

AGENDA

FINANCE AND PERSONNEL COMMITTEE
MONONA PUBLIC LIBRARY, MUNICIPAL ROOM
1000 NICHOLS ROAD
MONDAY, APRIL 18, 2016
7:10 P.M.

1. Call to Order.
2. Roll Call.
3. Approval of Minutes from April 4, 2016.
4. Appearances.
5. Unfinished Business.
6. New Business.
 - A. Consideration of Resolution 16-4-2095 Authorizing the Issuance and Sale of \$2,890,000 Water System and Sewer System Revenue Refunding Bonds, Series 2016B, of the City of Monona, Dane County, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bond.
7. Acceptance of General Fund Accounts Payable Checks Dated April 1–14, 2016. (Documentation of invoices paid is available in the City Clerk’s office.)
8. Adjournment.

NOTE: Upon reasonable notice, the City of Monona will accommodate the needs of disabled individuals through auxiliary aids or services. For additional information or to request this service, contact Joan Andrusz at (608) 222-2525 (not a TDD telephone number), FAX: (608) 222-9225, or through the City Police Department TDD telephone number 441-0399. The public is notified that any final action taken at a previous meeting may be reconsidered pursuant to the City of Monona ordinances. A suspension of the rules may allow for final action to be taken on an item of New Business. It is possible that members of and a possible quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information or speak about a subject, over which they have decision-making responsibility. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

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FINANCE AND PERSONNEL COMMITTEE MINUTES
April 4, 2016

The regular meeting of the Finance and Personnel Committee for the City of Monona was called to order by Acting Mayor Kathy Thomas at 6:30 p.m.

Present: Alderpersons Jim Busse and Doug Wood (arrived late)

Excused: Mayor Robert Miller

Also Present: City Administrator April Little, Finance Director Marc Houtakker, City Planner/Economic Development Director Sonja Reichertz, Public Works Director Dan Stephany, Operations Lieutenant Curt Wiegel, and City Clerk Joan Andrusz

APPROVAL OF MINUTES

A motion by Alder Busse, seconded by Acting Mayor Thomas to approve the Minutes of the March 21, 2016 Finance & Personnel Committee meeting, was carried.

APPEARANCES

Rob Kalejta, 4402 Outlook Street appeared before the Committee and spoke against the Schluter Park dredging assessment.

Nancy Moore, 4505 Winnequah Road appeared before the Committee and spoke in favor of Mr. Kalejta's proposal for the Schluter Park dredging assessment.

UNFINISHED BUSINESS

A motion by Alder Busse, seconded by Acting Mayor Thomas to remove from the table Resolution 16-3-2085 Establishing a Special Assessment Schedule for Dredging of the Schluter Beach Channel, was carried.

Public Works Director Stephany reviewed the Public Works Committee's Schluter Park dredging assessment decision, which is different from the usual 70% property owner/30% City cost split. The City is excluded from the 10% cost share, and is already paying 90% of the dredging cost. Mr. Kalejta's proposed split would result in the City paying three times. All figures are preliminary. The public hearing will be at the May Public Works Committee meeting and then actual costs will be reviewed by this Committee in May. Tonight's action will decide the cost split. Members agree this effort at policy modification was made based upon citizen concerns.

A motion by Alder Busse, seconded by Acting Mayor Thomas to approve as presented Resolution 16-3-2085 Establishing a Special Assessment Schedule for Dredging of the Schluter Beach Channel, was carried.

NEW BUSINESS

Finance Director Houtakker reported the following item is a refinancing of a callable 2006 water revenue bond and a 2013 water and sewer BAN note. Rolling the revenue BAN into a long term note will save

approximately \$193,000 in interest costs over the 10-year life of the bond. The savings can be used for utilities only.

A motion by Alder Busse, seconded by Acting Mayor Thomas to approve Resolution 16-4-2091 Providing for the Sale of \$2,890,000 Water System and Sewer System Revenue Refunding Bonds, Series 2016B, was carried.

Lieutenant Wiegel reported the following speed grant program is for \$13,500 and runs May 1 through September 31. \$8,500 is for overtime and benefits and \$5,000 is for speed enforcement equipment. There is a 25% match required.

A motion by Alder Busse, seconded by Acting Mayor Thomas to approve Resolution 16-4-2093 Approval of Participation in a Wisconsin Bureau of Transportation Safety Grant Titled "2016 Speed Grant", was carried.

City Administrator Little reported a new lease agreement is required for larger sized antenna equipment installation on City Hall. The plans and lease were reviewed by the City Attorney and engineer.

A motion by Alder Busse, seconded by Acting Mayor Thomas to approve Resolution 16-4-2092 Approving an Amendment to Facilities (City Hall Antenna) Space Lease Agreement with Madison Cellular Telephone Company, was carried.

A motion by Alder Busse, seconded by Acting Mayor Thomas to Convene in Closed Session under Wisconsin Statute section 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (Option to purchase real estate at 6414 Bridge Road). On a roll call vote, all members voted in favor of the motion.

Upon reconvening in Open Session:

Alder Wood arrived.

A motion by Alder Busse, seconded by Acting Mayor Thomas to approve Resolution 16-4-2094 A Resolution to Extend an Option to Purchase Real Estate Located at 6414 Bridge Road, was carried.

Finance Director Houtakker reviewed recent Accounts Payables and he, Public Works Director Stephany, and Lieutenant Wiegel answered member's questions. Some invoices were inadvertently not included in the last meeting's packet and are included for review tonight.

A motion by Alder Busse, seconded by Alder Wood to approve Acceptance of General Fund Accounts Payable Checks Dated February 12 through March 4, 2016 and March 18 through 31, 2016, was carried.

ADJOURNMENT

A motion by Alder Wood, seconded by Alder Busse to adjourn, was carried. (7:14 p.m.)

Joan Andrusz
City Clerk

**Resolution No. 16-4-2095
Monona Common Council**

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$2,890,000 WATER SYSTEM AND SEWER SYSTEM REVENUE REFUNDING BONDS,
SERIES 2016B, OF THE CITY OF MONONA, DANE COUNTY, WISCONSIN,
AND PROVIDING FOR THE PAYMENT OF THE BONDS AND
OTHER DETAILS WITH RESPECT TO THE BONDS**

WHEREAS, the City of Monona, Dane County, Wisconsin (the "City") owns and operates a Water System (the "Water System") and a Sewer System (the "Sewer System") which are operated for public purposes as separate public utilities by the City and which are hereby combined for the purposes of this financing (hereinafter, the City's Water System and Sewer System shall be referred to collectively as the "System"); and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility or refunding obligations issued to finance such extensions, additions and improvements from the proceeds of bonds, which bonds are payable only from the income and revenues derived from any source by such utility and are secured by a pledge of the revenues of the utility; and

WHEREAS, pursuant to a resolution adopted on April 17, 2006 (the "2006 Resolution"), the City has heretofore issued its Water System Revenue Bonds, dated May 1, 2006 (the "2006 Bonds"), which bonds are payable from the income and revenues of the Water System; and

WHEREAS, pursuant to a resolution adopted on April 18, 2011 (the "2011 Resolution"), the City has heretofore issued its Water System Revenue Bonds, dated April 29, 2011 (the "2011 Bonds"), which bonds are payable from the income and revenues of the Water System on a parity with the 2006 Bonds; and

WHEREAS, the City also has outstanding its Water System and Sewer System Revenue Bond Anticipation Notes, dated April 1, 2013 (the "2013 Notes"), which were issued to finance improvements to the System; and

WHEREAS, the City has determined that it is necessary and desirable to refund the 2006 Bonds and the 2013 Notes (collectively, the "Refunded Obligations") for the purpose of achieving debt service cost savings and to provide permanent financing for the projects financed the 2013 Notes; and

WHEREAS, the 2011 Resolution permits the issuance of additional bonds payable from revenues of the Water System on a parity with the 2011 Bonds upon compliance with certain conditions; and

WHEREAS, to the best of the Common Council's knowledge, information and belief, the City complies with such conditions; and

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell revenue bonds (the "Bonds") for the purpose of refunding the Refunded Obligations payable solely from the revenues to be derived from the operation of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes on a parity with the 2011 Bonds; and

WHEREAS, other than the Refunded Obligations and the 2011 Bonds, the City has no bonds or obligations outstanding which are payable from the income and revenues of the System.

NOW, THEREFORE, the Common Council of the City of Monona, Dane County, Wisconsin, do resolve that:

Section 1A. Authorization of Bonds. For the purpose of refunding the Refunded Obligations, the City shall borrow on the credit of the income and revenue of the System the sum of \$2,890,000. Negotiable, fully-registered bonds of the City, in the denomination of \$5,000, or any whole multiple thereof, shall be issued in evidence thereof. The Bonds shall be designated "Water System and Sewer System Revenue Refunding Bonds, Series 2016B", shall be numbered from R-1 upward and shall be dated their date of issuance (which shall be on or after May 5, 2016). The Bonds shall bear interest at the rates per annum set forth in the Bond Purchase Agreement attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal") and shall mature on August 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit B-1 and incorporated herein by this reference.

Interest on the Bonds shall be payable on February 1 and August 1 of each year, commencing August 1, 2016. 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 B-2 and incorporated herein by this reference (the "Schedule").

The Bonds maturing on August 1, 2025 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on February 1, 2025 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 are 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.

The schedule of maturities is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The Common Council hereby determines that the refunding of the Refunded Obligations is advantageous and necessary to the City.

Section 1B. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Funds provided for in Section 4 herein, and shall be a valid claim of the registered owner or

owners thereof only against the Special Redemption Funds and the Revenues of the System pledged to such funds, on a parity with the 2011 Bonds. Sufficient Revenues are hereby pledged to said Special Redemption Funds, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the 2011 Bonds and the Bonds as the same becomes due.

Section 2. 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 C and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Bond Year on the 2011 Bonds, the Bonds and Parity Bonds (whether the principal is due by maturity or mandatory redemption).

"Bond Year" means the one-year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 7 of this Resolution.

"Reserve Requirement" means an amount, determined as of the date of issuance of the Bonds, equal to the least of (a) the amount on deposit in the Reserve Account prior to the issuance of the Bonds plus 10% of the proceeds of the Bonds (to the extent permitted pursuant to Section 148(d)(1) of the Code and Regulations); (b) the maximum annual debt service on the 2011 Bonds and the Bonds; and (c) 125% of average annual debt service on the 2011 Bonds and the Bonds; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the 2011 Bonds and the outstanding Bonds in any Bond Year. If Parity Bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the Parity Bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such Parity Bonds, plus the amount permitted to be deposited therein from proceeds of the Parity Bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service on outstanding obligations secured by the Reserve Account and the Parity Bonds to be issued; and (c) 125% of average annual debt service on the outstanding

obligations secured by the Reserve Account and the Parity Bonds to be issued; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and Parity Bonds in any Bond Year.

"Regulations" means the Regulations of the Commissioner of Internal Revenue under the Code.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it and all moneys received from any other source, including income derived from investments.

"System" means the entire Water System and Sewer System of the City including all property of every nature now or hereafter owned by the City for the extraction, collection, storage, treatment, transmission, distribution, metering and discharge of industrial and potable public water and the collection, transmission, treatment, storage, metering and disposal of domestic, industrial and public sewage, including all improvements and extensions thereto made by the City while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such Water System and Sewer System and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the following separate and special funds in the order of priority listed below, which were created and established by Resolutions adopted on August 7, 1995 (the "1995 Resolution") and March 18, 2013 and are hereby continued and shall be used and applied as described below:

- Revenues of the Water System in amounts sufficient to provide for the reasonable and proper operation and maintenance of the Water System through the payment of Operation and Maintenance Expenses shall be set aside into the "Water System Operation and Maintenance Fund" (the "Water System Operation and Maintenance Fund");
- Revenues of the Sewer System in amounts sufficient to provide for the reasonable and proper operation and maintenance of the Sewer System through the payment of Operation and Maintenance Expenses shall be set aside into the "Sewer System Operation and Maintenance Fund" (the "Sewer System Operation and Maintenance Fund");

-Revenues of the Water System in amounts which, together with funds on deposit in the Sewer System Special Redemption Fund, will be sufficient to pay principal of and interest on the 2011 Bonds, the Bonds and any bonds issued on a parity with the Bonds ("Parity Bonds") and to meet the Reserve Requirement shall be set aside into the "Water System Revenue Bond and Interest Special Redemption Fund" (the "Water System Special Redemption Fund"), to be applied to the payment of the principal and interest on the 2011 Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Water System Special Redemption Fund are hereby irrevocably pledged to the payment of principal and interest on the 2011 Bonds, the Bonds and Parity Bonds.

-Revenues of the Sewer System in amounts which, together with funds on deposit in the Water System Special Redemption Fund, will be sufficient to pay principal of and interest on the 2011 Bonds, the Bonds and any Parity Bonds and to meet the Reserve Requirement shall be set aside into the "Sewer System Revenue Bond and Interest Special Redemption Fund" (the "Sewer System Special Redemption Fund"), to be applied to the payment of the principal and interest on the 2011 Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Sewer System Special Redemption Fund are hereby irrevocably pledged to the payment of principal and interest on the 2011 Bonds, the Bonds and Parity Bonds.

-Revenues of the Water System in amounts sufficient to provide a proper and adequate depreciation account for the Water System shall be set aside into the "Water System Depreciation Fund" (the "Water System Depreciation Fund").

-Revenues of the Sewer System in amounts sufficient to provide a proper and adequate depreciation account for the Sewer System shall be set aside into the "Sewer System Depreciation Fund" (the "Sewer System Depreciation Fund").

The Water System Operation and Maintenance Fund and the Sewer System Operation and Maintenance Fund shall be collectively referred to herein as the "Operation and Maintenance Funds", the Water System Special Redemption Fund and the Sewer System Special Redemption Fund shall be collectively referred to herein as the "Special Redemption Funds", and the Water System Depreciation Fund and the Sewer System Depreciation Fund shall be collectively referred to herein as the "Depreciation Funds".

The Operation and Maintenance Funds and Depreciation Funds shall be deposited as received in public depositories to be selected by the Common Council in the manner required by Chapter 34, Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Money in the Water System Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses of the Water System as the same come due; money not immediately required for Operation and Maintenance Expenses of the Water System shall be used to accumulate a reserve in the Water System Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses of the Water System for one month. Any money then available and remaining in the Water System Operation and Maintenance Fund may be transferred to the Water System Surplus Fund, which fund is hereby continued.

Money in the Sewer System Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses of the Sewer System as the same come due; money not immediately required for Operation and Maintenance Expenses of the Sewer System shall be used to accumulate a reserve in the Sewer System Operation and Maintenance Fund equal to estimated Operation and

Maintenance Expenses of the Sewer System for one month. Any money then available and remaining in the Sewer System Operation and Maintenance Fund may be transferred to the Sewer System Surplus Fund, which is hereby continued.

Revenues shall be deposited in the Depreciation Funds each month until such amount as the Common Council may from time to time determine to constitute an adequate and reasonable depreciation account for the Water System and the Sewer System (the "Depreciation Requirement") is accumulated therein. Money in the Water System Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Water System Special Redemption Fund and for the maintenance of the Reserve Account. When the Water System Special Redemption Fund is sufficient for its purpose, funds in the Water System Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the Water System. Money in the Sewer System Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Sewer System Special Redemption Fund and for the maintenance of the Reserve Account. When the Sewer System Special Redemption Fund is sufficient for its purposes, money in the Sewer System Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the Sewer System. Any money on deposit in the Depreciation Funds in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of said Funds, may be transferred to the Surplus Funds.

It is the express intent and determination of the Common Council that the amount of Revenues to be set aside and paid into the Special Redemption Funds (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the 2011 Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Funds to pay promptly all principal and interest falling due on the 2011 Bonds, the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Revenues so set aside for payment of the principal of and interest on the 2011 Bonds, the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Funds not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing.

The minimum amounts to be so deposited for debt service on the Bonds, in addition to all amounts to be deposited to pay debt service on the 2011 Bonds, are set forth on the Schedule.

The Water System Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the 2011 Bonds, the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. The Sewer System Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the 2011 Bonds, the Bonds and Parity Bonds promptly as the same becomes due and payable or to pay redemption premiums. All money in the Special Redemption Funds shall be deposited in special accounts and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Special Redemption Funds shall be made directly to such accounts.

The Reserve Account established by Section 4 of the 1995 Resolution shall be continued to additionally secure the payment of principal of and interest on the 2011 Bonds and the Bonds. The City covenants and agrees that upon the issuance of the Bonds an amount equal to the Reserve Requirement shall be on deposit in the Reserve Account and shall be maintained therein.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Funds, the Operation and Maintenance Funds, the Depreciation Funds and the Surplus Funds which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the 2011 Bonds, the Bonds and Parity Bonds secured by the Reserve Account in any Bond Year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Funds and used to pay principal and interest on the 2011 Bonds and the Bonds. If for any reason there shall be insufficient funds on hand in the Special Redemption Funds to meet principal or interest becoming due on the 2011 Bonds, the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such 2011 Bonds, Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Funds in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Funds.

Money in each of the Surplus Funds shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund for the portion of the System (i.e., the Water System or Sewer System) with respect to which the Fund is established. Any money then remaining in the Surplus Funds at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Funds may be transferred to any of the funds or accounts provided for in this Section to which such Fund relates.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing services for public purposes, including reasonable health protection charges, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the Revenues, and out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, or successors to its function, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City and its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Common Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund for the Water System or Sewer System, as applicable, or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Funds;

(c) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(d) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the 2011 Bonds, the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(e) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(f) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. There may be separate audits for the Water System and the Sewer System. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used as the basis for computing the service charge; and

(g) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received

for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Special Redemption Fund for the Water System or Sewer System, as applicable, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Funds.

Section 7. Additional Bonds. The Bonds are payable from Revenues of the Water System and Sewer System, and are issued on a parity with the 2011 Bonds as to the pledge of revenues of the Water System and the Sewer System. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

a. The Net Revenues of (1) the Water System (as long as any 2011 Bonds are outstanding) and (2) the System (after the 2011 Bonds have been discharged) for the Fiscal Year immediately preceding the issuance of such additional obligations must have been equal to at least 1.25 times the highest annual principal and interest requirements on all 2011 Bonds, Bonds and Parity Bonds outstanding payable from Revenues of the System (other than 2011 Bonds, Bonds and Parity Bonds being refunded) and on the Parity Bonds then to be issued in any Fiscal Year. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional obligations or during that part of the Fiscal Year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

b. The payments required to be made into the funds and accounts enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Funds) must have been made in full.

c. The Parity Bonds must have principal maturing on August 1 of each year in which principal falls due and interest falling due on February 1 and August 1 of each year.

d. If the Parity Bonds are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be increased to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

e. The proceeds of the Parity Bonds must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 8. Sale of Bonds. The City shall sell and deliver the Bonds to Hutchinson, Shockey, Erley & Co. (the "Purchaser") for the purchase price set forth in the Proposal. The Proposal is hereby approved, and the appropriate City officials are hereby authorized and directed to execute the same. The officers of the City are authorized and directed to do any and

all acts necessary to conclude delivery of the Bonds to the Purchaser, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 9. Application of Bond Proceeds. All accrued interest, if any, received from the sale of the Bonds shall be deposited into the Special Redemption Funds. An amount of proceeds of the Bonds sufficient to make the amount currently on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. Proceeds of the Bonds in an amount sufficient to provide for the payment of the Refunded Obligations shall be deposited in a special account designated the "Refunding Fund" for that purpose. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be transferred to the Special Redemption Funds for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of

the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 9 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Funds and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations.

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 13. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 14. 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 previously executed on behalf of the City and on file in the City Clerk's office.

Section 15. 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 16. 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 17. Record Date. The fifteenth day of each 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 18. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and by the Refunded Obligations and the ownership, management and use of the projects will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 20. Redemption of Refunded Obligations. The 2006 Bonds maturing or subject to mandatory redemption in the years 2019 through 2026 are hereby called for prior payment and redemption on August 1, 2016, and the 2013 Notes are hereby called for prior payment and redemption on May 23, 2016, all at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with the Purchaser to cause timely notice of redemption, in substantially the forms attached hereto as Exhibits D-1 and D-2 and incorporated herein by this reference (the "Notices"), to be provided at the times, to the parties

and in the manner set forth on the Notices. All actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 21. 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 Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Official Statement to be distributed to the Purchaser.

Section 22. 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 23. 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 24. 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 25. 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, 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.

DRAFT

Section 26. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions (other than the 2011 Resolution), rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage. In case of any conflict between this Resolution and the 2011 Resolution, the 2011 Resolution shall control so long as any of the 2011 Bonds are outstanding.

Adopted this _____ day of _____, 2016.

BY ORDER OF THE CITY COUNCIL
CITY OF MONONA, WISCONSIN

Robert E. Miller
Mayor

ATTEST:

Joan Andrusz
City Clerk

(SEAL)

EXHIBIT A

Bond Purchase Proposal

To be provided by Hutchinson, Shockey, Erley & Co. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B-1

Pricing Summary

To be provided by Hutchinson, Shockey, Erley & Co. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B-2

Debt Service Schedule

To be provided by Hutchinson, Shockey, Erley & Co. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA DOLLARS
STATE OF WISCONSIN
DANE COUNTY
NO. R-____ CITY OF MONONA \$_____
WATER SYSTEM AND SEWER SYSTEM REVENUE REFUNDING BOND, SERIES 2016B

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
August 1, _____, 2016 _____%

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of Monona, Dane 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), solely from the fund hereinafter specified, 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 February 1 and August 1 of each year commencing on August 1, 2016 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 the semi-annual 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.

The Bonds maturing on August 1, 2025 and thereafter are subject to redemption prior to maturity, at the option of the City, on February 1, 2025 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.

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.

This Bond is one of an issue aggregating \$2,890,000, issued to refund obligations of the City issued to finance additions, improvements and extensions to the City's Water System and Sewer System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted April 18, 2016, and entitled: "A Resolution Authorizing the Issuance and Sale of \$2,890,000 Water System and Sewer System Revenue Refunding Bonds, Series 2016B, of the City of Monona, Dane County, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds" (the "Resolution") and is payable only from the income and revenues derived from the operation of said Water System and Sewer System. Such revenues have been set aside and pledged as special funds for that purpose and identified as "Special Redemption Funds", created by resolutions adopted by the City on August 7, 1995 and March 18, 2013 and continued by the Resolution. The Bonds are issued on a parity with the City's Water System Revenue Bonds, dated April 29, 2011. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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.

It is hereby certified, recited and declared that all conditions, things and acts required by law to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue to be received by said City from the operation of its Water System and Sewer System has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the City of Monona, Dane 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 MONONA,
DANE COUNTY, WISCONSIN

(SEAL)

By: _____
Robert E. Miller
Mayor

By: _____
Joan Andrusz
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)

EXHIBIT D-1

NOTICE OF FULL CALL*

CITY OF MONONA
DANE COUNTY, WISCONSIN
WATER SYSTEM REVENUE BONDS
DATED MAY 1, 2006

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called for prior payment on August 1, 2016 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
08/01/2019	\$375,000	4.125%	610113BS0
08/01/2022	415,000	5.00	610113BV3
08/01/2024	320,000	5.00	610113BX9
08/01/2026	330,000	5.00	610113BZ4

Upon presentation and surrender of said Bonds to Associated Trust Company, National Association, Green Bay, Wisconsin, the registrar and fiscal agent for said Bonds, the registered owners thereof will be paid the principal amount of the Bonds plus accrued interest to the date of prepayment.

Said Bonds will cease to bear interest on August 1, 2016.

By Order of the
Common Council
City of Monona
City Clerk

Dated _____

* To be provided to Associated Trust Company, National Association at least forty-five (45) days prior to August 1, 2016. The registrar and fiscal agent shall be directed to give notice of such prepayment by registered or certified mail, overnight express delivery, facsimile transmission, or electronic transmission to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days prior to August 1, 2016 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org. Notice shall also be provided to Financial Security Assurance Inc., or any successor, the bond insurer of the Bonds.

EXHIBIT D-2

NOTICE OF FULL CALL*

Regarding

CITY OF MONONA
DANE COUNTY, WISCONSIN
WATER SYSTEM AND SEWER SYSTEM REVENUE BOND ANTICIPATION NOTES
DATED APRIL 1, 2013

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the date and in the amount; bear interest at the rate; and have the CUSIP No. as set forth below have been called by the City for prior payment on May 23, 2016 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
04/01/2018	\$1,435,000	2.00%	610109AA8

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before May 23, 2016.

Said Notes will cease to bear interest on May 23, 2016.

By Order of the
Common Council
City of Monona
City Clerk

Dated _____

* To be provided by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to May 23, 2016 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

City of Monona
POLICY AND FISCAL NOTE

<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Update	Substitute No. _____
		Resolution No. <u>16-4-2095</u>
		Ordinance Amendment No. _____

Title: Refunding of 2006 Water Bond and 2013 Water and Sewer Revenue Ban

Policy Analysis Statement:

Brief Description Of Proposal:

In 2006, the City issued \$2,460,000 Water Revenue Bonds payable over 20 years. The City also issued a \$1,435,000 Water and Sewer Revenue Ban in 2013. The Bonds and Ban are now callable and the City would save approximately \$193,142 in interest cost over the remaining years. Saving is related to 2017-2026. The City is still responsible for 2016 payment under the current bond and ban.

The current coupons are between 4.125%–5.00%. Finance Advisor Jeff Belongia projects the coupons to between 2%–3%.

No budget amendment is needed because the saving will be effective 2017-2026.

Current Policy Or Practice:

Impact Of Adopting Proposal:

Saving on interest expense of approximately \$193,143 over 10 years.

Fiscal Estimate:

Fiscal Effect (check/circle all that apply)

- No fiscal effect
- Creates new expenditure account
- Creates new revenue account
- Decreases expenditures
- Increases revenues
- Increases/decreases fund balance _____ Fund

Budget Effect:

- Expenditure authorized in budget
- No change to budget required
- Expenditure not authorized in budget
- Budget amendment required

Vote Required:

- Majority
- Two-Thirds

Narrative/assumptions About Long Range Fiscal Effect:

Expenditure/Revenue Changes:

Budget Amendment No. _____				No Budget Amendment Required <input checked="" type="checkbox"/> _____				
Account Number				Account Name	Budget Prior to Change	Debit	Credit	Amended Budget
Fund	CC	Account	Object					
				Totals				

Prepared By:

Department: Finance Department
Prepared By: Marc Houtakker
Reviewed By:

Date March 31, 2016