



**CITY OF PRESCOTT, WISCONSIN  
MEETING NOTICE  
SPECIAL CITY COUNCIL MEETING  
WEDNESDAY, MARCH 1, 2023, AT 5:00 P.M.  
800 BORNER STREET  
PRESCOTT, WI 54021**

**AGENDA**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. NEW BUSINESS**
  - a. Resolution 17-23 Amending and Restating Resolution 09-23 Providing for the Issuance, Sale and Delivery of \$4,670,000 General Obligation Street Improvement Bonds, Series 2023A, of the City of Prescott, Wisconsin; Establishing the Terms and Conditions Therefor; Directing Their Execution and Delivery; Creating a Debt Service Account Therefor; and Awarding the Sale Thereof
- 4. CLOSED SESSION**
  - a. None
- 5. OTHER BUSINESS**
  - a. March 13, 2023, City Council Meeting Attendance
- 6. ADJOURNMENT**

**NOTICE**

**ACCESS TO THE MUNICIPAL BUILDING FOR THE DISABLED IS AVAILABLE THROUGH THE REAR PARKING LOT ENTRANCE. ALL THOSE WITH SPECIAL NEEDS SHOULD CALL CITY HALL OFFICES (715-262-5544) IF ASSISTANCE IS NEEDED**



**To:** Mayor and City Council  
**From:** Matt Wolf, City Administrator  
**Date:** February 28, 2023  
**Subject:** Resolution 17-23

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## **Discussion**

During the process of preparing the closing documents for Bond 2023A, which is the issuance for the funds for reconstruction of Locust Street and Elm/Washington Street, a clerical error was discovered regarding the call date. All bidders submitted bids based on the call date of August 1, 2032 rather than the City's intended call date of August 1, 2031. In order to not go back out for bids, with the risk of receiving a higher interest rate, the City needs to amend the resolution to conform with the purchaser's bid.

Ehlers Financial will be at the meeting to discuss in more detail the changes to the bond resolution and discuss the impact of the change to the bond versus going back out for bid.

## **Recommendation**

Consider Approval of Resolution 17-23 Amending and Restating Resolution 09-23 Providing for the Issuance, Sale and Delivery of \$4,670,000 General Obligation Street Improvement Bonds, Series 2023A, of the City of Prescott, Wisconsin; Establishing the Terms and Conditions Therefor; Directing Their Execution and Delivery; Creating a Debt Service Account Therefor; and Awarding the Sale Thereof

## **Attachment**

Resolution 17-23

**RESOLUTION NO. 17-23**

**RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 09-23 PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$4,670,000 GENERAL OBLIGATION STREET IMPROVEMENT BONDS, SERIES 2023A, OF THE CITY OF PRESCOTT, WISCONSIN; ESTABLISHING THE TERMS AND CONDITIONS THEREFOR; DIRECTING THEIR EXECUTION AND DELIVERY; CREATING A DEBT SERVICE ACCOUNT THEREFOR; AND AWARDING THE SALE THEREOF**

WHEREAS, the Common Council adopted Resolution No. 09-23 (the “Bond Resolution”) which provided for the issuance and sale of \$4,670,000 General Obligation Street Improvement Bonds, Series 2023A of the City; and

WHEREAS, due to a clerical error, the offering materials for such Bonds contained an error in the first date on which the Bonds are callable; and

WHEREAS, all bidders submitted bids with the first call date of August 1, 2032 rather than the City’s intended first call date of August 1, 2031; and

WHEREAS, the Bond Resolution provided for a first call date of August 1, 2031; and

WHEREAS, the purchase price for the Bonds and the uses of sale proceeds need to be modified due to such error; and

WHEREAS, the Bond Resolution as hereinafter set forth is intended to amend and restate the Bond Resolution to be in conformity with the purchaser’s bid; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Prescott, Pierce County, Wisconsin (the “City”) that the Bond Resolution be amended and restated in its entirety as follows:

Section 1. Bond Purpose, Authorization, and Award.

1.01 Under and pursuant to the provisions of Wisconsin Statutes, Chapter 67 (the “Act”), the Common Council of the City has adopted the following initial resolution, in accordance with Section 67.05 of the Act, which authorizes the City to borrow funds and issue general obligation bonds of the City in the amounts and for the public purposes set forth below:

A. Resolution No. 43-22, adopted December 12, 2022, authorizing borrowing in an amount of not to exceed \$4,730,000 for the City’s 2023-2024 street improvement program for various streets throughout the City, including but not limited to, Locust Street and Elm Street and related water system, sewer system and storm water system improvements (the “Project”); and

1.02 The Common Council hereby determines to borrow \$4,670,000 for the Project and costs of issuance and that it is necessary and desirable that the City issue its \$4,670,000 General Obligation Street Improvement Bonds, Series 2023A (the “Bonds”), to finance the Project described in Initial Resolution No. 43-22.

1.03 The initial resolution was adopted on December 12, 2022. The 30-day referendum period ended on January 12, 2023. No petition has been filed with the Clerk requesting a referendum on such initial resolution or that the Bonds not be issued.

1.04 Notice of the public sale of the Bonds has been provided in the Bond Buyer prior to the date hereof, which notice of sale is hereby ratified and confirmed.

1.05 The City has duly received bids for the Bonds, including the bid of TD Securities (USA) LLC of New York, New York (the “Purchaser”), to purchase the Bonds at a cash price of \$4,844,071.95, plus accrued interest on the total principal amount from March 6, 2023, to the date of delivery of the Bonds and upon condition that the Bonds mature and bear interest at the times and annual rates set forth in Section 2. The City, after due consideration, finds such bid reasonable and proper and the best bid, and the bid of the Purchaser is hereby accepted. The Mayor and the Clerk are authorized and directed to execute on the part of the City a contract for the sale of the Bonds in accordance with the Purchaser’s bid. All actions of the Mayor, the Clerk, and Ehlers & Associates, Inc., independent municipal advisor to the City, taken with regard to the sale of the Bonds are hereby ratified and approved.

Section 2. Terms and Form of the Bonds.

2.01 The Bonds to be issued hereunder shall be dated March 6, 2023, as the date of original issue, shall be issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward. The Bonds shall bear interest at the annual rates indicated below and shall mature on the following dates and in the following amounts:

| <b>Maturity Date</b> | <b>Amount</b> | <b>Interest Rate</b> |
|----------------------|---------------|----------------------|
| August 1, 2024       | \$200,000     | 5.00%                |
| August 1, 2025       | \$275,000     | 5.00%                |
| August 1, 2026       | \$255,000     | 5.00%                |
| August 1, 2027       | \$175,000     | 5.00%                |
| August 1, 2028       | \$180,000     | 5.00%                |
| August 1, 2029       | \$180,000     | 4.00%                |
| August 1, 2030       | \$190,000     | 4.00%                |
| August 1, 2031       | \$200,000     | 4.00%                |
| August 1, 2032       | \$195,000     | 4.00%                |
| August 1, 2033       | \$205,000     | 4.00%                |
| August 1, 2034       | \$215,000     | 4.00%                |
| August 1, 2035       | \$225,000     | 4.00%                |
| August 1, 2036       | \$235,000     | 4.00%                |
| August 1, 2037       | \$245,000     | 4.00%                |

| <b>Maturity Date</b> | <b>Amount</b> | <b>Interest Rate</b> |
|----------------------|---------------|----------------------|
| August 1, 2038       | \$255,000     | 4.00%                |
| August 1, 2039       | \$265,000     | 4.00%                |
| August 1, 2040       | \$275,000     | 4.00%                |
| August 1, 2041       | \$290,000     | 4.00%                |
| August 1, 2042       | \$290,000     | 4.00%                |
| February 1, 2043     | \$320,000     | 4.00%                |

2.02 The Bonds maturing in the years 2024 through 2032 shall not be subject to redemption and prepayment before maturity but those maturing in the year 2033 and in subsequent years shall be subject to redemption and prepayment at the option of the City on August 1, 2032, and on any day thereafter, in whole or in part, and if in part, at the option of the City and in such manner as the City shall determine. If less than all the Bonds of a maturity are called for redemption, the City, through the Fiscal Agent, will notify The Depository Trust Company, Jersey City, New Jersey (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. No more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed, at the address shown on the registration books of the City.

2.03 The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each herein referred to as an “Interest Payment Date”) commencing on February 1, 2024. Interest will 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 Fiscal Agent appointed below shall make all interest payments with respect to the Bonds by check or draft mailed to the registered owners of the Bonds shown on the bond registration records maintained by the Fiscal Agent at the close of business on the 15<sup>th</sup> day (whether or not on a business day) of the month next preceding the Interest Payment Date at such owners’ addresses shown on such bond registration records.

2.04 A. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk. In case any officer whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, as if he or she had remained in office until delivery.

B. The Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Fryberger, Buchanan, Smith & Frederick, P.A., Duluth, Minnesota, which is to be complete, and cause the opinion to be attached to each Bond.

2.05 A. In order to make the Bonds eligible for the services provided by DTC, the City has previously agreed to the applicable provisions set forth in the Blanket Issuer Letter of Representations which has been executed by the City and DTC (the “Representation Letter”).

B. Notwithstanding any provision herein to the contrary, so long as the Bonds shall be in Book-Entry Form, the provisions of this Section 2.03 shall govern.

C. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Fiscal Agent's receipt of funds from the City on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

D. DTC (or its nominees) shall be and remain recorded on the Bond Register as the holder of all Bonds which are in Book-Entry Form. No transfer of any Bond in Book-Entry Form shall be made, except from DTC to another depository (or its nominee) or except to terminate the Book-Entry Form. All Bonds of such stated maturity of any Bonds in Book-Entry Form shall be issued and remain in a single Bond certificate registered in the name of DTC (or its nominee); provided, however, that upon termination of the Book-Entry Form pursuant to the Representation Letter, the City shall, upon delivery of all Bonds of such series from DTC, promptly execute, and the Fiscal Agent shall thereupon authenticate and delivery, Bonds of such series to all persons who were beneficial owners thereof immediately prior to such termination; and the Fiscal Agent shall register such beneficial owners as holders of the applicable Bonds.

The Fiscal Agent shall maintain accurate books and records of the principal balance, if any, of each such outstanding Bond in Book-Entry Form, which shall be conclusive for all purposes whatsoever. Upon the authentication of any new Bond in Book-Entry Form in exchange for a previous Bond, the Fiscal Agent shall designate thereon the principal balance remaining on such Bond according to the Fiscal Agent's books and records.

No beneficial owner (other than DTC) shall be registered as the holder on the Bond Register for any Bond in Book-Entry Form or entitled to receive any bond certificate. The beneficial ownership interest in any Bond in Book-Entry Form shall be recorded, evidenced and transferred solely in accordance with the Book-Entry System.

Except as expressly provided to the contrary herein, the City and the Fiscal Agent may treat and deem DTC to be the absolute owner of all Bonds of each series which are in Book-Entry Form (i) for the purpose of payment of the principal of and interest on such Bond, (ii) for the purpose of giving notices hereunder, and (iii) for all other purposes whatsoever.

E. The City and the Fiscal Agent shall each give notices to DTC of such matters and at such times as are required by the Representation Letter, including the following:

- (i) with respect to notices of redemption; and
- (ii) with respect to any other notice required or permitted under this Bond Resolution to be given to any holder of a Bond.

All notices of any nature required or permitted hereunder to be delivered to a holder of a Bond in Book-Entry Form shall be transmitted to beneficial owners of such Bonds at such times and in such manners as shall be determined by DTC, the participants and indirect participants in accordance with the Book-Entry System and the Representation Letter.

F. All payments of principal, redemption price of and interest on any Bonds in Book-Entry Form shall be paid to DTC (or Cede & Co.) in accordance with the Book-Entry System and the Representation Letter in same day funds by wire transfer.

2.06 The City will enter into a contract with Bond Trust Services Corporation, of Roseville, Minnesota, to serve as its fiscal agent (the "Fiscal Agent") with respect to the Bonds pursuant to Wisconsin Statutes, Section 67.10(2), which contract shall be in substantially the form on file with the Clerk (the "Fiscal Agency Agreement"). The Mayor and Clerk are hereby authorized and directed to enter into the Fiscal Agency Agreement on the City's behalf. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wisconsin Statutes, Section 67.10(2)(a) to (j), where applicable, with respect to the Bonds. No Bond shall be valid or obligatory for any purpose unless or until the Fiscal Agent's Authentication Certificate on such Bond, substantially as set forth in Section 3 hereof, shall have been duly executed by an authorized representative of the Fiscal Agent. Authentication Certificates on different Bonds need not be signed by the same representative. The executed Authentication Certificate on a Bond shall be conclusive evidence that it has been delivered under this Resolution.

2.07 Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. Each Bond shall be dated by the Fiscal Agent as of the date of its execution. The City and the Fiscal Agent shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

2.08 The City and the Fiscal Agent may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and interest on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and neither the City nor the Fiscal Agent shall be affected by notice to the contrary. 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.

2.09 The principal of and interest on the Bonds shall be payable by the Fiscal Agent in such funds as are legal tender for the payment of debts due the United States of America. The City shall pay the reasonable and customary charges of the Fiscal Agent for the disbursement of principal and interest.

2.10 Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the City and the Purchaser. Executed Bonds shall be furnished by the City without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and

executed, shall be delivered by or under the direction of the City Treasurer to the Purchaser thereof upon receipt of the purchase price plus accrued interest.

Section 3. Form of the Bonds.

3.01 The Bonds shall be typewritten or printed in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
COUNTY OF PIERCE  
  
CITY OF PRESCOTT

R-\_\_\_\_\_ \$\_\_\_\_\_

GENERAL OBLIGATION STREET IMPROVEMENT BOND, SERIES 2023A

| <u>Rate</u> | <u>Maturity Date</u> | <u>Date of Original Issue</u> | <u>CUSIP</u> |
|-------------|----------------------|-------------------------------|--------------|
| _____%      | _____ 1, 20__        | March 6, 2023                 |              |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The City of Prescott, Pierce County, Wisconsin (the “City”), for value received, promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and to pay interest on said principal amount to the registered owner hereof from the date of original issue set forth above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an “Interest Payment Date”) commencing on February 1, 2024. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the main office of Bond Trust Services Corporation of Roseville, Minnesota, as fiscal agent (the “Fiscal Agent”), or at the office of such successor fiscal agent as may be designated by the Common Council. The Fiscal Agent shall make all interest payments with respect to this Bond directly to the registered owner hereof shown on the bond registration records maintained on behalf of the City by the Fiscal Agent at the close of business on the 15<sup>th</sup> day of the month next preceding the Interest Payment Date (whether or not a business day) at such owner’s address shown on said bond registration records, without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligation of the City to the extent of the



payments so made. Payment of principal shall be made when due upon presentation and surrender of this Bond to the Fiscal Agent. For the prompt and full payment of such principal and interest as they become due, the full faith and credit and resources of the City are irrevocably pledged.

This Bond is one of a series issued by the City in the aggregate amount of \$4,670,000, all of like date and tenor, except as to number, maturity date, denomination, redemption privilege and interest rate, pursuant to the authority contained in Wisconsin Statutes, Chapter 67, and all other laws thereunto enabling, and pursuant to an authorizing resolution adopted by the governing body of the City on February 13, 2023 and amended and restated on March 1, 2023 (the "Resolution"), for public purposes, including financing street improvements. The Bonds are payable from the 2023A Street Improvement Bonds Debt Service Account in the City's Debt Service Fund and a direct annual ad valorem tax has been levied upon all of the taxable property within the City, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

This Bond has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds maturing in the years 2024 through 2032 shall not be subject to redemption and prepayment before maturity but those maturing in the year 2033 and in subsequent years shall be subject to redemption and prepayment at the option of the City on August 1, 2032, and on any day thereafter, in whole or in part, and if in part at the option of the City and in such manner as the City shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the redemption date. Not more than 60 days and no fewer than 30 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the City shall deliver or cause to be delivered to the registered owner of such Bond a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. Subject to limitations set forth in the Resolution, the City will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, all of like tenor except as to number and principal amount. Subject to limitations set forth in the Resolution, this Bond is transferable by the registered owner hereof upon surrender of this Bond for transfer at the principal corporate office of the Fiscal Agent, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Fiscal Agent and executed by the

registered owner hereof or the owner's attorney duly authorized in writing. Thereupon the City shall execute and the Fiscal Agent shall authenticate and deliver, in exchange for this Bond, one or more new fully registered bonds in the name of the transferee of an authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of Wisconsin to be done and to exist precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done and do exist in form, time and manner as so required; that all taxable property within the limits of the City is subject to the levy of ad valorem taxes to the extent needed to pay the principal hereof and the interest hereon when due, without limitation as to rate or amount and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the above described Resolution until the Fiscal Agent's Authentication Certificate hereon shall have been executed by the Fiscal Agent by one of its authorized representatives.

IN WITNESS WHEREOF, the City of Prescott, Pierce County, Wisconsin, by its governing body, has caused this Bond to be executed in its name by the signatures of the Mayor and the Clerk and its corporate seal or a true facsimile thereof to be impressed or imprinted hereon, all as of the date of original issue specified above.

ATTEST:

(Form - no signature required)  
Clerk

(Form - no signature required)  
Mayor

(SEAL)

Date of Authentication: \_\_\_\_\_

#### FISCAL AGENT'S AUTHENTICATION CERTIFICATE

The Fiscal Agent confirms that the books reflect the ownership of this Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

Bond Trust Services Corporation  
Roseville, Minnesota  
Fiscal Agent

By \_\_\_\_\_  
Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Bond Trust Services Corporation of Roseville, Minnesota. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of Bond Trust Services Corporation in the name of the registered owner last noted below.

| <u>Date</u> | <u>Registered Owner</u>   | <u>Signature of Fiscal Agent</u> |
|-------------|---|----------------------------------|
| 3/___/2023  | Cede & Co.<br>c/o The Depository Trust Company<br>570 Washington Blvd.<br>Jersey City, New Jersey 07310<br>Federal Taxpayer I.D. No.:<br>13-2555119 | _____                            |

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 does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_.

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NOTICE: The signature of this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

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(Bank, Trust Company, member of  
National Securities Exchange)

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

Section 4. Borrowed Money Fund and Debt Service Fund.

4.01 A. Borrowed Money Fund. There is hereby created a separate and special fund designated as the 2023A Bonds Borrowed Money Fund (the “Borrowed Money Fund”), which shall be used solely for purposes of financing the Project described in the initial resolution. Proceeds of the Bonds in the amount of \$4,607,686.00 shall be credited to the Borrowed Money Fund. The monies in said fund may from time to time be invested as provided in Section 66.0603(lm), Wisconsin Statutes. Upon completion of such capital improvements as described in Section 1.01 hereof, and after payment in full of all costs thereof, any balance on hand in the Borrowed Money Fund shall be credited to the Debt Service Account.

B. Debt Service Fund. There is hereby established in the treasury of the City, if it has not already been created, a debt service fund separate and distinct from every other fund (the “Debt Service Fund”), which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the Debt Service Fund. There shall be maintained in the Debt Service Fund a separate account, to be designated the 2023A Street Improvement Bonds Debt Service Account.

C. The 2023A Street Improvement Bonds Debt Service Account. To the 2023A Street Improvement Bonds Debt Service Account (“Debt Service Account”) there is hereby pledged and irrevocably appropriated and there shall be credited: (1) any collections of all taxes levied herein for the payment of the Bonds and interest thereon; (2) all investment earnings on funds in the Debt Service Account; (3) accrued interest, if any, received upon delivery of the Bonds; (4) premium received by the City above the par value of the Bonds in the amount of \$174,071.95 and accrued interest thereon, if any; (5) surplus monies in the Borrowed Money Fund as specified in Section 4.01 A hereof; (6) the rounding amount in the amount of \$9,832.13; and (7) any and all other monies which are properly available and are appropriated by the City to the Debt Service Account including further deposits as may be required by Section 67.11 of Wisconsin Statutes. The amount of any surplus remaining in the Debt Service Account when the Bonds and interest thereon are paid shall be used to reduce the amount of taxes levied herein. No money shall be withdrawn from the Debt Service 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 cancelled; 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; 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, in interest bearing obligations of the United States of America, or in other obligations of the City, which investments shall continue to be a part of the Debt Service Account. When all of the Bonds have been paid in full and cancelled, and all permitted investments disposed of, any money remaining in the Debt Service Account shall be deposited in the general fund of the City, unless the Common Council directs otherwise.

4.02 A. For the purpose of paying the principal of and interest on the Bonds as the same become due, the full faith, credit and resources of the City are hereby irrevocably pledged and there hereby is levied on all the taxable property in the City a direct, annual, irrepealable tax in such years and in such amounts as are sufficient to meet such principal and interest payments when due; said tax is hereby levied in the years and in the minimum amounts shown on Exhibit A hereto, which is incorporated by reference as though fully set forth herein.

B. The City is, and shall continue to be, 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 into the tax rolls of the City and collected as other taxes are collected, provided that the amount of tax carried into said tax rolls may be reduced in any year by the amount of any surplus money in the Debt Service Account created in Section 4.01 C hereof.

4.03 The City authorizes the Purchaser to forward \$52,152.70 of proceeds of the Bonds allocable to the payment of issuance expenses to Wells Fargo Bank, N.A., Minneapolis, Minnesota on the date of closing and delivery of the Bonds (the “Closing Date”) for further distribution as directed by the City’s municipal advisor, Ehlers & Associates, Inc., and as set forth in the officers’ certificate provided to the Purchaser on the Closing Date.

Section 5. Certificate of Proceedings.

5.01 The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to bond counsel certified copies of all proceedings and records of the City relating to the authorization and issuance of the Bonds and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the City as to the correctness of facts recited therein and the actions stated therein to have been taken.

5.02 The Mayor and the Clerk are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03 The Clerk shall provide and keep a separate 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.

5.04 In the event of the absence or disability of the Mayor or Clerk, such officers of the City or members of the Common Council as in the opinion of the City's attorney may act in their behalf shall, without further act or authorization execute and deliver the Bonds, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 6. Tax Covenants.

6.01 The City covenants and agrees with the holders of the Bonds that the City will (i) take all action on its part necessary to assure that the interest on the Bonds will be excluded from gross income for federal income taxes including, without limitations, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

6.02 A. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued, and (ii) in addition to the above, in an amount not greater than the lesser of five percent of the proceeds of the Bonds or \$100,000. To this effect, any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other City account which will be used solely to pay principal and

interest to become due on the Bonds) in excess of amounts which under the applicable federal arbitrage regulations may be invested without regard as to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by the arbitrage regulations on such investments after taking into account any applicable temporary periods of minor portion made available under the federal arbitrage regulations.

B. In addition, the proceeds of the Bonds and money in the Debt Service Account shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

C. The City hereby covenants not to use the proceeds of the Bonds, or to cause or permit them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.03 A. The Common Council covenants and certifies to and for the benefit of the owners of the Bonds that no use will be made of the proceeds of the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder. Pursuant to such covenant, unless the Bonds qualify under one or more of the arbitrage rebate exceptions, the Common Council hereby agrees to comply throughout the term of the Bonds with the requirements of Section 148 of the Code and any Treasury Regulations promulgated thereunder; to this end, the City shall:

(1) maintain records identifying all "gross proceeds" (as defined in Section 148(f)(6)(B) of the Code) attributable to the Bonds, the yield at which such gross proceeds are invested, any arbitrage profit derived therefrom (earnings in excess of the yield on the Bonds) and any earnings derived from the investment of such arbitrage profit;

(2) make, or cause to be made as of the end of each Bond Year, the annual determinations of the amount, if any, of excess arbitrage required to be paid to the United States by the City (hereinafter, the "Rebate Amount");

(3) pay, or cause to be paid, to the United States at least once every five Bond Years the amount, if any, which is required to be paid to the United States, including the last installment which shall be made no later than 60 days after the day on which the Bonds are paid in full;

(4) not invest, or permit to be invested, "gross proceeds" in any acquired non-purpose obligations so as to deflect arbitrage otherwise payable to the United States as a "prohibited payment" to a third party;

(5) retain all records of the annual determinations of the foregoing amounts until six years after the Bonds have been fully paid; and

(6) in order to comply with the foregoing paragraph, the Common Council shall determine the Rebate Amount within 30 days after the close of each Bond Year and upon payment in full of the Bonds; upon each such determination, the Common Council shall deposit in the Rebate Fund the Rebate Amount so determined; the Common Council shall separately account for the earnings from the investment of the Rebate Amount and such earnings shall become part of the Rebate Amount.

B. For purposes of this Section, “Bond Year” shall mean the 12-month period beginning on the date of issuance of the Bonds or such other 12-month period designated by the Common Council which is permitted by the Code or any Treasury Regulation promulgated thereunder.

C. The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this section.

6.04 In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

(1) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

(2) the City hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(3) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities whose obligations will be aggregated with those of the City) during the calendar year in which the Bonds were issued will not exceed \$10,000,000; and

(4) not more than \$10,000,000 of obligations issued by the City during the calendar year in which the Bonds were issued have been designated for the purposes of Section 265(b)(3) of the Code.

Section 7. Continuing Disclosure. The City acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the “Rule”). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the bondholders to provide continuing disclosure with respect to such bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and the Clerk are hereby authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the City.



Section 8. Post-Issuance Compliance Policy and Procedures. The Common Council has previously approved a Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The Common Council hereby approves the Policy and Procedures for the Bonds. The City Comptroller continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted March 1, 2023.

Attest:

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Mayor

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Clerk

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**EXHIBIT A**

**GENERAL OBLIGATION STREET IMPROVEMENT BONDS, SERIES 2023A  
CITY OF PRESCOTT, WISCONSIN**

**TAX LEVY SCHEDULE**

| <b>Levy Year/Collect Year</b> | <b>Tax Levy</b> |
|-------------------------------|-----------------|
| 2023/2024                     | \$477,259.03    |
| 2024/2025                     | \$462,650.00    |
| 2025/2026                     | \$428,900.00    |
| 2026/2027                     | \$336,150.00    |
| 2027/2028                     | \$332,400.00    |
| 2028/2029                     | \$323,400.00    |
| 2029/2030                     | \$326,200.00    |
| 2030/2031                     | \$328,600.00    |
| 2031/2032                     | \$315,600.00    |
| 2032/2033                     | \$317,800.00    |
| 2033/2034                     | \$319,600.00    |
| 2034/2035                     | \$321,000.00    |
| 2035/2036                     | \$322,000.00    |
| 2036/2037                     | \$322,600.00    |
| 2037/2038                     | \$322,800.00    |
| 2038/2039                     | \$322,600.00    |
| 2039/2040                     | \$322,000.00    |
| 2040/2041                     | \$326,000.00    |
| 2041/2042                     | \$314,400.00    |
| 2042/2043                     | \$326,400.00    |