



City of Racine

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

Meeting Agenda - Final Common Council

Alderman Jeff Coe
Alderman Mollie Jones
Alderman Michael Shields
Alderman Tracey Larrin
Alderman Steve Smetana
Alderman Sandy Weidner
Alderman Raymond DeHahn
Alderman Q.A. Shakoor II
Alderman Terry McCarthy
Alderman Dennis Wiser
Alderman Mary Land
Alderman Henry Perez
Alderman James Morgenroth
Alderman Jason Meekma
Alderman Melissa Lemke

Tuesday, August 16, 2016

7:00 PM

City Hall, Room 205

A. Call To Order

B. Pledge of Allegiance To The Flag

C. Approval of Journal of Council Proceedings (Minutes) for: August 1, 2016

D. Public Comments

E. Communications

Refer to Finance and Personnel Committee, by Ald. Shakoor

[0648-16](#)

Subject: Communication from the City Attorney submitting the claim of Clyde Oliver, Jr. for consideration.

[0649-16](#)

Subject: Communication from the City Attorney submitting the claim of Michael Maurer for consideration.

[0677-16](#)

Subject: Communication from the Director of Parks, Recreation & Cultural Services and Board of Cemetery Commissioners requesting approval of Section 5A for sale of full-size and cremation graves at Mound Cemetery.

[0681-16](#) **Subject:** Communication from the City Attorney seeking to increase the City Attorney Office's authorized full time equivalents by one to add an additional Assistant City Attorney. Funding to cover this additional position will come from a reduction in the expenditures for outside legal counsel.

[0683-16](#) **Subject:** Communication from the Fire Chief requesting the city proceed forward with issuing an Intent to Purchase letter for new Quint 3 and to waive formal bidding for the acquisition of new fire apparatus under the 2017 CIP.

[0684-16](#) **Subject:** Communication from the Fire Chief requesting to update the State of Wisconsin Regional Haz Mat Team compensation schedule for the department.

[0699-16](#) **Subject:** Communication from the Assistant Finance Director requesting to give the 2nd Quarter 2016 Financial Update.

Refer to Public Works and Services Committee, by Ald. McCarthy

[0678-16](#) **Subject:** Change Order No. 1 to Contract 20160001, Washington Avenue Bridge Sidewalk Replacement, Marvin Gleason Contractors, contractor.

[0701-16](#) **Subject:** Amendment No. 1 to the Three-Party Agreement between the City of Racine, WisDOT and R.A. Smith National for State Project ID: 2260-08-00, Durand Avenue - Kearney Avenue to Sheridan Road (STH 32).

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

[0700-16](#) **Subject:** Communication from the Sixth District Alderperson requesting the Public Safety & Licensing Committee to review, revise, and update Chapter 22, Article XXIII. The intent of the requestor is that the Public Safety & Licensing Committee will discuss appointing an ad-hoc committee, comprised of interested alderpersons, a representative from the Police Department, and representatives of authorized towing companies, to review Chapter 22, Article XXIII.

F. Committee Reports

Finance and Personnel Committee Report, by Ald. Shakoor

[0505-16](#) **Subject:** A communication from the Executive Director of the Redevelopment Authority for authorization to accept a \$200,000.00 USEPA Brownfield Cleanup Grant for cleanup of the south lot of 1425 North Memorial Drive (aka the Racine Steel Castings property). (Res

No. 0270-16)

Recommendation of the Redevelopment Authority on 7-25-16: That a \$200,000.00 USEPA Brownfield Cleanup grant for the south lot of 1425 Memorial Drive (aka the Racine Steel Castings property) be accepted for the purposes of creating brownfield reports, studies and conducting clean-up activities.

Recommendation of the Finance & Personnel Committee on 7-25-16: That a \$200,000.00 USEPA Brownfield Cleanup grant for the south lot of 1425 Memorial Drive (aka the Racine Steel Castings property) be accepted for the purposes of creating brownfield reports, studies and conducting clean-up activities control #00091.

Fiscal Note: A 20% local match is required and the City has committed to a grant match of \$40,000.00. Funds are available in the Intergovernmental Revenue Sharing Org. 45260.

[0633-16](#)

Subject: Communication from the City Attorney submitting the claim of Jonathan Bradley for consideration.

Recommendation of the Finance & Personnel Committee on 8/8/16: That the claim of Jonathan Bradley be denied.

Fiscal Note: N/A

[0636-16](#)

Subject: Communication from the Assistant Finance Director presenting the 2015 City of Racine Audited Financial Statements and Communication to those charged with governance and management.

Recommendation of the Finance & Personnel Committee on 8/8/16: Receive and File.

Fiscal Note: The City of Racine received an unqualified or "clean" audit opinion again this year. There are no items of significant concern and all audit communications have been addressed by City staff.

[0637-16](#)

Subject: Communication from the Assistant Finance Director requesting permission to sign a contract with Baker Tilly to perform audits of the City's 13 individual Tax Incremental Districts. (Res. No. 0287-16)

Recommendation of the Finance & Personnel Committee on 8/8/16: Approve the Finance Director to sign a contract with Baker Tilly to perform audits of the City's 13 individual Tax Incremental Districts.

Fiscal Note: The Tax Incremental Districts are required to be audited at various points during the life of the District. Each open Tax Incremental District will be audited as of 12/31/2015. Audit fees will be paid out of

each Tax Incremental District for a total cost estimate of \$63,000.00.

[0673-16](#)

Subject: (Direct Referral) Communication from the City Administrator requesting to meet with the Finance and Personnel Committee in Closed Session pursuant to Wisconsin Statutes section 19.85(1)(e), to address 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 8-8-16:

Receive and File.

Fiscal Note: N/A

Public Works and Services Committee Report, by Ald. McCarthy

[0500-16](#)

Subject: Final Payment on Contract 42-13 (K3-047), 2013 Parking Ramp Maintenance, CWS Source Inc., dba as Structurewerks, contractor. (Res. No. 0291-16)

Recommendation of the Public Works and Services Committee on

08-09-16: That the work done by CWS Source, Inc., dba Structurewerks, be accepted and final payment authorized for a total contract amount of \$346,125.50.

Fiscal Note: Contract was authorized under Resolution 13-0331, dated August 20, 2013.

[0646-16](#)

Subject: (Direct Referral) Communication from the Alderwoman of the 11th District requesting a preliminary resolution for bituminous paving on Olive Street from Grove Avenue to Dead End. (Res. No. 0289-16)

Recommendation of the Public Works and Services Committee on

08-09-16: That a preliminary resolution be introduced for the bituminous paving on Olive Street from Grove Avenue to Dead End.

Fiscal Note: This is an assessable project and, therefore, all costs will be paid for by the abutting property owners.

[0647-16](#)

Subject: Bid results on Contract 20160033, City Hall Tuckpointing. (Res. No. 0290-16)

Recommendation of the Public Works and Services Committee on

08-09-16: That Contract 20160033, City Hall Tuckpointing, be awarded to Innovative Masonry Restoration of WI, LLC., at their bid price of \$146,300.00, plus Alt. 1 in the amount of \$7,325.00, for a total bid of \$153,625.00, 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, City Hall-Tuckpointing.

Fiscal Note: Funds are available as herein delineated.

[0652-16](#)

Subject: (Direct Referral) Communication from the Commissioner of Public Works submitting proposed changes to the solid waste and recycling collection system.(Res. No. 0292-16)

Staff Recommendation to the Public Works and Services

Committee on 08-09-16: Approve Option 1, semi-automated solid waste collection city-wide with a cost benefit analysis and comparison with other municipalities.

Fiscal Note: The proposed solid waste and recycling collection system will be implemented within the Public Works budget.

Public Safety and Licensing Committee Report, by Ald. Coe

[0576-16](#)

Subject: Communication from Phesal E. Ckadan, Twins Downtown, 930 Washington Ave, submitting a petition to exceed "Class A" quota limit and apply for a license at 930 Washington Ave (1st District).

Recommendation of the Public Safety and Licensing Committee on 08-08-16: That the petition to exceed "Class A" quota limit and apply for a license at 930 Washington Ave be denied because it does not meet the requirements listed below from Ordinance 6-97(f) needed to exceed quota.

1. The applicant shall submit to the city clerk's office a petition for exceeding quota. The petition shall include a business plan of operation and the relevant experience, background and signatures of the individual, partners or directors, officers and agent of a corporation or limited liability company, as well as the signature of the owner or owners of the building or land and any and all other information required in section 6-54;
2. The applicant shall supply proof of ownership or lease of options to purchase or lease of land or a building that is properly zoned for the proposed venture;
3. The applicant shall show that the proposed establishment will have a greater economic impact upon the community than simply the addition of another tavern, liquor store, convenience store or restaurant; and
4. The applicant shall show that the proposed establishment will benefit the community by substantially improving the tax base (i.e. the establishment will extensively rehabilitate a blighted or deteriorated building, will construct a new building on vacant land, will benefit the

community by conferring some other tangible and substantial improvement for the area).

Fiscal Note: N/A

[0601-16](#)

Subject: (Change of Agent) Application of Speedway #2089, Julie Middendorf, Agent, for a Change of Agent for a Class "A" Retail Fermented Malt Beverage License for 4620 Washington Ave (12th District).

Recommendation of the Public Safety and Licensing Committee on 07-26-16: That the Change of Agent application of Speedway #2089, Julie Middendorf, Agent, for a Class "A" Retail Fermented Malt Beverage License for 4620 Washington Ave be deferred as applicant did not appear.

Recommendation of the Public Safety and Licensing Committee on 08-08-16: That the change of agent for Speedway #2089, Julie Middendorf, Agent, for a Class "A" Retail Fermented Malt Beverage License for 4620 Washington Ave be approved.

Fiscal Note: N/A

[0634-16](#)

Subject: (New) Application of Peg & Lou's Bar and Grill LLC, Peggy L. Larson, Agent, for a "Class B" Fermented Malt Beverage and Intoxicating Liquor License for 1436 Junction Ave (3rd District).

Recommendation of the Public Safety and Licensing Committee on 08-08-16: That the new application of Peg & Lou's Bar and Grill LLC, Peggy L. Larson, Agent, for a "Class B" Fermented Malt Beverage and Intoxicating Liquor License for 1436 Junction Ave be approved, contingent upon the current license holder surrendering the license.

Fiscal Note: N/A

[0638-16](#)

Subject: (New) Application of I-Bar, LLC / DBA Coasters, Dean Paros, Agent, for a "Class B" Fermented Malt Beverage and Intoxicating Liquor License for 1301 N. Main Street (4th District).

Recommendation of the Public Safety and Licensing Committee on 08-08-16: That the new application of I-Bar, LLC / DBA Coasters, Dean Paros, Agent, for a "Class B" Fermented Malt Beverage and Intoxicating Liquor License for 1301 N. Main Street be approved, contingent upon the current license holder surrendering the license.

Fiscal Note: N/A

[0639-16](#)

Subject: (New) Application for a "Class B" Fermented Malt Beverage and Intoxicating Liquor License for 6200 West Inc. dba Main Hub,

located at 1300 N. Main St, Douglas Nicholson, Agent. (4th District)

Recommendation of the Public Safety and Licensing Committee on 08-08-16: That the new application for a "Class B" Fermented Malt Beverage and Intoxicating Liquor License for 6200 West Inc. dba Main Hub, located at 1300 N. Main St, Douglas Nicholson, Agent be approved.

Fiscal Note: N/A

[0655-16](#)

Subject: (Direct Referral)(Change of Agent) Application of Max Magic Supermarket, Manjinder Singh, Agent, for a Change of Agent for a Class "A" Retail Fermented Malt Beverage License for 1007 Washington Ave (3rd District).

Recommendation of the Public Safety and Licensing Committee on 08-08-16: That the change of Agent for Max Magic Supermarket, Manjinder Singh, Agent, for a Change of Agent for a Class "A" Retail Fermented Malt Beverage License for 1007 Washington Ave be approved.

Fiscal Note: N/A

City Plan Commission Report, by Ald.Wiser

[0642-16](#)

Subject: Communication from Christina Waldow requesting an amendment to Chapter 114 of the Racine Code of Ordinances to allow tattoo parlors in the B1 Neighborhood Convenience District. (Ord. 04-16)

Recommendation of the City Plan Commission on 8-10-16: That an ordinance be prepared and a public hearing before the Common Council be scheduled to amend 114-448(16) to add the term "Tattoo establishments as accessory to principal use" to the section.

Fiscal Note: N/A

[0668-16](#)

Subject: (Direct Referral) A request by Ilene Zinn, represented by Scott Underwood, for reinstatement of a conditional use for an adult daycare at 2051 Mead Street. (PC-16) (Res. No. 0293-16)

Recommendation of the City Plan Commission on 8-10-16: That the request be approved subject to conditions.

Fiscal Note: N/A

[0669-16](#)

Subject: (Direct Referral) An application from Danielle Baerwald seeking to rezone the property at 1325-14th Street from I-2 General Industrial District to B-2 Community Shopping District for the proposed uses of a first floor photography studio and second floor residence.

(PC-16) (ZOrd. 004-16)

Recommendation of the City Plan Commission on 8-10-16: That an ordinance be prepared and public hearing before the Common Council be scheduled to rezone the property at 1325 - 14th Street from I-2 General Industrial District to B-2 Community Shopping District.

Fiscal Note: N/A

Housing Loan Board Report, by Ald. Land

[0660-16](#)

Subject: (Direct Referral) Request of the Director of City Development to accept the offer of Ms. Daisy B. Young to purchase 1923 Mead Street, an NSP-1 property.(Res. No. 0294-16)

Recommendation of the Loan Board of Review on August 11, 2016: To approve the Offer of Ms. Daisy B. Young to purchase 1923 Mead St., an NSP-1 property.

Fiscal note: The City will receive \$93,250 in proceeds minus commissions and closing costs.

[0661-16](#)

Subject: (Direct Referral) Request of the Director of City Development to accept the offer of Ms. Norma I. Ramirez Otero to purchase 1801 Grand Avenue, a HOME property.(Res. No. 0295-16)

Recommendation of the Loan Board of Review on August 11, 2016: To approve the offer of Ms. Norma I. Ramirez Otero to purchase 1801 Grand Avenue, a HOME property.

Fiscal note: The City will receive \$109,999 in proceeds minus commissions and closing costs.

Office of the Mayor Report, by Ald. Wiser

[0704-16](#)

Subject:Communication from Mayor Dickert nominating an appointment to the Affirmative Action Human Rights Commission:

Appoint Rashanda Cainion as the Affirmative Action Officer.

G. Consent Resolutions

[Res.0287-16](#)

Audits of the City's 13 Individual Tax Incremental Districts

Resolved, that the Finance Director sign a contract with Baker Tilly to

perform audits of the City's 13 individual Tax Incremental Districts, is approved.

Fiscal Note: The Tax Incremental Districts are required to be audited at various points during the life of the District. Each open Tax Incremental District will be audited as of 12/31/2015. Audit fees will be paid out of each Tax Incremental District for a total cost estimate of \$63,000.00.

Sponsors:

Q.A. Shakoor II

[Res.0289-16](#)

Bituminous Paving on Olive Street from Grove Avenue to Dead End.

RESOLVED, by the Common Council of the City of Racine, Wisconsin:

1. The Common Council hereby declares its intention to exercise its power under s. 66.0703, Wisconsin Statutes, to levy special assessments upon property within the following described area for benefits conferred upon such property by improvement of the following street(s):

All property fronting upon both sides:

BITUMINOUS PAVING

Olive Street - Grove Avenue to Dead End

2.Said public improvement shall consist of **BITUMINOUS PAVING**.

3.The total amount assessed against such district shall not exceed the total cost of the improvements and the amount assessed against any parcel shall not be greater than the benefits accruing thereto from said improvements.

4.The assessments against any parcel may be paid in cash or in ten (10) annual installments.

5. The Commissioner of Public Works is directed to prepare a report consisting of:

- a. Preliminary or final plans and specifications for said improvement.
- b. An estimate of the entire cost of the proposed work or improvement.
- c. An estimate, as to each parcel of property within the assessment district, of:

- (1) The assessment of benefits to be levied.
- (2) The damages to be awarded for property taken or damaged.
- (3) The net amount of such benefits over damages or the net amount of such damages over benefits.

Upon completing such report, the Commissioner of Public Works is directed to file a copy thereof on the City Clerk's Office for public inspection.

6. Upon receiving the report of the Commissioner of Public Works, the City Clerk is directed to give a Class 1 notice of a public hearing on such report as specified in §. 66.60(7), Wisconsin Statutes.

The hearing shall be held at the Council Chambers in the City Hall at a time set by the Clerk in accordance with §. 66.0703 (7)(a), Wisconsin Statutes.

Fiscal Note: This is an assessable project and, therefore, all costs will be paid for by the abutting property owners.

Sponsors: Terry McCarthy

Res.0290-16 City Hall Tuckpointing

Resolved, that Contract 20160033, City Hall Tuckpointing, is awarded to Innovative Masonry Restoration of WI, LLC, at its bid price of \$146,300.00, plus Alt. 1 in the amount of \$7,325.00, for a total bid of \$153,625.00, 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, City Hall-Tuckpointing.

Sponsors: Terry McCarthy

Res.0291-16 Contract 42-13 (K3-047), 2013 Parking Ramp Maintenance

Resolved, that the work done by CWS Source, Inc., dba Structurewerks, is accepted and final payment authorized for a total contract amount of \$346,125.50.

Fiscal Note: Contract was authorized under Resolution 13-0331, dated August 20, 2013.

Sponsors: Terry McCarthy

Res.0292-16 Changes to the Solid Waste and Recycling Collection System

Resolved, that Option 1, semi-automated solid waste collection city-wide

with a cost benefit analysis and comparison with other municipalities, is approved.

Fiscal Note: The proposed solid waste and recycling collection system will be implemented within the Public Works budget.

Sponsors:

Terry McCarthy

Res.0293-16

2051 Mead Street

Resolved, that the request to reinstate approval of the conditional use permit for an adult day care facility at 2051 Mead Street is approved, subject to the following conditions:

- a. That the plans submitted and reviewed by the Plan Commission on February 11, 2015, are approved subject to the conditions contained herein.
- b. That all codes and ordinances be complied with and that all required permits, inspections, and licenses be obtained.
- c. That a maximum of 15 individuals, including clientele and staff, may be on-site at any time. Should State or Building Code requirements have stricter occupancy limitations, said limitations shall apply.
- d. That all required State licenses and certificates for Adult Day Care be obtained. The applicant shall provide copies of said documents to the Department of City Development within 30 days of obtaining an occupancy certificate.
- e. That handicapped access into the building meeting all City and ADA requirements shall be provided at the building entrance, prior to issuance of an occupancy permit.
- f. That a hold harmless agreement be obtained from the City Attorney's office for the signage extending over the City right-of-way prior to issuance of an occupancy permit.
- g. That approval of the loading zone for pick-up and drop-off of clientele be obtained prior to the issuance of an occupancy permit. If said approval is not granted, the applicant shall provide alternative parking arrangements, subject to review and approval by the Department of City Development.
- h. That the Plan Commission grants an exception to allow 3 parking spaces for this use as an Adult Day Care center where 4 spaces are required.
- i. That the building trim, window trim, and front door/entryway be

re-painted. Color selection shall be subject to review and approval by the Department of City Development. Painting shall be complete prior to issuance of an occupancy permit.

j. That the parking area located at 2101 Mead Street shall be constructed as per the plans provided and approved by the Village of Mt. Pleasant dated January 26, 2015, prior to issuance of an occupancy permit.

k. That if required improvements are not completed prior to request for an occupancy permit, a financial surety shall be provided by the applicant. Said surety shall be in an amount to be determined for any outstanding work, shall be made payable to the City of Racine, shall be valid for no less than one year, and shall meet all requirements for document format and content as required by the City Attorney.

l. That the hours of operation shall be from 6:00 a.m. - 6:00 p.m., Monday through Saturday.

m. That the site shall be maintained free of trash and debris, and that all storage of trash shall be indoors until the scheduled pick-up day.

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

o. That this permit is subject to review by the Plan Commission for compliance with the listed conditions.

Fiscal Note: N/A

Sponsors:

Dennis Wiser

Res.0294-16

Purchase of 1923 Mead Street

Resolved, that the request of the Director of City Development to accept an offer from Ms. Daisy B. Young to purchase 1923 Mead Street, an NSP-1 property, is authorized.

Further resolved, that the Mayor, the City Clerk, and the Director of City Development are authorized to execute any documents necessary to complete the sale.

Fiscal Note: The City will receive \$93,250 in proceeds minus commissions and closing costs.

Sponsors:

Mary Land

[Res.0295-16](#) Purchase of 1801 Grand Avenue

Resolved, that the request of the Director of City Development to accept an offer from Ms. Norma I. Ramirez Otero to purchase 1801 Grand Avenue, a HOME property, is authorized.

Further resolved, that the Mayor, the City Clerk, and the Director of City Development are authorized to execute any documents necessary to complete the sale.

Fiscal Note: The City will receive \$109,999 in proceeds minus commissions and closing costs.

Sponsors:

Mary Land

H. Resolutions[Res.0288-16](#) RESOLUTION AUTHORIZING THE ISSUANCE OF \$11,735,000 general obligation promissory notes AND THE ISSUANCE AND SALE OF \$11,735,000 note anticipation notes in ANTICIPATION thereOF

WHEREAS, the City of Racine, Racine County, Wisconsin (the "City") is presently in need of the sum of \$11,735,000 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 SEVEN HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$11,735,000) 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 SEVEN HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$11,735,000) 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 \$11,735,000; shall be dated September 7, 2016; 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 per annum and mature on August 15, 2017 as set forth on the schedule attached hereto as Exhibit B and incorporated herein by this reference (the "Schedule"). Interest shall be 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 19, 2016 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 7, 2016" (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 \$11,735,000 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 business 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 16, 2016.

Sponsors:

Q.A. Shakoor II

[Res.0296-16](#)

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$3,725,000 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"), its Waterworks System Mortgage Revenue Refunding Bonds, dated July 10, 2012 (the "2012 Bonds") and its Waterworks System Mortgage Revenue Refunding Bonds, dated September 8, 2015 (the "2015 Bonds"), which bonds are payable from the income and revenues of the System and are additionally secured by a mortgage lien on the System;

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 2007 Bonds, the 2009 Bonds, the 2011 Bonds, the 2012 Bonds and the 2015 Bonds as to the pledge of income and revenues of the System;

WHEREAS, the Municipality has determined that it is necessary and desirable to refund the outstanding 2007 Bonds (the "Refunded Obligations") for the purpose of achieving debt service cost savings (the "Refunding");

WHEREAS, the 2009 Bonds, the 2011 Bonds, the 2012 Bonds and the 2015 Bonds were issued pursuant to Resolutions adopted by the Governing Body on November 17, 2009, October 4, 2011, June 19, 2012, and August 18, 2015 (collectively, the "Prior Resolutions");

WHEREAS, the Prior Resolutions provide that additional bonds may be issued on a parity with the 2009 Bonds, the 2011 Bonds, the 2012 Bonds and the 2015 Bonds (collectively, 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, 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 Refunded Obligations, the Prior Bonds and the Safe Drinking Water Bonds, 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 \$3,725,000 Waterworks System Mortgage Revenue Refunding Bonds of the Municipality dated September 7, 2016, 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 THREE MILLION SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$3,725,000), 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 7, 2016; 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, 2017. 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 Obligations is advantageous and necessary to the Municipality.

Section 3A. Call Provisions. The Bonds shall not be subject to optional 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 a special account designated the "Refunding Fund" an amount of Bond Proceeds sufficient to provide for the payment of the Refunded Obligations. Any balance, less the expenses incurred in authorizing, issuing and delivering the Bonds, remaining in said special account after payment of the Refunded Obligations shall be transferred to the Special Redemption Fund for use in payment of principal of or interest on the Bonds and any Parity Bonds.

Any funds on deposit in the Reserve Account which, upon issuance of the Bonds, exceed the amount required to be on deposit therein, shall be trans

Sponsors:

Q.A. Shakoor II

I. Consent Agenda

J. Ordinances

Refer to City Plan Commission

[Ord.0004-16](#) Ordinance 04-16 - Tattoo Establishments in the B-1 Neighborhood Convenience

An ordinance to amend Chapter 114 - Zoning, of the Municipal Code of the City of Racine, Wisconsin regarding tattoo establishments in the B-1 Neighborhood Convenience.

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

Part 1: To amend subsection (16) of Sec.114-448. -Conditional uses in Chapter 114 - Zoning, of the Municipal Code of the City of Racine, Wisconsin by adding the phrase “, tattoo establishment as accessory to a principal use” after the word “composer.”

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:

Fiscal Note: N/A

Sponsors: Dennis Wiser

Refer to City Plan Commission

[ZOrd.0004-16](#) ZOrd. 004-16

An Ordinance Rezoning 1325 - 14th 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 1325 14 th, Racine, Wisconsin, Street, and more particularly described as follows:

“That part of Block 77 of the School Section being Herrick’s Subdivision, part of Lots 1, 2 and 3, plus the Southwest ¼ of Section 16, Township 3 North, Range 23 East, Part of Block 77, all described in Volume 2059, Pages 377-378 in the Register of Deeds, being North of 15th Street South of Fourteenth Street, and East of Junction Avenue, all located in the Southwest ¼ of the Northwest ¼, and the Northwest ¼ of the Southwest ¼ of the Southwest ¼, of Section 16, Township 3 North, Range 23 East, City of Racine, Racine County, Wisconsin (containing 17,625± square feet or 0.405 acres)”

be rezoned from I-2 general Industrial District to B-2 Community Shopping 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:

Fiscal Note: N/A

Sponsors: Dennis Wiser

K. Common Council Announcements

Announcements are limited to recognition of City residents and employees, memorials, and non-political community events. Discussion of matters related to governmental business is prohibited.

L. Adjourn

Office of The City Clerk

If you are disabled and have accessibility needs or need information interpreted for you, please call the City Clerk's Office at 636-9171 at least 48 hours prior to this meeting.