May 11, 2021

Pre-Sale Report for

City of Stoughton, Wisconsin

$2,350,000 General Obligation Promissory Notes, Series 2021A

Prepared by:

Ehlers
N21W23350 Ridgeview Parkway West,
Suite 100
Waukesha, WI 53188

Advisors:

David Ferris, CPA, Municipal Advisor

Philip Cosson, Senior Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

$2,350,000 General Obligation Promissory Notes, Series 2021A

Purposes:

The proposed issue includes financing for the following purposes:

- 2021 Capital Improvement Plan. Debt service will be paid from ad valorem property taxes and stormwater revenues.

Authority:

The Notes are being issued pursuant to Wisconsin Statute(s):

- 67.12(12)

The Notes will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

The Notes count against the City's General Obligation Debt Capacity Limit of 5% of total City Equalized Valuation. Following issuance of the Notes, the City's total General Obligation debt principal outstanding will be $35,559,192, which is 56% of its limit. Remaining General Obligation Borrowing Capacity will be approximately $27,842,903.

Term/Call Feature:

The Notes are being issued for a term of 10 years. Principal on the Notes will be due on May 1 in the years 2022 through 2031. Interest is payable every six months beginning May 1, 2022.

The Notes will be subject to prepayment at the discretion of the City on May 1, 2029 or any date thereafter.

Bank Qualification:

Because the City is expecting to issue no more than $10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Notes as "bank qualified" obligations. Bank qualified status broadens the market for the Notes, which can result in lower interest rates.

Rating:

The City's most recent bond issues were rated by Moody's Investors Service. The current ratings on those bonds are "Aa2". The City will request a new rating for the Notes.

If the winning bidder on the Notes elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.

Basis for Recommendation:

Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Notes as a suitable option based on:

- The expectation this form of financing will provide the overall lowest cost of funds while also meeting the City's objectives for term, structure and optional redemption.
- The City having adequate General Obligation debt capacity to undertake this financing and anticipating any potential rating impacts.

Method of Sale/Placement:

We will solicit competitive bids for the purchase of the Notes from underwriters and banks.

We will include an allowance for discount bidding in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Notes are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or "discount") but will pay the remainder of the premium to the City.

For this issue of Notes, any premium amount received that is in excess of the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Notes.

The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Notes intended to achieve the City's objectives for this financing.

Parameters:

The City Council will consider adoption of a Parameters Resolution on May 11, 2021, which delegates authority to the Finance Director/Comptroller or the City Clerk to accept and approve a bid for the Notes so long as the bid meets certain parameters. These parameters are:

* Issue size not to exceed $2,350,000

* Maximum Bid of 104.00%

* Minimum Bid of 99.00%

* Maximum True Interest Cost (TIC) of 2.50%

* Maturity Schedule Adjustments not to exceed $50,000 per maturity

Other Considerations:

The Notes will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to "term up" some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Notes. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the City retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:

Because the City has more than $10,000,000 in outstanding debt (including this issue) and this issue is over $1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Notes. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City's specific arbitrage responsibilities will be detailed in the Tax Exemption Certificate (the "Tax Compliance Document") prepared by your Bond Attorney and provided at closing.

The Notes may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

We recommend that the City review its specific responsibilities related to the Notes with an arbitrage expert in order to utilize one or more of the exceptions listed above.

Investment of Note Proceeds:

Ehlers can assist the City in developing a strategy to invest your Note proceeds until the funds are needed to pay project costs.

Risk Factors:

GO with Planned Abatement: The City expects to abate a portion of the City debt service with storm water utility revenues. In the event this revenue is not available, the City is obligated to levy property taxes in an amount sufficient to make all debt payments.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

Bond Counsel: Quarles & Brady LLP.

Paying Agent: Associated Trust Company, National Association.

Rating Agency: Moody's Investors Service, Inc.

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review and Adopt Parameters by Common Council to Award Sale of Notes:	May 11, 2021
Conference with Rating Agency:	Week of May 24, 2021
Due Diligence Call to review Official Statement:	Week of May 24, 2021
Distribute Official Statement:	Week of May 24, 2021
Designated Officials Award Sale of the Notes:	June 2, 2021
Estimated Closing Date:	June 23, 2021

Attachments

Estimated Sources and Uses of Funds

Estimated Proposed Debt Service Schedule/Tax Levy Impact

Proposed Issue Allocation

Estimated Debt Limit Calculation

Bond Buyer Index

EHLERS' CONTACTS

David Ferris, Municipal Advisor	(262) 796-6194
Philip Cosson, Senior Municipal Advisor	(262) 796-6161
Peter Curtin, Public Finance Analyst	(262) 796-6187
Kathy Myers, Senior Financial Analyst	(262) 796-6177

The Preliminary Official Statement for this financing will be sent to the City Council at their home or email address for review prior to the sale date.

THE CITY OF STOUGHTON

EHLERS PUBLIC FINANCE ADVISORS

Financing Plan Issue Sizing

			GO Notes 2021
Projects			
Capital Projects - 10 Year			2,279,436
Capital Projects - 20 Year			0
Stormwater Utility			144,750
Funds available			(150,000)
Project Needs			2,274,186
Issuance Expenses			
Municipal Advisor			23,900
Bond Counsel			13,000
Rating			13,500
Paying Agent			850
Underwriter Fees			23,500
Total Funds Needed			2,348,936
	Rate	Months	
Less Interest Earnings	0.06%	3	(341)
Rounding			1,405
Size of Issue			2,350,000

THE CITY OF STOUGHTON

EHLERS PUBLIC FINANCE ADVISORS

Projected Impact of Proposed Projects

Existing Debt Payments

YEAR	Equalized Value Projection	Change in Value	Total of All Obligations	Total Abatement Sources	Net Debt Service Levy	Debt Service Tax Rate
2020	1,176,283,200	5.88%	5,239,393	(1,894,781)	3,344,613	2.84
2021	1,199,002,400	1.93%	4,452,731	(1,018,804)	3,433,927	2.86
2022	1,246,132,248	3.93%	4,749,663	(1,524,692)	3,224,971	2.59
2023	1,271,054,893	2.00%	4,539,863	(1,227,849)	3,312,014	2.61
2024	1,296,475,991	2.00%	4,483,597	(1,062,204)	3,421,393	2.64
2025	1,322,405,511	2.00%	4,420,409	(1,055,645)	3,364,764	2.54
2026	1,348,853,621	2.00%	4,132,025	(946,390)	3,185,635	2.36
2027	1,383,696,793	2.58%	3,696,121	(907,368)	2,788,753	2.02
2028	1,411,370,729	2.00%	2,532,873	(766,945)	1,765,927	1.25
2029	1,439,598,144	2.00%	2,159,929	(683,579)	1,476,350	1.03
2030	1,468,390,107	2.00%	1,220,404	(243,229)	977,175	0.67
2031	1,497,757,909	2.00%	991,879	(396,979)	594,900	0.40
2032	1,527,713,067	2.00%	998,479	(397,829)	600,650	0.39
2033	1,558,267,328	2.00%	998,741	(398,179)	600,563	0.39
2034	1,589,432,675	2.00%	1,002,116	(397,816)	604,300	0.38
2035	1,621,221,328	2.00%	669,529	(62,454)	607,075	0.37
2036	1,653,645,755	2.00%	671,654	(62,454)	609,200	0.37
2037	1,686,718,670	2.00%	610,675		610,675	0.36
2038	1,720,453,043	2.00%	611,125		611,125	0.36
TOTALS			48,181,204	(13,047,196)	35,134,008	

Projected Debt Service

YEAR	General Obligation Notes, 2021 $2,350,000 Dated 6-23-21				Less Abatements			Total Projected Debt Service Less Abatements	Net Debt Service Levy	Levy Change	Debt Service Tax Rate	Impact on a $ 100,000	of Value	YEAR
	Prin (5/1)	Rate	Interest	Total	Stormwater Utility	Funds on Hand	Total Abatements					Taxes	Change	
2020									3,344,613		2.84	284.34		2020
2021									3,433,927	89,314	2.86	286.40	2.06	2021
2022	370,000	0.70%	35,332	405,332	(17,184)	(45,000)	(62,184)	343,148	3,568,119	134,192	2.86	286.34	(0.06)	2022
2023	170,000	0.75%	23,793	193,793	(16,489)		(16,489)	177,304	3,489,317	(78,802)	2.75	274.52	(11.81)	2023
2024	100,000	0.80%	22,755	122,755	(16,373)		(16,373)	106,382	3,527,775	38,457	2.72	272.10	(2.42)	2024
2025	115,000	0.90%	21,838	136,838	(16,245)		(16,245)	120,593	3,485,357	(42,418)	2.64	263.56	(8.54)	2025
2026	215,000	1.00%	20,245	235,245	(16,103)		(16,103)	219,142	3,404,777	(80,580)	2.52	252.42	(11.14)	2026
2027	215,000	1.15%	17,934	232,934	(15,941)		(15,941)	216,993	3,005,746	(399,031)	2.17	217.23	(35.19)	2027
2028	265,000	1.25%	15,041	280,041	(15,761)		(15,761)	264,280	2,030,207	(975,538)	1.44	143.85	(73.38)	2028
2029	290,000	1.35%	11,428	301,428	(15,566)		(15,566)	285,862	1,762,211	(267,996)	1.22	122.41	(21.44)	2029
2030	290,000	1.50%	7,295	297,295	(15,353)		(15,353)	281,942	1,259,117	(503,094)	0.86	85.75	(36.66)	2030
2031	320,000	1.60%	2,560	322,560	(15,120)		(15,120)	307,440	902,340	(356,777)	0.60	60.25	(25.50)	2031
2032									600,650	(301,690)	0.39	39.32	(20.93)	2032
2033									600,563	(88)	0.39	38.54	(0.78)	2033
2034									604,300	3,738	0.38	38.02	(0.52)	2034
2035									607,075	2,775	0.37	37.45	(0.57)	2035
2036									609,200	2,125	0.37	36.84	(0.61)	2036
2037									610,675	1,475	0.36	36.20	(0.63)	2037
2038									611,125	450	0.36	35.52	(0.68)	2038
TOTALS	2,350,000		178,220	2,528,220	(160,135)	(45,000)	(205,135)	2,323,085	37,457,093					TOTALS

NOTES

Rates based on A1 3/2/21 sale + 0.25

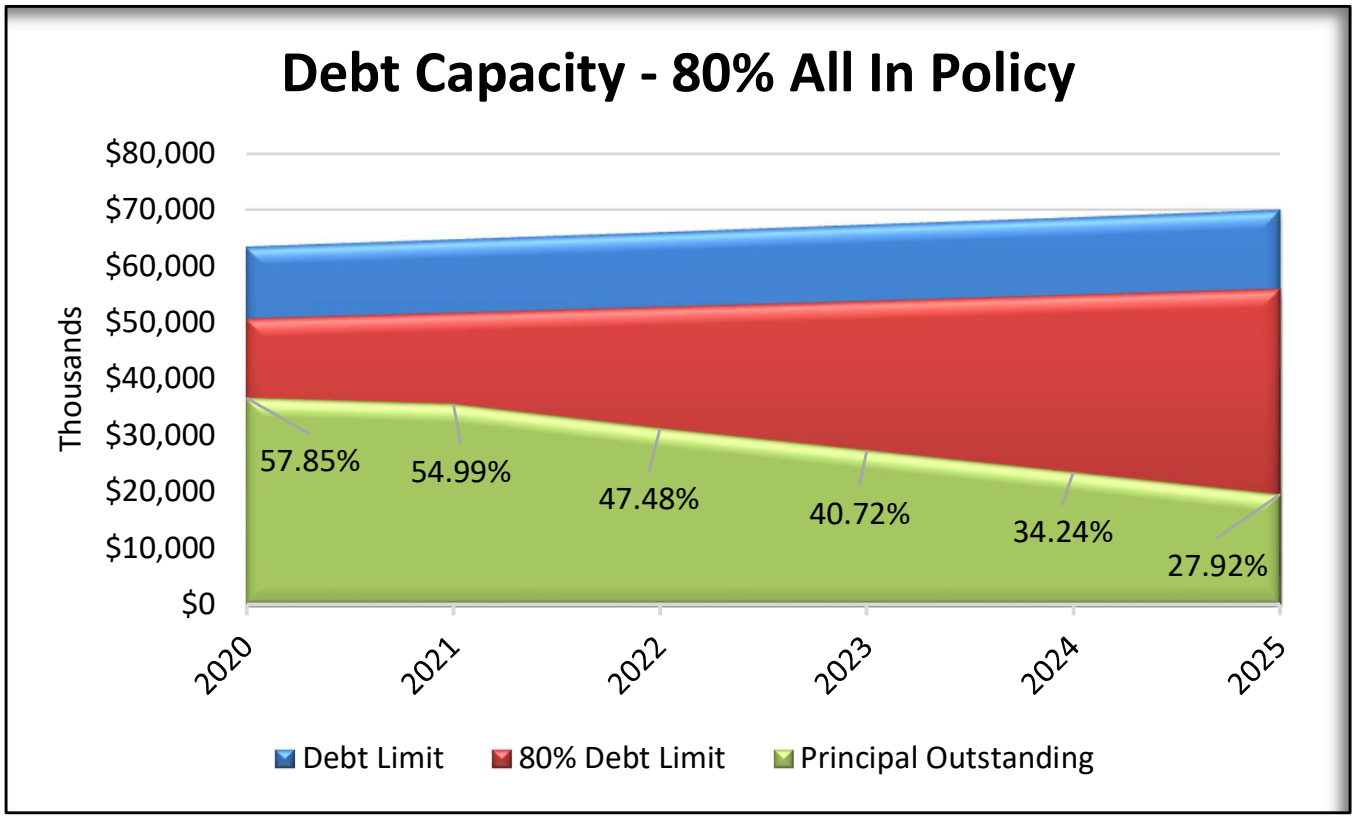
THE CITY OF STOUGHTON

EHLERS PUBLIC FINANCE ADVISORS

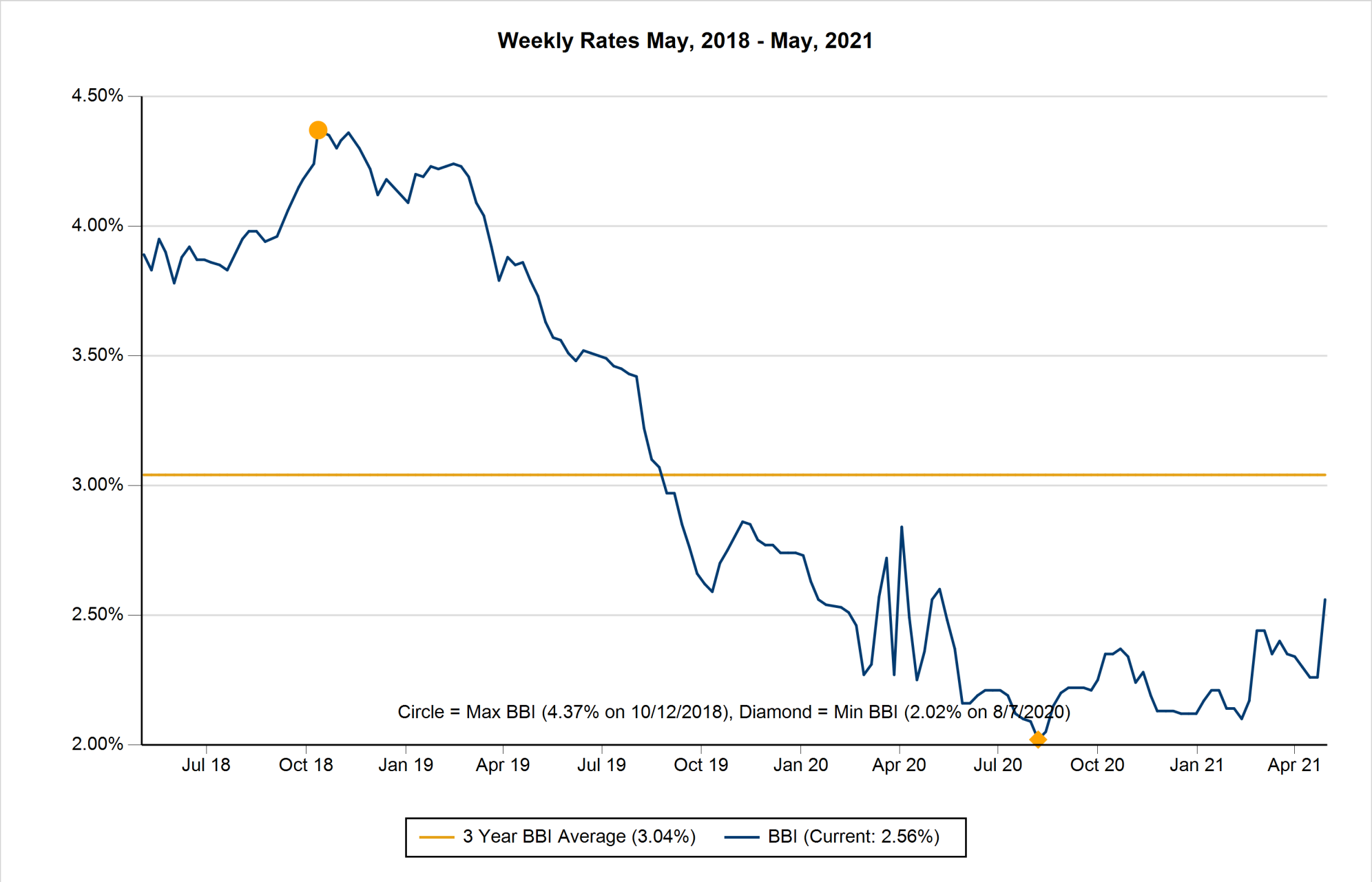
Allocation of General Obligation Notes, 2021

Purpose	Levy - 10 Year				Stormwater Utility				TOTAL			
Amount	$2,200,000				$150,000							
Dated	6/23/2021				6/23/2021							
Payment Date	5/1				5/1							
Year	Principal	Rate	Interest	Total	Principal	Rate	Interest	Total	Principal	Interest	Total	Outstanding
2021									-	-	-	2,350,000
2022	355,000	0.70%	33,148	388,148	15,000	0.70%	2,184	17,184	370,000	35,332	405,332	1,980,000
2023	155,000	0.75%	22,304	177,304	15,000	0.75%	1,489	16,489	170,000	23,793	193,793	1,810,000
2024	85,000	0.80%	21,383	106,383	15,000	0.80%	1,373	16,373	100,000	22,755	122,755	1,710,000
2025	100,000	0.90%	20,593	120,593	15,000	0.90%	1,245	16,245	115,000	21,838	136,838	1,595,000
2026	200,000	1.00%	19,143	219,143	15,000	1.00%	1,103	16,103	215,000	20,245	235,245	1,380,000
2027	200,000	1.15%	16,993	216,993	15,000	1.15%	941	15,941	215,000	17,934	232,934	1,165,000
2028	250,000	1.25%	14,280	264,280	15,000	1.25%	761	15,761	265,000	15,041	280,041	900,000
2029	275,000	1.35%	10,861	285,861	15,000	1.35%	566	15,566	290,000	11,428	301,428	610,000
2030	275,000	1.50%	6,943	281,943	15,000	1.50%	353	15,353	290,000	7,295	297,295	320,000
2031	305,000	1.60%	2,440	307,440	15,000	1.60%	120	15,120	320,000	2,560	322,560	-
	$ 2,200,000		$ 168,085	$ 2,368,085	$ 150,000		$ 10,134	$ 160,134	$ 2,350,000	$ 178,220	$ 2,528,220	

Debt Limit Calculation



3 YEAR TREND IN MUNICIPAL BOND INDICES



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer

EHLERS
PUBLIC FINANCE ADVISORS

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND ESTABLISHING PARAMETERS FOR THE SALE OF NOT TO EXCEED $2,350,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021A

WHEREAS, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City of Stoughton, Dane County, Wisconsin (the "City") to raise funds for public purposes, including paying the cost of acquiring equipment, park improvements, street improvements, parking lot repairs, stormwater improvements, and other capital projects (collectively, the "Project");

WHEREAS, the Common Council hereby finds and determines that the Project is within the City's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, the City is authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, it is the finding of the Common Council that it is in the best interest of the City to direct its financial advisor, Ehlers & Associates, Inc. ("Ehlers"), to take the steps necessary for the City to offer and sell the general obligation promissory notes (the "Notes") at public sale and to obtain bids for the purchase of the Notes; and

WHEREAS, in order to facilitate the sale of the Notes in a timely manner, the Common Council hereby finds and determines that it is necessary, desirable and in the best interest of the City to delegate to the Mayor or Director of Finance/Comptroller (each an "Authorized Officer") the authority to accept on behalf of the City the bid for the Notes that results in the lowest true interest cost for the Notes (the "Proposal") and meets the terms and conditions provided for in this Resolution by executing a certificate in substantially the form attached hereto as Exhibit A and incorporated herein by reference (the "Approving Certificate").

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Authorization and Sale of the Notes; Parameters. For the purpose of paying costs of the Project, the City is authorized to borrow pursuant to Section 67.12(12) Wisconsin Statutes, the principal sum of not to exceed TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS ($2,350,000) upon the terms and subject to the conditions set forth in this Resolution. Subject to satisfaction of the conditions set forth in Section 17 of this Resolution, the Mayor and City Clerk are hereby authorized, empowered and directed to make, execute, issue and sell to the financial institution that submitted the Proposal (the "Purchaser") for, on behalf of and in the name of the City, Notes aggregating the principal amount of not to exceed TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS ($2,350,000). The purchase price to be paid to the City for the Notes shall not be less than 99.0% nor more than 104.00% of the principal amount of the Notes.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes, Series 2021A"; shall be issued in the aggregate principal amount of up to $2,350,000; shall be dated as of their date of issuance; shall be in the denomination of $5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and mature or be subject to mandatory redemption on the dates and in the principal amounts set forth below, provided that the principal amount of each maturity or mandatory redemption amount may be increased or decreased by up to $50,000 per maturity or mandatory redemption amount and that the aggregate principal amount of the Notes shall not exceed $2,350,000. The schedule below assumes the Notes are issued in the aggregate principal amount of $2,350,000.

Date	Principal Amount
05-01-2022	$370,000
05-01-2023	170,000
05-01-2024	100,000
05-01-2025	115,000
05-01-2026	215,000
05-01-2027	215,000
05-01-2028	265,000
05-01-2029	290,000
05-01-2030	290,000
05-01-2031	320,000

Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2022. The true interest cost on the Notes (computed taking the Purchaser's compensation into account) will not exceed 2.50%. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

Section 3. Redemption Provisions. The Notes shall not be subject to optional redemption or shall be callable as set forth on the Approving Certificate. If the Proposal specifies that certain of the Notes are subject to mandatory redemption, the terms of such mandatory redemption shall be set forth on an attachment to the Approving Certificate labeled as Exhibit MRP. Upon the optional redemption of any of the Notes subject to mandatory redemption, the principal amount of such Notes so redeemed shall be credited against the mandatory redemption payments established in the Approving Certificate in such manner as the City shall direct.

Section 4. 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 5. Tax Provisions.

(A) 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 City are hereby irrevocably pledged, and there is hereby levied upon all of the

taxable property of the City a direct annual irrepealable tax in the years 2021 through 2030 for the payments due in the years 2022 through 2031 in the amounts as are sufficient to meet the principal and interest payments when due.

(B) Tax Collection. So long as any part of the principal of or interest on the Notes remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. 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 Notes when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Promissory Notes, Series 2021A" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the City above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over

and above the amount of such principal and interest payments on the Notes may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Notes have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Notes; 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 a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the City

certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Notes provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Notes are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, 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.

Section 11. Execution of the Notes; Closing; Professional Services. The Notes shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by Associated Trust Company, National Association, Green Bay, Wisconsin, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Notes.

Section 13. Persons Treated as Owners; Transfer of Notes. The City shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. 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 Fiscal Agent, 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 Mayor and City 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 Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

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

Section 14. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). 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 City at the close of business on the Record Date.

Section 15. 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 City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Notes allocable to the payment of issuance expenses to Old National Bank at Closing for further distribution as directed by the City's financial advisor, Ehlers & Associates, Inc.

Section 17. Conditions on Issuance and Sale of the Notes. The issuance of the Notes and the sale of the Notes to the Purchaser are subject to approval by the Authorized Officer of the principal amount, definitive maturities, redemption provisions, interest rates and purchase price for the Notes, which approval shall be evidenced by execution by the Authorized Officer of the Approving Certificate.

The Notes shall not be issued, sold or delivered until this condition is satisfied. Upon satisfaction of this condition, the Authorized Officer is authorized to execute a Proposal with the Purchaser providing for the sale of the Notes to the Purchaser.

Section 18. Official Statement. The Common Council hereby directs the Authorized Officer to approve the Preliminary Official Statement with respect to the Notes and deem 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 the Authorized Officer or other officers of the City 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 the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 19. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 20. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

Section 21. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

Section 22. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council 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, approved and recorded May 11, 2021.

_____
Tim B. Swadley
Mayor

ATTEST:

_____
Holly Licht
City Clerk

(SEAL)

EXHIBIT A

Approving Certificate

CERTIFICATE APPROVING THE PRELIMINARY OFFICIAL STATEMENT
AND DETAILS OF
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2021A

The undersigned [Mayor] [Director of Finance/Comptroller] of the City of Stoughton, Dane County, Wisconsin (the "City") hereby certifies that:

1. Resolution. On May 11, 2021, the Common Council of the City adopted a resolution (the "Resolution") authorizing the issuance and establishing parameters for the sale of not to exceed $2,350,000 General Obligation Promissory Notes, Series 2021A of the City (the "Notes") after a public sale and delegating to me the authority to approve the Preliminary Official Statement, to approve the purchase proposal for the Notes, and to determine the details for the Notes within the parameters established by the Resolution.

2. Preliminary Official Statement. The Preliminary Official Statement with respect to the Notes is hereby approved and deemed "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.

3. Proposal; Terms of the Notes. On the date hereof, the Notes were offered for public sale and _____ (the "Purchaser") offered to purchase the Notes in accordance with the terms set forth in the Proposal attached hereto as Schedule I and incorporated herein by this reference (the "Proposal"). Ehlers & Associates, Inc. recommends the City accept the Proposal. The Proposal meets the parameters and conditions established by the Resolution and is hereby approved and accepted.

The Notes shall be issued in the aggregate principal amount of $_____, which is not more than the $2,350,000 approved by the Resolution, and shall mature on May 1 of each of the years and in the amounts and shall bear interest at the rates per annum as set forth in the Pricing Summary attached hereto as Schedule II and incorporated herein by this reference. The amount of each annual principal or mandatory redemption payment due on the Notes is not more than $50,000 more or less per maturity or mandatory redemption amount than the schedule included in the Resolution as set forth below:

Date	Resolution Schedule	Actual Amount
05-01-2022	$370,000	$_____
05-01-2023	170,000	_____
05-01-2024	100,000	_____
05-01-2025	115,000	_____
05-01-2026	215,000	_____
05-01-2027	215,000	_____
05-01-2028	265,000	_____

Date	Resolution Schedule	Actual Amount
05-01-2029	$290,000	$_____
05-01-2030	290,000	_____
05-01-2031	320,000	_____

The true interest cost on the Notes (computed taking the Purchaser's compensation into account) is _____%, which is not in excess of 2.50%, as required by the Resolution.

4. Purchase Price of the Notes. The Notes shall be sold to the Purchaser in accordance with the terms of the Proposal at a price of $_____, plus accrued interest, if any, to the date of delivery of the Notes which is not less than 99.0% nor more than 104.00% of the principal amount of the Notes as required by the Resolution.

5. Redemption Provisions of the Notes. The Notes maturing on May 1, _____are subject to redemption prior to maturity, at the option of the City, on May 1, _____ or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption. [The Proposal specifies that some of the Notes are subject to mandatory redemption as set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference.]

6. Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same respectively falls due, the full faith, credit and taxing powers of the City have been irrevocably pledged and there has been levied on all of the taxable property in the City, pursuant to the Resolution, a direct, annual irrepealable tax in an amount and at the times sufficient for said purpose. Such tax shall be for the years and in the amounts set forth on the debt service schedule attached hereto as Schedule III.

7. Approval. This Certificate constitutes my approval of the Proposal, and the principal amount, definitive maturities, interest rates, purchase price and redemption provisions for the Notes and the direct annual irrepealable tax levy to repay the Notes, in satisfaction of the parameters set forth in the Resolution.

IN WITNESS WHEREOF, I have executed this Certificate on _____ pursuant to the authority delegated to me in the Resolution.

_____
Tim B. Swadley
Mayor

OR

_____
Jamin Friedl
Director of Finance/Comptroller

SCHEDULE I TO APPROVING CERTIFICATE

Proposal

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

SCHEDULE II TO APPROVING CERTIFICATE

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

SCHEDULE III TO APPROVING CERTIFICATE

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Certificate.

(See Attached)

[EXHIBIT MRP

Mandatory Redemption Provision

The Notes due on May 1, ____, ____ and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on May 1, 20

Redemption Date	Amount
____	$_____
____	_____
____	_____ (maturity)

For the Term Bonds Maturing on May 1, 20

Redemption Date	Amount
____	$_____
____	_____
____	_____ (maturity)

For the Term Bonds Maturing on May 1, 20

Redemption Date	Amount
____	$_____
____	_____
____	_____ (maturity)

For the Term Bonds Maturing on May 1, 20

Redemption Date	Amount
____	$_____
____	_____
____	_____ (maturity)]

EXHIBIT B

(Form of Note)

UNITED STATES OF AMERICA

REGISTERED STATE OF WISCONSIN DOLLARS

DANE COUNTY

NO. R-___ CITY OF STOUGHTON $_____

GENERAL OBLIGATION PROMISSORY NOTE, SERIES 2021A

MATURITY DATE:	ORIGINAL DATE OF ISSUE:	INTEREST RATE:	CUSIP:
May 1, _____	_____	____%	_____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
($_____)

FOR VALUE RECEIVED, the City of Stoughton, Dane County, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2022 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by Associated Trust Company, National Association, Green Bay, Wisconsin (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of $_____, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for public purposes, including paying the cost of acquiring equipment, park improvements, street improvements, parking lot repairs, stormwater improvements, and other capital projects, as authorized by a resolution adopted on May 11, 2021 (the "Resolution") as supplemented by a Certificate Approving the Preliminary Official Statement and Details of

General Obligation Promissory Notes, Series 2021A (the "Approving Certificate"). Said Resolution is recorded in the official minutes of the Common Council for said date.

The Notes maturing on May 1, _____ are subject to redemption prior to maturity, at the option of the City, on May 1, _____ or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Approving Certificate, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

In the event the Notes are redeemed prior to maturity, as long as the Notes are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Notes of a maturity are to be called for redemption, the Notes of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation and date of the Notes called for redemption, CUSIP number, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Notes shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Notes shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

This Note is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the City appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes (i) after the Record Date, (ii)

during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Notes, or (iii) with respect to any particular Note, after such Note has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of $5,000 or any integral multiple thereof.

This Note has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of Stoughton, Dane County, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF STOUGHTON
DANE COUNTY, WISCONSIN

By: _____
Tim B. Swadley
Mayor

(SEAL)

By: _____
Holly Licht
City Clerk

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue authorized by the within-mentioned Resolution of the City of Stoughton, Dane County, Wisconsin.

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION,
GREEN BAY, WISCONSIN

By_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____

(Name and Address of Assignee)

_____

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____
(e.g. Bank, Trust Company
or Securities Firm)

_____
(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

_____
(Authorized Officer)