

RESOLUTION # TB-2022-01R
TOWN OF BENNETT

Adopted at an Open Meeting held March 14, 2022.

WHEREAS, the Town of Bennett, Douglas County Wisconsin ("Town") is presently in need for funds aggregating \$119,700.00 for the public purpose of financing a 2021 Ford Super Duty F-550, Vehicle Identification Number: 1FDUF5HT7MDA01801;

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 \$119,700.00, be borrowed for such purpose(s) upon the terms and conditions hereinafter set forth.

NOW THEREFORE, BE IT RESOLVED, that for the purpose(s) herein, the Town by its Chairperson, Treasurer and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes borrow from National Bank of Commerce ("Lender"), the sum of \$119,700.00, and to evidence such indebtedness, said Chairperson, Treasurer and Clerk shall make, execute and deliver to the Lender for and on behalf of the Town the Promissory Note. The terms and conditions of the Promissory Note shall include, but not be limited to the following: 3.350% fixed interest, 7/7 term and amortization, with monthly payments of approximately \$1,601.00.

BE IT FURTHER RESOLVED, the Town authorizes the granting of a perfected security interest in the above-referenced vehicle and the signing of a security agreement.

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

BE IT FURTHER RESOLVED, 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 that the Town exercise 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 the direct annual tax herein levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

In each of said levy years, the direct annual tax so levied shall be carried into the tax rolls each year and shall be collected in the same manner and at the same time as other taxes of the Town for such years are collected; provided, that the amount of the tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt services 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 sole 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 with the debt service fund. Within the debt service funds, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for Promissory Note dated March _____[day TBD], 2022", which account shall be used solely for the purpose of paying principal 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 responsibility for issues the note, 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 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 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 notes 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 payment 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 of 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 the 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 receipt of the total principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery, provided that, if this is a refinancing, the refunding note shall be immediately exchanged for the note being refinanced.

Dated March 14, 2022



Barry Carlson, Town Chair



Tamara Johnson, Town Clerk