

WASHINGTON COUNTY, WISCONSIN

Date of enactment: 7/8/08
Date of publication: _____

VOTE

2008 RESOLUTION 16

Resolution Authorizing the Sale of \$9,665,000 General Obligation Corporate Purpose Bonds

WHEREAS, on December 11, 2007, the County Board of Supervisors of Washington County, Wisconsin (the "County") adopted initial resolutions (the "Initial Resolutions") authorizing the issuance of general obligation bonds for the following public purposes and in the following amounts:

\$9,165,000 to construct improvements to Samaritan Health Center; and

\$750,000 to construct improvements to the University of Wisconsin-Washington County Center; and

WHEREAS, the County has determined to issue the bonds authorized by the Initial Resolutions in the following principal amounts and for the following purposes: \$9,165,000 to construct improvements to Samaritan Health Center; and \$500,000 to construct improvements to the University of Wisconsin-Washington County Center; and

WHEREAS, the general obligation bonds authorized by the Initial Resolutions which are now to be issued shall be combined into one issue of "General Obligation Corporate Purpose Bonds" (the "Bonds") in the aggregate principal amount of \$9,665,000; and

WHEREAS, the County has duly received bids for the Bonds as described on the bid tabulation attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, it has been determined that the best bid received was that submitted by the bidder (the "Purchaser") whose bid is attached hereto as Exhibit B and incorporated herein by this reference (the "Proposal");

NOW, THEREFORE, BE IT RESOLVED that:

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

Section 2. The Bonds. The Chairperson and County Clerk shall make, execute and deliver the Bonds to the Purchaser, for and on behalf of the County. The Bonds shall be negotiable, general obligation bonds of the County in the aggregate principal amount of \$9,665,000, registered as to both principal and interest, in the denomination of Five Thousand Dollars (\$5,000)

1 each or whole multiples thereof, numbered from R-1 upward and dated July 29, 2008. The
2 Bonds shall bear interest at the rates per annum set forth in the Proposal and shall mature on
3 March 1 of each year, in the years and principal amounts set forth in the Proposal and the debt
4 service schedule attached hereto as Exhibit C and incorporated herein by this reference (the
5 "Schedule").
6

7 Interest on the Bonds shall be payable on March 1 and September 1 of each year, com-
8 mencing March 1, 2009. Interest shall be computed upon the basis of a 360-day year of twelve
9 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking
10 Board.
11

12 The Bonds maturing on March 1, 2019 and thereafter shall be subject to redemption prior
13 to maturity, at the option of the County, on March 1, 2018 or on any date thereafter. Said Bonds
14 shall be redeemable as a whole or in part, and if in part, from maturities selected by the County
15 and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date
16 of redemption.
17

18 Section 3. Form of Bonds. The Bonds shall be in substantially the form attached hereto
19 as Exhibit D and incorporated herein by this reference.
20

21 Section 4. Tax Provisions.

22
23 (A) Direct Annual Irrepealable Tax. For the purpose of paying the principal of
24 and interest on the Bonds as the same become due, the full faith, credit and resources of the
25 County are hereby irrevocably pledged and there be and there hereby is levied on all the taxable
26 property in the County a direct, annual, irrepealable tax in the years 2008 through 2027 for pay-
27 ment of principal of and interest on the Bonds in the years 2009 through 2028 in the amounts set
28 forth in the Schedule.
29

30 (B) Tax Collection. The County shall be and continue without power to repeal
31 such levy or obstruct the collection of said tax until all such payments have been made or pro-
32 vided for. After the issuance of the Bonds, said tax shall be, from year to year, carried into the
33 tax rolls of the County and collected as other taxes are collected, provided that the amount of tax
34 carried into said tax rolls may be reduced in any year by the amount of any surplus money in the
35 Debt Service Account created in Section 5(A) hereof.
36

37 (C) Additional Funds. If in any year there shall be insufficient funds from the tax
38 levy to pay the principal of or interest on the Bonds when due, the said principal or interest shall
39 be paid from other funds of the County on hand, said amounts to be returned when said taxes
40 have been collected.
41

42 Section 5. Debt Service Fund and Account.

43
44 (A) Creation and Deposits. There be and there hereby is established in the trea-
45 sury of the County, if one has not already been created, a debt service fund separate and distinct
46 from every other fund, which shall be maintained in accordance with generally accepted account-
47 ing principles. Sinking funds established for obligations previously issued by the County may be
48 considered as separate and distinct accounts within the debt service fund.
49

1 Within the debt service fund, there be and there hereby is established a separate and dis-
2 tinct account designated as the "Debt Service Account for \$9,665,000 'General Obligation Cor-
3 porate Purpose Bonds,' dated July 29, 2008" (the "Debt Service Account") and said Account
4 shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise ex-
5 tinguished. The County Treasurer shall deposit in such Debt Service Account (i) all accrued in-
6 terest received by the County at the time of delivery of and payment for the Bonds; (ii) the taxes
7 herein levied for the specific purpose of meeting principal of and interest on the Bonds when
8 due; (iii) such other sums as may be necessary at any time to pay principal of and interest on the
9 Bonds when due; (iv) any premium which may be received by the County over and above the par
10 value of the Bonds and accrued interest thereon; (v) surplus monies in the Borrowed Money
11 Fund as specified in Section 6 hereof; and (vi) such further deposits as may be required by Sec.
12 67.11, Wis. Stats.

13
14 (B) Use and Investment. No money shall be withdrawn from the Debt Service
15 Account and appropriated for any purpose other than the payment of principal of and interest on
16 the Bonds until all such principal and interest has been paid in full and canceled; provided (i) the
17 funds to provide for each payment of principal of and interest on the Bonds prior to the sche-
18 duled receipt of taxes from the next succeeding tax collection may be invested in direct obliga-
19 tions of the United States of America maturing in time to make such payments when they are due
20 or in other investments permitted by law; and (ii) any funds over and above the amount of such
21 principal and interest payments on the Bonds may be used to reduce the next succeeding tax
22 levy, or may, at the option of the County, be invested by purchasing the Bonds as permitted by
23 and subject to Section 67.11(2)(a), Wis. Stats., in interest-bearing obligations of the United
24 States of America, in other obligations of the County or in other investments permitted by law,
25 which investments shall continue to be a part of the Debt Service Account.

26
27 (C) Remaining Monies. When all of the Bonds have been paid in full and can-
28 celed, and all permitted investments disposed of, any money remaining in the Debt Service Ac-
29 count shall be deposited in the general fund of the County, unless the County Board of Supervi-
30 sors directs otherwise.

31
32 Section 6. Borrowed Money Fund. All monies received by the County upon the delivery
33 of the Bonds to the Purchaser thereof except for accrued interest and premium, if any, shall be
34 deposited by the County Treasurer into a Borrowed Money Fund and such fund shall be main-
35 tained separate and distinct from all other funds of the County and shall be used for no purpose
36 other than the purposes for which the Bonds are issued. In no event shall monies in the Bor-
37 rowed Money Fund be used to fund operating expenses of the general fund of the County or any
38 special revenue fund of the County that is supported by property taxes. Monies in the Borrowed
39 Money Fund may be temporarily invested as provided in Section 66.0603(1m), Wis. Stats. Any
40 monies, including any income from permitted investments, remaining in the Borrowed Money
41 Fund after the purposes for which the Bonds have been issued have been accomplished, and, at
42 any time, any monies as are not needed and which obviously thereafter cannot be needed for
43 such purposes shall be deposited in the Debt Service Account.

1 Section 7. No Arbitrage. All investments permitted by this resolution shall be legal in-
2 vestments, but no such investment shall be made in such a manner as would cause the Bonds to
3 be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as
4 amended (the "Code") or the Regulations of the Commissioner of Internal Revenue thereunder
5 (the "Regulations"); and an officer of the County, charged with the responsibility for issuing the
6 Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence
7 on the date of closing which will permit the conclusion that the Bonds are not "arbitrage bonds,"
8 within the meaning of said Code or Regulations.

9
10 Section 8. Persons Treated as Owners; Transfer of Bonds. The County Clerk shall keep
11 books for the registration and for the transfer of the Bonds. The person in whose name any Bond
12 shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes
13 and payment of either principal or interest on any Bond shall be made only to the registered
14 owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liabili-
15 ty upon such Bond to the extent of the sum or sums so paid.

16
17 Any Bond may be transferred by the registered owner thereof by surrender of the Bond at
18 the office of the County Clerk, duly endorsed for the transfer or accompanied by an assignment
19 duly executed by the registered owner or his attorney duly authorized in writing. Upon such
20 transfer, the Chairperson and County Clerk shall execute and deliver in the name of the transfe-
21 ree or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity,
22 and the County Clerk shall record the name of each transferee in the registration book. No regis-
23 tration shall be made to bearer. The County Clerk shall cancel any Bond surrendered for trans-
24 fer.

25
26 The County shall cooperate in any such transfer, and the Chairperson and County Clerk
27 are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

28
29 The fifteenth day of each calendar month next preceding each interest payment date shall
30 be the record dates for the Bonds. Payment of interest on the Bonds on any interest payment
31 date shall be made to the registered owners of the Bonds as they appear on the registration book
32 of the County at the close of business on the corresponding record date.

33
34 Section 9. Compliance with Federal Tax Laws. (a) The County represents and cove-
35 nants that the projects financed by the Bonds and their ownership, management and use will not
36 cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.
37 The County further covenants that it shall comply with the provisions of the Code to the extent
38 necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable,
39 the rebate requirements of Section 148(f) of the Code. The County further covenants that it will
40 not take any action, omit to take any action or permit the taking or omission of any action within
41 its control (including, without limitation, making or permitting any use of the proceeds of the
42 Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be
43 an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise
44 cause interest on the Bonds to be included in the gross income of the recipients thereof for feder-
45 al income tax purposes. The County Clerk or other officer of the County charged with the re-
46 sponsibility of issuing the Bonds shall provide an appropriate certificate of the County certifying
47 that the County can and covenanting that it will comply with the provisions of the Code and
48 Regulations.

1 (b) The County also covenants to use its best efforts to meet the requirements and re-
2 strictions of any different or additional federal legislation which may be made applicable to the
3 Bonds provided that in meeting such requirements the County will do so only to the extent con-
4 sistent with the proceedings authorizing the Bonds and the laws of Wisconsin, and to the extent
5 that there is a reasonable period of time in which to comply.

6
7 Section 10. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby
8 designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating
9 to the ability of financial institutions to deduct from income for federal income tax purposes, in-
10 terest expense that is allocable to carrying and acquiring tax-exempt obligations.

11
12 Section 11. Utilization of The Depository Trust Company Book-Entry-Only System. In
13 order to make the Bonds eligible for the services provided by The Depository Trust Company,
14 New York, New York, the County agrees to the applicable provisions set forth in the Blanket Is-
15 suer Letter of Representations previously executed on behalf of the County and on file in the
16 County Clerk's office.

17
18 Section 12. Undertaking to Provide Continuing Disclosure. The County covenants and
19 agrees, for the benefit of the holders of the Bonds, to enter into a written undertaking (the "Un-
20 dertaking") required by SEC Rule 15c2-12 promulgated by the Securities and Exchange Com-
21 mission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing
22 disclosure of certain financial information and operating data and timely notices of the occur-
23 rence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the
24 holders of the Bonds or by the original purchaser(s) of the Bonds on behalf of such holders (pro-
25 vided that the rights of the holders and the purchaser(s) to enforce the Undertaking shall be li-
26 mited to a right to obtain specific performance of the obligations thereunder and any failure by
27 the County to comply with the provisions of the Undertaking shall not be an event of default
28 with respect to the Bonds).

29
30 The County Clerk, or other officer of the County charged with the responsibility for is-
31 suing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript
32 of proceedings, setting forth the details and terms of the County's Undertaking.

33
34 Section 13. Records. The County Clerk shall provide and keep a separate record book
35 and shall record a full and correct statement of every step or proceeding had or taken in the
36 course of authorizing and issuing these Bonds.

37
38 Section 14. Bond Insurance. If the Purchaser of the Bonds determines to obtain municipi-
39 pal bond insurance with respect to the Bonds, the officers of the County are authorized to take all
40 actions necessary to obtain such municipal bond insurance. The Chairperson and County Clerk
41 are authorized to agree to such additional provisions as the bond insurer may reasonably request
42 and which are acceptable to the Chairperson and County Clerk including provisions regarding
43 restrictions on investment of Bond proceeds, the payment procedure under the municipal bond
44 insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds
45 by the bond insurer and notices to be given to the bond insurer. In addition, appropriate refer-
46 ence to the municipal bond insurance policy shall be made in the form of Bond provided herein.

47
48 Section 15. Closing. The Chairperson and County Clerk are hereby authorized and di-
49 rected to execute and deliver the Bonds to the Purchaser thereof upon receipt of the purchase

1 price. The Chairperson and County Clerk may execute the Bonds by manual or facsimile signa-
2 ture, but at least one of said officers shall sign the Bonds manually.

3
4 The officers of the County hereby are directed and authorized to take all necessary steps
5 to close the bond issue as soon as practicable hereafter, in accordance with the terms of sale the-
6 reof, and said officers are hereby authorized and directed to execute and deliver such documents,
7 certificates and acknowledgments as may be necessary or convenient in accordance therewith.

8
9
10
11 VOTE REQUIREMENT FOR PASSAGE: Majority

12
13 RESOLUTION SUMMARY: Authorizes the sale of \$9,665,000 General Obligation Corporate
14 Purpose Bonds for the Samaritan Health Center and UWWC improvements by award to the suc-
15 cessful bidder.

16
17 APPROVED:

Introduced by members of the FINANCE

18 **(signed by Kimberly A. Nass)**

COMMITTEE as filed with the County Clerk.

19 Kimberly A. Nass, County Attorney

20 Dated **7/9/08**

21 **(signed by Ralph R. Hensel)**

22 Considered **7/8/08**

Ralph R. Hensel, Chairperson

23 Adopted **7/8/08**

24 Ayes **28** Noes **1** Absent **1**

25 Voice Vote _____