

**CITY OF DODGEVILLE COMMON COUNCIL
RESOLUTION NO. 2023-05
AUTHORIZING THE BORROWING OF \$1,961,898
FOR THE WEST FOUNTAIN STREET PROJECT**

WHEREAS, pursuant to §67.12(12) of Wisconsin Statutes the Common Council of the City of Dodgeville, Iowa County, Wisconsin ("City") hereby finds and determines that it is necessary, desirable and in the best interest of the City to borrow funds in the sum of \$1,961,898 for the purpose of street reconstruction on West Fountain Street;

WHEREAS, to minimize the tax levy impact, it is desired to borrow the funds as two separate loans: \$1,139,544 will be borrowed for the portion of the project funded by the levy with a deferred principal payment until 2025; \$822,354 will be borrowed for the water and sewer utility portion of the project with principal payments beginning in 2024. Both loans shall be ten-year terms.

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

The Mayor and City Clerk are authorized to borrow the sum of \$1,961,898 from Farmers Saving Bank, Mineral Point, WI on such terms and conditions attached hereto as Exhibits A-1 & A-2.

Adopted and approved on a vote of ____ - ____ this 18th day of April 2023.

Todd D. Novak, Mayor

ATTEST:

Lauree Aulik, City Clerk/Treasurer

**EXHIBIT A-1
RESOLUTION**(Adopted at an Open Meeting held April 18, 2023)

WHEREAS, the City of Dodgeville, Iowa County, Wisconsin ("City"), is presently in need of funds aggregating \$ 1,139,544.00 for public purpose(s) of: **(1)**
2023 Street Improvements Project

; and

WHEREAS, the Council deems it necessary and in the best interests of the City that, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, the sum of One Million One Hundred Thirty Nine Thousand Five Hundred Forty Four Dollars and no/100

Dollars (\$ 1,139,544.00) be borrowed for such purpose(s) upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purpose(s) hereinabove set forth the City, by its Mayor (or City Manager), and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, borrow from Farmers Savings Bank, Mineral Point, WI, ("Lender"), the sum of \$ 1,139,544.00, and, to evidence such indebtedness, said Mayor (or City Manager) and City Clerk shall make, execute and deliver to the Lender for and on behalf of the City the promissory note of the City to be dated April 20, 2023, in said principal amount with interest at the rate of three and 69/100 percent (3.69 %) per annum and payable as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** In one payment on _____, **PLUS** interest payable as set forth below.
- (b) ☒ **Installments of Principal and Interest. (2)** In 8 equal payments of \$ 151,471.23 due on April 20, 2025, and on ☒ the same day(s) of each twelfth month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, **PLUS** a final payment of the unpaid balance and accrued interest due on April 19, 2033. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** In _____ equal payments of principal of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, **PLUS** a final payment of the unpaid principal due on _____, **PLUS** interest payable as set forth below.
- (d) ☐ **Other.** _____

Interest is payable on April 20, 2024, and on ☒ the same day of each twelfth month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box (b) is checked, at the times so indicated.

Interest is computed for the actual number of days principal is unpaid on the basis of ☒ a 360 day year ☐ a 365 day year. **(2)**

Said interest to be payable on the dates set forth above on the outstanding principal balance, with ☐ no prepayment privileges ☒ prepayment privileges on any principal or interest payment date on or after April 20, 2023. A copy of the promissory note shall be attached to this resolution.

(1) Here describe each purpose in detail. If the purpose is meeting general and current municipal expenses or refinancing obligation of the City, so specify.

(2) Section 67.12(12), Wisconsin Statutes, does not place any restrictions on the basis of interest rate calculations.

BE IT FURTHER RESOLVED, that there be, and there hereby is, levied on all the taxable property of the City, a direct annual irrepealable tax sufficient in amount to pay the principal and interest on said note as the same becomes due and payable, said tax to be in the following minimum amounts: (3)

Amount of Tax (principal and interest)	To Meet Note Payments Due On	Year of Levy (must be in year(s) prior to due date)
\$ <u>42,749.99</u>	<u>April 20, 2024</u>	For the year <u>2023</u>
\$ <u>151,471.23</u>	<u>April 20, 2025</u>	For the year <u>2024</u>
\$ <u>151,471.23</u>	<u>April 20, 2026</u>	For the year <u>2025</u>
\$ <u>151,471.23</u>	<u>April 20, 2027</u>	For the year <u>2026</u>
\$ <u>151,471.23</u>	<u>April 20, 2028</u>	For the year <u>2027</u>
\$ <u>151,471.23</u>	<u>April 20, 2029</u>	For the year <u>2028</u>
\$ <u>151,471.23</u>	<u>April 20, 2030</u>	For the year <u>2029</u>
\$ <u>151,471.23</u>	<u>April 20, 2031</u>	For the year <u>2030</u>
\$ <u>151,471.23</u>	<u>April 20, 2032</u>	For the year <u>2031</u>
\$ <u>151,456.18</u>	<u>April 19, 2033</u>	For the year <u>2032</u>

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 note when due, the requisite amount shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

In the event that the City exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

In each of said levy years, the direct annual tax so levied shall be carried into the tax rolls each year and shall be collected in the same manner and at the same time as other taxes of the City for such years are collected; provided, that the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service account for the note. So long as any part of the principal of, or interest on, said note remains unpaid, the proceeds of said tax shall be segregated in a special fund used solely for the payment of the principal of, and interest on, said note.

BE IT FURTHER RESOLVED, that there be and there hereby is established in the treasury of the City, if one has not already been established, a debt service fund, separate and distinct from every other 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. Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for Promissory Note dated April 20, 2023", which account shall be used solely for the purpose of paying principal of and interest on said note. There shall be deposited in said account any accrued interest paid on said note at the time it is delivered to the Lender, all money raised by taxation or appropriated pursuant hereto, and such other sums as may be necessary to pay principal and interest on said note when the same shall become due.

BE IT FURTHER RESOLVED, that the proceeds of said note shall be used solely for the purposes for which it is issued, but may be temporarily invested until needed in legal investments, provided that no such investment shall be in such a manner as would cause said note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder; and an officer of the City, charged with the responsibility for issuing the note, shall certify by use of an arbitrage certificate, if required, that, on the basis of the facts, estimates and circumstances in existence on the date of the delivery of the note, it is not expected that the proceeds will be used in a manner that would cause said note to be an "arbitrage bond."

BE IT FURTHER RESOLVED, that the projects financed by the note and their ownership, management and use will not cause the note to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and that the City shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the note.

BE IT FURTHER RESOLVED, that the City Clerk shall keep records for the registration and for the transfer of the note. The person in whose name the note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such note to the extent of the sum or sums so paid. The note may be transferred by the registered owner thereof by presentation of the note at the office of the City Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation, the note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the City Clerk, shall be made on such note.

☒ BE IT FURTHER RESOLVED, that the note is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, 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. (4)

BE IT FURTHER RESOLVED, that the City officials are hereby authorized and directed, so long as said note is outstanding, to deliver to the Lender any audit statement or other financial information the Lender may reasonably request and to discuss its affairs and finances with the Lender.

BE IT FURTHER RESOLVED, that said note shall be delivered to the Lender on or after the date of said note, upon receipt of the total principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery, provided that, if this is a refinancing, the refunding note shall be immediately exchanged for the note being refinanced.

(3) First tax levy should be for the current year unless tax roll has already been delivered for collection, and amount of levy should be sufficient to meet all principal and interest payments coming due prior to date for collection of next succeeding tax levy.

(4) Do not check box if the City will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, banks will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.

EXHIBIT A-2 RESOLUTION

Boxes checked are applicable.
Boxes not checked are inapplicable.
Prepared and intended for use by
commercial banks in transactions
governed by Wisconsin Law.

(Adopted at an Open Meeting held April 18, 2023)

WHEREAS, the City of Dodgeville, Iowa County, Wisconsin ("City"), is presently in need of funds aggregating \$ 822,354.00 for public purpose(s) of: (1) 2023 Street Improvement Project Utilities

; and

WHEREAS, the Council deems it necessary and in the best interests of the City that, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, the sum of Eight Hundred Twenty Two Thousand Three Hundred Fifty Four Dollars and no/100 Dollars (\$ 822,354.00) be borrowed for such purpose(s) upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purpose(s) hereinabove set forth the City, by its Mayor (or City Manager), and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, borrow from Farmers Savings Bank, Mineral Point, WI, ("Lender"), the sum of \$ 822,354.00, and, to evidence such indebtedness, said Mayor (or City Manager) and City Clerk shall make, execute and deliver to the Lender for and on behalf of the City the promissory note of the City to be dated April 20, 2023, in said principal amount with interest at the rate of three and 69/100 percent (3.69 %) per annum and payable as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** I ~~one~~ payment on _____, **PLUS** interest payable as set forth below.
- (b) ☒ **Installments of Principal and Interest. (2)** I 2 equal payments of \$ 100,104.13 due on April 20, 2024, and on ☒ the same days(s) of each twelfth month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, **PLUS** a final payment of the unpaid balance and accrued interest due on April 19, 2033. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** I n equal payments of principal of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, **PLUS** a final payment of the unpaid principal due on _____, **PLUS** interest payable as set forth below.
- (d) ☐ **Other.** _____

I interest payable on April 20, 2024, and on ☒ the same day of each twelfth month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box (b) is checked, at the times so indicated.

I interest computed for the actual number of days principal is unpaid on the basis of ☒ a 360 day year ☐ a 365 day year. (2)

Said interest to be payable on the dates set forth above on the outstanding principal balance, with ☐ no prepayment privileges ☒ prepayment privileges on any principal or interest payment date on or after April 20, 2023. A copy of the promissory note shall be attached to this resolution.

- (1) Here describe each purpose in detail. I ~~the~~ purpose is meeting general and current municipal expenses or refinancing obligation of the City, so specify.
- (2) Section 67.12(12), Wisconsin Statutes, does not place any restrictions on the basis of interest rate calculations.

BE IT FURTHER RESOLVED, that there be, and there hereby is, levied on all the taxable property of the City, a direct annual irrepealable tax sufficient in amount to pay the principal and interest on said note as the same becomes due and payable, said tax to be in the following minimum amounts: (3)

Amount of Tax (principal and interest)	To Meet Note Payments Due On	Year of Levy (must be in year(s) prior to due date)
\$ <u>100,104.13</u>	<u>April 20, 2024</u>	For the year <u>2023</u>
\$ <u>100,104.13</u>	<u>April 20, 2025</u>	For the year <u>2024</u>
\$ <u>100,104.13</u>	<u>April 20, 2026</u>	For the year <u>2025</u>
\$ <u>100,104.13</u>	<u>April 20, 2027</u>	For the year <u>2026</u>
\$ <u>100,104.13</u>	<u>April 20, 2028</u>	For the year <u>2027</u>
\$ <u>100,104.13</u>	<u>April 20, 2029</u>	For the year <u>2028</u>
\$ <u>100,104.13</u>	<u>April 20, 2030</u>	For the year <u>2029</u>
\$ <u>100,104.13</u>	<u>April 20, 2031</u>	For the year <u>2030</u>
\$ <u>100,104.13</u>	<u>April 20, 2032</u>	For the year <u>2031</u>
\$ <u>100,094.14</u>	<u>April 19, 2033</u>	For the year <u>2032</u>

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 note when due, the requisite amount shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

In the event that the City exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

In each of said levy years, the direct annual tax so levied shall be carried into the tax rolls each year and shall be collected in the same manner and at the same time as other taxes of the City for such years are collected; provided, that the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service account for the note. So long as any part of the principal of, or interest on, said note remains unpaid, the proceeds of said tax shall be segregated in a special fund used solely for the payment of the principal of, and interest on, said note.

BE IT FURTHER RESOLVED, that there be and there hereby is established in the treasury of the City, if one has not already been established, a debt service fund, separate and distinct from every other 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. Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for Promissory Note dated April 20, 2023", which account shall be used solely for the purpose of paying principal of and interest on said note. There shall be deposited in said account any accrued interest paid on said note at the time it is delivered to the Lender, all money raised by taxation or appropriated pursuant hereto, and such other sums as may be necessary to pay principal and interest on said note when the same shall become due.

BE IT FURTHER RESOLVED, that the proceeds of said note shall be used solely for the purposes for which it is issued, but may be temporarily invested until needed in legal investments, provided that no such investment shall be in such a manner as would cause said note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder; and an officer of the City, charged with the responsibility for issuing the note, shall certify by use of an arbitrage certificate, if required, that, on the basis of the facts, estimates and circumstances in existence on the date of the delivery of the note, it is not expected that the proceeds will be used in a manner that would cause said note to be an "arbitrage bond."

BE IT FURTHER RESOLVED, that the projects financed by the note and their ownership, management and use will not cause the note to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and that the City shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the note.

BE IT FURTHER RESOLVED, that the City Clerk shall keep records for the registration and for the transfer of the note. The person in whose name the note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such note to the extent of the sum or sums so paid. The note may be transferred by the registered owner thereof by presentation of the note at the office of the City Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation, the note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the City Clerk, shall be made on such note.

☒ BE IT FURTHER RESOLVED, that the note is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, 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. (4)

BE IT FURTHER RESOLVED, that the City officials are hereby authorized and directed, so long as said note is outstanding, to deliver to the Lender any audit statement or other financial information the Lender may reasonably request and to discuss its affairs and finances with the Lender.

BE IT FURTHER RESOLVED, that said note shall be delivered to the Lender on or after the date of said note, upon receipt of the total principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery, provided that, if this is a refinancing, the refunding note shall be immediately exchanged for the note being refinanced.

(3) First tax levy should be for the current year unless tax roll has already been delivered for collection, and amount of levy should be sufficient to meet all principal and interest payments coming due prior to date for collection of next succeeding tax levy.

(4) Do not check box if the City will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, banks will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.