

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : October 10, 2014

TO : Supervisor Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Scott B. Manske, Comptroller

SUBJECT : The County's participation in the Municipal Continuing Disclosure Cooperative Initiative

The Office of the Comptroller is submitting this informational report to inform the County Board of Supervisors that the Office of the Comptroller will be participating in the Municipal Continuing Disclosure Cooperative Initiative (the "MCDC Initiative").

In March 2014, the Security and Exchange Commission ("SEC") announced the MCDC Initiative, which focuses on potentially inaccurate statements in offering documents relating to continuing disclosure compliance for the last 5 years. Under the MCDC Initiative, potential inaccuracies may be reported to the SEC by the issuer (Milwaukee County) and the underwriter (bond purchaser).

The County's offering documents includes data that covers continuing disclosure reporting for the last five years. For example, for the 2014 financings the time period for reported data is 2009-2013. Therefore, as part of the MCDC Initiative, the County would have to review its offering documents for the years 2009-2014, which would include reviewing continuing disclosure filings covering data from 2004-2013.

Quarles and Brady, on behalf of Milwaukee County, reviewed the County's continuing disclosure filings of annual reports and operating data, for 2004-2013, including reviewing the official statements and disclosure language contained in the official statements for the period of December 1, 2009 through present.

Underwriters who purchased the County's bonds during 2009-present conducted their own review and many communicated their findings to Milwaukee County. The underwriters were required to report their findings to the SEC by September 9, 2014. Issuers are required to report their findings by December 1, 2014.

This report provides you with the results of the examination and the corrective actions taken and to be taken by the County, including participation in the MCDC Initiative.

The County's two most recently completed bond financings from 2013 are free of any issues of this sort and accordingly will not be self-reported under the MCDC Initiative.

BACKGROUND

Beginning in the 1990s, the SEC initiated SEC Rule 15c2-12 (the "Rule"). The Rule requires an underwriter to determine that the issuer has undertaken, pursuant to a written Continuing Disclosure Agreement, to provide financial information on a continuing basis while the bonds

are outstanding to the bondholders. The Rule requires the execution of a Continuing Disclosure Agreement that outlines the ongoing financial information and operating data that will be provided by the Issuer. Milwaukee County (the "County"), with the assistance of its bond counsel and financial advisor and the underwriter of the bonds, determines what financial information and data to provide. For example, below is a list of the information required to be included in the annual report that the County agreed to provide pursuant to the Continuing Disclosure Agreements for its 2013 Corporate Purpose and Airport Bond Issues.

Annual Report for Corporate Purpose Bonds

- Annual Financial Statements (CAFR)
- Debt Structure – General Obligation Debt by Issue
- Financial Information – Equalized Values Last Five Years
- Financial Information – Property Tax Levies and Collections Last Five Years
- Financial Information – Property Tax Rates for County Levies
- Financial Information – Five Year Summary of Revenues, Expenditures and Change in Fund Balance – General Fund

Annual Report for Airport Revenue Bonds

- Annual Financial Statements (CAFR)
- Airline – Airport Use and Lease Agreement
- Airline Rates and Charges
- Table: Milwaukee County Airport System Revenue
- Table: Milwaukee County Airport System Total Airport System O&M Expenses
- Airport System Indebtedness
- Table: Milwaukee County Airport System Cash Flow and Debt Service Coverage

As required under the Rule and pursuant to the County's Continuing Disclosure Agreements, this information is posted to the Electronic Municipal Market Access ("EMMA") system website. The information is due 270 days after December 31 of the previous year. For example, the 2014 annual report was due on September 27, 2014, which was 270 days after December 31, 2013.

In 2010, primarily due to workload issues, the County designated Public Financial Management ("PFM") to serve as the County's dissemination agent. PFM would be responsible for gathering and submitting the information above and posting it to the EMMA website. At that time, the County and PFM reviewed the continuing disclosure filings that had been made, identified any missing filings and submitted information they discovered that had not been previously submitted. At the time, it was thought that all required information had been submitted.

In 2013, as a part of the preparation of the official statements that year, the County conducted another review of the annual continuing disclosure filings and disclosed in the official statements information that was believed to have been submitted late or missed. Under the Rule, an Official Statement is required to include a description of any instances in the previous five years in which the issuer failed to comply, in all material respects, with any

previous Continuing Disclosure Agreements. The summary results of the 2010 and 2013 reviews are that the County was late submitting the following information:

Below is a listing of the findings from the 2010 and 2013 reviews:

- Comprehensive Annual Financial Report for the years 2005-2009

Some of the official statements for the years 2005-2009 were published prior to the completion of the CAFR for that year. Therefore, the CAFR from the previous year was used. When submitting the filing the CAFR data from the official statement was used rather than the CAFR from that year. Each year duplicated the efforts from the previous year. It was noticed after the review by the County and PFM in 2010. The County submitted the CAFRs for 2005-2009 and included language in the official statements from 2010 forward and noted in the official statement for 2013.

- Five Year Capital Improvements Plan

In 2009, the County modified its continuing disclosure agreement by removing the Five Year Capital Improvements Plan. The County was still required to report this information for bond issues prior to 2008 but had not. In 2013, the County provided Five Year Capital Improvements that had not previously been submitted and noted it in the official statement for 2013.

- Universal recalibration of Moody's Investor Service ratings

In 2010, both Moody's Investors Service ("Moody's") and Fitch Ratings ("Fitch") engaged in a recalibration of certain U.S. municipal (i.e., public finance) ratings. The intent of the recalibrations was to provide a greater degree of comparability across the respective rating agency's portfolios of credit ratings. Both rating agencies stated that the recalibrations did not reflect an improvement in credit quality or a change in credit opinion for the municipal issuers. The County did not file a material event notice. It should be noted that many issuers, including the County, did not think it was required to file a notice since the action was a universal recalibration and not related to the municipalities specifically.

- Downgrade of ratings for Bond Insurance Companies

Prior to 2008, certain general obligation (base CUSIP 602245) and general airport revenue (base CUSIP 602248) debt issues of the County were issued contemporaneously with a municipal bond insurance policy for the benefit of the owners of the County's obligations. At the time of the issuance of the respective debt issues, the insurance company's rating was higher than the underlying rating of the County's credit. Subsequently all of the companies that provided insurance policies on the County's obligations received downgrades by the three major rating agencies to the point where none of the insurance companies had a rating higher than that of the County. This created a situation where the County's underlying credit rating was the prevailing credit rating and not that of the insurer with respect to the insured obligations of the County. Because neither the rating agencies nor the bond insurers

notified the County of the respective insurer rating downgrades. Many issuers, including the County, did not file a material events notice on EMMA after the occurrence of the rating changes.

In March 2014, the SEC announced an initiative focusing on potentially inaccurate statements in offering documents relating to continuing disclosure compliance.

MUNICIPALITIES CONTINUING DISCLOSURE COOPERATIVE INITIATIVE

The Municipalities Continuing Disclosure Cooperative Initiative (the "MCDC Initiative") is an initiative recently announced by the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission"). The MCDC Initiative is meant to address what the Division has described as "potentially widespread violations of securities laws" by issuers and underwriters of municipal bonds across the country, arising from potentially inaccurate statements in offering documents ("Official Statements") describing issuers' past compliance (or non-compliance) with their continuing disclosure agreements ("Continuing Disclosure Agreements").

The Office of Comptroller intends to self-report under the MCDC Initiative, for and on behalf of the County, certain of the County's prior bond financings. The Office of the Comptroller's decision to self-report is consistent with, and in part prompted by, the decision by the underwriters of these bond financings to similarly report them. For each financing that the County will self-report, the related Official Statement may have failed to describe, or may have failed to completely describe, prior non-compliance by the County with certain of the requirements of its Continuing Disclosure Agreements, in violation of applicable federal securities law. Neither the Division nor the Commission has provided any guidance regarding what specific circumstances warrant self-reporting. After discussing these matters with Quarles and Brady, the County's Bond Counsel, and PFM, the Office of the Comptroller has determined that self-reporting is in the best interests of the County under the relevant circumstances. The MCDC Initiative contemplates that after an issuer (such as the County) self-reports to the Division, the Division may recommend an enforcement action against the issuer. Such an action would entail a settlement agreement what the Division has described as "favorable" settlement terms (see "Favorable Settlement Terms" below). While any enforcement action is a serious matter, such settlement would entail no financial penalty against the County. In contrast, the Division has stated that in any actions against issuers who **do not** self-report under the MCDC Initiative, the Division "will likely recommend and seek financial sanctions."

The County has undertaken measures to help improve its continuing disclosure compliance and offering document preparation practices. The Office of the Comptroller does not believe that these circumstances will recur – as evidenced, for example, by the fact that County's most recent bond financings are free of any issues of this sort and accordingly will not be self-reported under the MCDC Initiative.

The National Association of Bond Lawyers ("NABL") prepared guidance to help issuers, such as the County, determine whether or not certain failures to describe continuing disclosures deficiencies in an offering document constituted a misstatement or whether any misstatement was material. Under NABL's guidelines, many of the descriptions included in

the Official Statements the County intends to self-report do not include material misstatements. However, because the SEC has not provided any guidance on materiality with respect to the description of continuing disclosure failures, and because Underwriters involved with such Official Statements are self-reporting such Official Statements, the Office of the Comptroller believes it is in the best interest of the County to also self-report these Official Statements.

REPORTING BY THE COUNTY'S UNDERWRITERS

Pertinent to the MCDC Initiative, Quarles and Brady, on behalf of the County, reviewed 11 Official Statements to determine whether the same were candidates for self-reporting. The Office of Comptroller and/or Quarles and Brady LLP have had discussions with each of the underwriters (the "Underwriters") of the County's 11 Official Statements in the past five years (which is the relevant time period for purposes of the MCDC Initiative). Per those discussions, it is believed that the Underwriters have self-reported eight such County financings. It should be noted that each Underwriter report identifies the County (as well as the parties to the bond financing). This increases the likelihood that the Division would expect the County to similarly self-report. As noted, Quarles and Brady, LLP, has reviewed the 11 financings on behalf of the County. Based on the findings, the County has determined to similarly report these eight financings.

"FAVORABLE" STANDARDIZED SETTLEMENT TERMS

If an issuer or underwriter participates in the MCDC Initiative by self-reporting related transactions, the Division may (or may not) recommend an enforcement action against the issuer or underwriter, but in connection with such proceedings would recommend what the Division describes as "favorable," standardized settlement terms. Under the standardized settlement terms applicable to issuers, if the Division recommended an enforcement action against the County, the County would be required to agree to a cease and desist order. As further described below, the cease and desist order would require to County to comply with its Continuing Disclosure Agreements, which the County has already done. As discussed above, the County has worked with PFM to remedy any past non-compliance with its prior Continuing Disclosure Agreements, and the County's most recent Official Statements include appropriate disclosure regarding any prior material non-compliance and accordingly will not be reported under the MCDC Initiative.

The County would also be required to the following:

- Establish appropriate policies and procedures and training regarding continuing disclosure obligations within 180 days of the institution of the enforcement proceedings;
- Comply with existing continuing disclosure undertakings, including updating past delinquent filings within 180 days of the institution of the proceedings;
- Cooperate with any subsequent investigation by the Division regarding the potentially inaccurate statements, including the roles of individuals and/or other parties involved;
- Disclose in a clear and conspicuous fashion the settlement terms in any final official statement for an offering by the issuer within five years of the date of institution of the

- proceedings; and
- Provide the Commission staff with a compliance certification regarding the applicable undertakings by the issuer on the one year anniversary of the date of institution of the proceedings.

The County had already begun to take steps to improve its continuing disclosure compliance prior to the announcement of the MCDC Initiative or submittal deadline. These steps include:

- Designated PFM as the dissemination agent;
- Preparing new policies and procedures regarding continuing disclosure requirements; (See Attachment A.)
- Completed extensive review of continuing disclosure requirements and filings in 2010 and 2013
- Participated in a webinar educating staff on the MCDC Initiative.
- Enrolled in EMMA website alert for reminder to submit annual report and financial data

These efforts appear to already address the first two standardized settlement terms listed above. Based on the County's efforts so far it is unlikely that the continuing disclosure issues will recur.

The standardized settlement terms do not require issuers such as the County to pay a civil penalty. In contrast, the Division has stated that in any actions against issuers who do not self-report under the MCDC Initiative, it "will likely recommend and seek financial sanctions."

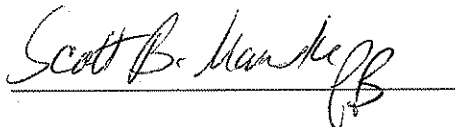
The Office of the Comptroller has directed Quarles & Brady LLP to prepare and file a MCDC Initiative reporting form. The reporting form will be filed on or before December 1, 2014, which is the MCDC Initiative reporting date for issuers. The report will be filed under a cover letter to the Division highlighting the improvement efforts the County has undertaken. A draft of the filing is attached hereto as Attachment B.

ADDITIONAL INFORMATION

For your reference, a copy of the Division's announcement describing the MCDC Initiative in detail (the "SEC Announcement") is attached hereto as Attachment C.

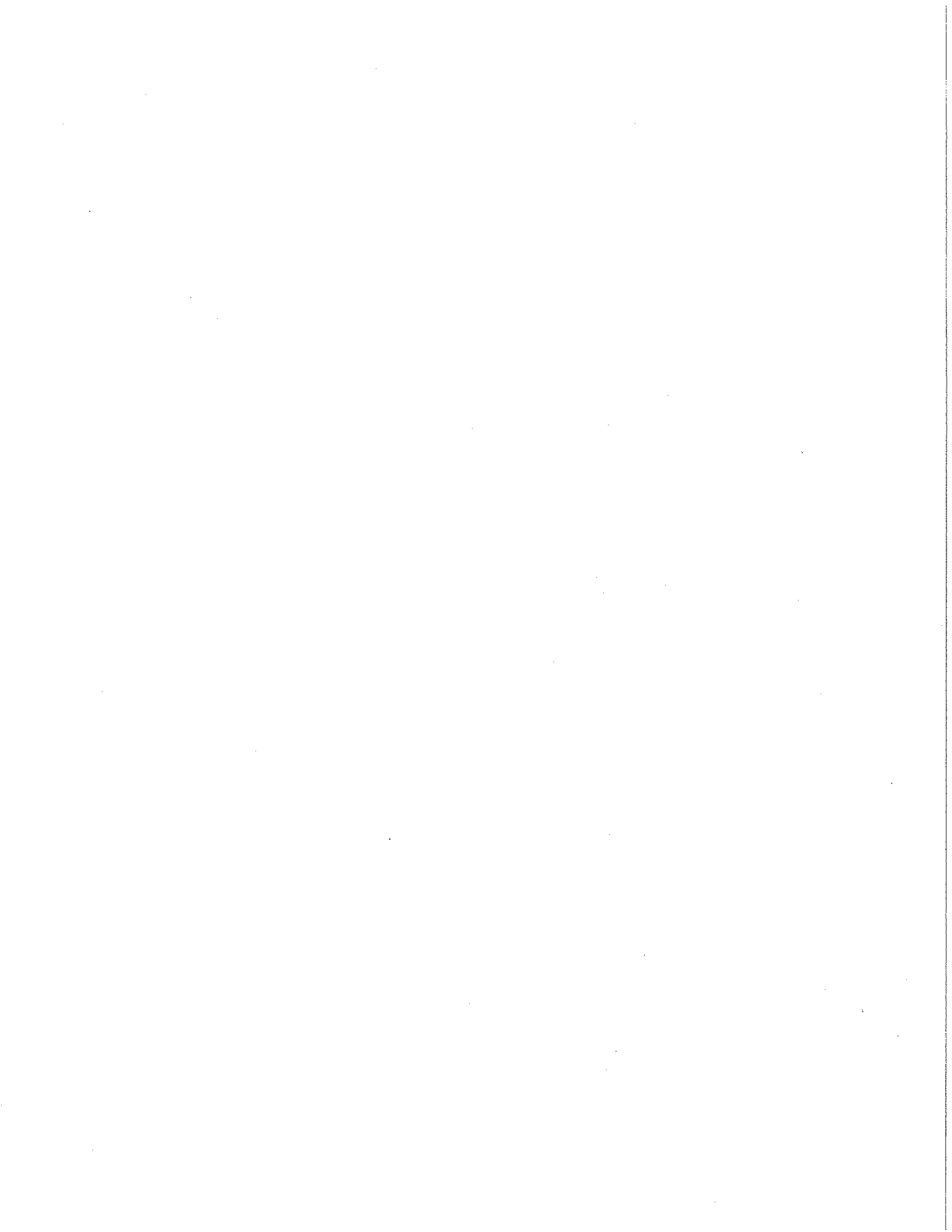
RECOMMENDATION

This report is for information purposes only.



Scott B. Manske
Comptroller

pc: Chris Abele, County Executive
Supervisor Willie Johnson, Co-Chair, Committee on Finance, Audit and Personnel
Supervisor David Cullen, Co-Chair, Committee on Finance, Audit and Personnel
Raisa Koltun, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Stephen Cady, Office of the Comptroller
Justin Rodriguez, Office of the Comptroller
Brian Lanser, Quarles and Brady
Bridgette Keating, Quarles and Brady
Lafayette Crump, Crump Law Firm LLC
David Anderson, Public Financial Management



ATTACHMENT A

**DRAFT OF THE COUNTY'S NEW PROCEDURES
WITH RESPECT TO CONTINUING DISCLOSURE**

Milwaukee County Continuing Disclosure Compliance Policy

DRAFT

Adopted: _____, 2014 _____

Statement of Purpose

This Continuing Disclosure Compliance Policy (the "Policy") sets forth specific policies of the County of Milwaukee _____, Wisconsin (the "Issuer") designed to monitor continuing disclosure compliance

with applicable requirements set forth in certificates and agreement(s) ("Continuing Disclosure Agreements") providing for ongoing disclosure in connection with the offering of obligations to investors ("Offerings"), for obligations (whether or not tax-exempt / tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934.

This Policy documents practices and describes various procedures and systems designed to ensure compliance with Continuing Disclosure Agreements, by preparing and disseminated related reports and information and reporting "material events" for the benefit of the holders of the Issuer's obligations and to assist the Participating Underwriters (within the meaning of the Rule) in complying with the Rule.

The Issuer recognizes that compliance with pertinent law is an on-going process, necessary during the entire term of the obligations, and is an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer's accountants and other advisors, as needed.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring continuing disclosure compliance generally.

- A. The Comptroller or his or her designee ("Compliance Officer") is responsible for monitoring continuing disclosure compliance issues. As needed, the Compliance Officer may obtain assistance in monitoring continuing disclosure compliance issues from Milwaukee County's internal and external advisors, including but not limited to Corporation Counsel, bond counsel, and financial advisors.
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.

- C. All documents and other records relating to Obligations issued by the Issuer will be maintained by or at the direction of the Compliance Officer.
- D. The Compliance Officer will notify EMMA of if he/she or the County's dissemination agent determines that the County will not be able to submit the disclosure documents by the required agreement date.
- E. The Compliance Officer will review continuing disclosure compliance procedures and systems on a periodic basis, and endeavor to do so not less than annually.
- A. Obtain and store copies of the Continuing Disclosure Agreements.

Record Retention

The following polices relate to retention of records relating to the Obligations issued, but are not intended to be less restrictive than applicable record retention laws, ordinances and policies.

The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
 2. Documentation evidencing expenditure of proceeds of the issue;
 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
 5. Documentation evidencing all sources of payment or security for the issue; and
 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income

received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).

- D. Coordinate the retention of all records.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

Conduit Bond Financings

In conduit bond financings, such as industrial revenue bonds or Midwestern Disaster Area Bonds, the Issuer is not in a position to directly monitor compliance with arbitrage requirements and qualified use requirements because information concerning and control of those activities lies with the private borrower. The Issuer's policy in connection with conduit financings is to require that the bond documents in such financings impose on the borrower (and trustee or other applicable party) responsibility to monitor compliance with qualified use rules and arbitrage and other federal tax requirements and to take necessary action if remediation of nonqualified bonds is required.

Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), Participating Underwriters (as defined in the Rule) are required to determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Agreements to make ongoing disclosure in connection with Offerings subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, the Transcript for each issue of related obligations will include a Continuing Disclosure Agreement executed by the Issuer.

In order to monitor compliance by the Issuer with its Continuing Disclosure Agreements, the Compliance Officer will take the actions listed below, if and as required by such Continuing Disclosure Agreements. The Compliance Officer may coordinate with staff, and may engage a dissemination agent, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

A. Compilation of Currently Effective Continuing Disclosure Agreements

The Compliance Officer will compile and maintain a set of all currently effective Continuing Disclosure Agreements of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective bond or note issue. Continuing Disclosure Agreements are "Currently Effective" for purposes of these Procedures (and hence should be included in the set of Currently Effective Continuing Disclosure Agreements) for as long as the bonds or notes to which they relate are outstanding. As bonds or notes are completely repaid or redeemed, the Compliance Officer should remove the related continuing disclosure agreements from the set of Currently Effective Continuing Disclosure Agreements.

B. Annual Review and Annual Reporting Requirements

The Compliance Officer will ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Agreements. The Compliance Officer will review the set of Currently Effective Continuing Disclosure Agreements annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Agreement may differ from the financial information and operating data required to be reported under another Continuing Disclosure Agreement; and
- The timing requirements for reporting under a particular Continuing Disclosure Agreement may differ from the timing requirements for filing under another Continuing Disclosure Agreement. Review with PFM all continuing disclosure documents and establish the Currently Effective Continuing Disclosure Agreements.

C. Calendar; EMMA Notification System

The Compliance Officer should keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Agreements. The Compliance Officer will also subscribe to notification services made available through the EMMA system.

D. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer will also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel or other agents as necessary) will "remedy" such prior failures by ensuring that the missing information is filed within a reasonable time period.

E. Monitoring of Material Events

The Compliance Officer will monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Agreements and will provide notice of the same in the required manner and by the relevant reporting deadline (likely within 10 days of the occurrence):

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;

- Substitution of credit or liquidity providers, or their failure to perform;
- 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 Issuer's bonds or notes, or other material events affecting the tax status of the Issuer's bonds or notes;
- Modification to rights of holders of the Issuer's bonds or notes, if material;
- Calls of the Issuer's bonds or notes, if material, and tender offers;
- Defeasances of the Issuer's bonds or notes;
- Release, substitution or sale of property securing repayment of the Issuer's bonds or notes, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Issuer;
- 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
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

F. Review of Official Statements

The Compliance Officer should review drafts of any Official Statement for a new offering or bonds or notes, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and should determine that the Official Statement accurately and completely describes the Issuer's continuing disclosure compliance history within the five years prior to the date of the respective Official Statement based on the best information available to Milwaukee County. This compliance review is not meant to limit the Issuer's other reviews of or diligence procedures relating to its Official Statements.

G. Municipalities Continuing Disclosure Cooperative Initiative

If the Issuer has previously reported to the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission") under the *Municipalities Continuing Disclosure Cooperative Initiative* (the "MCDC Initiative") and if the Division

recommended enforcement proceedings and settlement terms in that connection, then the Compliance Officer is responsible, with assistance from its dissemination agent, counsel, and/or other agents of the Issuer, for implementing the undertakings required by such settlement. A list of these "undertakings" is set forth in the Division's announcement describing the MCDC Initiative: <http://www.sec.gov/divisions/enforce/municipalities-continuing-disclosure-cooperation-initiative.shtml>.

H. Record Retention

The Compliance Officer should retain documentation evidencing the Issuer's annual reviews and its reviews of Official Statements in connection with new offerings as set forth above. This Issuer should retain this documentation, for each Continuing Disclosure Agreement, for the period that the related bonds or notes are outstanding.

I. Annual Review Checklist

The Compliance Officer may (or may not) choose to use and retain the attached Annual Review Checklist to assist in implementing these Procedures.

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CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. Fiscal Year Ending: December
2014 _____

31,

2. Compliance Officer: _____

3. Checklist Completion Date: _____

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4. Bonds/Notes for which there are Currently Effective Continuing Disclosure Agreements

<u>Attach</u>		<u>Agreements:</u>	
Bond Issue		Bond Issue	
Amount	Bond Issue Title	Series	Dated Date
\$26,935,000	General Obligation Corporate Purpose Bonds	2013A	14-Aug-13
\$47,095,000	Airport Revenue Bonds	2013A	14-Aug-13
\$3,330,000	Airport Revenue Refunding Bonds	2013B	14-Aug-13
\$99,300,000	Taxable General Obligation Pension Refunding Bonds	2013B	27-Jun-13
\$138,730,000	Taxable General Obligation Pension Promissory Notes	2013	12-Feb-13
\$23,105,000	General Obligation Refunding Bonds	2012	20-Dec-12
\$35,095,000	General Obligation Refunding Bonds	2011	30-Mar-11
	Taxable General Obligation Corporate Purpose Bonds (Build		
\$31,165,000	America Bonds - Direct Payment)	2010C	21-Dec-10
\$9,770,000	General Obligation Promissory Notes	2010D	21-Dec-10
\$12,690,000	Airport Revenue Bonds	2009A	21-Dec-09
\$31,570,000	Airport Revenue Bonds	2010A	14-Oct-10
\$51,590,000	Airport Revenue Refunding Bonds	2010B	14-Oct-10
	Taxable General Obligation Corporate Purpose Bonds (Build		
\$22,725,000	America Bonds - Direct Payment)	2010A	13-May-10
\$12,325,000	General Obligation Promissory Notes	2010B	13-May-10
\$2,350,000	Airport Revenue Refunding Bonds	2009B	21-Dec-09
	Taxable General Obligation Corporate Purpose Bonds (Build		
\$30,365,000	America Bonds - Direct Payment)	2009E	15-Nov-09
\$15,610,000	General Obligation Promissory Notes	2009F	15-Nov-09
	Taxable General Obligation Corporate Purpose Bonds (Build		
\$24,775,000	America Bonds - Direct Payment)	2009C	1-Aug-09
\$17,250,000	General Obligation Promissory Notes	2009D	1-Aug-09
\$265,000,000	Taxable General Obligation Pension	2009A	2-Apr-09
\$135,000,000	Taxable Pension Notes	2009B	2-Apr-09
\$30,860,000	General Obligation Corporate Purpose Bonds	2008A	1-Jun-08
\$13,445,000	Airport Revenue Bonds	2007A	7-Nov-07
\$32,625,000	General Obligation Corporate Purpose Bonds	2007A	7-Jun-07
\$25,665,000	Airport Revenue Bonds	2006A	16-Nov-06
\$5,020,000	Airport Revenue Bonds	2006B	16-Nov-06
\$31,595,000	General Obligation Corporate Purpose Bonds	2006A	1-Apr-06
\$29,010,000	Airport Revenue Bonds	2005A	22-Dec-05
\$7,755,000	Airport Revenue Refunding Bonds	2005B	22-Dec-05
\$63,025,000	General Obligation Refunding Bonds	2005A	1-Nov-05
\$24,610,000	General Obligation Corporate Purpose Bonds	2005A	1-Nov-05
\$3,736,000	Airport Revenue Bonds	2004A	31-Mar-04
\$26,950,000	General Obligation Corporate Purpose Bonds	2004A	1-Feb-04

\$ _____, _____, dated _____, 20__

\$ _____, _____, dated _____, 20__

\$ _____, _____, dated _____, 20__

\$23,105,000 _____, General Obligation Refunding Bonds, Series
2012 _____, dated December 20, _____,
2012 _____

5. Have any new Bonds or Notes subject to Continuing Disclosure Been Issued this Year?

_____ No

_____ Yes (Add Agreement to Set of Currently Effective Continuing Disclosure Agreements)

If Yes, did the Compliance Officer review the Official Statement's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years? **Circle:** Y / N (If N, review and discuss any issues with counsel.)

6. Have any Bonds or Notes subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?

_____ No

_____ Yes (Remove Agreement from Set of Currently Effective Continuing Disclosure Agreements)

7. (a) Has the Compliance Officer Review the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

_____ Yes

_____ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

(b) For purposes of this review, please keep in mind:

	Checked?
Different Continuing Disclosure Agreements may require different information to be file (so check each one)	Y / N
Different Continuing Disclosure Agreements may have different filing timing requirements (so check each one).	Y / N

Have any of the Following Events Occurred this Year?

Event	Circle
1. Principal and interest payment delinquencies	Y / N
2. Non-payment related defaults, if material	Y / N
3. Unscheduled draws on debt service reserves reflecting financial difficulties	Y / N
4. Unscheduled draws on credit enhancements reflecting financial difficulties	Y / N
5. Substitution of credit or liquidity providers, or their failure to perform	Y / N
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 Issuer's bonds or notes, or other material events affecting the tax status of the Issuer's bonds or notes	Y / N
7. Modification to rights of holders of the Issuer's bonds or notes, if material	Y / N
8. Calls of the Issuer's bonds or notes, if material, and tender offers	Y / N
9. Defeasances of the Issuer's bonds or notes	Y / N
10. Release, substitution or sale of property securing repayment of the Issuer's bonds or notes, if material	Y / N
11. Rating changes	Y / N
12. Bankruptcy, insolvency, receivership or similar event of the Issuer	Y / N
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	Y / N
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material	Y / N

If any such Event Occurred, was Proper Notice Provided?

_____ Yes

_____ No (Call your dissemination agent or counsel immediately to discuss)

_____ N/A

Has the Issuer Retained a Dissemination Agent? (i.e., a Paid Third Party that Assists with Filings)

Yes: Name/Contact: Public Financial Management

_____ No

Annual Review Date:

Scott B. Manske
Comptroller
Date:

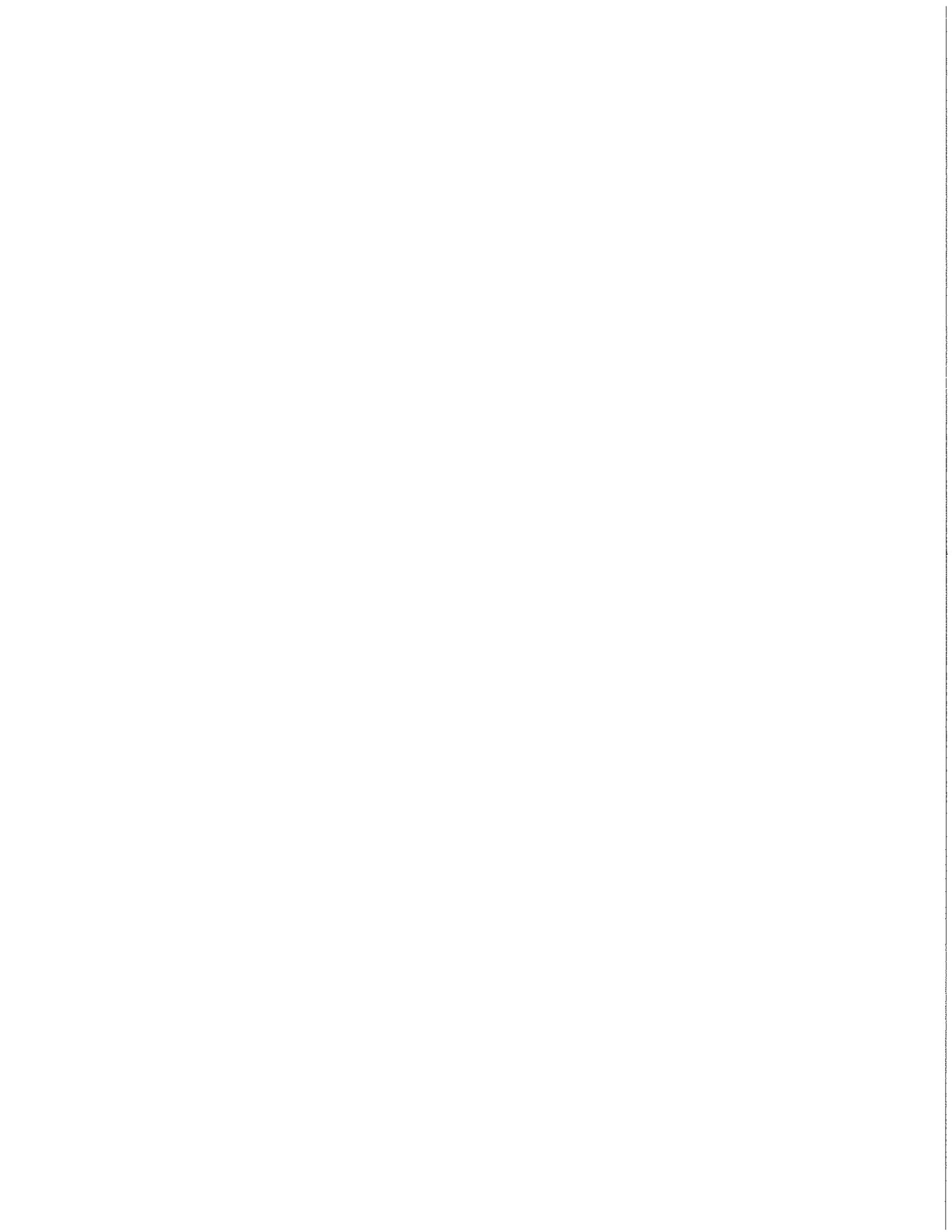
Brian Lanser
Quarles & Brady LLP
Date:

Pamela Bryant
Capital Finance Manager
Date:

David Anderson
Public Financial Management
Date:

Julie Wilson
Principal Attorney, Corporation Counsel
Date:

Brian Della
Public Financial Management
Date:



ATTACHMENT B

DRAFT OF THE COUNTY'S MCDC INITIATIVE FILING



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

NOTE: The information being requested in this Questionnaire is subject to the Commission's routine uses. A list of those uses is contained in SEC Form 1662, which also contains other important information.

1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

Mailing Address (zip): **53233**

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **Taxable General Obligation Corporate Purpose Bonds, Series 2009E (Build America Bonds - Direct Payment); General Obligation Promissory Notes, Series 2009F**

Initial Principal Amount of Bond Issuance: **\$30,365,000; \$15,610,000**

Date of Offering: **11/15/2009**

Date of final Official Statement (format MMDDYYYY): **11/05/2009**

Nine Character CUSIP number of last maturity: **602245VQ2; 602245WA6**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **Robert W. Baird & Co., Inc.**
Primary Individual Contact at Underwriter: **Paul Schultz**

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**
Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**
Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **N/A**
Primary Individual Contact at Underwriter's Counsel: **N/A**

Law Firm Serving as Disclosure Counsel: **N/A**
Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

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1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self- Reporting Entity:

Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

Mailing Address (zip): **53233**

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **Taxable General Obligation Corporate Purpose Bonds, Series 2010A (Build America Bonds - Direct Payment); General Obligation Promissory Notes, Series 2010B**

Initial Principal Amount of Bond Issuance: **\$22,725,000; \$12,325,000**

Date of Offering: **05/01/2010**

Date of final Official Statement (format MMDDYYYY): **04/22/2010**

Nine Character CUSIP number of last maturity: **602245WM0; 602245WV0**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **Robert W. Baird & Co., Inc.**
Primary Individual Contact at Underwriter: **Paul Schultz**

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**
Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**
Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **N/A**
Primary Individual Contact at Underwriter's Counsel: **N/A**

Law Firm Serving as Disclosure Counsel: **N/A**
Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

NOTE: The information being requested in this Questionnaire is subject to the Commission's routine uses. A list of those uses is contained in SEC Form 1662, which also contains other important information.

1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

Mailing Address (zip): **53233**

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **Taxable General Obligation Corporate Purpose Bonds, Series 2010C (Build America Bonds - Direct Payment); General Obligation Promissory Notes, Series 2010D**

Initial Principal Amount of Bond Issuance: **\$38,165,000; \$9,770,000**

Date of Offering: **12/21/2010**

Date of final Official Statement (format MMDDYYYY): **12/09/2010**

Nine Character CUSIP number of last maturity: **602245XK3; 602245XU1**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **M&I Marshall & Ilsley Bank; Hutchinson, Shockey, Erley & Co.**

Primary Individual Contact at Underwriter: [_____]; **Thomas Dannenberg**

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**

Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**

Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **N/A**

Primary Individual Contact at Underwriter's Counsel: **N/A**

Law Firm Serving as Disclosure Counsel: **N/A**

Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

NOTE: The information being requested in this Questionnaire is subject to the Commission's routine uses. A list of those uses is contained in SEC Form 1662, which also contains other important information.

1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

Mailing Address (zip): **53233**

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **General Obligation Refunding Bonds, Series 2011A**

Initial Principal Amount of Bond Issuance: **\$35,095,000**

Date of Offering: **03/15/2011**

Date of final Official Statement (format MMDDYYYY): **03/17/2011**

Nine Character CUSIP number of last maturity: **602245YB2**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **Citigroup Global Markets Inc.**

Primary Individual Contact at Underwriter: **Matthew Bunda**

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**

Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**

Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **N/A**

Primary Individual Contact at Underwriter's Counsel: **N/A**

Law Firm Serving as Disclosure Counsel: **N/A**

Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
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Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

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2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **Taxable General Obligation Pension Promissory Notes, Series 2013**

Initial Principal Amount of Bond Issuance: **\$138,730,000**

Date of Offering: **02/12/2013**

Date of final Official Statement (format MMDDYYYY): **01/24/2013**

Nine Character CUSIP number of last maturity: **602245ZA3**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **J.P. Morgan Securities LLC**

Primary Individual Contact at Underwriter: [_____]

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**

Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**

Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **N/A**

Primary Individual Contact at Underwriter's Counsel: **N/A**

Law Firm Serving as Disclosure Counsel: **N/A**

Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

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1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

Mailing Address (zip): **53233**

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **General Obligation Corporate Purpose Bonds, Series 2013A**

Initial Principal Amount of Bond Issuance: **\$26,935,000**

Date of Offering: **08/14/2013**

Date of final Official Statement (format MMDDYYYY): **07/24/2013**

Nine Character CUSIP number of last maturity: **602245ZW5**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **Robert W. Baird & Co., Inc.**
Primary Individual Contact at Underwriter: **Paul Schultz**

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**
Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**
Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **N/A**
Primary Individual Contact at Underwriter's Counsel: **N/A**

Law Firm Serving as Disclosure Counsel: **N/A**
Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

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Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

Mailing Address (zip): **53233**

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **Airport Revenue Bonds, Series 2009A (Non-AMT); Airport Revenue Refunding Bonds, Series 2009B (AMT)**

Initial Principal Amount of Bond Issuance: **\$12,690,000; \$2,350,000**

Date of Offering: **12/21/2009**

Date of final Official Statement (format MMDDYYYY): **12/10/2009**

Nine Character CUSIP number of last maturity: **602248FT8; 602248FY7**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
 Obligor
 Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **Merrill Lynch, Pierce, Fenner & Smith Incorporated**
Primary Individual Contact at Underwriter: **Nancy Clawson**

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**
Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**
Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **Perkins Coie LLP**
Primary Individual Contact at Underwriter's Counsel: **Marc L. Oberdorff**

Law Firm Serving as Disclosure Counsel: **N/A**
Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

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1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:

Individual Contact Name: **Scott B. Manske**

Individual Contact Title: **Comptroller**

Individual Contact telephone: **(414) 278-3001**

Individual Contact Fax number: [_____]

Individual Contact email address: **Scott.Manske@milwaukeecountywi.gov**

Full Legal Name of Self-Reporting Entity: **Milwaukee County, Wisconsin**

Mailing Address (number and street): **901 N. 9th Street, Room 301**

Mailing Address (city): **Milwaukee**

Mailing Address (state): **Wisconsin**

Mailing Address (zip): **53233**

2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):

State: **Wisconsin**

Full Name of Issuing Entity: **Milwaukee County, Wisconsin**

Full Legal Name of Obligor (if any): **Milwaukee County, Wisconsin**

Full Name of Security Issue: **Airport Revenue Bonds, Series 2010A (Non-AMT); Airport Revenue Refunding Bonds, Series 2010B (AMT)**

Initial Principal Amount of Bond Issuance: **\$31,570,000; \$51,590,000**

Date of Offering: **10/14/2010**

Date of final Official Statement (format MMDDYYYY): **09/30/2010**

Nine Character CUSIP number of last maturity: **602248GQ3; 602248HD1**

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm: **Merrill Lynch, Pierce, Fenner & Smith Incorporated**

Primary Individual Contact at Underwriter: [_____]; [_____]

Financial Advisor: **Public Financial Management, Inc.; Peralta Garcia Solutions, LLC**

Primary Individual Contact at Financial Advisor: **Brian Della; Leticia Peralta Davis**

Bond Counsel Firm: **Chapman and Cutler LLP; Emile Banks & Associates, LLC**

Primary Individual Contact at Bond Counsel: **Chuck Jarik; Emile Banks, Jr.**

Law Firm Serving as Underwriter's Counsel: **Perkins Coie LLP**

Primary Individual Contact at Underwriter's Counsel: **Marc L. Oberdorff**

Law Firm Serving as Disclosure Counsel: **N/A**

Primary Individual Contact at Disclosure Counsel: **N/A**

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

Please refer to the cover letter filed with this Questionnaire.

On behalf of Milwaukee County, I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MCDC Initiative.

By: _____

Scott B. Manske
Comptroller

ATTACHMENT C

THE DIVISION'S ANNOUNCEMENT DESCRIBING THE MCDC INITIATIVE



U.S. Securities and Exchange Commission

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Municipalities Continuing Disclosure Cooperation Initiative

Division of Enforcement

U.S. Securities and Exchange Commission

I. Introduction

The Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC Initiative") is intended to address potentially widespread violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in bond offering documents.

As described below, under the MCDC Initiative, the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission") will recommend favorable settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities (collectively, "issuers") as well as underwriters of such offerings if they self-report to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Exchange Act").¹

II. Background

Rule 15c2-12 generally prohibits any underwriter from purchasing or selling municipal securities unless the issuer has committed to providing continuing disclosure regarding the security and issuer, including information about its financial condition and operating data.² Rule 15c2-12 also generally requires that any final official statement prepared in connection with a primary offering of municipal securities contain a description of any instances in the previous five years in which the issuer failed to comply, in all material respects, with any previous commitment to provide such continuing disclosure.

The Commission may file enforcement actions under either Section 17(a) of the Securities Act of 1933 (the "Securities Act"), and/or Section 10(b) of the Exchange Act against issuers for inaccurately stating in final official statements that they have substantially complied with their prior continuing disclosure obligations. In such instances, underwriters for these bond offerings may also have violated the anti-fraud provisions to the extent they failed to exercise adequate due diligence in determining whether issuers have complied with such obligations, and as a result, failed to form a reasonable basis for believing the truthfulness of a key representation in the issuer's official statement. For instance, on July 29, 2013, the Commission charged a school district in Indiana and its underwriter with falsely stating to bond investors that the school district had been properly providing annual financial information and notices required as part of its prior bond offerings.³ Without admitting or denying the Commission's findings, the school district and underwriter each consented to, among other things, an order to cease and desist from committing or causing any violations of Section 10(b) of the Exchange Act and Rule 10b-5. The underwriter also agreed to pay disgorgement and prejudgment interest of \$279,446 as well as a penalty of \$300,000.

The Commission has in the past emphasized that the likelihood that an issuer will abide by its continuing disclosure obligations is critical to any evaluation of its covenants. An underwriter's obligation to have a reasonable basis to believe that the key representations in a final official statement are true and accurate extends to an issuer's representations concerning past compliance with disclosure obligations. Indeed, this provision of Rule 15c2-12 was specifically intended to serve as an incentive for issuers to comply with their undertakings to provide disclosures in the secondary market for municipal securities, and also assists underwriters and others in assessing the reliability of the issuer's disclosure representations. Moreover, the Commission has in the past stated that it believes that it is doubtful that an underwriter could form a reasonable basis for relying on the accuracy or completeness of an issuer's ongoing disclosure representations without the underwriter affirmatively inquiring as to that filing history,

Questionnaire

Municipalities Continuing Disclosure Cooperation Initiative Questionnaire for Self-Reporting Entities

and the underwriter may not rely solely on a written certification from an issuer that it has provided all filings or notices.⁴

Based on available information, and as highlighted in the Commission's August 2012 Municipal Market Report, there is significant concern that many issuers have not been complying with their obligation to file continuing disclosure documents and that federal securities law violations involving false statements concerning such compliance may be widespread.

III. The MCDC Initiative

A. Who Should Consider Self-Reporting to the Division?

Issuers who may have made materially inaccurate statements in a final official statement regarding their prior compliance with their continuing obligations as described in Rule 15c2-12 should consider self-reporting to the Division to take advantage of the MCDC Initiative.

Underwriters of offerings in which the final official statement contains materially inaccurate statements regarding an issuer's prior compliance with continuing disclosure obligations should also consider self-reporting under the MCDC Initiative. Such underwriters may include the lead underwriter in an underwriting syndicate of such offerings or the sole underwriter in such offerings, and includes both competitive and negotiated underwritings.

Issuers or underwriters that have already been contacted by the Division as of the date of this announcement regarding possible inaccurate statements as to past compliance with continuing disclosure obligations, but against whom no enforcement action has yet been taken, may be eligible for the MCDC Initiative and should contact the Enforcement staff to discuss eligibility.

B. When and What Must Issuers and Underwriters Self Report?

To be eligible for the MCDC Initiative, an issuer or underwriter must self-report by accurately completing the attached questionnaire and submitting it within the six month period beginning March 10, 2014 and ending at 12:00 a.m. EST on September 10, 2014. Information required by the questionnaire includes:

- identification and contact information of the self-reporting entity;
- information regarding the municipal securities offerings containing the potentially inaccurate statements;
- identities of the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each such offering;
- any facts that the self-reporting entity would like to provide to assist the staff in understanding the circumstances that may have led to the potentially inaccurate statement(s); and
- a statement that the self-reporting entity intends to consent to the applicable settlement terms under the MCDC Initiative.

Submissions may be made by email to MCDCsubmissions@sec.gov, by fax to (301) 847-4713 or by mail to MCDC Initiative, U.S. Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, Boston, MA 02110.

C. Standardized Settlement Terms the Division Will Recommend

To the extent an entity meets the requirements of the MCDC Initiative and the Division decides to recommend enforcement action against the entity ("eligible issuer" or "eligible underwriter"), the Division will recommend that the Commission accept a settlement which includes the terms described below.⁵

1. Types of Proceedings and Nature of Charges

For eligible issuers, the Division will recommend that the Commission accept a settlement pursuant to which the issuer consents to the institution of a cease and desist proceeding under Section 8A of the Securities Act for violation(s) of Section 17(a)(2) of the Securities Act.⁶ The Division will recommend a settlement in which the issuer neither admits nor denies the findings of the Commission.

For eligible underwriters, the Division will recommend that the Commission accept a settlement pursuant to which the underwriter consents to the institution of a cease and

desist proceeding under Section 8A of the Securities Act and administrative proceedings under Section 15(b) of the Exchange Act for violation(s) of Section 17(a)(2) of the Securities Act. The Division will recommend a settlement in which the underwriter neither admits nor denies the findings of the Commission.

2. Undertakings

For eligible issuers, the settlement to be recommended by the Division must include undertakings by the issuers. Specifically, as part of the settlement, the issuer must undertake to:

- establish appropriate policies and procedures and training regarding continuing disclosure obligations within 180 days of the institution of the proceedings;
- comply with existing continuing disclosure undertakings, including updating past delinquent filings within 180 days of the institution of the proceedings;
- cooperate with any subsequent investigation by the Division regarding the false statement(s), including the roles of individuals and/or other parties involved;
- disclose in a clear and conspicuous fashion the settlement terms in any final official statement for an offering by the issuer within five years of the date of institution of the proceedings; and
- provide the Commission staff with a compliance certification regarding the applicable undertakings by the issuer on the one year anniversary of the date of institution of the proceedings.

For eligible underwriters, the settlement to be recommended by the Division must include undertakings by the underwriters. Specifically, as part of the settlement, the underwriter must undertake to:

- retain an independent consultant, not unacceptable to the Commission staff, to conduct a compliance review and, within 180 days of the institution of proceedings, provide recommendations to the underwriter regarding the underwriter's municipal underwriting due diligence process and procedures;
- within 90 days of the independent consultant's recommendations, take reasonable steps to enact such recommendations; provided that the underwriter make seek approval from the Commission staff to not adopt recommendations that the underwriter can demonstrate to be unduly burdensome;
- cooperate with any subsequent investigation by the Division regarding the false statement(s), including the roles of individuals and/or other parties involved; and
- provide the Commission staff with a compliance certifications regarding the applicable undertakings by the Underwriter on the one year anniversary of the date of institution of the proceedings.

3. Civil Penalties

For eligible issuers, the Division will recommend that the Commission accept a settlement in which there is no payment of any civil penalty by the issuer.

For eligible underwriters, the Division will recommend that the Commission accept a settlement in which the underwriter consents to an order requiring payment of a civil penalty as described below:

- For offerings of \$30 million or less, the underwriter will be required to pay a civil penalty of \$20,000 per offering containing a materially false statement;
- For offerings of more than \$30 million, the underwriter will be required to pay a civil penalty of \$60,000 per offering containing a materially false statement;
- However, no underwriter will be required to pay more than \$500,000 total in civil penalties under the MCDC Initiative.

D. No Assurances Offered with Respect to Individual Liability

The MCDC Initiative covers only eligible issuers and underwriters. The Division provides no assurance that individuals associated with those entities, such as municipal officials and employees of underwriting firms, will be offered similar terms if they have engaged in violations of the federal securities laws. The Division may recommend enforcement action against such individuals and may seek remedies beyond those available through the MCDC Initiative. Assessing whether to recommend enforcement action against an individual for violations of the federal securities laws necessarily involves a case-by-case assessment of specific facts and circumstances, including evidence regarding the level of intent and other factors such as cooperation by the individual.

E. No Assurances for Entities That Do Not Take Advantage of MCDC Initiative

For issuers and underwriters that would be eligible for the terms of the MCDC initiative but that do not self-report pursuant to the terms of the MCDC Initiative, the Division offers no assurances that it will recommend the above terms in any subsequent enforcement recommendation. As noted above, assessing whether to recommend enforcement action necessarily involves a case-by-case assessment of specific facts and circumstances, but entities are cautioned that enforcement actions outside of the MCDC initiative could result in the Division or the Commission seeking remedies beyond those described in the initiative. For issuers, the Division will likely recommend and seek financial sanctions. For underwriters, the Division will likely recommend and seek financial sanctions in amounts greater than those available pursuant to the MCDC Initiative.

Questions regarding the MCDC Initiative may be directed to MCDCinquiries@sec.gov.

¹ Recommendations by the Division to the Commission are subject to approval by the Commission.

² The issuers' agreement to make such disclosures is memorialized in a written undertaking frequently called a Continuing Disclosure Agreement. The Continuing Disclosure Agreement requires that issuer to file annual financial information and notices of certain material events with the Electronic Municipal Market Access, or EMMA, an electronic information repository system maintained by the Municipal Securities Rulemaking Board (MSRB), which is accessible to all investors on the internet.

³ *In the Matter of West Clark Community Schools*, AP File No. 3-15391 (July 29, 2013); *In the Matter of City Securities Corporation and Randy G. Ruhl*, AP File No. 3-15390 (July 29, 2013).

⁴ See "Municipal Securities Disclosure," Securities Exchange Act Release No. 34961 (November 10, 1994), 59 FR 59590, *supra* notes 50-54 (November 17, 1994). See also "Amendments to Municipal Securities Disclosure," Securities Exchange Act Release No. 34-62184A (May 26, 2010), 75 FR 331100, *supra* n. 348-362 (June 10, 2010).

⁵ The standardized settlement terms of the MCDC Initiative are only applicable to inaccurate statements concerning compliance with continuing disclosure obligations. The MCDC Initiative and the standardized settlement terms are not applicable to other material misstatements in final official statements or related communications or other misconduct. Any other potential misconduct is subject to investigation and separate enforcement action, if appropriate. If enforcement action is taken, entities may be subject to additional remedies for that misconduct, including additional financial sanctions.

⁶ Violations of Section 17(a)(2) require a finding of negligent conduct.

Modified: March 10, 2014

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