



**MEMORANDUM**

To: City of Menasha Common Council

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

Date: July 15, 2015

RE: RESOLUTION R-24-15 – Resolution Authorizing the Redemption of General Obligation Promissory Notes Dated August 1, 2008

**BACKGROUND**

In conjunction with the request to approve R-21-15 and R-22-15, authorizing two new State Trust Fund Loans that include funds to refinance the above noted loan, 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 September 1, 2015, now is the appropriate time for the Council to act on the Call Notices included in Resolution R-23-15.

**ANALYSIS**

As discussed in November of 2014, the reason for this request to proceed with the redemption of the existing debt are: (1) to restructure a portion of the above noted 2008 debt obligation for TID #9, in the amount of \$1,990,000, that currently has a balloon payment due in 2017, matching the timing of the repayments to the incoming increment, and (2) for interest savings on the other portion of the same debt obligation, for various purposes, in the amount of \$800,000. The State Trust Fund Loan draw for the new loans will happen just in time to complete the redemption on the next payment date, September 1, 2015, for the loans being refinanced. And, the interest rates on the two new loans are 2.5% and 3.25% compared to the interest rate of 4.33% on the issue being redeemed.

**FISCAL IMPACT**

The fiscal impact of this resolution is that TID #9 will be able to make its debt payments through the incoming increment, throughout the remaining life of the TID, taking the burden off of other funds to cover this obligation until TID #9 is able to; and, interest savings will be achieved on the portion of the obligation being refinanced for interested savings only.

**RECOMMENDATION**

Staff recommends adoption of the above noted resolution.

RESOLUTION NO. R-24-15

RESOLUTION AUTHORIZING THE REDEMPTION OF  
GENERAL OBLIGATION PROMISSORY NOTES DATED AUGUST 1, 2008

Introduced by Mayor Merkes:

WHEREAS, the City of Menasha, Calumet and Winnebago Counties, Wisconsin (the "City") has outstanding its General Obligation Promissory Notes dated August 1, 2008 ("2008 Notes"); and

WHEREAS, the Common Council has determined that it is necessary and desirable to call the 2008 Notes maturing in the years 2016 and 2017 for redemption on September 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 2008 Notes maturing in the years 2016 and 2017 are called for prior payment on September 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 form attached hereto as Exhibit A and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice.

Adopted, approved and recorded July 20, 2015.

\_\_\_\_\_  
Donald Merkes  
Mayor

ATTEST:

\_\_\_\_\_  
Deborah A. Galeazzi  
City Clerk

(SEAL)

EXHIBIT A

NOTICE OF FULL CALL\*

Regarding

CITY OF MENASHA  
CALUMET AND WINNEBAGO COUNTIES, WISCONSIN  
GENERAL OBLIGATION PROMISSORY NOTES  
DATED AUGUST 1, 2008

NOTICE IS HEREBY GIVEN that the Notes 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 September 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> |
|----------------------|-------------------------|----------------------|------------------|
| 09/01/2016           | \$ 490,000              | 4.35%                | 586464C80        |
| 09/01/2017           | 2,300,000               | 4.40                 | 586464C98        |

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 September 1, 2015.

Said Notes will cease to bear interest on September 1, 2015.

By Order of the  
Common Council  
City of Menasha  
City Clerk

Dated \_\_\_\_\_

\* To be provided by registered or certified mail, overnight express delivery, facsimile transmission or electronic 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 September 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).