Ordinances

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

SECTION 15: Relocation

It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 16: Orderly Development of the City of Milton

The District contributes to the orderly development of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity.

SECTION 17: List of Estimated Non-Project Costs

Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 18:
Opinion of Attorney for the City of Milton Advising Whether
the Plan is Complete and Complies with Wisconsin
Statutes 66.1105

CONSIGNY LAW FIRM, S.C.

ATTORNEYS AT LAW
A Limited Liability Organization

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July 13, 2016

Mayor Anissa Welch
City of Milton
710 S. Janesville Street
Milton, WI 53563

RE: City of Milton, Wisconsin Tax Incremental District No. 9

Dear Mayor:

As City Attorney for the City of Milton, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Very truly yours,

CONSIGNY LAW FIRM, S.C.

By:


Mark A. Schroeder
Email: mschroeder@janesvillelaw.com

MAS:kk

PROVIDING QUALITY LEGAL SERVICES FOR OVER 50 YEARS.

Exhibit A:

Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2014		Percentage		
County		1,960,549			23.39%	
Technical College		326,667			3.90%	
Municipality		3,595,605			42.91%	
School District		2,497,404			29.80%	
Total		<u>8,380,225</u>				
Revenue Year	County	Municipality	School District	Technical College	Total	Revenue Year
2018	0	0	0	0	0	2018
2019	2,998	5,498	3,818	499	12,813	2019
2020	64,149	117,649	81,715	10,689	274,202	2020
2021	79,138	145,137	100,808	13,186	338,268	2021
2022	94,126	172,625	119,900	15,683	402,334	2022
2023	109,114	200,113	138,993	18,181	466,400	2023
2024	109,114	200,113	138,993	18,181	466,400	2024
2025	109,114	200,113	138,993	18,181	466,400	2025
2026	109,114	200,113	138,993	18,181	466,400	2026
2027	109,114	200,113	138,993	18,181	466,400	2027
2028	109,114	200,113	138,993	18,181	466,400	2028
2029	109,114	200,113	138,993	18,181	466,400	2029
2030	109,114	200,113	138,993	18,181	466,400	2030
2031	109,114	200,113	138,993	18,181	466,400	2031
2032	109,114	200,113	138,993	18,181	466,400	2032
2033	109,114	200,113	138,993	18,181	466,400	2033
2034	109,114	200,113	138,993	18,181	466,400	2034
2035	109,114	200,113	138,993	18,181	466,400	2035
2036	109,114	200,113	138,993	18,181	466,400	2036
2037	109,114	200,113	138,993	18,181	466,400	2037
		<u>1,877,122</u>	<u>3,442,601</u>	<u>2,391,132</u>	<u>312,766</u>	<u>8,023,621</u>
Notes:						
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.						



Office of the City Finance Director/Treasurer

To: Mayor Welch, Common Council Members
From: Dan Nelson, City Finance Director/Treasurer
Date: July 19, 2016
Subject: Discussion and Possible Action Regarding a Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$7,640,000 General Obligation Purpose Bonds, Series 2016B

Background

Staff has the various aspects of the proposed \$7.64 million General Obligation Corporate Purpose Bonds described in the following sections of the memo: Refinancing of Existing Debt and Replacement/Refinancing of Future Funds. Charts are also included that identify the City's debt capacity and property tax levy savings for the duration of the obligation. We have indicated the page numbers that are applicable to the Pre-Sale report from Ehlers throughout this memo as a point of reference.

REFINANCING OF EXISTING DEBT

The City of Milton has two debt issuances from 2007 that are eligible for refinancing in early 2017. However, due to the abnormally low interest rate environment that currently exists, staff believes there is economic merit to do an advanced refunding. An advanced refunding places the bond proceeds in an escrow account which is used to pay off the bonds when they are eligible (March and April 2017). This "refinancing" would require a few additional fees (approximately \$5,500 in issuance costs), but would allow the City to secure today's lower rates for the remaining debt. **The estimated interest savings over the remaining ten years will save at least \$279,000 on the tax levy (pgs. 9 and 11) and \$280,000 in TID #6 (pg. 10).**

Bank of Milton and First Community Bank have agreed to allow the City of Milton to refinance the original borrowing that occurred on April 1, 2015 (approximately \$1,275,000 outstanding) without any prepayment penalty. The two local institutions, agreed to waive the April 1, 2018 call date (first date the notes could be refinanced). **The estimated interest savings over the remaining nine years will save over \$52,000 on the tax levy (pg. 12).**

In addition, there is outstanding water and sewer debt totaling \$655,000 (\$235,000 in Water and \$420,000 in Sewer) on the 2007 bonds. Staff is recommending that rather than refinance the debt, the City should utilize funds on hand and pay off the balances. **The utilities will save \$141,800 (\$86,800 in sewer and \$55,000 in water) in interest over the remaining ten years. Due to the debt being paid off, no issuance costs will be incurred by either utility.**



REPLACEMENT/REFINANCING OF FUTURE FUNDS

In addition to the above refinancing, there is some new money that will be borrowed by the general fund and TID #6 in order to pay off expected expenditures and allow TIF #6 to close at its earliest possible time. Although this is “new” money, it is simply a way to pay down debt in 2018 which will be repaid with cash on hand to ensure TIF #6 is closed as soon as possible. These funds will have a short-term impact on the City’s borrowing capacity, and in fact, will actually accelerate the payment of our long-term debt beginning in 2018. It is a “refinancing/replacement” of future funds, with current dollars.

This will not compromise the City’s goal of taking on new long-term debt, because the new/replacement/refinancing component of this obligation will allow for two 2011 debt issues to be paid off in 2018 as opposed to 2021 and 2023.

General Fund borrowing (\$410,000)

Rather than utilize the line of credit (\$700,000) that was authorized by the Common Council on March 1, 2016, the library will utilize this new money (\$410,000) at a lower fixed interest rate rather than a higher variable interest rate. Based on conversations with Bill Wilson, he believes that the library donations will be able to pay this amount back in 2018 which will be used to pay off the 2011C notes. The library donations will also make the interest payments between now and April 2018 (approximately \$7,266). The general property tax levy will make the remaining principal and interest payments for October 2018 – February 2021. This is the same time period as the original 2011C repayment schedule, but a lower rate. If additional funds are needed for cash flow purposes for the library, we would ask the Council authorize an advance/loan from TID #6 (with interest) that would ultimately be repaid with library donations. **This will save the library donation projects approximately \$14,000 over 18 months, due to the lower interest rate on the bond as opposed to the line of credit. There is also an estimated \$14,000 in savings (after accounting for issuance costs) from 2018 – 2021 by locking in interest rates while they are at a 50 – 60 year low.**

TID #6 borrowing (\$715,000)

There are several projects that TID #6 will be funding over the next year (Merchant Row, Chicago Street, etc.) that will utilize these funds. The original intent was to use cash on hand. However, as with general fund borrowing of \$410,000, there is a refunding opportunity on the 2011A bonds in May 2018. In May 2018, TID #6 will utilize \$700,000 in cash on hand to pay off the 2011A bonds. The repayment schedule on the 2016B bonds reflects the same payment schedule as the 2011A bonds. **This will allow TID #6 to fund all the projects without worrying about any short-term cash crunches and locks in interest rates while they are at a 50 – 60 year low. There is also an estimated \$52,000 in savings (after accounting for issuance costs) from 2017 – 2023 by locking in interest rates while they are at a 50 – 60 year low.**



IMPACT ON CITY'S DEBT CAPACITY & LEVY SUPPORTED DEBT

There is a short-term increase in the City's debt capacity until May 2018 (when the 2011A and 2011C bonds are paid off). With this 2016B debt issue, an additional \$470,000 in general obligation debt is being added (after accounting for the utility portion that will be paid off). The following table illustrates what the debt capacity is before and after the proposed new debt while assuming **no change** in the overall "TID Out" property value of the City.

	Existing Capacity (pg. 14)		New Capacity (pg. 14)		Tax levy supported debt (pg. 8)			Tax Rate / \$1,000 (no chg in values)		
	% Limit	Residual Capacity (\$)	% Limit	Residual Capacity (\$)	OLD (\$)	NEW (\$)	SAVINGS (\$)	OLD	NEW	SAVINGS
2016	71.32%	5,191,410	75.22%	4,486,410						
2017	65.96%	6,161,410	69.28%	5,561,410	883,537	863,788	19,749	2.69	2.63	0.06
2018	60.46%	7,156,410	57.15%	7,756,410	883,758	854,636	29,122	2.69	2.61	0.08
2019	54.91%	8,161,410	51.68%	8,746,410	866,630	854,092	12,538	2.64	2.60	0.04
2020	49.06%	9,221,410	46.02%	9,771,410	868,198	830,532	37,666	2.65	2.53	0.12
2021	43.04%	10,311,410	40.22%	10,821,410	828,429	795,669	32,760	2.53	2.43	0.10
2022	37.04%	11,396,410	34.44%	11,866,410	790,048	771,369	18,679	2.41	2.35	0.06
2023	30.72%	12,541,410	28.42%	12,956,410	801,315	771,317	29,998	2.44	2.35	0.09
2024	24.28%	13,706,410	22.37%	14,051,410	788,116	756,961	31,155	2.40	2.31	0.09
2025	17.48%	14,936,410	16.27%	15,156,410	777,531	710,298	67,233	2.37	2.17	0.20
2026	11.30%	16,056,410	10.77%	16,151,410	593,123	553,875	39,248	1.81	1.69	0.12
2027	7.98%	16,656,410	7.98%	16,656,410	584,515	556,626	27,889	1.78	1.70	0.08
2028	6.49%	16,926,410	6.49%	16,926,410	325,760	325,760	-	0.99	0.99	-
2029	4.92%	17,211,410	4.92%	17,211,410	329,283	329,283	-	1.00	1.00	-
2030	3.31%	17,501,410	3.31%	17,501,410	322,240	322,240	-	0.98	0.98	-
2031	1.63%	17,806,410	1.63%	17,806,410	322,240	322,240	-	0.98	0.98	-
2032	0.83%	17,951,410	0.83%	17,951,410	324,408	324,408	-	0.99	0.99	-
2033	0.00%	18,101,410	0.00%	18,101,410	154,568	154,568	-	0.47	0.47	-
\$ 346,037										

The City's debt capacity is higher in 2016 and 2017 because of the "replacement money" but drops below 50% in 2020 (assuming no new borrowings). However, the issuance of any new debt after 2020 becomes one of affordability. In short, any new debt issued before or after 2020 is possible, but will need to be weighed heavily against its impact on the tax rate. As stated many times in the past, it will come down to a question of "should we" versus "could we" issue more debt.

IMPACT OF ANY NEW DEBT

The two examples below indicate the annual principal and interest payments on a level funded payment structure (i.e. same payment annually, like a personal mortgage) and no valuation changes to the City's overall TID Out property tax base.

1. Every \$1 million borrowed at 4% for **20** years would result in an annual debt service payment of \$75,000 (23¢ per \$1,000 in property or \$23 for every \$100,000).
2. Every \$1 million borrowed at 3% for **10** years would result in an annual debt service payment of \$117,000 (36¢ per \$1,000 in property or \$36 for every \$100,000).

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS
FOR THE SALE OF NOT TO EXCEED
\$7,640,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016B

WHEREAS, the City of Milton, Rock County, Wisconsin (the "City") is presently in need of the following amounts for the following public purposes: \$715,000 for providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs of the City's Tax Incremental Districts; \$410,000 for financing library projects (collectively, the "Project"); and \$6,515,000 for refunding certain obligations of the City;

WHEREAS, the obligations to be refunded are (a) the 2019 through 2027 maturities of the General Obligation Corporate Purpose Bonds, dated March 27, 2007 (the "2007A Bonds"), (b) the 2018 through 2026 maturities of the General Obligation Corporate Purpose Bonds, dated December 20, 2007 (the "2007B Bonds") and (c) the General Obligation Promissory Notes dated April 1, 2015 (the "2015 Notes") (the 2007A Bonds, the 2007B Bonds, and 2015 Notes will be collectively referred to as the "Refunded Obligations") (the refunding of the Refunded Obligations shall be referred to herein as the "Refunding");

WHEREAS, cities are authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation bonds for such public purposes;

WHEREAS, the Common Council deems it necessary and in the best interest of the City to borrow the monies needed for such purposes through the issuance of a single issue of general obligation bonds (the "Bonds") pursuant to the provisions of Section 67.04, Wis. Stats., upon satisfaction of the terms and conditions hereinafter provided;

WHEREAS, the City has directed 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 Finance Director/Treasurer of the City (individually, the "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 set forth in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by this reference (the "Approving Certificate").

NOW, THEREFORE, BE IT:

RESOLVED, that the City borrow an amount not to exceed \$715,000 by issuing general obligation bonds for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs of the City's Tax Incremental Districts; and be it further

RESOLVED, that the City borrow an amount not to exceed \$410,000 by issuing general obligation bonds for the public purpose of financing library projects; and be it further

RESOLVED, that the City borrow an amount not to exceed \$6,515,000 by issuing general obligation bonds for the public purpose of refinancing obligations of the City, including interest on them; and be it further

RESOLVED, that:

Section 1A. Notice to Electors. The City Clerk shall, within fifteen (15) days hereafter, cause public notice of the adoption of the above resolutions authorizing general obligation bonds to finance the Project to be given to the electors of the City by publishing a notice thereof in the official City newspaper as a class 1 notice under Chapter 985, Wisconsin Statutes, such notice to be in substantially the form set forth on Exhibit B hereto.

Section 1B. Authorization and Sale of the Bonds; Parameters. For the purpose of paying the cost of the Project and the Refunding, the City is authorized to borrow pursuant to Section 67.04, Wisconsin Statutes, the principal sum of not to exceed SEVEN MILLION SIX HUNDRED FORTY THOUSAND DOLLARS (\$7,640,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the conditions set forth in Section 16 of this Resolution, the Authorized Officer is 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 SEVEN MILLION SIX HUNDRED FORTY THOUSAND DOLLARS (\$7,640,000). The purchase price to be paid to the City for the Bonds shall not be less than 98.9% nor more than 106% of the principal amount of the Bonds.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Corporate Purpose Bonds, Series 2016B"; shall be issued in the aggregate principal amount of up to \$7,640,000; 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 \$100,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Bonds shall not exceed \$7,640,000. The schedule below assumes the Bonds are issued in the aggregate principal amount of \$7,640,000.

<u>Date</u>	<u>Amount</u>
02/01/2017	\$225,000
02/01/2018	505,000
02/01/2019	800,000
02/01/2020	825,000
02/01/2021	845,000
02/01/2022	855,000
02/01/2023	850,000
02/01/2024	870,000

<u>Date</u>	<u>Amount</u>
02/01/2025	\$870,000
02/01/2026	750,000
02/01/2027	245,000

Interest shall be payable semi-annually on February 1 and August 1 of each year commencing on February 1, 2017. 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 issuance of the Bonds for the Refunding is subject to the Refunding producing present value debt service savings of at least 5.00% of the principal refunded as a result of the Refunding (the "Savings Test"). The Savings Test shall be calculated based on the terms of the Proposal for the Bonds maturing or having mandatory redemption payments due in the years and in the amounts shown on Exhibit C attached hereto and incorporated herein by this reference (the "Refunding Bonds"). If the amount of Bonds required for the Refunding is less than \$6,515,000, for purposes of applying the Savings Test, the amount of Refunding Bonds maturing or being subject to mandatory redemption in each year shall be increased or reduced in increments of \$5,000 so that the total amount of Refunding Bonds is equal to the amount needed for the Refunding, and the changes to the maturity and mandatory redemption schedule for the Refunding Bonds shall be set forth in the Approving Certificate.

Section 3. Redemption Provisions. The Bonds maturing on February 1, 2024 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on February 1, 2023 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. 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 for such Bonds 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 D 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 2016 through 2026 for the payments due in the years 2017 through 2027.

(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.

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 General Obligation Corporate Purpose Bonds, Series 2016B" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in 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. 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 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 separate and distinct from all other funds of the City and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Bonds. In order to accomplish the refunding of the 2007A Bonds and the 2007B Bonds, a portion of the Bond Proceeds shall be transferred to the Escrow Account, as provided in Section 21 hereof. 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 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 purposes shall be deposited in the Debt Service Fund Account.

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

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City 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 Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City 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 Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying

that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City 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 Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds 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. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby 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 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 12. 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 Fiscal Agency Agreement between the City and the Fiscal Agent shall be substantially in the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 13. 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 14. 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 15. 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 previously executed on behalf of the City and on file in the City Clerk's office.

Section 16. 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) expiration of the petition period provided for under Section 67.05(7)(b), Wis. Stats., without the filing of a sufficient petition for a referendum with respect to the initial resolutions authorizing the issuance of the Bonds to finance the Project;

(b) approval by the 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 the Authorized Officer of the Approving Certificate. If the principal amount of the Bonds to be issued is less than \$7,640,000, the Approving Certificate shall also specify the principal amount of the Bonds to be issued for each of the purposes described in the resolutions authorizing the issuance of the Bonds; and

(c) the Savings Test described in Section 2 above is met with respect to the Refunded Obligations to be refunded.

The Bonds shall not be issued, sold or delivered until these conditions are satisfied. Upon satisfaction of these conditions, the Authorized Officer is authorized to execute a Proposal with the Purchaser providing for the sale of the Bonds to the Purchaser. The Bonds shall not be delivered until this approval is obtained and the referendum petition period expires as provided in (a) above.

Section 17. 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 the Escrow Agent or to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 18. Official Statement. The Common Council hereby directs the Authorized Officer 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 Officer or other officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda to be distributed to the Purchaser.

Section 19. 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).

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 20. Redemption of the 2015 Notes. Subject to the sale of the Bonds, the 2015 Notes are hereby called for prior payment and redemption on September 30, 2016 or such other date as determined by the Authorized Officer in the Approving Certificate at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk after final approval to work with Ehlers to cause timely notice of redemption. All actions heretofore taken by the officers and agents of the City to effectuate the redemption of the 2015 Notes are hereby ratified and approved.

Section 21. Escrow Agent; Escrow Agreement; Escrow Account. For the purpose of ensuring the payment of the principal of and interest on the 2007A Bonds and the 2007B Bonds, an escrow agent (the "Escrow Agent"), to be named in the Approving Certificate, is hereby appointed.

The Mayor and City Clerk are hereby authorized and directed to execute an escrow agreement substantially in the form attached hereto as Exhibit F (the "Escrow Agreement") (such form may be modified by said officers prior to execution, the execution of such agreement by

said officers to constitute full approval of the Common Council of any such modifications), with the Escrow Agent, for the purpose of effectuating the provisions of this Resolution.

The Bond Proceeds allocable to refunding the 2007A Bonds and the 2007B 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 2007A Bonds and the 2007B Bonds to the Escrow Account, the taxes heretofore levied to pay debt service on the 2007A Bonds and the 2007B 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 2007A Bonds and the 2007B 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 2007A Bonds and the 2007B Bonds. The Escrow Agent shall serve as custodian of said debt service (or sinking) funds.

Section 22. SLGS Subscriptions. The Escrow Agent and Ehlers 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 2007A Bonds and the 2007B Bonds.

Section 23. Redemption of the 2007A Bonds. The 2007A Bonds are hereby called for prior payment and redemption on March 1, 2017 at a price of par plus accrued interest to the date of redemption subject to final approval by the Authorized Officer as evidenced by the execution of the Approving Certificate.

The City hereby directs the Escrow Agent appointed above to cause timely notice of redemption, in substantially the form attached to the Escrow Agreement (the "2007A Notice"), to be provided at the times, to the parties and in the manner set forth on the 2007A Notice.

Section 24. Redemption of the 2007B Bonds. The 2007B Bonds are hereby called for prior payment and redemption on April 1, 2017 at a price of par plus accrued interest to the date of redemption subject to final approval by the Authorized Officer as evidenced by the execution of the Approving Certificate.

The City hereby directs the Escrow Agent appointed above to cause timely notice of redemption, in substantially the form attached to the Escrow Agreement (the "2007B Notice"), to be provided at the times, to the parties and in the manner set forth on the 2007B Notice.

Section 25. 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 26. 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 27. 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 July 19, 2016.

Annisa Welch
Mayor

ATTEST:

Elena Hilby
City Clerk

(SEAL)

EXHIBIT A
APPROVING CERTIFICATE

(See Attached)

CERTIFICATE APPROVING THE PRELIMINARY OFFICIAL STATEMENT
AND DETAILS OF
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2016B

I, [Al Hulick, City Administrator] [Daniel Nelson, Finance Director/Treasurer] of the City of Milton, Rock County, Wisconsin (the "City"), hereby certify that:

1. Resolution. On July 19, 2016, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed \$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B of the City (the "Bonds") after a public sale and delegating to me the authority to approve the Preliminary Official Statement, to approve the purchase proposal for the Bonds, and to determine the details for the Bonds within the parameters established by the Resolution.

2. Preliminary Official Statement. The Preliminary Official Statement with respect to the Bonds is hereby approved and deemed "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.

3. Proposal; Terms of the Bonds. On the date hereof, the Bonds were offered for public sale and _____ (the "Purchaser") offered to purchase the Bonds in accordance with the terms set forth in the Proposal attached hereto as Schedule I and incorporated herein by this reference (the "Proposal"). Ehlers & Associates, Inc. recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Bonds shall be issued in the aggregate principal amount of \$ _____, which is not more than the \$7,640,000 approved by the Resolution, and shall mature on February 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule II and incorporated herein by this reference. The amount of each annual principal or mandatory redemption payment due on the Bonds is not more than \$100,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

<u>Date</u>	<u>Resolution Schedule</u>	<u>Actual Amount</u>
02/01/2017	\$225,000	\$ _____
02/01/2018	505,000	_____
02/01/2019	800,000	_____
02/01/2020	825,000	_____
02/01/2021	845,000	_____
02/01/2022	855,000	_____
02/01/2023	850,000	_____
02/01/2024	870,000	_____
02/01/2025	870,000	_____
02/01/2026	750,000	_____
02/01/2027	245,000	_____

The true interest cost on the Bonds (computed taking the Purchaser's compensation into account) is _____%, which is not in excess of 2.50%, as required by the Resolution. The present value debt service savings achieved by the Refunding is \$ _____ or _____% of the principal amount refunded, which is at least 5.00% of the principal amount refunded as required by the Resolution. [The amount of Refunding Bonds (as defined in the Resolution) has been reduced to \$ _____ and the amounts maturing and subject to mandatory redemption are described in Schedule III attached hereto and incorporated herein by this reference.]

4. Purchase Price of the Bonds. The Bonds shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of \$ _____, plus accrued interest, if any, to the date of delivery of the Bonds which is not less than 98.90% nor more than 106.00% of the principal amount of the Bonds as required by the Resolution.

[5. Mandatory Redemption Provisions of the Bonds. The Proposal specifies that [some of] the Bonds are subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.

6. Purpose of the Bonds. The Bonds are issued for the following public purposes in the following amounts: \$ _____ for providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, in the City's Tax Incremental Districts; \$ _____ for financing library projects; and \$ _____ for refunding obligations of the City.]

7. Escrow Agent. Pursuant to Section 21 of the Resolution, _____ is named escrow agent for the Bonds.

8. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same respectively falls due, the full faith, credit and taxing powers of the City have been irrevocably pledged and there has been levied on all of the taxable property in the City, pursuant to the Resolution, a direct, annual irrepealable tax in an amount and at the times sufficient for said purpose. Such tax shall be for the years and in the amounts set forth on the debt service schedule attached hereto as [Schedule III].

9. Approval. This Certificate constitutes my approval of the Proposal, and the definitive maturities, interest rates, purchase price and redemption provisions for the Bonds and the direct annual irrevocable tax levy to repay the Bonds, in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on _____, 2016 pursuant to the authority delegated to me in the Resolution.

COPY

[Al Hulick, City Administrator]

[Daniel Nelson, Finance
Director/Treasurer]

SCHEDULE I TO APPROVING CERTIFICATE

Proposal

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

SCHEDULE II TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

SCHEDULE III TO APPROVING CERTIFICATE
Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on February 1, ____, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on February 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

EXHIBIT B

CITY OF MILTON

NOTICE TO ELECTORS RELATING TO BOND ISSUE

NOTICE IS HEREBY GIVEN, that on July 19, 2016, at a meeting of the Common Council of the City of Milton, the following initial resolutions were adopted and recorded pursuant to Section 67.05(1), Wisconsin Statutes:

A resolution authorizing the City to borrow an amount not to exceed \$715,000 by issuing general obligation bonds for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, by paying project costs of the City's Tax Incremental Districts; and

A resolution authorizing the City to borrow an amount not to exceed \$410,000 by issuing general obligation bonds for the public purpose of financing library projects.

The Wisconsin Statutes (s. 67.05(7)(b)) provide that the initial resolutions need not be submitted to the electors unless within 30 days after adoption of the initial resolutions a petition is filed in the City Clerk's office requesting a referendum. This petition must be signed by electors numbering at least 10% of the votes cast for governor in the City at the last general election. A petition may be filed with respect to any one or more of the initial resolutions.

City of Milton

Elena Hilby
City Clerk

EXHIBIT C

REFUNDING BONDS

For purposes of calculating the Savings Test, the Bonds maturing in the amounts and on the dates set forth below shall be considered the Refunding Bonds.

<u>Date</u>	<u>Amount</u>
02/01/17	\$ 225,000
02/01/18	505,000
02/01/19	525,000
02/01/20	550,000
02/01/21	560,000
02/01/22	710,000
02/01/23	705,000
02/01/24	870,000
02/01/25	870,000
02/01/26	750,000
02/01/27	<u>245,000</u>
Total	<u>\$6,515,000</u>

EXHIBIT D

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
ROCK COUNTY
NO. R- _____ CITY OF MILTON \$ _____
GENERAL OBLIGATION CORPORATE PURPOSE BOND, SERIES 2016B

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
February 1, _____, 2016 _____%

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of Milton, Rock County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on February 1 and August 1 of each year commencing on February 1, 2017 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by Bond Trust Services Corporation, Roseville, Minnesota (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$ _____, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the following public purposes: \$ _____ for community development projects in the City's Tax Incremental Districts; \$ _____ for library projects; and \$ _____ to refund certain outstanding obligations of the City, all as authorized by a resolution of the Common Council duly adopted by said governing body at a meeting held on July 19, 2016, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Corporate Purpose Bonds, Series 2016B, dated _____ (collectively, the "Resolution"). Said Resolution is recorded in the official minutes of the Common Council for said date.

The Bonds maturing on February 1, 2024 and thereafter are subject to redemption prior to maturity, at the option of the City, on February 1, 2023 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____, _____ and _____ are subject to mandatory redemption by lot as provided in the Resolution referenced above at the redemption price of par plus accrued interest to the date of redemption and without premium.]

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual

irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Milton, Rock County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF MILTON,
ROCK COUNTY, WISCONSIN

COPY

By: _____
Annisa Welch
Mayor

(SEAL)

By: _____
Elena Hilby
City Clerk

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue authorized by the within-mentioned resolution of the City of Milton, Wisconsin.

BOND TRUST SERVICES
CORPORATION,
ROSEVILLE, MINNESOTA

COPY

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

COPY

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

EXHIBIT E
FISCAL AGENCY AGREEMENT

(See Attached)

FISCAL AGENCY AGREEMENT

THIS AGREEMENT, made as of the 9th day of September, 2016 between the City of Milton, Wisconsin ("Municipality"), and Bond Trust Services Corporation, Roseville, Minnesota, a wholly owned subsidiary of Ehlers & Associates, Inc. ("Bank" or "Fiscal Agent"), a corporation duly organized and existing as a limited purpose trust company under the laws of the State of Minnesota, Section 48A.03 and authorized by the Department of Financial Institutions of the State of Wisconsin to operate in Wisconsin pursuant to Wisconsin Statutes Section 223.12.

WITNESSETH:

WHEREAS, the Municipality has duly authorized the issuance of its \$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B, dated September 9, 2016 (the "Obligations") pursuant to the applicable provisions of the Wisconsin Statutes and the resolution adopted by the Municipality on July 19, 2016, as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Corporate Purpose Bonds, Series 2016B, dated _____, 2016 (collectively, the "Resolution"); and

WHEREAS, the Municipality is issuing the Obligations in registered form pursuant to Section 149 of the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations promulgated thereunder; and

WHEREAS, pursuant to the Resolution and Section 67.10(2), Wisconsin Statutes the Municipality has authorized the appointment of the Fiscal Agent as agent for the Municipality for any or all of the following responsibilities: payment of principal and interest on, registering, transferring and authenticating the Obligations as well as other applicable responsibilities permitted by Section 67.10(2), Wisconsin Statutes.

NOW, THEREFORE, the Municipality and the Fiscal Agent hereby agree as follows:

I. APPOINTMENT

The Fiscal Agent is hereby appointed agent for the Municipality with respect to the Obligations for the purpose of performing such of the responsibilities stated in Section 67.10(2), Wisconsin Statutes, as are delegated herein or as may be otherwise specifically delegated in writing to the Fiscal Agent by the Municipality.

II. INVESTMENT RESPONSIBILITY

The Fiscal Agent shall not be under any obligation to invest funds held for the payment of interest or principal on the Obligations.

III. PAYMENTS

At least one business day before each interest payment date (commencing with the interest payment date of February 1, 2017 and continuing thereafter until the principal of and interest on the Obligations should have been fully paid or prepaid in accordance with their terms) the Municipality shall pay to the Fiscal Agent, in good funds immediately available to the Fiscal

Agent on the interest payment date, a sum equal to the amount payable as principal of, premium, if any, and interest on the Obligations on such interest payment date. Said interest and/or principal payment dates and amounts are outlined on Schedule A which is attached hereto and incorporated herein by this reference.

IV. CANCELLATION

In every case of the surrender of any Obligation for the purpose of payment, the Fiscal Agent shall cancel and destroy the same and deliver to the Municipality a certificate regarding such cancellation. The Fiscal Agent shall be permitted to microfilm or otherwise photocopy and record said Obligations.

V. REGISTRATION BOOK

The Fiscal Agent shall maintain in the name of the Municipality a Registration Book containing the names and addresses of all owners of the Obligations and the following information as to each Obligation: its number, date, purpose, amount, rate of interest and when payable. The Fiscal Agent shall keep confidential said information in accordance with applicable banking and governmental regulations.

VI. INTEREST PAYMENT

Payment of each installment of interest on each Obligation shall be made to the registered owner of such Obligation whose name shall appear on the Registration Book at the close of business on the 15th day of the calendar month next preceding the interest payment date and shall be paid by check or draft of the Fiscal Agent mailed to such registered owner at his address as it appears in such Registration Book or at such other address as may be furnished in writing by such registered owner to the Fiscal Agent.

VII. PAYMENT OF PRINCIPAL AND NOTICE OF REDEMPTION

(a) Principal Payments. Principal shall be paid to the registered owner of an Obligation upon surrender of the Obligation on or after its maturity or redemption date.

[The Obligations due on February 1, 20__ and February 1, 20__ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from deposits which are required to be made in amounts sufficient to redeem on February 1 of each year the respective amount of Term Bonds specified on the attached Schedule MRP.

The Municipality hereby directs and the Fiscal Agent hereby agrees to select the Term Bonds to be redeemed on the dates set forth above and to give notice of such redemption as set forth in substantially the form attached hereto as Schedule B by registered or certified mail, facsimile transmission, overnight express delivery, electronic transmission or in any other manner required by The Depository Trust Company at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Obligation

selected to be redeemed, in whole or in part, at the address shown on the registration books as of the Record Date.

The Municipality, in accordance with Section III hereof, shall make payments sufficient for the Fiscal Agent to pay the amounts due on the Term Bonds subject to mandatory redemption.]

(b) Official Notice of Redemption. In the event the Municipality exercises its option to redeem any of the Obligations, the Municipality shall, at least 35 days prior to the redemption date, direct the Fiscal Agent to give official notice of such redemption by sending an official notice thereof by registered or certified mail, facsimile transmission, overnight express delivery, electronic transmission or in any other manner required by The Depository Trust Company at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Obligation to be redeemed in whole or in part at the address shown in the Registration Book. Such official notice of redemption shall be dated and shall state (i) the redemption date and price; (ii) an identification of the Obligations to be redeemed, including the date of original issue of the Obligations; (iii) that on the redemption date the redemption price will become due and payable upon each such Obligation or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (iv) the place where such Obligations are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Fiscal Agent. [Official notice of the redemption of Obligations subject to mandatory redemption shall be given in the same manner.]

(c) Additional Notice of Redemption. In addition to the official notice of redemption provided in (b) above, further notice of any redemption shall be given by the Fiscal Agent on behalf of the Municipality to the Municipal Securities Rulemaking Board and The Depository Trust Company of New York, New York but neither a defect in this additional notice nor any failure to give all or any portion of such additional notice shall in any manner defeat the effectiveness of a call for redemption.

Each further notice of redemption given hereunder shall be sent at least 30 days before the redemption date by registered or certified mail, overnight delivery service, facsimile transmission or email transmission and shall contain the information required above for an official notice of redemption.

(d) Redemption of Obligations. The Obligations to be redeemed [at the option of the Municipality] shall be selected by the Municipality and, within any maturity, shall be selected by lot by the Depository described in Section VIII hereof. [Obligations subject to mandatory redemption shall be selected as described in (a) above.] The Obligations or portions of Obligations to be redeemed shall, on the redemption dates, become due and payable at the redemption price therein specified, and from and after such date such Obligations or portions of Obligations shall cease to bear interest. Upon surrender of such Obligations for redemption in accordance with the official notice of redemption, such Obligations shall be paid by the Fiscal Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial

redemption of any Obligation, there shall be prepared for the registered owner a new Obligation or Obligations of the same maturity in the amount of the unpaid principal. Each check or other transfer of funds issued in payment of the redemption price of Obligations being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Obligations being redeemed with the proceeds of such check or other transfer.

VIII. UTILIZATION OF THE DEPOSITORY TRUST COMPANY

The Depository Trust Company's Book-Entry-Only System is to be utilized for the Obligations. The Fiscal Agent, as agent for the Municipality, agrees to comply with the provisions of The Depository Trust Company's Operational Arrangements, as they may be amended from time to time referenced in the Blanket Issuer Letter of Representations executed by the Municipality. The provisions of the Operational Arrangements and this Section VIII supersede and control any and all representations in this Agreement.

IX. OBLIGATION TRANSFER AND EXCHANGE

The Fiscal Agent shall transfer Obligations upon presentation of a written assignment duly executed by the registered owner or by such owner's duly authorized representative. Upon such a transfer, new registered Obligation(s) of the same maturity, in authorized denomination or denominations in the same aggregate principal amount for each maturity shall be issued to the transferee in exchange therefor, and the name of such transferee shall be entered as the new registered owner in the Registration Book. No Obligation may be registered to bearer. The Fiscal Agent may exchange Obligations of the issue for a like aggregate principal amount of Obligations of the same maturity in authorized whole multiples of \$5,000.

The Obligations shall be numbered R-1 and upward. Upon any transfer or exchange, the Obligation or Obligations issued shall bear the next highest consecutive unused number or numbers.

The Municipality shall cooperate in any such transfer, and the appropriate officers of the Municipality are authorized to execute any new Obligation or Obligations necessary to effect any such transfer.

X. AUTHENTICATION, IF REQUIRED

The Fiscal Agent shall sign and date the Certificate of Authentication, if any, on each Obligation on the date of delivery, transfer or exchange of such Obligation. The Fiscal Agent shall distribute and/or retain for safekeeping the Obligations in accordance with the direction of the registered owners thereof.

XI. STATEMENTS

The Fiscal Agent shall furnish the Municipality with an accounting of interest and funds upon reasonable request.

XII. FEES

The Municipality agrees to pay the Fiscal Agent fees for its services hereunder in the amounts set forth on Schedule [B/C] hereto.

XIII. MISCELLANEOUS

(a) Nonpresentment of Checks. In the event the check or draft mailed by the Fiscal Agent to the registered owner is not presented for payment within five years of its date, then the monies representing such nonpayment shall be returned to the Municipality or to such board, officer or body as may then be entitled by law to receive the same together with the name of the registered owner of the Obligation and the last mailing address of record and the Fiscal Agent shall no longer be responsible for the same.

(b) Resignation and Removal; Successor Fiscal Agent. (i) Fiscal Agent may at any time resign by giving not less than 60 days written notice to Municipality. Upon receiving such notice of resignation, Municipality shall promptly appoint a successor fiscal agent by an instrument in writing executed by order of its governing body. If no successor fiscal agent shall have been so appointed and have accepted appointment within 60 days after such notice of resignation, the resigning fiscal agent may petition any court of competent jurisdiction for the appointment of a successor fiscal agent. Such court may thereupon, after such notice, if any, as it may deem proper and prescribes, appoint a successor fiscal agent. The resignation of the fiscal agent shall take effect only upon appointment of a successor fiscal agent and such successor fiscal agent's acceptance of such appointment.

(ii) The Fiscal Agent may also be removed by the Municipality at any time upon not less than 60 days' written notice. Such removal shall take effect upon the appointment of a successor fiscal agent and such successor fiscal agent's acceptance of such appointment.

(iii) Any successor fiscal agent shall execute, acknowledge and deliver to Municipality and to its predecessor fiscal agent an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor fiscal agent shall become effective and such successor fiscal agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor, with like effect as if originally named as fiscal agent herein; but nevertheless, on written request of Municipality, or on the request of the successor, the fiscal agent ceasing to act shall execute and deliver an instrument transferring to such successor fiscal agent, all the rights, powers, and trusts of the fiscal agent so ceasing to act. Upon the request of any such successor fiscal agent, Municipality shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor fiscal agent all such rights, powers and duties. Any predecessor fiscal agent shall pay over to its successor fiscal agent any funds of the Municipality.

(iv) Any corporation, association or agency into which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor fiscal agent under this Agreement and vested with all the trusts, powers, discretions, immunities and privileges and all other matters as

was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(v) Any successor fiscal agent shall be qualified pursuant to Sec. 67.10(2), Wisconsin Statutes, as amended.

(c) Termination. This Agreement shall terminate on the earlier of (i) the payment in full of all of the principal and interest on the Obligations to the registered owners of the Obligations or (ii) five years after (aa) the last principal payment on the Obligations is due (whether by maturity or earlier redemption) or (bb) the Municipality's responsibilities for payment of the Obligations are fully discharged, whichever is later. The parties realize that any funds hereunder as shall remain upon termination shall, except as may otherwise by law, be turned over to the Municipality after deduction of any unpaid fees and disbursements of Fiscal Agent or, if required by law, to such officer, board or body as may then be entitled by law to receive the same. Termination of this Agreement shall not, of itself, have any effect on Municipality's obligation to pay the outstanding Obligations in full in accordance with the terms thereof.

(d) Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement, being duly authorized so to do, each in the manner most appropriate to it, on the date first above written.

CITY OF MILTON, ROCK COUNTY,
WISCONSIN

By _____
Annisa Welch
Mayor

(SEAL)

Elena Hilby
City Clerk

BOND TRUST SERVICES
CORPORATION, ROSEVILLE,
MINNESOTA
Fiscal Agent

(SEAL)

By _____
Paying Agent Administrator

Attest _____
Paying Agent Administrator

SCHEDULE A

Debt Service Schedule
\$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B
of the City of Milton, Wisconsin
dated September 9, 2016

(SEE ATTACHED)

COPY

[SCHEDULE MRP

Mandatory Redemption Provision

The Obligations due on February 1, ____, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on February 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____ (maturity)
____	____

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____ (maturity)
____	____

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____ (maturity)
____	____

For the Term Bonds Maturing on February 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____ (maturity)]
____	____

[SCHEDULE B]

NOTICE OF MANDATORY SINKING FUND REDEMPTION*

City of Milton, Wisconsin
General Obligation Corporate Purpose Bonds, Series 2016B
Dated September 9, 2016

NOTICE IS HEREBY GIVEN that a portion of the Bonds of the above-referenced issue which mature on February 1, 20__ shall be subject to mandatory sinking fund redemption on February 1 of the year set forth below, in the amount set forth below, at a redemption price equal to One Hundred Percent (100%) of the principal amount redeemed plus accrued interest to the date of redemption.

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>CUSIP Number</u>
February 1, ____	\$ _____	_____

Such portion of the Bonds will cease to bear interest on the redemption date set forth above.

BY THE ORDER OF THE
COMMON COUNCIL

CITY OF MILTON, WISCONSIN

Dated: _____

* To be provided by registered or certified mail, facsimile transmission, overnight express delivery, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to the call date. At least thirty (30) days prior to the call date notice shall also be filed electronically with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.]

SCHEDULE [B/C]

(SEE ATTACHED)

EXHIBIT F
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made and entered into the 9th day of September, 2016 by and between the City of Milton, Wisconsin (the "City") and _____, _____, a national banking association with trust powers (the "Escrow Agent").

RECITALS

The City has duly issued General Obligation Corporate Purpose Bonds, dated March 27, 2007 (the "2007A Bonds") and General Obligation Corporate Purpose Bonds, dated December 20, 2007 (the "2007B Bonds") (collectively, the 2007A Bonds and the 2007B Bonds shall be referred to herein as the "Prior Issues").

The City has duly authorized and sold and is delivering this day its \$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B, dated September 9, 2016 (the "Refunding Obligations") for the purpose of providing funds sufficient to refund the 2019 through 2027 maturities of the 2007A Bonds and the 2018 through 2026 maturities of the 2007B Bonds (collectively, hereinafter the portion of the Prior Issues being refunded shall be referred to herein as the "Refunded Obligations") (the "Refunding").

The Refunded Obligations mature and bear interest on the dates and in the amounts shown on Exhibit A-1 through Exhibit A-2, respectively.

In order to accomplish the Refunding, it is necessary to irrevocably deposit in trust an amount (in the form of investment securities and cash) which, together with investment income therefrom, will be sufficient to pay when due the principal of and interest on the Refunded Obligations.

To accomplish the Refunding, the Escrow Agent has been appointed depository of a portion of the proceeds of the Refunding Obligations (in the form of investment securities and cash) as hereinafter specified and has been appointed custodian of the City's debt service fund account for the Refunded Obligations until the Refunded Obligations are paid in full.

The execution of this Agreement has been duly authorized by a resolution of the Common Council entitled: "Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B" adopted by the Common Council of the City on July 19, 2016 as supplemented by a Certificate Approving the Preliminary Official Statement and Details of General Obligation Corporate Purpose Bonds, Series 2016B, dated _____, 2016 (collectively, the "Resolution").

In consideration of the mutual covenants contained herein, the parties hereto covenant and agree as follows for the equal and proportionate benefit and security of the holders of the Refunding Obligations and the Refunded Obligations:

1. Escrow Deposit. Concurrently with the execution of this Agreement, the City has irrevocably deposited with the Escrow Agent, receipt of which is hereby acknowledged by the Escrow Agent, \$ _____ being a portion of the proceeds of the Refunding Obligations [(the "Bond Proceeds") and \$ _____ from funds of the City (the "Funds") for a total of \$ _____.]

The foregoing, along with earnings and interest thereon, shall be held and disposed of by the Escrow Agent only in accordance with this Agreement. The City represents and warrants that the foregoing, if held, invested and disposed of by the Escrow Agent in accordance with this Agreement, will be sufficient, without the need for any further investment or reinvestment, to make all payments required under this Agreement. The Escrow Agent has not and is under no obligation to determine whether the amounts deposited hereunder are or will be sufficient to make all of the payments directed to be made hereunder.

2. Acceptance of Escrow. The Escrow Agent acknowledges receipt of the escrow deposit hereunder and accepts the responsibilities imposed on it by this Agreement.

3. Application of Escrow Deposit. There is hereby created by the City and ordered established with the Escrow Agent an account hereby designated, "City of Milton Escrow Account" (the "Escrow Account").

The Escrow Agent shall deposit the amount described above in the Escrow Account to be used as follows:

a) \$ _____ to be used to purchase the United States Treasury Certificates of Indebtedness, Notes and/or Bonds - State and Local Government Series ("SLGs"), described on the attached Exhibit B-1, pay for the SLGs from monies in the Escrow Account and hold the SLGs in the Escrow Account; [(\$ _____ from Bond Proceeds and \$ _____ from Funds);]

b) \$ _____ to be used to establish a beginning cash balance in the Escrow Account [(\$ _____ from Bond Proceeds and \$ _____ from Funds)]; and

c) \$ _____ to be used to pay the Issuance Expenses set forth on the attached Exhibit C-1, which the Escrow Agent is hereby authorized to pay [as outlined in the Closing Memorandum].

Except as set forth in Section 8 hereof, the Escrow Account (other than the cash held pursuant to subsection (b) above) shall remain invested in the SLGs, and the Escrow Agent shall not sell or otherwise dispose of the SLGs.

[The Escrow Agent is hereby directed to pay the issuance expenses set forth on the attached Exhibit C-1 upon receipt of invoices for the authorized amounts listed on Exhibit C-1.]

[In addition to the foregoing, the Escrow Agent is hereby directed to reinvest excess investment proceeds accruing in the years _____ to _____ in SLGs as follows:

<u>Amount</u>	<u>Interest Rate</u>	<u>Reinvestment Date</u>	<u>Maturity Date</u>
\$ _____	0.00%	_____	_____
_____	0.00	_____	_____

The Escrow Agent is hereby directed to submit the subscription for these SLGs on behalf of the City, at least seven (7) days in advance of the date of reinvestment (or such other period of time in advance of the date of reinvestment as is then required by law or regulation) and such subscription shall be in accordance with then applicable law and regulations. The City will cooperate with the Escrow Agent as necessary to allow any subscriptions to be made as described herein.

If SLGs with an interest rate of 0.00% are not available at the time such Escrow Account monies are to be reinvested, the Escrow Agent is hereby directed to reinvest such Escrow Account monies on behalf of the City in direct obligations of the United States of America ("U.S. Government Obligations"), or hold such monies uninvested, as directed by the City, upon the Escrow Agent's receipt, at the expense of the City, of (i) an opinion of the bond counsel for the Refunding Obligations or other nationally recognized firm of attorneys experienced in the area of municipal finance to the effect that such transaction would not cause any of the Refunded Obligations or any of the Refunding Obligations to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the income tax regulations thereunder (the "Regulations") and (ii) a certification from an independent certified public accountant that, after such transaction, the principal of and interest on the U.S. Government Obligations in the Escrow Account will, together with other monies in the Escrow Account available for such purposes, be sufficient at all times to pay, when due, the principal of and interest on the Refunded Obligations.]

The Escrow Account cash flow [(taking into account any reinvestments)] prepared by the Accountant defined below is set forth on Exhibit D-1.

Except [for the foregoing or] as set forth in Section 8 hereof, no reinvestment of amounts on deposit in the Escrow Account shall be permitted.

The Escrow Agent shall apply the monies in the Escrow Account to the payment of the 2007A Bonds in the amounts set forth on the attached Exhibit A-1 by depositing such amounts with the fiscal agent for the 2007A Bonds and to the payment of the 2007B Bonds in the amounts set forth on the attached Exhibit A-2 by depositing such amounts with The Depository Trust Company or any successor depository or registered owner on or before the dates set forth on the attached Exhibit A-1 and Exhibit A-2 setting forth the dates such amounts are due.

Barthe & Wahrman, PA, a firm of independent accountants (the "Accountant"), has delivered to the City, the Escrow Agent, Ehlers & Associates, Inc., any bond insurer for the

Refunding Obligations, any bond insurer for the Refunded Obligations, and Quarles & Brady LLP, for their purposes, a report stating that the firm has reviewed the arithmetical accuracy of certain computations based on assumptions relating to the sufficiency of forecasted net cash flow from the United States government securities (paragraph (a) above) and any initial cash deposit (paragraph (b) above) to pay the principal of and interest (if any) on the Refunded Obligations when due as described on Exhibit A-1 through Exhibit A-2. Based upon the summarized data presented in its report and the assumption that the principal and interest payments on the United States government securities are deposited in the Escrow Account when due, in its opinion, the proceeds from the United States government securities, plus any initial cash deposit will be sufficient for the timely payment of principal and interest, when due, on the Refunded Obligations.

If at any time it shall appear to the Escrow Agent that the money in the Escrow Account will not be sufficient to make any required payments due to the holders of the Refunded Obligations, the Escrow Agent shall immediately notify the City. Upon receipt of such notice, the City shall forthwith transmit to the Escrow Agent for deposit in the Escrow Account from legally available funds such additional monies as may be required to make any such payment.

4. Redemption of the Refunded Obligations. Pursuant to the Resolution, the City has heretofore called the Refunded Obligations for redemption and authorized and directed the Escrow Agent to give notice of said intended redemption of the Refunded Obligations by providing notice (in substantially the forms attached hereto as Exhibit E-1 through Exhibit E-2) in the manner and at the times set forth on Exhibit E-1 through Exhibit E-2, and the Escrow Agent hereby agrees to give such notice.

5. Notice of Advance Refunding of the Refunded Obligations. The Escrow Agent is hereby directed and agrees within ten business days after the closing for the Refunding Obligations to provide a Notice of Advance Refunding and Redemption, in substantially the forms attached hereto as Exhibit F-1 through F-2, to the registered owners of the Refunded Obligations, to any fiscal agent for the Refunded Obligations, and to any others as described in Exhibit F-1 through F-2.

6. The Escrow Agent.

a) Annual Report. The Escrow Agent shall, in the month of February of each year while this Agreement is in effect, and as soon as practicable after termination of this Agreement, forward by first class mail to the City a report of the receipts, income, investments, reinvestments, redemptions and payments of and from the Escrow Account during the preceding calendar year, including in such report a statement, as of the end of the preceding calendar year, regarding the manner in which it has carried out the requirements of this Agreement. The City shall have the right, at any time during business hours, subject to reasonable regulations established by the Escrow Agent, to examine all of the Escrow Agent's records regarding the status and details of the Escrow Account.

b) Separate Funds; Accountability. Except as otherwise permitted under Section 3 hereof, the Escrow Agent shall keep all monies, securities and other properties deposited hereunder, all investments and all interest thereon and profits therefrom, at all times in a special

fund and separate trust account, wholly segregated from all other funds and securities on deposit with it; shall never commingle such deposits, investments and proceeds with other funds or securities of the Escrow Agent; and shall never at any time use, pledge, loan or borrow the same in any way. The fund established hereunder shall be held separately and distinctly and not commingled with any other such fund. Nothing herein contained shall be construed as requiring the Escrow Agent to keep the identical monies, or any part thereof, received from or for the Escrow Account, on hand, but monies of an equal amount shall always be maintained on hand as funds held by the Escrow Agent, belonging to the City, and a special account thereof, evidencing such fact, shall at all times be maintained on the books of the Escrow Agent. All uninvested money held at any time in the Escrow Account shall be continuously secured [by the deposit in a Federal Reserve Bank or direct obligations of the United States of America in a principal amount always not less than the total amount of uninvested money in the Escrow Account.] [by any collateral that satisfies the provisions of 12CFR part 9, Section 9.10(b)(2).] It is understood and agreed that the responsibility of the Escrow Agent under this Agreement is limited to the safekeeping and segregation of the monies and securities deposited with it for the Escrow Account, and the collection of and accounting for the principal and interest payable with respect thereto.

In the event the Escrow Agent due to any action or inaction required hereunder is unable or fails to account for any property held hereunder, such property shall be and remain the property of the City. Property held by the Escrow Agent hereunder shall not be deemed to be a banking deposit of the City to the extent that the Escrow Agent shall have no right or title with respect thereto (including any right of set-off) and the City shall have no right of withdrawal thereof.

c) Liability. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the City or any paying [fiscal] agent of any of its obligations, or to protect any of the City's rights under any bond proceeding or any of the City's other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any person. The Escrow Agent shall not be liable for any act done or step taken or omitted by it, as escrow agent, or for any mistake of fact or law, or for anything which it may do or refrain from doing in good faith and in the exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, except for its negligence or its willful misconduct. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, including without limitation those as to the sufficiency of the trust deposit to accomplish the purposes hereof or in the Refunded Obligations or the Refunding Obligations or in any proceedings taken in connection therewith, but they are made solely by the City. [The Escrow Agent shall not be required to risk, use or advance its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.]

d) Resignations; Successor Escrow Agent. The Escrow Agent may at any time resign by giving not less than 60 days written notice to the City. Upon giving such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent. Such court may thereupon, after such notice, if any, as

it may deem proper and prescribes, appoint a successor escrow agent of comparable qualifications to those of the resigning Escrow Agent. The resignation of the Escrow Agent shall take effect only upon the appointment of a successor escrow agent and such successor escrow agent's acceptance of such appointment.

Any successor escrow agent shall be a state or national bank, have full banking and trust powers, and have a combined capital and surplus of at least \$5,000,000.

Any successor escrow agent shall execute, acknowledge and deliver to the City and to its predecessor escrow agent an instrument accepting such appointment hereunder, and thereupon the resignation of the predecessor escrow agent shall become effective and such successor escrow agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as escrow agent herein; but nevertheless, on written request of the City or on the request of the successor escrow agent, the escrow agent ceasing to act shall execute and deliver an instrument transferring to such successor escrow agent, upon the terms herein expressed, all the rights, power, and duties of the escrow agent so ceasing to act. Upon the request of any such successor escrow agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor escrow agent all such rights, powers and duties. Any predecessor escrow agent shall pay over to its successor escrow agent a proportional part of the Escrow Agent's fee hereunder.

e) Fees. The Escrow Agent acknowledges receipt from the City of the sum of _____ DOLLARS (\$ _____) as and for full compensation for all services to be performed by it as the Escrow Agent under this Agreement. Any out-of-pocket expenses including legal fees and publication costs will be paid by the City as incurred. The Escrow Agent expressly waives any lien upon or claim against the monies and investments in the Escrow Account.

7. Arbitrage. The City has covenanted and agreed [and the Escrow Agent hereby covenants and agrees,] to the extent any action is within its control and to its knowledge, to and for the benefit of the holders of the Refunding Obligations and the Refunded Obligations, that no investment of the monies on deposit in the Escrow Account will be made in a manner that would cause the Refunding Obligations or the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 148 of the [Code or any Regulations promulgated or proposed thereunder.] [Internal Revenue Code of 1986, as amended (the "Code") or any Regulations promulgated or proposed thereunder (the "Regulations").] [The Escrow Agent covenants and agrees to only invest as directed.]

In order to ensure continuing compliance with Section 148 of the Code and the Regulations, the Escrow Agent agrees that it will not invest the cash balance nor reinvest any cash received in payment of the principal of and interest on the federal securities held in the Escrow Account nor redeem such federal securities except as specifically provided in Sections 3 and 8 hereof. Said prohibition on reinvestment shall continue unless and until the City requests

that such reinvestment be made and shall be restricted to noncallable direct obligations of the United States Treasury. Prior to any such request for reinvestment of the proceeds from the federal securities held in the Escrow Account, the City shall provide to the Escrow Agent: (i) an opinion by an independent certified public accounting firm that after such reinvestment the principal amount of the substituted securities, together with the earnings thereon and other available monies, will be sufficient to pay, as the same become due, all principal of, redemption premium where required, and interest on the Refunded Obligations which have not then previously been paid, and (ii) an unqualified opinion of nationally recognized bond counsel to the effect that (a) such reinvestment will not cause the Refunding Obligations or the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations in effect thereunder on the date of such reinvestment, and (b) such reinvestment complies with the Constitution and laws of the State of Wisconsin and the provisions of all relevant documents relating to the issuance of the Refunding Obligations and the Refunded Obligations.

8. Substitute Investments. At the written request of the City and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to request the redemption of the SLGs and to substitute direct obligations of, or obligations which are unconditionally guaranteed by, the United States of America, which are not subject to redemption prior to maturity and which are available for purchase with the proceeds derived from the disposition of the SLGs on the date of such transaction. The Escrow Agent shall purchase such substitute obligations with the proceeds derived from the sale, transfer, disposition or redemption of the SLGs. The transactions may be effected only by simultaneous sale and purchase transactions, and only if (i) the amounts and dates on which the anticipated transfers from the Escrow Account to the fiscal agent or depository for the payment of the principal of and interest on the Refunded Obligations will not be diminished or postponed thereby, (ii) the Escrow Agent shall receive, at the expense of the City, an opinion of a nationally recognized firm of attorneys experienced in the area of municipal finance to the effect that such disposition and substitution would not cause any Refunded Obligations or Refunding Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations thereunder; and (iii) the Escrow Agent shall receive, at the expense of the City, a certification from an independent certified public accountant that, after such transaction, the principal of and interest on the U.S. government obligations in the Escrow Account will, together with other monies in the Escrow Account available for such purpose, be sufficient at all times to pay, when due, the principal of, redemption premium, where required, and interest on the Refunded Obligations.

The City hereby covenants that no part of the monies or funds at any time in the Escrow Account shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Refunded Obligations or Refunding Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations thereunder.

9. Escrow Agent Covenants. Notwithstanding any provision contained herein to the contrary, the Escrow Agent, including its officers, directors, employees and agents, shall:

a) have the right, but not the obligation, to consult with counsel of choice and shall not be liable for action taken or omitted to be taken by Escrow Agent either in accordance

with the advice of such counsel or in accordance with any opinion of counsel to the City addressed and delivered to the Escrow Agent;

b) be protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of independent counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons; and

c) have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees, and shall not be responsible for the misconduct or negligence of such agents, attorneys, custodians and nominees appointed by it with due care.

Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.]

[9 OR 10]. Miscellaneous.

a) Third Party Beneficiaries. This Agreement has been entered into by the City and the Escrow Agent for the benefit of the holders of the Refunding Obligations and the Refunded Obligations, and is not revocable by the City or the Escrow Agent, and the investments and other funds deposited in the Escrow Account and all income therefrom have been irrevocably appropriated for the payment and any redemption of the Refunded Obligations and interest thereon when due, in accordance with this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the City and the Escrow Agent and their respective successors and assigns. In addition, this Agreement shall constitute a third party beneficiary contract for the benefit of the owners of the Refunding Obligations and the Refunded Obligations. Said third party beneficiaries shall be entitled to enforce performance and observance by the City and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if said third party beneficiaries were parties hereto.

b) Severability. If any section, paragraph, clause or provision of this Agreement shall be invalid or ineffective for any reason, the remainder of this Agreement shall remain in full force and effect, it being expressly hereby agreed that the remainder of this Agreement would have been entered into by the parties hereto notwithstanding any such invalidity.

c) Termination. This Agreement shall terminate upon the payment of all of the principal of and interest on the Refunded Obligations. The parties realize that some of the amounts hereunder may remain upon termination. Any amounts remaining upon termination shall be returned to the City for deposit in the account designated "Debt Service Fund Account for General Obligation Corporate Purpose Bonds, Series 2016B, dated _____, 2016" created by the Resolution and used solely to pay the principal of and interest on the Refunding

Obligations. Termination of this Agreement shall not, of itself, have any effect on the City's obligation to pay the Refunding Obligations and the Refunded Obligations in full in accordance with the respective terms thereof.

d) Indemnification. The City agrees to hold the Escrow Agent harmless and to indemnify the Escrow Agent against any loss, liability, expenses (including attorney's fees and expenses), claims, or demand arising out of or in connection with the performance of its obligations in accordance with the provisions of this Agreement, except for gross negligence or willful misconduct of the Escrow Agent. The foregoing indemnities in this paragraph shall survive the resignation or removal of the Escrow Agent or the termination of the Agreement.

e) Governing Law. This Escrow Agreement shall be construed, interpreted and governed by and under the laws of the State of Wisconsin.

f) Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or when mailed by certified or registered mail, postage prepaid addressed as follows:

If to the City:
City of Milton
Attention: City Clerk
710 South Janesville Street
Milton, WI 53563

If to the Escrow Agent:
Zions Bank, a division of ZB, National Association
111 West Washington Street
Suite 1860
Chicago, IL 60602

Any party may by like notice at any time, and from time to time, designate a different address to which notices shall be sent. Notices given in accordance with these provisions shall be deemed received when mailed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to the Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing.]

f) [g] Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers on the date first above written.

CITY OF MILTON,
ROCK COUNTY, WISCONSIN

By: _____
Annisa Welch
Mayor

COPY
By: _____
Elena Hilby
City Clerk

as Escrow Agent

By: _____

(SEAL)

And: _____

[Security Advice Waiver:

The City acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the City the right to receive brokerage confirmations of the security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the City with periodic cash transaction statements that include the detail for all investment transactions made by the Escrow Agent for all current and future accounts.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.]

(Refunded Obligations)

EXHIBIT A-1

City of Milton, Wisconsin
General Obligation Corporate Purpose Bonds
Dated March 27, 2007

Debt Service Requirements

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Interest Amount</u>	<u>Total Principal and Interest</u>
-------------------------	-----------------------------	--------------------------	----------------------------	---

(See Attached)

COPY

* To be called for prior payment at 100% on March 1, 2017.

Bond Registrar
or Fiscal Agent:

Bond Trust Services Corporation, Roseville, Minnesota

(Refunded Obligations)

EXHIBIT A-2

City of Milton, Wisconsin
General Obligation Corporate Purpose Bonds
Dated December 20, 2007

Debt Service Requirements

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Interest Amount</u>	<u>Total Principal and Interest</u>
-------------------------	-----------------------------	--------------------------	----------------------------	---

(See Attached)

COPY

* To be called for prior payment at 100% on April 1, 2017.

Depository: The Depository Trust Company
New York, New York

EXHIBIT B-1

U.S. TREASURY SECURITIES

(State and Local Government Series)

For Delivery September 9, 2016

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Coupon Rate</u>	<u>Cost</u>
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COPY

(See Attached Subscription Forms)

EXHIBIT C-1

AUTHORIZED ISSUANCE EXPENSES

Escrow Agent, _____	\$ _____
Escrow Verification, Barthe & Wahrman, PA, Minneapolis, Minnesota	_____
Legal Opinion, Quarles & Brady LLP, Milwaukee, Wisconsin	_____
Rating Fee, Moody's Investors Service Inc., New York, New York	_____
Financial Advisor, Ehlers & Associates, Inc.	_____
Fiscal Agent, Bond Trust Services Corporation, Roseville, Minnesota	_____
Total:	\$ _____

COPY

EXHIBIT D-1

ESCROW ACCOUNT CASH FLOW

(SEE ATTACHED)

COPY

EXHIBIT E-1

NOTICE OF FULL CALL*

CITY OF MILTON
ROCK COUNTY, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS
DATED MARCH 27, 2007

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called for prior payment on March 1, 2017 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
03/01/19	\$490,000	4.00%	602187HU3
03/01/21	540,000	4.00	602187HW9
03/01/23	585,000	4.00	602187HY5
03/01/25	635,000	4.00	602187JA5
03/01/27	665,000	4.00	602187JC1

Upon presentation and surrender of said Bonds to Bond Trust Services Corporation, Roseville, Minnesota, the registrar and fiscal agent for said Bonds, the registered owners thereof will be paid the principal amount of the Bonds plus accrued interest to the date of prepayment.

Said Bonds will cease to bear interest on March 1, 2017.

By Order of the
Common Council
City of Milton
City Clerk

Dated _____

* To be provided to Bond Trust Services Corporation at least thirty-five (35) days prior to March 1, 2017. The registrar and fiscal agent shall be directed to give notice of such prepayment by registered or certified mail, overnight express delivery, facsimile transmission, or electronic transmission to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days prior to March 1, 2017 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org. Notice shall also be provided to CFIG Assurance North America, Inc., or any successor, the bond insurer of the Bonds.

EXHIBIT E-2

NOTICE OF FULL CALL*

Regarding

CITY OF MILTON
ROCK COUNTY, WISCONSIN
GENERAL OBLIGATION CORPORATE PURPOSE BONDS
DATED DECEMBER 20, 2007

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on April 1, 2017 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
04/01/18	\$155,000	4.00%	602187JP2
04/01/19	160,000	4.00	602187JQ0
04/01/20	180,000	4.00	602187JR8
04/01/21	235,000	4.00	602187JS6
04/01/22	260,000	4.00	602187JT4
04/01/23	265,000	4.00	602187JU1
04/01/24	445,000	4.00	602187JV9
04/01/25	495,000	4.00	602187JW7
04/01/26	550,000	4.00	602187JX5

The City's Escrow Agent shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before April 1, 2017.

Said Bonds will cease to bear interest on April 1, 2017.

By Order of the
Common Council
City of Milton
City Clerk

Dated _____

* To be provided by registered or certified mail, overnight express delivery, facsimile transmission, or electronic transmission to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days prior to April 1, 2017 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

EXHIBIT F-1*

NOTICE OF ADVANCE REFUNDING AND REDEMPTION
OF THE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, DATED MARCH 27, 2007
OF THE CITY OF MILTON, WISCONSIN (THE "BONDS")

Notice is given that the Bonds described below (the "Refunded Obligations"), of the City of Milton, Wisconsin (the "City") have been advance refunded by the City pursuant to an Escrow Agreement dated the 9th day of September, 2016 between the City and _____, _____ (the "Escrow Agent").

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
03/01/19	\$490,000	4.00%	602187HU3**
03/01/21	540,000	4.00	602187HW9**
03/01/23	585,000	4.00	602187HY5**
03/01/25	635,000	4.00	602187JA5**
03/01/27	665,000	4.00	602187JC1**

The City has instructed the Escrow Agent to call the Refunded Obligations for redemption on March 1, 2017. The City has irrevocably deposited United States government securities and cash in escrow with the Escrow Agent in an amount which, together with investment income on it, is sufficient to pay the interest on the Refunded Obligations up to and including March 1, 2017 and to redeem the Refunded Obligations on March 1, 2017 at a price of par plus accrued interest to March 1, 2017. Interest on the Refunded Obligations will cease to accrue on March 1, 2017.

Dated: September 9, 2016.

as Escrow Agent

* Within ten business days after the closing for the Refunding Obligations, notice shall be provided to the registered owners of the Refunded Obligations, to any fiscal agent for the Refunded Obligations and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org. Notice shall also be provided to CIFG Assurance North America, Inc., or any successor, the bond insurer of the Bonds.

** Indicates refunding of full CUSIP.

EXHIBIT F-2*

NOTICE OF ADVANCE REFUNDING AND REDEMPTION
OF THE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, DATED DECEMBER 20, 2007
OF THE CITY OF MILTON, WISCONSIN (THE "BONDS")

Notice is given that the Bonds described below (the "Refunded Obligations"), of the City of Milton, Wisconsin (the "City") have been advance refunded by the City pursuant to an Escrow Agreement dated the 9th day of September, 2016 between the City and _____, _____ (the "Escrow Agent").

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
04/01/18	\$155,000	4.00%	602187JP2**
04/01/19	160,000	4.00	602187JQ0**
04/01/20	180,000	4.00	602187JR8**
04/01/21	235,000	4.00	602187JS6**
04/01/22	260,000	4.00	602187JT4**
04/01/23	265,000	4.00	602187JU1**
04/01/24	445,000	4.00	602187JV9**
04/01/25	495,000	4.00	602187JW7**
04/01/26	550,000	4.00	602187JX5**

The City has instructed the Escrow Agent to call the Refunded Obligations for redemption on April 1, 2017. The City has irrevocably deposited United States government securities and cash in escrow with the Escrow Agent in an amount which, together with investment income on it, is sufficient to pay the interest on the Refunded Obligations up to and including April 1, 2017 and to redeem the Refunded Obligations on April 1, 2017 at a price of par plus accrued interest to April 1, 2017. Interest on the Refunded Obligations will cease to accrue on April 1, 2017.

Dated: September 9, 2016.

as Escrow Agent

* Within ten business days after the closing for the Refunding Obligations, notice shall be provided to the registered owners of the Refunded Obligations, to any fiscal agent for the Refunded Obligations and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

** Indicates refunding of full CUSIP.



EHLERS
LEADERS IN PUBLIC FINANCE

July 19, 2016

Revised Pre-Sale Report for

City of Milton, Wisconsin

\$7,640,000 General Obligation Corporate Purpose
Bonds, Series 2016B



Prepared by:

Maureen Schiel, CIPMA
Financial Specialist II

And

Todd Taves, CIPMA
Senior Municipal Advisor/ Principal



Executive Summary of Proposed Debt

Proposed Issue:	\$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <ul style="list-style-type: none"> <p>• Advance refunding the City’s General Obligation Bonds, Series 2007A. The Sewer and Water Utilities will pay off their portion of the issue with funds on hand. The debt service on the remaining portion to be refunded will be paid from ad valorem property taxes.</p> <p>The interest rate on the obligation proposed to be refunded is 4%. The refunding is expected to reduce interest expense by approximately \$243,531 over the next 11 years. The Net Present Value Benefit of the refunding is estimated to be \$224,141, equal to 9.581% of the refunded principal.</p> <p>This refunding is considered an Advance Refunding as the new Bonds will be issued more than 90 days prior to the call date of the obligations being refunded.</p> <p>• Advance refunding the City’s General Obligation Bonds, Series 2007B. The Sewer Utility will pay off their portion of the issue with funds on hand. The debt service on the remaining portion to be refunded will be paid from ad valorem property taxes and TID No. 6 revenue.</p> <p>The interest rate on the obligation proposed to be refunded is 4%. The refunding is expected to reduce interest expense by approximately \$316,155 over the next 11 years. The Net Present Value Benefit of the refunding is estimated to be \$280,065, equal to approximately 10% of the refunded principal.</p> <p>This refunding is considered an Advance Refunding as the new Bonds will be issued more than 90 days prior to the call date of the obligations being refunded.</p> <p>• Current refunding the City’s 2015 Bank Note. Debt service will be paid from ad valorem property taxes.</p> <p>The interest rate on the obligation proposed to be refunded is 2.65%. The refunding is expected to reduce interest expense by approximately \$52,574 over the next 9 years. The Net Present Value Benefit of the refunding is estimated to be \$39,213, equal to 3.076% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.</p> <p>• Community Development Projects. Debt service will be paid from TID No. 6 and 7 revenue.</p>



	<ul style="list-style-type: none"> Library Improvement Projects. Debt service will be paid from ad valorem property taxes.
Authority:	<p>The Bonds are being issued pursuant to Wisconsin Statutes, Section 67.04.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p> <p>The Bonds count against the City's General Obligation Debt Capacity Limit of 5% of total City Equalized Valuation. Following issuance of the Bonds, the City's total General Obligation debt principal outstanding will be \$13,710,000, which is 76% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$4,391,410.</p>
Term/Call Feature:	<p>The Bonds are being issued for an 11-year term. Principal on the Bonds will be due on February 1 in the years 2017 through 2027. Interest is payable every six months beginning February 1, 2017.</p> <p>The Bonds maturing on and after February 1, 2024 will be subject to prepayment at the discretion of the City on February 1, 2023 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
Rating:	<p>The City's most recent bond issues were rated A1 by Moody's Investors Service. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
Basis for Recommendation:	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Bonds based on:</p> <ul style="list-style-type: none"> The expectation this form of financing will provide the overall lowest cost of funds while also meeting the City's objectives for term, structure and optional redemption. The City having adequate General Obligation debt capacity to undertake this financing. The nature of the projects being financed, which will not generate user or other fees that could be pledged to secure a revenue obligation.



	<ul style="list-style-type: none"> The existing General Obligation pledge securing the obligations to be refunded.
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.1% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>Any premium amount received for that portion of the Bonds being issued for the purpose of refunding existing debt will be used to reduce the issue size. Any premium amount received for the remainder of the Bonds that is in excess of the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Bonds. These adjustments may slightly change the true interest cost of the original bid, either up or down.</p>
<p>Other Considerations:</p>	<p>Parameters Resolution: The City Council will be asked to adopt a Parameters Resolution on July 19th which delegates authority to the City Administrator or Finance Director to accept a purchase proposal for the Bonds that meets certain parameters. These parameters include:</p> <ul style="list-style-type: none"> The issue size may not exceed \$7,640,000. The purchase price may be no less than 98.9% of the par amount offered. The purchase price may be no greater than 106% of the par amount offered. The True Interest Cost (TIC) may not exceed 2.5%. Present value debt service savings must be equal to at least 5.0% of the refunded principal amount. Individual maturities cannot be increased or decreased by more than \$100,000. <p>Should the interest rate environment at the planned time of sale make proceeding inadvisable, the Parameters Resolution allows Ehlers, in</p>



	<p>consultation with the City Administrator or Finance Director, to cancel or postpone the offering.</p> <p>Term Bonds: The Bonds will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to “term up” some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Bonds. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the City retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We also recommend that you establish written procedures regarding compliance with IRS rules.</p>
Risk Factors:	<p>GO with Planned Abatement: The City expects to abate a portion of the City debt service with tax incremental revenues. In the event these revenues are not available, the City is obligated to levy property taxes in an amount sufficient to make all debt payments.</p> <p>Current Refunding: The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are “callable” now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until February 1, 2023.</p>



	<p>This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p> <p>Advance Refunding: The Bonds are being issued for the purpose of “advance” refunding prior City debt obligations. Only one advance refunding of an original tax-exempt debt obligation is permitted under current IRS rules. This refunding is being undertaken based in part on the following assumptions:</p> <ul style="list-style-type: none"> • Since the new Bonds will extend the “call” date for this debt, we are assuming that the City does not expect to have revenues available to pre-pay the current obligations prior to this new call date. • That advance refunding will provide an overall lower debt cost as compared to waiting to refund the issue until its call date
<p>Other Service Providers:</p>	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Quarles & Brady LLP</p> <p>Disclosure Counsel: Quarles & Brady LLP</p> <p>Paying Agent: Bond Trust Services Corporation</p> <p>Rating Agency: Moody’s Investors Service</p> <p>CPA Escrow Verification Agent: Barthe & Wahrman</p> <p>Escrow Agent: To be determined</p>

This presale report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review and Adoption of Parameters Resolution by Common Council:	July 19, 2016
Distribute Official Statement:	On or about August 5, 2016
Conference with Rating Agency:	Week of August 8, 2016
Parameters Sale:	August 17, 2016
Estimated Closing Date:	September 8, 2016
Redemption Date for 2015 Bank Notes	September 30, 2016
Redemption Date for 2007A Bonds	March 1, 2017
Redemption Date for 2007B Bonds	April 1, 2017

Attachments

- Sources and Uses of Funds
- Tax Impact Analysis
- Refunding Savings Analysis
- Debt Limit Analysis
- Bond Buyer Index

Ehlers Contacts

Municipal Advisors:	Maureen Schiel	(262) 796-6170
	Todd Taves	(262) 796-6173
Disclosure Coordinator:	Sue Porter	(262) 796-6167
Financial Analyst:	Kathy Myers	(262) 796-6177

The Official Statement for this financing will be mailed to the Common Council at their home address or e-mailed for review prior to the sale date.





City of Milton, WI
General Obligation Corporate Purpose Bonds



Pre-Sale Estimate

	Refunding	Community Development Projects	Library Improvement Projects	G.O. Corporate Purpose Bonds
Projects				
Community Development Projects		700,000		700,000
Library Improvement Projects			400,000	400,000
Subtotal Project Costs		700,000	400,000	1,100,000
Refundings				
2007A Advanced Refunding	2,968,347			2,968,347
Water Funds on Hand	(239,301)			(239,301)
Sewer Funds on Hand	(427,658)			(427,658)
2007B Advanced Refunding	2,848,837			2,848,837
2015 Bank Note Current Refunding	1,291,800			1,291,800
Transfers from Prior Issue Debt Service Funds	(71,794)			(71,794)
Subtotal of Refundings	6,370,232	0	0	6,370,232
Estimated Issuance Expenses				
Financial Advisor (Ehlers)	28,397	3,116	1,787	33,300
Advanced Refunding Fees	2,500			2,500
Accounting Fees	3,000			3,000
Disclosure Counsel (Quarles & Brady LLP)	8,272	908	521	9,700
Bond Counsel (Quarles & Brady LLP)	15,320	1,681	964	17,965
Paying Agent	576	63	36	675
Escrow Agent	3,000			3,000
Rating (Moody's Investor's Service)	11,512	1,263	724	13,500
Underwriter Discount @ 1.1%	71,665	7,865	4,510	84,040
TOTAL TO BE FINANCED	6,514,472	714,897	408,542	7,637,912
Estimated Interest Earnings ¹				
Rounding	528	103	1,458	2,088
TOTAL BOND AMOUNT	6,515,000	715,000	410,000	7,640,000



City of Milton, WI

Projected Debt Service Impact



Existing G.O. Debt Only					
YEAR	TID OUT Equalized Value Projection ¹	Annual P&I Payment ²	Less Non-Levy Revs ³	Net Levy for Debt Service	Net Rate for Debt Service
2017	328,056,600	1,045,874	(429,734)	616,140	1.88
2018	332,977,449	1,846,859	(53,613)	1,793,246	5.39
2019	337,972,111	317,515	(54,881)	262,634	0.78
2020	343,041,692	321,765	(56,397)	265,368	0.77
2021	348,187,318	320,585	(53,466)	267,119	0.77
2022	353,410,128	319,090	(54,468)	264,622	0.75
2023	358,711,279	322,245	(55,587)	266,658	0.74
2024	364,091,949	319,718	(54,856)	264,861	0.73
2025	369,553,328	321,483	(55,537)	265,946	0.72
2026	375,096,628	322,475	(56,352)	266,123	0.71
2027	380,723,077	326,505	(17,390)	309,115	0.81
2028	386,433,923	325,760		325,760	0.84
2029	392,230,432	329,283		329,283	0.84
2030	398,113,889	322,240		322,240	0.81
2031	404,085,597	324,408		324,408	0.80
2032	410,146,881	154,568		154,568	0.38
2033	416,299,084	153,225		153,225	0.37
2034	422,543,570			0	0.00
2035	428,881,724			0	0.00
2036	435,314,950			0	0.00
2037	441,844,674			0	0.00
2038	448,472,344			0	0.00
2039	455,199,429			0	0.00
2040	462,027,421			0	0.00
2041	468,957,832			0	0.00
Totals		7,393,595	(942,283)	6,451,313	

Projected Debt Service and Abatement Sources for 2015 - 2019 Capital Improvements Plan																												
Refunding \$6,515,000				Community Development Projects \$715,000				Library Improvement Projects \$410,000				G.O. Refunding Bonds \$7,640,000				Abatement & Redemption Sources						Net Levy for Debt Service	Old Net Levy for Debt Service	Difference in Levy	Net Rate for Debt Service	YEAR		
Levy & TID No. 6				TID No. 6 & 7				Levy				Dated 9/15/2016				TID 6 (Refunded 2007B)	TID 6 (New Money 2016A)	TID 7 (New Money 2016A)	TID 6 (Cash To Redeem 2011A)	TID 8 (Cash To Redeem 2011A)	Library Donations (2018) ⁵							
Prin (2/1)	Est. Rate ⁴	Interest	Total	Prin (2/1)	Est. Rate ⁴	Interest	Total	Prin (2/1)	Est. Rate ⁴	Interest	Total	Prin (2/1)	Est. Rate ⁴	Interest	Total	Total P&I	Total P&I	Total P&I	Total P&I	Total P&I	Total P&I							
2017	225,000	0.85%	87,283	312,283			8,739	8,739			4,666	4,666	225,000	0.850%	100,688	325,688	(64,635)	(4,405)	(4,334)			(4,666)	863,788	883,537	(19,749)	2.63	2017	
2018	505,000	0.95%	94,036	599,036			9,740	9,740			5,200	5,200	505,000	0.950%	108,976	613,976	(162,896)	(4,910)	(4,830)	(875,944)	(101,406)	(402,600)	854,636	883,758	(29,122)	2.57	2018	
2019	525,000	1.15%	88,619	613,619	140,000	1.15%	8,935	148,935	135,000	1.15%	4,424	139,424	800,000	1.150%	101,978	901,978	(161,584)	(74,508)	(74,428)				854,092	866,630	(12,538)	2.53	2019	
2020	550,000	1.25%	82,163	632,163	140,000	1.25%	7,255	147,255	135,000	1.25%	2,804	137,804	825,000	1.250%	92,221	917,221	(204,803)	(73,668)	(73,588)				830,532	868,198	(37,666)	2.42	2020	
2021	560,000	1.40%	74,805	634,805	145,000	1.40%	5,365	150,365	140,000	1.40%	980	140,980	845,000	1.400%	81,150	926,150	(247,235)	(72,740)	(77,625)				795,669	828,429	(32,760)	2.29	2021	
2022	710,000	1.45%	65,738	775,738	145,000	1.45%	3,299	148,299					855,000	1.450%	69,036	924,036	(268,990)	(76,706)	(71,593)				771,369	790,048	(18,679)	2.18	2022	
2023	705,000	1.55%	55,126	760,126	145,000	1.55%	1,124	146,124					850,000	1.550%	56,250	906,250	(255,468)	(75,581)	(70,543)				771,317	801,315	(29,999)	2.15	2023	
2024	870,000	1.65%	42,485	912,485									870,000	1.650%	42,485	912,485	(420,385)						756,961	788,116	(31,155)	2.08	2024	
2025	870,000	1.80%	27,478	897,478									870,000	1.800%	27,478	897,478	(453,125)						710,298	777,531	(67,233)	1.92	2025	
2026	750,000	1.95%	12,335	762,335									750,000	1.950%	12,335	762,335	(474,583)						553,875	593,123	(39,248)	1.48	2026	
2027	245,000	2.05%	2,511	247,511									245,000	2.050%	2,511	247,511							556,626	584,515	(27,889)	1.46	2027	
2028																							325,760	325,760		0.84	2028	
2029																							329,283	329,283		0.84	2029	
2030																							322,240	322,240		0.81	2030	
2031																							324,408	324,408		0.80	2031	
2032																							154,568	154,568		0.38	2032	
2033																							153,225	153,225		0.37	2033	
2034																												2034
2035																												2035
2036																												2036
2037																												2037
2038																												2038
2039																												2039
2040																												2040
2041																												2041
Totals	6,515,000		632,578	7,147,578	715,000		44,456	759,456	410,000		18,073	428,073	7,640,000		695,108	8,335,108	(2,713,703)	(382,518)	(376,939)	(875,944)	(101,406)	(407,266)			(346,037)		Totals	

NOTES

¹Value shown for 2017 is actual 1-1-2015 equalized value reduced by TID increment. A 1.5% growth rate is shown for 2018 and on.

²Total principal and interest due on outstanding General Obligation Notes and Bonds issued by the City as of Jan. 1, 2017.

³Reflects revenues from the City's water, sanitary sewer and storm water management utilities; Tax Incremental District's No. 6 and No. 8, and installment contract payments utilized to abate a portion of the debt service levy.

⁴Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%

⁵This is the levy portion of the 2011C Bonds that will be paid off with pledges for the Library project.



Estimate of Advance Refunding Savings of 2007A G.O. Corporate Purpose Bonds
Savings Benefit to Tax Levy



Existing Debt Service To Be Refunded

(Excludes Utility Portion)

Issue	General Obligation Corporate Purpose Bonds 2007A			
Amount	\$2,505,000			
Dated	27-Mar-07			
Call Date	1-Mar-17			
Call Amt	\$2,320,000			
Rate/Term	4.000%			2017-2027
Year	Prin (3/1)	Rate	Interest	Total
2017	185,000	4.000%	96,500	281,500
2018	190,000	4.000%	89,000	279,000
2019	200,000	4.000%	81,200	281,200
2020	210,000	4.000%	73,000	283,000
2021	220,000	4.000%	64,400	284,400
2022	225,000	4.000%	55,500	280,500
2023	240,000	4.000%	46,200	286,200
2024	250,000	4.000%	36,400	286,400
2025	255,000	4.000%	26,300	281,300
2026	260,000	4.000%	16,000	276,000
2027	270,000	4.000%	5,400	275,400

Total **2,505,000** **589,900** **3,094,900**

NON REFUNDED Existing Debt Service

Issue	General Obligation Corporate Purpose Bonds 2007A			
Amount	\$185,000			
Dated	27-Mar-07			
Rate/Term	4.000%			2017-2027
Year	Prin (3/1)	Rate	Interest	Total
2017	185,000	4.000%	3,700	188,700

Total **185,000** **3,700** **188,700**

Estimated Debt Service After Refunding

Existing Debt to be paid by Issuer	Issue	General Obligation Refunding Bonds, Series 2016B			
	Amount	\$2,420,000			
Dated	15-Sep-16				
Call Date	1-Feb-23				
Call Amt	\$995,000				
Rate/Term	0.85-	2.05%			2017-2027
Year	Prin (2/1)	Est. Rate ¹	Interest	Total	
188,700	2017	50,000	0.850%	32,875	82,875
	2018	200,000	0.950%	35,503	235,503
	2019	225,000	1.150%	33,259	258,259
	2020	230,000	1.250%	30,528	260,528
	2021	235,000	1.400%	27,445	262,445
	2022	240,000	1.450%	24,060	264,060
	2023	245,000	1.550%	20,421	265,421
	2024	250,000	1.650%	16,460	266,460
	2025	250,000	1.800%	12,148	262,148
	2026	250,000	1.950%	7,460	257,460
	2027	245,000	2.050%	2,511	247,511

Total **2,420,000** **242,669** **2,662,669**

Estimated Total Savings

9,925
43,498
22,941
22,473
21,955
16,440
20,779
19,940
19,153
18,540
27,889

243,531

NET FUTURE VALUE SAVINGS

243,531

Net Present Value Savings As A Percent of Refunded Principal= 9.581%

224,141

Pre-Sale Estimate

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



Estimate of Advance Refunding Savings of 2007B G.O. Corporate Purpose Bonds
Savings Benefit to TID No. 6



Existing Debt Service To Be Refunded

(Excludes Levy & Utility Portion)

Issue	General Obligation Corporate Purpose Bonds 2007B			
Amount	\$2,350,000			
Dated	20-Dec-07			
Call Date	1-Apr-17			
Call Amt	\$2,350,000			
Rate/Term	4.000%	2017-2026		
Year	Prin (4/1)	Rate	Interest	Total
2016		4.000%	47,000	47,000
2017		4.000%	94,000	94,000
2018	100,000	4.000%	92,000	192,000
2019	100,000	4.000%	88,000	188,000
2020	150,000	4.000%	83,000	233,000
2021	200,000	4.000%	76,000	276,000
2022	225,000	4.000%	67,500	292,500
2023	225,000	4.000%	58,500	283,500
2024	400,000	4.000%	46,000	446,000
2025	450,000	4.000%	29,000	479,000
2026	500,000	4.000%	10,000	510,000

Total 2,350,000 644,000 2,994,000

NON REFUNDED Existing Debt Service

General Obligation Corporate Purpose Bonds 2007B				
\$100,000				
20-Dec-07				
4.000% 2017-2026				
Prin (4/1)	Rate	Interest	Total	
		2,000	2,000	
100,000	4.000%	2,000	102,000	

Total 100,000 2,000 102,000

Estimated Debt Service After Refunding

(Excludes Levy & Utility Portion)

Existing Debt to be paid by Issuer	Issue	General Obligation Refunding Bonds, Series 2016B			
	Amount	\$2,445,000			
	Dated	8-Sep-16			
	Call Date	1-Feb-23			
	Call Amt	\$1,310,000			
Rate/Term	0.85- 1.955%	2017-2026			
Year	Prin (2/1)	Est. Rate ¹	Interest	Total	
49,000					
102,000					
2016					
2017	30,000	0.850%	34,635	64,635	
2018	125,000	0.950%	37,896	162,896	
2019	125,000	1.150%	36,584	161,584	
2020	170,000	1.250%	34,803	204,803	
2021	215,000	1.400%	32,235	247,235	
2022	240,000	1.450%	28,990	268,990	
2023	230,000	1.550%	25,468	255,468	
2024	400,000	1.650%	20,385	420,385	
2025	440,000	1.800%	13,125	453,125	
2026	470,000	1.950%	4,583	474,583	

Total 2,445,000 268,703 2,713,703

Estimated Total Savings

0
29,365
29,104
26,416
28,198
28,765
23,510
28,033
25,615
25,875
35,418

280,297

NET FUTURE VALUE SAVINGS

280,297

Pre-Sale Estimate

Estimated Net Present Value Savings As A Percent of Refunded Principal= 10.577%

248,561

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



Estimate of Advance Refunding Savings of 2007B G.O. Corporate Purpose Bonds

Savings Benefit to Levy



Existing Debt Service To Be Refunded

(Excludes TIF No. 6 & Utility Portion)

Issue	General Obligation Corporate Purpose Bonds 2007B			
Amount	\$335,000			
Dated	20-Dec-07			
Call Date	1-Apr-17			
Call Amt	\$335,000			
Rate/Term	4.000%	2017-2026		
Year	Prin (4/1)	Rate	Interest	Total
2016		4.000%	6,700	6,700
2017		4.000%	13,400	13,400
2018	25,000	4.000%	12,900	37,900
2019	30,000	4.000%	11,800	41,800
2020	30,000	4.000%	10,600	40,600
2021	35,000	4.000%	9,300	44,300
2022	35,000	4.000%	7,900	42,900
2023	40,000	4.000%	6,400	46,400
2024	45,000	4.000%	4,700	49,700
2025	45,000	4.000%	2,900	47,900
2026	50,000	4.000%	1,000	51,000

Total **335,000** **80,900** **415,900**

NON REFUNDED Existing Debt Service

Issue	General Obligation Corporate Purpose Bonds 2007B			
Amount	\$25,000			
Dated	20-Dec-07			
Rate/Term	4.000%	2017-2026		
Year	Prin (4/1)	Rate	Interest	Total
2016			500	500
2017	25,000	4.000%	500	25,500

Total **25,000** **500** **25,500**

Estimated Debt Service After Refunding

(Excludes TIF No. 6 & Utility Portion)

Existing Debt to be paid by Issuer	Issue	General Obligation Refunding Bonds, Series 2016B			
	Amount	\$350,000			
Dated	8-Sep-16				
Call Date	1-Feb-23				
Call Amt	\$120,000				
Rate/Term	0.85- 1.95%	2017-2026			
Year	Prin (2/1)	Est. Rate ¹	Interest	Total	
2016					
2017	5,000	0.850%	4,546	9,546	
2018	40,000	0.950%	4,858	44,858	
2019	35,000	1.150%	4,466	39,466	
2020	35,000	1.250%	4,046	39,046	
2021	35,000	1.400%	3,583	38,583	
2022	40,000	1.450%	3,048	43,048	
2023	40,000	1.550%	2,448	42,448	
2024	45,000	1.650%	1,766	46,766	
2025	45,000	1.800%	990	45,990	
2026	30,000	1.950%	293	30,293	

7,200
25,500

Total **350,000** **30,042** **380,042**

Estimated Total Savings

0
3,854
(6,958)
2,334
1,554
5,718
(148)
3,953
2,934
1,910
20,708

35,858

NET FUTURE VALUE SAVINGS

35,858

Pre-Sale Estimate

Estimated Net Present Value Savings As A Percent of Refunded Principal= 9.404%

31,504

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



Estimate of Current Refunding Savings - 2015 G.O. Promissory Notes

Savings Benefit to Tax Levy



Existing Debt Service To Be Refunded

Issue	2015 General Obligation Promissory Notes			
Amount	\$1,275,000			
Dated	1-Apr-15			
Call Date				
Call Amt	\$1,275,000			
Rate/Term	2.650%		2017-2025	
Year	Prin (4/1)	Rate	Interest	Total
2017	120,000	2.65%	32,198	152,198
2018	125,000	2.65%	28,951	153,951
2019	115,000	2.65%	25,771	140,771
2020	110,000	2.65%	22,790	132,790
2021	70,000	2.65%	20,405	90,405
2022	185,000	2.65%	17,026	202,026
2023	190,000	2.65%	12,058	202,058
2024	180,000	2.65%	7,155	187,155
2025	180,000	2.65%	2,385	182,385

Total **1,275,000** **168,739** **1,443,739**

Estimated Debt Service After Refunding

Issue	General Obligation Refunding Bonds, Series 2016B			
Amount	\$1,300,000			
Dated	15-Sep-16			
Call Date				
Call Amt				
Rate/Term	0.85- 1.8%		2017-2025	
Year	Prin (2/1)	Est. Rate ¹	Interest	Total
2017	140,000	0.85%	15,228	155,228
2018	140,000	0.95%	15,780	155,780
2019	140,000	1.15%	14,310	154,310
2020	115,000	1.25%	12,786	127,786
2021	75,000	1.40%	11,543	86,543
2022	190,000	1.45%	9,640	199,640
2023	190,000	1.55%	6,790	196,790
2024	175,000	1.65%	3,874	178,874
2025	135,000	1.80%	1,215	136,215

Total **1,300,000** **91,165** **1,391,165**

Estimated
Total
Savings

(3,030)
(1,829)
(13,539)
5,004
3,863
2,386
5,268
8,281
46,170

52,574

ESTIMATED SAVINGS NET OF COSTS

52,574

Pre-Sale Estimate

Estimated Net Present Value Savings As A Percent of Refunded Principal= 3.076%

39,213

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



City of Milton, WI

Actual and Projected G.O. Debt Capacity Utilization AFTER 2016B Corporate Purpose Bonds



*Previous Capacity,
Prior to Refunding*

DIFFERENCE

YEAR	PROJECTED TID IN EV ¹	DEBT LIMIT @ 5%	EXIST DEBT PRIN OUTS	% OF LIMIT	2016 Corporate Purpose Bonds	PROJ DEBT PRIN OUTS	% OF LIMIT	RESIDUAL CAPACITY	YEAR	% OF LIMIT	RESIDUAL CAPACITY	% OF LIMIT	RESIDUAL CAPACITY
2016	362,028,200	18,101,410	5,975,000	33.01%	7,640,000	13,615,000	75.22%	4,486,410	2016	71.32%	5,191,410	3.89%	(705,000)
2017	367,458,623	18,372,931	5,125,000	27.89%	7,415,000	12,540,000	68.25%	5,832,931	2017	64.99%	6,432,931	3.27%	(600,000)
2018	372,970,502	18,648,525	3,435,000	18.42%	6,910,000	10,345,000	55.47%	8,303,525	2018	58.69%	7,703,525	-3.22%	600,000
2019	378,565,060	18,928,253	3,245,000	17.14%	6,110,000	9,355,000	49.42%	9,573,253	2019	52.51%	8,988,253	-3.09%	585,000
2020	384,243,536	19,212,177	3,045,000	15.85%	5,285,000	8,330,000	43.36%	10,882,177	2020	46.22%	10,332,177	-2.86%	550,000
2021	390,007,189	19,500,359	2,840,000	14.56%	4,440,000	7,280,000	37.33%	12,220,359	2021	39.95%	11,710,359	-2.62%	510,000
2022	395,857,297	19,792,865	2,630,000	13.29%	3,585,000	6,215,000	31.40%	13,577,865	2022	33.88%	13,087,865	-2.48%	490,000
2023	401,795,156	20,089,758	2,410,000	12.00%	2,735,000	5,145,000	25.61%	14,944,758	2023	27.68%	14,529,758	-2.07%	415,000
2024	407,822,083	20,391,104	2,185,000	10.72%	1,865,000	4,050,000	19.86%	16,341,104	2024	21.55%	15,996,104	-1.69%	345,000
2025	413,939,415	20,696,971	1,950,000	9.42%	995,000	2,945,000	14.23%	17,751,971	2025	15.29%	17,531,971	-1.06%	220,000
2026	420,148,506	21,007,425	1,705,000	8.12%	245,000	1,950,000	9.28%	19,057,425	2026	9.73%	18,962,425	-0.45%	95,000
2027	426,450,733	21,322,537	1,445,000	6.78%		1,445,000	6.78%	19,877,537	2027	6.78%	19,877,537	0.00%	0
2028	432,847,495	21,642,375	1,175,000	5.43%		1,175,000	5.43%	20,467,375	2028	5.43%	20,467,375	0.00%	0
2029	439,340,207	21,967,010	890,000	4.05%		890,000	4.05%	21,077,010	2029	4.05%	21,077,010	0.00%	0
2030	445,930,310	22,296,516	600,000	2.69%		600,000	2.69%	21,696,516	2030	2.69%	21,696,516	0.00%	0
2031	452,619,265	22,630,963	295,000	1.30%		295,000	1.30%	22,335,963	2031	1.30%	22,335,963	0.00%	0
2032	459,408,554	22,970,428	150,000	0.65%		150,000	0.65%	22,820,428	2032	0.65%	22,820,428	0.00%	0
2033	466,299,682	23,314,984	0	0.00%		0	0.00%	23,314,984	2033	0.00%	23,314,984	0.00%	0
2034	473,294,177	23,664,709	0	0.00%		0	0.00%	23,664,709	2034	0.00%	23,664,709	0.00%	0
2035	480,393,590	24,019,679	0	0.00%		0	0.00%	24,019,679	2035	0.00%	24,019,679	0.00%	0

NOTES:

¹ Value shown for 2014 & 2015 are actual EV's, 2017 assumes a 0% increase and 2018 and on a 1.5% increase



City of Milton, WI

Actual and Projected G.O. Debt Capacity Utilization
AFTER 2016B Corporate Purpose Bonds



NO GROWTH

**Previous Capacity,
Prior to Refunding**

DIFFERENCE

YEAR	PROJECTED TID IN EV ¹	DEBT LIMIT @ 5%	EXIST DEBT PRIN OUTS	% OF LIMIT	2016 Corporate Purpose Bonds	PROJ DEBT PRIN OUTS	% OF LIMIT	RESIDUAL CAPACITY	YEAR
2016	362,028,200	18,101,410	5,975,000	33.01%	7,640,000	13,615,000	75.22%	4,486,410	2016
2017	362,028,200	18,101,410	5,125,000	28.31%	7,415,000	12,540,000	69.28%	5,561,410	2017
2018	362,028,200	18,101,410	3,435,000	18.98%	6,910,000	10,345,000	57.15%	7,756,410	2018
2019	362,028,200	18,101,410	3,245,000	17.93%	6,110,000	9,355,000	51.68%	8,746,410	2019
2020	362,028,200	18,101,410	3,045,000	16.82%	5,285,000	8,330,000	46.02%	9,771,410	2020
2021	362,028,200	18,101,410	2,840,000	15.69%	4,440,000	7,280,000	40.22%	10,821,410	2021
2022	362,028,200	18,101,410	2,630,000	14.53%	3,585,000	6,215,000	34.33%	11,886,410	2022
2023	362,028,200	18,101,410	2,410,000	13.31%	2,735,000	5,145,000	28.42%	12,956,410	2023
2024	362,028,200	18,101,410	2,185,000	12.07%	1,865,000	4,050,000	22.37%	14,051,410	2024
2025	362,028,200	18,101,410	1,950,000	10.77%	995,000	2,945,000	16.27%	15,156,410	2025
2026	362,028,200	18,101,410	1,705,000	9.42%	245,000	1,950,000	10.77%	16,151,410	2026
2027	362,028,200	18,101,410	1,445,000	7.98%		1,445,000	7.98%	16,656,410	2027
2028	362,028,200	18,101,410	1,175,000	6.49%		1,175,000	6.49%	16,926,410	2028
2029	362,028,200	18,101,410	890,000	4.92%		890,000	4.92%	17,211,410	2029
2030	362,028,200	18,101,410	600,000	3.31%		600,000	3.31%	17,501,410	2030
2031	362,028,200	18,101,410	295,000	1.63%		295,000	1.63%	17,806,410	2031
2032	362,028,200	18,101,410	150,000	0.83%		150,000	0.83%	17,951,410	2032
2033	362,028,200	18,101,410	0	0.00%		0	0.00%	18,101,410	2033
2034	362,028,200	18,101,410	0	0.00%		0	0.00%	18,101,410	2034
2035	362,028,200	18,101,410	0	0.00%		0	0.00%	18,101,410	2035

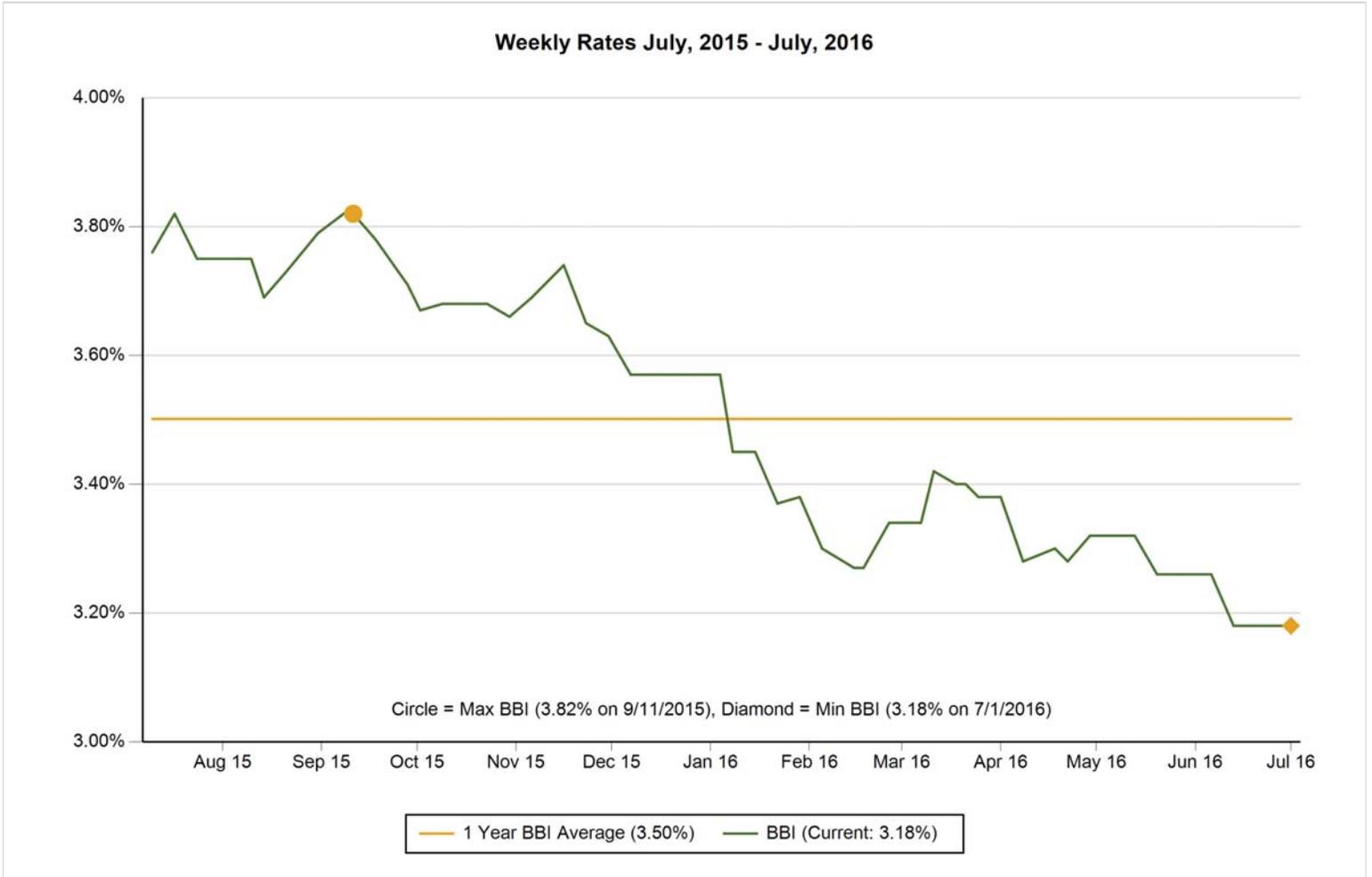
% OF LIMIT	RESIDUAL CAPACITY
71.32%	5,191,410
65.96%	6,161,410
60.46%	7,156,410
54.91%	8,161,410
49.06%	9,221,410
43.04%	10,311,410
37.04%	11,396,410
30.72%	12,541,410
24.28%	13,706,410
17.48%	14,936,410
11.30%	16,056,410
7.98%	16,656,410
6.49%	16,926,410
4.92%	17,211,410
3.31%	17,501,410
1.63%	17,806,410
0.83%	17,951,410
0.00%	18,101,410
0.00%	18,101,410
0.00%	18,101,410

% OF LIMIT	RESIDUAL CAPACITY
3.89%	(705,000)
3.31%	(600,000)
-3.31%	600,000
-3.23%	585,000
-3.04%	550,000
-2.82%	510,000
-2.71%	490,000
-2.29%	415,000
-1.91%	345,000
-1.22%	220,000
-0.52%	95,000
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0

NOTES:

¹Value shown for 2014 & 2015 are actual EV's, 2017 assumes a 0% increase and 2018 and on a 1.5% increase

1 YEAR TREND IN MUNICIPAL BOND INDICES



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer





Office of the City Finance Director/Treasurer

To: Mayor Welch, Common Council Members
From: Dan Nelson, City Finance Director/Treasurer
Date: July 19, 2016
Subject: Discussion and Possible Action Regarding an Engagement letter with Quarles & Brady for the issuance of 2016B General Obligation Corporate Purpose Bonds

Background

In order to publically issue the 2016B General Obligation Corporate Purpose Bonds, an attorney opinion is required. The City has engaged with Quarles and Brady (Quarles) to assist with these services in the past. Quarles will serve as the City's bond and disclosure counsel to help with the sale of the bonds.

The estimated savings amounts previously discussed during the 2016B General Obligation Corporate Purpose Bonds, account for the fees stated in the contract. Quarles' fees will be disbursed to them at the time the bonds are issued (September 2016).

Recommendation

Staff is recommending the approval of the contract with Quarles and Brady to serve as the City of Milton's bond and disclosure counsel to assist with the sale of the 2016B General Obligation Corporate Purpose Bonds in an amount not to exceed \$27,665.



411 East Wisconsin Avenue
Suite 2350
Milwaukee, Wisconsin 53202-4426
414.277.5000
Fax 414.271.3552
www.quarles.com

Attorneys at Law in
Chicago
Indianapolis
Madison
Milwaukee
Naples
Phoenix
Scottsdale
Tampa
Tucson
Washington, D.C.

July 6, 2016

VIA EMAIL

Mr. Daniel Nelson
Finance Director/Treasurer
City of Milton
710 South Janesville Street
Milton, WI 53563

Scope of Engagement Re: Proposed Issuance of \$7,635,000 City of Milton (the "City") General Obligation Corporate Purpose Bonds, Series 2016B

Dear Mr. Nelson:

We are pleased to be working with you again as the City's bond counsel and disclosure counsel in connection with the issuance of the above-referenced Bonds (the "Securities") by the City. Thank you for your confidence in us.

The purpose of this letter is to set forth the role we propose to serve and responsibilities we propose to assume as bond counsel and disclosure counsel to the City. If you have any questions about this letter or the services we will provide, or if you would like to discuss modifications, please contact me.

Role of Bond Counsel

Our bond counsel engagement is a limited, special counsel engagement. Bond counsel is engaged as a recognized independent expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of municipal obligations. If you desire additional information about the role of bond counsel, we would be happy to provide you with a copy of a brochure prepared by the National Association of Bond Lawyers.

As bond counsel we will: examine applicable law; prepare authorizing and closing documents; consult with the parties to the transaction, including the City's financial advisor or underwriter or placement agent, prior to the issuance of the Securities; review certified proceedings; and undertake such additional duties as we deem necessary to render the opinion. As bond counsel, we do not advocate the interests of the City or any other party to the transaction. We assume that the parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

Mr. Daniel Nelson
July 6, 2016
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Subject to the completion of proceedings to our satisfaction, we will render our bond counsel opinion that:

- 1) the Securities are valid and binding general obligations of the City;
- 2) all taxable property in the territory of the City is subject to ad valorem taxation without limitation as to rate or amount to pay the Securities; and
- 3) the interest paid on the Securities will be excludable from gross income for federal income tax purposes (subject to certain limitations which may be expressed in the opinion).

The bond counsel opinion will be executed and delivered by us in written form on the date the Securities are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. In rendering the bond counsel opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

A form of our bond counsel opinion and a form of a Continuing Disclosure Certificate (which we may prepare) may be included in the Official Statement or other disclosure document for the Securities.

Role of Disclosure Counsel

Our disclosure counsel engagement is similarly a limited, special counsel engagement. As disclosure counsel, we will review the disclosure document prepared in connection with the sale of the Securities, namely the Official Statement, Private Placement Memorandum, or similar documents (the "City's Offering Document"). It is the City's responsibility to verify the information contained in the materials provided to us or confirmed for us by the City. We will not undertake an independent investigation to verify the accuracy or completeness of this information, beyond reviewing the materials provided to us or confirmed for us by the City. Nor will we render any opinion or make any representation as to the suitability of the Securities for investment by any investor.

In our capacity as the City's disclosure counsel, we will review the City's Offering Document and undertake due diligence with respect to the material representations therein so that we may provide the negative assurance letter described in the following paragraph. Our due diligence will consist of reviewing materials provided to us or confirmed for us by the City; reviewing the City's responses to questions posed in a due diligence questionnaire; assisting the City in its review of its continuing disclosure compliance in the last five years (although the City is ultimately responsible for this review and such compliance); and discussing the City's Offering Document with the City and Ehlers & Associates, Inc. ("Ehlers"). We may also maintain the

Mr. Daniel Nelson
July 6, 2016
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materials provided to us or confirmed for us by the City in our files, and we expect to share certain of those materials with Ehlers, for Ehlers' files.

Subject to satisfactory completion of our due diligence, we will provide the City with a negative assurance letter that:

based on our review of the City's Offering Document, our examination of certain materials provided by the City and its representatives, and our participation in conferences and conversations with the City and its representatives, nothing has come to our attention that has caused us to believe that the City's Offering Document (other than financial statements and other financial and statistical information, economic forecasts, and assumptions; information about bond insurers or information regarding The Depository Trust Company, about which we express no belief) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

We expect to provide Ehlers with a separate letter allowing it to rely on the above-described negative assurance letter.

If requested, we will also prepare or review other documents to facilitate sale of the Securities, including a bond purchase agreement.

Please note that our negative assurance letter is not a guarantee; although we expect our above-described due diligence review to assist the City in identifying, confirming and presenting potentially material information, neither our participation in the financing nor our provision of the above-described negative assurance letter will relieve the City of its obligations under the federal securities laws. As noted above, ultimate responsibility for disclosing to potential purchasers of the Securities all City information material to their investment decision rests with the City.

Limitations on Scope of Engagement; No Financial Advice; Conclusion of Representation

All matters and responsibilities other than those expressly set forth above are outside the scope of our engagement as the City's bond counsel and disclosure counsel. These include, without limitation, any obligation to any underwriter, placement agent or financial advisor involved with the issuance of the Securities, other than providing a reliance letter as described above, if applicable. In particular we wish to note that this engagement does not entail any responsibility for us to review matters or provide advice to any party with respect to such matters as the rules promulgated by the Municipal Securities Rulemaking Board ("MSRB"), "blue sky"

Mr. Daniel Nelson
July 6, 2016
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securities law matters, or other general securities law matters pertaining to any party's status as a broker-dealer or municipal advisor.

Further, we are neither qualified nor engaged to provide financial advice, and hence we will make no representation whatsoever about the suitability of the Securities for purchase by investors, the desirability of the proposed plan of finance, the feasibility of the project(s) financed or refinanced by the Securities, or any such related matters.

Our responsibilities as bond counsel and disclosure counsel will be concluded with respect to this financing upon the delivery of our bond counsel opinion and negative assurance letter, respectively. Please note that, unless separately engaged, we will not provide any advice to the City on post-closing matters including, without limitation, (i) actions necessary to ensure that interest paid on the Securities will continue to be excluded from gross income for federal income tax purposes, (ii) regulatory surveys or audits of the Securities, (iii) actions necessary to comply with the continuing disclosure requirements applicable to the Securities.

Diversity of Practice; Consent to Unrelated Engagements

Because of the diversity of practice of our firm, members of our firm other than those who serve you may be asked to represent other clients who have dealings with the City regarding such matters as zoning, licensing, land division, real estate, property tax or other matters which are unrelated to our bond counsel and disclosure counsel work. Ethical requirements sometimes dictate that we obtain the City's consent to such situations even though our service to the City is limited to the specialized area of bond counsel and disclosure counsel. We do not represent the City in legal matters regularly, although we may be called upon for special representation occasionally, and our bond counsel and disclosure counsel work does not usually provide us information that will be disadvantageous to the City in other representations. We do not believe that such representations of others would adversely affect our relationship with the City, and we have found that local governments generally are agreeable to the type of unrelated representation described above. We would like to have an understanding with you that the City consents to our firm undertaking representations of this type. Your approval of this letter will serve to confirm that the City has no objection to our representation of other clients who have dealings with the City, unrelated to the borrowing and finance area or any other area in which we have agreed to serve it. If you have any questions or would like to discuss this consent further, please call us.

We also want to advise you that from time to time we represent underwriters and purchasers of municipal obligations, as well as other bond market participants. In past transactions or matters that are not related to the issuance of the Securities and our role as bond counsel, we may have served as counsel to the financial institution that has or will underwrite, purchase or place the Securities or that is serving as the City's financial advisor. We may also be asked to represent financial institutions and other market participants, including the underwriter, purchaser or placement agent of the Securities or the City's financial advisor, in future

Mr. Daniel Nelson
July 6, 2016
Page 5

transactions or matters that are not related to the issuance of the Securities or our role as bond counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee would be \$27,665 (\$17,965 for our services as bond counsel and \$9,700 for our services as disclosure counsel). Such fee and expenses may vary: (i) if the principal amount of Securities actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. Our fees and expenses may increase if the Securities are insured by a municipal bond insurance company, as municipal bond insurance companies require additional opinions and documents. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that the City is responsible for our fee and that it will be paid out of proceeds of the Securities at Closing.

If, for any reason, the financing is not consummated or is completed without the rendition of our bond counsel opinion or negative assurance letter, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses. Our fee is usually paid either at the Closing out of proceeds of the Securities or pursuant to a statement rendered shortly thereafter. We customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

Terms of Engagement

Either the City or Quarles & Brady may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. If the City terminates our services, the City is responsible for promptly paying us for all fees, charges, and expenses incurred before the date we receive termination. We reserve the right to withdraw from representing the City if, among other things, the City fails to honor the terms of this engagement letter – including the City's failing to pay our bills, the City's failing to cooperate or follow our advice on a material matter, or our becoming aware of any fact or circumstance that would, in our view, render our continuing representation unlawful or unethical.

Unless previously terminated, our representation will terminate when we send to City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment of any outstanding bills. We may retain copies of the documents. We will keep our own files,

Mr. Daniel Nelson
July 6, 2016
Page 6

including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

City Responsibilities

We will provide legal counsel and assistance to the City in accordance with this letter and will rely upon information and guidance the City and its personnel provide to us. We will keep the City reasonably informed of progress and developments, and respond to the City's inquiries. To enable us to provide the services set forth in this letter, the City will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. The officers and agents of the City will review the City's Offering Document, participate in a due diligence conference to review the City's Offering Document and provide a certificate as to the accuracy and completeness of the City's Offering Document stating that it does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading. The City agrees to pay our bills for services and expenses in accordance with this engagement letter. The City will also cooperate fully with us and be available to attend meetings, conferences, hearings and other proceedings on reasonable notice, and stay fully informed on all developments relating to this matter.

Limited Liability Partnership

Our firm is a limited liability partnership ("LLP"). Because we are an LLP, no partner of the firm has personal liability for any debts or liabilities of the firm except as otherwise required by law, and except that each partner can be personally liable for his or her own malpractice and for the malpractice of persons acting under his or her actual supervision and control. As an LLP we are required by our code of professional conduct to carry at least \$10,000,000 of malpractice insurance; currently, we carry coverage with limits substantially in excess of that amount. Please call me if you have any questions about our status as a limited liability partnership.

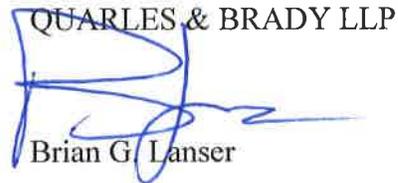
Conclusion and Request for Signed Copy

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter dated and signed by an appropriate officer, retaining the original for your files. If we do not hear from you within thirty (30) days, we will assume that these terms are acceptable to you, but we would prefer to receive a signed copy of this letter from you.

Mr. Daniel Nelson
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If you have any questions, please do not hesitate to contact me or my colleague Jeff Peelen at (414) 277-5773 at any time. We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP

Brian G. Lanser

BGL:JKENT
DC #660129.00026
BC #660129.00025

cc: Mr. Al Hulick (via email)
Ms. Maureen Schiel (via email)
Mr. Todd Taves (via email)
Ms. Sue Porter (via email)
Ms. Kathy Myers (via email)
Ms. Bridgette Keating (via email)
Mr. Jacob Lichter (via email)
Mr. Jeff Peelen (via email)
Mr. Alex Gore (via email)
Ms. Jessica Kent (via email)
Ms. Peggy Hintz (via email)

Accepted and Approved:

CITY OF MILTON

By: _____

Its: _____
Title

Date: _____

**ORDINANCE # 417
AN ORDINANCE CREATING CHAPTER 2,
ARTICLE 1, DIVISION 1, SECTIONS 2-1 THROUGH 2-12
OF THE CODE OF ORDINANCES OF THE CITY OF MILTON
ESTABLISHING A CODE OF ETHICS**

WHEREAS, the Common Council of the City of Milton is committed to a properly operating democratic government responsible to the people of the City of Milton and to the ethical conduct of all city officials and employees; and

WHEREAS, the Common Council of the City of Milton, having determined that it is appropriate to enact a Code of Ethics to provide standards for ethical conduct on the part of its officials and employees as well as to provide a mechanism for enforcement of those ethical standards.

NOW, THEREFORE, the Common Council of the City of Milton do ordain as follows:

Section I: Chapter 2, Article I., Division 1 of the Code of Ordinances of the City of Milton is hereby created to read as follows:

Division 1. CODE OF ETHICS

Sec. 2-1. DECLARATION OF POLICY. The proper operation of democratic government requires that public officials and employees be independent, impartial, and responsible to the people; that governmental decisions and policy be made in proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. To assist in attaining these goals, there is established a code of ethics for all City officials, including members of boards, committees, and commissions, and employees, whether elected or appointed, paid or unpaid. The purpose of this code is to establish guidelines for ethical standards of conduct for all such officials and employees by setting forth those acts or actions which are incompatible with the best interests of the City and by requiring such officials and employees to disclose personal interests, financial or otherwise, in matters affecting the City. The purpose of this code and the rules and regulations established hereby are declared to be in the public interest.

Sec. 2-2. DEFINITIONS. The following definitions apply to this division:

- a. Financial Interest. Any interest, which yields directly a monetary or other material benefit to the officer or employee or to any person employing or retaining the services of the officer or employee.
- b. Persons. Any person, corporation, partnership, or joint venture.

- c. Official duty or act. One done by an officer in his or her official capacity under color and by virtue of his or her office. An authorized act.
- d. Violation. Violation includes any unlawful behavior by a public officer in relation to the duties of his or her office, willful in its character, including any willful or corrupt failure, refusal, or neglect of an officer to perform any duty enjoined by law on him or her.
- e. City. The City of Milton.
- f. Common Council. Common Council of the City of Milton.

Sec. 2-3 RESPONSIBILITY OF PUBLIC OFFICE. Public officials and employees hold office for the benefit of the public. They are bound to uphold the Constitution of the United States and the Constitution of this state; to observe the highest standards of law in the exercise of the powers and duties of their office; to impartially carry out the laws of the nation, state, and city; to discharge faithfully the duties of their office regardless of personal considerations; and to recognize that the public interest must be their prime concern.

Sec. 2-4 DEDICATED SERVICE. Appointive officials and employees shall adhere to the rules of work and performance standards established for their positions. Officials and employees shall not exceed their authority or breach the law or ask others to do so. They shall cooperate with public officials and employees from other governmental bodies, agencies, and jurisdictions unless prohibited from doing so by law.

Sec. 2-5 FAIR AND EQUAL TREATMENT. No official or employee shall use or permit the use of city- owned vehicles, equipment, materials, or property unless authorized to do so. All officials and employees are obligated to give the same consideration to matters and persons in like or similar circumstances and may not arbitrarily or capriciously treat one person differently from another.

Sec. 2-6 CONFLICT OF INTEREST.

(a) Financial and Personal Interest Prohibited. No official or employee, whether paid or unpaid, shall engage in any business or transaction or shall act in regard to any direct financial interest which is incompatible with the proper discharge of his or her official duties in the public interest contrary to the provisions of this section or which tends to impair his or her independence of judgment or action in the performance of his or her official duties.

(b) Specific Conflicts Identified.

1. Incompatible Employment. No official or employee shall engage in or accept private employment or render service, for private interest, when

such employment or service conflicts with the proper **discharge** of his or her official duties or would tend to impair such official's or employee's independence of judgment or action in the performance of such duties, unless otherwise permitted by law and unless disclosure is made as herein provided.

2. Disclosure of Confidential Information. No official or employee shall, without proper legal authorization, disclose confidential information concerning the property, government, or affairs of the City, including information obtained in a closed session meeting, nor shall such official or employee use such information to advance the financial or other private interest of such official or employee or others.
3. Gifts and Favors. Discretion and the judgment of a reasonable, prudent person shall be exercised in the acceptance of giving of gifts which may tend to influence such official or employee in the discharge of his or her duties, or grant in the discharge of his or her duties any improper favor, service, or thing of value, except campaign contributions under sec. 2-8.
4. No public official, subject to this code, shall solicit private donations or funds for any City-related purpose unless authorized to do so in his or her official capacity under color of law or by virtue of his or her office. Any public official who receives funds for any City-related purpose shall file a report of the receipt and expenditure of such funds with the City Clerk within 30 days thereof. For purposes of this subsection, "City-related purposes" shall mean those purposes authorized by the Common Council of the City of Milton, its boards, commissions, or committees. Nothing contained herein shall limit the statutory powers and authority of any public official, nor shall the provisions of this subsection prohibit the private, confidential solicitation of funds, by any person or public official, for any charitable, campaign, or other private purpose.
5. No Common Council member, during his/her term of office, or one year thereafter, is eligible for any employment with the City of Milton, whether by regular employment or contractual services. Exceptions to this policy will be as follows:
 - a. Where a Common Council member is appointed to fill a vacancy for another elected office or is elected;
 - b. Where a Common Council member serves as a poll worker or at any other position which has a stipend of less than \$1,000 a year; or
 - c. Where a Common Council member is appointed to a post with an 80% majority consent of the Council.

- d. Contracts with the City. No City official or employee, who in his or her capacity as such official or employee participates in the making of a contract in which such person has a private pecuniary interest, direct or indirect, or performs in regard to that contract some function requiring the exercise of discretion on the part of such official or employee, shall enter into any contract with the City unless, within the limitations of Sec. 946.13, Wis. Stats., the contract is awarded through a process of public notice and competitive bidding.
 - e. Disclosure of Interest in Legislation. To the extent known, any member of the Common Council who has a financial interest in any proposed legislation before the Common Council shall disclose on the records of the Common Council the nature and extent of such interest.
 - f. Any other official or employee who has a financial interest in any proposed legislative action of the Common Council and who participates in discussion with or gives an official opinion or recommendation to the Common Council shall disclose on the records of the Common Council the nature and extent of such interest.
- (c) Violation of State Ethics Code. No City official or employee shall engage in any activity in violation of the provisions of Sec. 19.59(1), Wis. Stats., which are incorporated by reference.

Sec. 2-7 DISCLOSURE OF CERTAIN FINANCIAL INTEREST.

- (a) A person elected, appointed, or hired for any office or position of employment or appointed to any board, commission, or authority set forth below shall file initial and amended statements of economic interest as required by the provisions of this section.

ELECTED OFFICIALS

Mayor
Municipal Judge
Common Council Members

APPOINTED OFFICIALS

City Attorney
City Clerk / Deputy Treasurer
Finance Director
Director of Public Works
Police Chief

BOARDS

Board of Review
Ethics Board
Zoning and Planning Board of Appeals

COMMISSIONS
Police Commission
Fire Commission

AUTHORITIES
Community Development Authority

- (b) Within seven days after such person becomes a candidate for any elective City office enumerated in sub. (a) above, or prior to appointment to such office enumerated in sub. (a) above, such person shall file a statement of economic interest with the City Clerk.
- (c) Form of Statement.
1. Interest in Land. A person filing any statement of economic interest under this section shall file the statement on a form prescribed by the Ethics Board and shall supply the following information to the Board: a description of all parcels of real estate within the City and adjoining towns or villages in which the person owns any interest, including an option to purchase, if such property is to be considered for rezoning or purchase by any entity of government, but exempting homestead property.
 2. Corporate Interests. All candidates for a political office of the City and all appointive positions enumerated in sub. (a) above shall identify all corporate interests in any business organization, either as an owner, part owner, partner, or silent partner, in which such individual owns more than 2 percent of the outstanding stock or more than 2 percent of any other business ownership that is doing business with the City in an amount in excess of \$5,000.00 annually.
- (d) Amended Statements. Any person required to file a statement hereunder shall not be required to file an amended statement unless that person undergoes a change in those economic interests that are required to be disclosed by this section. Such person shall file the amended statement in the manner prescribed by sub. (b) above within seven days of the date of any change in circumstances requiring filing thereof.
- (e) Elected and appointed officials and employees shall comply with the provisions of this section within 30 days after the requirements hereof are imposed upon such office or position.

Sec. 2-8 CAMPAIGN CONTRIBUTIONS. Campaign contributions shall be reported by all candidates for City office in conformity with the Wisconsin Statutes.

Sec. 2-9 ETHICS BOARD.

- (a) There shall be an Ethics Board which shall consist of five members: one **alderperson**; one City officer or employee; and four citizens, one of whom shall be an alternate who shall vote only in the absence or abstention of a member. Each member shall be appointed by the Mayor and subject to confirmation by the Common Council. The citizen members shall be chosen from the private sector and shall not be affiliated with City government in any capacity, including, but not limited to, employment (including employment for which the salary is in any way funded by or through the City), appointment, or election. The term of office of citizens shall be three years, one appointment to be made annually beginning after the third year of the origin of the Ethics Board. Maximum number of years for any citizen serving on the Ethics Board will be up to six years. The term of office of the alderperson and City officer or employee shall be one year each. Ethics Board shall elect its own chairman and vice chairman and the City Attorney shall furnish the Board whatever legal assistance it deems is necessary to carry out its functions. If any member of the Ethics Board petitions the Board for a hearing and advice regarding his or her own conduct, such member shall not be eligible to sit in his or her own case, and the alternate shall substitute therefor when the need arises.
- (b) The jurisdiction of the Ethics Board is limited to acting within the scope of subs. (d) and Sec.2-10 of this code.
- (c) The Ethics Board may recommend amendments of this code to the Common Council.
- (d) Upon the sworn complaint of any person alleging facts, which, if true, would constitute a violation of this section, the Board shall conduct a "due process" public hearing unless a private hearing is requested by the person accused and, in written findings of fact and conclusions based thereon, make a determination concerning the complaint. If the Ethics Board finds there is probable cause a person has violated a provision of this section, it shall refer the matter to the City Attorney, District Attorney, or Common Council for appropriate action. In making such referral, the Ethics Board shall attach the findings and conclusions as well as such documents as it decides are germane to the issue; the statement of determination shall not be admissible as evidence in any court.
- (e) Prior to the Ethics Board being convened and conducting a public hearing as provided for in paragraph (d) above, the written complaint of the person alleging facts which constitute a violation shall be reviewed by the City Administrator, Chief of Police, and City Attorney to ensure that the complaint alleges facts which, if true, would constitute a violation or improper conduct under the provisions of this document or state statute. If the City Administrator, Chief of Police, and City Attorney determine that sufficient facts have been alleged, the complaint will be sent to the Ethics Board. If the City Administrator, Chief of Police, and City Attorney determine that the complaint does not allege sufficient facts, the City Administrator confer with the complaining party and request the complaining party to either supplement the complaint with additional facts or

inform the complaining party that the complaint will not be presented to the Ethics Board for consideration.

(f) A majority vote of the entire membership of the Ethics Board shall be required to make a finding of probable cause.

2-10 APPLICABILITY OF CODE. When an official or employee has doubt as to the applicability of a provision of this code, such person may apply in writing to the Ethics Board for an advisory opinion. The official or employee shall have the opportunity to present his or her interpretation of the facts at issue and of the applicability of the code before such advisory decision is made. This code shall apply except when superseded by an applicable statutory provision and statutory action is mandatory, or when the application of a statutory provision is discretionary but determined by the Ethics Board to be more appropriate or desirable.

2-11 PENALTY AND SANCTIONS. Violation of any provision of this section may constitute cause for suspension, removal from office or employment or forfeiture as provided in Sec. 1-14.

2-12 SEVERABILITY. If any provision of this division is held invalid or unconstitutional, or if the application of this division to any person or circumstance is held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or applications of this division which can be given without the invalid or unconstitutional provision or application.

Section II. This Ordinance shall take effect and be in force from and after its passage and publication.

Approved by the Common Council of the City of Milton this 2nd day of February, 2016.

By:

Anissa Welch, Mayor

Attest:

Elena Hilby, City Clerk

1st Reading: 02/02/2016
2nd Reading: Waived
3rd Reading: Waived
Date Adopted: 02/02/2016

Date Published: 02/11/2016
Effective Date: 02/12/2016

Effect of Ordinance: Creates a Code of Ethics for officials and employees of the City of Milton.