

CITY OF FRANKLIN
COMMON COUNCIL MEETING*
FRANKLIN CITY HALL – COMMON COUNCIL CHAMBERS
9229 WEST LOOMIS ROAD, FRANKLIN, WISCONSIN
AGENDA**
TUESDAY, FEBRUARY 5, 2019 AT 6:30 P.M.

- A. Call to Order and Roll Call.
- B.
 - 1. Citizen Comment Period.
 - 2. Mayoral Announcements:
 - (a) South Suburban Chamber of Commerce Annual Awards Dinner 2019 on February 20, 2019.
 - (b) Proclamation to Designate May 4, 2019 as Arbor Day in the City of Franklin.
- C. Approval of Minutes:
Regular Common Council Meeting of January 22, 2019.
- D. Hearings.
- E. Organizational Business – Mayoral Appointment of Linda Horn, 9451 W. Puetz Road, Ald. Dist. 1 to the Environmental Commission for a 3-year unexpired term expiring 4/30/21.
- F. Letters and Petitions.
- G. Reports and Recommendations:
 - 1. A Resolution Authorizing the Issuance and Sale of \$13,875,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019A.
 - 2. A Resolution Authorizing the Issuance and Sale of \$6,570,000 General Obligation Community Development Bonds, Series 2019B.
 - 3. Authorize Staff to Contract Ehlers, Inc. for up to \$15,000 to Conduct Pro Forma Review and Financial Analysis of Creation of a New Tax Incremental District No. 7 in the Area Currently Identified as Tax Increment District No. 4.
 - 4. A Resolution Conditionally Approving a Land Combination for Tax Key Nos. 739-0019-000 and 739-0106-000 (6943 S. Tumblecreek Drive and Outlot 16 of Plat of Outlots 1 Through 5 of Tumblecreek) (Deborah Calverley and Kevin J. Calverley, Applicants).
 - 5. Authorize Execution of a Contract for Dorner Inc. to Construct Rawson Homes Drainage Improvements and Water Main Relay in the Amount of \$2,261,745.70 and also Change Order No. 1 in the Amount of \$232,784.50 Savings.
 - 6. A Resolution Authorizing Certain Officials to Execute an Intergovernmental Cooperation Agreement with the Village of Hales Corners for the Temporary Use of the Franklin Department of Public Works Facilities at 7979 West Ryan Road and Authorization for Franklin to Sponsor any Related Applications Required by Franklin, as Determined by the Planning Department.

7. An Ordinance to Amend Ordinance 2018-2345, An Ordinance Adopting the 2019 Annual Budgets for the General Fund for the City of Franklin to Reclassify Personnel Costs Associated with Employee Elections Related to Benefit Changes in Health Coverage and Pension.
8. A Change to the Insurance Provisions (Section VI.A.) of the Agreement with Quorum Architects, Inc. for Architectural Services Related to the Design and Construction Phases of the City Hall Roof HVAC, and Fascia Wood Replacement Project and Re-Approval of the Execution of the Agreement.
9. Tax Incremental District No. 5 Planned Development District No. 37 (The Rock Sports Complex/Ballpark Commons) Ballpark Commons Sports Anchored Mixed-Use Development Project Development Status and Future Development in the District. The Common Council may Enter Closed Session Pursuant to Wis. Stat. § 19.85(1)(e), to deliberate upon a Tax Incremental District No. 5 Planned Development District No. 37 (The Rock Sports Complex/Ballpark Commons) Potential Amendment to Development Agreement, Potential Development Agreement(s), the Negotiation of a Potential Amendment and Potential Agreement(s) Terms and the Investing of Public Funds and the Retention of Financial Consultant and Special Legal Counsel Services in Relation Thereto, for Competitive and Bargaining Reasons, and to Reenter Open Session at the Same Place Thereafter to act on Such Matters Discussed Therein as it Deems Appropriate.
10. Recommendation from the Committee of the Whole Meeting of February 4, 2019:
 - (a) Kayla's Playground Ambassador Program: A Volunteer Program Approved by the Parks Commission.
 - (b) THIEL Brand Design, Economic Development Commission and Tourism Commission Present Two Recommended Logos for New City Brand and Marketing Campaign.
 - (c) Labor Contract Negotiations and Collective Bargaining Strategies and Guidelines.

H. Licenses and Permits.

Miscellaneous Licenses from License Committee Meeting of February 5, 2019.

I. Bills.

Request for Approval of Vouchers and Payroll.

J. Adjournment.

*Notice is given that a majority of the Economic Development Commission and Tourism Commission may attend this meeting to gather information about an agenda item over which the Economic Development Commission and Tourism Commission has decision-making responsibility. This may constitute a meeting of the Economic Development Commission and Tourism Commission, per State ex rel. Badke v. Greendale Village Board, even though the Economic Development Commission and Tourism Commission will not take formal action at this meeting.

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

Common Council Meeting Agenda
February 5, 2019
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[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:

February 7	Plan Commission Meeting	7:00 p.m.
February 19	Common Council Meeting	6:30 p.m.
February 21	Plan Commission Meeting	7:00 p.m.
March 5	Common Council Meeting	6:30 p.m.
March 7	Plan Commission Meeting	7:00 p.m.
March 19	Common Council Meeting	6:30 p.m.
March 21	Plan Commission Meeting	7:00 p.m.

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B. 2. (b)

P City of Franklin **roclamation**

PROCLAMATION

TO DESIGNATE MAY 4th, 2019 AS ARBOR DAY IN THE CITY OF FRANKLIN

WHEREAS, in 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

WHEREAS, the holiday now known as Arbor Day is celebrated worldwide, and

WHEREAS, the City of Franklin Environmental Commission, and the people of Franklin, Wisconsin have observed Arbor Day since 1999, and

WHEREAS, trees reduce erosion, purify our air and water and provide habitat for wild life, provide a source of spiritual renewal; and

WHEREAS, trees increase our property values, enhance our economic vitality, and beautify our community.

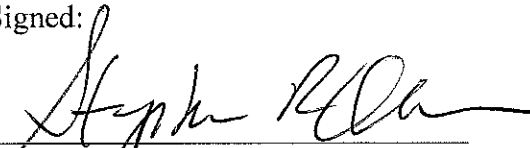
NOW, THEREFORE, I, STEPHEN R. OLSON, Mayor of the City of Franklin, Wisconsin proclaim:

MAY 4th, 2019 AS ARBOR DAY IN THE CITY OF FRANKLIN

and urge all citizens of the City of Franklin to protect our trees and woodlands and to gladden their hearts by planting trees.

Dated: 2-1-19

Signed:


Stephen R. Olson, Mayor

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C.

CITY OF FRANKLIN
COMMON COUNCIL MEETING
JANUARY 22, 2019
MINUTES

- | | | |
|--|------|--|
| ROLL CALL | A. | The regular meeting of the Common Council was held on January 22, 2019 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 Steve F. Taylor, Alderman Mike Barber and Alderman John R. Nelson. 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 7:02 p.m. |
| JANUARY ICC MEETING | B.2. | Mayor Olson reported on the Intergovernmental Cooperation Council meeting held on January 14, 2019 in the Village of Greendale. |
| MINUTES JANUARY 8, 2019 | C.1. | Alderman Barber moved to approve the minutes of the regular Common Council meeting of January 8, 2019, as presented. Seconded by Alderman Dandrea. All voted Aye; motion carried. |
| MAYORAL PROCLAMATION | G.1. | Mayor Olson presented a Proclamation for Light and United RED (County-wide annual initiative to shine a spotlight on the dangers of substance misuse). |
| APPT. OF DIR. OF HEALTH & HUMAN SERVICES | G.2. | Alderman Barber moved to confirm the Mayoral appointment of Courtney Day, RN, BSN, as Director of Health and Human Services conditioned on a successful background check, drug screen, and State certification. Seconded by Alderman Mayer. On roll call, all voted Aye. Motion carried. |
| DONATION TO FIRE DEPT. | G.3. | Alderman Mayer moved to accept the donation in the amount of \$300 from Salvador and Erlinda Salud to the Fire Department to be used for fire prevention, education programs and other safety initiatives in the community. Seconded by Alderwoman Wilhelm. All voted Aye; motion carried. |
| QUARRY MONITORING COMMITTEE UPDATE | G.4. | Alderwoman Wilhelm moved to direct staff to act upon the following citizen requests, with an update by the second meeting in March, 2019: Add Quarry Monitoring meeting packets to the online system; Update Quarry information on the website; Quarry Monitoring meetings to be held in the Council Chambers for better |

sound and recording; Allow citizen access to online blasting information; Continue to work on citizen questions to be brought before the Common Council; and further that the previous Quarry Monitoring Committee newsletter article be addressed as a short write-up with a link to the website. Seconded by Alderman Barber. All voted Aye; motion carried.

Aldерwoman Wilhelm further moved to bring forth the following Council action items, with an update by the second meeting in March, 2019: Review of the Stantec survey related to the blasting distance from the S. 51st Street centerline (as set within the Planned Development District); Review the proximity to homes and current blasting levels allowed (as set within the PDD); Update the Common Council on the content and status of the Quarry Reclamation Plan; and Review the Quarry Monitoring Committee appointments in consideration of adding interested citizens, with this item to be addressed in the Mayor's appointments. Seconded by Alderman Barber. All voted Aye; motion carried.

CONTRACT FOR 2019
QUARRY
MONITORING

G.5. Alderman Barber moved to approve the 2019 Quarry Monitoring Professional Services Agreement with Attachment A containing service details and costs as provided by Stantec Consulting Services, Inc., contingent upon review by the Quarry Monitoring Committee and if no objections, with the Mayor's signature to be held until the Quarry Monitoring Committee makes its final recommendation, and to authorize staff to enter into said agreement not to exceed \$46,000 subject to technical corrections by staff and the City Attorney. Seconded by Alderman Nelson. All voted Aye; motion carried.

HOFFER CLAIM FOR
EXCESSIVE
ASSESSMENT

G.6. Aldерwoman Wilhelm moved to table to the next meeting the Claim for Excessive Assessment submitted by Lawrence Hoffer for Parcel 740-0122-000. Seconded by Alderman Mayer. Aldерwoman Wilhelm withdrew her motion and Alderman Mayer then withdrew his second.

Alderman Taylor moved to deny the Claim on Excessive Assessment, Parcel 740-0122-000 by Lawrence Hoffer in accordance with Wis. Stats. §74.37 for the reasons submitted by City Assessor Mark Link in his memorandum dated January 14, 2019. Seconded by Alderman Dandrea. On roll call, Alderman Dandrea, Alderman Taylor, Alderman Barber voted Aye; Alderman Mayer, Aldерwoman Wilhelm, and Alderman Nelson voted No. Mayor Olson broke the tie by voting in the affirmative. Motion carried.

ASSESSMENT
SERVICES CONTRACT
WITH TYLER TECH.

G.7. Alderman Taylor moved to authorize the Mayor, City Clerk, and Director of Administration to execute the Combined Services Agreement for Annual Assessment Services presented between the City of Franklin and Tyler Technologies for the annual combined assessment services for 2019 through 2021. Seconded by Alderman Dandrea. Alderman Nelson, Alderman Barber, Alderman Taylor, Alderwoman Wilhelm, and Alderman Dandrea voted Aye; Alderman Mayer voted No. Motion carried.

INFO. TECH. SERVICES
CONTRACT WITH
HEARTLAND
BUSINESS SYSTEMS,
LLC

G.8. Alderman Taylor moved to authorize the Mayor, City Clerk, and Director of Administration to execute the Information Technology Services Agreement presented between the City of Franklin and Heartland Business Systems, LLC, effective January 1, 2019. Seconded by Alderman Barber. All voted Aye; motion carried.

DPW EQUIPMENT

G.9. Alderman Taylor moved to authorize staff to solicit bids for equipment considered in the 2019 Highway Equipment Replacement and Capital Outlay Funds for the Board of Public Works to review and approve. Seconded by Alderman Nelson. All voted Aye; motion carried.

AGREEMENT WITH
QUORUM
ARCHITECTS, INC.
FOR CITY HALL

G.10. Alderwoman Wilhelm moved to approve the Professional Services Agreement between the City of Franklin and Quorum Architects, Inc., for architectural services related to the design and construction phases of the City Hall Roof, HVAC, and Fascia Wood Replacement Project at a fixed fee of \$38,620 for Phase 1 and \$139,900 maximum for Phase 2. Seconded by Alderman Barber. On roll call, Alderman Mayer, Alderwoman Wilhelm, Alderman Barber, and Alderman Nelson voted Aye; Alderman Dandrea and Alderman Taylor voted No. Motion carried.

HVAC AGREEMENT
WITH LIECHTY &
ASSOCIATES, INC.

G.11. Alderman Barber moved to authorize the Director of Administration to execute the Agreement presented to amend the Contract between the City of Franklin and Liechty & Associates, Inc. for the Design of the HVAC System Replacement for Franklin City Hall. Seconded by Alderman Taylor. All voted Aye; motion carried.

VEHICLE TRADE WITH
HALES CORNERS

G.15. Alderman Barber moved to approve the City of Franklin trading a Police Department 1993 Ford F350, VIN 1FDKE30M5PHA43397, with the Village of Hales Corners' 2005 Chevrolet G3500 G-Van, VIN 1GBJG31U251153925, and authorize the appropriate City staff to execute any necessary documentation. Seconded by Alderman Mayer. All voted Aye; motion carried.

LICENSES AND
PERMITS

- H. Alderman Taylor moved to grant the following licenses:
Grant Change of Premise Description for Mega Marts, LLC, Agent Jennifer Weed, 7780 S. Lovers Lane Rd. subject to compliance with other department requirements;
Grant Operator licenses to Mikayla K. Baird, 1523 N. Farwell Ave., Milwaukee; Rebecca A. Cottreau, 3117 S. Austin St, Milwaukee; Dao T. Dang, 1219 Turnberry Dr., Pewaukee; Son Thanh Le, 4927 W. Woodland Dr., Franklin; Shannon P. Miller, W124S8236 North Cape Rd., Muskego; Derek J. Olszewski, 4949 S. 72nd St., Greenfield; Laura R. Stanislawski, 3801 W. Oklahoma Ave., Milwaukee;
Hold Operator license applications for appearance for; Carson J. Abraham, 8528 S. 68th St., Franklin; Robin L. Ariens, 5808 Dendron Ln., Greendale; Sheyla Lee Davila-Lopez, 3125 S. 11th St., Milwaukee;
Approve the PUBLIC (People Uniting for the Betterment of Life and Investment in the Community) Grant to Franklin Lioness Club, St. Martins Fair;
Grant Temporary Class B Beer license and Temporary Entertainment & Amusement license to St. Martin of Tours Church for Vietnamese Lunar New Year Celebration on February 3, 2019.
Seconded by Alderman Nelson. All voted Aye; motion carried.

VOUCHERS AND
PAYROLL

- I. Alderman Barber moved to approve City vouchers with an ending date of January 17, 2019 in the amount of \$1,472,289.86; and payroll dated January 18, 2019 in the amount of \$437,195.78 and payments of the various payroll deductions in the amount of \$408,368.70 plus City matching payments; and estimated payroll dated February 1, 2019 in the amount of \$390,000.00 and payments of the various payroll deductions in the amount of \$235,000.00 plus City matching payments; and property tax vouchers with an ending date of January 17, 2019 in the amount of \$6,450,585.90; and property tax settlements direct from investment account totaling \$37,159,559.66; and the release of payment to American Deposit Management in the amount of \$2,000,000.00; and the release of payment for property tax settlements in the amount of \$17,857,711.77. Seconded by Alderman Mayer. On roll call, all voted Aye. Motion carried.

ADJOURNMENT

- J. Alderman Taylor moved to adjourn the regular meeting of the Common Council at 8:11 p.m. Seconded by Alderman Nelson. All voted Aye; motion carried.

APPROVAL <i>slw</i>	REQUEST FOR COMMON COUNCIL ACTION	MEETING DATE 2-5-19
ORGANIZATIONAL BUSINESS	Board and Commission Appointment	ITEM NUMBER <i>E.</i>

The following appointment has been submitted by the Mayor for Common Council confirmation:

Linda Horn, 9451 W. Puetz Road, Ald. Dist. 1 to the Environmental Commission for a 3-year unexpired term expiring 4/30/21.

COUNCIL ACTION REQUESTED

Motion to confirm Linda Horn, 9451 W. Puetz Road, Ald. Dist. 1 to the Environmental Commission for a 3-year unexpired term expiring 4/30/21.

Clerks Office/SJR

Shirley Roberts

From: volunteerfactsheet@franklinwi.info
Sent: Saturday, January 19, 2019 10:31 AM
To: Lisa Huening; Shirley Roberts; Sandi Wesolowski
Subject: Volunteer Fact Sheet

Name: Linda Horn
PhoneNumber: 414 427 8437
EmailAddress: L33horn@yahoo.com
YearsasResident: 13
Alderman: 1 Dandrea
ArchitecturalBoard: 0
CivicCelebrations: 0
CommunityDevelopmentAuthority: 0
EconomicDevelopmentCommission: 0
EnvironmentalCommission: 1
FinanceCommittee: 0
FairCommission: 0
BoardofHealth: 0
FirePoliceCommission: 0
ParksCommission: 1
LibraryBoard: 0
PlanCommission: 0
PersonnelCommittee: 0
BoardofReview: 0
BoardofPublicWorks: 0
QuarryMonitoringCommittee: 0
TechnologyCommission: 0
TourismCommission: 0
BoardofZoning: 0
WasteFacilitiesMonitoringCommittee: 0
BoardWaterCommissioners: 0
CompanyNameJob1: WEC Energy Group / Wisconsin Electric
TelephoneJob1: 414 221-2274
StartDateandPositionJob1: December 1986 / Engineer
EndDateandPositionJob1: Current / Manager Federal Regulatory
CompanyNameJob2: Crystal Ridge / Rock Ski Hill
TelephoneJob2:
StartDateandPositionJob2: 1987 / Volunteer Ski Patrol Member
EndDateandPositionJob2: 2014 / Volunteer Ski Patrol Member
CompanyNameJob3:

TelephoneJob3:
StartDateandPositionJob3:
EndDateandPositionJob3:
Signature: L M Horn
Date: 1/19/19
Signature2: L M Horn
Date2: 1/19/19
Address: 9451 W Puetz Rd
PriorityListing: Parks then Environmental
WhyInterested: Interested in keeping/improving Franklin as a great place to live and work
CompanyAddressJob1: 231 W. Michigan Street Milwaukee, WI
Currently serving as a Manager Federal Regulatory Affairs responsible for monitoring, coordinating, responding to and implementing federal regulations pertaining to wholesale electric and natural gas business. Previous responsibilities included wholesale power contract review, negotiation, administration; development and interpretation of electric & steam service tariffs/purchase and sale agreements; developing engineering solutions for power plant efficiency and safety concerns.
DescriptionofDutiesJob1:
AddressJob2: 76th & Rawson Franklin, WI
DescriptionofDutiesJob2: Provide first aid and transport injured skiers/boarders from hill to safe environment. Also served as treasurer (~ 5 years) and assistant director (~ 4 years) of local patrol organization.
AddressJob3:
DescriptionofDutiesJob3:
AdditionalExperience: Strong proficiency in organizing, coordinating and following through to completion on projects/tasks.
ClientIP: 99.8.123.44
SessionID: fbvlw555zdpqocewq1wzz245
See Current Results

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APPROVAL <i>Shw</i> <i>PL</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE Feb 5, 2019
REPORTS & RECOMMENDATIONS	Resolution Authorizing the Issuance and Sale of \$13,875,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019A	ITEM NUMBER <i>G.I.</i>

Analysis

On Jan 8, 2019 the Common Council adopted an initial resolution authorizing the sale of \$13,875,000 of General Obligation Bonds to support a developer's grant in Tax Incremental District #3 and refunding \$10 million of the Note Anticipation Notes (2018A) coming due March 1, 2019 .

The sale is a competitive sale conducted February 5, 2019..

Our Financial Advisor for this transaction is Ehlers & Associates, LLC, represented by Dawn Gunderson.

Quarles and Brady prepared a sample Council resolution for review which are attached. An updated resolution based on the results of the sale will be presented at the meeting for adoption.

Ms. Gunderson of Ehlers & Associates will present the results of the sale from bids opened earlier on February 5, 2019.

Copies of the preliminary Official Statements are enclosed for your information and were emailed to Alderman last week.

COUNCIL ACTION REQUESTED

Motion to adopt Resolution No. 2019 - _____ authorizing the issuance and sale of \$13,875,000 Taxable General Obligation Corporate Purpose Bonds, 2019A.

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. _____

RESOLUTION AWARDING THE SALE OF \$13,875,000* TAXABLE GENERAL
OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A

WHEREAS, on January 8, 2019, the Common Council of the City of Franklin, Milwaukee County, Wisconsin (the "City") adopted an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$3,045,000 for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, in the City's Tax Incremental District No. 3 (the "Project") (the "Project Initial Resolution"); and an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$10,830,000 for the public purpose of paying the cost of refunding obligations of the City, including interest on them (the "Refunding Initial Resolution") (the Project Initial Resolution and Refunding Initial Resolution are collectively referred to herein as the "Initial Resolutions");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Project Initial Resolution, the City Clerk caused a notice to electors to be published in the South Now, stating the purpose and maximum principal amount of the bond issue authorized by the Project Initial Resolution and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issue authorized by the Project Initial Resolution;

WHEREAS, to date, no petition for referendum has been filed with the City Clerk, and the time to file such a petition shall expire on February 7, 2019;

WHEREAS, on January 8, 2019, the Common Council of the City also adopted a resolution (the "Set Sale Resolution"), providing that the general obligation bond issues authorized by the Initial Resolutions be combined, issued and sold as a single issue of bonds designated as "Taxable General Obligation Corporate Purpose Bonds, Series 2019A" (the "Bonds") for the purpose of paying the cost of the Project and refinancing the \$10,000,000 portion of the City's Taxable Note Anticipation Notes, Series 2018A, dated May 1, 2018 (the "Refunded Obligations") due on March 1, 2019 (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding");

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purpose of providing permanent financing for the projects financed by the Refunded Obligations;

* Preliminary, subject to change.

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

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds to pay the cost of the Project and the Refunding;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on February 5, 2019;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on February 5, 2019;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation");

WHEREAS, the Common Council now deems it necessary, desirable and in the best interest of the City that the Bonds be issued in the aggregate principal amount of \$ _____ for the following public purposes and in the following amounts: \$ _____ for the Project; and \$ _____ for the Refunding; and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

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

Section 1. Ratification of the Notice of Sale and Offering Materials. The Common Council hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1A. Award of the Bonds. Subject to the condition that no valid petition for referendum is timely filed, the Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the

Proposal on behalf of the City. The good faith deposit of the Purchaser shall be retained by the City Treasurer and applied in accordance with the Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable General Obligation Corporate Purpose Bonds, Series 2019A"; shall be issued in the aggregate principal amount of \$13,875,000*; shall be dated February 20, 2019; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on March 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2019. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on March 1, 2027 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on March 1, 2026 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the City shall direct.]

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2019 through 2031 for payments due in the years 2019 through 2032 in the amounts set forth on the Schedule. The amount of tax levied in the year 2019 shall be the total amount of debt service due on the Bonds

* Preliminary, subject to change.

in the years 2019 and 2020; provided that the amount of such tax carried onto the tax rolls shall be abated by any amounts appropriated pursuant to subsection (D) below which are applied to payment of principal of or interest on the Bonds in the year 2019.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

(D) Appropriation. The City hereby appropriates from taxes levied in anticipation of the issuance of the Bonds, amounts levied to pay debt service on the Refunded Obligations or other funds of the City on hand a sum sufficient to be irrevocably deposited in the segregated Debt Service Fund Account created below and used to pay debt service on the Bonds coming due in 2019 as set forth on the Schedule.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for Taxable General Obligation Corporate Purpose Bonds, Series 2019A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account.

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

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

Section 8. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation

services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

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

Section 10. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

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

Section 12. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 13. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to KleinBank, Chaska, Minnesota at Closing for further distribution as directed by Ehlers.

Section 14. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All

actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 15. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 16. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 17. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 18. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Introduced at a regular meeting of the Common Council of the City of Franklin this 5th day of February, 2019.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 5th day of February, 2019.

Stephen R. Olson
Mayor

ATTEST:

Sandra L. Wesolowski
City Clerk

AYES _____ NOES _____ ABSENT _____

(SEAL)

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

[EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on March 1, ____, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on March 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on March 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on March 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on March 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)

For the Term Bonds Maturing on March 1, ____

<u>Redemption Date</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____ (maturity)]

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
MILWAUKEE COUNTY
NO. R- CITY OF FRANKLIN \$
TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BOND, SERIES 2019A

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
March 1, February 20, 2019 %

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS
(\$)

FOR VALUE RECEIVED, the City of Franklin, Milwaukee County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2019 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by the City Clerk or City Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$13,875,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, in the amount of not to exceed \$ for the public purpose of providing financial assistance to community development projects under Section 66.1105, Wisconsin Statutes, in the City's Tax Incremental District No. 3; and in the amount of not to

exceed \$_____ for refunding obligations of the City, including interest on them, as authorized by resolutions adopted on January 8, 2019 and February 5, 2019. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on March 1, 2027 and thereafter are subject to redemption prior to maturity, at the option of the City, on March 1, 2026 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

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

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new

depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Franklin, Milwaukee County, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF FRANKLIN
MILWAUKEE COUNTY, WISCONSIN

By: _____
Stephen R. Olson
Mayor

(SEAL)

By: _____
Sandra L. Wesolowski
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY __, 2019

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

New Issue

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

CITY OF FRANKLIN, WISCONSIN
(Milwaukee County)

**\$13,875,000* TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS,
SERIES 2019A**

BID OPENING: February 5, 2019, 11:00 A.M., C.T.

CONSIDERATION: February 5, 2019, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$13,875,000* Taxable General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the City of Franklin, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, in the City's Tax Incremental District No. 3 and current refunding certain outstanding obligations of the City as more fully described herein. The Bonds 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 Bonds 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 BONDS:

February 20, 2019

MATURITY:

March 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2020	\$ 675,000	2025	\$1,000,000	2030	\$1,125,000
2021	975,000	2026	1,045,000	2031	1,150,000
2022	1,505,000	2027	1,100,000	2032	1,150,000
2023	950,000	2028	1,100,000		
2024	1,000,000	2029	1,100,000		

***MATURITY
ADJUSTMENT:**

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

September 1, 2019 and semiannually thereafter.

OPTIONAL

REDEMPTION:

Bonds maturing on March 1, 2027 and thereafter are subject to call for prior optional redemption on March 1, 2026 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID:

\$13,701,563.

MAXIMUM BID:

\$14,707,500.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$277,500 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

City officer or a bank or trust company to be selected by the City.

BOND COUNSEL &

DISCLOSURE COUNSEL: Quarles & Brady LLP

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of the date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a Final Official Statement.

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 Bonds 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 and 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 & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the sale of the Bonds.

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 Bonds 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 and 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 Bonds, 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 Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, 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 Bonds; and (3) a certificate evidencing the due execution of the Bonds, 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 Bonds, (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 Bonds have been repealed, revoked or rescinded.

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CITY OF FRANKLIN 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. Luberd, Director of Administration

Paul Rotzenberg, Director of Finance & Treasurer

Sandra L. Wesolowski, Director of Clerk Services/City Clerk

PROFESSIONAL SERVICES

Jesse A. Wesolowski, City Attorney, Franklin, Wisconsin

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

Ehlers and Associates, Inc., Municipal Advisors, Waukesha, Wisconsin
(Other offices located in Roseville, Minnesota 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 \$13,875,000* Taxable General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds"). Any descriptions or summaries of the Bonds, 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 Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Common Council on February 5, 2019.

Inquiries may be directed to Ehlers and 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 by connecting to the link to the Bond Sales and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds 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 February 20, 2019. The Bonds 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 September 1, 2019, to the registered owners of the Bonds 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 2020 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds 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 Bonds 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 Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds 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 Bonds shall be payable as provided in the Award Resolution.

The City may designate a City officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as 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 Bonds maturing on or after March 1, 2027 shall be subject to optional redemption prior to maturity on March 1, 2026 or any date thereafter, at a price of par plus accrued interest.

*Preliminary, subject to change.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date 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 Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, in the City's Tax Incremental District No. 3 and current refunding a portion of the City's Taxable Note Anticipation Notes, Series 2018A, dated May 1, 2018 (the "Series 2018A Notes") as follows:

Issue Being Refunded	Date of Refunded Issue	Due Date	Call Price	Maturity Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 355185
Series 2018A Notes	5/1/18	3/1/19	Par	2019	2.50%	<u>\$10,000,000</u>	PF0
Total Series 2018A Notes Being Refunded						\$10,000,000	

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$13,875,000
Transfers from Series 2018A Notes Debt Service Fund	117,361
Estimated Investment Earnings	<u>15,000</u>
Total Sources	\$14,007,361

Uses

Estimated Underwriter's Discount (1.250%)	\$173,438
Cost of Issuance	80,950
Deposit to Capitalized Interest Fund	631,075
Deposit to Project Construction Fund	3,000,000
Deposit to Current Refunding Fund	10,117,361
Rounding Amount	<u>4,537</u>
Total Uses	\$14,007,361

*Preliminary, subject to change

SECURITY

For the prompt payment of the Bonds 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 Bonds when it becomes due and also to pay and discharge the principal on the Bonds 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, with the exception of any outstanding credit enhanced issues, is currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Bonds 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 Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, 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 Bonds 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 Award 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 Bonds are set forth in Appendix D to be executed and delivered by the City at the time of delivery of the Bonds. 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 the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds 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. Ehlers is currently engaged as disclosure dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds 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 Bonds. 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 Bonds 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 Bonds for any investor.

TAXABILITY OF INTEREST

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

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the stated principal amount payable at maturity, such Bonds will be considered to be issued with original issue discount unless the amount of original issue discount is "de minimis." The amount of original issue discount with respect to a Bond will be "de minimis" if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a Bond is considered "de minimis," then the amount of original issue discount with respect to the Bond will be zero. In that case, owners of those Bonds will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the Bond is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a Bond is more than "de minimis," then the Bonds will contain original issue discount and owners of the Bonds will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the "Code") contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a Bond with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount that is included in income by an owner with respect to a Bond will increase the holder's tax basis in the Bond.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the Bonds. Owners who do not purchase Bonds in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of Bonds.

Owners who purchase Bonds in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the Bonds was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the Bonds.

Owners of Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds ("Premium Bonds") is more than the principal amount payable at maturity, the Premium Bonds will be considered to have "bond premium" equal to the difference between the issue price and the stated redemption price at maturity.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's adjusted tax basis in the Bond by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all Bonds acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium Bonds who do not purchase such Premium Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium Bonds.

Owners of Premium Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium Bonds.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. 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

Bond Trust Services Corporation ("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, Colorado, 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, 2017 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 Bonds 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 Bonds 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 Bonds. 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 Bonds 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 Bonds. 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 Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds 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 Bonds.

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 Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds 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 Bonds. 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 Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

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

2018 Equalized Value	\$4,022,941,400
2018 Equalized Value Reduced by Tax Increment Valuation	\$3,924,067,400
2018 Assessed Value	\$4,035,310,280

2018 EQUALIZED VALUE BY CLASSIFICATION

	2018 Equalized Value ¹	Percent of Total Equalized Value
Residential	\$ 2,981,328,700	74.108%
Commercial	815,529,300	20.272%
Manufacturing	147,131,200	3.657%
Agricultural	841,800	0.021%
Undeveloped	5,221,800	0.130%
Ag Forest	205,200	0.005%
Forest	486,000	0.012%
Other	18,142,600	0.451%
Personal Property	54,054,800	1.344%
Total	<u>\$ 4,022,941,400</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
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%
2018	4,035,310,280	4,022,941,400	3.45%

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

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2018 Equalized Value¹	Percent of City's Total Equalized Value
Northwestern Mutual Life	Insurance	\$ 106,301,788	2.64%
Covenant Healthcare System	Healthcare Provider	26,202,447	0.65%
Wal-Mart Stores ²	Retail	25,170,021	0.63%
ET Franklin Pro-Packaging LLC	Lite Manufacturing	23,326,626	0.58%
Whitnall Pointe Limited Partnership	Multi-family Housing	21,977,337	0.55%
Manchester Oaks Apartments LLC	Multi-family Housing	20,696,012	0.51%
Franklin-Wyndham LLC	Multi-family Housing	13,611,648	0.34%
Menards Inc ²	Retail	13,375,822	0.33%
Baptista's Bakery Inc	Lite Manufacturing	13,355,063	0.33%
MMAC 150 Aurora LLC	Healthcare Provider	13,052,970	0.32%
Total		\$ 277,069,734	6.89%
City's Total 2018 Equalized Value ³		\$4,022,941,400	

Source: The City.

¹ Calculated by dividing the 2018 Assessed Values by the 2018 Aggregate Ratio of assessment for the City.

² Assessment under appeal by taxpayer.

³ Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations, as defined herein)*

\$ 46,844,970

Other Obligations

Name of Issue	Issue Date	Final Maturity	Amount Outstanding
Series 2018A Notes ²	5/1/2018	3/1/2023	\$ 13,480,000

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds and excludes the portion of the Series 2018A Notes being refunded.

² The Series 2018A Notes are not general obligations of the City but are secured by a pledge of the proceeds from the issuance of long term general obligation debt. The City has reserved general obligation debt capacity for the long term debt.

GO Sewerage System	GO Promissory Notes	GO Water System Bonds	GO Refunding Bonds	GO Promissory Notes	Corporate Purpose Bonds	GO Community Development Bonds
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* Debt supported by Intergovernmental Agreement with another entity that has agreed to pay all principal and interest on the issue.

City of Franklin, Wisconsin
Schedule of Bonded Indebtedness
NAN Debt
(As of February 20, 2019)

Taxable NAN
Series 2018A

Dated Amount	5/1/2018 \$23,480,000		
Maturity	3/1		
Fiscal Year Ending	Principal	Interest	
2019	0	556,360	
2020	0	431,360	
2021	0	431,360	
2022	0	431,360	
2023	13,480,000	215,680	
	13,480,000	2,066,120	

Total Principal	Total Interest	Principal & Interest	Principal Outstanding	Principal %Paid	Year
0	556,360	556,360	13,480,000	0.00%	2019
0	431,360	431,360	13,480,000	0.00%	2020
0	431,360	431,360	13,480,000	0.00%	2021
0	431,360	431,360	13,480,000	0.00%	2022
13,480,000	215,680	13,695,680	0	100.00%	2023
13,480,000	2,066,120	15,546,120			

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	\$ 4,022,941,400
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 201,147,070
Less: General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	<u>(46,844,970)</u>
Unused Debt Limit* ¹	<u>\$ 154,302,100²</u>

*Preliminary, subject to change.

OVERLAPPING DEBT³

Taxing District	2018 Equalized Value ⁴	% In City	Total G.O. Debt ⁵	City's Proportionate Share
Milwaukee County	\$ 64,065,615,200	6.28%	\$ 564,652,211	\$35,460,159
Milwaukee Area Technical College District	79,921,554,819	5.03%	105,045,000	5,283,764
Franklin Public School District	3,036,187,887	100.00%	62,966,920	62,966,920
Oak Creek-Franklin Joint School District	4,241,184,175	17.65%	100,460,000	17,731,190
Whitnall School District	1,726,268,185	13.80%	14,592,984	2,013,832
Milwaukee Metro Sewer District	62,864,827,600	6.40%	815,623,687	<u>52,199,916</u>
City's Share of Total Overlapping Debt				<u>\$175,655,781</u>

¹ The City has reserved general obligation debt capacity for long-term debt to refund the Series 2018A Notes.

² 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.

³ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

⁴ Includes tax increment valuation.

⁵ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$4,022,941,400	Debt/ Per Capita 35,779 ¹
Total General Obligation Debt*	\$ 46,844,970	1.16%	\$ 1,309.29
City's Share of Total Overlapping Debt	<u>175,655,781</u>	<u>4.37%</u>	<u>4,909.47</u>
Total*	\$222,500,751	5.53%	\$ 6,218.76

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

Concurrently with the Bonds, the City plans to issue \$6,570,000* General Obligation Community Development Bonds, Series 2019B (the "Concurrent Obligations"). The City may issue approximately \$15,100,000 of general obligation debt to finance capital projects in the City and its tax incremental districts. Additionally, the City may refund the remaining \$13,480,000 of the Series 2018A Notes with general obligation debt in the next 12 months. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

¹ Estimated 2018 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2014/15	\$20,509,000	100%	\$5.90
2015/16	20,509,000	100%	5.82
2016/17	20,509,000	100%	5.65
2017/18	21,027,849	100%	5.57
2018/19	21,389,375	In process	5.45

Property tax statements are distributed to taxpayers by the town, village, and city treasurers 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 ¹	County	Local	Other ²	Total
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
2017/18	12.26	5.05	5.57	1.73	24.61
2018/19	11.95	4.90	5.45	1.69	23.99

Source: Property Tax Rates were extracted from Statement of Taxes. The Statement of Taxes is prepared partially by Department of Revenue with regards to overlapping taxing authorities levies. The City Levy and Special Charges is then supplied by the City.

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%.

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

² 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. State property taxes were eliminated in the State's 2017 - 2019 budget act.

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

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 195 full-time, 50 part-time, and 1 seasonal 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"). All employees hired after January 1, 2019 participate in the WRS in lieu of supplemental pension benefits. Existing employees made an irrevocable election to join WRS as of January 1, 2019 or to remain in the supplemental pension. 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. During the fiscal year ended December 31, 2015 ("Fiscal Year 2015"), the fiscal year ended December 31, 2016 ("Fiscal Year 2016") and the fiscal year ended December 31, 2017 ("Fiscal Year 2016"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$815,219, \$803,686 and \$818,075 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, 2016, the total pension liability of the WRS was calculated as \$93.4 billion and the fiduciary net position of the WRS was calculated as \$92.6 billion, resulting in a net pension liability of \$0.8 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 2017, the City reported a liability of \$692,662, for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2016, 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 0.08403662% of the aggregate WRS net pension liability, as of December 31, 2016.

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:

Bargaining Unit	Expiration Date of Current Contract
Police	December 31, 2018 (Negotiations in process)
Fire	December 31, 2018 (Negotiations in process)

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 25 retirees receiving benefits, 7 terminated vested retirees and 30 active plan members as of December 31, 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 October 2018 with an actuarial valuation date of December 31, 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. The City's ADC for Fiscal Year 2017 was \$233,559. For Fiscal Year 2017, contributions to the plan totaled \$1,133,559, which was 485% of the ADC. The City's current funding practice is to at least fully fund ADC.

As shown in the Pension Actuarial Report, as of December 31, 2017, the total pension liability was \$10,069,831 and the fiduciary net position was \$9,692,099, resulting in net pension liability of \$377,732.

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 2017, the City contributed \$202,272 and employees contributed \$202,272 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 179 active plan members as of December 31, 2017. 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 75 was most recently completed by Actuarial & Health Care Solutions, LLC in October 2017, with an actuarial valuation date of January 1, 2018 (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.

As shown in the City's audited financial statements for Fiscal Year 2017, the ADC for Fiscal Year 2017 was \$422,684. For Fiscal Year 2017, contributions to the plan totaled \$422,684, which was 100% of the ADC. The City's current funding practice is to fully fund the ADC.

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 Bonds or otherwise questioning the validity of the Bonds. 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 judgments which would materially affect the City's ability to pay principal and interest on the Bonds.

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 Bonds 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 Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds 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 Bonds.

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 Bonds would not occur.

FUNDS ON HAND (as of December 31, 2018)

Fund	Total Cash and Investments
General	\$ 7,451,355
TIF Districts	13,975,600
Special Revenue	1,853,586
Debt Service	948,550
Capital Projects	14,848,991
Enterprise Funds	4,082,493
Internal Service Funds	1,972,127
Total Funds on Hand	\$ 45,132,702

ENTERPRISE FUNDS

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

	2015	2016	2017
Water			
Total Operating Revenues	\$ 5,609,928	\$ 6,054,573	\$ 6,057,085
Less: Operating Expenses	(5,755,151)	(5,514,241)	(5,393,413)
Operating Income	\$ (145,223)	\$ 540,332	\$ 663,672
Plus: Depreciation	1,557,514	1,344,829	1,194,029
Interest Income	3,368	2,589	9,926
Revenues Available for Debt Service	\$ 1,415,659	\$ 1,887,750	\$ 1,867,627
Less: PILOT Payment	(1,041,040)	(1,047,053)	(1,029,649)
Net Revenues	<u>\$ 374,619</u>	<u>\$ 840,697</u>	<u>\$ 837,978</u>
Sewer			
Total Operating Revenues	\$ 3,340,382	\$ 3,328,530	\$ 3,313,854
Less: Operating Expenses	(3,588,716)	(5,197,869)	(5,222,142)
Operating Income	\$ (248,334)	\$ (1,869,319)	\$ (1,908,288)
Plus: Depreciation	692,909	2,123,035	2,119,900
Interest Income	20,789	134	11,597
Revenues Available for Debt Service	<u>\$ 465,364</u>	<u>\$ 253,850</u>	<u>\$ 223,209</u>

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 2017 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2015 Audited	2016 Audited	2017 Audited ¹	2018 Projected	2019 Adopted Budget ²
Revenues					
Taxes	\$ 17,015,261	\$ 17,161,004	\$ 17,093,625	\$ 17,600,800	\$ 18,826,475
Intergovernmental revenues	2,775,349	2,318,825	2,264,961	2,315,900	1,736,127
Licenses and permits	669,367	665,169	773,877	1,151,400	1,038,990
Penalties and forfeitures	484,957	498,653	485,407	483,000	546,000
Public charges for services	1,544,611	1,452,601	1,603,247	1,844,400	2,056,950
Intergovernmental charges for services	192,188	194,806	172,796	192,500	207,500
Investment earnings	238,562	161,281	189,275	202,900	265,000
Miscellaneous revenues	155,576	182,016	148,853	268,600	162,150
Total Revenues	\$ 23,075,871	\$ 22,634,355	\$ 22,732,041	\$ 24,059,500	\$ 24,839,192
Expenditures					
Current:					
General government	\$ 2,720,473	\$ 2,910,893	\$ 2,940,898	\$ 3,043,200	\$ 2,827,620
Public safety	15,983,174	15,787,827	16,660,351	17,144,900	17,784,187
Public works	3,046,338	3,745,146	3,852,472	3,111,500	3,571,132
Health and human services	633,387	646,870	675,875	669,900	750,797
Culture, recreation and education	177,798	179,933	187,959	263,600	206,702
Conservation and development	568,364	523,268	520,314	547,800	640,776
Contingency	0	0	0	0	2,067,228
Total Expenditures	\$ 23,129,534	\$ 23,793,937	\$ 24,837,869	\$ 24,780,900	\$ 27,848,442
Excess of revenues over (under) expenditures	\$ (53,663)	\$ (1,159,582)	\$ (2,105,828)	\$ (721,400)	\$ (3,009,250)
Other Financing Sources (Uses)					
Operating transfers in	1,044,460	1,050,382	1,059,793	1,050,000	1,109,250
Operating transfers out	(574,000)	(1,250,025)	(57,138)	0	(250,000)
Restricted contingency ⁴	0	0	0	0	2,150,000
Total Other Financing Sources (Uses)	\$ 470,460	\$ (199,643)	\$ 1,002,655	\$ 1,050,000	\$ 3,009,250
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 416,797	(\$1,359,225)	(\$1,103,173)	\$ 328,600	\$0
General Fund Balance January 1	8,633,112	9,049,909	7,690,684	6,587,511	6,916,111
General Fund Balance December 31	\$ 9,049,909	\$ 7,690,684	\$ 6,587,511	\$ 6,916,111	\$ 6,916,111
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	2,239,802	2,294,958	246,548	250,000	
Assigned	147,121	61,626	150,565	550,000	
Unassigned	6,662,986	5,334,100	6,190,398	6,116,111	
Total	\$ 9,049,909	\$ 7,690,684	\$ 6,587,511	\$ 6,916,111	

¹ Deficit includes a one-time \$605,700 extraordinary pension contribution.

² The 2019 budget was adopted on November 13, 2018.

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

⁴ The 2019 Budget includes as a budgeted expenditure a \$2,150,000 restricted contingency that is not expected to be spent. 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 current estimated population of 35,779, comprises an area of 34.5 square miles and is located in the southwest corner of Milwaukee County.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Northwestern Mutual	Insurance/investment services	2,380
Covenant Healthcare Systems	Medical and surgical hospital	853
Krones, Inc.	High speed labeling/filler machines	619
Baptista's Bakery	Commercial bakery	565
Franklin Public Schools	K-12 education	554
Milwaukee County Corrections South	Government	471
Wal-Mart	Retailer	332
Carlisle Interconnect Technologies	Wire harnesses	308
Senior Flexonics - GA Precision	Off-road engine components mfg.	299
Strauss Veal & Lamb Int'l Inc.	Animal processing	274

Source: ReferenceUSA, written and telephone survey (January 2019), Franklin 2017 CAFR.

¹ 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.

BUILDING PERMITS

	2014	2015	2016	2017	2018
<u>New Single Family Homes</u>					
No. of building permits	33	26	23	18	30
Valuation	\$10,688,902	\$10,199,139	\$9,721,721	\$8,991,610	\$13,357,904
<u>New Multiple Family Buildings</u>					
No. of building permits	9	3	1	0	7
Valuation	\$4,092,000	\$1,110,000	\$5,550,000	\$0	\$27,972,154
<u>New Commercial/Industrial</u>					
No. of building permits	13	3	5	13	9
Valuation	\$2,236,192	\$1,961,261	\$154,300	\$28,861,659	\$8,677,160
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	2,905	300	267	251	267
Valuation	\$41,246,443	\$30,654,542	\$27,316,600	\$49,403,073	\$62,150,023

Source: The City.

U.S. CENSUS DATA

Population Trend: City

2000 U.S. Census	29,494
2010 U.S. Census	35,451
2018 Estimated Population	35,779
Percent of Change 2000 - 2010	20.20%

Income and Age Statistics

	City	Milwaukee County	State of Wisconsin	United States
2017 per capita income	\$37,849	\$26,933	\$30,557	\$31,177
2017 median household income	\$74,972	\$46,784	\$56,759	\$57,652
2017 median family income	\$102,206	\$59,763	\$72,542	\$70,850
2017 median gross rent	\$996	\$844	\$813	\$982
2017 median value owner occupied units	\$225,700	\$150,300	\$169,300	\$193,500
2017 median age	42.4 yrs.	34.6 yrs.	39.2 yrs.	37.8 yrs.
		State of Wisconsin	United States	
City % of 2017 per capita income		123.86%	121.40%	
City % of 2017 median family income		140.89%	144.26%	

Housing Statistics

	City		
	2000	2017	Percent of Change
All Housing Units	10,936	13,951	27.57%

Source: 2000 and 2010 Census of Population and Housing, and 2017 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (www.factfinder2.census.gov).

EMPLOYMENT/UNEMPLOYMENT DATA

Year	Average Employment		Average Unemployment		
	City	Milwaukee County	City	Milwaukee County	State of Wisconsin
2014	17,470	445,882	4.9%	6.9%	5.4%
2015	17,579	449,974	4.4%	5.7%	4.5%
2016	17,835	454,700	3.8%	5.0%	4.0%
2017	18,003	458,982	3.3%	4.0%	3.3%
2018, November	17,831	454,581	2.6%	3.3%	2.6%

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 Bonds, 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. The City issued \$23,480,000 Taxable Note Anticipation Notes, Series 2018A, dated May 1, 2018, since the date of the financial statements. See "DEBT" herein.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

APPENDIX B

FORM OF LEGAL OPINION

(See following pages.)

Draft

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

February 20, 2019

Re: City of Franklin, Wisconsin ("Issuer")
\$13,875,000 Taxable General Obligation Corporate Purpose Bonds, Series
2019A, dated February 20, 2019 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. 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 Bonds 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>
2020	\$ 675,000	___%
2021	975,000	___
2022	1,505,000	___
2023	950,000	___
2024	1,000,000	___
2025	1,000,000	___
2026	1,045,000	___
2027	1,100,000	___
2028	1,100,000	___
2029	1,100,000	___
2030	1,125,000	___
2031	1,150,000	___
2032	1,150,000	___

Interest is payable semi-annually on March 1 and September 1 of each year commencing on September 1, 2019.

The Bonds maturing on March 1, 2027 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on March 1, 2026 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

* Preliminary, subject to change.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the resolution awarding the Bonds, 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 Bonds and find the same to be in proper form.

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

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

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

The rights of the owners of the Bonds 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.
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 \$13,875,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019A, dated February 20, 2019 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on January 8, 2019 and February 5, 2019 (collectively, 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 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 February 6, 2019 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.

* Preliminary, subject to change.

"Issuer" means the City of Franklin, Milwaukee County, 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 ended December 31, 2018, 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 20th day of February, 2019.

Stephen R. Olson
Mayor

(SEAL)

Sandra L. Wesolowski
City Clerk

Draft

APPENDIX E

NOTICE OF SALE

\$13,875,000* TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A CITY OF FRANKLIN, WISCONSIN

Bids for the purchase of \$13,875,000* Taxable General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") of the City of Franklin, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 11:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 11:00 A.M. Central Time, on February 5, 2019, 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 Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, in the City's Tax Incremental District No. 3 and effecting a current refunding of certain outstanding obligations of the City. The Bonds 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 Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated February 20, 2019, will be issued as fully registered Bonds 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>
2020	\$ 675,000	2025	\$1,000,000	2030	\$1,125,000
2021	975,000	2026	1,045,000	2031	1,150,000
2022	1,505,000	2027	1,100,000	2032	1,150,000
2023	950,000	2028	1,100,000		
2024	1,000,000	2029	1,100,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds 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 September 1, 2019, to the registered owners of the Bonds 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 2020 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds 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 Bonds 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 Bonds, 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 Bonds. So long as Cede & Co. is the registered owner of the Bonds, 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 Bonds.

PAYING AGENT

The City may designate a City officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as 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 Bonds maturing on or after March 1, 2027 shall be subject to optional redemption prior to maturity on March 1, 2026 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date 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 Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about February 20, 2019, the Bonds 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, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds 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 Bonds will be furnished by Quarles & Brady LLP, Bond Counsel to the City. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds 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 to the Preliminary Official Statement.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. 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 Bonds 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 Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$13,701,563 nor more than \$14,707,500 plus accrued interest on the principal sum of \$13,875,000 from date of original issue of the Bonds 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; or
- 2) Facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 11:00 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, 2nd 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 \$277,500 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 and 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 Bonds 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 Bonds 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 Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds 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 Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

The award of the Bonds will be made subject to expiration of the petition period provided for under Section 67.05, Wisconsin Statutes, without the filing of a sufficient petition for a referendum with respect to the initial resolution authorizing the Tax Incremental District No. 3 projects.

BOND INSURANCE

If the Bonds 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 Bonds 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 Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds 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.

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 Bonds. 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 Bonds prior to the bid opening by request from Ehlers at 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

February 5, 2019

RE: \$13,875,000* Taxable General Obligation Corporate Purpose Bonds, Series 2019A
DATED: February 20, 2019

For all or none of the above Bonds, 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 \$13,701,563 nor more than \$14,707,500) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2020	_____ % due 2025	_____ % due 2030
_____ % due 2021	_____ % due 2026	_____ % due 2031
_____ % due 2022	_____ % due 2027	_____ % due 2032
_____ % due 2023	_____ % due 2028	
_____ % due 2024	_____ % due 2029	

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, 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 2020 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds 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 \$277,500, to be held by the City 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 and Associates Good Faith Account No. 3208138. Such Deposit shall be received by Ehlers and Associates no later than two hours after the bid opening time. The City reserves the right to award the Bonds 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 Bonds 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 and 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 Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about February 20, 2019.

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 Bonds.

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 Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds 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.

By submitting this bid, we confirm that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: _____ NO: _____

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 February 20, 2019 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 February 5, 2019.

By: _____ Title: _____
By: _____ Title: _____

DEEMED FINAL CERTIFICATE FOR PRELIMINARY OFFICIAL STATEMENT

Ehlers and Associates, Inc. (Ehlers)
Re: City of Franklin, Wisconsin

Ladies and Gentlemen:

I hereby certify:

1. I, the undersigned, am duly qualified in my position to execute this Deemed Final Certificate for Preliminary Official Statement as an Issuer which will use this Preliminary Official Statement with respect to our municipal securities offering.
2. As an issuer of securities, we understand that we are responsible for the content of our Preliminary Official Statement and Final Official Statement required under securities laws and are in good faith trying to satisfy these responsibilities.
3. We have reviewed the Preliminary Official Statement and believe that all information provided in the draft Preliminary Official Statement is accurate, not false, not misleading and that the Preliminary Official Statement does not omit to state any material fact.
4. We deem the Preliminary Official Statement dated _____ as final under SEC Rule 15c2-12, meaning that it includes all material information, except information regarding the offering price, interest rate, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, any other terms or provisions required to be specified in a competitive bid, ratings, other terms of the securities depending on such matters, and the identity of the underwriters.
5. We authorize Ehlers to disseminate copies of the Preliminary Official Statement to possible Underwriters for this municipal security.
6. We understand that the Common Council will rely on an accurate Preliminary Official Statement and required supplements, as necessary, to be deemed as our final Official Statement at the time of the sale of the municipal securities and that we, as the issuer, have an obligation to disclose to all participating parties of this transaction any material developments impacting the Issuer or the municipal securities from this date going forward through the delivery of these municipal securities to the successful Underwriter.

Executed as of this ____ day of _____, 2019

City of Franklin, Wisconsin

By: _____ (Signature)

_____ (Print name)

_____ (Title)

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