AGENDA OF THE FINANCE COMMITTEE

MONDAY, MARCH 23, 2020, 4:30 PM
AMENDED
IMMEDIATELY FOLLOWING PERSONNEL
Special Telephonic Meeting of the Finance Committee
To listen to the meeting go to:
https://www.youtube.com/CityOfGreenBay

A. Zoom Meeting Information.

1. This item contains documents which provide call in information and instructions for the Zoom Meeting.

B. Roll Call.

C. Approval of the Agenda.

D. Approval of Minutes.

1. Approval of the Finance Committee minutes from the February 25, 2020 meeting.

E. Regular Business.

1. Request approval to purchase Sierra Wireless Modems with 4 years of Airlink Complete service for the Green Bay Police Department Vehicles from Island Tech Service, LLC for $32,490.

2. Request by Ald. Johnson: To review the City's capitalization policy and recommend necessary changes as it relates to minimum bonding thresholds in an effort to stem the City's growing debt.

F. Informational.

1. 2019 Contingency Account:
   $53,526.33

2. 2020 Contingency Account:
   $150,000.00

3. The next Finance Committee meeting will be held on Tuesday April 7, 2020 at 4:30 PM

G. Adjournment.

1) THIS MEETING IS RECORDED: THE VIDEO OF THIS MEETING AND MINUTES ARE AVAILABLE ONLINE AT www.greenbaywi.gov
2) ACCESSIBILITY: Any person wishing to attend who requires special accommodation because of a disability, should contact the City Safety Manager at 920-448-3125 at least 48 hours before the scheduled meeting time so that arrangements can be made.
3) QUORUM: Please take notice that a majority or quorum of the Common Council will attend this Finance Committee meeting and will constitute a meeting of the Common Council for purposes of discussion and information gathering relative to this agenda.
4) REPRESENTATION: The party requesting the communication, or their representative, should be present at this meeting.

Report to the
Finance Committee of the City of Green Bay

MEETING DATE	PREPARED BY
March 23, 2020	

AGENDA ITEM # A.1

This item contains documents which provide call in information and instructions for the Zoom Meeting.

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

1. 2020-03-23 Zoom Finance Meeting
2. 2020-03-20 Zoom Committee Instructions for Members and Persons Attending

Zoom Finance Meeting

Topic: Finance Committee Meeting 3/23/20
Time: Mar 23, 2020 04:30 PM Central Time (US and Canada)

Join Zoom Meeting
https://zoom.us/j/337132932

Meeting ID: 337 132 932

One tap mobile
+13126266799,,337132932# US (Chicago)
+19292056099,,337132932# US (New York)

Dial by your location
+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 253 215 8782 US
+1 301 715 8592 US
+1 346 248 7799 US (Houston)
+1 669 900 6833 US (San Jose)
Meeting ID: 337 132 932
Find your local number: https://zoom.us/u/adbdyTaAgU

Zoom Meeting Instructions

For Committee members and persons who have agenda items

1. You will receive a zoom meeting invitation from the host. It will be scheduled the same time as your meeting time.
2. You can receive the invitation in an email or in a calendar invite.
3. Here is what a zoom meeting invitation will look like:

Celestine Jeffreys is inviting you to a scheduled Zoom meeting.	The person who has invited you and is the host is named here.
Topic: Parks Committee 3/25/20	Host can choose a topic and description
Time: Mar 25, 2020 05:00 PM Central Time (US and Canada)	Host chooses the time and time zone. The host may allow you to join before the time. City meetings are recommended to let members join ahead of time.
Join Zoom Meeting https://zoom.us/j/810766649	This is what you'll use if you join via computer. City meetings are recommended to allow both phone and computer.
Meeting ID: 810 766 649	This is the ID that you will input after you dial the telephone number
One tap mobile +19292056099,,810766649# US (New York) +13126266799,,810766649# US (Chicago)	If you're using a mobile telephone number, use can simply click on these numbers and they will appear on your smart phone. The pink is the telephone number and the green is the meeting id.
Dial by your location +1 929 205 6099 US (New York) +1 312 626 6799 US (Chicago) +1 669 900 6833 US (San Jose) +1 253 215 8782 US +1 301 715 8592 US +1 346 248 7799 US (Houston)	Use these numbers for all types of phones. The trick here is to dial the first number, and if that doesn't work, go down the list until you find a number that works. Usually the first or second number will work.
Meeting ID: 810 766 649	Repeating the meeting id.
Find your local number: https://zoom.us/u/adbdyTaAgU	If these above numbers don't work, click this link to find other, local numbers.

4. Wisconsin Open Meetings Law still applies
   a. Persons interested in speaking to an item must give their name and address
   b. Committee/Commission/Board members will still follow *Roberts Rules of Order*
5. Once you are in the meeting please mute yourselves. City recommended practice is to:
   a. Allow a waiting room—this means the host will admit you to the meeting
   b. Mute upon entry—this means that your phone or computer will be muted when you are allowed into the meeting. You can still hear the meeting's proceedings.
6. Waiting room
   a. Committee members will remain in the meeting until it's concluded
   b. Persons on the agenda will be admitted to the meeting, and then once the item is concluded, the host will permanently mute you from the meeting (you can still hear the meeting). There is a process the committee will undertake called "opening the floor." Persons interested in listening to the meeting can go to www.youtube.com/CityofGreenBay
   c. The host of the meeting may ask you to identify yourselves, if you're calling in with a phone.
7. Using Zoom with a tablet or computer

    a. Tablet—you will be asked to sign in. Download the app either with the Apple Store or the Play Store
    b. Computer—you will be asked to sign in. You may download the app or click on the link to open Zoom in your browser.
8. Registering
    a. The host may ask you to register for the meeting. A registration link will be sent to you along with the invite. You'll receive another email confirming that you're registered for the meeting.
    b. If you're using a phone, your registration will still be tied to an email.
9. Raising your hand
    a. Committee members—you can either use CivicClerk and request to speak or you can "raise your hand" in the zoom meeting (you'd need to use a computer or tablet) to let the host know you'd like to speak. You can also un-mute yourselves and start speaking.
    b. Persons on the agenda—you can "raise your hand" but you'd need to use a computer. You will be allowed to speak, per Wisconsin Open Meetings Rules, once the committee has "opened the floor for interested parties to speak." Once the committee is finished with your agenda item, the host will mute you permanently, unless the committee opens the floor again. Once muted, you can still hear the meeting.
10. Staffing
    a. During a committee meeting, there will be at least one staff member in one of the recording rooms (council chamber, 207, 310, 604).
    b. The staff members will be the hosts of the meeting and will manage callers with muting and admitting.
11. What devices should I use?
    a. Smart phone (please see more detailed instructions on pages 3 and 4 for telephones)
    b. Land line
    c. Tablet—well in advance of the meeting, please download the Zoom Meeting app before you join a meeting by using either the Apple Store or the Play Store. You will be asked to input your name, thus identifying you for the meeting. You'll also be asked to verify your email.
    d. Computer—well in advance of the meeting, please download the Zoom Meeting app, but you can also click on a link to open the Zoom Meeting in your browser. You will be asked to input your name, thus identifying you for the meeting.
    e. For tablet and computer users--if you download the app you will be asked to verify your email.
12. Zoom etiquette
    a. Muting yourselves when you're not talking will prevent your background noise from interfering with others' ability to listen to and participate in the meeting.
    b. If you're using a telephone, please identify yourself with your phone number and name before you speak. Zoom meeting hosts can see only your telephone number.
13. Closed session
    a. During this time when we are using virtual meetings, we may use YouTube (www.youtube.com/CityOfGreenBay) for the public. We can't turn-off the You Tube recording, so all closed session items will be discussed in an adjoining room, where there is no video equipment.
    b. Persons listening in will hear the committee take a vote to go into closed session and will then hear no voices until the committee returns.

Please allow yourself ample time to get set up before your meeting starts!
If you are a Board Member, please log into CivicClerk with a computer, laptop, or tablet device.

1. Review the calendar invite you received from the meeting host. DO NOT use the phone numbers listed in this image below – this is only an example!

City Of Green Bay is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting
https://zoom.us/j/2880058733

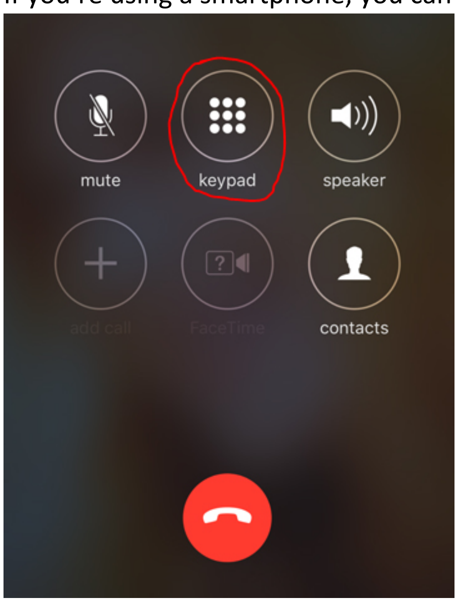
Meeting ID: 288 005 8733

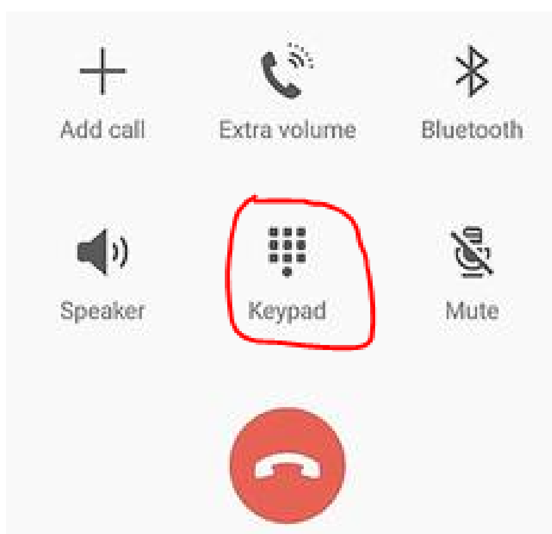
One tap mobile
+19292056099,,2880058733# US (New York)

+13126266799,,2880058733# US (Chicago)

Dial by your location
+1 929 205 6099 US (New York)
+1 312 626 6799 US (Chicago)
+1 669 900 6833 US (San Jose)
+1 253 215 8782 US
+1 301 715 8592 US
+1 346 248 7799 US (Houston)
Meeting ID: 288 005 8733
Find your local number: https://zoom.us/u/ar8eimGum

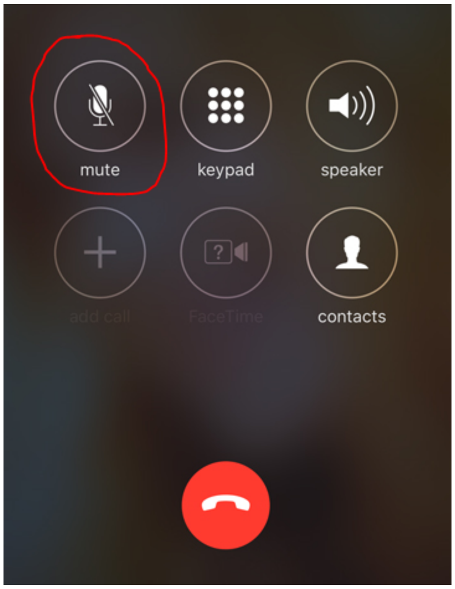
2. Use your phone to dial the phone number listed in Chicago location (red circle in example image above)
3. When prompted, enter the Meeting ID number (green circle in example image above) followed by **#**
   a. If you're using a smartphone, you can access the keypad by clicking "Keypad" on your screen

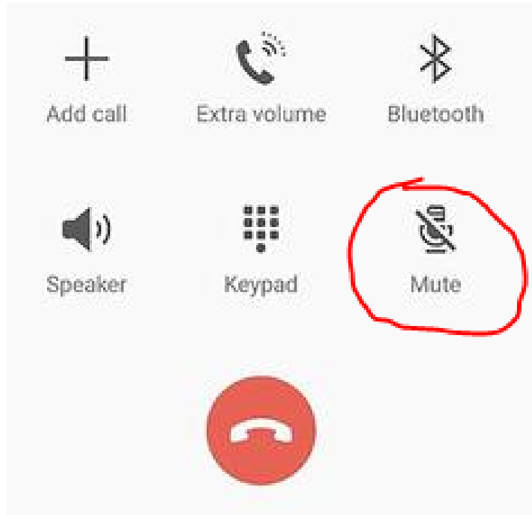




4. Once you are in the meeting, notify the meeting host that you are in and state your name.
5. If you do not need to talk, please make sure your phone is on **Mute**

a. If you’re using a smartphone, look at your screen and click the Mute button





b. If you’re using a computer, you should see a Mute button in the Zoom application 

Report to the
Finance Committee
of the City of Green Bay

MEETING DATE	PREPARED BY
March 23, 2020	

AGENDA ITEM # E.1

Request approval to purchase Sierra Wireless Modems with 4 years of Airlink Complete service for the Green Bay Police Department Vehicles from Island Tech Service, LLC for $32,490.

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

1. PURCHASING REPORT

CITY OF GREEN BAY - PURCHASING DIVISION

TO: Finance Committee
FR: Calvin Winters, Procurement Director
DT: March 18, 2020
RE: Purchasing Report
Cc: Chief Smith, Diana Ellenbecker

Report of the Purchasing Manager:

1. Request approval to purchase Sierra Wireless Modems with 4 years of Airlink Complete service for the Green Bay Police Department Vehicles from Island Tech Service, LLC for $32,490.

The following Equipment was openly and competitively bid:

DEPT: Police	REQ #37	VENDOR #1		VENDOR #2		VENDOR #3		VENDOR #4	
Planholders: 14	CC #204	**Island Tech Services, LLC**		DH Wireless Solutions		Public Safety Solutions		Graybar Electric Company	
ISSUED: 2/26/2020	DUE: 3/11/2020	**Ronkonkoma, NY**		Battle Creek, MI		Springfield MO		DePere, WI	
QTY	DESCRIPTION	UNIT	**PRICE**	UNIT	PRICE	UNIT	PRICE	UNIT	PRICE
45	Sierra Wireless-Gateway MP70-DC-LTE-Advanced Pro/HSPA North America, Band 14, Modem shall be compatible with FirstNet (CAT 12). Part #1104071 NO SUBSTITUTES	$ 678.00	$ 30,510.00	$ 684.25	$ 30,791.25	$ 696.00	$ 31,320.00	$ 737.85	$ 33,203.25
	OPTIONS								
	4 YRS Sierra Wireless Airlink Complete	$ 722.00	**$ 32,490.00**	No Bid	No Bid	$ 739.50	$ 33,277.50	No Bid	No Bid
	5 YRS Sierra Wireless Airlink Complete	$ 764.00	$ 34,380.00	$ 769.25	$ 34,616.25	$ 782.00	$ 35,190.00	$ 838.65	$ 37,739.25
	LEAD TIME:	**5-10 Days**		5 Business Days		5 Business Days		7-10 Day LeadTime at time of Bid	
	PAYMENT TERMS: NET 30 EARLY PAYMENT DISCOUNT:	**N/A**		N/A		1.5% off for Net 15		N/A	
	COMPANY ACCEPTS P-CARD PAYMENTS:	**YES**		YES		NO		YES	

Recommendation: Award to the lowest responsive, responsible vendor Island Tech Services, LLC for $32,490. The Department chose to go with the 45pcs of Sierra Wireless Gateway part #MP70-DC-LTE along with the Four (4) year Sierra Wireless Airlink Complete.

Report to the
Finance Committee of the City of Green Bay

MEETING DATE	PREPARED BY
March 23, 2020	

AGENDA ITEM # E.2

Request by Ald. Johnson: To review the City's capitalization policy and recommend necessary changes as it relates to minimum bonding thresholds in an effort to stem the City's growing debt.

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

1. johnson-finance
2. Green Bay - Debt Service Policy revised approved by CC May 5 2015

CITY OF

GREEN BAY

1854

Titletown, USA

PETITIONS AND COMMUNICATIONS FORM
COMMON COUNCIL
CITY OF GREEN BAY

Date of Council Meeting: 03-03-2020

Request of Alderperson Brian Johnson

Refer to: Finance Committee

Please state clearly the action requested. Requests should be turned in at the City Clerk's Office by 10:00 AM on the Thursday before a Council meeting. For late communications, present this form to the City Clerk after the request is read.

~~To evaluate and re~~

To review the city's capitalization policy and recommend necessary charges as it relates to minimum bonding thresholds in an effort to stem the city's growing debt.

CITY OF GREEN BAY

DEBT SERVICE POLICY

4815-6410-3715.2

CITY OF GREEN BAY DEBT POLICY	
Title: Debt Policy	**Policy Reference:** Chapter 10
Policy Source: Finance Department	**Legal Review Date:** _May 5, 2015
Finance Committee Approval: April _29, 2015	**City Council Approval:** _May 5, 2015

10.1 Definition

A debt policy is a tool which sets rules and provisions for the management of existing debt, compliance with post-issuance requirements for tax-exempt debt, issuance of additional debt, and prompt and timely payment of all debt service. Such a policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, demonstrates a commitment to long-term financial planning and maintains the City's credit rating. A well managed debt program should allow for funding of capital projects within anticipated funding sources.

10.2 Purpose

This policy will be a positive factor in the municipal market's assessment of the City of Green Bay's credit quality. The City's financial condition and credit ratings should always be the primary considerations when considering the issuance of debt. A debt policy sets forth parameters which will provide for consistency and continuity in the decision process. This leads to better long term planning and financial health which allows the City to attain as well as maintain the highest bond rating it deserves. The City recognizes that access to capital markets over the long term is dependent upon the City's unwavering commitment to full and timely repayment of debt.

10.3 Policy

The City of Green Bay will confine long-term debt to capital improvements, long term fixed assets which outlive the debt issued for them or to refund existing debt. The capital improvements program includes projects to acquire, plan, design, construct, improve and equip all or any part of its facilities or systems, promote economic development, or to secure quality of life issues. The City will work with its Finance Director, Treasurer, and fiscal agent to make sure there is adequate funding for its debt service and make prompt and timely payments on its outstanding debt.

10.4 Types of Debt

10.4.1 General Obligation Bonds and Promissory Notes

The defining feature of general obligations is the source of funds that secures their repayment: an ad valorem tax levied on all taxable property within the limits of the municipality at the time the general obligation is issued. Chapter 67 of the Wisconsin Statutes governs the issuance of various general obligations known as "general obligation" bonds or notes.

General obligation bonds may be issued by a municipality to finance projects as described in Chapter 67 of the Wisconsin Statutes that are undertaken for a public purpose. The term of general obligation bonds is limited to 20 years from the original date of issuance.

General obligation promissory notes may be issued for any public purpose. Unlike bonds, the issuance of notes is not limited to projects. Therefore, notes can be issued to fund general and current capital expenses other than those permitted in connection with bonds. The term of notes is limited to ten years from the original date of issuance, subject to extension for an additional ten years through refunding notes.

The City of Green Bay shall limit issuance of bonds and notes exclusively for the acquisition, planning, design, construction, development, extension, enlargement, renovation, rebuilding, repair or improvement of land, waters, property, streets, buildings, equipment or facilities when it can be determined that future citizens will receive a benefit from the improvement(s) and the asset(s) outlive the length of the debt issued. Incidental to the issuance of bonds and notes, a portion of the proceeds can also be used to pay the associated issuance costs and capitalized interest when appropriate. Proceeds from long-term debt shall not be used to fund current operating costs.

10.4.2 State Trust Fund Loans

The Board of Commissioners of Public Lands of the State of Wisconsin has funds available to loan to Wisconsin cities and villages. The Board may loan trust fund money to a city for any project undertaken for a public purpose consistent with the purposes allowed for issuance of general obligation bonds. The term of trust fund loans is limited to 20 years.

State trust fund loans should also be considered when the interest rate offered makes the cost of borrowing less than or comparable to general obligation bonds after considering the cost of issuance.

10.4.3 Revenue Bonds

Revenue bonds may be issued to finance public utilities, economic development projects or other projects allowed by Chapter 66 of the Wisconsin Statues. Repayment for this type of loan is made from the underlying revenues generated by the project. Revenue obligations have no claim on the taxes or other general revenues of the issuing municipality and are not debt of the municipality. Revenue obligations give municipalities the ability to recover the cost of a project from beneficiaries of the project or users of the facility.

The City of Green Bay should limit the use of revenue bonds to capital improvements for its water utility or other such enterprise utilities which may be created and fall under the direction of the Common Council, economic development projects, or other projects as allowed by Chapter 66 of the Wisconsin Statutes. Incidental to the issuance of the bonds, a portion of the proceeds can also be used to pay the associated issuance costs, project reserve funds, and capitalized interest when appropriate.

10.4.4 Capital Leases

Capital lease financing shall be considered only if verifiable operating savings, when properly discounted, outweigh the lease financing costs. Written justification detailing the explanation of factors considered, including cash flow analysis reviewed by the Finance Director, will be submitted to the Finance Committee for consideration and approval before any lease is entered into.

10.4.5 Other Debt Instruments

The City of Green Bay shall primarily issue the types of debt instruments outlined above. Other types of debt instruments may be issued as appropriate if their use is necessary or advantageous to the City. If other types of debt instruments are utilized, applicable state and federal guidelines shall be followed. The City will attempt to limit the use of short-term debt to bond anticipation purposes. Proceeds from long-term debt shall not be used to pay for current operating expenses.

10.4.6 Conduit Debt

From time to time, the City may be asked to act as a conduit to issue bonds to promote economic development or secure quality of life projects on behalf of for-profit or not-for profit entities as borrowers. Prior to using the City as a conduit issuer, the borrower shall provide substantive proof acceptable to the City that no budget appropriation shall be required to pay the debt. The City shall not allow the issuance of such debt on behalf of the borrower if doing so would prevent the City from issuing "bank qualified" debt for its own purposes without compensation from the borrower to cover the additional debt service cost.

10.5 Debt Limitations.

10.5.1 Maximum amount of indebtedness

Section 67.03(1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed 5 percent (5%) of the equalized valuation of the taxable property in the municipality. Although Wisconsin Statutes allows five percent (5%) of the equalized valuation, the City has set an internal debt goal, which seeks to remain below 50% of the maximum amount allowed by the Wisconsin Statutes.

10.5.2 Useful life shall be longer than the debt issued for its purchase

The City shall consider the useful life of the project being financed and the long-range financial and credit objectives when determining the final maturity structure of the debt.

10.5.3 Spend down of borrowed proceeds

All debt issued will be for shovel ready projects. Draw down of the proceeds will be in accordance with IRS rules for new money general obligation debt whereby ten percent (10%) of the proceeds will be spent within 6 months of the date of issuance, 50% within 12 months of the date of issuance, 75% within 18 months of the date of issuance, and 100% within 24 months of the date of issuance. If this schedule is not met, then the Finance Department will review the tax certificate and other governing documents for the debt issue to determine if any action is required with respect to rebate and yield restriction as described in Section 10.10.4. If there are any unspent proceeds remaining upon completion of the project for which the debt was issued, the balance of unspent proceeds will be applied to the debt service levy of the same issue. Each general obligation debt will be closely monitored so that it adheres to IRS regulations in respect to arbitrage and spend down rules. If the State Trust Fund is utilized for the issuance of debt, all draw requests must be made within four months of receiving the approval of the State Trust Fund to borrow the funds.

10.5.4 The City of Green Bay shall utilize any debt obligations it has at its disposal to take advantage of the lowest cost of the debt or for another benefit for the City.

10.5.5 The City of Green Bay will follow a policy of full disclosure on every financial report and offering document relating to the debt issuance.

10.6 Credit Objectives.

10.6.1 The City of Green Bay will strive to maintain or improve its current rating with Moody's: City (Aa2) and RDA (A1). The City will strive to maintain good relations with the rating agency and keep them informed of significant developments that could affect the City's credit rating.

10.6.2 The following objectives will be used to maintain debt service requirements at an affordable level and enhance the credit quality of the City:

- The levy for debt service shall be no greater than twenty-five percent (25%) of the total levy, with an effort to maintain the levy at a proportionate, even level for tax rate stabilization.
- Flexibility to fund future expenditures necessary to provide essential City services and economic viability.

10.7 Method of sale

10.7.1 The City shall issue general obligation debt through a competitive bidding process with the exception of negotiated sales authorized by the Common Council for general obligation promissory notes or refunding bonds. Section 67.08(2) of the Wisconsin Statues requires the sale of new money general obligation bonds to be sold by public sale. Bids will be awarded on a true interest cost (TIC) basis, provided that other bidding requirements set forth in a notice of sale are satisfied. In the event the Finance Director believes competitive bidding produced unsatisfactory bids for a sale of general obligation bonds, the Common Council may authorize the Finance Director and the City's financial advisors to negotiate such sale.

10.7.2 Negotiated sales of general obligation promissory notes or refunding bonds will be considered in circumstances when the complexity of the issue requires specialized expertise (such as advanced refunding or restructuring debt service), when time to complete a sale is critical, or when a negotiated sale would result in substantial cost savings. Negotiated sales of debt will also be considered for revenue bonds, bond anticipation notes, and leases when the complexity of the project, revenue source for debt service, or security for the debt makes it likely that a negotiated sale would result in a financial advantage to the City. Wisconsin Statutes permit either a public or negotiated sale for those types of debt instruments.

10.8 Refinancing / refunding of debt

10.8.1 Periodic reviews of outstanding debt will be undertaken to determine refinancing or refunding opportunities. Refinancing or refunding opportunities will be considered (within federal tax law constraints) if and when there is a net economic benefit for the refinancing or refunding.

10.8.2 In general, the City may capitalize on a refinancing or a refunding opportunity for economic savings when net present value savings of at least 2% of the refinanced / refunded debt can be achieved. Current refinancing or refunding that produce net present values savings of less than 2% savings may be considered when there is a compelling public policy or long-range financing policy objective.

10.9 Disclosure

10.9.1 The City is committed to full and complete financial disclosure, and to cooperate fully with rating agencies, institutional investors, other units of government, and the general public to share clear, comprehensible, and accurate financial information.

10.9.2 The Finance Department will provide continuing disclosure to the Municipal Securities Rule Making Board in compliance with the continuing disclosure agreement entered into on the date of each debt issuance, as required under Securities and Exchange Commission Rule 15c2-12. Such disclosures include certain events relating to the debt issue that may happen throughout the year, which are listed in each continuing disclosure agreement, and the City's annual financial information and operating data described in such agreement.

10.10 Post-Issuance Tax Compliance for Tax-Exempt Debt

10.10.1 Debt obligations of the City are referred to in this section as "**bonds**", whether the obligations are actually called bonds, promissory notes, a loan, or some other name.

Interest on most of the City's bonds is exempt from federal income tax, subject to compliance with Internal Revenue Code requirements, including *restrictions on investment of bond proceeds* and *requirements as to use of bond proceeds*. This Section sets forth procedures to monitor post-issuance compliance with the applicable federal tax requirements.

In addition, the City may issue (or may have issued) direct-pay, tax-advantaged borrowing obligations, such as Build America Bonds, that are subject to similar restrictions.

These procedures do not apply to bonds of the City that are "conduit bonds", the proceeds of which are loaned to a nongovernmental person or entity, as described in Section 10.4.6.

10.10.2 Identification of Bond Issues for Federal Tax Purposes

The City acknowledges that the federal tax rules apply separately to each bond issue for federal tax purposes. Sometimes, for federal tax purposes, two or more separately named bond issues may be treated as a single bond issue, or a single named bond issue may be treated as being composed of two bond issues. The Finance Department will review the City's tax certificates, and consult with bond counsel as necessary, to identify and maintain a list of each outstanding bond issue, as treated for federal tax purposes.

10.10.3 Record Retention

For each bond issue, the Finance Department will arrange for records to be kept of the investment and application of proceeds and the use of bond-financed property. For each bond issue, the records will be kept until at least 4 years after the bond issue is completely retired.

The records do not need to be kept at a single location, and they may be kept in physical or electronic form.

10.10.4 Rebate and Yield Restriction

For each bond issue, the Finance Department will comply with the requirements in the tax certificate and authorizing resolution, which generally include obtaining rebate determinations or a determination that rebate is not required.

Unless the Finance Department determines that rebate is not required, the Finance Department needs to establish the initial rebate determination date: it should be not later than the 5th anniversary of the date of issuance of the bonds. Additional rebate determination dates occur every 5 years thereafter and on the date the last bond of the issue is completely retired. Any rebate payment must be paid to the United States Treasury within 60 days after the rebate determination date.

As a general policy, the Finance Department should cause a rebate determination for the bond issue to be started by 60 days prior to each rebate determination date and completed by 14 days before a rebate payment would be due, and should arrange for any required rebate payment to be made to the United States Treasury by the due date.

The Finance Department will identify all funds and accounts that are treated as containing gross proceeds of the bond issue and take actions needed to comply with any yield-restriction requirements, as further detailed in the tax certificate for the bond issue. For example, if proceeds in the borrowed money fund (for general obligations) or a comparable project or construction fund (for a revenue bond issue) are not spent within the 3 year "temporary period", the Finance Department will obtain yield-restriction computations for the applicable fund and, if needed, make yield-reduction payments to the United States Treasury.

10.10.5 Investment of Bond Proceeds

The Finance Department will direct the investment of all bond proceeds in arm's-length, fair-market-value purchases and sales and will not permit the linking of the purchase or sale of investments to the provision of other services to the City, such as underwriting services.

Federal tax law safe harbors apply to the following types of investments:

Certificates of deposit

Guaranteed investment contracts

Yield-restricted defeasance escrow investments

If a federal tax law safe harbor applies to the type of investment, then as a general policy the Finance Department will arrange for the investment to meet all the requirements of the safe harbor to the extent reasonably practicable.

Certificates of Deposit: The purchase price of a certificate of deposit is treated as its fair market value if the yield on the certificate is not less than the yield on reasonably comparable direct obligations of the United States and the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

Guaranteed Investment Contracts: As a general policy, for each purchase of a guaranteed investment contract, the Finance Department will retain a bidding agent to conduct a bona fide competitive bidding process and require the bidding agent and provider to provide certifications substantially in the form approved by bond counsel. The Finance Department will maintain a record of the amounts paid for brokerage commissions, bidding agent fees, and other similar administrative costs.

Yield-Restricted Defeasance Escrow Investments: As a general policy, amounts in yield-restricted defeasance escrows will be invested in United States Treasury securities (State and Local Government Series) *unless* those securities are not available for purchase *or* the Finance Department determines, after consultation with an independent financial advisor, that there are bona fide financial reasons for the purchase of other types of investments. In those cases, the Finance Department will retain a bidding agent to conduct a bona fide competitive bidding process and require the bidding agent and provider to provide certifications substantially in the form approved by bond counsel. The Finance Department will maintain a record of the amounts paid for brokerage commissions, bidding agent fees, and other similar administrative costs.

10.10.6 Monitoring Possible Private Business Use when exempt debt was used for its construction or purchase

The Finance Department and the City Attorney's Office will review any contractual arrangement that may result in private business use of bond-financed property before the arrangement becomes effective. Arrangements that give rise to private business use generally include contracts that provide special legal entitlements to persons other than a State or local government (a "**nongovernmental person**") or the general public. Sales and leases of bond-financed property always give rise to private business use. Arrangements that may give rise to private business use, depending on the terms of the contract, include management or service contracts and research agreements.

If the Finance Department and the City Attorney's Office determine that an arrangement provides for use by a nongovernmental person of any bond-financed property, then the Finance Department and/or the City Attorney's Office will consult with bond counsel to determine whether, and the extent to which, the arrangement gives rise to private business use and obtain any recommendations about any further or subsequent review.

10.10.7 Changes of Use of Bond Financed Property and Remedial Actions

As a general policy, the Finance Department will consult with bond counsel in connection with each bond issue regarding the specific private business use limit (or private security or payment limit) that applies to that bond issue. The Finance Department will track and record any private business use of financed property (or private payments made with respect to such usage).

If the Finance Department determines any transaction has caused, or may potentially cause, the private business use limit (or private security or payment limit) of a bond issue to be exceeded, or cause the private loan limit to be exceeded, the Finance Department will consult with bond counsel to determine whether a remedial action is required or otherwise advisable. If possible, the Finance Department will do so before the transaction is final, so that remedial action requirements and options may be taken into account.

Out of an abundance of caution, the Finance Department should consider a transaction as potentially causing the private business use limit to be exceeded if *in any year* the amount of private business use is greater than the limit.

The general policy of the City is that each remedial action should be approved by an opinion of bond counsel, even in cases where the legal documents for the bond issue do not expressly require such an opinion.

In the event the Finance Department and/or the City Attorney's Office determine that the City may have taken a deliberate action that results in noncompliance of a bond issue with restrictions on use of financed property or proceeds, and it is no longer timely to take a remedial action, the Finance Department and/or the City Attorney's Office will consult with bond counsel to determine whether it is necessary or appropriate to submit a request for a voluntary closing agreement to the Internal Revenue Service to obtain a waiver of non-compliance.

10.10.8 Review of Expenditure of Bond Proceeds

The City adopts, as a prudent practice, the policy of undertaking a review of expenditure of bond proceeds of each bond issue. The City has been advised by bond counsel that the period of time to correct or change expenditures of bond proceeds ends on the earlier of 18 months after the placed in service date of a bond-financed project or 5 years after the date of issuance of the bond issue. Accordingly, the Finance Director will conduct a review of expenditures of bond proceeds after expenditure, but before this period ends, for each bond issue. The review will include a determination that each expenditure is a capital expenditure for federal tax and financial accounting purposes, and that no expenditure is for a private business use, except as specifically approved by the Finance Director. The expenditure review will also determine whether the expenditure of bond proceeds falls within applicable "spend-down" exceptions to arbitrage rebate as described in Section 10.5.3 and that the private business use limit has not been exceeded as described in Section 10.10.7.

10.10.9 Revision of this Section 10.10

The procedures set forth in this section 10.10 may be revised from time to time to reflect changes of law and ideas for improvement, and they may be expanded to address other post-issuance tax compliance actions. They are solely for guidance of City personnel. There are no third-party beneficiaries of these procedures.

The Finance Department will confer with bond counsel prior to the finalization of each future update to the City's Debt Service Policy on the need or advisability to revise this section 10.10 , taking into account experience in applying these procedures, changes in the law, and the requirements of new bond issues.

10.11 Payment of debt service

10.11.1 The Finance Director will work with the City's Treasurer and fiscal agent to timely remit payment for its debt service when due. The City will require its fiscal agent to issue an invoice to the City no less than 30 days prior to the due date. Funds shall be transferred by the City electronically to the City's fiscal agent no later than one business day prior to the debt service due date. The fiscal agent will then hold the funds, on behalf of the City, in a trust account until such payment is electronically transferred to the owners of the bonds or notes in accordance with the register it maintains.

10.12 Calculation and request for Build America Bond subsidy from the Internal Revenue Service

In 2009 and 2010 the Federal Government allowed state or local governments to issue bonds or notes known as Build America Bonds. The bonds or notes were required to be issued as taxable debt, for purposes that would otherwise qualify for tax-exempt debt, and the Federal Government subsidized 35% of the interest expense over the life of the bond issue. The subsidy is intended to equate the cost of issuing taxable debt to be at or below the cost of issuing tax-exempt debt. Subsidy payments are sent to the issuer upon receipt from the issuer of the necessary form within 60 days prior to each interest payment date of the bond issue. It is the responsibility of the Finance Director to complete the required forms and request the subsidy payment in order to receive the payment timely.

In 2013 the percentage of the subsidy payment was reduced by 7.3%. Post-issuance tax compliance described in Section 10.10 of this Debt Service Policy also applies to Build America Bonds.

10.13 Selection of Bond Counsel, Financial Advisors, and Debt Rating Agencies.

10.13.1 Bond counsel, financial advisors, and debt rating agencies will be selected as necessary according to the Wisconsin Statutes and City procurement policies.