

VILLAGE OF DORCHESTER

CLARK & MARATHON COUNTIES

RESOLUTION 342: AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A GENERAL OBLIGATION PROMISSORY NOTE IN THE APPROXIMATE AMOUNT OF \$220,000.

WHEREAS, the Village of Dorchester, Clark and Marathon Counties, Wisconsin, has found it necessary to borrow funds; and

WHEREAS, the attached Exhibit A (Resolution/Term Credit Agreement) presented by Forward Bank will be used as documentation.

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Dorchester, Clark & Marathon Counties, Wisconsin, that Exhibit A (Resolution/Term Credit Agreement), as noted in the loan documents, will be adopted as attached.

Adopted by the Village Board of the Village of Dorchester, Clark and Marathon Counties, Wisconsin, this 6th day of November, 2024.

Village of Dorchester



Kurt Schwoch, Village President



Christie Erikson, Village Clerk-Treasurer

Ayes 6

Nays 0

Village of Dorchester, WI

\$220,000 General Obligation Promissory Note, Series 2024

Issue Summary

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/14/2024	-	-	-	-	-
11/15/2025	220,000.00	5.250%	11,582.08	231,582.08	-
12/31/2025	-	-	-	-	231,582.08
Total	\$220,000.00	-	\$11,582.08	\$231,582.08	-

Yield Statistics

Bond Year Dollars	\$220.61
Average Life	1.003 Years
Average Coupon	5.2499985%
Net Interest Cost (NIC)	5.2499985%
True Interest Cost (TIC)	5.1824771%
Bond Yield for Arbitrage Purposes	5.1824771%
All Inclusive Cost (AIC)	6.8297524%

IRS Form 8038

Net Interest Cost	5.2499985%
Weighted Average Maturity	1.003 Years

Attachment B

Village of Dorchester, WI
Outstanding General Obligation Debt Issues, as of 9/15/2022

Year	Issue Amount	Name	Amount Outstanding	Creditor
2024	\$220,000	General Obligation Promissory Note, Series 2024	\$220,000	Forward Bank
2024	482,110	State Trust Fund Loan, Series 2024	482,110	The Board of Commissioners of Public Lands
Total			\$702,110	

Prepared by Ehlers

EXHIBIT A
RESOLUTION

(Adopted at an Open Meeting held 6th November, 2024)

WHEREAS, the Village of Dorchester, Clark and Marathon County, Wisconsin ("Village"), is presently in need of funds aggregating two hundred and twenty thousand (\$ 220,000) for public purpose(s) of: (1)

Financing 2025 capital projects and a partial funding of the Village's TID 1 distribution of excess increment.

; and

WHEREAS, the Village Board deems it necessary and in the best interests of the Village that, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, the sum of two hundred and twenty thousand Dollars (\$ 220,000) be borrowed for such purpose(s) upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purpose(s) hereinabove set forth the Village, by its President, and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, borrow from Forward Bank

("Lender"), the sum of \$ 220,000, and, to evidence such indebtedness, said President and Clerk shall make, execute and deliver to the Lender for and on behalf of the Village the promissory note of the Village to be dated November 14, 2024, in said principal amount with interest at the rate of five and twenty-five hundredths percent (5.25 %) per annum and payable as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** In one payment on _____, PLUS interest payable as set forth below.
- (b) ☐ **Installments of Principal and Interest.** (2) In _____ equal payments of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on _____. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** In _____ equal payments of principal of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid principal due on _____, PLUS interest payable as set forth below.
- (d) ☐ **Other.** See Attachment A

Interest is payable on November 15, 2025, and on ☐ the same day of each _____ month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box (b) is checked, at the times so indicated. Interest is computed for the actual number of days principal is unpaid on the basis of ☐ a 360 day year ☐ a 365 day year. (2) of twelve 30-day months.

Said interest to be payable on the dates set forth above on the outstanding principal balance, with ☐ no prepayment privileges ☐ prepayment privileges on any principal or interest payment date on or after November 14, 2024

A copy of the promissory note shall be attached to this resolution.

(1) Here describe each purpose in detail. If the purpose is meeting general and current municipal expenses or refinancing obligation of the Village, so specify.
(2) Section 67.12(12), Wisconsin Statutes, does not place any restrictions on the basis of interest rate calculations.

BE IT FURTHER RESOLVED, that there be, and there hereby is, levied on all the taxable property of the Village, a direct annual irrevocable tax sufficient in amount to pay the principal and interest on said note as the same becomes due and payable, said tax to be in the following minimum amounts:(4)

Amount of Tax (principal and interest)	To Meet Note Payments Due On	Year of Levy (must be in year(s) prior to due date)
\$ 231,582.08	11/15/2025	For the year 2024
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____

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 Village then available, which sums shall be replaced upon the collection of the taxes herein levied.

In the event that the Village 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 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 Village for such years are collected; provided, that the amount of tax carried into the tax roll may be reduced in any year 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 Village, 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 Village 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 Promissory Note dated November 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 Village, charged with the responsibility for issuing 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 Village 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 Village 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 Village 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 Village 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.(5)

BE IT FURTHER RESOLVED, that the Village 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.

- (4) First tax levy should be for the current year unless tax roll has already been delivered for collection, and amount of levy should be sufficient to meet all principal and interest payments coming due prior to date for collection of next succeeding tax levy.
- (5) Delete this paragraph if the Village will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, banks will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.