



# City of Racine

City Hall  
730 Washington Ave.  
Racine, WI 53403  
www.cityofracine.org

## Meeting Minutes - Final Common Council

*Mayor John T. Dickert, Alderman Jeff Coe,  
Alderman Mollie Jones, Alderman Michael Shields,  
Alderman Jim Kaplan, Alderman Steve Smetana,  
Alderman Sandy Weidner,  
Alderman Raymond DeHahn,  
Alderman Q.A. Shakoor II,  
Alderman Terry McCarthy, Alderman Dennis Wisner,  
Alderman Mary Land, Alderman Henry Perez,  
Alderman James Morgenroth,  
Alderman Ronald Hart, Alderman Melissa Lemke*

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Tuesday, August 18, 2015

7:00 PM

Room 205, City Hall

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**A. Swearing in of the appointed Alderman of the Second District, Mollie Jones**

**B Call To Order**

**PRESENT:** 14 - Coe, Jones, Shields, Kaplan, Smetana, Weidner, DeHahn, Shakoor II, McCarthy, Wisner, Land, Perez, Morgenroth and Hart

**EXCUSED:** 1 - Lemke

**C. Pledge of Allegiance To The Flag**

*Mayor Dickert led the Council in the Pledge of Allegiance to the Flag.*

**D. Approval of Journal of Council Proceedings (Minutes)**

*Minutes of the previous meeting were approved as printed on motion of Alderman Wisner.*

**E. Public Hearings**

[ZOrd.003-15](#)

ZOrd. 003-15

An Ordinance Rezoning 1620 Racine Street

To amend the map of the Zoning Ordinance of the City of Racine.

The Common Council of the City of Racine do ordain as follows:

Part 1: That the property located at 1620 Racine Street and more particularly described as follows:

1620 Racine Street: "Said land being in Racine County, WI, City of

Racine, Block 85 of the School Section, plus the North 1/2 of Section 21, Township 3 North, Range 23 East, Block 1, Partially described in Volume 1446 RECS, Page 370, plus part of the former Chicago, Milwaukee, St. Paul and Pacific Rail Road Company right-of-way as described in Volume 1706 RECS, Page 870, containing 1.743 acres, more or less”

be rezoned from I-2 General Industrial District to B-2 Community Shopping District with a FD-Flex Development Overlay District.

Part 2: This ordinance shall take effect upon passage by a majority vote of the members-elect of the City Common Council and publication or posting as required by law.

Passed by the Common Council:

\_\_\_\_\_

Approved:

\_\_\_\_\_

Mayor

Attest:

\_\_\_\_\_

City Clerk

Fiscal Note: N/A

Sponsors: Dennis Wisler

*No one appeared to speak before the Common Council on ZOrd.003-15*

**F. Public Comments**

*The following people appeared to speak before the Common Council:  
Neal Cramer*

**G. Communications**

**Refer to Finance and Personnel Committee, by Ald. Shakoor**

[15-00720](#)

**Subject:** Communication from the City Attorney submitting the claim of Jorge Castillo for consideration.

**Referred to the Finance and Personnel Committee**[15-00729](#)

**Subject:** Communication from the Public Health Administrator requesting permission to accept funds to support the project, “*Prioritization of Restoration in the Oak Creek Watershed via Water Quality and Habitat Assessment*” in the amount of \$107,500.00 from the Fund for Lake Michigan. (Grant Control #00039)

**Referred to the Finance and Personnel Committee**[15-00730](#)

**Subject:** Communication from the Public Health Administrator to accept funds to support the project, “*Samuel Myers Park Restoration*” in the amount of \$75,000.00 from the Fund for Lake Michigan. (Grant Control #00038)

**Referred to the Finance and Personnel Committee**[15-00731](#)

**Subject:** Communication from the Public Health Administrator requesting permission to accept funding from the Wisconsin Coastal Management Program (WCMP) in the amount of \$54,730.00. (Grant Control #2014-039)

**Referred to the Finance and Personnel Committee**[15-00732](#)

**Subject:** Communication from the Public Health Administrator requesting permission to enter into an agreement with the Wisconsin Department of Natural Resources, in the amount of \$24,000, for the purpose of continuing the Wisconsin Beach Monitoring Program for Racine, Kenosha and Milwaukee Counties. (Grant Control # Requested)

**Referred to the Finance and Personnel Committee**[15-00733](#)

**Subject:** Communication from the Public Health Administrator requesting permission to enter into a Contract Agreement and to accept funding from the Department of Health Services for the Wisconsin Well Woman Program (WWWP) in the amount of \$36,353 and the Vending contract in the amount of \$1,888, totaling \$38,241. The funds will be used for the continuation of programs.

**Referred to the Finance and Personnel Committee**[15-00734](#)

**Subject:** Communication from the Public Health Administrator requesting permission to enter into a contract amending the original

agreement and to accept funds of \$7,505 from the Department of Health Services, Public Health Emergency Preparedness program for Bioterrorism Preparedness. (Grant Control # Requested)

**Referred to the Finance and Personnel Committee**

**Refer to Public Works and Services Committee, by Ald. Morgenroth**

[15-00702](#)

**Subject:** Communication from Tristin Erickson (5K Events) requesting to use City right-of-way on November 7, 2015 for the Nearly Naked 5K.

**Referred to the Public Works and Services Committee**

[15-00705](#)

**Subject:** Communication from Adam Ishman requesting permission to place a sign over City right-of-way at Discount Cigarettes, 3417 Douglas Avenue.

**Referred to the Public Works and Services Committee**

[15-00712](#)

**Subject:** Communication from Rebecca Idstein on behalf of the Stephen Bull Fine Arts School PTA (815 DeKoven Ave.) requesting to use City right-of-way on October 17, 2015 from 9:00 A.M. to 12:00 P.M. for the Fine Arts 5K fun/walk.

**Referred to the Public Works and Services Committee**

[15-00714](#)

**Subject:** Communication from Real Racine, on behalf of the event owner Fit World Group, LLC., requesting permission to use City right-of-way on Sunday, September 13, 2015 for the 2015 Biggest Loser Run/Walk.

**Referred to the Public Works and Services Committee**

[15-00721](#)

**Subject:** Communication from the Assistant Commissioner of Public Works/City Engineer requesting to amend Resolution 15-0148, of April 20, 2015, to delete the following street improvement from 2016 road construction:

**Portland Cement Concrete Paving**

**Howe Street - Seventeenth Street to Sixteenth Street**

**Referred to the Public Works and Services Committee**

[15-00722](#)

**Subject:** Communication from the Assistant Commissioner of Public

Works/City Engineer requesting to amend Resolution 15-0187, of May 5, 2015, to delete the following street improvement from 2016 road construction:

**Portland Cement Concrete Paving**

**Davis Place** - Tenth Street to Eleventh Street

**Referred to the Public Works and Services Committee**

**Refer to Public Safety and Licensing Committee, by Ald. Coe**

[15-00725](#)

**Subject:** (New) Application of Choice Petroleum, LLC DBA Chesters Chicken Restaurant, Harjeet S. Waliia, Agent for a "Class C" and Class "B" Fermented Malt Beverage and Wine License for 1126 Washington Avenue (3rd District)

**Referred to the Public Safety and Licensing Committee**

[15-00726](#)

**Subject:** Communication from Alderman Perez requesting the City Attorney, in conjunction with the Police Chief, draft an agreement for mutual aid between the City of Racine, the Village of Caledonia, the Village of Mount Pleasant, and the Village of Sturtevant and their respective police departments.

**Referred to the Public Safety and Licensing Committee**

[15-00741](#)

**Subject:** (New) Application for Ancient Infinity LLC DBA Ancient Horizon for a Secondhand Jewelry Dealer's License for 5556 Durand Avenue. (14th District)

**Referred to the Public Safety and Licensing Committee**

**Refer to Committee of the Whole, by Ald. Wisner**

[15-00723](#)

**Subject:** Communication from the 9th District Alderman requesting a presentation by the Chief of Police on the Department's policy regarding Use of Force and follow-up investigation and action when used.

**Referred to the Committee of the Whole**

## H. Committee Reports

**Finance and Personnel Committee Report, by Ald. Shakoor**

[15-00674](#)

**Subject:** Communication from the City Attorney submitting the claim of Michael Wright and Patsy Wright for consideration.

**Recommendation of the Finance & Personnel Committee on 8-10-15:** That the claim of Michael and Patsy Wright be denied.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00675](#)

**Subject:** Communication from the City Attorney submitting the claim of Oscar Nuno and Xochitl Nuno for consideration.

**Recommendation of the Finance & Personnel Committee on 8-10-15:** That the claim of Oscar and Xochitl Nuno be denied.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00676](#)

**Subject:** Communication from the City Attorney submitting the claim of Krystle Dear and Steven Dear for consideration.

**Recommendation of the Finance & Personnel Committee on 8-10-15:** That the claim of Krystle and Steven Dear be denied.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00687](#)

**Subject:** Communication from the Racine County Economic Development Corporation (RCEDC) requesting semi-annual plan certifications for the period ending March 31, 2015 for the City Revolving Loan Fund (City-RLF) and Administrative Fees associated with administering the City RLF. (Res No. 15-0313)

**Recommendation of the Finance & Personnel Committee on 8-10-15:** That the City certify for the semi-annual reporting period ending March 31, 2015: the City-Revolving Loan Fund (City-RLF) Plan is consistent with and supportive of the area's current economic and adjustment strategy; and the City-RLF is being operated in accordance with the policies and procedures contained in the City-RLF Plan and the loan portfolio meets the standards contained therein. Also approve

to use up to 100% of interest earned from monthly RLF loan repayments to reimburse RCEDC for actual administrative costs incurred.

**Fiscal Note:** No impact to city budget or funds. RLF will have a reduced amount of money to re-circulate.

**A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.**

[15-00689](#)

**Subject:** Communication from the City Attorney submitting the claim of Pamela Warzala for consideration.

**Recommendation of the Finance & Personnel Committee on 8-10-15:** That the claim of Pamela Warzala be denied.

**Fiscal Note:** N/A

**A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.**

[15-00690](#)

**Subject:** Communication from the City Attorney submitting the claim of Cregg Rogers for consideration.

**Recommendation of the Finance & Personnel Committee on 8-10-15:** That the claim of Cregg Rogers be denied.

**Fiscal Note:** N/A

**A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.**

[15-00693](#)

**Subject:** Communication from the Director of Parks, Recreation & Cultural Services requesting permission to apply & accept 2016 Urban Forestry Grant funds of \$25,000 from the Wisconsin Department of Natural Resources. Funding for the \$25,000 required match will be available through 2016 CIP - Emerald Ash Borer. Grant Control #00052. (Res No. 15-0314)

**Recommendation of the Finance & Personnel Committee on 8-10-15:** That the Director of Parks, Recreation & Cultural Services apply for & accept the 2016 Urban Forestry Grant funds of \$25,000 from the Wisconsin Department of Natural Resources.

**Fiscal Note:** Funding for the \$25,000 required match will be available through 2016 CIP - Emerald Ash Borer. Grant Control #00052.

**A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.**

[15-00707](#)

**Subject:** (Direct Referral) Communication from the City Administrator desiring to discuss a matter, which, for competitive and bargaining reasons, requires a closed session, and which, if publicly noticed, would compromise such competitive and bargaining reasons.

**Recommendation of the Finance & Personnel Committee on 8-10-15:** Receive and File

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00708](#)

**Subject:** (Direct Referral) Communication from the Deputy City Attorney and the Human Resources Manager requesting to appear before the Finance & Personnel Committee to address collective bargaining for 2016.

**Recommendation of the Finance & Personnel Committee on 8-10-15:** Receive and File

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

#### **Public Works and Services Committee Report, by Ald. Morgenroth**

[15-00670](#)

**Subject:** Communication from Cheri Kulland, McKinley Middle School Directing Principal, requesting to close off the south sidewalk of Rupert Boulevard from Chicago Street west to the cemetery during the 2015-2016 winter. (Res No. 15-0318)

**Recommendation of the Public Works and Services Committee on 08-11-15:** That Racine Unified School District be granted permission to close the sidewalk on Rupert Boulevard in front of McKinley Middle School from December 1, 2015 to April 1, 2016 with the requirement that Racine Unified School District holds the City of Racine harmless from any and all injuries caused by conditions of the sidewalk related to this closure.

**Fiscal Note:** There will be no cost to the City of Racine in granting this permission.

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00691](#)

**Subject:** Communication from the Alderman of the 12th District



requesting referral to the Public Works and Services Committee for this request to make revisions to the Municipal Code. Specifically, Chapter 42, Section 26, Item #8 pertaining to Solid Waste defined, tires; Section 30, placing and dumping of solid waste; Section 31, accumulation of solid waste, so that provisions are made to exclude the "repurposing" of tires.

**Recommendation of the Public Works and Services Committee on 08-11-15:** That the item be referred to the City Attorney to create an ordinance that would allow the repurposing of solid waste.

**Fiscal Note:** N/A

A motion was made that this Communication be Referred to the City Attorney. The motion was APPROVED on a voice vote in consent.

[15-00697](#)

**Subject:** Bid results for Contract 20150019, Lake Michigan Pathway-Phase III. (Res No. 15-0319)

**Recommendation of the Public Works and Services Committee on 08-11-15:** That Contract 20150019, Lake Michigan Pathway-Phase III, be awarded to Ray Hintz, Inc., at their bid price of \$734,814.10, it being the lowest responsible bidder, subject to approval of bids by WisDOT.

Further recommends that funds to defray the cost of this public works project be appropriated from Org-Object 45040-57550, DPW-Lake Michigan Pathway, with the City's share being \$146,962.82 (20%) and the State's share being \$587,851.28 (80%).

**Fiscal Note:** Funds are available as herein delineated.

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00698](#)

**Subject:** Bid results for Contract 20150043, Memorial Hall Tuck Pointing. (Res No. 15-0320)

**Recommendation of the Public Works and Services Committee on 08-11-15:** That Contract 20150043, Memorial Hall Tuck Pointing, be awarded to Custom Restoration, Inc., at their bid price of \$77,672, it being the lowest responsible bidder.

Further recommends that funds to defray the cost of this public works project be appropriated from Org-Object 60623-57200, Memorial Hall Tuck Pointing.

**Fiscal Note:** Funds are available as herein delineated.

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00699](#)

**Subject:** Bid results for Contract 20150048, HVAC Upgrades-Solid Waste Garage. (Res No. 15-0321)

**Recommendation of the Public Works and Services Committee on 08-11-15:** That Contract 20150048, HVAC Upgrades-Solid Waste Garage, be awarded to Martin Petersen Company, Inc., at their bid price of \$169,800, plus Alternate Bid #1 in the amount of \$49,700 for a total contract amount of \$219,500, it being the lowest responsible bidder.

Further recommends that funds to defray the cost of this public works project be appropriated from Org-Object 45040-57200, SW Garage-HVAC

**Fiscal Note:** Funds are available as herein delineated.

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00700](#)

**Subject:** Bid results for Contract 20150049, HVAC Upgrades-Various Locations. (Res No. 15-0322)

**Recommendation of the Public Works and Services Committee on 08-11-15:** That Contract 20150049, HVAC Upgrades-Various Locations, be awarded to Martin Petersen Company, Inc., at their bid price of \$216,250, plus Alternate Bid #2 in the amount of \$21,000, for a total contract amount of \$237,750, it being the lowest responsible bidder.

Further recommends that funds to defray the cost of this public works project be appropriated from the following Org-Objects:

- \$ 24,000 - Org-Object 45040-57200, Equip Garage Rooftop Unit
- \$ 52,000 - Org-Object 45040-57200, Annex-Prob & Parole AC
- \$ 56,000 - Org-Object 50008-57200, Wustum Roofing Unit
- \$ 72,000 - Org-Object 45050-57200, Park Serv Center Rooftop Unit
- \$ 33,750 - Org-Object 45040-57201, Traffic - Rooftop Unit
- \$237,750 - Total

**Fiscal Note:** Funds are available as herein delineated.

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00701](#)

**Subject:** (Direct Referral) Communication from the Assistant Commissioner of Public Works/Operations wishing to amend the existing agreement with Rehrig Pacific Company regarding the Recycle Cart System. (Res No. 15-0323)

**Recommendation of the Public Works and Services Committee on 08-11-15:** The request of the Purchasing Agent to waive formal bidding procedures be approved in accordance with State Statutes that allow for the waiving of public bids for the purpose of maintaining uniformity of equipment and services.

Further recommends that the Mayor and City Clerk be authorized and directed to enter into an agreement with Rehrig Pacific Company for the upgrade of the new Recycle Cart Reader System used in the Recycling Cart monitoring system.

**Fiscal Note:** Estimated cost will not exceed \$38,600 with funding to defray the cost of this upgrade available in Org-Object 22140-52100, Recycling-Professional Services.

**A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.**

### City Plan Commission Report, by Ald.Wiser

[14-10787](#)

**Subject:** (Direct Referral) A request from Richard Donner of Reinhart Boerner Van Dueren s.c., representing TMC Wisconsin 2 LLC, for a conditional use permit to allow for a CVS Pharmacy on the south side of Washington Avenue in the 4600 Block between Ohio Street and Virginia Street.

**Recommendation of the City Plan Commission on 4-8-15:** That the request for a conditional use permit to allow a CVS Pharmacy on the south side of Washington Avenue in the 4600 block between Ohio Street and Virginia Street be received and filed.

**Recommendation of the City Plan Commission on 8-12-15:** That the request for a conditional use permit to allow a CVS Pharmacy on the south side of Washington Avenue in the 4600 block between Ohio Street and Virginia Street be received and filed.

**Fiscal Note:** N/A

*Alderman Kaplan requested that Item 15-0317 be considered separately.*

**A motion was made by Alderman Wiser, seconded by Alderman Shakoor II, that this Conditional Use Permit be Received and Filed. The motion was DEFEATED by the following vote:**

**AYES:** 6 - Coe, DeHahn, Wiser, Land, Morgenroth and Hart

**NOES:** 8 - Jones, Shields, Kaplan, Smetana, Weidner, Shakoor II, McCarthy and Perez

**EXCUSED:** 1 - Lemke

[15-00688](#)

**Subject:** (Direct Referral) A request by Breeze Ratchford, of DMR Trucking, Inc., for a conditional use permit at 1620 Racine Street to operate an indoor auto salvage and recycling business, with accessory automobile sales. (PC-15) (Res No. 15-0325)

**Recommendation of the City Plan Commission on 8-12-15:** That the request be approved subject to conditions.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00715](#)

**Subject:** (Direct Referral) A request by David Israel for a 3-Lot Certified Survey Map at 5900 Durand Avenue. (PC-15) (Res No. 15-0326)

**Recommendation of the City Plan Commission on 8-12-15:** That the request be approved subject to conditions.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00716](#)

**Subject:** (Direct Referral) A request by Open Pantry Foods to allow a 25-foot tall freestanding sign where the maximum allowable height is 15-feet at 3441 Spring Street.

**Recommendation of the City Plan Commission on 8-12-15:** That the request to increase the freestanding/pole sign height from 20-feet to 25-feet at 3441 Spring Sreet be denied.

Further, that staff be directed to send notice requiring the existing visibility violation be recitified.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00717](#)

**Subject:** (Direct Referral) Consideration of a Use Supplement for a FLEX development at 1620 Racine Street. (Res No. 15-0324)

**Recommendation of the City Plan Commission on 8-12-15:** That a

use supplement for 1620 Racine Street be adopted.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

[15-00745](#)

**Subject:** (ZOrd.003-15) An Ordinance rezoning 1620 Racine Street from I-2 General Industrial District to B-2 Community Shopping District with a FD-Flex Development Overlay District.

**Recommendation of the City Plan Commission on 8-12-15:** That the ordinance be adopted.

**Fiscal Note:** N/A

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

**Community Development Committee Report, by Ald. Wisner**

[15-00622](#)

**Subject:** (Direct Referral) A request by the Department of Housing for the use of CDBG funds to create a Home Repair Loan Match Program. (Res No. 15-0327)

**Recommendation of the Loan Board of Review from 7-16-15:** To request that the Community Development Committee recommend to the Common Council that they allocate \$136,939 for owner occupied matching grant programs and \$45,646 for rental rehab matching grant projects.

**Recommendation of the Community Development Committee on 8-6-15:** That the request for \$136,939 in CDBG funds for an owner-occupied and \$45,646 in CDBG funds for a rental rehab matching grant program be approved.

Further, that the Mayor, City Clerk and Director of City of Development, or their designee, be authorized to execute a written agreement with the Housing Department consistent with its application and federal regulations for \$182,585 of CDBG funds for the purpose of matching home repair loans within program guidelines.

**Fiscal Note:** The Common Council has allocated amounts of \$136,939 for owner-occupied properties and \$45,646 for rental rehab projects per the 2015 Annual Plan.

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

**Office of the Mayor Report, by Ald. Wisner**[15-00719](#)

**Subject:** Communication from Mayor Dickert nominating appointments/reappointments to the following committees, boards and/or commissions:

Appoint James O'Hagan 1230 Monroe Racine, 53403 to the Library Board to a 3 year term, expiring June 1, 2018

Appoint Cathi DeGroot 3807 Canada Goose Crossing Racine, 53403 to Board of Parks Recreation and Cultural Services Committee filling the current vacancy expiring April 1, 2016

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

**Board of Parks, Recreation, and Cultural Services Report, by Ald. Land**[15-00634](#)

**Subject:** Communication from Real Racine requesting to use portions of North Beach Park on Saturday, September 12, 2015 through Sunday, September 13, 2015 for the Biggest Loser Run/Walk and further requests Municipal Code section 70-101; closing of parks; be waived to allow security on site overnight on Saturday, September 12, 2015 and to also allow staff and participants on site at 5:00 a.m. on Sunday, September 13, 2015. (Res No. 15-0328)

**Recommendation from the Board of Parks, Recreation & Cultural Services on 8/13/2015:** To allow use of North Beach Park as proposed September 12, 2015 to September 13, 2015 for the Biggest Loser Run/Walk. Further allow the waiver of Municipal Code section 70-101 to permit staff/security on site overnight Saturday, September 12, 2015 and to allow participants on-site beginning at 5:00 a.m. on Sunday, September 13, 2015.

**Fiscal Note:** Park Permit Fees & Charges as applicable.

A motion was made that this Communication be Approved as Presented. The motion was APPROVED on a voice vote in consent.

**I. Consent Resolutions**[Res.15-0313](#)

Semi-Annual Plan Certifications for City Revolving Loan Fund (City-RLF) and Administrative Fees

Resolved, that the City is approved to certify for the semi-annual

reporting period ending March 31, 2015: the City-Revolving Loan Fund (City-RLF) Plan is consistent with and supportive of the area's current economic and adjustment strategy; and the City-RLF is being operated in accordance with the policies and procedures contained in the City-RLF Plan and the loan portfolio meets the standards contained therein.

Further resolved, to use up to 100% of interest earned from monthly RLF loan repayments to reimburse RCEDC for actual administrative costs incurred.

Fiscal Note: No impact to city budget or funds. RLF will have a reduced amount of money to re-circulate.

Sponsors: Q.A. Shakoor II

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0314](#)

2016 Urban Forestry Grant

Resolved, that the Director of Parks, Recreation & Cultural Services is authorized to apply for & accept 2016 Urban Forestry Grant funds of \$25,000.00 from the Wisconsin Department of Natural Resources.

Fiscal Note: Funding for the \$25,000.00 required match will be available through 2016 CIP - Emerald Ash Borer. Grant Control #00052.

Sponsors: Q.A. Shakoor II

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0318](#)

Close South Sidewalk of Rupert Boulevard from Chicago Street West to the Cemetery During 2015-2016 Winter

Resolved, that the request of Cheri Kulland from Racine Unified School District is granted permission to close off the south sidewalk on Rupert Boulevard from Chicago Street west to the cemetery in front of McKinley Middle School from December 1, 2015 to April 1, 2016 with the requirement that Racine Unified School District holds the City harmless from any and all injuries caused by conditions of the sidewalk related to this closure.

Fiscal Note: There will be no cost to the City of Racine in granting this permission.

**Sponsors:** James Morgenroth

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0319](#)

Contract 20150019 - Lake Michigan Pathway-Phase III

Resolved, that Contract 20150019, Lake Michigan Pathway-Phase III, is awarded to Ray Hintz, Inc., at its bid price of \$734,814.10, it being the lowest responsible bidder, subject to approval of bids by WisDOT.

**Fiscal Note:** Funds to defray the cost of this public works project be appropriated from Org-Object 45040-57550, DPW-Lake Michigan Pathway, with the City's share being \$146,962.82 (20%) and the State's share being \$587,851.28 (80%).

**Sponsors:** James Morgenroth

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0320](#)

Contract 20150043 - Memorial Hall Tuck Pointing

Resolved, that Contract 20150043, Memorial Hall Tuck Pointing, is awarded to Custom Restoration, Inc., at its bid price of \$77,672.00, it being the lowest responsible bidder.

**Fiscal Note:** Funds to defray the cost of this public works project be appropriated from Org-Object 60623-57200, Memorial Hall Tuck Pointing.

**Sponsors:** James Morgenroth

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0321](#)

Contract 20150048 - HVAC Upgrades-Solid Waste Garage

Resolved, that Contract 20150048, HVAC Upgrades-Solid Waste Garage, is awarded to Martin Petersen Company, Inc., at its bid price of \$169,800.00, plus Alternate Bid #1 in the amount of \$49,700.00 for a total contract amount of \$219,500.00, it being the lowest responsible bidder.

**Fiscal Note:** Funds to defray the cost of this public works project be appropriated from Org-Object 45040-57200, SW Garage-HVAC

**Sponsors:** James Morgenroth



**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0322](#)

Contract 20150049 - HVAC Upgrades-Variou Locations

Resolved, that Contract 20150049, HVAC Upgrades-Variou Locations, is awarded to Martin Petersen Company, Inc., at its bid price of \$216,250.00, plus Alternate Bid #2 in the amount of \$21,000.00, for a total contract amount of \$237,750.00, it being the lowest responsible bidder.

Fiscal Note: Funds to defray the cost of this public works project be appropriated from the following Org-Objects:

\$ 24,000.00 - Org-Object 45040-57200, Equip Garage Rooftop Unit  
\$ 52,000.00 - Org-Object 45040-57200, Annex-Prob & Parole AC  
\$ 56,000.00 - Org-Object 50008-57200, Wustum Roofing Unit  
\$ 72,000.00 - Org-Object 45050-57200, Park Serv Center Rooftop Unit  
\$ 33,750.00 - Org-Object 45040-57201, Traffic - Rooftop Unit  
\$237,750.00 - Total

Sponsors: James Morgenroth

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0323](#)

Recycle Cart System

Resolved, that the request of the Purchasing Agent to waive formal bidding procedures is approved in accordance with State Statues that allow for the waiving of public bids for the purpose of maintaining uniformity of equipment and services.

Further resolved, that the Mayor and City Clerk are authorized and directed to enter into an agreement with Rehrig Pacific Company for the upgrade of the new Recycle Cart Reader System used in the Recycling Cart monitoring system.

Fiscal Note: Estimated cost will not exceed \$38,600.00 with funding to defray the cost of this upgrade available in Org-Object 22140-52100, Recycling-Professional Services.

Sponsors: James Morgenroth

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0324](#)

Consideration of a Use Supplement for a FLEX Development at 1620 Racine Street

COMMENTS

See ZOrd. 003-15 and Item 15-00688. The following is presented as the Use Supplement for the FLEX development for 1620 Racine Street:

(Note: Part of the flex rezoning request requires the development of a Use Supplement, which outlines other uses that may be allowed or prohibited under the FLEX zoning overlay).

a. That all uses listed in the underlying B-2 Community Shopping District are permissible by right or by conditional use permit, except as otherwise specified in "b." below.

b. Prohibited uses shall include:

1. Dwelling units.
2. Taverns and cocktail lounges.
3. Community living arrangements having the capacity to serve eight or fewer persons, excluding staff or live in family.
4. Family day care home.
5. Group day care center, when operated within an existing educational institution, recreation and social facility, or religious institution.
6. Community living arrangements having a capacity of nine or more, excluding staff or live in family
7. Group day care centers.
8. Boardinghouses, lodging houses, and rooming houses.
9. Educational services.
10. Schools: music, dance, and business.
11. Schools: commercial or business machine, but not trade or vocational schools.
12. Pet shops.
13. Funeral establishments, including accessory crematories.
14. Packaged alcohol beverage stores.
15. Bus stations and terminals.
16. Hotels and motels.
17. Recreation buildings and community centers.
18. Adult entertainment uses.
19. Pawnbroker businesses.

20. Convenient cash businesses.

c. That the following use be allowed as Permitted:

1. Indoor aquaculture and greenhouses.

d. That all applicable permits shall be obtained from the Building Inspection Department.

e. That the following flex uses are permitted as conditional use permit by Ordinance No. ZOrd. 003-15 in addition to those permitted in the B-2 Community Shopping District and amended herein:

1. Light assembly and manufacturing.
2. Mini warehouses and self-storage.
3. Indoor contractor storage and contractor offices.
4. Packaging.
5. Automobile sales.
6. Indoor automobile salvage and recycling.

f. That business establishments may be retail, wholesale, or service establishments.

g. That all aspects of the flex uses and other uses shall be contained on site inside enclosed areas, with the exception of auto sales which may take place outdoors within the property boundary.

h. That by authorization and/or petitioning the property owner or their authorized agent for the actions, restrictions and privileges implemented, imposed and afforded by this resolution and ZOrd. 003-15, owners and representatives recognize that lack of implementation of the impetus project being the subject of item 15-00688 within 48 months of approval shall constitute noncompliance with the City of Racine Municipal Code, Sections 114-146 through 114-160 and shall be subject to revocation under Section 114-156.

i. That the Chief Building Inspector or Director of City Development may impose additional conditions on a single or group of flex uses to mitigate potential negative impacts on the subject or surrounding properties. Decisions in this regard may be appealed by the affected operator(s) to the Plan Commission, who will forward a recommendation to the Common Council.

j. That, upon consultation between the Chief Building Inspector and Director of City Development, additional uses not listed in this resolution may be permitted if found to comply with the spirit and intent of this flex development and the Flex Development Overlay District.

k. That all applicable codes and ordinances be complied with and required permits acquired.

l. That no minor changes be made from the conditions of this flex development without the approval of the Plan Commission and no major changes be made without the approval of the Common Council.

m. That this flex development is subject to Plan Commission review for compliance

Fiscal Note: N/A

**Sponsors:** Dennis Wiser

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0325](#)

Indoor Auto Salvage, Recycling Business and Accessory Automobile Sales at 1620 Racine Street

That the request by Breeze Ratchford of DMR Trucking, Inc. for a conditional use permit to operate an indoor auto salvage and recycling business with accessory automobile sales at 1620 Racine Street is approved, subject to the following conditions:

a. That the plans presented to the Plan Commission on August 12, 2015 be approved, subject to the conditions contained herein.

b. That approval of this conditional use is contingent upon the approval of the rezoning of the property from I-2 General Industrial to B-2 Community Shopping with a FLEX Development Overlay (ZOrd. 003-15 & Item 15-00717 Use Supplement).

c. That all applicable codes and ordinances shall be complied with and required permits acquired.

d. That this facility shall obtain and maintain a Type 2 salvage dealer license, inclusive of all other required licenses, registrations, and other information as required by the Wisconsin Department of Transportation.

e. That all outdoor piles of debris and materials, and areas of weeds

and overgrowth, shall be removed or cleared prior to issuance of an occupancy permit.

f. That the auto sales area shall be re-surfaced, and the remaining ingress, egress, and parking areas shall be re-sealed and striped per the approved plans prior to issuance of an occupancy permit.

g. That there shall be no outdoor storage of materials, inoperable or unlicensed vehicles, vehicle parts or fluids, metal recycling bins or other related items on the site at any time.

h. That all vehicle fluids must be maintained in appropriate storage containers at all times.

i. That no vehicles related to this operation shall be stored or parked on the street at any time.

j. That all functions of the salvage and recycling operation shall take place indoors at all times.

k. That the fencing along the south side of the two single-story frame buildings shall be removed and / or replaced prior to issuance of an occupancy permit.

l. That the requested curb cut shall not be installed without the review and approval of the City Engineering department.

m. That no motor vehicle repair shall take place on-site.

n. That any towing vehicles shall be stored inside during non-business hours.

o. That no more than eight (8) vehicles may be placed within the sales area at any one time. All vehicles in this area shall be operable and available for purchase as used cars. No parts vehicles may be stored in this area.

p. That recycling bins shall be stored indoors at all times.

q. That the concrete dumpster area shall be refurbished, cleared of debris and overgrowth, and enclosure doors shall be installed, prior to issuance of an occupancy permit.

r. That the Quonset huts roof and trim shall be re-painted a grey color matching the existing paint to cover all rusted areas prior to issuance of an occupancy permit.

s. That the applicant shall provide a landscaping plan, and exterior building repair and restoration plan for the two buildings adjacent to Racine Street within 90 days of approval. Phase 1 shall be implemented within 12 months of the Conditional Use approval, Phase 2 shall be implemented within 24 months of the Conditional Use approval, and Phase 3 shall be implemented within 36 months of the Conditional Use approval. Said plan shall include, but not be limited

to, roof repair, window and door repair and/or updating, gutter replacement, etc. and be subject to review and approval by the Department of City Development.

t. That the owner is responsible for all site maintenance, including but not limited to removal of weeds, building upkeep, and snow and trash removal.

u. That any required handicapped space/s shall be located adjacent to the 1-story framed building (Building 2).

v. That the owner shall obtain a Waste Tire Generator license from the City Clerk prior to issuance of an occupancy permit.

w. That signage is not approved with this plan. Any signage shall be subject to review and approval by the Department of City Development prior to obtaining a sign permit.

x. That the hours of operation may be Monday - Saturday, 8:00 a.m. - 5:00 p.m. All business activity shall take place within these hours.

y. That if the required improvements are not completed at the time of occupancy, a financial security/assurance shall be provided to the City in an amount equal in value to each phase of the required improvements contained in the repair and restoration plan. All financial documents shall be reviewed and deemed acceptable by the City Attorney's office.

The City is authorized by this Conditional Use permit to enter the site, implement the plan(s) and draw on the financial security for the cost of implementation if required improvements are not completed within the stipulated phases. Any costs incurred in excess of the value of the financial security shall be paid by the applicant or owner or shall be imposed as a special charge against the real property in accordance with the applicable statute.

z. That by operating under this Conditional Use, the owner gives permission to the City to enter upon the property for the purposes described herein.

aa. That no minor changes be made to the conditions of this permit without the approval of the Plan Commission, and no major changes be made without the approval of the Common Council.

bb. That this conditional use permit is subject to review by the Plan Commission for compliance to the listed conditions.

Fiscal Note: N/A

Sponsors: Dennis Wiser

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0326](#)

3-Lot Certified Survey Map at 5900 Durand Avenue (PC-15)

That the 3-lot certified survey map for 5900 Durand Avenue is approved, subject to the following conditions:

- a. That the certified survey map as prepared by Craig W. Riley of JSD Professional Services, and presented to the Plan Commission on August 12, 2015 is approved subject to the conditions contained herein.
- b. That the following notes be added to the Certified Survey Map:
  1. That "No Access" be delineated on the CSM for Lot 2, from the northwest corner, along the curve C 13 to the south east for 227-feet.
  2. That "No Access" be delineated for Lot 3 on the CSM for all of curve C 14.
- c. That the following items identified by the City Attorney be addressed:
  1. That the Owner's Certificate be modified to not reflect Penny Racine, LLC as a Wisconsin corporation, as it is a Delaware Corporation.
  2. That the Mortgage's Certificate be added (Associated Bank National Association).
  3. Note that all corners must be monumented in accordance with State law.
  4. That the signature lines on behalf of the City of Racine be updated to reflect the full and proper names of the Mayor and City Clerk: John T. Dickert, Mayor, and Janice M. Johnson-Martin, City Clerk.
- d. That the note under "Existing Easements and Restrictions", Number 1, dash 2 referencing parking requirements be removed.
- e. That approval is subject to all technical corrections being made prior to recording.
- f. That within thirty (30) days of recording, a copy of the recorded CSM shall be provided to the Department of City Development. Failure to provide the recorded copy will result in nullification of the approval.

Fiscal Note: N/A

Sponsors: Dennis Wisner

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0327](#)

## Home Repair Loan Match Program

Resolved, that the request for \$136,939.00 in CDBG funds for an owner-occupied matching grant program and \$45,646.00 in CDBG funds for a rental rehab matching grant program are approved.

Further resolved, that the Mayor, City Clerk and Director of City of Development, or their designee, are authorized to execute a written agreement with the Housing Department consistent with its application and federal regulations for \$182,585.00 of CDBG funds for the purpose of matching home repair loans within program guidelines.

Fiscal Note: The Common Council has allocated amounts of \$136,939.00 for owner-occupied properties and \$45,646.00 for rental rehab projects per the 2015 Annual Plan.

Sponsors: Dennis Wisner

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

[Res.15-0328](#)

## North Beach Use for 2015 Biggest Loser Run/Walk

Resolved, that the request of Real Racine to use portions of North Beach Park as proposed on September 12, 2015 to September 13, 2015 for the Biggest Loser Run/Walk.

Further resolved, that permission is granted for the waiver of Municipal Code section 70-101 to permit staff/security on site overnight Saturday, September 12, 2015 and to allow participants on-site beginning at 5:00 a.m. on Sunday, September 13, 2015.

Fiscal Note: Park permit fees & charges as applicable.

Sponsors: Terry McCarthy

**A motion was made that this Resolution be Adopted. The motion was APPROVED on a voice vote in consent.**

## J. Resolutions

[Res.15-0315](#)

RESOLUTION AUTHORIZING THE ISSUANCE OF \$11,195,000 general obligation promissory notes AND THE ISSUANCE AND SALE OF \$11,195,000 note anticipation notes in ANTICIPATION thereOF

WHEREAS, the City of Racine, Racine County, Wisconsin (the "City") is presently in need of the sum of \$11,195,000 for public purposes, including paying the cost of various capital improvement and



acquisition projects set forth in the City's Capital Improvement Plan and acquisition of municipal equipment (the "Project");

WHEREAS, the Common Council hereby finds and determines that the Project is within the City's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, cities are authorized by the provisions of Chapter 67, Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the City to authorize the issuance of and covenant to issue general obligation promissory notes (the "Securities") to provide permanent financing for the Project;

WHEREAS, the Securities have not yet been issued or sold;

WHEREAS, cities are authorized by the provisions of Section 67.12(1)(b), Wisconsin Statutes, to issue note anticipation notes in anticipation of receiving the proceeds from the issuance and sale of the Securities;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the City to authorize the issuance and sale of note anticipation notes pursuant to Section 67.12(1)(b), Wisconsin Statutes (the "Notes"), in anticipation of receiving the proceeds from the issuance and sale of the Securities, to provide interim financing to pay the cost of the Project; and

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the City to sell the Notes to Robert W. Baird & Co. Incorporated (the "Purchaser"), pursuant to the terms and conditions of its note purchase proposal attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal").

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

Section 1. Authorization of Securities. The City hereby authorizes the issuance and declares its intention and covenants to issue the Securities pursuant to the provisions of Chapter 67, Wisconsin Statutes, in an amount sufficient to retire any outstanding note anticipation notes issued for the purpose of paying the cost of the Project. There is hereby levied on all the taxable property in the City a direct, annual, irrevocable tax sufficient to pay the interest on said Securities as it becomes due, and also to pay and discharge the principal thereof.

Section 2. Authorization and Sale of the Notes. In anticipation of the sale of the Securities, for the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.12(1)(b), Wisconsin Statutes, the principal sum of ELEVEN MILLION ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$11,195,000) from the

Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted and the Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. To evidence the obligation of the City, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the City, the Notes aggregating the principal amount of ELEVEN MILLION ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$11,195,000) for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 3. Terms of the Notes. The Notes shall be designated "Note Anticipation Notes"; shall be issued in the aggregate principal amount of \$11,195,000; shall be dated September 8, 2015; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rate and mature on August 15, 2016 as set forth on the schedule attached hereto as Exhibit B and incorporated herein by this reference (the "Schedule"). Interest is payable at maturity. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Section 4. Redemption Provisions. The Notes shall be subject to redemption prior to maturity, at the option of the City, on December 18, 2015 or on any date thereafter. Said Notes shall be redeemable as a whole or in part, and if in part, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 5. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit C and incorporated herein by this reference.

Section 6. Security. The Notes shall in no event be a general obligation of the City and do not constitute an indebtedness of the City nor a charge against its general credit or taxing power. No lien is created upon the Project or any other property of the City as a result of the issuance of the Notes. The Notes shall be payable only from (a) any proceeds of the Notes set aside for payment of interest on the Notes as it becomes due and (b) proceeds to be derived from the issuance and sale of the Securities, which proceeds are hereby declared to constitute a special trust fund, hereby created and established, to be held by the City Clerk and expended solely for the payment of the principal of and interest on the Notes until paid. The City hereby agrees that, in the event such monies are not sufficient to pay the principal of and interest on the Notes when due, if necessary, the City will pay such deficiency out of its annual general tax levy or other available funds of the City; provided, however, that such payment shall be subject to annual budgetary appropriations therefor

and any applicable levy limits; and provided further, that neither this Resolution nor any such payment shall be construed as constituting an obligation of the City to make any such appropriation or any further payments.

Section 7. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City a separate and distinct fund account designated as the "Debt Service Fund Account for Note Anticipation Notes, dated September 8, 2015" (the "Debt Service Fund Account"), and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) any proceeds of the Notes representing capitalized interest on the Notes or other funds appropriated by the City for payment of interest on the Notes, as needed to pay the interest on the Notes when due; (iv) proceeds of the Securities (or other obligations of the City issued to pay principal of or interest on the Notes); (v) such other sums, including tax monies, as may be necessary at any time to pay principal of and interest on the Notes when due and which are appropriated by the Common Council for that purpose; and (vi) surplus monies in the Borrowed Money Fund as specified in Section 9 hereof.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and the Notes canceled; provided that such monies may be invested in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Said account shall be used for the sole purpose of paying the principal of and interest on the Notes and shall be maintained for such purpose until the Notes are fully paid or otherwise extinguished, and shall at all times be invested in a manner that conforms with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable Treasury Regulations (the "Regulations").

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

Section 8. Covenants of the City. The City hereby covenants with the owners of the Notes as follows:

(A) It shall issue and sell the Securities as soon as practicable, as

necessary to provide for payment of the Notes;

(B) It shall segregate the proceeds derived from the sale of the Securities into the special trust fund herein created and established and shall permit such special trust fund to be used for no purpose other than the payment of principal of and interest on the Notes until paid. After the payment of principal of and interest on the Notes in full, said special trust fund may be used for such other purposes as the Common Council may direct in accordance with law; and,

(C) It shall maintain a debt limit capacity such that its combined outstanding principal amount of general obligation bonds or notes or certificates of indebtedness and the \$11,195,000 authorized for the issuance of the Securities shall at no time exceed its constitutional debt limit.

Section 9. Proceeds of the Notes; Segregated Borrowed Money Fund.

All monies received by the City upon the delivery of the Notes to the Purchaser thereof (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited by the City Clerk into a special fund (the "Borrowed Money Fund") which shall be maintained separate and distinct from all other funds of the City and shall be used for no purpose other than the purposes for which the Notes are issued. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purposes, shall be deposited in the Debt Service Fund Account created herein.

Section 10. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 11. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable,

the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

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

Section 12. Execution of the Notes; Closing; Professional Services.

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

Section 13. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by the City Clerk or City Treasurer (the "Fiscal Agent").

Section 14. Persons Treated as Owners; Transfer of Notes. The City shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

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

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

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

Section 16. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 17. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Notes and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City

official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

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

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

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

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect

any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded August 18, 2015.

\_\_\_\_\_  
John Dickert, Mayor

Attest:

\_\_\_\_\_  
Janice M. Johnson-Martin, City Clerk

**Sponsors:** Q.A. Shakoor II

*Alderman Shakoor requested that Resolution 15-0315 be considered separately.*

**A motion was made by Alderman Shakoor II, seconded by Alderman McCarthy, that this Resolution be Adopted. The motion was APPROVED by the following vote:**

**AYES:** 14 - Coe, Jones, Shields, Kaplan, Smetana, Weidner, DeHahn, Shakoor II, McCarthy, Wisner, Land, Perez, Morgenroth and Hart

**EXCUSED:** 1 - Lemke

[Res.15-0316](#)

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$1,410,000 Taxable General Obligation Refunding Bonds

WHEREAS, the Common Council of the City of Racine, Racine County, Wisconsin (the "City") hereby finds and determines that it is necessary, desirable and in the best interest of the City to raise funds for the purpose of refunding obligations of the City, including interest on them, specifically, \$235,000 in principal amount of the 2018 maturity (representing the portion of such maturity subject to mandatory redemption in 2017 and maturing in 2018) and all of the 2025 maturity of the Taxable General Obligation Refunding Bonds, dated June 26, 2006 (the "Refunded Obligations") (hereinafter the refinancing of the Refunded Obligations shall be referred to as the "Refunding");

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to refund the Refunded Obligations for the purpose of achieving debt service cost savings;

WHEREAS, cities are authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation refunding bonds to refinance their outstanding obligations;

WHEREAS, it is the finding of the Common Council that it is necessary, desirable and in the best interest of the City to authorize the issuance of and to sell its general obligation refunding bonds (the "Bonds") to Robert W. Baird & Co. Incorporated (the "Purchaser"),



pursuant to the terms and conditions of its bond purchase proposal attached hereto as Exhibit A and incorporated herein by this reference (the "Proposal"); and

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue the Bonds on a taxable rather than tax-exempt basis;

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

Section 1. Authorization and Sale of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of ONE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS (\$1,410,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal is hereby accepted, and the Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. To evidence the obligation of the City, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for, on behalf of and in the name of the City, the Bonds aggregating the principal amount of ONE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS (\$1,410,000) for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 2. Terms of the Bonds. The Bonds shall be designated "Taxable General Obligation Refunding Bonds"; shall be issued in the aggregate principal amount of \$1,410,000; shall be dated September 8, 2015; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on December 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit B-1 and incorporated herein by this reference. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2016. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit B-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on December 1, 2024 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on December 1, 2023 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2015 through 2024 for the payments due in the years 2016 through 2025 in the amounts set forth on the Schedule.

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

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

Section 6. Segregated Debt Service Fund Account.

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

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for Taxable General Obligation Refunding Bonds, dated September 8, 2015" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. The City Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium not used for the Refunding which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds

when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

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

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

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium not used for the Refunding and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the City and disbursed solely for the purpose for which borrowed or for the payment of the principal of and the interest on the Bonds. In order to accomplish the purpose for which the Bonds are issued, proceeds of the Bonds shall be transferred to the Escrow Account, as provided in Section 15 hereof. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose for which the Bonds have been issued has been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose shall be

deposited in the Debt Service Fund Account.

Section 8. Execution of the Bonds; Closing; Professional Services.

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

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

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

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like

aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

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

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

Section 12. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the City and on file in the City Clerk's office.

Section 13. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 14. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or

other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 15. Escrow Agent; Escrow Agreement; Escrow Account. Associated Trust Company, National Association, Green Bay, Wisconsin, is hereby appointed escrow agent for the City, for the purpose of ensuring the payment of the principal of and interest on the Refunded Obligations (the "Escrow Agent").

The Mayor and City Clerk are hereby authorized and directed to execute an escrow agreement substantially in the form attached hereto as Exhibit D (the "Escrow Agreement") (such form may be modified by said officers prior to execution, the execution of such agreement by said officers to constitute full approval of the Common Council of any such modifications), with the Escrow Agent, for the purpose of effectuating the provisions of this Resolution.

The Bond Proceeds allocable to refunding the Refunded Obligations shall be deposited in a refunding escrow account which is hereby created with the Escrow Agent, pursuant to the Escrow Agreement, for the purpose of retaining the required amount of cash, if any, and acquiring the United States obligations provided for in the Escrow Agreement.

Upon transfer of the Bond Proceeds and any other necessary funds allocable to refunding the Refunded Obligations to the Escrow Account, the taxes heretofore levied to pay debt service on the Refunded Obligations shall be abated to the extent such transfer together with investment earnings thereon is sufficient to pay the principal of and interest on the Refunded Obligations, but such abatement shall not affect the City's pledge of its full faith, credit and resources to make such payments. The refunding escrow account created by the Escrow Agreement shall hereinafter serve as the debt service (or sinking) fund account for the Refunded Obligations. The Escrow Agent shall serve as custodian of said debt service (or sinking) funds.

Section 16. Escrow Securities. The Escrow Agent and the Purchaser are authorized to purchase direct obligations of the U.S. Government on behalf of the City in such amount as is necessary in order to carry out the Refunding.

Section 17. Redemption of the Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on December 1, 2016 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the Escrow Agent appointed above to cause timely notice of redemption, in substantially the form attached to the Escrow Agreement (the "Notice"), to be provided at the times, to the

parties and in the manner set forth on the Notice.

Section 18. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 19. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 20. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded August 18, 2015.

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John Dickert, Mayor

ATTEST:

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Janice M. Johnson-Martin, City Clerk

Sponsors: Q.A. Shakoor II

*Alderman Shakoor requested that Resolution 15-0316 be considered separately.*

**A motion was made by Alderman Shakoor II, seconded by Alderman McCarthy, that this Resolution be Adopted. The motion was APPROVED by the following vote:**

**AYES:** 14 - Coe, Jones, Shields, Kaplan, Smetana, Weidner, DeHahn, Shakoor II, McCarthy, Wisner, Land, Perez, Morgenroth and Hart

EXCUSED: 1 - Lemke

[Res.15-0317](#)

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$6,590,000 Waterworks System Mortgage Revenue REFUNDING Bonds AND PROVIDING FOR THE PAYMENT OF SAID BONDS AND OTHER DETAILS AND COVENANTS WITH RESPECT THERETO

WHEREAS, the City of Racine, Racine County, Wisconsin (the "Municipality" or the "City") owns and operates a Waterworks System (the "System") which is operated for a public purpose as a public utility by the Municipality;

WHEREAS, under the provisions of Section 66.0621 of the Wisconsin Statutes any municipality may, by action of its governing body, provide funds for extending, adding to and improving a public utility or to refund obligations issued to finance or refinance such extensions, additions and improvements from the proceeds of bonds, which bonds are to be payable only from the revenues received from any source by such utility, including all rentals and fees; and which bonds may be additionally secured by a mortgage lien upon such utility;

WHEREAS, the Municipality has outstanding its Waterworks System Mortgage Revenue Bonds, dated April 2, 2007 (the "2007 Bonds"), its Waterworks System Mortgage Revenue Bonds, dated December 8, 2009 (the "2009 Bonds"), its Waterworks System Mortgage Revenue Bonds, dated October 25, 2011 (the "2011 Bonds") and its Waterworks System Mortgage Revenue Refunding Bonds, dated July 10, 2012 (the "2012 Bonds"), which bonds are payable from the income and revenues of the System and are additionally secured by a mortgage lien on the System (collectively, the "Prior Bonds");

WHEREAS, the Prior Bonds were issued pursuant to Resolutions adopted by the Governing Body on March 6, 2007, November 17, 2009, October 4, 2011 and June 19, 2012 (collectively, the "Prior Resolutions");

WHEREAS, the Municipality also has outstanding its Waterworks System Revenue Bonds, Series 1999, dated February 10, 1999 (the "1999 Bonds"), its Waterworks System Revenue Bonds, Series 2004, dated December 22, 2004 (the "2004 Bonds") and its Waterworks System Revenue Bonds, Series 2015, dated May 27, 2015 (the "2015 Bonds"), which bonds are payable from the income and revenues of the System (collectively, the "Safe Drinking Water Bonds") and were authorized by resolutions adopted by the Governing Body on January 5, 1999, December 7, 2004 and May 19, 2015, respectively (the " Safe Drinking Water Bond Resolutions");



WHEREAS, the Safe Drinking Water Bonds are junior and subordinate to the Prior Bonds as to the pledge of income and revenues of the System;

WHEREAS, the Prior Resolutions provide that additional bonds may be issued on a parity with the Prior Bonds upon compliance with certain conditions;

WHEREAS, the Safe Drinking Water Bond Resolutions provide that additional bonds may be issued which are senior to the Safe Drinking Water Bonds upon compliance with certain conditions;

WHEREAS, to the best of the Governing Body's knowledge, information and belief, all conditions precedent to the issuance of additional bonds set forth in the Prior Resolutions and the Safe Drinking Water Bond Resolutions have been or will be complied with prior to the issuance of the Bonds authorized by this Resolution;

WHEREAS, the Municipality has determined that it is necessary and desirable to refund the portion of the 2007 Bonds maturing in the years 2017 through 2021 identified in Exhibit D and all of the 2007 Bonds maturing in the years 2023 and 2026 (the "Refunded Obligations") for the purpose of achieving debt service cost savings (the "Refunding");

WHEREAS, for the purpose of paying costs of the Refunding (including paying legal, financing and other professional fees in connection therewith), the Governing Body deems it to be necessary, desirable and in the best interest of the Municipality to authorize and sell waterworks system mortgage revenue bonds of the Municipality payable solely from the revenues of the System on a parity with the Prior Bonds, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes;

WHEREAS, other than the Prior Bonds, the Safe Drinking Water Bonds and the Municipality's Waterworks System Mortgage Revenue Refunding Bonds, dated June 28, 2011 which will be paid and retired in full on September 1, 2015, no other bonds or obligations payable from the revenues of the System are now outstanding.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Municipality that:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by implication requires otherwise:

"Act" means Section 66.0621 of the Wisconsin Statutes;

"Annual Debt Service Requirement" means the total amount of principal and interest due on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds in any Bond Year;

"Bond Proceeds" means amounts received by the Municipality from the sale of the Bonds;

"Bond Registrar" means Associated Trust Company, National Association, Green Bay, Wisconsin, which is herein appointed by the Governing Body pursuant to the provisions of Section 67.10(2), Wisconsin Statutes, to act as fiscal agent and paying agent for the Bonds;

"Bond Year" means the one-year period ending on a principal payment date for the Bonds;

"Bonds" means \$6,590,000 Waterworks System Mortgage Revenue Refunding Bonds of the Municipality dated September 8, 2015, authorized to be issued by this Resolution;

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

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

"DTC" or "Depository" means The Depository Trust Company, New York, New York or its nominee or successor which shall act as securities depository for the Bonds;

"Fiscal Year" means the twelve month period beginning on January 1 of each year and ending on December 31 of the same year;

"Governing Body" means the Common Council of the Municipality, or such other body as may hereafter be the chief legislative body of the Municipality;

"Gross Revenues" shall include all revenues, income and earnings of the System derived from water charges imposed by the Municipality, all payments to the Municipality under any agreements between the Municipality and any contract users of the System, and any other moneys received from any source by the System including all rentals and fees;

"Municipality" or "City" means the City of Racine, Racine County, Wisconsin;

"Net Revenues" means Gross Revenues of the System after deduction of Current Expenses;

"Original Purchaser" means Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin;

"Parity Bonds" means bonds payable from the revenues of the System other than the Bonds but issued on a parity and equality with the Bonds pursuant to the restrictive provisions of this Resolution;

"Record Date" means the close of business on the 15th day of the

calendar month next preceding any principal or interest payment date;

"Regulations" means the income tax regulations promulgated under the Code;

"Reserve Requirement" means the lesser of (a) the maximum amount of principal and interest due on the outstanding Prior Bonds and the Bonds in any Bond Year and (b) 125% of average annual debt service on the outstanding Prior Bonds and the Bonds. If Parity Bonds are issued, the Reserve Requirement shall be an amount equal to the lesser of (i) the maximum amount of principal and interest due on the outstanding Prior Bonds, the Bonds and the Parity Bonds in any Bond Year or (ii) 125% of average annual debt service on the outstanding Prior Bonds, the Bonds and the Parity Bonds;

"System" means the entire Waterworks System of the Municipality and all property of every nature now or hereafter owned by the Municipality for the collection, distribution and treatment of water, including all improvements and extensions thereto made by the Municipality while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such Waterworks System and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 2. Authorization of the Bonds. For the purpose of paying costs of the Refunding (including legal, fiscal and other expenses), there shall be borrowed on the credit of the income and revenue of the System the sum of SIX MILLION FIVE HUNDRED NINETY THOUSAND DOLLARS (\$6,590,000), and registered revenue bonds of the Municipality are hereby authorized to be issued in evidence thereof to Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin (the "Original Purchaser") in accordance with the terms and conditions of its purchase proposal (the "Proposal") attached hereto as Exhibit A and incorporated herein by this reference.

Section 3. Terms of the Bonds. The revenue bonds shall be designated "Waterworks System Mortgage Revenue Refunding Bonds" (the "Bonds"); shall be dated September 8, 2015; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum set forth in the Proposal and shall mature on September 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit B-1 and incorporated herein by this reference. Interest on the Bonds shall be payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2016. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Book.

The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit B-2 and incorporated herein by this reference (the "Schedule").

It is hereby determined and declared that:

- (a) the above Schedule is such that the requirement each year to pay both the principal of and interest on the Bonds is reasonable in accordance with prudent municipal utility management practices;
- (b) the aggregate amount of Bonds, which shall encompass sums sufficient to provide for the costs hereinabove set forth, is necessary; and
- (c) the refunding of the Refunded Obligation is advantageous and necessary to the Municipality.

Section 3A. Call Provisions. The Bonds maturing on September 1, 2024 and thereafter shall be subject to redemption prior to maturity, at the option of the City, on September 1, 2023 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 3B. Parity with the Prior Bonds; Senior to Safe Drinking Water Bonds. The Bonds shall be additional bonds within the meaning of Section 9 of the Prior Resolutions, are issued on a parity with the Prior Bonds and are secured by an equal lien and claim to the revenues and properties of the System and the monies on deposit in the Special Redemption Fund as set forth in the Prior Resolutions and this Resolution. In addition, the Bonds and any Parity Bonds are secured by a mortgage lien upon the System on a parity with the mortgage lien granted to the owners of the Prior Bonds.

The Bonds shall also be "additional senior bonds" within the meaning of Section 11 of the Safe Drinking Water Bond Resolutions. The Safe Drinking Water Bonds are junior and subordinate to the Prior Bonds and shall be junior and subordinate to the Bonds when issued.

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

Section 5. Security for the Bonds. The Bonds, together with interest thereon, shall not constitute an indebtedness of the Municipality nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special

Redemption Fund hereinafter described, and shall be a valid claim of any holder thereof only against said Special Redemption Fund and the revenues of the System pledged to such fund. Sufficient revenues are hereby pledged to said Special Redemption Fund, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds as the same becomes due. In addition, the Bonds and any Parity Bonds are secured by a mortgage lien upon the System on a parity with the mortgage lien granted to the owners of the Prior Bonds. It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund (defined below) and deposited in the Special Redemption Fund (defined below) shall be sufficient in any event to pay the interest on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds as the same accrues and the principal amount hereof as the same matures, and to provide any amounts required to be paid monthly into the Reserve Account (defined below) to maintain the Reserve Requirement.

Section 6. Funds and Accounts. In accordance with the Act, for the purpose of the application and proper allocation of the revenues of the System, and to secure the payment of the principal of and interest on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds, certain funds of the System were created by an Ordinance adopted on April 17, 1978, continued by the Prior Resolutions and are hereby continued to be used solely for the following respective purposes:

(a) Waterworks Revenue Fund, into which shall be deposited as received the entire Gross Revenues of the System which monies shall then be divided among the Operation and Maintenance Fund, the Special Redemption Fund, the Depreciation Fund and the Surplus Fund in the amounts and in the manner set forth in Section 7 hereof and used for the purposes described below;

(b) Waterworks Operation and Maintenance Fund (the "Operation and Maintenance Fund"), which shall be used for the payment of Current Expenses;

(c) Waterworks Special Redemption Fund (the "Special Redemption Fund"), which shall be divided into two separate accounts to be known as the "Interest and Principal Account" and the "Reserve Account".

(i) There shall be deposited in the Interest and Principal Account from Bond Proceeds and any Parity Bond proceeds all accrued interest. In addition, there shall be deposited in said account in the manner specified in Section 7 hereof, an amount sufficient (after giving effect to available amounts in said account from accrued interest, investment earnings and any other source) to pay the principal of and interest on,

first, the Prior Bonds, the Bonds and any Parity Bonds and second, the Safe Drinking Water Bonds, as the same becomes due. The Interest and Principal Account shall be used solely for the purposes of paying principal of and interest on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds in accordance with the provisions of this Resolution.

The minimum amounts to be so deposited in the Interest and Principal Account for debt service on the Bonds, in addition to the amounts required to be deposited for debt service on the Prior Bonds and the Safe Drinking Water Bonds, are set forth on the Schedule.

(ii) There shall be deposited into the Reserve Account an amount sufficient to make the amount on deposit therein equal to the Reserve Requirement. The Reserve Account shall be used solely for the purpose of paying principal of or interest on the Prior Bonds, the Bonds or any Parity Bonds at any time when there shall be insufficient money in the Interest and Principal Account. The Reserve Account shall be funded and replenished in the manner specified in Section 7 hereof. The Safe Drinking Water Bonds are not secured by the Reserve Account.

(d) Waterworks Depreciation Fund (the "Depreciation Fund"), which shall be used primarily to make good any depreciation in the System, to extend and improve the System, to make extraordinary repairs or replacements to the System and to make transfers to the Surplus Fund as provided in Section 6(e) hereof but which also may be used for the payment of principal of and interest on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds at any time when there shall be insufficient money in the Special Redemption Fund and to remedy any deficiency in the Special Redemption Fund; and,

(e) Waterworks Surplus Fund (the "Surplus Fund"), which shall first be used whenever necessary to pay principal of or interest on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds when the Special Redemption Fund shall be insufficient for such purpose, and thereafter shall be disbursed as follows:

(i) at any time, to remedy any deficiency in any of the funds or accounts provided in Section 7 hereof; and,

(ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein, or to reimburse the general fund of the Municipality for advances made by the Municipality to the System.

Section 6A. Deposits and Investments. The Interest and Principal Account and the Reserve Account of the Special Redemption Fund each shall be kept apart from moneys in the other funds and accounts in the records of the Municipality and the Interest and Principal Account shall be used for no purpose other than the prompt payment of principal

of and interest on first, the Prior Bonds, the Bonds and any Parity Bonds and, second, the Safe Drinking Water Bonds as the same becomes due and payable. The funds and accounts herein created may be temporarily invested until needed in legal investments.

Section 7. Application of Revenues. After the delivery of any of the Bonds or any Parity Bonds, the entire Gross Revenues of the System shall be deposited as collected in the Revenue Fund and shall be transferred monthly to the funds listed below in the following order of priority and in the manner set forth below:

(a) to the Operation and Maintenance Fund, an amount equal to the estimated Current Expenses for the current month and for the succeeding month (after giving effect to available amounts in said fund from prior deposits);

(b) to the Special Redemption Fund, for monthly transfer to the Interest and Principal Account thereof, an amount equal to one-sixth (1/6) of the next installment of interest coming due on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds then outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds coming due on the next succeeding principal payment date (after giving effect to available amounts in said account from accrued interest, investment earnings or any other source). It is the express intent of the Governing Body that at all times the Interest and Principal Account constitute a "bona fide debt service account" and, be depleted (except for a reasonable carryover as defined in the Regulations) at least once a year. Prior to each interest and principal payment date, the Municipality shall transfer from the Interest and Principal Account to the Bond Registrar the amounts required for the payment of the interest and principal coming due on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds;

(c) to the Special Redemption Fund, for monthly transfer to the Reserve Account thereof, an amount equal to one-twelfth of the Reserve Requirement until the amount accumulated in the Reserve Account (after giving effect to amounts deposited in the Reserve Account from Bond Proceeds pursuant to Section 12 hereof, from any investment earnings or any other source) equals the Reserve Requirement. It is the intent of the Municipality that at all times the Reserve Account constitutes a "reasonably required reserve fund" under Section 148 of the Code and any applicable Regulations;

(d) to the Depreciation Fund, an amount of \$30,000; any money on deposit in the Depreciation Fund in excess of \$800,000 (or such larger amount as may hereafter and from time to time be established by the Governing Body), and not required during the current Fiscal Year for the purposes of said fund, may be transferred to the Surplus Fund; and,

(e) to the Surplus Fund, any amount remaining in the Revenue Fund

after the monthly transfers required above have been completed.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Special Redemption Fund, the Depreciation Fund and the Surplus Fund shall be made monthly not later than the 10th day of each month, and such transfers shall be applicable to moneys on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits within any fund or to any other fund or account required or permitted by subsections (a) through (e) of this Section, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the 10th day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the 10th day of any month shall fall on a day other than a business day, such transfer or deposit shall be made on the next succeeding business day.

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Special Redemption Fund shall be sufficient in any event to pay the interest on the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds as the same accrues and the principal thereof as the same matures, and to provide any amounts required to be paid monthly into the Reserve Account.

Section 7A. Mortgage Lien. For the further protection of the owners of the Bonds, a mortgage lien is granted and created by Section 66.0621 of the Wisconsin Statutes and this Resolution, which lien is hereby recognized as valid and binding upon the Municipality and as a valid and binding first lien upon the System and any additions and improvements to be made thereto, on a parity with the mortgage granted to the owners of the Prior Bonds. In accordance with the provisions of Section 66.0621(4)(b) of the Wisconsin Statutes, such lien shall be perfected by recording this Resolution in the records of the Municipality.

Section 8. Service to the Municipality. The reasonable cost and value of services rendered to the Municipality by the System by furnishing waterworks services for public purposes, shall be charged against the Municipality and shall be paid by it as the service accrues, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the revenues derived from the System, and out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses. However such payment out of the tax levy shall be subject to (a) approval of the Public Service Commission, or successors to its function, if necessary, (b) yearly appropriations therefor and (c) applicable levy limitations, if any; but neither this Resolution nor such payment shall be construed as constituting an obligation of the Municipality to make any such appropriation over and above the



reasonable cost and value of services rendered to the Municipality and its inhabitants or make any subsequent payment over and above such reasonable cost and value. Such compensation for such service rendered to the Municipality shall, in the manner hereinabove provided, be paid into the Revenue Fund referred to in Section 6 hereof.

Section 9. Prior Lien Bonds; Parity Bonds. The Bonds are issued on a parity with the Prior Bonds and senior to the Safe Drinking Water Bonds. The Municipality will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues or the properties of the System having a priority over the Bonds or any Parity Bonds.

Additional bonds may be issued on a parity and equality of rank with the Bonds and any Parity Bonds with respect to the lien and claim of such additional bonds to the revenues and properties of the System and the moneys on deposit in the Special Redemption Fund, for the following purposes and under the following conditions but not otherwise:

(a) For the purpose of refunding any of the Bonds or any Parity Bonds which shall have matured or which shall mature not later than three (3) months after the date of delivery of such refunding bonds and for the payment of which there shall be insufficient moneys in the Special Redemption Fund; and,

(b) For the purpose of refunding any outstanding Bonds or any Parity Bonds, or purchasing, acquiring, leasing, constructing, extending, adding to, improving, conducting, controlling, renewing, replacing, operating or managing the System, if all of the following conditions shall have been met:

(i) The Net Revenues for the last completed Fiscal Year preceding the issuance of such additional bonds must have been at least equal to one and one-quarter (1.25) times the highest combined annual interest and principal requirements on all Bonds and any Parity Bonds then outstanding payable from the revenues of the System (other than Bonds and any Parity Bonds being refunded), and the bonds so proposed to be issued, for any succeeding Fiscal Year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional bonds the Municipality shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, in the written opinion of an independent consulting engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year;

(ii) The payments required to be made into the various funds and accounts provided herein must be current, and the Municipality must not be in default hereunder;

(iii) The additional bonds must be payable as to principal on

September 1 of each year in which principal falls due, and payable as to interest semi-annually on March 1 and September 1; and,  
(iv) The Reserve Account is funded to an amount equal to the Reserve Requirement applicable upon the issuance of Parity Bonds set forth in Section 1 hereof to the extent such funding complies with the applicable provisions of the Code and any applicable Regulations.

Section 10. Covenants Regarding Operation of the System; Books and Accounts; and Insurance. The Municipality hereby covenants and agrees with each and every holder of the Bonds and any Parity Bonds as follows:

- (a) The Municipality will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including lawfully establishing reasonable and sufficient rates for services rendered by the System and collecting, depositing, applying and segregating the revenues of the System to the respective funds and accounts provided for in this Resolution;
- (b) The Municipality will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions or extensions that may be made part thereto, except that the Municipality shall have the right to sell, lease or otherwise dispose of any property of the System found by the Municipality to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;
- (c) The Municipality will maintain the System in reasonably good condition, will operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that the amount of the revenues of the System herein agreed to be set aside to provide for payment of the Prior Bonds, the Bonds, the Safe Drinking Water Bonds and any Parity Bonds and the interest thereon as the same becomes due and payable will be sufficient for that purpose;
- (d) The Municipality will prepare a budget not less than sixty (60) days prior to the end of each Fiscal Year and, in the event such budget indicates that earnings for each year will not exceed debt service for each corresponding year, will take any and all steps permitted by law to increase rates so that the earnings will equal or exceed debt service as promptly as possible;
- (e) The Municipality will keep proper books and accounts relative to the System, separate from all other records of the Municipality, and will cause such books and accounts to be audited annually not later than six months after the close of each Fiscal Year by a recognized

independent firm of certified public accountants, and will make available to the holders of any of the Bonds or any Parity Bonds the latest balance sheet and the profit and loss statement of the System as certified by such accountants. Any owner shall have the right at any reasonable time to inspect the System and the records, accounts and data of the System and the Municipality relating thereto. Each such audit, in addition to whatever matters may be thought proper by the accountant, shall include the following in accordance with generally accepted accounting practices: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the Municipality has carried out the requirements of this Resolution, and the accountants' recommendation for any changes or improvements in the accounting methods of the System; (5) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy; and (6) the number and types of connections to the System at the end of each year; and

(f) So long as any of the Bonds or Parity Bonds are outstanding, the Municipality will carry, for the benefit of the owners of the Bonds and any Parity Bonds, insurance of a kind and in such amounts as would usually be carried by private companies or other public bodies engaged in operating a similar waterworks system. All money received for losses under any of such insurance policies, except public liability, shall be used in repairing the damage or in replacing the property destroyed, but in the event that the Governing Body shall find it inadvisable to repair such damage or replace such property, and that the operation of the System shall not have been impaired thereby, such money may be deposited in the Revenue Fund, but shall not reduce the amount otherwise required to be paid into said Revenue Fund.

Section 11. Sale of the Bonds. The Bonds shall be sold to the Original Purchaser for the sum set forth on the Proposal, plus accrued interest to the date of delivery.

Section 12. Application of Bond Proceeds; Excess Reserve Account Funds. The Bond Proceeds (including any premium and accrued interest from their date to the date of delivery) shall be deposited and applied as follows:

- (a) to the Interest and Principal Account of the Special Redemption Fund, the amount of any accrued interest;
- (b) to the Reserve Account of the Special Redemption Fund an amount, if any, necessary to make the amount on deposit therein

equal to the Reserve Requirement; and  
(c) to the refunding escrow account established by the Escrow Agreement (defined below) an amount of Bond Proceeds sufficient to provide for the payment of the Refunded Obligations. Any balance, less the expenses incurred in authorizing, i

**Sponsors:** Q.A. Shakoor II

*Alderman Shakoor requested that Resolution 15-0317 be considered separately.*

**A motion was made by Alderman Shakoor II, seconded by Alderman McCarthy, that this Resolution be Adopted. The motion was APPROVED by the following vote:**

**AYES:** 14 - Coe, Jones, Shields, Kaplan, Smetana, Weidner, DeHahn, Shakoor II, McCarthy, Wisner, Land, Perez, Morgenroth and Hart

**EXCUSED:** 1 - Lemke

### **K. Consent Agenda**

Council Action on Consent Agenda Items

**A motion was made by Alderman Wisner, seconded by Alderman Shakoor, that this be Considered as Reported. The motion PASSED on the Consent Vote.**

**AYES:** 14 - Coe, Jones, Shields, Kaplan, Smetana, Weidner, DeHahn, Shakoor II, McCarthy, Wisner, Land, Perez, Morgenroth and Hart

**EXCUSED:** 1 - Lemke

### **L. Proclamation**

*Saturday August 29, 2015 as: "VIETNAM VETERANS MEMORIAL DAY" in the City of Racine.*

### **M. Adjourn**

*The meeting was adjourned at 7:50 PM by Alderman Shakoor. The next scheduled meeting of the Council is September 1, 2015.*