

## RESOLUTION

Considered by the Town Board of the Town of McMillan on September 28, 2024.

WHEREAS the Town of McMillan, Marathon County, Wisconsin (the "Town"), is presently in need of funds up to a maximum aggregate amount of One Million and 00/100 Dollars (\$1,000,000.00) for the public purpose of a road project; and

WHEREAS, the Town Board deems it necessary and in the best interests of the Town that, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, the sum of up to One Million and 00/100 Dollars (\$1,000,000.00) be borrowed for such purpose upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purpose hereinabove set forth the Town, by its Town Chairman and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, shall borrow from Associated Bank, National Association, ("Lender"), a maximum aggregate amount of \$1,000,000.00, or, if less, the aggregate principal amount as may be required to meet the above-stated purpose;

BE IT FURTHER RESOLVED, that to evidence such indebtedness, said Town Chairman and Town Clerk shall make, execute and deliver to the Lender for and on behalf of the Town the promissory note of the Town, in the form attached hereto with the terms, conditions, maturity, and interest rate set forth therein, which terms may be modified before the documents are executed and in force in a manner no less favorable to the Town;

BE IT FURTHER RESOLVED, that the full amount of the loan be drawn on October 14, 2024;

BE IT FURTHER RESOLVED, that there are sufficient funds on hand for the Town to make the payments on the promissory note which are due in the year 2024.

BE IT FURTHER RESOLVED, that there be, and there hereby is, levied on all the taxable property of the Town, a direct annual irrepealable tax sufficient in amount to pay the maximum principal and interest on said note as the same becomes due and payable, such tax to be in the following minimum amounts:

Amount of Tax (principal and interest)	To Meet Note Payments Due In	Year of Levy (must be in year(s) prior to due date)
\$ 129,130.32	2025	For the year 2024

\$ 129,130.32	2026	For the year 2025
\$ 129,130.32	2027	For the year 2026
\$ 129,130.32	2028	For the year 2027
\$ 129,130.32	2029	For the year 2028
\$ 129,130.32	2030	For the year 2029
\$ 129,130.32	2031	For the year 2030
\$ 129,130.32	2032	For the year 2031
\$ 129,130.32	2033	For the year 2032
\$ 107,608.60	2034	For the year 2033

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 amount shall be paid from other funds of the Town then available, which sums shall be replaced upon the collection of the taxes herein levied. In the event the Town makes an appropriation from other available funds to be applied to payment of the principal and/or interest on said note prior to the imposition of said tax, or if the remaining maximum amount available for draw on the loan plus the outstanding balance thereof is less than the full principal amount, or if the Town negotiates an interest rate or principal amortization more favorable to the Town, the Town may reduce the tax levy by the anticipated reduction in payments needed to pay the loan.

In the event that the Town exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

In the levy year, the direct annual tax so levied shall be carried into the tax rolls and shall be collected in the same manner and at the same time as other taxes of the Town for such year are collected; provided, that the amount of tax carried into the tax roll may be reduced by the amount of any surplus in the debt service account for the note. So long as any part of the principal of, or interest on, said note remains unpaid, the proceeds of said tax shall be segregated in a special fund used solely for the payment of the principal of, and interest on, said note.

BE IT FURTHER RESOLVED, that there be and there hereby is established in the treasury of the Town, if one has not already been established, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. 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 be and there hereby is established a separate and distinct account designated as the "Debt Service Account for \$1,000,000.00 Promissory Note dated October 14, 2024", which account shall be used solely for the purpose of paying principal of and interest on said note. There shall be deposited in said account any accrued interest paid on said note at the

time it is delivered to the Lender, all money raised by taxation or appropriated pursuant hereto, and such other sums as may be necessary to pay principal and interest on said note when the same shall become due.

BE IT FURTHER RESOLVED, that the proceeds of said note shall be used solely for the purposes for which it is issued, but may be temporarily invested until needed in legal investments, provided that no such investment shall be in such a manner as would cause said note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder; and an officer of the Town, charged with the responsibility for issuing the note, or Bond Counsel, shall certify by use of an arbitrage certificate, if required, that, on the basis of the facts, estimates and circumstances in existence on the date of the delivery of the note, it is not expected that the proceeds will be used in a manner that would cause said note to be an "arbitrage bond."

BE IT FURTHER RESOLVED, that the project intended to be 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 Internal Revenue Code of 1986, as amended, and that the Town shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the note.

BE IT FURTHER RESOLVED, that the Town Clerk shall keep records for the registration and for the transfer of the note. 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 presentation of the note at the office of the Town Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation, the note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the Town Clerk, shall be made on such note.


BE IT FURTHER RESOLVED, that the note is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, 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.

BE IT FURTHER RESOLVED, that the Town officials are hereby authorized and directed, so long as said note is outstanding, to deliver to the Lender any audit statement or other financial information the Lender may reasonably request and to discuss its affairs and finances with the Lender.

BE IT FURTHER RESOLVED, that said note shall be delivered to the Lender on or after the date of said note, upon commitment by the Lender to pay draws thereon as provided herein or in the note, provided that, if this is a refinancing, the refunding note shall be immediately exchanged for the note being refinanced.

Approved: September 28, 2024.

  
Debbie Derfus, Town Chairman

  
John Cokl, Town Clerk