

**CITY OF ALGOMA  
COUNTY OF KEWAUNEE  
STATE OF WISCONSIN**

**COMMON COUNCIL  
RESOLUTION 761-2016**

A RESOLUTION AUTHORIZING TO BORROW FROM THE TRUST FUNDS OF THE STATE OF WISCONSIN THE SUM OF THREE HUNDRED THIRTY FIVE THOUSAND SEVEN HUNDRED SIXTY FOUR AND 00/100 DOLLARS (\$335,764.00) FOR THE PURPOSE OF FINANCING RENOVATIONS TO ALGOMA MEDICAL CENTER

WHEREAS, pursuant to the provisions of Chapter 67 of the Wisconsin Statutes, municipalities may borrow money for any public purpose, and that the purchasing, acquiring, constructing, extending, adding to, improving, operating and managing long term care and rehabilitation facilities owned by the City constitutes such public purpose; and

WHEREAS, municipalities may repay such loan from revenues received from any source, and

WHEREAS, pursuant to the provisions of Chapter 24 of the Wisconsin Statutes, the Board of Commissioners of Public Lands ("BCPL") is authorized to make loans from the State Trust Funds to municipalities for such purposes, and

WHEREAS, the City of Algoma owns and operates the Algoma Medical Center (the "Project") for the benefit of the City of Algoma and residents thereof, and

WHEREAS, certain improvements to the Project are necessary to meet the needs of the City of Algoma and the residents thereof, and

WHEREAS, the City of Algoma deems it to be necessary, desirable and in its best interest to obtain a Revenue Obligation Trust Fund Loan from BCPL for financing renovations to the Project, and such Loan is to be payable from the income and revenues of the Project.

NOW, THEREFORE, BE IT RESOLVED that the City of Algoma is hereby authorized to borrow from the Trust Funds of the State of Wisconsin the sum of Three Hundred Thirty Five Thousand Seven Hundred Sixty Four and 00/100 Dollars (\$335,764.00) for the purpose of financing renovations to Algoma Medical Center and for no other purpose. Such loan shall be payable within 5 years from the 15th day of March preceding the date the loan is disbursed. The loan will be repaid in full on the 15th day of March, 2020 with interest at the rate of 3.75 percent per year from the date of disbursement of the loan to the date the loan is repaid. Such loan may be prepaid before the maturity date in accordance with the limitations set forth in Chapter 24 of the Wisconsin Statutes.

BE IT FURTHER RESOLVED that all rental revenues of the Algoma Medical Center are hereby pledged to BCPL to repay this loan and that such pledge shall be senior and superior to all other pledges of such revenues. No notes, bonds or other obligations payable out of the revenues of the Project may be issued in such manner as to enjoy priority over this Loan. Any and all payments made to the City of Algoma out of the revenues of the Project shall be subordinate to payments required under this obligation. The Mayor and Clerk are hereby authorized and directed to execute any instruments reasonably necessary to grant and perfect such security interest.

BE IT FURTHER RESOLVED that all ordinances, resolutions, or orders, or parts thereof which were previously enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed, and this Resolution shall be in effect from and after its passage.

BE IT FURTHER RESOLVED, we acknowledge that should the City of Algoma default on this loan, BCPL is required under Wisconsin Statute Section 24.70 to intercept any state payments that may be otherwise due the City of Algoma.

BE IT FURTHER RESOLVED, we acknowledge that the Certificate of Indebtedness will contain a covenant requiring that rental rates charged to tenants or residents of the Algoma Medical Center will be sufficient to ensure adequate maintenance and repair, adequate replacement reserves when considering the current functional age of the Algoma Medical Center and the expected timing and costs of future capital expenditures, and also ensure a debt service coverage ratio (defined as net operating income divided by total debt service) exceeding 1.25.

BE IT FURTHER RESOLVED that if BCPL agrees to make such loan, that the Mayor and Clerk of City of Algoma are authorized and empowered in the name of the City to execute and deliver to BCPL, those Certificates of Indebtedness in such form as required by BCPL, for the sum of money that may be loaned to City of Algoma pursuant to this resolution. The Mayor and Clerk are authorized and directed to perform all actions reasonably necessary to fully carry out the provisions of Chapter 24 of the Wisconsin Statutes, and these resolutions.

BE IT FURTHER RESOLVED, that these recitals and these resolutions and the votes by which they were adopted, shall be recorded, and that the Clerk of the City of Algoma shall forward this certified record, along with the application for the loan, to BCPL.

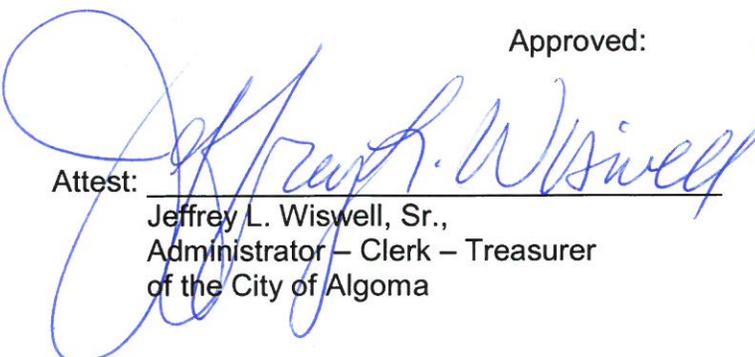
Aldersperson \_\_\_\_\_ moved adoption of the foregoing recitals and resolutions.

ADOPTED BY THE COMMON COUNCIL AT A REGULAR MEETING THEREOF ON THE 4<sup>TH</sup> DAY OF JANUARY, 2016, BY A VOTE OF 7 FOR AND 1 OPPOSED.

Approved:

  
Wayne R. Schmidt,  
Mayor of the City of Algoma

Attest:

  
Jeffrey L. Wiswell, Sr.,  
Administrator – Clerk – Treasurer  
of the City of Algoma