



**FINANCE COMMITTEE  
Minutes – February 25, 2021**

**Call to Order.** Chair Mawhinney called the meeting of the Finance Committee to order at 5:00 P.M. on Thursday, February 25, 2021, via teleconference.

**Committee Members Present.** Supervisors Mawhinney, Aegerter, Fox, Richard Bostwick and Davis.

**Committee Members Excused:** None.

**Staff Members Present.** Sherry Oja, Finance Director; Josh Smith, County Administrator; Randy Terronez, Assistant to County Administrator; Richard Greenlee, Corporation Counsel; Lisa Tollefson, County Clerk; Michelle Roettger, County Treasurer; Brent Sutherland, Facilities Management Director; Terri Carlson, Risk Manager; James Sandvig, IT Director; Annette Mikula, Human Resources Director; Bridget Laurent, Deputy Corporation Counsel; Kathy Sukus, 911 Communications Center Director; Kate Luster, Human Services Director; Heather Kempf, Michelle Lynch, Kimberley Rueth, Rebecca Shellenberger, Rock Haven.

**Others Present:** Carol Wirth, President, Wisconsin Public Finance Professionals, LLC; Frank Schultz, Janesville Gazette; Supervisors Mary Beaver and Doug Wilde.

**Approval of Agenda.** Supervisor Davis moved approval of the agenda, second by Supervisor Bostwick. ADOPTED.

**Citizen Participation, Communications and Announcements.** There were six public comments submitted and read to the committee. Most were in favor of the Rock Haven incentive resolution on today's agenda.

**Approval of Minutes – February 11, 2021.** Supervisor Fox moved approval of the minutes of February 11, 2021, second by Supervisor Bostwick. ADOPTED.

**Transfers and Appropriations.** None.

**Resolutions and Committee Endorsements.**

**Resolution Awarding the Sale of \$22,610,000 General Obligation Human Services Building Bonds; Providing the Form of the Bonds; and Levying a Tax in Connection Therewith**

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

Section 1. Award of the Bonds. The bid proposal of \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_ (the “Purchaser”) is hereby accepted, said proposal offering to purchase the  
TWENTY-TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS (\$22,610,000)  
General Obligation Human Services Building Bonds (the “Bonds”) for the sum of  
\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), plus accrued  
interest to the date of delivery resulting in a net interest cost of  
\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_ ) and a  
true interest rate of \_\_\_\_\_.%

Section 2. Terms of the Bonds. The Bonds shall be designated “General Obligation Human Services Building Bonds”; shall be dated March 23, 2021; shall be in the denomination of \$5,000 or any integral multiple thereof; shall bear interest at the rates per annum and mature on September 1 of each year, in the years and principal amounts as set forth in the Pricing Summary attached hereto as Exhibit D and incorporated herein by this reference. Interest is payable semi-annually on September 1 and March 1 of each year commencing March 1, 2022. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit E and incorporated herein by this reference (the “Schedule”).

Section 3. Designation of Purchaser as Agent. The County hereby designates the Purchaser as its agent for purposes of distributing the Final Official Statement relating to the Bonds to any participating underwriter in compliance with Rule 15c2-12 of the Securities and Exchange Commission.

Section 4. Redemption Provisions. At the option of the County, the Bonds maturing on September 1, 2032 and thereafter shall be subject to redemption prior to maturity on September 1, 2031 or on any date thereafter. Said Bonds shall be redeemable as a whole or in part, from maturities selected by the County and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 5. Form of the Bonds. The Bonds 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 6. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the County are hereby irrevocably pledged and a direct annual irrepealable tax is hereby levied upon all taxable property of the County. Said direct annual irrepealable tax shall be levied in the years 2021 through 2039 for payments due in 2022 through 2040 in the amounts as set forth on the Schedule.

The aforesaid direct annual irrepealable tax hereby levied shall be collected in addition to all other taxes and in the same manner and at the same time as other taxes of the County levied in said years are collected. So long as any part of the principal of or interest on the Bonds remains unpaid, the tax herein above levied shall be and continues irrepealable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created herein, including any capitalized interest funded with proceeds of the Bonds.

Section 7. Debt Service Fund Account. There is hereby established in the County treasury a fund account separate and distinct from every other County fund or account designated “Debt Service Fund Account for \$22,610,000 Rock County General Obligation Human Services Building Bonds dated March 23, 2021.” There shall be deposited in said fund account any premium plus accrued interest paid on the Bonds at the time of delivery to the Purchaser, all money raised by taxation pursuant to Section 6 hereof and all other sums as may be necessary to pay interest on the Bonds when the same shall become due and to retire the Bonds at their respective maturity dates. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Bonds and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished.

Section 8. Segregated Borrowed Money Fund. The proceeds of the Bonds (the “Bond Proceeds”) (other than any premium and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into an account separate and distinct from all other funds and be disbursed solely for the purposes for which borrowed or for the payment for the principal of and the interest on the Bonds.

Section 9. Arbitrage Covenant. The County shall not take any action with respect to the Bond Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Bonds (the "Closing"), would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any income tax regulations promulgated thereunder (the "Regulations").

The Bond Proceeds may be temporarily invested in legal investments until needed, provided however, that the County hereby covenants and agrees that so long as the Bonds remain outstanding, moneys on deposit in any fund or account created or maintained in connection with the Bonds, whether such moneys were derived from the Bond Proceeds or from any other source, will not be used or invested in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code or Regulations.

The County Clerk, or other officer of the County charged with responsibility for issuing the Bonds, shall provide an appropriate certificate of the County, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the County regarding the amount and use of the Bond Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 10. Additional Tax Covenants; Exemption from Rebate. The County hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Bonds) to assure that the Bonds are obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout their term. The County Clerk or other officer of the County charged with the responsibility of issuing the Bonds, shall provide an appropriate certificate of the County as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the County to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Bonds will continue to be obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes.

The County anticipates that the Bonds will qualify for the two year expenditure exemption from the rebate requirements of the Code. The County Clerk or other officer of the County charged with the responsibility of issuing the Bonds, shall provide an appropriate certificate of the County as of the Closing, for inclusion in the transcript of proceedings, with respect to said exemption from the rebate requirements, and said County Clerk or other officer is hereby authorized to make any election on behalf of the County in order to comply with the rebate requirements of the Code. If, for any reason, the County did not qualify for any exemption from the rebate requirements of the Code, the County covenants that it would take all necessary steps to comply with such requirements.

Section 11. Persons Treated as Owners; Transfer of Bonds. The County Clerk shall keep books for the registration and for the transfer of the Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond 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 Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the County Clerk, 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 County Clerk shall deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the County Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The County Clerk shall cancel any Bond surrendered for transfer.

The County shall cooperate in any such transfer, and the County Board Chairperson and County Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds. Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the County maintained by the County Clerk at the close of business on the corresponding record date.

Section 12. Utilization of The Depository Trust Company Book-Entry-Only-System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York (“DTC”), the County has heretofore agreed to the applicable provisions set forth in the DTC Blanket Issuer Letter of Representation and an official of the County has executed such Letter of Representation and delivered it to the DTC on behalf of the County.

Section 13. Official Statement. The County Board hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as “final” as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the “Rule”). All actions taken by officers of the County in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with Closing, the appropriate County official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The appropriate County official shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 14. Execution of the Bonds. The Bonds shall be issued in typewritten form, one Bond for each maturity, executed on behalf of the County by the manual or facsimile signatures of the County Board Chairperson and County Clerk (except that one of the foregoing signatures shall be manual), sealed with its official or corporate seal, if any, and delivered to the Purchaser upon payment to the County of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the delivery of the Bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

Section 15. Payment of the Bonds. The principal of and interest on the Bonds shall be paid by the County Treasurer or his or her agent in lawful money of the United States.

Section 16. Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of its Continuing Disclosure Certificate, which the County will execute and deliver on the Closing Date. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

Section 17. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the County 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 this 25<sup>th</sup> day of February, 2021”

Supervisor Fox moved approval of the above resolution, second by Supervisor Davis. Ms. Wirth reviewed the summary sheets with the committee. PASSED on the following roll call vote: AYES – Supervisors Aegerter, Fox, Bostwick, Mawhinney and Davis; NO – none.

**Resolution Authorizing the Issuance and Awarding the Sale of \$17,255,000\*\* Taxable General Obligation Refunding Bonds; Providing the Form of the Bonds; and Levying a Tax in Connection Therewith**

“NOW, THEREFORE, BE IT RESOLVED by the governing body of the Issuer that:

Section 1. Authorization of the Bonds. For the purpose of paying the cost of the Refunding, there shall be borrowed pursuant to Chapter 67 of the Wisconsin Statutes, the principal sum of SEVENTEEN MILLION TWO HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$17,255,000) from \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Purchaser”). To evidence such indebtedness, the Chairperson and County Clerk are hereby authorized, empowered and directed to make, execute, issue and sell the Bonds to the Purchaser for, on behalf of and in the name of the Issuer.

Section 2. Award of the Bonds. The bid proposal of the Purchaser is hereby accepted, said proposal offering to purchase the Bonds for the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), resulting in a net interest cost of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and a true interest rate of \_\_\_\_\_ %.

Section 3. Terms of the Bonds. The Bonds shall be designated “Taxable General Obligation Refunding Bonds”; shall be dated March 23, 2021; shall be in the denomination of \$5,000 or any integral multiple thereof; shall bear interest at the rates per annum and mature on September 1 of each year, in the years and principal amounts as set forth in the Pricing Summary attached hereto as Exhibit D and incorporated herein by this reference. Interest is payable semi-annually on March 1 and September 1 of each year commencing March 1, 2022. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit E and incorporated herein by this reference (the “Schedule”).

Section 4. Designation of Purchaser as Agent. The Issuer hereby designates the Purchaser as its agent for purposes of distributing the Final Official Statement relating to the Bonds to any participating underwriter in compliance with Rule 15c2-12 of the Securities and Exchange Commission.

Section 5. Redemption Provisions. The Bonds shall not be subject to redemption prior to maturity.

Section 6. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the Issuer are hereby irrevocably pledged and a direct annual irrepealable tax sufficient for that purpose is hereby levied upon all taxable property of the Issuer. Said direct annual irrepealable tax shall be levied in the years 2021 through 2025 for payments due in 2022 through 2026 in the amounts as set forth on the Schedule.

The direct annual irrevocable tax hereby levied shall be collected in addition to all other taxes and in the same manner and at the same time as other taxes of the Issuer levied in said years are collected. So long as any part of the principal of or interest on the Bonds remains unpaid, the tax hereinabove levied shall be and continues irrevocable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created by Section 8 hereof.

Section 7. Form of the Bonds. The Bonds 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 8. Debt Service Fund Account. There is hereby established a fund account separate and distinct from every other fund or account of the Issuer to be designated "Debt Service Fund Account for \$17,255,000 Taxable General Obligation Refunding Bonds, dated March 23, 2021". There shall be deposited in said fund account any premium plus accrued interest paid on the Bonds at the time of delivery to the Purchaser, all money raised by taxation pursuant to Section 6 hereof and all other sums as may be necessary to pay interest on the Bonds when the same shall become due and to retire the Bonds at their respective maturity dates. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Bonds and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished.

Section 9. Refunding Fund. The whole proceeds of the Bonds (the "Bond Proceeds") herein provided for (other than any premium and accrued interest which must be paid at the time of delivery of the Bonds into the Debt Service Fund Account created in Section 8 hereof) shall be segregated in a special fund upon receipt and shall be used solely for the purposes for which borrowed or for the payment of the principal of and interest on the Bonds.

Section 10. Persons Treated as Owners; Transfer of Bonds. The County Clerk shall keep books for the registration and for the transfer of the Bonds. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond 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 Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the County Clerk, 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 County Clerk shall deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the County Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The County Clerk shall cancel any Bond surrendered for transfer.

The Issuer shall cooperate in any such transfer, and the Chairperson and County Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

The 15th day of each calendar month next preceding each interest payment date shall be the record date for the Bonds. Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the Issuer maintained by the County Clerk at the close of business on the corresponding record date.

Section 11. Utilization of The Depository Trust Company Book-Entry-Only-System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the Issuer has heretofore agreed to the applicable provisions set forth in the DTC Blanket Issuer Letter of Representation and an authorized representative of the Issuer has executed such Letter of Representation and delivered it to the DTC on behalf of the Issuer.

Section 12. Official Statement. The Issuer's governing body hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the Issuer in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with Closing, the appropriate Issuer official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The appropriate Issuer official shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 13. Execution of the Bonds. The Bonds shall be issued in typewritten form, one Bond for each maturity, executed on behalf of the Issuer by the manual or facsimile signatures of the Chairperson and County Clerk (except that one of the foregoing signatures shall be manual), sealed with its official or corporate seal, if any, and delivered to the Purchaser upon payment to the Issuer of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the delivery of the Bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

Section 14. Payment of the Bonds. The principal of and interest on the Bonds shall be paid by the County Treasurer or his or her agent in lawful money of the United States.

Section 15. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of its Continuing Disclosure Certificate, which the County Clerk will execute and deliver on the Closing Date. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section, if applicable.

Section 16. Redemption of the Prior Issues. The Issuer hereby calls the 2011 Bonds maturing on and after September 1, 2022 for redemption on September 1, 2021. The Issuer hereby calls the 2013 Notes maturing on and after September 1, 2022 for redemption on September 1, 2021. The Issuer hereby directs the Escrow Agent appointed below to cause a notice of redemption for the refunded portions of the Prior Issues to be given as provided in the Escrow Agreement.

Section 17. Escrow Agent; Escrow Agreement; Escrow Account. Associated Trust Company, National Association, Green Bay, Wisconsin is hereby appointed Escrow Agent for the Issuer, for the purpose of ensuring the payment of the principal of and interest on the refunded portions of the Prior Issues.

The Chairperson and County Clerk are hereby authorized and directed to execute an escrow agreement substantially in the form attached hereto as Exhibit F (the "Escrow Agreement") (such form may be modified by said officers prior to execution, the execution of such agreement by said officers to constitute full approval of any such modifications), with the Escrow Agent, for the purpose of effecting the provisions of this Resolution.

The Bond Proceeds allocable to refunding the refunded portions of the Prior Issues shall be deposited in a refunding escrow account which is hereby created with the Escrow Agent, pursuant to the Escrow Agreement, for the purpose of retaining the required amount of cash, if any, and acquiring the United States obligations provided for in the Escrow Agreement.

Upon transfer of the Bond Proceeds and any other necessary funds allocable to refunding the refunded portions of the Prior Issues to the Escrow Account, the taxes heretofore levied to pay debt service on the refunded portions of the Prior Issues shall be abated to the extent such transfer together with investment earnings thereon is sufficient to pay the principal of and interest on the refunded portions of the Prior Issues, but such abatement shall not affect the Issuer's pledge of its full faith, credit and resources to make such payments. The refunding escrow account created by the Escrow Agreement shall hereinafter serve as the debt service (or sinking) fund for the refunded portions of the Prior Issues. The Escrow Agent shall serve as custodian of said debt service (or sinking) funds.

Section 18. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Issuer or any parts thereof in conflict with the provisions hereof shall be and the same are hereby rescinded insofar as they 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 this 25<sup>th</sup> day of February, 2021.”

Supervisor Fox moved approval of the above resolution, second by Supervisor Bostwick. Ms. Wirth reviewed the summary sheets with the committee. PASSED on the following roll call vote: AYES – Supervisors Aegerter, Fox, Bostwick, Mawhinney and Davis; NO – none.

**Resolution Authorizing the Issuance and Awarding the Sale of \$6,485,000 General Obligation Promissory Notes; Providing the Form of the Notes; and Levying a Tax in Connection Therewith**

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

Section 1. Authorization of the Notes. For the purpose of paying the cost of the Project there shall be borrowed pursuant to Section 67.12(12) of the Wisconsin Statutes, the principal sum of SIX MILLION FOUR HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$6,485,000). The bid proposal of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, (the “Purchaser”) is hereby accepted, said proposal offering to purchase the \$6,485,000 Rock County General Obligation Promissory Notes (the “Notes”) for the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), plus accrued interest to the date of delivery, resulting in a net interest cost of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and a true interest rate of \_\_\_\_\_ %.



Section 2. Sale of the Notes. To evidence such indebtedness, the County Board Chairperson and County Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the Purchaser for and on behalf of and in the name of the County, general obligation promissory notes aggregating the principal amount of SIX MILLION FOUR HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$6,485,000).

Section 3. Terms of the Notes. The Notes shall be designated “General Obligation Promissory Notes”; shall be dated March 23, 2021; shall be in the denomination of \$5,000 or any integral multiple thereof; shall bear interest at the rates per annum and mature on September 1 of each year, in the years and principal amounts as set forth in the Pricing Summary attached hereto as Exhibit D and incorporated herein by this reference. Interest is payable semi-annually on March 1 and September 1 of each year commencing March 1, 2022. The schedule of principal and interest payments due on the Notes is set forth on the Debt Service Schedule attached hereto as Exhibit E and incorporated herein by this reference (the “Schedule”).

Section 4. Designation of Purchaser as Agent. The County hereby designates the Purchaser as its agent for purposes of distributing the Final Official Statement relating to the Notes to any participating underwriter in compliance with Rule 15c2-12 of the Securities and Exchange Commission.

Section 5. Redemption Provisions. At the option of the County, the Notes maturing on September 1, 2029 and thereafter are subject to redemption prior to maturity on September 1, 2028 or on any date thereafter. Said Notes are redeemable as a whole or in part from maturities selected by the County and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

Section 6. Form of the Notes. The Notes 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 7. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the County are hereby irrevocably pledged and a direct annual irrepealable tax is hereby levied upon all taxable property of the County. Said direct annual irrepealable tax shall be levied in the years 2021 through 2029 for payments due in 2022 through 2030 in the amounts as set forth on the Schedule.

The aforesaid direct annual irrepealable tax hereby levied shall be collected in addition to all other taxes and in the same manner and at the same time as other taxes of the County levied in said years are collected. So long as any part of the principal of or interest on the Notes remains unpaid, the tax herein above levied shall be and continues irrepealable except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus in the Debt Service Fund Account created herein.

Section 8. Debt Service Fund Account. There is hereby established in the County treasury a fund account separate and distinct from every other County fund or account designated “Debt Service Fund Account for \$6,485,000 General Obligation Promissory Notes, dated March 23, 2021.” There shall be deposited in said fund account any premium plus accrued interest paid

on the Notes at the time of delivery to the Purchaser, all money raised by taxation pursuant to Section 7 hereof and all other sums as may be necessary to pay interest on the Notes when the same shall become due and to retire the Notes at their respective maturity dates. Said fund account shall be used for the sole purpose of paying the principal of and interest on the Notes and shall be maintained for such purpose until such indebtedness is fully paid or otherwise extinguished.

Section 9. Segregated Borrowed Money Fund. The proceeds of the Notes (the “Note Proceeds”) (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into an account separate and distinct from all other funds and be disbursed solely for the purposes for which borrowed or for the payment for the principal of and the interest on the Notes.

Section 10. Arbitrage Covenant. The County shall not take any action with respect to the Note Proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken on the date of the delivery of and payment for the Notes (the “Closing”), would cause the Notes to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) and any income tax regulations promulgated thereunder (the “Regulations”).

The Note Proceeds may be temporarily invested in legal investments until needed, provided however, that the County hereby covenants and agrees that so long as the Notes remain outstanding, moneys on deposit in any fund or account created or maintained in connection with the Notes, whether such moneys were derived from the Note Proceeds or from any other source, will not be used or invested in a manner which would cause the Notes to be “arbitrage bonds” within the meaning of the Code or Regulations.

The County Clerk, or other officer of the County charged with responsibility for issuing the Notes, shall provide an appropriate certificate of the County, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the County regarding the amount and use of the Note Proceeds and the facts and estimates on which such expectations are based, all as of the Closing.

Section 11. Additional Tax Covenants; Exemption from Rebate. The County hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and Regulations (whether prior to or subsequent to the issuance of the Notes) to assure that the Notes are obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes, throughout their term. The County Clerk or other officer of the County charged with the responsibility of issuing the Notes, shall provide an appropriate certificate of the County as of the Closing, for inclusion in the transcript of proceedings, certifying that it can and covenanting that it will comply with the provisions of the Code and Regulations.

Further, it is the intent of the County to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Notes will continue to be obligations described in Section 103(a) of the Code, the interest on which is excluded from gross income for federal income tax purposes.

The County anticipates that the Notes will qualify for the construction expenditure exemption from the rebate requirements of the Code. The County Clerk or other officer of the County charged with the responsibility of issuing the Notes, shall provide an appropriate certificate of the County as of the Closing, for inclusion in the transcript of proceedings, with respect to said exemption from the rebate requirements, and said County Clerk or other officer is hereby authorized to make any election on behalf of the County in order to comply with the rebate requirements of the Code. If, for any reason, the County did not qualify for any exemption from the rebate requirements of the Code, the County covenants that it would take all necessary steps to comply with such requirements.

Section 12. Persons Treated as Owners; Transfer of Notes. The County Clerk shall keep books for the registration and for the transfer of the Notes. The person in whose name any 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 any 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.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the County Clerk, 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 County Clerk shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the County Clerk shall record the name of each transferee in the registration book. No registration shall be made to bearer. The County Clerk shall cancel any Note surrendered for transfer.

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

The 15th day of each calendar month next preceding each interest payment date shall be the record date for the Notes. Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the County maintained by the County Clerk at the close of business on the corresponding record date.

Section 13. Utilization of The Depository Trust Company Book-Entry-Only- System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York (“DTC”), the County has heretofore agreed to the applicable provisions set forth in the DTC Blanket Issuer Letter of Representation and the Finance Director has executed such Letter of Representation and delivered it to the DTC on behalf of the County.

Section 14. Official Statement. The County Board hereby approves the Preliminary Official Statement with respect to the Notes and deems the Preliminary Official Statement as “final” as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the “Rule”). All actions taken by officers of the County in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with Closing, the appropriate County official shall certify the

Preliminary Official Statement and any addenda or Final Official Statement. The appropriate County official shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 15. Execution of the Notes. The Notes shall be issued in typewritten form, one Note for each maturity, executed on behalf of the County by the manual or facsimile signatures of the County Board Chairperson and County Clerk (except that one of the foregoing signatures shall be manual), sealed with its official or corporate seal, if any, and delivered to the Purchaser upon payment to the County of the purchase price thereof, plus accrued interest to the date of delivery. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the delivery of the Notes, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. The aforesaid officers are hereby authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

Section 16. Payment of the Notes. The principal of and interest on the Notes shall be paid by the County Treasurer or his or her agent in lawful money of the United States.

Section 17. Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of its Continuing Disclosure Certificate, which the County will execute and deliver on the Closing Date. Any Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Section.

Section 18. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the County 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 this 25<sup>th</sup> day of February, 2021.”

Supervisor Aegerter moved approval of the above resolution, second by Supervisor Davis. Ms. Wirth reviewed the summary sheets with the committee. PASSED on the following roll call vote: AYES – Supervisors Aegerter, Fox, Bostwick, Mawhinney and Davis; NO – none.

**Awarding Contract for New Gate and Opener at Southern Wisconsin Regional Airport and Amending the Southern Wisconsin Regional Airport Board Budget**

**“NOW, THEREFORE, BE IT RESOLVED**, that the Rock County Board of Supervisors duly assembled this \_\_\_\_\_ day of \_\_\_\_\_, 2021, does hereby award a contract of \$27,750 for the replacement of one gate and its associated electric opener at the Southern Wisconsin Regional Airport to The Tschudy Corporation DBA as American Fence Co. in Plover, Wisconsin.

**BE IT FURTHER RESOLVED** that the Airport’s 2021 budget be amended as follows:

.....”

Supervisor Fox moved approval of the above resolution, second by Supervisor Davis. ADOPTED.

**Accepting NG9-1-1 Reimbursement Grant, Approving Purchase of Eventide NEXLOG-740DX Logging Recorder Systems and Amending the 2021 Budget**

**“NOW, THEREFORE, BE IT RESOLVED** by the Rock County Board of Supervisors duly assembled this \_\_\_\_\_ day of \_\_\_\_\_, 2021 authorizes the purchase in the amount of \$81,500.00 to be awarded to General Communications, Inc., of Madison, Wisconsin and approves the budget amendments as follows:

.....”

Supervisor Davis moved approval of the above resolution, second by Supervisor Bostwick. ADOPTED.

**Amending the 2021 HSD Budget and Creating 1.0 FTE HS Supervisor I, 1.0 FTE HS Professional Lead Worker, 3.0 FTE HS Professional and 1.0 Administrative Assistant Positions to Meet Waitlist Elimination Requirements in the Children’s Long Term Support Program**

**“NOW, THEREFORE, BE IT RESOLVED** that the Rock County Board of Supervisors duly assembled this \_\_\_\_\_ day of \_\_\_\_\_, 2021 does hereby approve the creation of 1.0 Human Services Supervisor I, 1.0 FTE Human Services Professional Lead Worker and 2.0 FTE Human Services Professionals effective April 1, 2021; 1.0 FTE Human Services Professional effective August 1, 2021; and 1.0 FTE Administrative Assistant position effective October 1, 2021, as well as the purchase of computers, software, cell phones, and mobile hotspots for the new positions; and,

**BE IT FURTHER RESOLVED**, that the 2021 budget be amended as follows:

.....”

Supervisor Aegerter moved approval of the above resolution, second by Supervisor Davis. ADOPTED.

**Providing Additional Compensation and Incentives to Rock Haven Staff, Improving Recruitment Activities, Investigating the Work Environment and Amending the 2021 Budget**

**NOW, THEREFORE, BE IT RESOLVED**, that the Rock County Board of Supervisors duly assembled this \_\_\_\_\_ day of \_\_\_\_\_, 2021 does hereby reallocate Certified Nursing Assistants and Activity Therapy Assistants from Range 25 to Range 21 of the 1258 pay grid; provide a base wage increase for Licensed Practical Nurses in the same amount as Certified Nursing Assistants and Activity Therapy Assistants by adjusting amounts in Range 2A of the 1258 pay grid; and increasing the base wages of Registered Nurses by \$1.00 by adjusting the amounts in Range IV of the AMHS RH pay grid.

**BE IT FURTHER RESOLVED**, newly hired Certified Nursing Assistants, Licensed Practical Nurses, and Registered Nurses be provided with recruitment and retention incentives as follows: \$500 upon starting, \$500 at 6 months, and \$1,000 at 12 months. This program will be in effect for new hires who begin their employment with Rock Haven no later December 31, 2021, at which time the program will be re-evaluated to determine whether it will be extended.

**BE IT FURTHER RESOLVED**, currently employed staff in the positions of Certified Nursing Assistant, Licensed Practical Nurse, Registered Nurse, Activity Therapy Assistant, Environmental Service Worker, Food Service Worker, and Cook who have been employed less than 6 months or less than 12 months will receive retention incentives of \$500 when they have been employed for 6 months and \$1,000 when they have been employed for 12 months.

**BE IT FURTHER RESOLVED**, if any Rock Haven staff refers an individual to apply for a Certified Nursing Assistant, Licensed Practical Nurse, or Registered Nurse position at Rock Haven and that individual accepts employment, the referring staff member will receive a referral incentive of \$500 when the referred individual begins their employment, \$500 when the referred individual reaches 6 months of employment, and \$1,000 when the referred individual reaches 12 months of employment. This program will be in effect for new hires who begin their employment with Rock Haven no later December 31, 2021, at which time the program will be re-evaluated to determine whether it will be extended.

**BE IT FURTHER RESOLVED**, Policy 5.31 in the Administrative Policy and Procedure Manual is amended under the AFSCME 1258 header by inserting the following language: “Licensed Practical Nurses, Certified

Nursing Assistants, Activity Therapy Assistants, Environmental Service Workers, Food Service Workers, and Cooks volunteering to pick up open shifts and/or volunteer to work on short notice as a result of call-offs, shall receive one and one-half times the regular rate of pay for such duty.”

**BE IT FURTHER RESOLVED**, Policy 5.37 in the Administrative Policy and Procedure Manual is amended under the AFSCME 1258 header as follows: “Shift Differential for all personnel (regular or pool) will be paid based on the shift worked. Any employee, who works the pm or night shift will receive a shift premium of ~~\$1.00~~ \$2.00 for all hours worked during the pm or night shift.”

**BE IT FURTHER RESOLVED**, Rock Haven will participate in a program in partnership with Blackhawk Technical College to pay costs, including tuition, testing, and certification, of individuals interested in becoming Certified Nursing Assistants and who agree to 1) accept employment at Rock Haven for a period of not less than one year following completion of their studies and 2) repay all costs funded by Rock Haven on a pro-rata basis if they fail to remain employed for one year.

**BE IT FURTHER RESOLVED**, Rock Haven is directed to establish a formal process for engaging with staff to improve communications and discuss policy changes, and to regularly report to the Health Services Committee regarding this process and its outcomes.

**BE IT FURTHER RESOLVED**, the Ad Hoc Committee on the Future of Rock Haven is directed to engage a third-party to investigate the work environment, climate, and culture at Rock Haven, including compliance with and potential violations of the Personnel Ordinance and the Human Resources section of the Administrative Policy and Procedure Manual related to interactions between management and staff. The third-party will report its findings to both the Ad Hoc Committee on the Future of Rock Haven and the Blue Ribbon Commission on Organizational Excellence.

**BE IT FURTHER RESOLVED**, the 2021 budget be amended as follows:

.....”

Supervisor Fox moved approval of the above resolution, second by Supervisor Aegerter. Supervisor Beaver said we need to let the Future of Rock Haven Ad Hoc Committee do its job.

Supervisor Fox moved to amend the resolution by adding this language after line 28 “BE IT FURTHER RESOLVED, the mandated COVID-19 vaccine be abolished.”, second by Supervisor Mawhinney. Amendment FAILED on the following vote: AYES - Supervisors Fox and Mawhinney; NO - Supervisors Rich Bostwick, Davis and Aegerter.

Resolution PASSED on the following vote: AYES - Supervisors Aegerter, Fox, Bostwick and Davis; NO – Supervisor Mawhinney. ADOPTED.

**Update, Discussion and Possible Action.**

**Request for Authorization to Purchase Cisco Equipment.** Supervisor Fox moved to authorize the purchase of Cisco Equipment, second by Supervisor Davis. ADOPTED.

**Request for Authorization to Purchase Toughbooks.** Supervisor Fox moved to authorize the purchase of Toughbooks at the cost of \$15,054.00, second by Supervisor Davis. ADOPTED.

**Adjournment.** Supervisor Bostwick moved adjournment at 5:44 P.M., second by Supervisor Aegerter. ADOPTED.

Respectfully submitted,

Tracey VanZandt  
HR Secretary

**NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.**





WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC  
1025 SOUTH MOORLAND ROAD, SUITE 504  
BROOKFIELD, WI 53005  
414-434-9644  
FAX: 414-226-2014

## ROCK COUNTY, WISCONSIN

### SUMMARY OF FINAL SALE RESULTS

**\$22,610,000 General Obligation Human Services Building Bonds (“Bonds”)**  
**\$17,255,000 Taxable General Obligation Refunding Bonds (“Taxable Bonds”)**  
**\$6,485,000 General Obligation Promissory Notes (“Notes”)**

**February 25, 2021**

**Presented By: Carol Ann Wirth, President**

#### **BACKGROUND**

On January 28, 2021, a report on the three financings was presented to Finance Committee. The County prepared to enter the municipal bond market and receive competitive bids from underwriters this morning.

1. The Bonds will provide funds for the renovation of the Human Services Building. The repayment of the Bonds will occur over approximately 20 years.
2. The Taxable Bonds will refinance a portion of 2011 Bonds originally issued for Rock Haven, and 2011 Notes originally issued for Rock Haven and highway construction for debt service savings. The 2011 Bonds (\$15,500,000) are outstanding at 3.9%. The 2013 Notes (\$1,600,000) are outstanding at 2.99%. The Taxable Bonds are repaid over the same term as the 2011 Bonds and 2013 Notes (5 years).
3. The Notes provide funds for highway construction projects completed in 2020 and to be completed in 2021. The Notes are repaid over approximately 10 years.

#### **COUNTY PREPARES FOR MARKET ACCESS**

Wisconsin Public Finance Professionals, LLC (“WFPF”), as Municipal Advisor to the County:  
Coordinated Preparation of Legal Documents with Griggs Law Office LLC, Bond Counsel  
Prepared and Distributed Official Statement (SEC Required Disclosure Document)  
Advertised the Sale - Official Notice of Sale Distributed to Underwriters / Bidding Calendars  
Bond Rating Application - Moody’s Investors Service

#### **RESULTS**

Moody’s Reaffirmed the County’s **“Aa1” Bond Rating** (Credit Report Attached)

## THE BONDS – Received 7 Bids

### **\$22,610,000 General Obligation Human Services Building Bonds**

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
BOK Financial Securities, Inc., Dallas, TX	\$4,077,638.48	1.692230%
Robert W. Baird & Co., Inc., Milwaukee, WI	\$4,082,170.85	1.697473%
FHN Financial Capital Markets, New York, NY	\$4,112,875.11	1.708542%
Piper Sandler & Co, Minneapolis, MN	\$4,143,151.72	1.716550%
Huntington Securities, Inc., Chicago, IL	\$4,177,470.16	1.741968%
J.P. Morgan Securities LLC, New York, NY	\$4,241,484.10	1.771825%
Citigroup Global Markets Inc., Dallas, TX	\$4,287,611.86	1.793713%

### **\$22,610,000 General Obligation Human Services Building Bonds - 2021**

<u>Calendar Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	-	-	-	-
2022	1,000,000.00	2.000%	702,033.89	1,702,033.89
2023	1,400,000.00	2.000%	467,900.00	1,867,900.00
2024	1,190,000.00	3.000%	439,900.00	1,629,900.00
2025	1,190,000.00	3.000%	404,200.00	1,594,200.00
2026	1,190,000.00	3.000%	368,500.00	1,558,500.00
2027	1,190,000.00	2.000%	332,800.00	1,522,800.00
2028	1,190,000.00	2.000%	309,000.00	1,499,000.00
2029	1,190,000.00	2.000%	285,200.00	1,475,200.00
2030	1,190,000.00	2.000%	261,400.00	1,451,400.00
2031	1,190,000.00	2.000%	237,600.00	1,427,600.00
2032	1,190,000.00	2.000%	213,800.00	1,403,800.00
2033	1,190,000.00	2.000%	190,000.00	1,380,000.00
2034	1,190,000.00	2.000%	166,200.00	1,356,200.00
2035	1,190,000.00	2.000%	142,400.00	1,332,400.00
2036	1,190,000.00	2.000%	118,600.00	1,308,600.00
2037	1,190,000.00	2.000%	94,800.00	1,284,800.00
2038	1,190,000.00	2.000%	71,000.00	1,261,000.00
2039	1,180,000.00	2.000%	47,200.00	1,227,200.00
2040	1,180,000.00	2.000%	23,600.00	1,203,600.00
-	<b>\$22,610,000.00</b>	-	<b>\$4,876,133.89</b>	<b>\$27,486,133.89</b>

## \$22,610,000 General Obligation Human Services Building Bonds Final Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
09/01/2022	Serial Coupon	2.000%	0.220%	1,000,000.00	102.555%	-	-	-	1,025,550.00
09/01/2023	Serial Coupon	2.000%	0.330%	1,400,000.00	104.053%	-	-	-	1,456,742.00
09/01/2024	Serial Coupon	3.000%	0.490%	1,190,000.00	108.548%	-	-	-	1,291,721.20
09/01/2025	Serial Coupon	3.000%	0.650%	1,190,000.00	110.265%	-	-	-	1,312,153.50
09/01/2026	Serial Coupon	3.000%	0.780%	1,190,000.00	111.798%	-	-	-	1,330,396.20
09/01/2027	Serial Coupon	2.000%	0.940%	1,190,000.00	106.607%	-	-	-	1,268,623.30
09/01/2028	Serial Coupon	2.000%	1.120%	1,190,000.00	106.263%	-	-	-	1,264,529.70
09/01/2029	Serial Coupon	2.000%	1.260%	1,190,000.00	105.906%	-	-	-	1,260,281.40
09/01/2030	Serial Coupon	2.000%	1.380%	1,190,000.00	105.468%	-	-	-	1,255,069.20
09/01/2031	Serial Coupon	2.000%	1.470%	1,190,000.00	105.111%	-	-	-	1,250,820.90
09/01/2032	Serial Coupon	2.000%	1.570%	1,190,000.00	104.124%	c 1.604%	09/01/2031	100.000%	1,239,075.60
09/01/2033	Serial Coupon	2.000%	1.630%	1,190,000.00	103.538%	c 1.684%	09/01/2031	100.000%	1,232,102.20
09/01/2034	Serial Coupon	2.000%	1.670%	1,190,000.00	103.148%	c 1.736%	09/01/2031	100.000%	1,227,461.20
09/01/2035	Serial Coupon	2.000%	1.760%	1,190,000.00	102.279%	c 1.820%	09/01/2031	100.000%	1,217,120.10
09/01/2036	Serial Coupon	2.000%	1.850%	1,190,000.00	101.417%	c 1.894%	09/01/2031	100.000%	1,206,862.30
09/01/2037	Serial Coupon	2.000%	1.940%	1,190,000.00	100.564%	c 1.960%	09/01/2031	100.000%	1,196,711.60
09/01/2038	Serial Coupon	2.000%	1.980%	1,190,000.00	100.187%	c 1.987%	09/01/2031	100.000%	1,192,225.30
09/01/2039	Serial Coupon	2.000%	2.020%	1,180,000.00	99.692%	-	-	-	1,176,365.60
09/01/2040	Serial Coupon	2.000%	2.060%	1,180,000.00	99.042%	-	-	-	1,168,695.60
<b>Total</b>	-	-	-	<b>\$22,610,000.00</b>	-	-	-	-	<b>\$23,572,506.90</b>

Par Amount of Bonds	\$22,610,000.00
Reoffering Premium or (Discount)	962,506.90
Gross Production	\$23,572,506.90
Total Issuance Expenses Paid by Underwriter	\$(164,011.49)
Total Purchase Price	\$23,408,495.41
True Interest Cost (TIC)	1.6922305%

### THE TAXABLE BONDS – Received 9 Bids – Issue Size was Reduced to \$17,195,000

#### \$17,195,000 Taxable General Obligation Refunding Bonds

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
BOK Financial Securities, Inc., Milwaukee, WI	\$380,932.65	0.6851998%
Piper Sandler & Co., Chicago, IL	\$454,236.07	0.813962%
Robert W. Baird & Co., Inc., Milwaukee, WI	\$462,282.98	0.823143%
KeyBanc Capital Markets, Cleveland, OH	\$475,288.35	0.835112%
Citigroup Global Markets Inc., Dallas, TX	\$477,048.53	0.849923%
Morgan Stanley & Co, LLC, New York, NY	\$485,354.98	0.868591%
J.P. Morgan Securities LLC, New York, NY	\$495,146.69	0.887198%
Huntington Securities, Inc., Chicago, IL	\$515,569.62	0.925236%
BNYMellon Capital Markets, Pittsburgh, PA	\$558,819.30	1.003428%

## \$17,195,000 Taxable General Obligation Refunding Bonds - 2021

Calendar Year	Principal	Coupon	Interest	Total Debt Service
2021	-	-	-	-
2022	4,115,000.00	0.150%	100,038.76	4,215,038.76
2023	4,035,000.00	0.200%	63,352.50	4,098,352.50
2024	3,125,000.00	0.400%	55,282.50	3,180,282.50
2025	3,015,000.00	0.600%	42,782.50	3,057,782.50
2026	2,905,000.00	0.850%	24,692.50	2,929,692.50
-	<b>\$17,195,000.00</b>	-	<b>\$286,148.76</b>	<b>\$17,481,148.76</b>

## Final Debt Service Savings Comparison - 2021 Bonds vs. 2011 Bonds & 2013 Notes

Calendar Year	2021 Bonds Debt Service	2011 & 2013 Debt Service	Final Net Savings
2021	(3,307.89)	-	3,307.89
2022	4,215,038.76	4,536,600.00	321,561.24
2023	4,098,352.50	4,420,400.00	322,047.50
2024	3,180,282.50	3,472,000.00	291,717.50
2025	3,057,782.50	3,348,000.00	290,217.50
2026	2,929,692.50	3,224,000.00	294,307.50
-	<b>\$17,477,840.87</b>	<b>\$19,001,000.00</b>	<b>\$1,523,159.13</b>

Net Present Value Benefit	\$1,498,387.94
Net PV Benefit / \$17,100,000 Refunded Principal	8.715%

## \$17,195,000 Taxable General Obligation Refunding Bonds Final Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
09/01/2022	Serial Coupon	0.150%	0.150%	4,115,000.00	100.000%	4,115,000.00
09/01/2023	Serial Coupon	0.200%	0.200%	4,035,000.00	100.000%	4,035,000.00
09/01/2024	Serial Coupon	0.400%	0.400%	3,125,000.00	100.000%	3,125,000.00
09/01/2025	Serial Coupon	0.600%	0.600%	3,015,000.00	100.000%	3,015,000.00
09/01/2026	Serial Coupon	0.850%	0.850%	2,905,000.00	100.000%	2,905,000.00
<b>Total</b>	-	-	-	<b>\$17,195,000.00</b>	-	<b>\$17,195,000.00</b>

Par Amount of Bonds	\$17,195,000.00
Gross Production	\$17,195,000.00
Total Issuance Expenses Paid by Underwriter	\$(94,783.89)
Total Purchase Price	\$17,100,216.11
True Interest Cost (TIC)	0.6851998%

## THE NOTES – Received 4 Bids

### \$6,485,000 General Obligation Promissory Notes

<u>Bidder</u>	<u>Net Interest Cost</u>	<u>True Interest Rate</u>
Huntington Securities, Inc., Chicago , IL	\$464,753.62	1.309291%
Robert W. Baird & Co., Inc., Milwaukee , WI	\$487,635.85	1.372587%
KeyBanc Capital Markets, Cleveland , OH	\$510,091.94	1.445037%
FHN Financial Capital Markets, New York , NY	\$513,177.65	1.446160%

### \$6,485,000 General Obligation Promissory Notes - 2021

<u>Calendar Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	-	-	-	-
2022	800,000.00	1.500%	185,292.92	985,292.92
2023	785,000.00	1.500%	116,775.00	901,775.00
2024	700,000.00	2.500%	105,000.00	805,000.00
2025	700,000.00	1.500%	87,500.00	787,500.00
2026	700,000.00	2.000%	77,000.00	777,000.00
2027	700,000.00	3.000%	63,000.00	763,000.00
2028	700,000.00	3.000%	42,000.00	742,000.00
2029	700,000.00	1.500%	21,000.00	721,000.00
2030	700,000.00	1.500%	10,500.00	710,500.00
-	<b>\$6,485,000.00</b>	-	<b>\$708,067.92</b>	<b>\$7,193,067.92</b>

### \$6,485,000 General Obligation Promissory Notes Final Pricing Summary

<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity Value</u>	<u>Price</u>	<u>YTM</u>	<u>Call Date</u>	<u>Call Price</u>	<u>Call Dollar Price</u>
09/01/2022	Serial Coupon	1.500%	0.250%	800,000.00	101.794%	-	-	-	814,352.00
09/01/2023	Serial Coupon	1.500%	0.450%	785,000.00	102.543%	-	-	-	804,962.55
09/01/2024	Serial Coupon	2.500%	0.600%	700,000.00	106.457%	-	-	-	745,199.00
09/01/2025	Serial Coupon	1.500%	0.750%	700,000.00	103.268%	-	-	-	722,876.00
09/01/2026	Serial Coupon	2.000%	0.900%	700,000.00	105.825%	-	-	-	740,775.00
09/01/2027	Serial Coupon	3.000%	1.050%	700,000.00	112.109%	-	-	-	784,763.00
09/01/2028	Serial Coupon	3.000%	1.200%	700,000.00	112.772%	-	-	-	789,404.00
09/01/2029	Serial Coupon	1.500%	1.350%	700,000.00	101.057%	c 1.367%	09/01/2028	100.000%	707,399.00
09/01/2030	Serial Coupon	1.500%	1.500%	700,000.00	100.000%	-	-	-	700,000.00
<b>Total</b>	-	-	-	<b>\$6,485,000.00</b>	-	-	-	-	<b>\$6,809,730.55</b>

Par Amount of Notes	\$6,485,000.00
Reoffering Premium or (Discount)	324,730.55
Gross Production	\$6,809,730.55
Total Issuance Expenses Paid by Underwriter	\$(81,416.25)
Total Purchase Price	\$6,728,314.30
True Interest Cost (TIC)	1.3092911%

## Tax Impact of 2021 Projects Financings

Year Due	Existing Debt Service After Refunding	2021 Final \$22,610,000 Debt Service	2021 Bonds Est. Tax Impact	2021 Final \$6,485,000 Debt Service	Combined Debt Service	Est. Tax Rate Increase*
2021	7,812,245				7,812,245	(0.01)
2022	7,280,934	1,000,000 **	0.08	800,000 **	9,080,934	0.10 **
2023	6,796,748	1,771,438 **	0.14	843,934 **	9,412,120	0.03 **
2024	6,542,478	1,629,900	0.13	805,000	8,977,378	(0.03)
2025	6,424,578	1,594,200	0.13	787,500	8,806,278	(0.01)
2026	5,637,238	1,558,500	0.13	777,000	7,972,738	(0.07)
2027	2,810,345	1,522,800	0.12	763,000	5,096,145	(0.23)
2028	1,347,625	1,499,000	0.12	742,000	3,588,625	(0.12)
2029	1,020,000	1,475,200	0.12	721,000	3,216,200	(0.03)
2030		1,451,400	0.12	710,500	2,161,900	(0.08)
2031		1,427,600	0.11		1,427,600	(0.06)
2032		1,403,800	0.11		1,403,800	(0.00)
2033		1,380,000	0.11		1,380,000	(0.00)
2034		1,356,200	0.11		1,356,200	(0.00)
2035		1,332,400	0.11		1,332,400	(0.00)
2036		1,308,600	0.11		1,308,600	(0.00)
2037		1,284,800	0.10		1,284,800	(0.00)
2038		1,261,000	0.10		1,261,000	(0.00)
2039		1,227,200	0.10		1,227,200	(0.00)
2040		1,203,600	0.10		1,203,600	(0.00)
2041					0	(0.10)
2042					0	0.00
	\$45,672,189	\$26,687,638		\$6,949,934	\$79,309,763	
Final Int. Rate		1.69%		1.31%		

\*Based on County's 2020 Equalized Value - \$12,446,225,600

\*\* 2022 and 2023 interest offset by \$1,041,810 of premium from 2021 Bonds and Notes

## **COUNTY BOARD ACTION ON FINAL RESOLUTIONS (ATTACHED)**

Approval of Resolutions: 1. Approves borrowing terms; 2. Locks in final principal amounts and interest rates; 3. Awards the Bonds and Taxable Bonds to BOK Financial Securities, Inc.; 4. Awards the Notes to Huntington Securities, Inc.

## **CLOSING / DELIVERY OF FUNDS – ALL ISSUES MARCH 23, 2021**

The County will receive all of the borrowed funds for the Bonds and the Notes for deposit into their project accounts. The Taxable Bond proceeds will be sent to Associated Trust Company as Escrow Agent for the 2011 Bonds and 2013 Notes and will be responsible for paying off their principal and interest until their redemption date of September 1, 2021.

## **MUNICIPAL MARKET**

Beginning this week, the market has been experiencing a sell-off of municipal bonds triggered by the release of positive economic news signaling a growing economy. This, together with additional optimism for vaccine production and distribution, and potential for additional federal stimulus funding, contributes to possibilities for strong economic growth. The final interest rates on the Bonds and Notes are higher than reviewed in January, but the interest rate on the Taxable Bonds is lower.

## CREDIT OPINION

22 February 2021

 Rate this Research

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# Rock (County of) WI

## Update to credit analysis

### Summary

[Rock County's](#) (Aa1) strong credit position benefits from a large growing tax base in southern [Wisconsin](#) (Aa1 stable), strong financial position supported by healthy reserves, low debt and fixed costs and moderate pension liabilities. These attributes are weighed against wealth and resident incomes that are materially lower than rated peers and limited revenue raising flexibility due to state imposed levy limits.

### Credit strengths

- » Strong financial position with healthy liquidity
- » Modest debt levels and fixed costs
- » Manageable pension liabilities

### Credit challenges

- » Resident income metrics below similarly rated peers
- » Constrained revenue raising flexibility due to state imposed levy limits

### Rating outlook

Moody's does not typically assign outlooks to local governments with this amount of debt.

### Factors that could lead to an upgrade

- » Continued expansion of the tax base along with strengthening of resident wealth and income

### Factors that could lead to a downgrade

- » Deterioration of the county's tax base and resident socioeconomic profile
- » Declines in available reserves and liquidity

### Key indicators

Exhibit 1

#### Rock (County of) WI

	2015	2016	2017	2018	2019
<b>Economy/Tax Base</b>					
Total Full Value (\$000)	\$9,926,025	\$10,279,525	\$10,907,783	\$11,530,222	\$12,364,513
Population	160,727	160,986	161,226	161,769	162,152



Full Value Per Capita	\$61,757	\$63,854	\$67,655	\$71,276	\$76,253
Median Family Income (% of US Median)	92.1%	90.3%	90.8%	91.5%	90.7%
<b>Finances</b>					
Operating Revenue (\$000)	\$145,683	\$132,873	\$111,763	\$115,906	\$121,004
Fund Balance (\$000)	\$33,372	\$35,763	\$37,620	\$40,142	\$42,116
Cash Balance (\$000)	\$65,942	\$55,985	\$53,866	\$61,215	\$59,658
Fund Balance as a % of Revenues	22.9%	26.9%	33.7%	34.6%	34.8%
Cash Balance as a % of Revenues	45.3%	42.1%	48.2%	52.8%	49.3%
<b>Debt/Pensions</b>					
Net Direct Debt (\$000)	\$46,900	\$42,370	\$46,915	\$42,130	\$48,730
3-Year Average of Moody's ANPL (\$000)	\$90,996	\$131,231	\$148,935	\$152,291	\$157,572
Net Direct Debt / Full Value (%)	0.5%	0.4%	0.4%	0.4%	0.4%
Net Direct Debt / Operating Revenues (x)	0.3x	0.3x	0.4x	0.4x	0.4x
Moody's - ANPL (3-yr average) to Full Value (%)	0.9%	1.3%	1.4%	1.3%	1.3%
Moody's - ANPL (3-yr average) to Revenues (x)	0.6x	1.0x	1.3x	1.3x	1.3x

Sources: US Census Bureau, Rock (County of) WI's financial statements and Moody's Investors Service

## Profile

Rock County is located in south-central Wisconsin along the border with [Illinois](#) (Baa3 negative) and the City of Janesville serves as the county seat. The county operates under a board/ administrator form of government and provides public safety (police), public health, planning, zoning, roadway construction and maintenance, and general administrative services to about 162,100 residents.

## Detailed credit considerations

### Economy and tax base: sizable tax base in southern Wisconsin with lagging socioeconomic characteristics

Rock county's economic base will remain stable given its growing valuations and ongoing development. The county's \$13.2 billion tax base is largely residential (71% equalized value) and grew at a strong average annual rate of 5.8% per year over the last five years mainly due to residential and commercial development. Rock County's below-average socioeconomic characteristics, and stagnant population growth are likely to remain a credit weakness relative to its peers in the Aa1 rating category. Median family income is estimated at 90.7% of the US, though property in the county is affordable with median home price at just 67% of the national median. Population has remained flat over the past decade.

### Financial operations and reserves: strong financial profile supported by conservative budgeted practices and healthy reserves

Reserves are strong and will likely remain so because of the county's strong budget management practices. For fiscal 2021 (December 31 year end) the county budget is balanced across major operating funds (general, human services and debt service funds). Initial results for fiscal 2020 are balanced across major operating funds with better than budgeted sales tax collections, savings in the human services fund and additional revenue from the state's Route to Recovery Grants which offset additional expenditures related to the coronavirus. Available operating fund balance totaled \$42.1 million for fiscal 2019, a strong 35% of revenue.

The largest operating fund revenues include property taxes (53%), intergovernmental revenue (32%), and charges and services (11%). The county collects a 0.5% sales and use tax, which continues to exhibit positive trends. While the county annually appropriates a portion of its sales tax to pay for capital expenditures, its ability to adjust its annual appropriation to capital offers additional operating flexibility.

The county has moderate exposure to enterprise operations at its Rock Haven nursing home facility. Operations at Rock Haven are supported by a mix of charges (52%) and property taxes (38%). The enterprise closed fiscal 2019 with just over \$2,000 in cash, but an unrestricted net position of \$5.6 million. Revenues decreased by \$1 million in fiscal 2020 as capacity was reduced to 75% to

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maintain coronavirus protocols. While, the nursing home is currently not reliant on any governmental transfers to support operations, underperformance of the enterprise in the future resulting in governmental support could result in budgetary pressure.

#### Liquidity

The county's operating fund net cash balance was \$59.7 million, or 49% of revenue in fiscal 2019.

#### Debt and Pensions: modest debt and fixed costs and moderate pension liability

The debt burden is expected to remain low despite planned borrowing for upgrades to county facilities. Inclusive of an upcoming sale, the county's net direct debt burden is low at 0.5% of full value and 0.6x operating revenue. Debt service is very modest at 3% operating revenue. In fiscal 2019, total fixed costs, which includes debt service and annual pension and OPEB contributions, totaled 7.6% of operating revenue. The county is issuing \$22.6 million for a new human service headquarters and is planning on issuing an additional \$17.9 million for a new IT center and renovations to the emergency 911 center.

The county participates in the Wisconsin Retirement System (WRS), a statewide cost sharing plan. The 3-year Moody's adjusted net pension liability is a moderate 1.1% of full value and 1.2x operating revenue.

#### Legal security

Debt is secured by the county's general obligation unlimited tax (GOULT) pledge which benefits from a dedicated property tax levy that is not limited by rate or amount.

#### Debt structure

All of the county's debt is fixed-rate and amortizes over the long term. Principal amortization is quick with 83% of debt repaid in ten years.

#### Debt-related derivatives

The county is not a party to any derivative agreements.

### ESG considerations

#### Environmental

Environmental considerations are not material to the county's credit profile. According to data from Moody's affiliate Four Twenty Seven, Rock County's environmental hazard scores range from no risk to medium risk for three environmental factors including extreme rainfall, cyclone exposure and sea level rise. The county is at high risk for heat stress and water stress, though there is little direct exposure to this risk. In the long term, heat stress could have impacts for the agriculture component of the regional economy.

#### Social

The social considerations for Rock County include a large sized tax base with wealth and resident income levels below similarly rated counties. Poverty levels are average and population has remained flat over the past decade. The December 2020 county unemployment rate of 5.4% is similar to the state (5.4%) but lower than the nation (6.5%).

The coronavirus outbreak is a social risk under our ESG framework, given the substantial implications for public health and safety. Property taxes and sales taxes have remained stable throughout the pandemic.

#### Governance

Management utilizes a conservative budgeting approach which has led to stable financial operations and growing reserves over the last five years. Reserves remain above the county's formal fund balance policy to retain unassigned fund balances of 20% to 25% of annual expenditures.

Wisconsin counties have an institutional framework score <sup>1</sup> of "A", which is moderate. The sector's major revenue source, property tax revenue, is subject to a cap which limits increases to amounts represented by net new construction growth. However, counties may implement a 0.5% sales tax, which diversifies operating revenue. Revenues and expenditures tend to be predictable. Across the sector, fixed and mandated costs are generally moderate. Counties have a high ability to reduce expenditures, as workforces are mainly comprised of non-public safety employees, for whom collective bargaining is limited.

## Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 2

### Rock (County of) WI

Rating Factors	Measure	Score
<b>Economy/Tax Base (30%)[1]</b>		
Tax Base Size: Full Value (in 000s)	\$13,178,804	Aaa
Full Value Per Capita	\$81,274	Aa
Median Family Income (% of US Median)	90.7%	Aa
<b>Finances (30%)</b>		
Fund Balance as a % of Revenues	34.8%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	8.4%	A
Cash Balance as a % of Revenues	49.3%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	1.0%	A
<b>Management (20%)</b>		
Institutional Framework	A	A
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.0x	A
<b>Debt and Pensions (20%)</b>		
Net Direct Debt / Full Value (%)	0.5%	Aa
Net Direct Debt / Operating Revenues (x)	0.6x	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	1.1%	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	1.2x	A
	Scorecard-Indicated Outcome	Aa2
	Assigned Rating	Aa1

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.

Sources: US Census Bureau, {OrgName}'s financial statements and Moody's Investors Service

## Endnotes

- The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(July 2020\)](#) methodology report for more details.

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