

CITY OF FORT ATKINSON
City Council Minutes ~ January 19, 2021

CALL MEETING TO ORDER.

President Becker called the meeting to order at 7:00 pm.

ROLL CALL.

Present: Cm. Housley, Cm. Johnson, Cm. Kotz, Cm. Scherer and Pres. Becker. Also present: Interim City Manager, City Attorney and City Clerk/Treasurer.

APPROVAL OF MINUTES OF JANUARY 5, 2021 REGULAR COUNCIL MEETING.

Cm. Johnson moved, seconded by Cm. Scherer to approve the minutes as presented. Motion carried via zoom.

PUBLIC HEARINGS

None.

PUBLIC COMMENT

None.

PETITIONS, REQUESTS AND COMMUNICATIONS

None.

RESOLUTIONS AND ORDINANCES

a. Resolution to combine wards 1-9 for February 16, 2021 Spring Primary.

Cm. Kotz moved, seconded by Cm. Scherer to approve and adopt Resolution to combine Wards 1-9 for February 16, 2021 Spring Primary. Motion carried unanimously via Zoom.

b. Resolution authorizing the issuance and sale of a \$1,074,000 taxable general obligation refunding bond.

Justin Fischer, Director at Baird was present to review the issuance and sale of the refunding bond. A favorable interest rate was provided at 1.79% for the bond that represented a savings of \$145,992. Fischer provided a brief history of financial history with Baird and the City.

RESOLUTION NO. 1357

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A
\$1,074,000 TAXABLE GENERAL OBLIGATION REFUNDING BOND

WHEREAS, the City Council hereby finds and determines that it is necessary, desirable and in the best interest of the City of Fort Atkinson, Jefferson County, Wisconsin (the "City") to raise funds for the public purpose of refunding obligations of the City, including interest in them, specifically, the principal of the State Trust Fund Loan, dated January 26, 2016 (the "State Trust Fund Loan"), due on and after March 15, 2022 (the "Refunded Obligation") (hereinafter the refinancing of the Refunded Obligation shall be referred to as the "Refunding");

WHEREAS, the City Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligation for the purpose of achieving debt service savings;

WHEREAS, the City is authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds to refinance its outstanding obligations;

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such bonds on a taxable rather than tax-exempt basis;

WHEREAS, it is the finding of the City Council that it is necessary, desirable and in the best interest of the City to sell its Taxable General Obligation Refunding Bond (the "Bond") to Zions Bancorporation, N.A. (the "Purchaser"), pursuant to the terms and conditions of the Preliminary Term Sheet attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal"); and

WHEREAS, the City was duly organized and is validly existing and operating under and by virtue of the laws of the State of Wisconsin.

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

Section 1. Authorization and Sale of the Bond. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of ONE MILLION SEVENTY-FOUR THOUSAND DOLLARS (\$1,074,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and the City Manager and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. To evidence the obligation of the City, the City Manager and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the City, the Bond in the principal amount of ONE MILLION SEVENTY-FOUR THOUSAND DOLLARS (\$1,074,000) for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 2. Terms of the Bond. The Bond shall be designated "Taxable General Obligation Refunding Bond"; shall be issued in the principal amount of \$1,074,000; shall be dated February 22, 2021; shall be in the denomination of \$100,000 or more; shall be numbered R-1; and shall bear interest at the rate per annum and be payable in installments of principal due on February 1 of each year, in the years and amounts as set forth on the Proposal. Interest shall be payable semi-annually on February 1 and August 1 of each year commencing on August 1, 2021. 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 schedule of principal and interest payments due on the Bond is set forth on the Debt Service Schedule attached hereto as Exhibit B and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bond is subject to redemption prior to maturity, at the option of the City, on any date. Said Bond is redeemable as a whole or in part, and if in part, from principal installments selected by the City, at the principal amount thereof, plus accrued interest to the date of redemption. Before the redemption of the Bond, unless waived by the registered owner, the City shall give notice of such redemption by registered or certified mail at least thirty (30) days prior to the date fixed for redemption to the Purchaser or registered owner of the Bond or portion thereof to be redeemed, in whole or in part, at the address shown on the registration books.

Section 4. Form of the Bond. The Bond shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C 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 Bond 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 2021 through 2034 for the payments due in the years 2021 through 2035 in the amounts set forth on the Schedule. The amount of tax levied in the year 2021 shall be the total amount of debt service due on the Bond in the years 2021 and 2022; provided that the amount of such tax carried onto the tax rolls shall be abated by any amounts appropriated pursuant to subsection (D) below which are applied to payment of interest on the Bond in the year 2021.

(B) Tax Collection. So long as any part of the principal of or interest on the Bond 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 Bond, 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 Bond 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.

(D) Appropriation. The City hereby appropriates from taxes levied in anticipation of the issuance of the Bond, amounts levied to pay debt service on the Refunded Obligation or other funds of the City on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay debt service on the Bond coming due in 2021 as set forth on the Schedule.

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 Taxable General Obligation Refunding Bond, dated February 22, 2021" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bond is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bond; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bond 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 Bond when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bond 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 Bond until all such principal and interest has been paid in full and the Bond canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bond 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 Bond may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bond 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.

(C) Remaining Monies. When the Bond has 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 City Council directs otherwise.

Section 7. Proceeds of the Bond; Segregated Borrowed Money Fund. The proceeds of the Bond (the "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 Bond into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Bond has been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. Execution of the Bond; Closing; Professional Services. The Bond shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the City Manager 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 Bond may be imprinted on the Bond in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bond, 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 Bond 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 Bond 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 Bond, 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 Bond is hereby ratified and approved in all respects.

Section 9. Payment of the Bond; Fiscal Agent. The principal of and interest on the Bond shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 10. Persons Treated as Owners; Transfer of Bond. The City shall cause books for the registration and for the transfer of the Bond 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 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 City Manager 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 City Manager and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 11. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bond (the "Record Date"). Payment of interest on the Bond on any interest payment date shall be made to the registered owners of the Bond as they appear on the registration book of the City at the close of business on the Record Date.

Section 12. Continuing Disclosure. The Bond is an exempt transaction in connection with the continuing disclosure requirements of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") because the minimum authorized denominations for the Bond are \$100,000 or more and the sale of the Bond is limited to no more than 35 sophisticated persons (in the Purchaser's reasonable belief) none of whom is purchasing for more than one account or with a view to distributing the Bond.

Section 13. Prepayment of the State Trust Fund Loan. The State Trust Fund Loan shall be prepaid on February 22, 2021. The City hereby directs the City Clerk to work with Robert W. Baird & Co. Incorporated to cause timely notice of prepayment to be sent to the Board of Commissioners of Public Lands by registered or certified mail at least 30 days prior to the prepayment date of the State Trust Fund Loan.

The City hereby directs the City Clerk to take all actions necessary for the prepayment of the State Trust Fund Loan. Any and all actions heretofore taken by the officers and agents of the City to effectuate such prepayment are hereby ratified and approved.

Section 14. 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 Bond in the Record Book.

Section 15. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the City 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 January 19, 2021.

Dave Berner Interim City Manager

ATTEST: Michelle Ebbert City Clerk

Cm. Scherer moved, seconded by Cm. Johnson to approve the Resolution authorizing the issuance and sale of \$1,074,000 Taxable General Obligation Refunding Bond. Motion carried unanimously via Zoom.

REPORTS OF OFFICERS, BOARDS AND COMMITTEES

- a. *Minutes of Police and Fire Commission meeting held January 5, 2021.*
- b. *Minutes of License Committee meeting held January 5, 2021.*
- c. *Building, plumbing, and electrical building permit report for December, 2020.*
- d. *Minutes of Historical Preservation Commission meeting held January 11, 2021.*

Cm. Scherer moved, seconded by Cm. Housley to accept and file the Reports of Officers, Boards and Committees. Motion carried via Zoom.

- e. *Report by Interim City Manager.*

a. CDBG – Close/Lorman property expenses.

b. Multi-property campus project.

Interim Manager provided an update. No action was taken.

UNFINISHED BUSINESS

a. *Recommendation from License Committee to approve applications and make recommendation for “Class B” Intoxicating Liquor and Class “B” Fermented Malt Beverage for Big Bluestem Market Collective, LLC dba Market Collective on Main for use at 225-227 S. Main Street.*

Clerk Ebbert reviewed the application recommended by the Committee. This license is being surrendered by Mrs. Candice Bugs dba The Bug House contingent upon the approval of the application submitted by Big Bluestem Market. Applicant Alicia Norris was presented at the meeting and provided an update on the building renovations and business plan.

Cm. Housley moved, seconded by Cm. Johnson to approve the recommendation from License Committee to approve applications and make recommendation for “Class B” Intoxicating Liquor and Class “B” Fermented Malt Beverage for Big Bluestem Market Collective, LLC dba Market Collective on Main for use at 225-227 S. Main Street. Motion carried via Zoom.

NEW BUSINESS

None.

MISCELLANEOUS

a. *Grant operator licenses.*

Cm. Kotz moved, seconded by Cm. Scherer to approve granting of operator licenses. Motion carried via Zoom.

CLAIMS, APPROPRIATIONS AND CONTRACT PAYMENTS

a. *Verified claims.*

Cm. Scherer moved, seconded by Cm. Johnson to approve list of verified claims presented by the Director of Finance and to authorize payment. Motion carried unanimously via Zoom.

ADJOURNMENT

Cm. Scherer moved, seconded by Cm. Housley to adjourn. Meeting adjourned at 7:42 pm.

Respectfully submitted

Michelle Ebbert
City Clerk/Treasurer