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3 From the Capital Finance Manager, Office of the Comptroller, requesting approval to
4 establish an escrow account and deposit funds in order to defease the final maturity and
5 accrued interest of the General Obligation Refunding Bonds, Series 2016E, dated
6 November 10, 2016, by recommending adoption of the following:
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8 **RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS,**
9 **THE ESTABLISHMENT OF AN ESCROW ACCOUNT WITH RESPECT**
10 **TO AND THE DEFEASANCE OF THE GENERAL OBLIGATION REFUNDING**
11 **BONDS, SERIES 2016E, DATED NOVEMBER 10, 2016**
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13 WHEREAS, Milwaukee County, Wisconsin (the County) has entered into an
14 Asset Purchase Agreement with Milwaukee Regional Medical Center Water Service,
15 Inc. (MRMC Water), pursuant to which the County sells to MRMC Water certain portions
16 of the County's assets on the MRMC campus, consisting of certain portions of the
17 County's water system, sanitary sewer system, and storm sewer system (collectively,
18 the Financed Assets) as further described in such Asset Purchase Agreement; and
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20 WHEREAS, the Financed Assets were financed in part by the County's General
21 Obligation Refunding Bonds, Series 2016E, dated November 10, 2016 (the 2016
22 Bonds); and
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24 WHEREAS, the 2016 Bonds were issued as tax-exempt bonds, and therefore,
25 are subject to certain provisions of the Internal Revenue Code of 1986, as amended
26 (the Code), and any applicable Treasury Regulations (the Regulations) (collectively, the
27 Private Activity Rules), that restrict the use and ownership of any projects financed with
28 the proceeds of such bonds, such as the Financed Assets; and
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30 WHEREAS, in order to comply with the Private Activity Rules, in connection with
31 the sale of the Financed Assets, the Milwaukee County Board of Supervisors of the
32 County deems it desirable and in the best interest of the County, to deposit funds (the
33 Escrow Funds) in an escrow account in an amount sufficient to defease the final
34 maturity of the 2016 Bonds, and all interest payments that will be due in 2022; and
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36 WHEREAS, since the 2016 Bonds cannot be prepaid, it is necessary for the
37 Escrow Funds to be irrevocably deposited into an escrow account, invested in direct
38 obligations of the United States of America (the Securities), treated as a portion of the
39 debt service fund for the 2016 Bonds, and applied to pay the principal and interest on
40 the 2016 Bonds as the same comes due; and
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42 WHEREAS, the Committee on Finance, at its meeting of December 9, 2021,
43 recommended adoption of File No. 21-1052 (vote 7-0); now, therefore,
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45 **BE IT RESOLVED**, by the Milwaukee County Board of Supervisors (County
46 Board) of the Milwaukee County (the County), Wisconsin, that:

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1. Establishment of Escrow Account. The County Board hereby authorizes and directs the Comptroller, Office of the Comptroller (or his designee) (collectively, the Comptroller), to appoint an escrow agent (the Escrow Agent) and create an account (the Escrow Account) with the Escrow Agent to ensure payment of the General Obligation Refunding Bonds, Series 2016E (2016 Bonds), and compliance with the Internal Revenue Code of 1986, as amended, and any applicable Treasury Regulations (collectively, the Private Activity Rules). Officers of the County are hereby authorized and directed to execute an Escrow Agreement with the Escrow Agent for the purpose of instructing the Escrow Agent with respect to the Escrow Account.

; and

2. Transfer and Deposit to Escrow Account. The Comptroller is hereby authorized and directed to process an administrative appropriation transfer that allocates funds from the Debt Service Fund for deposit into the Escrow Account in an amount sufficient to defease the 2016 Bonds and pay the costs of the transaction.

; and

3. Professional Services. The County Board hereby ratifies and approves the retention of PFM Financial Advisors, LLC, and Independent Public Advisors, LLC (collectively, the Financial Advisors), to provide financial advisory services in connection with this transaction, and Quarles & Brady, LLP (Bond Counsel), to provide legal services in connection with this transaction. The Comptroller is hereby authorized and directed to appoint, if necessary, (i) a firm to solicit and accept bids for Securities to be purchased with the Escrow Funds, and held by the Escrow Agent as required under the Milwaukee County Code of General Ordinances (the Bidding Agent), and (ii) a certified public accounting firm to provide mathematical verification and related services in connection with this transaction.

; and

4. Authorization of Officers and Agents. The County Board hereby authorizes the Comptroller and other appropriate officers and agents of the County to work with the Financial Advisors to review and approve the finalized Escrow Agreement, including determining the amount of Escrow Funds that are necessary, and other financial details of the transaction; work with the Bidding Agent to solicit, and the Escrow Agent to purchase the Securities; and do all acts and execute and deliver all such

92 certifications, documents, agreements, and contracts as may be
93 necessary and convenient to effectuate this transaction.

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97 BE IT FURTHER RESOLVED, by the County Board the County, Wisconsin, that
98 the County Clerk is directed to send certified copies of this resolution to the County's
99 bond counsel, Quarles & Brady, LLP, 411 East Wisconsin Avenue, Milwaukee,
100 Wisconsin 53202, Attention: Brian G. Lanser, and to the Office of the Comptroller, 901
101 North 9th Street, Room 301, Milwaukee, Wisconsin 53233, Attention: Pamela Bryant.

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