

1 RESOLUTION NO. 41-12

2 RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
3 \$1,865,000 GENERAL OBLIGATION PROMISSORY NOTES TO REFINANCE DEBT  
4

5 WHEREAS, the County Board of Supervisors hereby finds and determines that it is  
6 necessary, desirable and in the best interest of Polk County, Wisconsin (the "County") to raise  
7 funds for the public purpose of paying the cost of refinancing certain outstanding obligations of  
8 the County, specifically its General Obligation Promissory Notes, dated September 1, 2005 (the  
9 "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be  
10 referred to as the "Refunding"), and there are insufficient funds on hand to pay said cost;

11 WHEREAS, the County Board of Supervisors deems it to be necessary, desirable and in  
12 the best interest of the County to refund the Refunded Obligations for the purpose of achieving  
13 debt service cost savings;

14 WHEREAS, counties are authorized by the provisions of Section 67.12(12), Wisconsin  
15 Statutes, to borrow money and issue general obligation promissory notes to refinance their  
16 outstanding obligations;

17 WHEREAS, none of the proceeds of the general obligation promissory notes shall be  
18 used to fund the operating expenses of the general fund of the County or to fund the operating  
19 expenses of any special revenue fund of the County that is supported by the property taxes; and

20 WHEREAS, it is the finding of the County Board of Supervisors that it is necessary,  
21 desirable and in the best interest of the County to sell the general obligation promissory notes to  
22 Stifel Nicolaus & Company, Inc. (the "Purchaser"), pursuant to the terms and conditions of its  
23 note purchase proposal attached hereto as Exhibit A and incorporated herein by this reference  
24 (the "Proposal").

25 NOW, THEREFORE, BE IT RESOLVED by the County Board of Supervisors of the  
26 County that:

27 Section 1. Authorization and Sale of the Notes. For the purpose of paying the cost of the  
28 Refunding, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the  
29 principal sum of ONE MILLION EIGHT HUNDRED SIXTY-FIVE THOUSAND DOLLARS  
30 (\$1,865,000) from the Purchaser in accordance with the terms and conditions of the Proposal.  
31 The Proposal is hereby accepted and the Chairperson and County Clerk or other appropriate  
32 officers of the County are authorized and directed to execute an acceptance of the Proposal on  
33 behalf of the County. To evidence the obligation of the County, the Chairperson and County  
34 Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the  
35 Purchaser for, on behalf of and in the name of the County, general obligation promissory notes  
36 aggregating the principal amount of ONE MILLION EIGHT HUNDRED SIXTY-FIVE  
37 THOUSAND DOLLARS (\$1,865,000) (the "Notes") for the sum set forth on the Proposal, plus  
38 accrued interest to the date of delivery.

39        Section 2. Terms of the Notes. The Notes shall be designated "General Obligation  
40 Promissory Notes"; shall be issued in the aggregate principal amount of \$1,865,000; shall be  
41 dated October 25, 2012; shall be in the denomination of \$5,000 or any integral multiple thereof;  
42 shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on  
43 December 1 of each year, in the years and principal amounts as set forth on the Pricing Summary  
44 attached hereto as Exhibit B-1 and incorporated herein by this reference. Interest is payable  
45 semi-annually on June 1 and December 1 of each year commencing on June 1, 2013. Interest  
46 shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded  
47 pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal  
48 and interest payments due on the Notes is set forth on the Debt Service Schedule attached hereto  
49 as Exhibit B-2 and incorporated herein by this reference (the "Schedule").

50        Section 3. Redemption Provisions. The Notes shall not be subject to optional  
51 redemption.

52        Section 4. Form of the Notes. The Notes shall be issued in registered form and shall be  
53 executed and delivered in substantially the form attached hereto as Exhibit C and incorporated  
54 herein by this reference.

55        Section 5. Tax Provisions.

56                (A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the  
57 principal of and interest on the Notes as the same becomes due, the full faith, credit and  
58 resources of the County are hereby irrevocably pledged, and there is hereby levied upon all of  
59 the taxable property of the County a direct annual irrepealable tax in the years 2012 and 2013 for  
60 the payments due in the years 2013 and 2014 in the amounts set forth on the Schedule.

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

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

73  
74        Section 6. Segregated Debt Service Fund Account.

75                (A) Creation and Deposits. There be and there hereby is established in the  
76 treasury of the County, if one has not already been created, a debt service fund, separate and  
77 distinct from every other fund, which shall be maintained in accordance with generally accepted  
78 accounting principles. Debt service or sinking funds established for obligations previously  
79

80 issued by the County may be considered as separate and distinct accounts within the debt service  
81 fund.

82  
83 Within the debt service fund, there hereby is established a separate and distinct account  
84 designated as the "Debt Service Fund Account for \$1,865,000 General Obligation Promissory  
85 Notes, dated October 25, 2012" (the "Debt Service Fund Account") and such account shall be  
86 maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished.  
87 The County Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest  
88 received by the County at the time of delivery of and payment for the Notes; (ii) any premium  
89 not used for the Refunding which may be received by the County above the par value of the  
90 Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any  
91 amounts appropriated for the specific purpose of meeting principal of and interest on the Notes  
92 when due; (iv) such other sums as may be necessary at any time to pay principal of and interest  
93 on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and  
94 (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

95  
96 (B) Use and Investment. No money shall be withdrawn from the Debt Service  
97 Fund Account and appropriated for any purpose other than the payment of principal of and  
98 interest on the Notes until all such principal and interest has been paid in full and the Notes  
99 canceled; provided (i) the funds to provide for each payment of principal of and interest on the  
100 Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be  
101 invested in direct obligations of the United States of America maturing in time to make such  
102 payments when they are due or in other investments permitted by law; and (ii) any funds over  
103 and above the amount of such principal and interest payments on the Notes may be used to  
104 reduce the next succeeding tax levy, or may, at the option of the County, be invested by  
105 purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or  
106 in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes  
107 ("Permitted Investments"), which investments shall continue to be a part of the Debt Service  
108 Fund Account. Any investment of the Debt Service Fund Account shall at all times conform  
109 with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any  
110 applicable Treasury Regulations (the "Regulations").

111  
112 (C) Remaining Monies. When all of the Notes have been paid in full and  
113 canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service  
114 Fund Account shall be transferred and deposited in the general fund of the County, unless the  
115 County Board of Supervisors directs otherwise.

116  
117 Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of  
118 the Notes (the "Note Proceeds") (other than any premium not used for the Refunding and accrued  
119 interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund  
120 Account created above) shall be deposited into a special fund separate and distinct from all other  
121 funds of the County and disbursed solely for the purpose for which borrowed or for the payment  
122 of the principal of and the interest on the Notes. In no event shall monies in the Borrowed  
123 Money Fund be used to fund operating expenses of the general fund of the County or of any  
124 special revenue fund of the County that is supported by property taxes. Monies in the Borrowed  
125 Money Fund may be temporarily invested in Permitted Investments. Any monies, including any

126 income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose  
127 for which the Notes have been issued has been accomplished, and, at any time, any monies as are  
128 not needed and which obviously thereafter cannot be needed for such purpose shall be deposited  
129 in the Debt Service Fund Account.

130 Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be  
131 Permitted Investments, but no such investment shall be made in such a manner as would cause  
132 the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the  
133 Regulations and an officer of the County, charged with the responsibility for issuing the Notes,  
134 shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the  
135 date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are  
136 not "arbitrage bonds," within the meaning of the Code or Regulations.

137 Section 9. Compliance with Federal Tax Laws. (a) The County represents and  
138 covenants that the projects financed by the Notes and by the Refunded Obligations and the  
139 ownership, management and use of the projects will not cause the Notes or the Refunded  
140 Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The  
141 County further covenants that it shall comply with the provisions of the Code to the extent  
142 necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable,  
143 the rebate requirements of Section 148(f) of the Code. The County further covenants that it will  
144 not take any action, omit to take any action or permit the taking or omission of any action within  
145 its control (including, without limitation, making or permitting any use of the proceeds of the  
146 Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an  
147 arbitrage bond or a private activity bond within the meaning of the Code or would otherwise  
148 cause interest on the Notes to be included in the gross income of the recipients thereof for federal  
149 income tax purposes. The County Clerk or other officer of the County charged with the  
150 responsibility of issuing the Notes shall provide an appropriate certificate of the County  
151 certifying that the County can and covenanting that it will comply with the provisions of the  
152 Code and Regulations.

153  
154 (b) The County also covenants to use its best efforts to meet the requirements and  
155 restrictions of any different or additional federal legislation which may be made applicable to the  
156 Notes provided that in meeting such requirements the County will do so only to the extent  
157 consistent with the proceedings authorizing the Notes and the laws of the State of Wisconsin and  
158 to the extent that there is a reasonable period of time in which to comply.

159  
160 Section 10. Designation as Qualified Tax-Exempt Obligations. The Notes are hereby  
161 designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code,  
162 relating to the ability of financial institutions to deduct from income for federal income tax  
163 purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

164  
165 Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be  
166 issued in printed form, executed on behalf of the County by the manual or facsimile signatures of  
167 the Chairperson and County Clerk, authenticated, if required, by the Fiscal Agent (defined  
168 below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to  
169 the Purchaser upon payment to the County of the purchase price thereof, plus accrued interest to  
170 the date of delivery (the "Closing"). The facsimile signature of either of the officers executing

171 the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless  
172 the County has contracted with a fiscal agent to authenticate the Notes, at least one of the  
173 signatures appearing on each Note shall be a manual signature. In the event that either of the  
174 officers whose signatures appear on the Notes shall cease to be such officers before the Closing,  
175 such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as  
176 if they had remained in office until the Closing. The aforesaid officers are hereby authorized and  
177 directed to do all acts and execute and deliver the Notes and all such documents, certificates and  
178 acknowledgements as may be necessary and convenient to effectuate the Closing. The County  
179 hereby authorizes the officers and agents of the County to enter into, on its behalf, agreements  
180 and contracts in conjunction with the Notes, including but not limited to agreements and  
181 contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate  
182 calculation services. Any such contract heretofore entered into in conjunction with the issuance  
183 of the Notes is hereby ratified and approved in all respects.

184 Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the  
185 Notes shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin,  
186 which is hereby appointed as the County's registrar and fiscal agent pursuant to the provisions of  
187 Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The Fiscal Agency Agreement  
188 between the County and the Fiscal Agent shall be substantially in the form attached hereto as  
189 Exhibit D and incorporated herein by this reference.

190  
191 Section 13. Persons Treated as Owners; Transfer of Notes. The County shall cause  
192 books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The  
193 person in whose name any Note shall be registered shall be deemed and regarded as the absolute  
194 owner thereof for all purposes and payment of either principal or interest on any Note shall be  
195 made only to the registered owner thereof. All such payments shall be valid and effectual to  
196 satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

197 Any Note may be transferred by the registered owner thereof by surrender of the Note at  
198 the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment  
199 duly executed by the registered owner or his attorney duly authorized in writing. Upon such  
200 transfer, the Chairperson and County Clerk shall execute and deliver in the name of the  
201 transferee or transferees a new Note or Notes of a like aggregate principal amount, series and  
202 maturity and the Fiscal Agent shall record the name of each transferee in the registration book.  
203 No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for  
204 transfer.

205 The County shall cooperate in any such transfer, and the Chairperson and County Clerk  
206 are authorized to execute any new Note or Notes necessary to effect any such transfer.

207 Section 14. Record Date. The fifteenth day of each calendar month next preceding each  
208 interest payment date shall be the record date for the Notes (the "Record Date"). Payment of  
209 interest on the Notes on any interest payment date shall be made to the registered owners of the  
210 Notes as they appear on the registration book of the County at the close of business on the  
211 Record Date.

212           Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In  
213 order to make the Notes eligible for the services provided by The Depository Trust Company,  
214 New York, New York ("DTC"), the County agrees to the applicable provisions set forth in the  
215 Blanket Issuer Letter of Representations previously executed on behalf of the County and on file  
216 in the County Clerk's office.

217           Section 16. Official Statement. The County Board of Supervisors hereby approves the  
218 Preliminary Official Statement with respect to the Notes and deems the Preliminary Official  
219 Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the  
220 Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the  
221 "Rule"). All actions taken by officers of the County in connection with the preparation of such  
222 Preliminary Official Statement and any addenda to it or Final Official Statement are hereby  
223 ratified and approved. In connection with the Closing, the appropriate County official shall  
224 certify the Preliminary Official Statement and any addenda or Final Official Statement. The  
225 County Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final  
226 Official Statement to be distributed to the Purchaser.

227           Section 17. Undertaking to Provide Continuing Disclosure. The County hereby  
228 covenants and agrees, for the benefit of the owners of the Notes, to enter into a written  
229 undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of  
230 certain financial information and operating data and timely notices of the occurrence of certain  
231 events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the  
232 Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and  
233 the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific  
234 performance of the obligations thereunder and any failure by the County to comply with the  
235 provisions of the Undertaking shall not be an event of default with respect to the Notes).

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

240           Section 18. Redemption of the Refunded Obligations. The Refunded Obligations due on  
241 and after December 1, 2013, are hereby called for prior payment and redemption on December 1,  
242 2012 at a price of par plus accrued interest to the date of redemption.

243           The County hereby directs the County Clerk to work with the Purchaser to cause timely  
244 notice of redemption, in substantially the form attached hereto as Exhibit E and incorporated  
245 herein by this reference (the "Notice"), to be provided at the times, to the parties and in the  
246 manner set forth on the Notice. All actions heretofore taken by the officers and agents of the  
247 County to effectuate the redemption of the Refunded Obligations are hereby ratified and  
248 approved.

249           Section 19. Record Book. The County Clerk shall provide and keep the transcript of  
250 proceedings as a separate record book (the "Record Book") and shall record a full and correct  
251 statement of every step or proceeding had or taken in the course of authorizing and issuing the  
252 Notes in the Record Book.

253            Section 20. Bond Insurance. If the Purchaser determines to obtain municipal bond  
254 insurance with respect to the Notes, the officers of the County are authorized to take all actions  
255 necessary to obtain such municipal bond insurance. The Chairperson and County Clerk are  
256 authorized to agree to such additional provisions as the bond insurer may reasonably request and  
257 which are acceptable to the Chairperson and County Clerk including provisions regarding  
258 restrictions on investment of Note proceeds, the payment procedure under the municipal bond  
259 insurance policy, the rights of the bond insurer in the event of default and payment of the Notes  
260 by the bond insurer and notices to be given to the bond insurer. In addition, any reference  
261 required by the bond insurer to the municipal bond insurance policy shall be made in the form of  
262 Note provided herein.

263            Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions,  
264 rules or other actions of the County Board of Supervisors or any parts thereof in conflict with the  
265 provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so  
266 conflict. In the event that any one or more provisions hereof shall for any reason be held to be  
267 illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The  
268 foregoing shall take effect immediately upon adoption and approval in the manner provided by  
269 law.

Funding Amount: \_\_\_\_\_  
Funding Source: \_\_\_\_\_  
Date Finance Committee Advised: \_\_\_\_\_  
Finance Committee Recommendation: \_\_\_\_\_  
Effective Date: Upon Passage  
Date Submitted to County Board: October 16, 2012  
Submitted and Sponsored by the Polk County Finance Committee:

\_\_\_\_\_  
*Kathie Thomas Nardus*  
\_\_\_\_\_  
*Kathy Nardus*  
\_\_\_\_\_  
*Gege Stroebel*

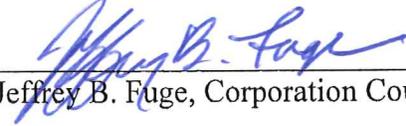
Reviewed by County Administrator:

- Recommended
- Not Recommended
- Review only

*Dana Frey*  
\_\_\_\_\_  
Dana Frey, County Administrator

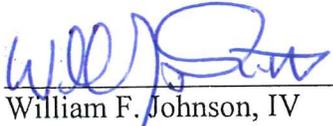
Reviewed by Corporation Counsel:

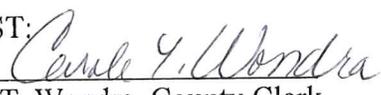
- Approved as to form
- Recommended
- Not Recommended
- Reviewed only

  
\_\_\_\_\_  
Jeffrey B. Fuge, Corporation Counsel

County Board Action:

270 On the 16<sup>th</sup> day of October 2012, the Polk County Board of Supervisors adopted, approved and  
271 recorded RESOLUTION NO. 41 -2012: RESOLUTION AUTHORIZING THE ISSUANCE  
272 AND SALE OF \$1,865,000 GENERAL OBLIGATION PROMISSORY NOTES TO  
273 REFINANCE DEBT, by a majority vote of supervisors of 21 in favor and 0 against.

  
\_\_\_\_\_  
William F. Johnson, IV  
Chairperson

ATTEST:   
\_\_\_\_\_  
Carole T. Wondra, County Clerk

Dated this 17<sup>th</sup> day of October 2012.

(SEAL)

