



MEMORANDUM

To: City of Menasha Common Council

From: Peggy Steeno^{ps}, Director of Administrative Services

Date: January 6, 2014

RE: RESOLUTION R-1-14 – Resolution Authorizing the Redemption of General Obligation Promissory Notes, Dated June 15, 2005, and General Obligation Promissory Notes, Series 2006C, Dated August 1, 2006

BACKGROUND

In conjunction with the recently approved State Trust Fund Loan, the above noted loans will be refinanced in 2014. With the required final payments for these loans being due on September 1, 2014, there is an opportunity to pay them off early and save some interest costs. In order to complete the redemption of the old debt in advance of the payment due date, it must be approved by Council.

ANALYSIS

The sole reason for this request to proceed with the redemption of the existing debt in advance of the September 1, 2014 due date is interest savings. The State Trust Fund Loan draw for the new loan will happen just in time to complete the redemption on the next payment date, March 1, 2014, for the loans being refinanced. And, the interest rate on the new loan is 3.75% compared to the interest rates of 3.83% and 4.61% on the old loans.

FISCAL IMPACT

The fiscal impact of this resolution is that the City will achieve interest savings, net of the cost of completing the early redemption, which includes minimizing the amount of time that both the new and the old loans will be on the City's books.

RECOMMENDATION

Staff recommends adoption of the above noted resolution.

Resolution No. R-1-14

RESOLUTION AUTHORIZING THE REDEMPTION OF
GENERAL OBLIGATION PROMISSORY NOTES, DATED JUNE 15, 2005 AND GENERAL
OBLIGATION PROMISSORY NOTES, SERIES 2006C, DATED AUGUST 1, 2006

Introduced by Mayor Merkes:

WHEREAS, the City of Menasha, Calumet and Winnebago Counties, Wisconsin (the "City") has issued its General Obligation Promissory Notes, dated June 15, 2005 (the "2005 Notes") and General Obligation Promissory Notes, Series 2006C, dated August 1, 2006 (the "2006 Notes");

WHEREAS, the 2005 Notes and 2006 Notes are callable on March 1, 2014;

WHEREAS, the City has secured State Trust Fund Loans to refund the 2005 Notes and 2006 Notes on March 1, 2014; and

WHEREAS, the Common Council of the City hereby finds and determines that it is necessary, desirable and in the best interest of the City to call the 2005 Notes and 2006 Notes for redemption on March 1, 2014.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Menasha, Calumet and Winnebago Counties, Wisconsin, that:

Section 1. Call of the 2005 Notes. The 2005 Notes which mature on September 1, 2014 shall be called for redemption on March 1, 2014, at the price of par plus accrued interest to the date of redemption.

Section 2. Call of the 2006 Notes. The 2006 Notes which mature on September 1, 2014 shall be called for redemption on March 1, 2014, at the price of par plus accrued interest to the date of redemption.

Section 3. Call Notices to Depository. The City Clerk, in conjunction with Wisconsin Public Finance Professionals, LLC ("WFPF"), shall cause timely notice of the call of the 2005 Notes and 2006 Notes to be redeemed to be given by providing notices thereof, in substantially the forms attached hereto as Exhibits A-1 and A-2, to be given to The Depository Trust Company, New York, New York, not less than 30 days nor more than 60 days prior to March 1, 2014.

Section 4. Additional Call Notice. In addition to the official notices of redemption provided for in Section 3, the City Clerk, in conjunction with WFPF, shall cause further notice of the redemption of the 2005 Notes and 2006 Notes to be provided to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System. Further notices of redemption shall contain the information set forth in the Notices of Call provided on Exhibits A-1 and A-2 and shall be provided to the parties described therein.

Adopted, approved and recorded this 6th day of January, 2014.

Donald Merkes
Mayor

ATTEST:

Deborah A. Galeazzi
City Clerk

(SEAL)

EXHIBIT A-1

NOTICE OF FULL CALL*

Regarding

CITY OF MENASHA
CALUMET AND WINNEBAGO COUNTIES, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES
DATED JUNE 15, 2005

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the date and in the amount; bear interest at the rate; and have a CUSIP No. as set forth below have been called by the City for prior payment on March 1, 2014 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
09/01/2014	\$2,490,000	4.00%	586464YR4

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before March 1, 2014.

Said Notes will cease to bear interest on March 1, 2014.

By Order of the
Common Council
City of Menasha
City Clerk

Dated _____

* To be provided by facsimile transmission, registered or certified mail, or overnight express delivery to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, not less than thirty (30) days nor more than sixty (60) days prior to March 1, 2014 and to the MSRB. Notice shall also be provided to Ambac Assurance Corporation, or any successor, the bond insurer of the Notes.

In addition, if the Notes are subject to the continuing disclosure requirements of SEC Rule 15c2-12 effective July 3, 1995, this Notice should be filed electronically with the MSRB through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

EXHIBIT A-2

NOTICE OF FULL CALL*

Regarding

CITY OF MENASHA
CALUMET AND WINNEBAGO COUNTIES, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2006C
DATED AUGUST 1, 2006

NOTICE IS HEREBY GIVEN that the Notes of the above-referenced issue which mature on the date and in the amount; bear interest at the rate; and have a CUSIP No. as set forth below have been called by the City for prior payment on March 1, 2014 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of prepayment:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
09/01/2014	\$1,685,000	5.00%	586464ZR3

The City shall deposit federal or other immediately available funds sufficient for such redemption at the office of The Depository Trust Company on or before March 1, 2014.

Said Notes will cease to bear interest on March 1, 2014.

By Order of the
Common Council
City of Menasha
City Clerk

Dated _____

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In addition, if the Notes are subject to the continuing disclosure requirements of SEC Rule 15c2-12 effective July 3, 1995, this Notice should be filed electronically with the MSRB through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.