



**MEMORANDUM**

To: City of Menasha Common Council

From: Peggy Steend,<sup>PS</sup> Director of Administrative Services

Date: January 19, 2015

RE: RESOLUTION R-1-15 – Resolution Authorizing the Redemption of General Obligation Refunding Bonds Dated December 15, 2001, General Obligation Refunding Bonds Dated December 1, 2003, General Obligation Refunding Bonds Dated January 1, 2004, and Taxable General Obligation Refunding Bonds Dated June 15, 2005

**BACKGROUND**

In conjunction with the Council's approval of R-23-14 and R-24-14, on October 6, 2014, authorizing two new State Trust Fund Loans that include funds to refinance the above noted loans, the Council is being asked to approve the redemption of the old debt in advance of the payment due date. With a redemption date of March 1, 2015, now is the appropriate time for the Council to act on the Call Notices included in Resolution R-1-15.

**ANALYSIS**

As discussed in October of 2014, the reasons for this request to proceed with the redemption of the existing debt are: (1) to restructure the 2005 debt for Lake Park Villas to match the timing of development in that area, thereby creating funds to pay off the obligation, and (2) for interest savings on the other three issues being redeemed. The State Trust Fund Loan draw for the new loans will happen just in time to complete the redemption on the next payment date, March 1, 2015, for the loans being refinanced. And, the interest rates on the two new loans are 3.00% and 3.5% compared to the interest rates of 4.00% to 4.87% on all four of the old loans.

**FISCAL IMPACT**

The fiscal impact of this resolution is that the City will achieve interest savings on three of the issues, 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, and taking the financial burden off of other funds to cover the Lake Park Villas obligation in the interim as well as a lower interest rate on the Lake Park Villas obligation.

**RECOMMENDATION**

Staff recommends adoption of the above noted resolution.

RESOLUTION NO. R-1-15

RESOLUTION AUTHORIZING THE REDEMPTION OF  
GENERAL OBLIGATION REFUNDING BONDS DATED DECEMBER 15, 2001, GENERAL  
OBLIGATION REFUNDING BONDS DATED DECEMBER 1, 2003, GENERAL  
OBLIGATION REFUNDING BONDS DATED JANUARY 1, 2004, AND TAXABLE  
GENERAL OBLIGATION REFUNDING BONDS DATED JUNE 15, 2005

Introduced by Mayor Merkes:

WHEREAS, the City of Menasha, Calumet and Winnebago Counties, Wisconsin (the "City") has outstanding its General Obligation Refunding Bonds dated December 15, 2001 ("2001 Bonds"), General Obligation Refunding Bonds dated December 1, 2003 ("2003 Bonds"), General Obligation Refunding Bonds dated January 1, 2004 ("2004 Bonds"), and Taxable General Obligation Refunding Bonds dated June 15, 2005 ("2005 Bonds");

WHEREAS, the Common Council has determined that it is necessary and desirable to call the 2001 Bonds maturing in the years 2015 through 2017, the 2003 Bonds maturing in the years 2015 through 2021, the 2004 Bonds maturing in the years 2015 through 2018 and the 2005 Bonds maturing in the years 2015 and 2016 for redemption on March 1, 2015 with proceeds of a State Trust Fund Loan;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Menasha, Calumet and Winnebago Counties, Wisconsin, that the 2001 Bonds maturing in the years 2015 through 2017, the 2003 Bonds maturing in the years 2015 through 2021, the 2004 Bonds maturing in the years 2015 through 2018 and the 2005 Bonds maturing in the years 2015 and 2016 are called for prior payment on March 1, 2015 at the price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Wisconsin Public Finance Professionals, LLC to cause timely notice of redemption, in substantially the forms attached hereto as Exhibit A through Exhibit D and incorporated herein by this reference (collectively, the "Notices"), to be provided at the times, to the parties and in the manner set forth on the Notices.

Adopted, approved and recorded January 19, 2015.

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Donald Merkes  
Mayor

ATTEST:

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Deborah A. Galeazzi  
City Clerk

(SEAL)

EXHIBIT A

NOTICE OF FULL CALL\*

Regarding

CITY OF MENASHA  
CALUMET AND WINNEBAGO COUNTIES, WISCONSIN  
GENERAL OBLIGATION REFUNDING BONDS  
DATED DECEMBER 15, 2001

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on March 1, 2015 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>
09/01/2015	\$145,000	4.875%	586464VE6
09/01/2016	150,000	4.875	586464VF3
09/01/2017	130,000	4.875	586464VG1

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, 2015.

Said Bonds will cease to bear interest on March 1, 2015.

By Order of the  
Common Council  
City of Menasha  
City Clerk

Dated \_\_\_\_\_

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\* To be provided by 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, 2015 and to the MSRB.

In addition, if the Bonds 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](http://www.emma.msrb.org).

EXHIBIT B

NOTICE OF FULL CALL\*

Regarding

CITY OF MENASHA  
CALUMET AND WINNEBAGO COUNTIES, WISCONSIN  
GENERAL OBLIGATION REFUNDING BONDS  
DATED DECEMBER 1, 2003

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on March 1, 2015 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>
09/01/2015	\$130,000	4.00%	586464WZ8
09/01/2016	135,000	4.10	586464XA2
09/01/2017	140,000	4.20	586464XB0
09/01/2018	145,000	4.30	586464XC8
09/01/2019	155,000	4.40	586464XD6
09/01/2020	160,000	4.50	586464XE4
09/01/2021	165,000	4.60	586464XF1

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, 2015.

Said Bonds will cease to bear interest on March 1, 2015.

By Order of the  
Common Council  
City of Menasha  
City Clerk

Dated \_\_\_\_\_

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\* To be provided by registered or certified mail, overnight express delivery or facsimile transmission 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, 2015 and to the MSRB.

In addition, if the Bonds 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](http://www.emma.msrb.org).

EXHIBIT C

NOTICE OF FULL CALL\*

Regarding

CITY OF MENASHA  
CALUMET AND WINNEBAGO COUNTIES, WISCONSIN  
GENERAL OBLIGATION REFUNDING BONDS  
DATED JANUARY 1, 2004

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on March 1, 2015 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>
09/01/2015	\$100,000	4.00%	586464XR5
09/01/2016	100,000	4.10	586464XS3
09/01/2017	100,000	4.20	586464XT1
09/01/2018	115,000	4.30	586464XU8

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, 2015.

Said Bonds will cease to bear interest on March 1, 2015.

By Order of the  
Common Council  
City of Menasha  
City Clerk

Dated \_\_\_\_\_

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\* To be provided by registered or certified mail, overnight express delivery, or facsimile transmission 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, 2015 and to the MSRB.

In addition, if the Bonds 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](http://www.emma.msrb.org).

EXHIBIT D

NOTICE OF FULL CALL\*

Regarding

CITY OF MENASHA  
CALUMET AND WINNEBAGO COUNTIES, WISCONSIN  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS  
DATED JUNE 15, 2005

NOTICE IS HEREBY GIVEN that the Bonds of the above-referenced issue which mature on the dates and in the amounts; bear interest at the rates; and have CUSIP Nos. as set forth below have been called by the City for prior payment on March 1, 2015 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>
09/01/2015	\$455,000	4.60%	586464YW3
09/01/2016	475,000	4.65	586464YX1

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, 2015.

Said Bonds will cease to bear interest on March 1, 2015.

By Order of the  
Common Council  
City of Menasha  
City Clerk

Dated \_\_\_\_\_

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\* To be provided by registered or certified mail, overnight express delivery or facsimile transmission 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, 2015 and to the MSRB. Notice shall also be provided to Ambac Assurance Corporation, or any successor, the bond insurer of the Bonds.

In addition, if the Bonds 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](http://www.emma.msrb.org).