

RESOLUTION 05-20

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE
OF \$250,000 GENERAL OBLIGATION PROMISSORY NOTE**

WHEREAS, the Town Board hereby finds and determines that it is necessary, desirable and in the best interest of the Town of Lisbon, Waukesha County, Wisconsin (the "Town") to raise funds for public purposes, including paying the cost of the acquisition of equipment (the "Project");

WHEREAS, the Town Board hereby finds and determines that the Project is within the Town's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, towns are authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes; and

WHEREAS, it is the finding of the Town Board that it is necessary, desirable and in the best interest of the Town to borrow the funds needed to finance the Project through the sale of a general obligation promissory note to Waukesha State Bank (the "Purchaser"), pursuant to the terms and conditions set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town that:

Section 1. Authorization and Sale of the Note. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) from the Purchaser. To evidence the obligation of the Town, the Chairperson and Town 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 Town, a general obligation promissory note in the principal amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) (the "Note") for a sum equal to the principal amount of the Note, plus accrued interest to the date of delivery.

Section 2. Terms of the Note. The Note shall be designated "General Obligation Promissory Note"; shall be issued in the principal amount of \$250,000; shall be dated February 28, 2020; shall be numbered R-1; shall bear interest at the rate of 2.00% per annum; and shall mature in installments of principal due on January 15 of each year, in the years and principal amounts set forth on the debt service schedule attached hereto as Exhibit A (the "Schedule"). Interest is payable semi-annually on January 15 and July 15 of each year commencing on January 15, 2021. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months.

Section 3. Redemption Provisions. The Note is not subject to optional redemption.

Section 4. Form of the Note. The Note shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit B and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Note as the same becomes due, the full faith, credit and resources of the Town are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the Town a direct annual irrepealable tax in the years 2020 through 2026 for the payments due in the years 2021 through 2027 in the amounts set forth on the Schedule under the heading "Total Payment".

(B) Tax Collection. So long as any part of the principal of or interest on the Note remains unpaid, the Town shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Note, said tax shall be, from year to year, carried onto the tax roll of the Town and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Town for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Note when due, the requisite amounts shall be paid from other funds of the Town then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the Town, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the Town may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Note, dated February 28, 2020" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Note is fully paid or otherwise extinguished. The Town Treasurer shall deposit in the Debt Service Fund Account (i) all accrued interest received by the Town at the time of delivery of and payment for the Note; (ii) any premium which may be received by the Town above the par value of the Note and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Note when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Note when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(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 Note until all such principal and interest has been paid in full and the Note canceled; provided (i) the funds to provide for each payment of principal of and interest on the Note prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Note may be used to reduce the next succeeding tax levy,

or may, at the option of the Town, be invested by purchasing the Note as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or 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. Any investment of the Debt Service Fund Account shall at all times conform 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 the Note has 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 Town, unless the Town Board directs otherwise.

Section 7. Proceeds of the Note; Segregated Borrowed Money Fund. The proceeds of the Note (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Note into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the Town and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Note. 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 Note 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.

Section 8. 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 Note to be an "arbitrage bond" within the meaning of Section 148 of the Code or the Regulations and an officer of the Town, charged with the responsibility for issuing the Note, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Note to the Purchaser which will permit the conclusion that the Note is not an "arbitrage bond," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws.

(A) The Town represents and covenants that the projects financed by the Note and their ownership, management and use will not cause the Note to be a "private activity bond" within the meaning of Section 141 of the Code. The Town 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 Note including, if applicable, the rebate requirements of Section 148(f) of the Code. The Town 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 Note) if taking, permitting or omitting to take such action would cause the Note to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Note to be included in the gross income of the recipients thereof for federal income tax purposes. The Town Clerk or other officer of the Town charged with the responsibility of issuing the Note shall provide an appropriate certificate of the Town certifying that the Town can and covenanting that it will comply with the provisions of the Code and Regulations.

(B) The Town 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 Note provided that in meeting such requirements the Town will do so only to the extent consistent with the proceedings authorizing the Note 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 10. Designation as Qualified Tax-Exempt Obligation. The Note is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Section 11. Execution of the Note; Closing. The Note shall be issued in printed form, executed on behalf of the Town by the manual or facsimile signatures of the Chairperson and Town 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 Town 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 Note may be imprinted on the Note in lieu of the manual signature of the officer but, unless the Town has contracted with a fiscal agent to authenticate the Note, at least one of the signatures appearing on the Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Note 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 Note and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing.

Section 12. Payment of the Note; Fiscal Agent. The principal of and interest on the Note shall be paid by the Town Treasurer (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of the Note. The Town shall cause books for the registration and for the transfer of the Note to be kept by the Fiscal Agent. The person in whose name the 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 the 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.

The 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 Chairperson and Town Clerk shall execute and deliver in the name of the transferee or transferees a new Note of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of such transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

The Town shall cooperate in any such transfer, and the Chairperson and Town Clerk are authorized to execute any new Note or Notes necessary to effect any such transfer.

Section 14. Record Date. The last business day of each calendar month next preceding each interest payment date shall be the record date for the Note (the "Record Date"). Payment of interest on the Note on any interest payment date shall be made to the registered owners of the Note as they appear on the registration book of the Town at the close of business on the Record Date.

Section 15. Record Book. The Town 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 Note in the Record Book.

Section 16. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Town Board 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 February 24, 2020.



Joseph Osterman
Chairperson

ATTEST:



Rick Goeckner
Interim Town Clerk



EXHIBIT A

DEBT SERVICE SCHEDULE

(See Attached)

EXHIBIT B

(Form of Note)

NUMBER	UNITED STATES OF AMERICA STATE OF WISCONSIN WAUKESHA COUNTY	DOLLARS
R-1	TOWN OF LISBON GENERAL OBLIGATION PROMISSORY NOTE	\$250,000

ORIGINAL DATE OF ISSUE:	INTEREST RATE:
February 28, 2020	2.00%

REGISTERED OWNER: WAUKESHA STATE BANK

PRINCIPAL AMOUNT: TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)

FOR VALUE RECEIVED, the Town of Lisbon, Waukesha County, Wisconsin (the "Town"), hereby acknowledges itself to owe and promises to pay to the registered owner identified above (or to registered assigns) the principal amount identified above, in installments of principal due on the dates and in the amounts provided on Schedule A attached hereto, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on January 15 and July 15 of each year commencing on January 15, 2021 until the aforesaid principal amount is paid in full.

Both the principal of and interest on this Note are payable in lawful money of the United States by the Town Treasurer.

Payment of each installment of principal hereof and interest hereon (except the last) shall be made to the registered owner hereof who shall appear on the registration books of the Town maintained by the Town Treasurer at the close of business on the last business day of the calendar month next preceding the semi-annual interest payment date (the "Record Date") and shall be paid by check or draft of the Town mailed to such registered owner at his address as it appears on such registration books or at such other address as may be furnished in writing by such registered owner to the Town Treasurer. The final installment of principal and interest on this Note shall be payable only upon presentation and surrender of this Note to the Town Treasurer.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the Town are hereby irrevocably pledged.

This Note is issued by the Town pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of the acquisition of equipment, all as authorized by a resolution of the Town Board duly adopted by said governing body at a meeting

held on February 24, 2020. Said resolution is recorded in the official minutes of the Town Board for said date.

The Note is not subject to optional redemption.

The Note is issued in registered form. This Note may be exchanged at the office of the Town Treasurer for a like aggregate principal amount of Notes of the same maturity.

This Note is transferable by a written assignment duly executed by the registered owner hereof or by such owner's duly authorized legal representative. Upon such transfer a new registered Note, in the same aggregate principal amount, shall be issued to the transferee in exchange hereof.

The Town may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes, and the Town shall not be affected by notice to the contrary.

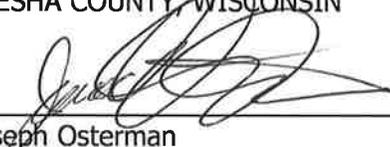
It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the Town, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrevocable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

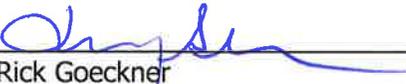
This Note has been designated by the Town Board as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the Town of Lisbon, Waukesha County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Chairperson and Town Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

TOWN OF LISBON
WAUKESHA COUNTY, WISCONSIN

By: 
Joseph Osterman
Chairperson

By: 
Rick Goeckner
Interim Town Clerk



SCHEDULE A

DEBT SERVICE SCHEDULE

(See attached)

Town of Lisbon UTGO BQ

Amount
 Borrowing: \$246,000
 Legal Fees (Approximate): \$4,000
 Total: \$250,000
 WSB Origination Fee: \$500
 Interest Rate: 2.00%

Terms: 7 Years; with Annual Principal and Semiannual Interest Payments; Non-Callable

Closing Date: 2/28/2020
 First Interest Payment Date: 1/15/2021
 First Principal Payment Date: 1/15/2021

Disbursement/Payment Date	Principal Payme	Interest Payment	Total Payment	Remaining Principal	Total Annual Debt Service Requirement	Year	Interest Accrual Days
2/28/2020	\$ -	\$ -	\$ -	\$ 250,000.00			
1/15/2021	\$ 35,714.29	\$ 4,402.78	\$ 40,117.07	\$ 214,285.71	\$ 40,117.07	2021	317
7/15/2021	\$ -	\$ 2,142.86	\$ 2,142.86	\$ 214,285.71			180
1/15/2022	\$ 35,714.29	\$ 2,142.86	\$ 37,857.15	\$ 178,571.42	\$ 40,000.00	2022	180
7/15/2022	\$ -	\$ 1,785.71	\$ 1,785.71	\$ 178,571.42			180
1/15/2023	\$ 35,714.29	\$ 1,785.71	\$ 37,500.00	\$ 142,857.13	\$ 39,285.72	2023	180
7/15/2023	\$ -	\$ 1,428.57	\$ 1,428.57	\$ 142,857.13			180
1/15/2024	\$ 35,714.29	\$ 1,428.57	\$ 37,142.86	\$ 107,142.84	\$ 38,571.43	2024	180
7/15/2024	\$ -	\$ 1,071.43	\$ 1,071.43	\$ 107,142.84			180
1/15/2025	\$ 35,714.29	\$ 1,071.43	\$ 36,785.72	\$ 71,428.55	\$ 37,857.15	2025	180
7/15/2025	\$ -	\$ 714.29	\$ 714.29	\$ 71,428.55			180
1/15/2026	\$ 35,714.29	\$ 714.29	\$ 36,428.58	\$ 35,714.26	\$ 37,142.86	2026	180
7/15/2026	\$ -	\$ 357.14	\$ 357.14	\$ 35,714.26			180
1/15/2027	\$ 35,714.26	\$ 357.14	\$ 36,071.40	\$ -	\$ 36,428.55	2027	180
TOTAL	\$ 250,000.00	\$ 19,402.78	\$ 269,402.78		\$ 269,402.78		

Average Life 3.88

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Registered Owner)

(Authorized Officer)

NOTICE: This signature must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Section 67.09, Wisconsin Statutes provides that the Town Clerk of the Town when acting as the registrar shall record the registration of each note or bond in its bond registrar. Therefore, if this Note is to be assigned, the Town Clerk of the Town should be notified and a copy of this Assignment should be sent to the Town Clerk of the Town for his or her records.