

OFFICIAL NOTICE OF SALE

\$1,915,000*
City of Prairie du Chien
Crawford County, Wisconsin
General Obligation Promissory Notes, Series 2020A
Dated Date of Delivery

Date, Time and Place. IRREVOCABLE, SEALED AND ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, financial advisor acting on behalf of City of Prairie du Chien, Wisconsin (the “City”), for all but not part of the City’s \$1,915,000* General Obligation Promissory Notes, Series 2020A, dated Date of Delivery (the “Notes”), until 10:00 a.m. (Central Time) on:

December 1, 2020

at which time sealed bids will be opened, electronic bids retrieved and all bids publicly read. Sealed bids should be mailed or delivered to the offices of PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Kristin Hanson, or faxed to (414) 771-1041, and plainly marked “Bid for City of Prairie du Chien General Obligation Promissory Notes, Series 2020A.” Electronic bids must be submitted through Parity®. A meeting of the Common Council will be held on said date for the purpose of taking action on such bids as may be received.

Terms of the Notes. The Notes will be dated Date of Delivery and will mature September 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2022	\$ 275,000
2023	185,000
2024	190,000
2025	190,000
2026	195,000
2027	300,000
2028	220,000
2029	240,000
2030	120,000

Interest on said Notes will be payable semi-annually on March 1 and September 1, commencing September 1, 2021.

Adjustments to Principal Amounts After Determination of Best Proposal. The aggregate principal amount of the Notes, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. Such adjustments shall be in the sole discretion of the City provided that the City or its designee shall only make such adjustments in order to

* Preliminary, subject to change.

size the Notes to provide enough funds to finance the projects and to establish a debt service structure that is acceptable to the City.

No Term Note Option. Proposals for the Notes may not contain term notes

Call Feature. The Notes are NOT subject to optional redemption by the City.

Registration. The Notes will be issued as fully registered Notes without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). The City will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes. In the event that the securities depository relationship with DTC for the Notes is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, fully registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Security and Purpose. The Notes are general obligations of the City. The principal of and interest on the Notes will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the City. The Notes will be issued for the public purpose of financing additions, extensions and improvements to streets and the water, sewer and storm sewer systems; flood mitigation projects; island improvements; City equipment and a dump station.

Bank Qualified. The Notes will be designated as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Non-repealable, Direct, Annual Tax. As security for the Notes, the City pledges its full faith, credit and taxing powers and there will be levied on all of the taxable property in the City a non-repealable, direct, annual tax in an amount and the times sufficient to pay the principal of and interest on the Notes. The taxes will be levied under the resolution awarding the Notes for collection in each of the years 2021 through 2030 for payment of the Notes (or funds for payment of the Notes will otherwise be appropriated).

The resolution awarding the Notes provides that the taxes will be, from year to year, carried onto the tax rolls of the City and collected as other taxes are collected and that the City shall not repeal such levies or obstruct the collection of the taxes. Provision is made for reducing the amount of taxes carried onto the tax rolls by the amount of any surplus money in the Debt Service Fund for the Notes.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid, but no interest rate specified for any maturity may be lower than the interest rate specified for any earlier maturity. All Notes of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Notes and shall offer a price (payable in federal or other immediately available funds) which is not less than \$1,895,850 (99.0% of par), nor more than \$1,953,300 (102.0% of par), plus accrued interest to the date of delivery.

Establishment of the Issue Price. The successful bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City prior to Closing a certificate acceptable to Notes Counsel setting forth the reasonably expected initial public offering price to the public (the “Initial Public

Offering Price”), or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal notes who have established industry reputations for underwriting new issuances of municipal notes; and
- (4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

In the event the City receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the City intends to treat the initial public offering price to the public of each maturity of the Notes as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). Consequently, bidders should assume for purposes of making its bid that, if the competitive sale requirements described above are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price, as of the sale date, the bidder will be required to comply with the hold-the offering-price rule described below. The City will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public (“the 10% test”). The winning bidder shall notify the City on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the City.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Notes, (i) confirm that the underwriters have offered or will offer each maturity of the Notes to the public on or before the date that the Notes are awarded by the City to the successful bidder (“Sale Date”) at the initial public offering price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that, if the competitive sale requirements are not met, the underwriters will neither offer nor sell any maturity of the Notes to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial public offering price for such maturity.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial public offering price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The City acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the Notes of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires; and

(ii) any agreement among underwriters relating to the sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a

selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date the Notes are awarded by the City to the winning bidder.

Undertakings of the Successful Bidder. The successful bidder shall make a bona fide public offering of all of the Notes to the public (as defined above) and will, within 30 minutes after being notified that such firm is the apparent winning bidder of the Notes, advise the City in writing of the initial public offering price to the public of each maturity of the Notes. Prior to the delivery of the Notes, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the “issue price” of the Notes within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Good Faith Deposit. A Good Faith Deposit in the amount of Nineteen Thousand One Hundred Fifty Dollars (\$19,150) is only required by the successful bidder for the Notes. The successful bidder for the Notes is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Amount:	\$19,150
Details:	Email PFM for details at hansonk@pfm.com

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Notes to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is none the less obligated to pay to the City the sum of \$19,150 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Notes serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Notes, at which time the Good Faith Deposit will be applied against the purchase price of the Notes or the good faith deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Notes in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Notes.

Insurance on Notes. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Notes, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The City will cooperate with the successful bidder in this manner. The costs of obtaining any note insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder.

Electronic Bidding. The City assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. All bids received shall be considered at a meeting of the Common Council to be held on the bidding date and, unless all bids are rejected, the Notes shall be awarded during the Common Council meeting on said date to the best bidder whose proposal shall result in the lowest true interest cost rate to the City. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Notes, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest cost rate, the City shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Notes to the date of delivery and payment of the purchase price.

Delivery. The Notes will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon. Delivery of the Notes is currently anticipated to be on or about December 22, 2020.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the City's undertaking and such Continuing Disclosure Certificate is a condition of closing.

CUSIP Numbers. The City will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The City will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Notes.

Official Statement. Upon the sale of the Notes, the City will publish an Official Statement substantially in the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but

in no event later than seven business days after such date, the City will provide the successful bidder with up to 10 copies of the Final Official Statement without cost. The successful bidder agrees to supply to the City all necessary pricing information and any underwriter identification necessary to complete the Final Official Statement within 24 hours after the award of Notes.

Certification Regarding Official Statement. The City will deliver, at closing, a certificate, executed by appropriate officers of the City acting in their official capacities, to the effect that the Official Statement relating to the Notes does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a Resolution to be adopted by the Common Council), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the City, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Notes will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Notes.

Irregularities. The Common Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information The Preliminary Official Statement can be viewed at www.idealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's financial advisor, PFM Financial Advisors LLC 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Kristin Hanson, phone (414) 771-2700, or to the undersigned:

Tina Fuller, Clerk/Treasurer
City of Prairie du Chien
P.O. Box 324
Prairie du Chien, Wisconsin 53821
Phone: 608-326-5406

* * * * *

BID FORM

\$1,915,000*

**City of Prairie du Chien, Wisconsin
General Obligation Promissory Notes, Series 2020A**

(Electronic bids are also accepted via Parity® – See Official Notice of Sale)

**City of Prairie du Chien, Wisconsin
c/o PFM Public Financial Advisors LLC (Fax: 414/771-1041)**

Sale Date: December 1, 2020

For all or none of the principal amount of \$1,915,000* General Obligation Promissory Notes, Series 2020A, legally issued and as described in the Official Notice of Sale, we will pay the City the purchase price of \$_____, plus accrued interest, if any, on the total principal amount of the Notes to date of delivery, provided the Notes bear the following interest rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>
2022	\$ 275,000	___ %	___ %	2027	\$ 300,000	___ %	___ %
2023	185,000	___ %	___ %	2028	220,000	___ %	___ %
2024	190,000	___ %	___ %	2029	240,000	___ %	___ %
2025	190,000	___ %	___ %	2030	120,000	___ %	___ %
2026	195,000	___ %	___ %				

* Preliminary, subject to change.

The Notes mature on September 1 in each of the years as indicated above, and interest is payable March 1 and September 1 of each year commencing September 1, 2021. The Notes are not subject to optional redemption by the City.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated November 23, 2020. All blank spaces of this offer are intentional and are not to be construed as an omission. If we are the successful bidder for the Notes our good faith deposit in the amount of \$19,150 will be wired within two hours of verbal notification in accordance with the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our computation this bid involves the following:

\$ _____

Net Interest Cost

% _____

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

By

The foregoing offer is hereby accepted by and on behalf of the City of Prairie du Chien, Wisconsin, this 1st Day of December, 2020

David Hemmer, Mayor

Tina Fuller, Clerk/Treasurer