

CITY OF FRANKLIN  
COMMON COUNCIL MEETING  
FRANKLIN CITY HALL – COMMON COUNCIL CHAMBERS  
9229 WEST LOOMIS ROAD, FRANKLIN, WISCONSIN  
AGENDA\*  
TUESDAY, DECEMBER 5, 2017 AT 6:30 P.M.

- A. Call to Order and Roll Call.
- B. Citizen Comment Period.
- C. Approval of Minutes:
  - Regular Common Council Meeting of November 21, 2017.
- D. Hearings.
- E. Organizational Business.
  - Mayoral Board and Commission Appointments:
    - 1. Douglas Clark, 8173 S. 100th Street (Ald. Dist. 2), to the Civic Celebrations Committee for an unexpired 3-year term expiring 6/30/2018.
    - 2. Randy Grass, 9056 W. Elm Court, Unit F (Ald. Dist. 1), to the Tourism Commission for a 1-year term expiring 12/31/2018.
    - 3. Shaun Marefka, 7644 S. Mission Court (Ald. Dist 2), to the Tourism Commission for a 1-year term expiring 12/31/2018.
    - 4. Lance Schaefer (Industry Representative), Hampton Inn & Suites, 6901 S. 76th Street (Ald. Dist 2), to the Tourism Commission for a 1-year term expiring 12/31/2018.
    - 5. Amy Schermetzler, 4227 W. Central Avenue (Ald. Dist. 4), to the Tourism Commission for a 1-year term expiring 12/31/2018.
    - 6. Mark Wylie, 7468 Carter Circle S. (Ald. Dist 5), to the Tourism Commission for a 1-year term expiring 12/31/2018.
- F. Letters and Petitions.
  - Petition from residents of Whitnall Grove Condominium Complex requesting additional street lights in S. Fieldstone Court and S. Lannonstone Court.
- G. Reports and Recommendations:
  - 1. A Resolution Authorizing the Issuance and Sale of \$5,090,000 Taxable General Obligation Promissory Notes, Series 2017A, and Scope of Engagement letter from Quarles & Brady, LLP.
  - 2. A Resolution Authorizing the Issuance and Sale of \$1,645,000 General Obligation Promissory Notes, Series 2017B, and Scope of Engagement letter from Quarles & Brady, LLP.
  - 3. A Resolution Authorizing Certain Officials to Execute an Agreement to Continue Professional Environmental Engineering Services to Monitor Compliance at the Metro Recycling & Disposal Facility to December 31, 2018, with JSA Environmental, Inc.
  - 4. A Resolution to Authorize Wisconsin Department of Transportation to Temporarily Utilize Franklin Electrical Infrastructure.

Common Council Meeting Agenda

December 5, 2017

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5. Report from Finance Committee related to new investment in Other Post Employment Benefit (OPEB) Trust Portfolio.
  6. October, 2017 Monthly Financial Report.
  7. 2018 Property and Casualty Insurance Coverage.
- H. Licenses and Permits.  
Miscellaneous Licenses from License Committee Meeting of December 5, 2017.
- I. Bills.  
Request for Approval of Vouchers and Payroll.
- J. Adjournment.

\*Supporting documentation and details of these agenda items are available at City Hall during normal business hours.

[Note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information, contact the City Clerk's office at (414) 425-7500.]

REMINDERS:

December 7	Plan Commission	7:00 p.m.
December 19	Common Council	6:30 p.m.
December 21	Plan Commission (Franklin Public Library)	7:00 p.m.
December 25 & 26	City Hall Closed	

C.

CITY OF FRANKLIN  
COMMON COUNCIL MEETING  
NOVEMBER 21, 2017  
MINUTES

- |   |  |
|---|--|
| ROLL CALL   | A.1. The regular meeting of the Common Council was held on November 21, 2017 and called to order at 6:30 p.m. by Mayor Steve Olson in the Franklin City Hall Council Chambers, 9229 W. Loomis Road, Franklin, Wisconsin. On roll call, the following were in attendance: Alderman Mark Dandrea, Alderman Dan Mayer, Alderwoman Kristen Wilhelm, Alderman Mike Barber and Alderman John R. Nelson. Excused was Alderman Steve F. Taylor. Also present were City Engineer Glen Morrow, Dir. of Administration Mark Luberd, City Attorney Jesse A. Wesolowski and City Clerk Sandra Wesolowski. |
| CITIZEN COMMENT   | B.1. Citizen comment period was opened at 6:31 p.m. and closed at 6:32 p.m.  |
| MAYORAL<br>ANNOUNCEMENTS  | B.2. Mayor Olson and Alderman Barber noted a Mayoral Proclamation declaring the month of November 2017 "Pancreatic Cancer Awareness Month" in the City of Franklin.  |
| MINUTES<br>NOVEMBER 7, 2017   | C.1. Alderman Dandrea moved to approve the minutes of the regular Common Council Meeting of November 7, 2017 as presented at this meeting. Seconded by Alderman Nelson. All voted Aye; motion carried.   |
| MINUTES<br>NOVEMBER 14, 2017  | C.2. Alderman Dandrea moved to approve the minutes of the Special Common Council Meeting of November 14, 2017 as presented at this meeting. Seconded by Alderman Barber. All voted Aye; motion carried.  |
| DONATION TO POLICE<br>DEPARTMENT  | G.1. Alderman Barber moved to accept \$1,000 donation from the Southeastern Wisconsin DARE Officers Association for deposit into the DARE Donation account. Seconded by Alderman Nelson. All voted Aye; motion carried.  |
| FRANKLIN CIVIC<br>CELEBRATIONS<br>COMMISSION REPORT   | G.2. Alderman Barber moved to accept and place on file the summary from the 2017 Civic Celebrations event, and allow John Bergner to execute contracts and agreements for the July 3 and 4, 2018 Franklin Civic Celebration event. Seconded by Alderman Dandrea. All voted Aye; motion carried.  |
| RES. 2017-7326<br>CONSTRUCTION OF<br>PUBLIC STREET &<br>SIDEWALK AT 7333 S.<br>27TH ST. (ZILBER LTD.,<br>APPLICANT) | G.3. Alderwoman Wilhelm moved to adopt Resolution No. 2017-7326, A RESOLUTION TO AUTHORIZE THE CONSTRUCTION OF A PUBLIC STREET AND SIDEWALK UPON LANDS IN PART SUPPORTING NATURAL RESOURCE FEATURES LOCATED AT 7333 SOUTH 27TH STREET (ZILBER LTD., APPLICANT). Seconded by Alderman Barber. All voted Aye; motion carried.  |

RES. 2017-7327  
DEV. AGREEMENT FOR  
MULTIFAMILY AND  
COMMERCIAL DEV. AT  
7333 S. 27TH ST.

G.4. Alderwoman Wilhelm moved to adopt Resolution No. 2017-7327, A RESOLUTION FOR APPROVAL OF THE DEVELOPMENT AGREEMENT FOR THE MULTIFAMILY HOUSING AND COMMERCIAL DEVELOPMENT LOCATED AT 7333 SOUTH 27TH STREET, subject to addressing mitigation, demolition, and correction to reflect a singular street. Seconded by Alderman Dandrea. All voted Aye; motion carried.

RES. 2017-7328  
CONSTRUCTION OF  
PUBLIC STREET AT 9733  
S. 76TH ST. (NEUMANN  
DEVELOPMENTS, INC.,  
APPLICANT)

G.5. Alderman Nelson moved to adopt Resolution No. 2017-7328, A RESOLUTION TO AUTHORIZE THE CONSTRUCTION OF A PUBLIC STREET UPON LANDS IN PART SUPPORTING NATURAL RESOURCE FEATURES LOCATED AT APPROXIMATELY 9733 SOUTH 76TH STREET (NEUMANN DEVELOPMENTS, INC., APPLICANT), as amended. Seconded by Alderman Barber. All voted Aye; motion carried.

RES. 2017-7329  
SUBD. DEV.  
AGREEMENT FOR PARK  
CIRCLE CONDOS AT  
9733 S. 76TH ST.

G.6. Alderman Nelson moved to adopt Resolution No. 2017-7329, A RESOLUTION AUTHORIZING CERTAIN OFFICIALS TO EXECUTE A SUBDIVISION DEVELOPMENT AGREEMENT FOR PARK CIRCLE CONDOS LOCATED AT APPROXIMATELY 9733 SOUTH 76TH STREET, as amended. Seconded by Alderman Barber. All voted Aye; motion carried.

RES. 2017-7330  
AMEND RES. 2017-7246  
FOR SPECIAL USE AT  
3709 W. COLLEGE AVE.  
(HERMAN & KITTLE  
PROPERTIES, INC.,  
APPLICANT)

G.7. Alderwoman Wilhelm moved to adopt Resolution No. 2017-7330, A RESOLUTION TO AMEND RESOLUTION NO. 2017-7426 IMPOSING CONDITIONS AND RESTRICTIONS FOR THE APPROVAL OF A SPECIAL USE FOR A TWO-STORY, 48 UNIT MULTI-FAMILY SENIOR INDEPENDENT LIVING APARTMENT COMPLEX DEVELOPMENT USE LOCATED AT 3709 WEST COLLEGE AVENUE TO ALLOW FOR CONSTRUCTION OF THE LAKEVIEW AT FRANKLIN TWO-STORY, 48 UNIT SENIOR INDEPENDENT LIVING APARTMENT COMPLEX (HERMAN & KITTLE PROPERTIES, INC., APPLICANT) as amended. Seconded by Alderman Dandrea. All voted Aye; motion carried.

RES. 2017-7331  
CONTRACT WITH RA  
SMITH FOR  
INTERSECTION  
EVALUATION OF W.  
DREXEL AVE & S. 51ST  
ST.

G.8. Alderwoman Wilhelm moved to adopt Resolution No. 2017-7331, A RESOLUTION FOR PROFESSIONAL SERVICES CONTRACT WITH RA SMITH FOR THE INTERSECTION EVALUATION OF W. DREXEL AVENUE AND S. 51ST STREET NOT TO EXCEED THE AMOUNT OF \$8,000 from Contingency appropriations of the Capital Improvement Fund, and further, subject to technical corrections and legal review. Seconded by Alderman Barber. All voted Aye; motion carried.

- RES. 2017-7332  
CHANGE ORDER  
03/FINAL TO LUNDA  
CONSTRUCTION CO.  
FOR REPLACEMENT OF  
BRIDGE ON W. ST.  
MARTINS RD.
- G.9. Alderman Nelson moved to adopt Resolution No. 2017-7332, A RESOLUTION FOR CHANGE ORDER 03/FINAL TO LUNDA CONSTRUCTION COMPANY TO REDUCE THE TOTAL CONTRACT AMOUNT BY \$222.29 TO \$591,947.75 FOR REPLACEMENT OF THE BRIDGE ON W. ST. MARTINS ROAD OVER TESS CORNERS CREEK BETWEEN S. NORTH CAPE ROAD AND S. SCHERREI DRIVE. Seconded by Alderman Dandrea. All voted Aye; motion carried.
- RES. 2017-7333  
PURCHASE OF FUEL  
MANAGEMENT SYSTEM  
FROM BADGER OIL  
EQUIPMENT CO.
- G.10. Alderwoman Wilhelm moved to adopt Resolution No. 2017-7333, A RESOLUTION TO AUTHORIZE THE PURCHASE OF A FUEL MANAGEMENT SYSTEM FROM BADGER OIL EQUIPMENT CO. IN THE AMOUNT OF \$13,690 as amended. Seconded by Alderman Barber. All voted Aye; motion carried.
- AGREEMENT WITH  
BAKER TILLY LLP FOR  
2017 ANNUAL  
FINANCIAL  
STATEMENTS
- G.11. Alderman Dandrea moved to direct the Mayor, City Clerk and Director of Finance & Treasurer to execute the Audit Agreement between Baker Tilly LLP and the City of Franklin for Audit of the 2017 Annual Financial Statements subject to technical corrections by the City Attorney. Seconded by Alderman Barber. All voted Aye; motion carried.
- RES. 2017-7334  
DESIGNATING 2017  
CAPITAL  
IMPROVEMENT FUND  
APPROPRIATIONS
- G.12. Alderwoman Wilhelm moved to adopt Resolution No. 2017-7334, A RESOLUTION TO AUTHORIZE DESIGNATING 2017 CAPITAL IMPROVEMENT FUND APPROPRIATIONS FOR REPLACEMENT OF A CITY HALL TELEPHONE AND VOICE MAIL SYSTEM UPGRADE, A POLICE DEPARTMENT SQUAD CAR AND ASSOCIATED RADIO, AND A DRUG VAULT VENTILATION SYSTEM WITH APPROPRIATIONS TO COME FROM SAVINGS FROM THE POLICE COMMUNICATIONS CENTER PROJECT. Seconded by Alderman Dandrea. All voted Aye; motion carried.
- HEALTH & INSURANCE  
PLANS, CLAIM  
ADMINISTRATION  
SERVICES, STOP-LOSS  
COVERAGE AND  
BROKER SERVICES FOR  
2018
- G.13. Alderman Barber moved to authorize the Director of Administration to execute Health and Dental Plan and Claim Administration Services documents with United Health Care, specific and aggregate stop-loss coverage with Sun Life, and broker services with Diversified for fees and premiums not to exceed those rates as provided in the "Summary of Partially Self-Funded Premiums for City of Franklin" with the bottom line "Total Estimated Maximum Cost" of \$3,964,619.76, and to confirm continuation of voluntary long-term disability insurance and life and accidental death and dismemberment insurance coverage with The Hartford at no additional cost increases. Seconded by Alderman Nelson. All voted Aye; motion carried.

LICENSES AND  
PERMITS

- H. Alderwoman Wilhelm moved to approve the following:  
Hold Operator license application from Sierra Kisting, S63W18485 Martin Dr., Muskego, pending contact with Clerk's Office;  
Grant Operator licenses to Brittany Acker, 9335 Caddy Ln., Caledonia; Paramjeet Kaur, 185 W. Rainbow Ridge Dr., #301, Oak Creek; Marek Larson, 512 Rawson Ct., South Milwaukee; Kerri McCracken, 3025 E. Somers Ave., Cudahy; Eric Melster, 4220 Taylor Ave., Racine; Ann Moehlenpah, 3573 W. Hilltop Ln.; Joseph Radomski, 1231 Thrush Ln., Waukesha; Cheryl Sadowski, 7030 W. Hollow Ln.; Jason Schepker, 4461 S. 49th St., Greenfield, subject to update of his application related to background.  
Seconded by Alderman Nelson. All voted Aye; motion carried.

VOUCHERS AND  
PAYROLL

- I. Alderman Barber moved to approve the following: City vouchers with an ending date of November 16, 2017 in the amount of \$1,133,255.34; Payroll dated November 9, 2017 in the amount of \$388,803.91 and payments of the various payroll deductions in the amount of \$236,386.01, plus City matching payments; and Estimated Payroll dated November 24, 2017 in the amount of \$374,000.00 and payments of the various payroll deductions in the amount of \$419,000.00, plus City matching payments. Seconded by Alderman Dandrea. On roll call, all voted Aye. Motion carried.

LOWE'S HOME  
CENTERS V. CITY OF  
FRANKLIN, MILW.  
COUNTY CIRCUIT  
COURT, CASE NO.  
16CV8356: CLAIM OF  
EXCESSIVE  
ASSESSMENT

- G.14. Alderman Barber moved to enter closed session pursuant to Wis. Stat. § 19.85(1)(g), to confer with legal counsel for the Common Council who is rendering advice concerning strategy to be adopted by the body with respect to the subject litigation, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate. Seconded by Alderman Nelson. On roll call, all voted Aye. Motion carried

Upon re-entering open session at 7:18 p.m., Alderman Dandrea moved to approve the settlement in the Lowe's v. City of Franklin lawsuit involving the tax assessment for 2016, 2017 and 2018. The agreed assessed value for 2016 would be \$8,292,420; the agreed assessed value for 2017 would be \$8,000,000; and the agreed assessed value for 2018, absent the construction of improvements, would be \$7,255,867. In addition, it is noted that the refund for 2016 has been initially calculated at \$34,183.51 and the refund for 2017, if necessary, will be calculated based on the 2017 tax rate. Seconded by Alderman Barber. All voted Aye; motion carried.

ADJOURNMENT

- J. Alderman Barber moved to adjourn the meeting at 7:20 p.m. Seconded by Alderman Nelson. All voted Aye; motion carried.

<b>APPROVAL</b>  <i>slw</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b>  <b>12/05/2017</b>
<b>ORGANIZATIONAL BUSINESS</b>	<b>Board and Commission Appointments</b>	<b>ITEM NUMBER</b>  <b>E.</b>

The following are Mayoral appointments for Common Council confirmation:

Douglas Clark, 8173 S. 100th Street (Ald. Dist. 2), to the Civic Celebrations Committee for an unexpired 3-year term expiring 6/30/2018.

Randy Grass, 9056 W. Elm Court, Unit F (Ald. Dist. 1), to the Tourism Commission for a 1-year term expiring 12/31/2018.

Shaun Marefka, 7644 S. Mission Court (Ald. Dist 2), to the Tourism Commission for a 1-year term expiring 12/31/2018.

Lance Schaefer (Industry Representative), Hampton Inn & Suites, 6901 S. 76th Street (Ald. Dist 2), to the Tourism Commission for a 1-year term expiring 12/31/2018.

Amy Schermetzler, 4227 W. Central Avenue (Ald. Dist. 4), to the Tourism Commission for a 1-year term expiring 12/31/2018.

Mark Wylie, 7468 Carter Circle S. (Ald. Dist 5), to the Tourism Commission for a 1-year term expiring 12/31/2018.

### **COUNCIL ACTION REQUESTED**

Motion to confirm the Mayoral appointments of Douglas Clark, 8173 S. 100th Street (Ald. Dist. 2), to the Civic Celebrations Committee for an unexpired 3-year term expiring . Randy Grass, 9056 W. Elm Court, Unit F (Ald. Dist. 1), to the Tourism Commission for a 1-year term expiring 12/31/2018; Shaun Marefka, 7644 S. Mission Court (Ald. Dist 2), to the Tourism Commission for a 1-year term expiring 12/31/2018; Lance Schaefer (Industry Representative), Hampton Inn & Suites, 6901 S. 76th Street (Ald. Dist 2), to the Tourism Commission for a 1-year term expiring 12/31/2018; Amy Schermetzler, 4227 W. Central Avenue (Ald. Dist. 4), to the Tourism Commission for a 1-year term expiring 12/31/2018; Mark Wylie, 7468 Carter Circle S. (Ald. Dist 5), to the Tourism Commission for a 1-year term expiring 12/31/2018.

## Sandi Wesolowski

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**Subject:** FW: Volunteer Fact Sheet-Clark

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**From:** [volunteerfactsheet@franklinwi.gov](mailto:volunteerfactsheet@franklinwi.gov) [<mailto:volunteerfactsheet@franklinwi.gov>]

**Sent:** Wednesday, August 16, 2017 1:02 PM

**To:** Lisa Huenig; Shirley Roberts; Sandi Wesolowski

**Subject:** Volunteer Fact Sheet

**Name:** Douglas Clark  
**PhoneNumber:** 414-745-0514  
**EmailAddress:** [sfclark49@hotmail.com](mailto:sfclark49@hotmail.com)  
**YearsasResident:** 20  
**Alderman:**  
**ArchitecturalBoard:** 0  
**CivicCelebrations:** 1  
**CommunityDevelopmentAuthority:** 0  
**EconomicDevelopmentCommission:** 0  
**EnvironmentalCommission:** 0  
**FinanceCommittee:** 0  
**FairCommission:** 0  
**BoardofHealth:** 0  
**FirePoliceCommission:** 0  
**ParksCommission:** 0  
**LibraryBoard:** 0  
**PlanCommission:** 0  
**PersonnelCommittee:** 0  
**BoardofReview:** 0  
**BoardofPublicWorks:** 0  
**QuarryMonitoringCommittee:** 0  
**TechnologyCommission:** 0  
**TourismCommission:** 0  
**BoardofZoning:** 0  
**WasteFacilitiesMonitoringCommittee:** 0  
**BoardWaterCommissioners:** 0  
**CompanyNameJob1:** Office Depot  
**TelephoneJob1:** 262-797-9327  
**StartDateandPositionJob1:** 04/2002 Delivery Supervisor  
**EndDateandPositionJob1:**  
**CompanyNameJob2:**  
**TelephoneJob2:**  
**StartDateandPositionJob2:**



**EndDateandPositionJob2:**

**CompanyNameJob3:**

**TelephoneJob3:**

**StartDateandPositionJob3:**

**EndDateandPositionJob3:**

**Signature:**

Douglas R Clark

**Date:**

8/16/2017

**Signature2:**

Douglas R Clark

**Date2:**

8/16/2017

**Address:**

8173 S. 100th

**PriorityListing:**

**WhyInterested:**

I want to help keep the Civic Celebration a success.

**CompanyAddressJob1:**

5131 s Towne Dr

**DescriptionofDutiesJob1:**

Route and maintain 1st shift delivery crew.

**AddressJob2:**

**DescriptionofDutiesJob2:**

**AddressJob3:**

**DescriptionofDutiesJob3:**

**AdditionalExperience:**

I am heavily involved in volunteering in Franklin. I have coached basketball, baseball, and lacrosse for Franklin. I have volunteered every year for the Civic Celebration.

**ClientIP:**

204.99.250.45

**SessionID:**

atugolutue004vmzdgnefnfn

[See Current Results](#)

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RECEIVED  
CITY OF FRANKLIN

2017 NOV 30 PM 12:04

*slur*

*F.*

Date: November 26, 2017

TO: Alderman John Nelson

RE: Absence of street lights in the Fieldstone cul du sac and Lannonstone cul du sac of the Whitnall Grove condominium complex

We the following signed residents request the city implement the addition of street lights in the Whitnall Grove condominium complex, off of 107th and Rawson Avenue.

The complex is well lit in the front areas with three street lights. However, once past those lights the rest of the complex is in the dark, with the exception of lighting on individual garages. Some residents keep those lights on all night, and others do not.

Many of the residents of this community are elderly and homebound, or else living alone. With the recent increase in car theft and home invasions in the Franklin area, we, the residents, think the addition of at least one street light in each cul du sac will go a long way towards preventing crime in this complex.

We respectfully request your serious consideration of this important request.

Thank you in advance.

Contact person: Jim Shiflet, Member of Whitnall Grove Condo Association Board  
7000 S Fieldstone Court, Franklin, WI 53132  
[jimshiflet@sbcglobal.net](mailto:jimshiflet@sbcglobal.net)  
414-429-1813

*I personally circulated this petition and obtained each of the signatures on these four pages, containing 34 signatures.  
Dated November 30, 2017.*

*Jim Shiflet*

Petition in support of street lighting added to Fieldstone and Lannonstone Courts  
November 2017

2 3	<b>Schmitz</b> Sandy	12 Sout h	7039 S. Fieldstone Ct.	<i>Sandy Schmitz</i>		
2 4	<b>Stolberg Vera</b>	12 Nort h	7037 S. Fieldstone Ct.	<i>Vera Stolberg</i>		
2 5	<b>Kaupla Ed &amp; Marilyn</b>	13 Sout h	7027 S. Fieldstone Ct.	<i>Ed Kaupla</i>		
2 6	<b>Crisci Sam &amp; Kathy</b>	13 Nort h	7025 S. Fieldstone Ct.	<i>Sam Crisci</i>		
2 7	<b>Schatzman Linda &amp; Dan</b>	14 Sout h	7009 S. Fieldstone Ct.	<i>Dan Schatzman</i>		
2 8	<b>Sylvester Steve &amp; Nancy</b>	14 Nort h	7007 S. Fieldstone Ct.	<i>Nancy J Sylvester</i>		
2 9	<b>Shiflet Jim &amp; Ellen</b>	15 Wes t	7000 S. Fieldstone Ct.	<i>Jim Shiflet</i>		
3 0	<b>Anderson Linda</b>	15 East	7002 S. Fieldstone Ct.	<i>Linda Anderson</i>		
3 1	<b>Milligan Kirk &amp; Deanne</b>	16 Nort h	7012 S. Fieldstone Ct.	<i>Kirk Milligan</i>		
3 2	<b>Tillman Tom</b>	16 Sout h	7014 S. Fieldstone Ct.			
3 3	<b>Schwab Mary</b>	17 Nort h	7024 S. Fieldstone Ct.	<i>Mary Schwab</i>		
3 4	<b>Kuehn Tom &amp; Leona</b>	17 Sout h	7026 S. Fieldstone Ct.	<i>Tom Kuehn</i>		



Petition in support of street lighting added to Fieldstone and Lannonstone Courts  
November 2017

Unit	Name	Location	Address			
1	Warzinski Richard & Barbara	1 South	7083 S. Fieldstone Ct.			
2	Wierzbicki Therese & Margaret	1 North	7081 S. Fieldstone Ct.			
3	Walsh Rosemary & Sharon	2 South	7057 S. Lannonstone Ct.	Rosemary Walsh		
4	Tillier Dave & Ryan Tricia	2 North	7055 S. Lannonstone Ct.	Dave Tillier		
5	Guerin Jack & Nancy	3 South	7043 S. Lannonstone Ct.	Nancy A Guerin		
6	Kowalsky Tom & Marlene	3 North	7041 S. Lannonstone Ct.			
7	Zaffiro Bill & Barb	4 South	7035 S. Lannonstone Ct.	Barbara Zaffiro		
8	Walz Beverly	4 North	7031 S. Lannonstone Ct.	Beverly Walz		
9	Verdecchia Art	5 South	7015 S. Lannonstone Ct.	Arthur Verdecchia		
10	Wilker Bob & Jean	5 North	7013 S. Lannonstone Ct.			
11	Jost Lou & Nancy	6 South	7005 S. Lannonstone Ct.			

Petition in support of street lighting added to Fieldstone and Lannonstone Courts  
November 2017

3 5	<b>Planey Marcia</b>	18 North	7036 S. Fieldstone Ct.	<i>Marcia Planey</i>		
3 6	<b>Rogaczweski John &amp; Karon</b>	18 South	7038 S. Fieldstone Ct.	<i>John Rogaczweski</i>		
3 7	<b>Worry Gary &amp; Darling Pamela</b>	19 North	7048 S. Fieldstone Ct.	<i>Gary Worry</i>		
3 8	<b>Burdick Jerry &amp; Spars Donna</b>	19 South	7050 S. Fieldstone Ct.	<i>Donna Spars</i>		
3 9	<b>Klein Adam</b>	20 East	7060 S. Fieldstone Ct.	UNAVAILABLE		
4 0	<b>Rudiselle Sally</b>	20 West	7062 S. Fieldstone Ct.	<i>Sally Rudiselle</i>		
4 1	<b>Kiefer Lillian</b>	21 East	7072 S. Fieldstone Ct.	<i>Lillian Kiefer</i>		
4 2	<b>Banach Joan</b>	21 West	7074 S. Fieldstone Ct.	<i>Joan Banach</i>		
4 3	<b>Nolan Ginster Corrine</b>	22 East	7084 S. Fieldstone Ct.	<i>Corrine Nolan Ginster</i>		
4 4	<b>Sczerzen Bob &amp; Beth</b>	22 West	7086 S. Fieldstone Ct.			




Petition in support of street lighting added to Fieldstone and Lannonstone Courts  
November 2017

1 2	Szyska Conrad & Rita	6 North	7003 S. Lannonstone Ct.	Conrad J Szyska		
1 3	Stout Tom & Ruth	7 West	7004 S. Lannonstone Ct.			
1 4	Brunner Diane	7 East	7006 S. Lannonstone Ct.	Diane Brunner		
1 5	Rom John & Jeannette	8 North	7016 S. Lannonstone Ct.	NURSING HOME		
1 6	Bilan Art & Kay	8 South	7018 S. Lannonstone Ct.	Kay C Bilan		
1 7	Baumgart Gloria	9 North	7030 S. Lannonstone Ct.	Baumgart		
1 8	Rosenlund Rich & Terry	9 South	7032 S. Lannonstone Ct.	RICHARD ROSENLOU R. ROSENLOU TERRY		
1 9	Blakely Charles & Darlene	10 North	7040 S. Lannonstone Ct.	C. Blakely		
2 0	Ziegeweid Greg & Phyllis	10 South	7042 S. Lannonstone Ct.	Greg Ziegeweid		
2 1	Ockwood Bryan & Stephanie	11 South	7053 S. Fieldstone Ct.	Bryan I. Ockwood		
2 2	Novara Derek & Janice	11 North	7051 S. Fieldstone Ct.			

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<b>APPROVAL</b> <i>slw</i> 	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> Dec 5, 2017
<b>REPORTS &amp; RECOMMENDATIONS</b>	<b>Resolution Authorizing the Issuance and Sale of \$5,090,000 Taxable General Obligation Promissory Notes, Series 2017A</b>	<b>ITEM NUMBER</b> <i>G.1.</i>
<div style="text-align: right; margin-bottom: 10px;">         and Scope of Engagement letter from          Quarles &amp; Brady, LLP       </div> <p><b><u>Analysis</u></b></p> <p>The Common Council on Sept 19, 2017 provided for the sale of \$42.75 million Note Anticipation Notes.</p> <p>Only a few of the anticipated projects requiring this financing have progressed to the point that the sale of the Taxable and Tax Exempt General Obligation Promissory Notes are proposed at this time.</p> <p>The sale will be a competitive sale with a sale date of December 21, 2017.</p> <p>Our Financial Advisor for this transaction is Ehlers &amp; Associates, LLC, represented by Dawn Gunderson.</p> <p>Quarles and Brady prepared a sample Council resolution for review, and an updated resolution based on the results of the sales will be presented at the meeting for adoption. Those sample resolutions are attached.</p> <p>Ms. Gunderson of Ehlers &amp; Associates will present the results of the sale from bids opened earlier on December 5, 2017.</p> <p>Copies of the preliminary Official Statements are enclosed for your information.</p> <p>The Director of Finance and Treasurer will also review the bid results and other information related to the potential sale and will recommend approving or rejecting the issuance and sale of the promissory notes.</p> <p style="text-align: center;"><b>COUNCIL ACTION REQUESTED</b></p> <p>As to be presented at the meeting by the Director of Finance and Treasurer:</p> <p>Motion to reject Resolution No. 2017 - _____ authorizing the issuance and sale of \$5,090,000 Taxable General Obligation Promissory Notes, Series 2017A.</p> <p>or</p> <p>Motion to adopt Resolution No. 2017 - _____ authorizing the issuance and sale of \$5,090,000 Taxable General Obligation Promissory Notes, Series 2017A.</p>		



411 East Wisconsin Avenue  
Suite 2350  
Milwaukee, Wisconsin 53202-4426  
414.277.5000  
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November 21, 2017

VIA EMAIL

Mr. Paul Rotzenberg  
Director of Finance & Treasurer  
City of Franklin  
9229 West Loomis Road  
Franklin, WI 53132

Scope of Engagement Re: Proposed Issuance of \$5,090,000 City of Franklin (the "City")  
Taxable General Obligation Promissory Notes, Series 2017A (the "Securities")

Dear Mr. Rotzenberg:

We are pleased to be working with you again as the City's bond counsel and disclosure counsel. Thank you for your confidence in us.

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

Role of Bond Counsel

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

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

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

- 1) the Securities are valid and binding general obligations of the City and
- 2) all taxable property in the territory of the City is subject to ad valorem taxation without limitation as to rate or amount to pay the Securities.

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

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

#### Role of Disclosure Counsel

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

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

Mr. Paul Rotzenberg  
November 21, 2017  
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Subject to satisfactory completion of our due diligence, we will provide the City with a negative assurance letter that:

based on our review of the City's Offering Document, our examination of certain materials provided by the City and its representatives, and our participation in conferences and conversations with the City and its representatives, no information has come to the attention of the attorneys in our firm rendering legal services in connection with the matter that has caused them to believe that the Preliminary Official Statement contained as of its date or the Final Official Statement contained as of its date or contains as of the date hereof any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, we do not express any belief with respect to any financial and statistical data and forecasts, projections, numbers, estimates, assumptions and expressions of opinion, information about bond insurers, or any information regarding the Depository Trust Company and the book-entry system for the Securities contained or incorporated by reference in the City's Offering Document and its appendices, which we expressly exclude from the scope of this paragraph.

If requested, we may also provide Ehlers with a separate letter allowing it to rely on the above-described negative assurance letter.

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

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

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

securities law matters, or other general securities law matters pertaining to any party's status as a broker-dealer or municipal advisor.

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

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

#### Diversity of Practice; Consent to Unrelated Engagements

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

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

Mr. Paul Rotzenberg  
November 21, 2017  
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purchaser or placement agent of the Securities or the City's financial advisor, in future transactions or matters that are not related to the issuance of the Securities or our role as bond counsel. By engaging our services under the terms of this letter, the City consents to our firm undertaking representations of this type.

### Fees

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we assume, we estimate that our fee will be \$12,000 for our services as bond counsel, and \$7,800 for our services as disclosure counsel. Such fee and expenses may vary: (i) if the principal amount of Securities actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time, expenses or responsibility. Our fees and expenses may increase if the Securities are insured by a municipal bond insurance company, as municipal bond insurance companies require additional opinions and documents. If at any time we believe that circumstances require an adjustment of our original fee estimate, we will consult with you. It is our understanding that our fee will be paid out of proceeds of the Securities at Closing.

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

### Terms of Engagement

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

Unless previously terminated, our representation will terminate when we send to the City (or its representative) our final bill for services rendered. If the City requests, we will promptly return the City's original papers and property to you, consistent with our need to ensure payment

Mr. Paul Rotzenberg  
November 21, 2017  
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of any outstanding bills. We may retain copies of the documents. We will keep our own files, including attorney work product, pertaining to our representation of the City. For various reasons, including the minimization of unnecessary storage expenses, we may destroy or otherwise dispose of documents and materials a reasonable time after termination of the engagement.

#### City Responsibilities

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

#### Limited Liability Partnership

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

#### Conclusion and Request for Signed Copy

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

Mr. Paul Rotzenberg  
November 21, 2017  
Page 7

If you have any questions, please do not hesitate to contact me at any time. We are looking forward to working with you and the City in this regard.

Very truly yours,

QUARLES & BRADY LLP

  
Rebecca A. Speckhard

RAS:SMW:bes  
#360022.00035  
360022.00036

cc: Mr. Mark W. Luberd (via email)  
Ms. Sandra L. Wesolowski (via email)  
Jesse A. Wesolowski, Esq. (via email)  
Ms. Dawn R. Gunderson Schiel (via email)  
Mr. Jon Cameron (via email)  
Ms. Mary Zywiec (via email)  
Ms. Sue Porter (via email)  
Mr. Peter Curtin (via email)  
Alex Gore, Esq. (via email)  
Jacob Lichter, Esq. (via email)  
Ms. Jess Kent (via email)

Accepted and Approved:

CITY OF FRANKLIN

By: \_\_\_\_\_

Its: \_\_\_\_\_  
Title

Date: \_\_\_\_\_



## Sandi Wesolowski

---

**From:** Tracy Krohn [tkrohn@ehlers-inc.com]  
**Sent:** Tuesday, November 28, 2017 4:36 PM  
**Cc:** Peter Curtin; Diana Lockard; Missy Breiwick; Becky Ristow  
**Subject:** Preliminary Official Statement - City of Franklin, Wisconsin, \$5,090,000.00 Taxable GO Notes, Series 2017A  
**Attachments:** POS.Franklin.2017A.PDF

Dear Elected Official:

At your direction and with your staff, we have prepared the enclosed Preliminary Official Statement describing this financial transaction, which must meet the Municipal Market disclosure requirements. This Preliminary Official Statement is also being distributed to potential bidders who will rely on the contents of this document in assessing your issue before submitting their bid. Prior to the distribution of this Preliminary Official Statement, representatives of your staff reviewed and deemed the Preliminary Official Statement as final.

The resolution you will consider when you award the sale of this offering to the successful bidder will ask you to approve the contents of this Preliminary Official Statement by designating it as the "Final Official Statement".

"A Pocket Guide for Elected and Other Public Officials" prepared by the National League of Cities; National Association of Counties; National Association of State Auditors, Comptrollers, and Treasurers; and the Government Finance Officers Association with input from the Securities and Exchange Commission recommends that municipal officials ask the following questions of outside professionals who produce disclosure documents for the sale of municipal obligations.

1. *What is the nature or scope of the written opinion or certification, if any, that you are giving in this transaction and relating to the disclosure document? Have we given you access to the information you need?*
2. *Have you explained to us all aspects of the structure or nature of this transaction so that you are confident we fully understand all critical aspects? Does our official statement adequately address any concerns you have about this transaction that a reasonable investor would consider important?*
3. *Are there any matters regarding your participation in this transaction about which you should make us aware, including potential conflicts of interest?*
4. *Has your review of the relevant financial documents and other materials, including the official statement, raised any concerns regarding this borrowing? Do these concerns need to be disclosed?*
5. *Are you aware of any circumstances in which we, our staff, or others have not complied with our procedures so that we can make sure that our official statement adequately and accurately describes this situation?*

We hope Ehlers has answered these questions prior to or within this document. If not, please feel free to contact us.

Yours truly,

**Tracy Krohn** | Office Support Specialist  
O: (262) 796-6160 | ehlers-inc.com



**EHLERS**

## PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 28, 2017

In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Notes is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The City will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Notes to the extent permitted under prior law.

**New Issue**

**Rating Application Made: Moody's Investors Service, Inc.**

### CITY OF FRANKLIN, WISCONSIN (Milwaukee County)

## \$5,090,000\* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2017A

**BID OPENING:** December 5, 2017, 10:00 A.M., C.T.

**CONSIDERATION:** December 5, 2017, 6:30 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$5,090,000\* Taxable General Obligation Promissory Notes, Series 2017A (the "Notes") of the City of Franklin, Wisconsin (the "City") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying project costs of Tax Incremental District No. 3 within the City. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF NOTES:** December 21, 2017

**MATURITY:** March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2018	\$1,000,000	2020	\$750,000	2022	\$390,000
2019	2,000,000	2021	950,000		

**\*MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** March 1, 2018 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Notes maturing on March 1, 2022 are subject to call for prior optional redemption on March 1, 2021 or any date thereafter, at a price of par plus accrued interest.

**MINIMUM BID:** \$5,051,825.

**MAXIMUM BID:** \$5,293,600.

**GOOD FAITH DEPOSIT:** A cashier's check in the amount of \$101,800 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** Bond Trust Services Corporation, Roseville, Minnesota.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. *This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers & Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles and Brady LLP will serve as Disclosure Counsel to the City with respect to the Notes. Compensation of Ehlers & Associates, Inc., payable entirely by the City, is contingent upon the sale of the Notes.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers & Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded.

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## COMMON COUNCIL

		<u>Term Expires</u>
Stephen R. Olson	Mayor	April 2020
Mark A. Dandrea	Common Council President	April 2019
Daniel Mayer	Aldersperson	April 2019
Kristen Wilhelm	Aldersperson	April 2020
Steve F. Taylor	Aldersperson	April 2020
Mike Barber	Aldersperson	April 2019
John R. Nelson	Aldersperson	April 2020

## ADMINISTRATION

Mark W. Luberda, Director of Administration  
Paul Rotzenberg, Director of Finance & Treasurer  
Sandra L. Wesolowski, Director of Clerk Services/City Clerk

## PROFESSIONAL SERVICES

Jesse Wesolowski, City Attorney, Franklin, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers & Associates, Inc., Municipal Advisors, Waukesha, Wisconsin  
(Other offices located in Roseville, Minnesota, Chicago, Illinois and Denver, Colorado)

## INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Franklin, Wisconsin (the "City") and the issuance of its \$5,090,000\* Taxable General Obligation Promissory Notes, Series 2017A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes (the "Authorizing Resolution") to be adopted by the Common Council on December 5, 2017.

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Waukesha, Wisconsin, (262) 785-1520, the City's Municipal Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE NOTES

### GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 21, 2017. The Notes will mature on March 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2018, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC") to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

### OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on March 1, 2022 shall be subject to optional redemption prior to maturity on March 1, 2021 or on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amount of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. 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.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

## **AUTHORITY; PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying project costs of Tax Incremental District No. 3 within the City.

## **ESTIMATED SOURCES AND USES\***

### **Sources**

Par Amount of Notes	\$5,090,000	
Estimated Interest Earnings	3,125	
<b>Total Sources</b>		<b>\$5,093,125</b>

### **Uses**

Project Costs	\$5,000,000	
Estimated Underwriter's Discount	38,175	
Finance Related Expenses	54,675	
Deposit to Debt Service Fund	275	
<b>Total Uses</b>		<b>\$5,093,125</b>

\*Preliminary, subject to change.

## **SECURITY**

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

## **RATING**

General obligation debt of the City is currently rated "Aa1" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist the underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), the City shall covenant to take certain actions pursuant to the Authorizing Resolution adopted by the Common Council by entering into a Continuing Disclosure Certificate (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the City to provide electronically or in the manner otherwise prescribed certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for the Notes are set forth in Appendix D to be executed and delivered by the City at the time of delivery of the Notes. Such Disclosure Undertaking will be in substantially the form attached hereto.

The City did not timely file notice of certain bond insurer rating changes during the previous five years. Except to the extent the preceding is deemed to be material, in the previous five years the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities to help ensure compliance in the future.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The City will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org). Ehlers is currently engaged as disclosure dissemination agent for the City.



## **LEGAL MATTERS**

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## **TAXABILITY OF INTEREST**

Interest on the Notes is included in gross income for Federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the City in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a Municipal Advisor.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

## INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2016 have been audited by Baker Tilly Virchow Krause, LLP, Milwaukee, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

## RISK FACTORS

Following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

**Taxes:** The Notes are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the City and to the Notes. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

**Ratings; Interest Rates:** In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

**Continuing Disclosure:** A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

**Depository Risk:** Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Notes in the secondary market.

**Secondary Market for the Notes:** No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

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# VALUATIONS

## WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

### Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

### Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

## CURRENT PROPERTY VALUATIONS

2017 Equalized Value	\$3,888,926,200
2017 Equalized Value Reduced by Tax Increment Valuation	\$3,778,072,200
2017 Assessed Value	\$3,854,766,200

## 2017 EQUALIZED VALUE BY CLASSIFICATION

	2017 Equalized Value <sup>1</sup>	Percent of Total Equalized Value
Residential	\$ 2,870,690,200	73.817%
Commercial	773,583,100	19.892%
Manufacturing	146,995,000	3.780%
Agricultural	825,000	0.021%
Undeveloped	5,356,800	0.138%
Ag Forest	205,200	0.005%
Forest	486,000	0.013%
Other	17,786,800	0.457%
Personal Property <sup>2</sup>	72,998,100	1.877%
Total	<u>\$ 3,888,926,200</u>	<u>100.000%</u>

## TREND OF VALUATIONS

Year	Assessed Value	Equalized Value <sup>1</sup>	Percent Increase/Decrease in Equalized Value
2013	\$ 3,359,728,100	\$ 3,414,276,600	-3.12%
2014	3,364,592,800	3,589,694,100	5.14%
2015	3,396,543,100	3,649,185,900	1.66%
2016	3,704,478,925	3,729,003,100	2.19%
2017	3,854,766,200	3,888,926,200	4.29%

**Source:** Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

<sup>1</sup> Includes tax increment valuation.

<sup>2</sup> Beginning January 1, 2018 certain personal property will be exempt from property tax.

## LARGER TAXPAYERS

<b>Taxpayer</b>	<b>Type of Business/Property</b>	<b>2017 Equalized Value<sup>1</sup></b>	<b>Percent of City's Total Equalized Value</b>
Northwestern Mutual Life	Insurance services	\$ 117,360,716	3.02%
Wal-mart/Sam's Club <sup>2</sup>	Retailer	25,445,199	0.65%
Wheaton Franciscan Medical	Healthcare	25,348,142	0.65%
Transpack Corp. - ET Franklin	Commercial	24,576,733	0.63%
Whitnall Pointe Limited Partnership	Apartments	22,217,610	0.57%
Manchester Oaks Apartments LLC	Apartments	19,997,211	0.51%
Baptista's Bakery, Inc.	Manufacturing	14,768,054	0.38%
Menards Inc. <sup>2</sup>	Retailer	13,525,688	0.35%
Franklin-Wyndham LLC	Land held for developer	13,335,409	0.34%
All Glass Aquarium Co.	Commercial	12,669,127	0.33%
<b>Total</b>		<b>\$ 289,243,889</b>	<b>7.44%</b>
City's Total 2017 Equalized Value <sup>3</sup>		\$3,888,926,200	

**Source:** The City.

<sup>1</sup> Calculated by dividing the 2017 Assessed Values by the 2017 Aggregate Ratio of assessment for the City.

<sup>2</sup> Assessment being challenged by taxpayer. In addition, Lowe's, which is not listed above, has challenged its assessment and is in settlement negotiations with the City.

<sup>3</sup> Includes tax increment valuation.

## DEBT

**DIRECT DEBT**<sup>1</sup> (includes the Notes and the Concurrent Obligations, as defined herein)

**General Obligation Debt (see schedules following)\***

Total General Obligation Debt

\$ 35,089,693

\*Preliminary, subject to change.

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<sup>1</sup> Outstanding debt is as of the dated date of the Notes.

City of Franklin, Wisconsin  
Schedule of Bonded Indebtedness  
General Obligation Debt  
(As of December 31, 2017)

Fiscal Year Ending	GO Sewerage System Promissory Notes Series 2012*		GO Promissory Notes Series 2014A		GO Water System Bonds Series 2014B		GO Refunding Bonds Series 2015A		Taxable GO Promissory Notes Series 2017A		GO Promissory Notes Series 2017B		Principal Outstanding**	Principal & Interest**	Total Interest**	Total Principal**	Principal Paid***	Year
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest						
2018	1,214,723	1/25/2012	1,140,000	51,588	55,000	31,938	1,175,000	79,450	1,000,000	62,288	50,000	23,326	30,504,970	5,311,121	726,398	4,584,723	13.07%	2018
2019	1,244,829	4/7/2014	165,000	32,838	55,000	30,838	1,175,000	55,950	2,000,000	66,715	50,000	33,228	25,815,341	5,355,731	667,101	4,689,829	26.43%	2019
2020	1,275,272	4/16/2014	180,000	29,163	55,000	29,738	1,095,000	33,259	750,000	40,340	50,000	31,678	22,410,089	3,986,753	581,481	3,405,272	36.13%	2020
2021	1,306,659	3/8/2015	180,000	25,113	60,000	28,288	1,115,000	11,160	950,000	21,303	50,000	24,755	18,748,400	4,163,929	502,260	3,591,659	46.57%	2021
2022	1,338,839	3/21/2016	335,000	19,318	60,000	26,488	1,115,000	11,160	390,000	5,079	245,000	19,964	16,389,560	2,791,030	432,190	2,358,839	53.23%	2022
2023	1,371,602	3/16/2017	330,000	11,838	60,000	24,688	1,115,000	11,160	390,000	5,079	245,000	19,964	14,387,759	2,381,578	380,076	2,001,802	59.00%	2023
2024	1,405,575	2/8/2018	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	12,352,184	2,367,096	331,520	2,035,575	64.80%	2024
2025	1,440,181	2/4/2019	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	10,597,003	2,040,533	285,353	1,755,161	68.80%	2025
2026	1,475,638	2/13/2020	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	8,796,365	2,042,534	241,897	1,800,638	74.93%	2026
2027	1,511,968	1/7/2021	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	6,954,397	2,039,098	197,130	1,841,968	80.16%	2027
2028	1,549,193	1/3/2022	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	5,335,204	1,773,501	154,309	1,619,193	84.80%	2028
2029	1,587,334	1/3/2023	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	3,677,870	1,770,832	113,588	1,557,334	89.52%	2029
2030	1,626,414	1/3/2024	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	1,976,456	1,773,276	71,862	1,657,334	94.37%	2030
2031	1,666,456	1/3/2025	325,000	4,053	60,000	22,888	1,115,000	11,160	390,000	5,079	245,000	19,964	1,600,000	1,770,456	29,030	1,741,456	99.33%	2031
2032					80,000	3,750							80,000	81,172	6,172	76,000	99.54%	2032
2033					80,000	3,750							80,000	83,750	3,750	80,000	99.77%	2033
2034					80,000	1,250							80,000	81,250	1,250	80,000	100.00%	2034
	20,014,693	3,643,709	2,655,000	173,919	1,125,000	310,625	4,560,000	179,800	5,090,000	195,716	1,645,000	221,509	35,089,693	4,725,377				

\* Debt supported by Intergovernmental Agreement with another entity that pays all principal and interest on the issue.

\*\* Preliminary, subject to change.

(1) Mandatory redemption amounts



## DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 3,888,926,200
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 194,446,310
Less: General Obligation Debt*	<u>(35,089,693)</u>
Unused Debt Limit*	<u>\$ 159,356,617<sup>1</sup></u>

\*Preliminary, subject to change.

## OVERLAPPING DEBT<sup>2</sup>

Taxing District	2017 Equalized Value <sup>3</sup>	% In City	Total G.O. Debt <sup>4</sup>	City's Proportionate Share
Milwaukee County	\$ 61,413,297,000	6.33%	\$609,286,223	\$38,567,818
Milwaukee Area Technical College District	76,548,230,996	5.08%	103,955,000	5,280,914
Franklin Public School District	2,920,128,579	100.00%	69,155,000	69,155,000
Oak Creek-Franklin Joint School District	4,054,645,300	18.16%	91,190,000	16,560,104
Whitnall School District	1,655,912,700	14.04%	555,000	77,922
Milwaukee Metro Sewer District	60,253,027,200	6.45%	869,923,198	<u>56,110,046</u>
City's Share of Total Overlapping Debt				<u>\$185,751,804</u>

<sup>1</sup> The City has adopted a policy which further limits its ability to issue general obligation debt. Under the City's current policy, the City shall not issue general obligation debt in such an amount which would cause their outstanding debt to be in excess of 40% of the statutory debt limit. However, the City may amend such policy at any time.

<sup>2</sup> Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>3</sup> Includes tax increment valuation.

<sup>4</sup> Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

## DEBT RATIOS<sup>1</sup>

	G.O. Debt	Debt/Equalized Value \$3,888,926,200	Debt/ Per Capita 36,046 <sup>2</sup>
Total General Obligation Debt*	\$ 35,089,693	0.90%	\$ 973.47
City's Share of Total Overlapping Debt	<u>185,751,804</u>	<u>4.78%</u>	<u>5,153.19</u>
Total*	\$ 220,841,497	5.68%	\$ 6,126.66

## DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

## FUTURE FINANCING

The City expects to issue its \$1,645,000\* General Obligation Promissory Notes, Series 2017B (the "Concurrent Obligations") concurrently with the Notes.

The City anticipates issuing additional obligations in the next 12 months to support the "Ballpark Commons Project" in the City's Tax Incremental District No. 5 ("TID No. 5"). The Ballpark Commons Project is expected to entail expansion of an existing baseball complex, creation of a 400-unit apartment complex, provision of related commercial space and repurposing a landfill. The City anticipates issuing approximately \$22,800,000 in general obligation bonds in 2018 to finance infrastructure projects in TID No. 5, with the intention of offsetting the resulting tax levy to the extent TID No. 5 tax increment is available. The City also expects to issue approximately \$10,000,000 in "pay-as-you-go" bonds payable solely from TID No. 5 increment, to the extent additional increment is available after offsetting the debt levy for the above-reference general obligation bonds.

The City also anticipates issuing approximately \$13,000,000 in general obligation bonds in 2018, to finance development in other City tax increment districts in the southwest and southeastern parts of the City.

The City is in the early stages of exploring other, future development projects, but aside from the preceding has no concrete plans for additional financing in the next 12 months.

\*Preliminary, subject to change.

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<sup>1</sup> Includes the Notes and the Concurrent Obligations.

<sup>2</sup> Estimated 2017 population.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

<b>Tax Year</b>	<b>Levy for City Purposes Only</b>	<b>% Collected</b>	<b>Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000</b>
2012/13	\$20,509,000	100%	\$5.99
2013/14	20,509,000	100%	6.19
2014/15	20,509,000	100%	5.90
2015/16	20,509,000	100%	5.82
2016/17	20,509,000	100%	5.65

Property tax statements are distributed to taxpayers by the town, village, and city clerks in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

## PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools <sup>1</sup>	County	Local	Other <sup>2</sup>	Total
2012/13	\$13.67	\$5.05	\$5.99	\$1.80	\$26.51
2013/14	14.27	5.13	6.19	1.88	27.47
2014/15	12.97	5.10	5.90	1.89	25.86
2015/16	13.06	5.13	5.82	1.92	25.93
2016/17	12.66	5.10	5.65	1.93	25.34

**Source:** Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

## LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%. The City has not levied its full allowable levy, and thus retains the ability to carry forward such difference, subject to the limitations imposed by the Wisconsin Statutes.

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<sup>1</sup> The Schools tax rate reflects the composite rate of all local school districts and technical college district.

<sup>2</sup> Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

With respect to general obligation debt service, the following provisions are made:

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

## THE ISSUER

### CITY GOVERNMENT

The City was incorporated in 1956 and is governed by a Mayor and a six-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to three-year terms. The appointed City Clerk is responsible for administrative details and financial records.

### EMPLOYEES; PENSIONS

The City employs a staff of 199 full-time and 43 part-time employees. All eligible public safety employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. The total retirement plan contributions (including both the City's and the employees' contributions) for the fiscal year ended December 31, 2014 were \$1,457,708. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015") and the fiscal year ended December 31, 2016 ("Fiscal Year 2016"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$815,219 and \$803,686 respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2015, the total pension liability of the WRS was calculated as \$90.1 billion and the fiduciary net position of the WRS was calculated as \$88.5 billion, resulting in a net pension liability of \$1.6 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2016, the City reported a liability of \$1,344,496 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2015 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.08273922% of the aggregate WRS net pension liability as of December 31, 2015.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

### **Recognized and Certified Bargaining Units**

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

<b>Bargaining Unit</b>	<b>Expiration Date of Current Contract</b>
Police	December 31, 2018
Fire	December 31, 2018

### **Supplemental Pension Benefits**

The City provides other pension benefits to public works employees who have satisfied specified eligibility standards through a single-employer defined benefit plan. The amount of such benefits are based on years of service and average compensation. Membership of the plan consisted of 22 retirees receiving benefits, 6 terminated vested retirees and 31 active plan members as of January 1, 2017, the date of the latest actuarial valuation.

Pension benefit calculations are required to be updated every two years and prepared in accordance with Governmental Accounting Standards Board Statement No. 68 ("GASB 68"). An actuarial study for the plan was most recently completed by The Principal Financial Group in July 2017 with an actuarial valuation date of January 1, 2017 (the "Pension Actuarial Report").

Under GASB 68, an actuarially determined contribution ("ADC") is calculated as a target or recommended contribution to the plan for the reporting period, determined in conformity with actuarial standards based on the most recent measurement available. As shown in the City's audited financial statements for Fiscal Year 2016, the City's ADC for Fiscal Year 2016 was \$339,927. For Fiscal Year 2016, contributions to the plan totaled \$339,927, which was 100% of the ADC. The City's current funding practice has been to fully fund ADC.

As shown in the Pension Actuarial Report, as of January 1, 2017, the actuarial accrued liability was \$9,133,297 and the actuarial value of assets was \$8,837,479, resulting in an unfunded actuarial accrued liability ("UAAL") of \$295,818.

For more information, see Note 4.A. in "Appendix A - Financial Statements" attached hereto. The Pension Actuarial Report is available from the City upon request.

The City also provides a defined contribution pension plan benefit to eligible non-protective employees (other than public works employees). Eligibility begins after six months of employment with the City. Employees are required to make contributions of 5% of wages. For Fiscal Year 2016, the City contributed \$84,137 and employees contributed \$84,137 to the plan. For more information, see Note 4.B. in "Appendix A - Financial Statements."

## **OTHER POST EMPLOYMENT BENEFITS**

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to former employees and their dependents through a single employer defined benefit plan. Membership of the plan consisted of 24 retirees receiving benefits and 178 active plan members as of December 15, 2015. Eligible retirees may continue to participate in the City's group health plan. The City contributes a fixed portion of the premiums determined at retirement based on the employment category of retiree, and the retiree is responsible for paying the balance of the premiums.

OPEB calculations are required to be updated every two years. Prior to June 15, 2017, OPEB calculations were required to be prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. For fiscal years beginning after June 15, 2017, OPEB calculations will be required to be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 45 was most recently completed by Actuarial & Health Care Solutions, LLC in December 2015, with an actuarial valuation date of January 1, 2016. The City had such study updated by Actuarial & Health Care Solutions, LLC in October, 2017 to prepare the information required to be reported under GASB 75 (the "OPEB Report").

Under GASB 75, a net OPEB liability is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

Under GASB 45, the City was required to expense the estimated yearly cost of providing post-retirement benefits and such annual accrual expense is referred to as the "annual required contribution." As shown in the City's audited financial statements for Fiscal Year 2016, the annual required contribution for Fiscal Year 2016 was \$342,872. For Fiscal Year 2016, contributions to the plan totaled \$191,814, which was 55.9% of the annual required contribution. However, for Fiscal Year 2015, the City's annual required contribution was \$324,393, and contributions to the plan totaled \$475,451 which was 146.6% of the annual required contribution. Such excess contributions were made in Fiscal Year 2015 with the intention of offsetting the required contribution in Fiscal Year 2016. The City's current funding practice is to make annual contributions on an actuarially determined basis.

As shown in the OPEB Report, as of January 1, 2018 the total OPEB liability of the plan was \$7,607,515 and the plan fiduciary net position was \$5,297,421, resulting in a net OPEB liability of \$2,310,094.

For more information, see Note 4.C. in "Appendix A — Financial Statements."



## LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes. At any given time, the City may be involved in potential lawsuits; however, at this time, the City does not expect any pending litigation to result in final judgements which would materially affect the City's ability to pay principal and interest on the Notes.

## MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

**FUNDS ON HAND** (as of September 30, 2017)

<b>Fund</b>	<b>Total Cash and Investments</b>
General	\$ 11,285,544
Special Revenue	2,090,274
Debt Service	638,030
Capital Projects	16,024,402
Enterprise Funds	3,108,780
Internal Service Funds	2,276,392
Fiduciary Funds	5,467,520
Total Funds on Hand	<u>\$ 40,890,942</u>

**ENTERPRISE FUNDS**

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	<b>2014</b>	<b>2015<sup>1</sup></b>	<b>2016<sup>2</sup></b>
<b>Water</b>			
Total Operating Revenues	\$ 5,421,719	\$ 5,609,928	\$ 6,054,573
Less: Operating Expenses	<u>(5,055,935)</u>	<u>(5,755,151)</u>	<u>(5,514,241)</u>
Operating Income	\$ 365,784	\$ (145,223)	\$ 540,332
Plus: Depreciation and Amortization	1,097,571	1,557,514	1,344,829
Interest Income (Loss)	<u>(4,504)</u>	<u>3,368</u>	<u>2,589</u>
Revenues Available for Debt Service	\$ 1,458,851	\$ 1,415,659	\$ 1,887,750
Less: PILOT payments	1,044,446	1,041,040	1,047,053
Net Revenues	<u>\$ 414,405</u>	<u>\$ 374,619</u>	<u>\$ 840,697</u>
<b>Sanitary Sewer</b>			
Total Operating Revenues	\$ 3,266,897	\$ 3,340,382	\$ 3,328,550
Less: Operating Expenses	<u>(3,593,796)</u>	<u>(3,588,716)</u>	<u>(5,197,869)</u>
Operating Income	\$ (326,899)	\$ (248,334)	\$ (1,869,319)
Plus: Depreciation and Amortization	661,745	692,909	2,123,035
Interest Income	<u>59,581</u>	<u>20,789</u>	<u>134</u>
Revenues Available for Debt Service	<u>\$ 394,427</u>	<u>\$ 465,364</u>	<u>\$ 253,850</u>

<sup>1</sup> The City adopted GASB 68 related to pension benefits, which resulted in prior period adjustments in both Water & Sewer Funds. See Note 4.F in the 2015 CAFR for more details.

<sup>2</sup> As it relates to the Sanitary Sewer Fund, the City changed its accounting policy with respect to a major asset, which required a restatement of opening fund balance. See Note 4.F in the 2016 CAFR for more details.

## SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2016 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2014 Audited	2015 Audited	2016 Audited	2017 Estimated <sup>1</sup>	2018 Budget <sup>2</sup>
<b>Revenues</b>					
Taxes	\$ 16,926,045	\$ 17,015,261	\$ 17,161,004	\$ 17,124,500	\$ 17,739,500
Intergovernmental revenue	2,536,187	2,775,349	2,318,825	2,220,237	2,326,100
Licenses and permits	808,302	669,367	665,169	768,240	1,040,990
Penalties and forfeitures	421,976	484,957	498,653	510,000	500,000
Public charges for services	1,367,737	1,544,611	1,452,601	1,641,730	1,805,350
Intergovernmental charges for services	136,372	192,188	194,806	190,000	196,500
Investment earnings	290,132	238,562	161,281	245,000	205,000
Miscellaneous revenues	143,014	155,576	182,016	129,600	120,350
<b>Total Revenues</b>	<b>\$ 22,629,765</b>	<b>\$ 23,075,871</b>	<b>\$ 22,634,355</b>	<b>\$ 22,829,307</b>	<b>\$ 23,933,790</b>
<b>Expenditures</b>					
Current:					
General government	\$ 2,786,740	\$ 2,720,473	\$ 2,910,893	\$ 3,004,370	\$ 2,776,627
Public safety	15,367,022	15,983,174	15,787,827	16,615,933	17,296,241
Public works	3,560,384	3,046,338	3,745,146	3,954,378	3,443,618
Health and human services	633,964	633,387	646,870	678,010	693,845
Culture, recreation and education	163,000	177,798	179,933	195,493	195,914
Conservation and development	355,354	568,364	523,268	555,746	595,345
Contingency	0	0	0	33,300	1,305,000
<b>Total Expenditures</b>	<b>\$ 22,866,464</b>	<b>\$ 23,129,534</b>	<b>\$ 23,793,937</b>	<b>\$ 25,037,230</b>	<b>\$ 26,306,590</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (236,699)</b>	<b>\$ (53,663)</b>	<b>\$ (1,159,582)</b>	<b>\$ (2,207,923)</b>	<b>\$ (2,372,800)</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	1,112,244	1,044,460	1,050,382	1,076,950	1,050,000
Operating transfers out	(24,000)	(574,000)	(1,250,025)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,088,244</b>	<b>\$ 470,460</b>	<b>\$ (199,643)</b>	<b>\$ 1,076,950</b>	<b>\$ 1,050,000</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>\$ 851,545</b>	<b>\$ 416,797</b>	<b>\$ (1,359,225)<sup>3</sup></b>	<b>\$ (1,130,973)<sup>4</sup></b>	<b>\$ (1,322,800)<sup>5</sup></b>
General Fund Balance January 1	7,781,567	8,633,112	9,049,909	7,690,684	6,559,711
General Fund Balance December 31	\$ 8,633,112	\$ 9,049,909	\$ 7,690,684	\$ 6,559,711	\$ 5,236,911
<b>DETAILS OF DECEMBER 31 FUND BALANCE</b>					
Nonspendable	2,277,071	2,239,802	2,294,958	96,342	96,000
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	207,270	147,121	61,626	0	0
Unassigned	6,148,771	6,662,986	5,334,100	6,463,369	5,140,911
<b>Total</b>	<b>\$ 8,633,112</b>	<b>\$ 9,049,909</b>	<b>\$ 7,690,684</b>	<b>\$ 6,559,711</b>	<b>\$ 5,236,911</b>

<sup>1</sup> 2017 Projected numbers are actual January 1, 2017 through June 30, 2017 and estimated July 1, 2017 through December 31, 2017.

<sup>2</sup> 2018 Budget was approved on November 21, 2017.

<sup>3</sup> Deficit includes a one-time \$1.2 million transfer to the Capital Improvement Fund for capital expenditures.

<sup>4</sup> Deficit includes a one-time \$605,700 extraordinary pension contribution.

<sup>5</sup> The budget includes a \$1.28 million restricted contingency expenditure. Any use of such expenditure would require a 2/3 vote of the Common Council and such expenditure is not expected to be made.

## GENERAL INFORMATION

### LOCATION

The City, with a 2010 U.S. Census population of 35,451, and a 2017 estimated population of 36,046, comprises an area of 34.5 square miles and is located in the southwest corner of Milwaukee County.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in the City include the following:

<b>Firm</b>	<b>Type of Business/Product</b>	<b>Estimated No. of Employees<sup>2</sup></b>
Northwestern Mutual	Insurance/investment services	3,107
Wheaton Franciscan Healthcare	Medical and surgical hospital	853
Krones, Inc.	High speed labeling/filler machines	577
Baptista's Bakery	Commercial bakery	559
Franklin Public Schools	K-12 education	554
Milwaukee County Corrections South	Government	525
Wal-Mart	Retailer	332
Carlisle Interconnect Technologies	Wire harnesses	303
Strauss Veal & Lamb Int'l Inc.	Animal processing	270
Senior Flexonics - GA Precision	Off-road engine components mfg.	255

**Source:** ReferenceUSA, written and telephone survey (November 2017), City's 2016 CAFR.

<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

<sup>2</sup> Constitutes 47% of the City's workforce.

## BUILDING PERMITS

	2013	2014	2015	2016	2017 <sup>1</sup>
<u>New Single Family Homes</u>					
No. of building permits	56	33	26	23	11
Valuation	\$16,718,795	\$10,688,902	\$10,199,139	\$9,721,721	\$4,810,610
<u>New Multiple Family Buildings</u>					
No. of building permits	8	9	3	1	0
Valuation	\$2,774,000	\$4,092,000	\$1,110,000	\$5,550,000	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	13	13	3	5	8
Valuation	\$2,236,192	\$2,236,192	\$1,961,261	\$154,300	\$7,413,659
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	2,775	2,905	300	267	211
Valuation	\$87,274,798	\$41,246,443	\$30,654,542	\$27,316,600	\$24,377,455

Source: The City.

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<sup>1</sup> As of October 19, 2017.

## U.S. CENSUS DATA

### Population Trend: City

2000 U.S. Census	29,494
2010 U.S. Census	35,451
2017 Estimated Population	36,046
Percent of Change 2000 - 2010	20.20%

### Income and Age Statistics

	City	Milwaukee County	State of Wisconsin	United States
2015 per capita income	\$34,970	\$24,984	\$28,340	\$28,930
2015 median household income	\$73,148	\$43,873	\$53,357	\$53,889
2015 median family income	\$92,467	\$56,079	\$68,064	\$66,011
2015 median gross rent	\$960	\$806	\$776	\$928
2015 median value owner occupied units	\$224,400	\$151,700	\$165,800	\$178,600
2015 median age	41.8 yrs.	34.2 yrs.	39.0 yrs.	37.6 yrs.

	State of Wisconsin	United States
City % of 2015 per capita income	123.39%	120.88%
City % of 2015 median family income	135.85%	140.08%

### Housing Statistics

	<u>City</u>	
	2000	2015
All Housing Units	10,936	14,028
		Percent of Change
		28.27%

**Source:** 2000 and 2010 Census of Population and Housing, and 2015 American Community Survey (Based on a five-year estimate), U.S. Census Bureau ([www.factfinder2.census.gov](http://www.factfinder2.census.gov)).

## EMPLOYMENT/UNEMPLOYMENT DATA

Year	<u>Average Employment</u>		<u>Average Unemployment</u>		
	City	Milwaukee County	City	Milwaukee County	State of Wisconsin
2013	17,233	439,273	6.2%	8.4%	6.7%
2014	17,481	446,154	4.9%	6.9%	5.4%
2015	17,578	449,935	4.4%	5.8%	4.6%
2016	17,755	454,475	3.9%	5.1%	4.1%
2017, September	18,133	464,148	3.3%	4.0%	3.0%

**Source:** Wisconsin Department of Workforce Development.

## APPENDIX A

### FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested the Auditor to perform any additional examination, assessments or evaluation with respect to such financial statements since the date thereof, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

While reviewing the financial statements, readers should be aware that the 2017 budget reflects a \$900,000 extraordinary pension payment of which \$605,700 will be paid out of the General Fund and \$294,300 will be paid out of Utility Funds. Additionally, in January, 2017, the City collected \$2,300,000 in an intergovernmental account receivable held by the Sewer Fund. The Sewer Fund used the proceeds to repay an inter-fund advance with the General Fund. Collection of the inter-fund advance will remove a corresponding amount of Nonspendable General Fund Balance at December, 2017. Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

**FORM OF LEGAL OPINION**

(See following pages.)

Draft



Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

December 21, 2017

Re: City of Franklin, Wisconsin ("Issuer")  
\$5,090,000\* Taxable General Obligation Promissory Notes, Series 2017A,  
dated December 21, 2017 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on March 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
2018	\$1,000,000	___ %
2019	2,000,000	___
2020	750,000	___
2021	950,000	___
2022	390,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2018.

The Notes maturing on March 1, 2022 are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2021 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the resolution authorizing the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

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\* Preliminary, subject to change.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is included for federal income tax purposes in the gross income of the owners of the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

**BOOK-ENTRY-ONLY SYSTEM**

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

Draft

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Franklin, Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of \$5,090,000\* Taxable General Obligation Promissory Notes, Series 2017A, dated December 21, 2017 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on December 5, 2017 (the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated December 6, 2017, delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

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\* Preliminary, subject to change.

"Issuer" means the City of Franklin, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 9229 West Loomis Road, Franklin, Wisconsin 53132, phone (414) 425-7500, fax (414) 427-7627.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

### Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2017, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. TAX LEVIES AND COLLECTIONS - TAX LEVIES AND COLLECTIONS

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

#### Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake



such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 21st day of December, 2017.

(SEAL)

\_\_\_\_\_  
Stephen R. Olson  
Mayor

\_\_\_\_\_  
Sandra L. Wesolowski  
City Clerk

Draft

## APPENDIX E

### NOTICE OF SALE

#### **\$5,090,000\* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2017A CITY OF FRANKLIN, WISCONSIN**

Bids for the purchase of \$5,090,000\* Taxable General Obligation Promissory Notes, Series 2017A (the "Notes") of the City of Franklin, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on December 5, 2017, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

#### **PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, for public purposes, including paying project costs of Tax Incremental District No. 3 within the City. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

#### **DATES AND MATURITIES**

The Notes will be dated December 21, 2017, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on March 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2018	\$1,000,000	2020	\$750,000	2022	\$390,000
2019	2,000,000	2021	950,000		

#### **ADJUSTMENT OPTION**

\* The City reserves the right to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

#### **TERM BOND OPTION**

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

#### **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2018, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is**

**3.50%.)** All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

### **BOOK-ENTRY-ONLY FORMAT**

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

### **PAYING AGENT**

The City has selected Bond Trust Services Corporation, Roseville, Minnesota to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

### **OPTIONAL REDEMPTION**

At the option of the City, the Notes maturing on March 1, 2022 shall be subject to optional redemption prior to maturity on March 1, 2021 or on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amount of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. 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.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

### **DELIVERY**

On or about December 21, 2017, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

### **LEGAL MATTERS**

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, of Milwaukee, Wisconsin, bond counsel to the City and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

### SUBMISSION OF BIDS

Bids must not be for less than \$5,051,825 nor more than \$5,293,600 plus accrued interest on the principal sum of \$5,090,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$101,800 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

## **AWARD**

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

## **BOND INSURANCE**

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Notes from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

## **CUSIP NUMBERS**

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

## **TAXABILITY OF INTEREST**

Interest on the Notes is included in gross income for Federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

## **CONTINUING DISCLOSURE**

In order to assist the underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the City will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

## **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Preliminary Official Statement relating to the Notes prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Paul Rotzenberg, Director of Finance & Treasurer  
City of Franklin, Wisconsin

# BID FORM

The Common Council  
City of Franklin, Wisconsin

December 5, 2017

RE: \$5,090,000\* Taxable General Obligation Promissory Notes, Series 2017A  
DATED: December 21, 2017

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ \_\_\_\_\_ (not less than \$5,051,825 nor more than \$5,293,600) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	2018	_____ % due	2020	_____ % due	2022
_____ % due	2019	_____ % due	2021		

\* The City reserves the right to increase or decrease the amount of any individual maturity of the Notes in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2019 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our Deposit in the amount of \$101,800, to be held by you pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such Deposit shall be received by Ehlers & Associates no later than two hours after the bid opening time. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the Deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about December 21, 2017.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Notes.

We have received and reviewed the Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members:

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 21, 2017 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_\_%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Franklin, Wisconsin, on December 5, 2017.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_