NEW ISSUES	RATINGS:	S&P Global	Fitch
BOOK ENTRY ONLY	R2 Notes:	"SP-1+"	"F1+"
	N3 Notes, B4 Bonds and T5 Bonds:	"AA−"	"AA"
	(See ***"Ratings"*** herein.)		

In the opinion of Katten Muchin Rosenman LLP, and of Hurtado Zimmerman SC, Bond Counsel, in connection with the issuance of the Revenue Anticipation Notes, Series 2019 R2, the General Obligation Promissory Notes, Series 2019 N3, and the General Obligation Corporate Purpose Bonds, Series 2019 B4 (collectively, the "Tax-Exempt Obligations") under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Tax-Exempt Obligations will not be includable in gross income for federal income tax purposes. The Tax-Exempt Obligations are not "private activity bonds" and the interest thereon is not required to be included as an item of tax preference for purposes of computing "alternative minimum taxable income." Interest on the Taxable General Obligation Corporate Purpose Bonds, Series 2019 T5 (the "Taxable Obligations") is includable in the gross income of the owners for federal income tax purposes. Interest on the Tax-Exempt Obligations and the Taxable Obligations (collectively, the "Offered Obligations") is not exempt from Wisconsin income taxes.

CITY OF MILWAUKEE, WISCONSIN

$120,000,000 Revenue Anticipation Notes, Series 2019 R2
$89,100,000 General Obligation Promissory Notes, Series 2019 N3
$24,635,000 General Obligation Corporate Purpose Bonds, Series 2019 B4
$5,000,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019 T5

Dated: May 16, 2019 **Due:** As shown herein

The $120,000,000 Revenue Anticipation Notes, Series 2019 R2 (the "RANs" or the "R2 Notes") are limited obligations of the City of Milwaukee, Wisconsin (the "City") payable from State Aid Payments and also secured by a pledge of all other general fund revenues due the City and included in the budget for the current year that have not been received as of the date of delivery of the RANs and are not otherwise pledged or assigned. The RANs are not general obligations of the City and no separate debt service tax will be levied to pay the RANs.

$89,100,000 General Obligation Promissory Notes, Series 2019 N3 (the "N3 Notes"), the $24,635,000 General Obligation Corporate Purpose Bonds, Series 2019 B4 (the "B4 Bonds") and the $5,000,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019 T5 (the "T5 Bonds") are direct general obligations of the City, payable from taxes levied on all taxable property, subject to taxation by the City, without limitation as to rate or amount.

The RANs will be dated May 16, 2019 (the "Dated Date"), and will mature on May 7, 2020. The RANs are being issued for the public purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State of Wisconsin (the "State") shared revenue payments. Interest on the RANs shall be payable at maturity. The RANs are not subject to redemption prior to maturity.

The N3 Notes, B4 Bonds and the T5 Bonds will be dated the Dated Date, will bear interest payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2019 at the rates, and will mature on April 1, in the years and amounts, as detailed herein. The N3 Notes, B4 Bonds and T5 Bonds are being issued for the purpose of financing various public improvements and fiscal requirements of the City, and for the purpose of refunding outstanding commercial paper and other debt of the City. The N3 Notes and the T5 Bonds are not subject to redemption prior to maturity. The B4 Bonds are subject to optional redemption on any date on and after April 1, 2027 as described herein.

The R2 Notes, the N3 Notes, the B4 Bonds and the T5 Bonds (collectively, the "Offered Obligations") were offered for sale by competitive bid in accordance with the Official Notices of Sale dated April 17, 2019 and other conditions specified in the Official Notices of Sale. The Offered Obligations are being issued subject to the legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois and of Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel to the City. It is expected that the Offered Obligations will be delivered through the facilities of The Depository Trust Company ("DTC"), New York, New York on or about May 16, 2019.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE OFFERED OBLIGATIONS. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

For Further Information Contact:
Martin Matson, Comptroller and Secretary to Public Debt Commission
City Hall, Room 404, 200 East Wells Street - Milwaukee, WI 53202 - Phone (414) 286-3321
www.MilwaukeeBonds.com

May 2, 2019

MATURITY SCHEDULES

$120,000,000 REVENUE ANTICIPATION NOTES, SERIES 2019 R2

The R2 Notes will be dated the Dated Date, and will mature on May 7, 2020 without the option of prior redemption. Interest will be payable at maturity, at the rate or rates shown below.

Amount	Interest Rate	Yield	CUSIP (1) Base 602366
$60,000,000	4.00%	1.680%	B70
30,000,000	3.00	1.650	B88
30,000,000	3.00	1.680	B88

$89,100,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2019 N3

The N3 Notes will be dated the Dated Date, will bear interest at the rates shown below, payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2019 and will mature on April 1 in the years and in the amounts shown below. The N3 Notes are **not** subject to redemption prior to maturity.

Maturing (April 1)	Amount	Interest Rate	Yield	CUSIP (1) Base 602366
2020	$10,955,000	5.00%	1.57%	ZH2
2021	10,985,000	5.00	1.60	ZJ8
2022	10,320,000	5.00	1.63	ZK5
2023	11,070,000	5.00	1.66	ZL3
2024	11,070,000	5.00	1.69	ZM1
2025	6,930,000	5.00	1.73	ZN9
2026	6,935,000	5.00	1.77	ZP4
2027	6,940,000	5.00	1.83	ZQ2
2028	6,945,000	5.00	1.90	ZR0
2029	6,950,000	5.00	1.99	ZS8

$24,635,000 GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019 B4

The B4 Bonds will be dated the Dated Date, will bear interest at the rates shown below, payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2019 and will mature on April 1 in the years and in the amounts shown below. The B4 Bonds are subject to optional redemption on any date on and after April 1, 2027, as provided herein.

Maturing (April 1)	Amount	Interest Rate	Yield	CUSIP (1) Base 602366
2030	$4,810,000	5.00%	2.09%*	ZT6
2031	4,815,000	5.00	2.18*	ZU3
2032	4,820,000	3.00	2.85*	ZV1
2033	4,825,000	3.00	2.90*	ZW9
2034	4,825,000	3.00	3.00	ZX7
2035	100,000	4.00	2.81*	ZY5
2036	105,000	4.00	2.85*	ZZ2
2037	110,000	4.00	2.89*	A22
2038	110,000	4.00	2.93*	A30
2039	115,000	4.00	2.97*	A48

* Yield to April 1, 2027 call date.

(1) The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Offered Obligations. The City is not responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Offered Obligations, or as indicated above. The CUSIP number for a specific maturity is subject to change after the issuance of the Offered Obligations.

MATURITY SCHEDULES-CONTINUED

$5,000,000 TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019 T5

The T5 Bonds will be dated the Dated Date, will bear interest at the rates shown below, payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2019 and will mature on April 1 in the years and in the amounts shown below. The T5 Bonds are **not** subject to redemption prior to maturity.

Maturing (April 1)	Amount	Interest Rate	Yield	CUSIP (1) Base 602366
2020	$500,000	3.00%	2.30%	A55
2021	500,000	3.00	2.40	A63
2022	500,000	3.00	2.45	A71
2023	500,000	3.00	2.48	A89
2024	500,000	3.00	2.50	A97
2025	500,000	3.00	2.60	B21
2026	500,000	3.00	2.70	B39
2027	500,000	3.00	2.80	B47
2028	500,000	3.00	2.90	B54
2029	500,000	3.00	3.00	B62

(1) The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Offered Obligations. The City is not responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Offered Obligations, or as indicated above. The CUSIP number for a specific maturity is subject to change after the issuance of the Offered Obligations.

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than as contained in this Official Statement in connection with the sale of these securities and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities by a person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. These securities have not been registered pursuant to the Securities Act of 1933, in reliance upon exemptions contained in such Act.

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INTRODUCTION TO THE OFFICIAL STATEMENT

$120,000,000 Revenue Anticipation Notes, Series 2019 R2 (the "*RANs*" or "*R2 Notes*")
$87,100,000 General Obligation Promissory Notes, Series 2019 N3 (the "*N3 Notes*")
$24,635,000 General Obligation Corporate Purpose Bonds, Series 2019 B4 (the "*B4 Bonds*")
$5,000,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019 T5 (the "*T5 Bonds*")

The following summary statement is furnished solely to provide limited introductory information regarding the City's Offered Obligations, and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the Appendices hereto.

Summary Statement – RANs

Issuer:	City of Milwaukee, Wisconsin
Issue:	$120,000,000 Revenue Anticipation Notes, Series 2019 R2
Dated Date:	May 16, 2019.
Maturity:	May 7, 2020.
Principal:	$120,000,000.
Interest Payment Date:	Payable at maturity. Interest is calculated on the basis of 30-day months and a 360-day year (term of 351 days assuming a May 16, 2019 delivery date).
Denominations:	$5,000 or integral multiples thereof.
Purpose:	The RANs are issued for the purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State shared revenue payments ("*State Aid Payments*").
Security:	The City has pledged and will irrevocably segregate upon receipt, State Aid Payments in an amount sufficient, with interest thereon, to pay, when due, the principal of and interest on the RANs. The City has also pledged all other general fund revenues included in the budget for the current calendar year that are due the City, which have not been received as of the date of delivery of the RANs and which are not otherwise pledged or assigned. (See **"The RANs – Security for the RANs"** herein). The RANs are not a general obligation, do not constitute an indebtedness of the City for the purpose of determining the City's constitutional debt limitation, and no tax shall be levied to pay the RANs or interest thereon.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the RANs in accordance with the provisions of Chapters 65 and 67, including particularly Section 67.12(1)(a) of the Wisconsin Statutes.

Form of Issuance:	The RANs will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the RANs. (See **"BOOK-ENTRY-ONLY SYSTEM"** herein).	
Tax Status of Interest:	Bond Counsel are of the opinion that under existing law, interest on the RANs is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), Bond Counsel are of the opinion that interest on the RANs will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the RANs is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the RANs is not exempt from Wisconsin income taxes. (See **"TAX MATTERS"** herein).	
Redemption Feature:	The RANs are not subject to redemption prior to maturity.	
Official Statement:	The City will provide the original purchaser of the RANs with an electronic copy and up to 10 copies of this Official Statement within seven business days following the award of the RANs.	
Professionals:	Bond Counsel:	Katten Muchin Rosenman LLP Chicago, Illinois
		Hurtado Zimmerman SC Wauwatosa, Wisconsin
	Financial Advisor:	PFM Financial Advisors LLC Milwaukee, Wisconsin
	Fiscal Agent:	U.S. Bank National Association Milwaukee, Wisconsin
Record Date:	May 6, 2020.	
Delivery:	Delivery of the RANs will be on or about May 16, 2019 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.	
Reoffering:	The public reoffering price(s) or yield(s) of the RANs will be set forth on the inside front cover page of the Final Official Statement.	
Continuing Disclosure Certificate:	In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the RAN's the City will provide an executed copy of its Continuing Disclosure Certificate. (See **"CONTINUING DISCLOSURE"** herein).	

Summary Statement – N3 Notes

Issuer:	City of Milwaukee, Wisconsin
Issue:	$89,100,000 General Obligation Promissory Notes, Series 2019 N3
Dated Date:	May 16, 2019.
Principal Due Date:	April 1 of the years 2020 through 2029.
Interest Payment Date:	Interest on the N3 Notes is due each April 1 and October 1 commencing October 1, 2019. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	$5,000 or integral multiples thereof.
Purpose:	The N3 Notes are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects and fiscal requirements of the City.
Security:	Principal and interest on the N3 Notes will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the N3 Notes in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The N3 Notes will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the N3 Notes. (See **"BOOK-ENTRY-ONLY SYSTEM"** herein).
Tax Status of Interest:	Bond Counsel are of the opinion that under existing law, interest on the N3 Notes is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), Bond Counsel are of the opinion that interest on the N3 Notes will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the N3 Notes is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the N3 Notes is not exempt from Wisconsin income taxes. (See **"TAX MATTERS"** herein).
Redemption Feature:	The N3 Notes are **not** subject to redemption prior to maturity.
Official Statement:	The City will provide the original purchaser of the N3 Notes and B4 Bonds with an electronic copy and up to 10 copies of this Official Statement within seven business days following the award of the N3 Notes.

Professionals:	Bond Counsel:	Katten Muchin Rosenman LLP Chicago, Illinois
		Hurtado Zimmerman SC Wauwatosa, Wisconsin
	Financial Advisor:	PFM Financial Advisors LLC Milwaukee, Wisconsin
	Paying Agent:	City of Milwaukee, Comptroller's Office Milwaukee, Wisconsin
Record Date:	March 15 and September 15 (whether or not a business day).	
Delivery:	Delivery of the N3 Notes will be on or about May 16, 2019 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.	
Reoffering:	The public reoffering price or yield of the N3 Notes will be set forth on the inside front cover page of the Final Official Statement.	
Continuing Disclosure Certificate:	In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the N3 Notes the City will provide an executed copy of its Continuing Disclosure Certificate. (See **"CONTINUING DISCLOSURE"** herein).	

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Summary Statement – B4 Bonds

Issuer:	City of Milwaukee, Wisconsin
Issue:	$24,635,000 General Obligation Corporate Purpose Bonds, Series 2019 B4
Dated Date:	May 16, 2019.
Principal Due Dates:	April 1 of the years 2030 through 2039.
Interest Payment Dates:	Interest on the B4 Bonds is due each April 1 and October 1 commencing October 1, 2019. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	$5,000 or integral multiples thereof.
Purpose:	The B4 Bonds are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects of the City.
Security:	Principal and interest on the B4 Bonds will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Bonds in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The B4 Bonds will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the B4 Bonds. (See **"BOOK-ENTRY-ONLY SYSTEM"** herein).
Tax Status of Interest:	Bond Counsel are of the opinion that under existing law, interest on the B4 Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), Bond Counsel are of the opinion that interest on the B4 Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that the interest on the B4 Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the B4 Bonds is not exempt from Wisconsin income taxes. (See **"TAX MATTERS"** herein).
Redemption Feature:	The B4 Bonds are subject to optional redemption on any date on and after April 1, 2027. (See **"Redemption Provisions"** herein.)
Official Statement:	The City will provide the original purchaser of the N3 Notes and B4 Bonds with an electronic copy and up to 10 copies of this Official Statement within seven business days following the award of the B4 Bonds.

Professionals:	Bond Counsel:	Katten Muchin Rosenman LLP Chicago, Illinois
		Hurtado Zimmerman SC Wauwatosa, Wisconsin
	Financial Advisor:	PFM Financial Advisors LLC Milwaukee, Wisconsin
	Paying Agent:	City of Milwaukee, Comptroller's Office Milwaukee, Wisconsin
Record Date:	March 15 and September 15 (whether or not a business day).	
Delivery:	Delivery of the B4 Bonds will be on or about May 16, 2019 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.	
Reoffering:	The public reoffering price(s) or yield(s) of the B4 Bonds will be set forth on the inside front cover page of the Final Official Statement.	
Continuing Disclosure Certificate:	In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the B4 Bonds the City will provide an executed copy of its Continuing Disclosure Certificate. (See **"CONTINUING DISCLOSURE"** herein).	

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Summary Statement – T5 Bonds

Issuer:	City of Milwaukee, Wisconsin
Issue:	$5,000,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019 T5
Dated Date:	May 16, 2019.
Principal Due Dates:	April 1 of the years 2020 through 2029.
Interest Payment Dates:	Interest on the T5 Bonds is due each April 1 and October 1 commencing October 1, 2019. Interest is calculated on the basis of 30-day months and a 360-day year.
Denominations:	$5,000 or integral multiples thereof.
Purpose:	The T5 Bonds are issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes for the public purpose of financing various public improvement projects of the City.
Security:	Principal and interest on the T5 Bonds will be payable out of receipts from an irrevocable ad-valorem tax levied on all taxable property within the City.
Authority for Issuance:	The Common Council of the City has authorized the issuance and sale of the Bonds in accordance with the provisions of Chapters 65 and 67 of the Wisconsin Statutes.
Form of Issuance:	The T5 Bonds will be issued in Book-Entry-Only form, fully registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York, New York, which will act as security depository for the T5 Bonds. (See **"BOOK-ENTRY-ONLY SYSTEM"** herein).
Tax Status of Interest:	Interest on the T5 Bonds ***IS*** includable in the gross income of the owners thereof for federal income tax purposes and is not exempt from State of Wisconsin income or franchise taxes. In addition, the Internal Revenue Code of 1986, as amended, contains a number of other provisions relating to the taxation of the T5 Bonds (including, but not limited, to the treatment of and accounting for interest, premium, original issue discount and market discount thereon, gain from the disposition thereof and withholding tax on income therefrom) that may affect the taxation of certain owners, depending on their particular tax situations. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE T5 BONDS. (See **"TAX MATTERS"** herein).
Redemption Feature:	The T5 Bonds are **not** subject to redemption prior to maturity.
Official Statement:	The City will provide the original purchaser of the T5 Bonds with an electronic copy and up to 10 copies of this Official Statement within seven business days following the award of the T5 Bonds.

Professionals:	Bond Counsel:	Katten Muchin Rosenman LLP Chicago, Illinois
		Hurtado Zimmerman SC Wauwatosa, Wisconsin
	Financial Advisor:	PFM Financial Advisors LLC Milwaukee, Wisconsin
	Paying Agent:	City of Milwaukee, Comptroller's Office Milwaukee, Wisconsin
Record Date:	March 15 and September 15 (whether or not a business day).	
Delivery:	Delivery of the T5 Bonds will be on or about May 16, 2019 at the expense of the City, through the facilities of The Depository Trust Company, New York, New York.	
Reoffering:	The public reoffering price(s) or yield(s) of the T5 Bonds will be set forth on the inside front cover page of the Final Official Statement.	
Continuing Disclosure Certificate:	In order to assist bidders in complying with the continuing disclosure requirements of SEC Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's proposal, at the time of the delivery of the T5 Bonds the City will provide an executed copy of its Continuing Disclosure Certificate. (See **"CONTINUING DISCLOSURE"** herein).	

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THE RANs

Authority and Purpose

The Common Council of the City has authorized the issuance and sale of the RANs for the public purpose of financing the City's operating budget on an interim basis in anticipation of the receipt of State shared revenue payments, by the adoption of an authorizing Resolution on January 15, 2019 in accordance with the provisions of Section 67.12(1) of the Wisconsin Statutes, which reads as follows:

> **"67.12 Temporary borrowing and borrowing on promissory notes.** (1) BORROWING IN ANTICIPATION OF REVENUES. (a) Except for school districts and technical college districts, any municipality that becomes entitled to receive federal or state aids, taxes levied or other deferred payments may, in the same fiscal year it is entitled to receive the payments, issue municipal obligations in anticipation of receiving the payments. The municipal obligations issued under this paragraph shall not exceed 60% of the municipality's total actual and anticipated receipts in that fiscal year and shall be repaid no later than 18 months after the first day of that fiscal year."

The proceeds of the RANs will not be used to pay the debt service on the prior year revenue anticipation notes. Treasury Bills were deposited with the Fiscal Agent by December 31, 2018 in a maturing amount sufficient to pay the principal and interest at maturity of the prior year revenue anticipation notes.

Security for the RANs

The RANs are not a general obligation of the City, do not constitute debt for the purpose of determining the City's constitutional debt limitation, and no tax shall be levied to pay the RANs or the interest thereon.

Statutory Borrowing Limitation

Section 67.12(1)(a) of the Wisconsin Statutes limits issuance for the purpose of the RANs to sixty percent (60%) of the Estimated General Fund Revenues for fiscal year. The limitation is calculated as follows:

Total Amount of Estimated General Fund Revenues for 2019	$735,879,817
Statutory Borrowing Limit (60% of Estimated Revenues)	441,527,890
Borrowing - Revenue Anticipation Notes, Series 2019 R2	120,000,000
Unused Amount Following this Issue	$321,527,890
Percentage of 2019 Borrowing Limit Used	27%
Percentage of Borrowing to Estimated Revenues	16%

THE N3 NOTES, B4 BONDS AND T5 BONDS

Authority and Purpose

The N3 Notes, B4 Bonds and T5 Bonds are being issued pursuant to Chapters 65 and 67 of the Wisconsin Statutes to finance various public improvement projects, and fiscal requirements of the City, to refund outstanding lines of credit, and other long-term debt of the City, and to pay the associated financing

costs. The Common Council of the City adopted Resolutions on January 15, 2019 which authorize the issuance of the N3 Notes, B4 Bonds and T5 Bonds. In addition, the Common Council of the City adopted various initial Resolutions on January 21, 2015, January 19, 2016, January 18, 2017, January 17, 2018 and January 15, 2019 authorizing purposes for the B4 Bonds and T5 Bonds that have been combined into the corporate purpose bond issues.

Proceeds of the sale of the N3 Notes, B4 Bonds and T5 Bonds are anticipated to be used for various public improvements of the City as follows:

Estimated Purposes (including Lines of Credit to be refunded)*	
Streets	$ 29,607,000
Financing Receivables	20,512,604
Public Buildings	18,199,076
Police	10,430,500
Renewal and Development	6,385,000
Tax Incremental Districts	6,320,754
Sanitation	5,622,294
Bridges	4,387,500
Damages and Claims	2,300,000
Fire	2,179,500
Harbor	1,740,000
Parking	1,477,000
Library	1,363,500
Parks	696,500
Refunding GO Debt	17,375,000
Less: Premium applied to Purposes	(9,861,858)
Total	$118,735,000

The purposes shown in the table reflect the refunding of $39,500,000 of Lines of Credit.

Plan of Refunding

In addition to providing long-term financing for $39,500,000 of new-money Line of Credit draws, the City is also refunding $17,375,000 of Line of Credit draws that were incurred to refund, along with $75,000 of cash, the following bonds:

City Bonds Refunded

Dated Date	Series	Amount	Maturities	Redemption Date
2/20/2009	2009 B2	$17,450,000	2020-2024	2/15/2019

Security for the N3 Notes, B4 Bonds and T5 Bonds

The N3 Notes, B4 Bonds and T5 Bonds will be general obligations of the City, and payment thereof is secured by a pledge of the full faith and credit of the City. The City is authorized and required to levy on all taxable property in the City such ad-valorem taxes, without limitation as to rate or amount, as may be necessary to meet the debt service requirements on the N3 Notes, B4 Bonds and T5 Bonds.

Under and by virtue of Sections 67.05(10) and 67.12(12)(ee), Wisconsin Statutes, the City is obligated to levy a direct annual tax sufficient in amount to pay, and for the express purpose of paying, the

interest on the N3 Notes, B4 Bonds and T5 Bonds as it falls due, and also to pay and discharge the principal thereof at maturity. The City is, and shall be, without power to repeal such levy or obstruct the collection of such tax until all such payments have been made or provided for.

Under Section 67.035, Wisconsin Statutes, all taxes levied for paying principal of and interest on valid notes or bonds are declared to be without limitation. Under Section 65.06(18), Wisconsin Statutes, the omission from the budget of the payment of interest on or the principal of any bonded debt of the City when due shall not prevent the placing of the same on the tax roll for the levy and the collection of the tax and the payment of the money therefor.

Maturity and Interest Rates

The N3 Notes, B4 Bonds and T5 Bonds are to be dated May 16, 2019, and will bear interest from that date at the rates, and shall mature each April 1 in the amounts and years set forth on the inside front cover pages of this Official Statement. Interest on the N3 Notes, B4 Bonds and T5 Bonds will be payable commencing October 1, 2019 and thereafter semiannually on April 1 and October 1 of each year and is calculated on the basis of 30-day months and a 360-day year.

Redemption Provisions

The N3 Notes and the T5 Bonds are **not** subject to redemption prior to maturity. The B4 Bonds will be subject to redemption prior to their maturity, at the option of the City, on any date on and after April 1, 2027 at a price of par plus accrued interest to the date fixed for their redemption.

If less than all outstanding B4 Bonds are called for redemption, the B4 Bonds shall be called in such order of maturity as shall be determined by the City. If less than all of the B4 Bonds of the same maturity are called for redemption, the particular B4 Bonds of such maturity to be redeemed shall be selected by lot. Notice of redemption shall be mailed, postage prepaid, no earlier than 60 days and no later than 30 days prior to the redemption date, to the owners of any B4 Bonds to be redeemed in whose name such B4 Bonds are registered as of the date of the notice. Any defect in the notice shall not invalidate the notice. The record date for receiving payment of the redemption price shall be the 15th calendar day (whether or not a business day) prior to the redemption date. While in Book Entry Form, as the Registered Owner, DTC will receive the Redemption Notice. The City is not responsible for DTC's notification of redemption to Participants and Beneficial Owners.

Statutory Borrowing Limitation

Wisconsin Statutes limit direct general obligation debt the City may issue. The issuance of the N3 Notes, B4 Bonds and T5 Bonds do not cause these limitations to be exceeded. (See **"DEBT STRUCTURE"** herein for further details).

INVESTMENT POLICIES

The City may invest any of its funds not immediately needed in accordance with Section 66.0603 of the Wisconsin Statutes. The City, through Common Council Resolution 930358, adopted July 6, 1993, has instructed the City Treasurer to invest City funds, including Milwaukee Public Schools funds, in: (a) Certificates of Time Deposit at approved public depositories limited to the equity capital or net worth of the financial institution with collateralization required when total deposits at any institution exceed $500,000; (b) Repurchase Agreements with public depository institutions; (c) the State of Wisconsin Local Government Investment Pool; (d) U.S. Treasury and Agency instruments; and (e) commercial paper which has a rating in the highest or second highest rating category assigned by S&P Global Ratings, Moody's Investors Service, Inc., or some other similar nationally recognized rating agency.

To the extent possible, the City Treasurer attempts to match investments with anticipated cash flow requirements. No limits have been placed on how much of the portfolio can be invested in any of the above investment categories.

The State of Wisconsin Investment Board ("*SWIB*") provides the Local Government Investment Pool ("*LGIP*") as a subset of the State Investment Fund (the "*Fund*"). The LGIP includes deposits from elective participants consisting of over 1,000 municipalities and other public entities. The Fund also consists of cash balances of participants required to keep their cash balances in the Fund. These required participants include the State General Fund, State agencies and departments and Wisconsin Retirement System reserves. The LGIP portion of the Fund is additionally secured as to credit risk.

The LGIP is a local option City depository. The City utilizes the LGIP in a manner similar to a "*money market*" account. When other investment options provide more favorable returns, such options are utilized. As of December 31, 2018, the City had approximately 48% ($256 million) of its and Milwaukee Public Schools' investments deposited in the LGIP.

SWIB invests the assets of the Fund, which includes assets of the LGIP. Overall policy direction for SWIB is established by an independent, eight-member Board of Trustees (the "*Trustees*"). The Trustees establish long-term investment policies, set guidelines for each investment portfolio and monitor investment performance.

The objectives of the Fund are to provide (in order of priority) safety of principal, liquidity, and a reasonable rate of return. The Fund includes retirement trust funds cash balances pending longer-term investment by other investment divisions. The Fund also acts as the State's cash management fund and provides the State's General Fund with liquidity for operating expenses. The Fund is strategically managed as a mutual fund with a longer average life than a money market fund. This strategic advantage is made possible by the mandatory investment of State funds for which the cash flow requirements can be determined significantly in advance. Given the role played by the Fund, the cash balances available for investment vary daily as cash is accumulated or withdrawn from various funds.

A copy of SWIB's annual report may be obtained by submitting a written request to the State of Wisconsin Investment Board, P.O. Box 7842, Madison, WI 53707-7842.

THE CITY

Location, Organization and Government

General

The City is located on the western shore of Lake Michigan in southeastern Wisconsin. The City is the hub of the metropolitan area. The City is Wisconsin's largest city with a population of approximately 595,555 and is the principal trade, service and financial center of southeastern Wisconsin. The surrounding Metropolitan Statistical Area ("*MSA*") includes the principal cities of Milwaukee, Waukesha and West Allis; the counties of Milwaukee, Ozaukee, Waukesha and Washington; and has a population of nearly 1.6 million.

The Port of Milwaukee provides multimodal access to the region, including domestic markets via its access to the Great Lakes – St. Lawrence Seaway system and the Mississippi river. General Mitchell International Airport is served by domestic and international airlines. Two rail lines serve the City, including access to Port Milwaukee, providing transportation links throughout the United States. The City is also connected with the interstate highway system.

The City was incorporated as a city on January 31, 1846, pursuant to the laws of the Territory of Wisconsin. Wisconsin gained statehood in 1848. The City, operating under a Home Rule Charter since 1874, has a council mayor form of government.

Elected Officials

The Mayor, City Attorney, Comptroller, Treasurer and Common Council members are elected officials of the City. Local elections are non-partisan. The Mayor, City Attorney, Comptroller and Treasurer are elected at-large for identical four-year terms. The Common Council represents fifteen Aldermanic districts. Each Alderperson represents, and is elected from, an aldermanic district with a population of approximately 40,000.

City Officials

As of May, 2019
(initial year in office follows name)

Mayor	Tom Barrett	(2004)
City Attorney	Grant F. Langley	(1984)
City Comptroller	Martin Matson	(2012)
City Treasurer	Spencer Coggs	(2012)

Common Council

Ashanti Hamilton	(2004)	Chantia Lewis	(2016)
Chevy Johnson	(2016)	Michael J. Murphy	(1989)
Nik Kovac	(2008)	Mark A. Borkowski	(2015)
Robert J. Bauman	(2004)	Jose G. Perez	(2012)
Nikiya Dodd	(2018)	Terry L. Witkowski	(2003)
Milele A. Coggs	(2008)	T. Anthony Zielinski	(2004)
Khalif Rainey	(2016)	Russell W. Stamper, II	(2014)
Robert G. Donovan	(2000)		

* The terms of all the above elected positions expire in April 2020.

Public Services and Facilities

The City is charged with primary responsibility for public safety (via its police, fire and health departments); public works (including refuse removal and a City-owned water utility); various cultural and recreational services including a library system; and general municipal administration. City government also participates in housing and neighborhood programs through separate housing and redevelopment authorities. These two latter authorities have the ability to borrow directly and issue revenue backed financings.

Other major local governmental units and their related government services are the Milwaukee Public Schools (education); Milwaukee County (parks, airport/mass transit/highways, social services and court system); Milwaukee Metropolitan Sewerage District (wastewater treatment); and the Milwaukee Area Technical College (higher education). Wisconsin Statutes require the City to issue debt for Milwaukee Public Schools. The other governmental units listed each have the statutory authority to issue general obligation debt.

Two special purpose governmental units exist with the ability to borrow and tax on a limited revenue basis. The first is the Southeastern Wisconsin Professional Baseball Park District (the "*SWPBP District*"), a public entity created by State legislation, encompassing southeastern Wisconsin counties, including Milwaukee County, to finance construction/operations of a baseball facility ("*Miller Park*") for the National League Milwaukee Brewers baseball club. Miller Park opened in March, 2001. The SWPBP District has issued $199 million of revenue bonds supported by a five-county, one-tenth of one percent sales tax and other ancillary revenue streams. In addition, $45 million of lease certificates of participation have been issued by the SWPBP District to finance acquisition and installation of facility equipment, scoreboards, etc.

The second special purpose governmental unit is the Wisconsin Center District, a public entity created by the City pursuant to Section 229.42, Wisconsin Statutes, which oversees construction and operation of the Wisconsin Center, the City's major convention complex. This complex also includes the UW-Milwaukee Panther Arena, home of the University of Wisconsin–Milwaukee Panther's men's basketball team and the Milwaukee Admirals International Hockey League club, and the Miller High Life Theatre facilities. The Wisconsin Center was financed by $185 million of revenue bonds issued by the Wisconsin Center District and secured by a pledge of dedicated sales tax revenues from lodging, restaurant, and vehicle rentals collected in the five county area served by the Wisconsin Center. Phase One of the Wisconsin Center was completed during 1998. Phase Two was completed in 1999. In 2001, the Wisconsin Center District issued $30 million of bonds to renovate the Miller High Life Theatre.

In 2016, the Wisconsin Center District issued $200 million of revenue bonds to construct the Fiserv Forum, a 714,000 square foot arena that seats 17,500 people. This facility serves the National Basketball Association Milwaukee Bucks, and the Marquette University Golden Eagles men's basketball team.

The City is home to the Milwaukee Art Museum, as well as major symphony, ballet and opera companies, and other theatre and performing arts.

On the lakefront is the Milwaukee Art Museum, which combines art, dramatic architecture and landscape design. The Quadracci Pavilion, the first Santiago Calatrava-designed building in the United States, features a 90-foot high glass-walled reception hall enclosed by the Burke Brise Soleil, a sunscreen that can be raised or lowered creating a unique moving sculpture.

Finally, the Milwaukee area is the site of a number of higher education institutions including Marquette University, the University of Wisconsin–Milwaukee, Alverno College, Mount Mary University, Milwaukee Area Technical College and the Milwaukee School of Engineering.

Employee Relations

The City has approximately 6,376 full-time employees. 2,563 employees are part of three public safety unions. The remaining employees do not have collective bargaining representation. The City is in negotiations with the unions. Contract expiration dates are as follows:

Union	Contract Expiration Date
Police Officers	December 31, 2019
Police Supervisors	December 31, 2020
Firefighters	December 31, 2020

GENERAL, DEMOGRAPHIC AND ECONOMIC INFORMATION

General

Based on 2010 census results, the City's population is 594,833. Population in the four county area surrounding the City is estimated at 1,619,429 and represents 28% of the population of the State of Wisconsin.

City of Milwaukee
Selected Economic Data

	Population		
Year	Department of Administration	U.S. Census	Adjusted Gross Income Per Return
2017	595,555		$41,059
2016	594,667		39,885
2015	595,787		39,931
2014	595,993		37,340
2013	596,500		37,300
2012	595,425		35,770
2011	595,525		34,100
2010	580,500	594,833	32,774
2009	584,000		32,500
2000	605,572	596,974	32,370

Sources: U.S. Census and the Wisconsin Department of Administration, Demographic Service Center and the Wisconsin Department of Revenue, Division of Research and Analysis. The Division's population estimates are used in the distribution of State Shared Revenues.

Building Permits

Another indicator of economic growth is the activity in the building industry. The following table indicates building permit activity during the period 2014 through 2018.

Value of Permits

Year	Residential	Commercial	Public	Other	Total
2018	$17,222,132	$614,284,725	*	*	$631,506,857
2017	33,624,270	778,690,826	*	*	812,315,096
2016	111,299,399	81,464,755	$35,892,602	$187,592,531	416,249,287
2015	82,597,322	58,724,198	21,178,391	141,262,948	303,762,859
2014	20,520,362	320,611,159	31,118,208	167,503,559	539,753,288

Permits Issued

Year	Residential	Commercial	Public	Other	Total
2018	1,089	1,375	*	*	2,464
2017	2,180	1,364	*	*	3,544
2016	46	29	202	1,608	1,885
2015	39	31	252	2,003	2,325
2014	53	49	314	2,041	2,457

* In 2017, the City implemented a new computer system for the issuance and recording of permit data. The new system combines Public and Other into the Residential and Commercial categories.

Sources: Development Center, Department of City Development. Data accumulated from monthly reports submitted to U.S. Department of Commerce, Bureau of the Census, Construction Statistics Division, Washington D.C.

Leading Business and Industrial Firms Located Within Milwaukee County

Company	Business Description	2018 Approximate Employment
Advocate Aurora Health	Health Care System	27,599
Froedtert Health	Health Care System	11,820
Ascension Wisconsin	Health Care System	8,656
GE Healthcare	Health Care Technologies	6,000
Medical College of Wisconsin	Private Medical School	5,941
Children's Hospital and Health System	Health Care System	5,170
Northwestern Mutual	Insurance, Investment Products	5,000
Rockwell Automation Inc.	Industrial Automation Products	4,000
Goodwill Industries of SE Wisconsin Inc.	Training Programs, Retail, & Food Service	3,925
U.S. Bank	Banking Services	3,700
WEC Energy Group Inc.	Electric & Natural Gas Utility	3,342
BMO Harris Bank	Bank Holding Company	3,000
The Marcus Corp.	Theaters and Hotel Properties	2,969
FIS	Banking and Payments Technology	2,950
Marquette University	University	2,855
Harley-Davidson Inc.	Motorcycles & Accessories	2,697
Potawatomi Hotel & Casino	Hotel & Casino	2,611
Johnson Controls International	Control Systems, Batteries & Auto Interiors	2,600
Sendik's Food Market	Retail Supermarkets	1,808
Wells Fargo	Banking & Financial Services	1,766
Robert W. Baird & Co. Inc.	Asset Management and Capital Markets	1,567
Briggs & Stratton Corp.	Small Gasoline Engines	1,555
Rexnord Corp.	Power Transmission Equipment	1,500
MillerCoors LLC	Beer Brewery	1,400
Milwaukee Brewers Baseball Club	Professional Sports	1,392
Direct Supply Inc.	Shipping & eCommerce	1,171
Patrick Cudahy LLC	Manufacturer of Processed Meats	1,149
Brady Corp.	Manufacturer of Identification Materials	1,094
Cargill Meat Solutions	Food Distribution	1,032

Source: Milwaukee Business Journal, as of August 17, 2018.

EMPLOYMENT AND INDUSTRY

During 2018, the City's unemployment rate averaged approximately 4.0%. Presented below are unemployment rates for the City, as compared to the State of Wisconsin and the United States for the period 2014 through 2018.

Annual Unemployment Rates
(Not Seasonally Adjusted)

Year	City of Milwaukee	Milwaukee – Waukesha – West Allis Metropolitan Statistical Area	State of Wisconsin	United States
2018	4.0%	3.1%	3.0%	3.9%
2017	4.6	3.5	3.3	4.4
2016	5.6	4.3	4.0	4.9
2015	6.6	4.9	4.6	5.3
2014	7.9	5.8	5.4	6.2

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Recent Monthly Unemployment Rates
(Not Seasonally Adjusted)

Month	City of Milwaukee	Milwaukee – Waukesha – West Allis Metropolitan Statistical Area	State of Wisconsin	United States
February, 2019	4.2%	3.2%	3.5%	4.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics. Not Seasonally Adjusted

The City's economic structure reveals a diversified economy with strong service and manufacturing sectors. The area is not dominated by any large employers.

2018 Employment Distribution by Industry in Milwaukee-Waukesha-West Allis Metropolitan Statistical Area

	Employment	Percentage
Natural Resources, Mining, & Construction	32,600	4%
Manufacturing	118,400	14
Trade, Transportation & Utilities	147,100	17
Information	13,500	2
Finance	51,200	6
Professional & Business Services	126,500	14
Education & Health Services	170,800	19
Leisure & Hospitality	80,600	9
Other Services	47,000	5
Government	85,800	10
Total	873,500	

Source: Wisconsin Department of Workforce Development, Labor Market Information, Current Employment Estimates by Industry - CES.

Ten Largest Taxpayers With 2018 Estimated Equalized Valuations

Northwestern Mutual Life Ins.	$ 437,599,805
US Bank Corp.	219,810,881
Mandel Group	201,416,820
Juneau Village/Prospect Tower/Katz Properties	125,515,383
411 E Wisconsin – FMC Investment Opportunities	117,639,236
Metropolitan Associates	112,685,763
Aurora Health	109,727,025
Irgens	108,528,766
Jackson Street Holdings	106,451,815
Forest County Potawatomi Community	101,777,354

Source: City of Milwaukee, Assessor's Office January 2019.

DEBT STRUCTURE

The City of Milwaukee has never defaulted in the payment of the principal or interest on its debt obligations, nor has the City issued any refunding securities for the purpose of preventing default in principal or interest on its debt obligations.

Legal Debt Limitations

Section 67.03 of the Wisconsin Statutes, as supplemented and amended, limits direct general obligation borrowing by the City to an amount equivalent to five percent of the equalized valuation of taxable property within the City. Section 119.49 of the Wisconsin Statutes, as supplemented and amended, further authorizes referendum approved-bonding in an additional amount equivalent to two percent of the equalized taxable property within the City for school capital purposes.

Debt Margin (Includes the Offered Obligations to be issued by the City)

Equalized Value of Taxable Property in the City		$28,340,400,600
Legal Debt Limitation for City Borrowing		
5% of Equalized Value		$1,417,020,030
General Obligation Debt Outstanding subject to 5% Limit as of 05/01/19	$915,893,273	
Plus: 2019 N3, B4 and T5	118,735,000	
Less: Provision for current year maturities	(13,740,000)	
Less: General Obligation Debt to be Refunded	(56,875,000)	
Net General Obligation Debt Outstanding subject to the 5% Limit as of 05/01/19		$964,013,273
Total Debt Margin for City Borrowing (in Dollars)		453,006,757
As a percentage		32.0%
Legal Debt Limitation for School Purpose Borrowing		
2% of Equalized Value		$566,808,012
General Obligation Debt Outstanding subject to 2% Limit as of 05/01/19	$7,928,962	
Less: Provision for current year maturities	--	
Net General Obligation Debt Outstanding subject to the 2% Limit as of 05/01/19		$7,928,962
Total Debt Margin for School Purpose Borrowing (in Dollars)		$558,879,050
(As a percentage)		98.6%

Analysis of General Obligation Debt
Outstanding as of May 1, 2019

Streets	$228,568,784
Tax Increment Districts	196,321,081
Public Buildings	128,174,972
Schools (5% City Borrowing)	58,102,832
Municipal Expenses	74,524,127
Bridges	44,523,932
Blight Elimination/Urban Renewal	40,738,268
Police	39,579,144
Finance Real & Personal Property Tax Receivables	34,104,648
Library	25,512,248
Fire	16,582,937
Parking	10,402,739
Water	6,493,411
Sewers	5,038,127
Harbor	3,629,634
Playground/Recreational Facilities	3,573,868
Local Improvement Projects/Special Assessments	22,521
Total GO Debt subject to the 5% City Debt Limit	$915,893,273
GO Debt subject to the 2% School Purpose Debt Limit	7,928,962
Total Outstanding GO Debt	$923,822,236

Composition of General Obligation Debt
Outstanding as of May 1, 2019

Total GO Debt Outstanding	$923,822,236
Less: Bond Anticipation Notes	(39,525,000)
Less: Long-term Debt to be refunded	(17,350,000)
Total Long-Term Fixed Rate GO Debt	$866,947,236
Less: Amounts on Deposit in Sinking Funds	(20,225,000)
Net Long-Term Fixed Rate GO Debt	$846,722,236

General Obligation Debt Service Requirements

The following indicates the annual requirements of principal and interest on the general obligation debt of the City.

	Total Fixed Rate G.O. Debt Service as of 05/01/19 (1)		Series 2019 N3, B4 and T5		Total Requirements After Issuance
	Principal (2)	Interest	Principal	Interest	
2019	$ 14,665,000	$ 21,036,319		$ 2,078,231	$ 37,779,550
2020	105,541,322	37,513,912	$ 11,455,000	5,260,575	159,770,809
2021	92,658,148	33,098,700	11,485,000	4,697,075	141,938,923
2022	83,464,005	30,202,038	10,820,000	4,149,450	128,635,493
2023	140,188,761 (3)	25,065,902	11,570,000	3,599,700	180,424,363
2024	75,160,000	16,765,880	11,570,000	3,031,200	106,527,080
2025	71,610,000	13,646,999	7,430,000	2,566,200	95,253,199
2026	61,950,000	10,684,978	7,435,000	2,204,575	82,274,553
2027	56,185,000	7,344,598	7,440,000	1,842,700	72,812,298
2028	41,450,000	4,509,484	7,445,000	1,480,575	54,885,059
2029	31,435,000	3,144,927	7,450,000	1,118,200	43,148,127
2030	26,070,000	2,092,063	4,810,000	816,700	33,788,763
2031	20,720,000	1,260,457	4,815,000	576,075	27,371,532
2032	14,735,000	651,403	4,820,000	383,400	20,589,803
2033	10,280,000	205,906	4,825,000	238,725	15,549,631
2034	610,000	10,422	4,825,000	93,975	5,539,397
2035	0	0	100,000	19,600	119,600
2036	0	0	105,000	15,500	120,500
2037	0	0	110,000	11,200	121,200
2038	0	0	110,000	6,800	116,800
2039	0	0	115,000	2,300	117,300
	$846,722,236 (4)	$207,233,986	$118,735,000	$34,192,756	$1,206,883,978

(1) Excludes debt to be refunded and Revenue Bond Anticipation Notes.
(2) Assumes Sinking Fund Deposits in year due.
(3) Includes $61 million for Series 2018 N1 that were issued to permit prepayment of certain municipal expenses. If the program is not repeated, the amount will be repaid from the amount normally budgeted for said expenses, thus returning the expenses to payment made in arrears.
(4) Excludes $20,225,000 on deposit in the sinking fund accounts.

2018 Revenue Anticipation Notes

In 2018, the City issued the 2018 Revenue Anticipation Notes (the "2018 Notes") with a maturity date of May 16, 2019. Treasury Bills were deposited with the Fiscal Agent by December 31, 2018 in a maturing amount sufficient to pay the principal and interest at maturity of the 2018 Notes. Proceeds of the RANs will not be used to pay the debt service on the 2018 Notes.

Trends of General Obligation Debt
(Thousands of Dollars)

Year 12/31	Total GO Debt	Self-Sustaining GO Debt*	Levy Supported GO Debt
2014	$ 863,465	$276,231	$587,234
2015	892,221	263,175	629,046
2016	1,012,043	315,618	696,425
2017	990,473	285,135	705,337
2018	1,037,024	299,695	737,329

* General Obligation debt whose debt service requirements are paid by non-Citywide property tax revenues.

Trends of Self-Sustaining General Obligation Debt
(Thousands of Dollars)

Year 12/31	TID Program	Parking Program	Special Assessments	Delinquent Taxes (1)	Water (2)	Sewer (2)	Total Self-Sustaining
2014	$171,810	$11,533	$1,242	$55,927	$12,670	$23,049	$276,231
2015	167,898	11,768	561	54,648	10,158	18,142	263,175
2016	209,504	11,702	170	51,039	28,342	14,860	315,618
2017	201,316	11,418	69	44,988	7,486	19,858	285,135
2018	215,352	11,496	23	52,592	9,028	11,203	299,695

General Obligation debt whose debt service requirements are paid by non-Citywide property tax revenues.

(1) Debt issued for Delinquent Tax Purposes is paid from collections of the delinquent taxes.
(2) Includes Revenue Bond Anticipation Notes.

Ratio of General Obligation Debt
to Equalized and Assessed Values and to Per Capita

Year 12/31	Population (1)	Net Equalized Valuation	Assessed Valuation	Total GO Debt	GO Debt/Net EV	GO Debt/AV	GO Debt/capita
2014	596,500	$26,089,611,100	$25,034,158,099	$ 863,464,646	3.31%	3.45%	$1,448
2015	595,993	26,138,108,100	25,024,542,439	892,221,179	3.41	3.57	1,497
2016	595,787	25,980,469,600	25,262,963,417	1,012,042,745	3.90	4.01	1,699
2017	591,076	26,903,884,900	26,937,359,310	990,472,506	3.68	3.68	1,676
2018	595,555	28,340,400,600	28,335,277,103	1,037,023,962	3.66	3.66	1,741

(1) Population estimate from the Wisconsin Department of Revenue for use in the distribution of State Shared Revenues.

The Public Debt Amortization Fund may be used to purchase and prepay City GO Debt. Assuming the unsegregated fund balance is used to prepay City GO Debt at year-end, the following results would have occurred:

Year 12/31	PDAF Unsegregated Balance	GO Debt /Net EV	GO Debt /capita
2014	$56,790,600	3.09%	$1,352
2015	61,857,951	3.18	1,393
2016	59,993,868	3.66	1,598
2017	54,613,324	3.48	1,583
2018 (1)	50,613,324	3.48	1,656

(1) 12/31/18 balance is unknown at this time. Assumes balance declines by $4 million.

Computation of Net Direct and Overlapping Debt
May 1, 2019

Governmental Unit	Debt Outstanding As of May 1, 2019	Percentage Applicable	Share of Debt As of May 1, 2019
City of Milwaukee (1).....	$ 971,942,236	100.00%	$ 971,942,236
Area Board of Vocational, Technical and Adult Education, District No. 9...	111,045,000	35.15	39,028,229
County of Milwaukee	564,652,211	43.78	247,227,298
Milwaukee Metropolitan Sewerage District	756,320,442	44.65	337,708,478
Total Net Direct and Overlapping Debt.....	$2,403,959,889		$1,595,906,871

(1) Includes $66.0 million general obligation debt outstanding, which financed Milwaukee Public Schools improvements. Figure includes the new issue, and excludes debt to be refunded and provisions for current year maturities.

Future Financing

Prior to the issuance of the Offered Obligations, the City has $773 million authorized unissued general obligation debt for various corporate and capital improvement purposes, which can be issued at any time. The City also has $400 million of authorized unissued revenue anticipation borrowing for City and School cash flow purposes.

The City has $56.9 million on Lines of Credit outstanding which can be refinanced with General Obligation Debt. $39.5 million for new capital purposes, and $17.4 million for refunding purposes will be refinanced with this issue.

The authorized unissued general obligation debt includes $114 million for sewer purposes and $81 million for water purposes. The sewer purpose debt is anticipated to be financed on a revenue bond basis, including second lien revenue bonds sold to the State of Wisconsin Clean Water Fund Program. The water purpose debt is anticipated to be financed on a revenue bond basis, including second lien revenue bonds sold to the State of Wisconsin Safe Drinking Water Loan Program.

See **"FINANCIAL INFORMATION – City Capital Improvement Plan"** herein for information on potential future capital needs.

City Capital Improvement Plan

The City's 2019-2024 Capital Improvement Plan ("*CIP*") outlines planned capital improvement projects and programs. Some school purpose improvements are financed by the City for Milwaukee Public Schools, but are not included in the CIP.

2019-2024 Capital Improvement Plan
(Amounts in Thousands of Dollars)

	2019	2020	2021	2022	2023	2024	Total
Transportation	$85,098	$75,284	$85,553	$85,886	$85,641	$83,810	$501,272
Redevelopment and Blight Elimination	9,465	6,000	6,000	6,000	6,000	6,000	39,465
Public Safety	10,650	12,320	7,820	11,420	14,420	17,570	74,200
Miscellaneous	32,949	36,241	36,691	31,843	26,043	23,993	187,760
Total General City	$138,162	$129,845	$136,064	$135,149	$132,104	$131,373	$802,697
Levy supported GO Borrowing	$88,094	$81,876	$81,539	$81,764	$81,819	$81,188	$496,280
Grants	31,199	28,084	38,810	37,900	35,200	34,600	205,793
Cash Levy	1,114	1,000	1,000	1,000	1,000	1,000	6,114
Special Assessment	3,000	3,200	3,200	3,200	3,200	3,200	19,000
Cash Revenues	14,755	15,685	11,515	11,285	10,885	11,385	75,510
Total Revenues for General City Improvements	$138,162	$129,845	$136,064	$135,149	$132,104	$131,373	$802,697
Tax Incremental Districts							
GO Borrowing repaid by TID Increment	$44,000	$25,000	$25,000	$25,000	$25,000	$25,000	$169,000
Developer Financed	6,500	5,000	5,000	5,000	5,000	5,000	31,500
Total for Tax Incremental Districts	$50,500	$30,000	$30,000	$30,000	$30,000	$30,000	$200,500
Water (primarily funded by revenue bonds)	$31,385	$47,160	$42,110	$35,110	$36,960	$34,910	$227,635
Sewer (primarily funded by revenue bonds)	$33,950	$40,683	$39,883	$39,183	$39,183	$39,183	$232,065
Total Capital Improvements	$253,997	$247,688	$248,057	$239,442	$238,247	$235,466	$1,462,897

Lines of Credit and Other Liquidity

The City has a $120,000,000 of lines of credit with US Bank National Association (a "*Line*", or "*Lines*"). The Lines are secured by the general obligation pledge of the City, permit the City to draw and repay at any time, with interest rates based upon 1-month LIBOR. The Lines may be terminated upon specified events. If a Line's draw period is not extended, or if terminated, the City has 18 months, from the end of the draw period or termination date, to repay the Line (the "*Term-out Period*"). The Term-out Period gives the City at least six months to refund or payoff the Line before being required levy taxes for the payment of the outstanding amount of the Line. The draw periods on the Lines expire through November 15, 2019 and it is the City's intention to renew the Lines for various amounts and lengths of time based upon the cash flow needs of the City.

Draw on the Lines may be made at any time for any purpose, including the purposes described in Future Financing above. The primary purpose of the Lines is to provide interim financing for expenditures pending the City's next long-term financing and short-term cash flow needs. As of May 1, 2019, the City had $56.875 million outstanding on the Lines, all of which will be refinanced with the Offered Obligations.

Other Variable Rate Exposure

Other than the Lines of Credit, the City does not have any other form of variable rate debt outstanding. It is anticipated that, over time, when the use of variable rate debt is more advantageous, up to 15-25% of the tax levy supported long-term general obligation debt will be in the form of variable rate debt.

In 2003, the Redevelopment Authority of the City of Milwaukee, on behalf of the Milwaukee Public Schools, issued $130,850,000 of Taxable Pension Funding Bonds, 2003 Series D in Auction Rate Mode

and insured by MBIA. In 2005, the 2003 Series D bonds were converted to Index Bonds ("*IB*") whose interest rate is reset monthly to 1-month LIBOR + 25 basis points. The IB bond owners do not have an option to put the bonds. The 2003 Series D bonds also have an interest rate swap that pays Milwaukee Public Schools 1-month LIBOR + 20 basis points in exchange for a fixed rate of 5.56% paid by Milwaukee Public Schools, effectively converting the IB to a fixed rate with no basis risk. The City and MPS are monitoring the scheduled discontinuation of LIBOR in 2021, and anticipate amending the financing documents by 2021 to change to a new index.

REVENUE BONDING

The City has issued revenue bonds for its Water and Sewerage Systems and has issued industrial revenue bonds on behalf of borrowers for eligible projects. Additionally, the Housing Authority of the City (the "*Housing Authority*"), the Redevelopment Authority of the City (the "*Redevelopment Authority*"), the Milwaukee Economic Development Corporation and related entities also have outstanding obligations. Collectively, the programs of the Housing and Redevelopment Authorities and Milwaukee Economic Development Corporation complement the City-financed economic development projects and foster the same development objectives.

Water System Revenue Bonds – In 2016, with the consent of the State, the City publically sold and issued $10,000,000 of Water System Revenue Bonds on a senior lien basis to loans from the State of Wisconsin Safe Drinking Water Loan Program. Additional senior lien bonds may be issued without the consent of the State. As of May 1, 2019, total outstanding Water System Revenue Bonds was $9.1 million with a final maturity in 2036.

Beginning in 1998, the City entered into loan agreements under the State of Wisconsin Safe Drinking Water Loan Program. Subsidized loans are available for certain projects, are secured by revenues of the Milwaukee Water Works, and are repayable over a period of 20 years. As of May 1, 2019, the outstanding balance was $38.6 million.

Sewerage System Revenue Bonds – In 2001, the City created the Sewerage System Revenue Bonds with the issuance of $29,095,000 of Sewerage System Revenue Bonds, and has periodically issued debt under the Resolution. Additional senior lien bonds may be issued without the consent of the State. As of May 1, 2019, total outstanding Sewerage System Revenue Bonds was $149.2 million with a final maturity in 2036.

In 2006, the City created the Sewerage System Second Lien Revenue Bonds for the purpose of borrowing from the State of Wisconsin Clean Water Fund Program. Subsidized loans are available for certain projects, are secured by revenues of the Sewerage System, and are repayable over a period of 20 years. As of May 1, 2019, the outstanding balance was $130.7 million. The City hopes to satisfy as much as possible of its Sewerage System capital needs with borrowings under the Program. (See **"Future Financing"**).

Industrial Revenue Bonding Program – The City has established guidelines relating to its Industrial Revenue Bonding Program. These guidelines establish criteria for IRB financing. The guidelines delineate that the primary goals of this program are to create additional tax base, additional jobs, or both. Industrial land, buildings, and machinery and equipment used in the manufacturing process and pollution abatement equipment of new or expanding industries are eligible projects. Since the first IRB issue in 1973, the City has closed 125 issues amounting to approximately $265 million. The City has no responsibility to either secure or redeem IRB debt, and thus neither guarantees nor lends its own credit to these obligations.

Housing Authority of the City of Milwaukee – Most of the Housing Authority bonds and notes are secured by a lien on all revenues of the Housing Authority Low Income Housing Program. The Housing Authority has also issued debt for "*stand alone*" projects. The Housing Authority bonds and notes are limited obligations of the Housing Authority and are neither a general obligation of the City nor are they guaranteed by the City. As such, they are not backed by the general credit or taxing powers of the City.

As of December 31, 2018, the Housing Authority had outstanding $16.9 million of Mortgage Revenue Bonds.

Redevelopment Authority of the City of Milwaukee – The Redevelopment Authority is a public body corporate and politic formed in 1958 by action of the Common Council of the City pursuant to the Section 66.1333 (formerly Section 66.431) of the Wisconsin Statutes, as supplemented and amended ("*Redevelopment Authority Act*").

The Redevelopment Authority has as its purpose the carrying out of blight elimination, slum clearance and urban renewal programs and projects as set forth in the Redevelopment Authority Act, and is authorized under the Redevelopment Authority Act to issue revenue bonds for the financing of such programs and projects, and to enter into revenue agreements to provide revenues for the payment of such revenue bonds.

Since its creation, the Redevelopment Authority has provided for the acquisition and improvement of a variety of industrial, commercial, housing and other revenue producing projects, and, in some instances, has entered into revenue agreements for the financing thereof, pursuant to authorization contained in the Redevelopment Authority Act. In connection with the financing of a number of such projects, the Redevelopment Authority has issued revenue bonds under a number of authorizing resolutions and indentures, each of which contained separate terms and conditions relating to the respective issues of revenue bonds. In each instance, the bonds issued constitute limited obligations of the Redevelopment Authority, and do not constitute an indebtedness of the City or a charge against the City's general credit or taxing power.

The majority of these issues are supported solely by the revenues of the various projects. While in each instance, the bonds issued constitute limited obligations of the Redevelopment Authority, and do not constitute an indebtedness of the City or a charge against the City's general credit or taxing power, there are certain issues which involve contingent liabilities of the Redevelopment Authority and/or the City.

As of May 1, 2019, the Redevelopment Authority had outstanding: one bond issue with $18 million outstanding that has a moral obligation pledge of the City; and $317 million in 11 bond issues for Milwaukee Public Schools, seven secured by leases, and four secured by loan agreements, with the Milwaukee Board of School Directors ("*MBSD*"). These bonds do not constitute general obligations of the City, or of MBSD, and shall not constitute or give rise to a charge against the City's, or MBSD's, taxing powers. The loan agreements with MBSD includes a pledge of certain state aid payable to MBSD.

The Redevelopment Authority has also issued debt payable from tax increment revenues. (See **"TAX INCREMENT DISTRICT FINANCING"** herein).

Milwaukee Economic Development Corporation – As of December 31, 2018, the Milwaukee Economic Development Corporation, itself, or through related entities, funded loans for 1,287 businesses and projects utilizing $394 million to leverage a total of $1.8 billion in investment. 1,380 loans have been enrolled in the Capital Access Program with covered loan amounts totaling $77 million.

TAX INCREMENT DISTRICT FINANCING

Five issues of the Redevelopment Authority and Housing Authority involving over $61 million in bonds have financed projects located within tax increment districts ("*TID*") of the City. The City has also financed public improvements and provided grants to the Redevelopment Authority for redevelopment purposes within such districts through the issuance of its general obligation bonds. As of December 31, 2018, $215 million of general obligation debt for TID purposes were outstanding. Under current law, tax increments received by the City have been calculated based upon the assessed valuation and the applicable tax levy in the TID. The applicable tax levy includes the public school tax levy rate for Milwaukee Public Schools.

The Redevelopment Authority of the City has approximately $61 million of debt secured by tax increment revenues. The debt is owed to developers of projects within the TID, with no recourse to the City in the event that tax increment revenues are insufficient to repay the obligations. Pursuant to 2003 Wisconsin Acts 126, 127, 194 and 231 (enacted in February through April 2004), the allowable life of TIDs created between September 30, 1995 and October 1, 2004 for blight elimination and rehabilitation purposes is 27 years. The maximum lives for TIDs created after September 30, 2004 is 27 years for blighted and rehabilitation TIDs, and 20 years for mixed use TIDs and industrial TIDs, which, for industrial TIDs represents a reduction from 23 years, though the law also makes them eligible for a three year extension under certain circumstances. In any year in which total TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the City's general property tax levy.

FINANCIAL INFORMATION

Budgeting

Each department and agency prepares its own detailed estimate of needs for the ensuing fiscal year which is filed with the Mayor not later than the second Tuesday in May of each year, at which time the Comptroller submits a statement of anticipated non property tax revenues in accordance with City Charter provisions. Under the City Charter, changes to these non-property tax revenue estimates can be made only by the Comptroller. The Mayor holds hearings on departmental spending requests during July and August at the times and places the Mayor or Common Council by ordinance directs. The Mayor submits a proposed budget to the Common Council on or before September 28th of each year. This budget includes the Comptroller's anticipated non property tax revenues. Subsequent to receipt of the budget by the Common Council, its Committee on Finance and Personnel reviews the Mayor's proposed expenditure budget. The Mayor and Common Council hold a public hearing on the entire budget no later than the 30th day of October. The Common Council subsequently adopts a property tax levy, but cannot change the Comptroller's anticipated revenues budget. The final budget must be adopted by the 14th of November. The City is under no State or local levy limits with respect to General Obligation Debt Service. Under Section 65.06(18), Wisconsin Statutes, the omission from the budget of the payment of interest on or the principal of any bonded debt of the City when due shall not prevent the placing of the same on the tax roll for the levy and the collection of the tax and the payment of the money therefor.

Budgetary Comparison Schedule – General Fund
For The Years Ending December 31, 2013 Through 2017
(Thousands of Dollars)

	2013	2014	2015	2016	2017
Revenues:					
Property Taxes	172,594	179,269	190,318	187,739	190,775
Other Taxes	3,544	6,091	2,765	3,979	3,795
Licenses and Permits	15,030	16,063	16,629	16,767	15,597
Intergovernmental	259,735	260,886	263,350	265,190	265,701
Charges for Services	111,881	114,743	120,908	118,166	117,873
Fines and Forfeitures	4,492	4,577	4,110	3,534	3,356
Other	35,378	32,284	28,486	20,000	19,384
Total General Fund Revenues	602,654	613,913	626,566	615,375	616,481
Tax Stabilization Fund Withdrawals	14,900	20,000	16,700	21,087	27,579
Other Financing Sources and Equity					
Transfers (Net)	107,770(1)	49,492	50,906	46,788	49,549
Total General Fund Revenues Tax Stabilization Fund Withdrawals and Other Financing Sources	725,324	683,405	694,172	683,250	693,609
Expenditures:					
General Government	313,667(1)	254,418	239,232	225,418	228,607
Public Safety	270,680	267,344	293,085	320,389	314,648
Public Works	99,907	103,244	101,007	103,740	100,482
Health	9,147	9,028	9,459	10,207	10,245
Culture and Recreation	15,900	16,342	16,669	17,296	17,925
Conservation and Development	3,379	3,519	3,816	4,429	4,579
Total Expenditures	712,680	653,895	663,268	681,479	676,486
Sources Over (Under) Expenditures	12,644	29,510	30,904	1,771	17,123
Fund Balance - January 1 (excludes reserved for use during the year)	90,890	83,534	96,344	106,161	80,353
Fund Balance - December 31	103,534	113,044	127,248	107,932	97,476
Fund Balance Components:					
Nonspendable	15,389	17,301	17,094	16,127	18,401
Restricted	0	0	0	0	0
Committed	1,741	1,587	2,035	2,266	3,444
Assigned	43,172	44,150	46,404	38,802	37,281
Unassigned	43,232	50,006	61,715	50,737	38,350
Total Fund Balance	103,534	113,044	127,248	107,932	97,476

(1) $62 million was borrowed in 2013 for a pension early payment program.

Tax Stabilization Fund (free fund balance)					
Reserved for Next Year's Budget	20,000	16,700	21,087	27,579	19,000
Reserved for Subsequent Years' Budget	49,947	56,599	68,095	50,737	44,182

Adopted Budget – Combined Revenues – 2019

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Taxes						
Property Tax – General	$119,704,126		$68,558,500	$1,114,000		$189,376,626
Provision for Employee Retirement (1)	86,619,281					86,619,281
Contingent Fund	5,000,000					5,000,000
Total Taxes	$211,323,407	–	$68,558,500	$1,114,000	–	$280,995,907
Revenues						
Taxes and PILOT	$17,984,000					$ 17,984,000
Licenses and Permits	16,125,000					16,125,000
Intergovernmental Revenues	271,389,000	$48,244,023				319,633,023
Charges for Service	153,913,410					153,913,410
Fines and Forfeitures	3,251,000					3,251,000
Miscellaneous Revenues	22,894,000	8,000,000				30,894,000
Fringe benefits (2)	23,000,000					23,000,000
Parking	16,000,000		$ 3,023,715		$ 22,834,909	41,858,624
Water Works			2,843,221	$727,778	96,902,001	100,473,000
Sewer Maintenance Fund			5,260,825	1,000,000	61,627,142	67,887,967
Retained Earnings					14,532,823	14,532,823
Delinquent Taxes			23,594,845			23,594,845
Tax Incremental Districts			30,956,804			30,956,804
Other Self Supporting Debt			40,638,590			40,638,590
Cash Flow borrowings			110,000,000			110,000,000
Special Assessments		11,286,498		3,000,000		14,286,498
Capital Revenue				21,255,000		21,255,000
Total Revenues	$524,556,410	$67,530,521	$216,318,000	$25,982,778	$195,896,875	$1,030,284,584
Tax Stabilization Fund						
Transfer from Reserves	$ 16,000,000					$ 16,000,000
Sale of Bonds and Notes						
General City				$128,709,000		128,709,000
Enterprise Funds				66,992,222		66,992,222
Grand Total	$751,879,817	$67,530,521	$284,876,500	$222,798,000	$195,896,875	$1,522,981,713

(1) Includes employer and employee pension contributions and City employers' share of FICA.
(2) For budgeting purposes, Fringe Benefits are used as an offset against expenditures since these costs are budgeted twice, both as a lump sum and as individual departmental expenditures.

Adopted Budget – Combined Appropriations – 2019

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Total
Expenditures						
Administration, Dept of	$ 12,808,910			$2,590,000		$15,398,910
Assessor's Office	4,518,537					4,518,537
City Attorney	7,083,725					7,083,725
City Treasurer	3,514,648					3,514,648
Common Council – Clerk	9,239,595			150,000		9,389,595
Municipal Court	2,983,300					2,983,300
Comptroller	4,744,777					4,744,777
Dept. of City Development	5,173,501			56,015,000		61,188,501
Election Commission	1,311,372					1,311,372
Employee Relations, Dept of	3,988,802					3,988,802
Fire and Police Commission	3,018,522			150,000		3,168,522
Fire Department	112,039,599			3,324,000		115,363,599
Health Department	14,459,698			760,000		15,219,698
Library Board	22,951,785			2,150,000		25,101,785
Mayor's Office	1,348,285					1,348,285
Neighborhood Services	19,586,218			3,550,000		23,136,218
Police Department	298,922,696			6,416,000		305,338,696
Port of Milwaukee	4,953,155			1,450,000		6,403,155
DPW–Administration	3,068,308					3,068,308
DPW–Infrastructure	38,828,990			59,999,000		98,827,990
DPW–Operations	79,705,911			9,010,000		88,715,911
Water Works			$ 2,843,221	31,385,000	$102,029,779	136,258,000
Sewer Maintenance Fund			5,260,825	33,950,000	65,944,919	105,155,744
Special Purpose Accounts	158,530,446					158,530,446
Pension Funds	112,763,536					112,763,536
Debt Service – City			151,771,743			151,771,743
Debt Service – Schools			11,976,996			11,976,996
Debt Service – Cash Flow			110,000,000			110,000,000
Contingency	5,000,000					5,000,000
Delinquent Tax Fund		$ 8,000,000				8,000,000
Parking			3,023,715	3,385,000	27,922,177	34,330,892
Grant & Aid Fund		48,244,023				48,244,023
Special Capital Projects				8,514,000		8,514,000
Economic Development		11,286,498				11,286,498
Fringe Benefit Offset	(178,664,499)					(178,664,499)
Grand Total	$751,879,817	$67,530,521	$284,876,500	$222,798,000	$195,896,875	$1,522,981,713

CITY OF MILWAUKEE
General Fund - Estimated 2018 Cashflow Summary
(Millions of Dollars)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
BALANCE	**94.959**	**67.198**	**25.812**	**2.102**	**(17.895)**	**70.831**	**9.449**	**89.615**	**77.726**	**49.311**	**33.587**	**186.688**	
RECEIPTS													
Property Taxes	7.952	6.105	18.248	12.201	11.983	13.496	65.888	17.063	11.998	15.665	12.852	60.924	254.375
State Aids													
Shared Revenue	-	-	-	-	-	-	41.929	-	-	-	186.313	-	228.242
Highway Aids	7.047	-	-	7.047	-	-	8.083	-	-	7.048	-	-	29.225
Payment Muni. Services	-	2.432	-	-	-	-	-	-	-	-	-	-	2.432
Computer Exemption Aid	-	-	-	-	-	-	6.454	-	-	-	-	-	6.454
Other	26.182	7.248	4.646	9.393	9.991	8.708	7.900	11.232	6.365	8.730	9.700	31.498	141.593
Pension Fees	1.971	2.197	-	-	0.646	2.181	1.489	2.060	1.565	1.420	2.582	0.473	16.584
City Services Fees	4.161	3.133	2.813	2.485	3.295	2.429	2.484	3.686	2.916	3.476	5.566	4.882	41.326
City PILOTS (Major)	-	-	-	-	-	-	-	-	-	-	-	15.375	15.375
Parking Transfers	-	-	-	-	-	8.561	-	-	-	-	-	8.971	17.532
Summerfest Lease	-	-	-	-	-	-	-	-	-	-	-	1.533	1.533
Street Sweeping	-	-	-	-	-	10.841	-	-	-	-	-	11.337	22.178
Vehicle Registration Fee	0.407	0.464	0.494	0.712	0.561	0.626	0.577	0.585	0.556	0.483	0.554	0.452	6.471
Potawatomi PILOT	-	-	-	-	-	-	-	5.781	-	-	-	-	5.781
Year End Transfers	73.390	-	-	-	-	-	-	-	-	-	-	-	73.390
Delinquent Taxes Transfer	-	-	-	-	22.214	-	-	-	-	-	-	-	22.214
Note Proceeds (1)	-	70.000	-	-	111.205	-	-	-	-	-	-	-	181.205
TOTAL RECEIPTS	**121.110**	**91.579**	**26.201**	**31.838**	**159.895**	**46.842**	**134.804**	**40.407**	**23.400**	**36.822**	**217.567**	**135.445**	**1,065.910**
DISBURSEMENTS													
Salaries & Benefits	39.512	42.193	43.313	39.376	61.919	43.091	42.183	41.966	42.346	43.246	59.700	52.388	551.233
Services & Supplies	19.421	9.001	6.598	12.459	9.250	9.624	12.455	10.330	9.469	9.300	4.766	15.854	128.527
Employer Pension Contribution	89.938	-	-	-	-	-	-	-	-	-	-	-	89.938
Purchase Tax Delinquents	-	19.871	-	-	-	-	-	-	-	-	-	-	19.871
Contractual Tax Payment	-	-	-	-	-	55.509	-	-	-	-	-	-	55.509
Year End Transfers	-	-	-	-	-	-	-	-	-	-	-	61.000	61.000
Note Principal Repayment	-	61.900	-	-	-	-	-	-	-	-	-	110.000	171.900
TOTAL DISBURSEMENTS	**148.871**	**132.965**	**49.911**	**51.835**	**71.169**	**108.224**	**54.638**	**52.296**	**51.815**	**52.546**	**64.466**	**239.242**	**1,077.978**
BALANCE	**67.198**	**25.812**	**2.102**	**(17.895)**	**70.831**	**9.449**	**89.615**	**77.726**	**49.311**	**33.587**	**186.68**	**82.891**	

CITY OF MILWAUKEE
General Fund - Projected 2019 Cashflow Summary
(Millions of Dollars)

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
BALANCE	82.891	60.619	11.358	(14.592)	(36.746)	61.280	1.163	82.965	70.297	40.844	10.467	180.310	
RECEIPTS													
Property Taxes	8.134	6.245	18.664	12.479	12.257	13.804	67.392	17.453	12.272	16.023	13.145	62.315	260.183
State Aids													
Shared Revenue	-	-	-	-	-	-	42.631	-	-	-	186.218	-	228.849
Highway Aids	6.945	-	-	6.945	-	-	7.993	-	-	6.945	-	-	28.828
Payment Muni. Services	-	2.564	-	-	-	-	-	-	-	-	-	-	2.564
Computer Exemption Aid	-	-	-	-	-	-	6.579	-	-	-	-	-	6.579
Other	26.362	7.298	4.677	9.458	10.059	8.768	7.954	11.309	6.408	8.789	9.766	31.713	142.561
Pension Fees	1.962	2.187	-	-	0.643	2.171	1.482	2.051	1.558	1.414	2.570	0.471	16.509
City Services Fees	4.199	3.162	2.839	2.508	3.326	2.452	2.507	3.720	2.943	3.508	5.617	4.927	41.708
City PILOTS (Major)	-	-	-	-	-	-	-	-	-	-	-	15.489	15.489
Parking Transfers	-	-	-	-	-	8.000	-	-	-	-	-	8.000	16.000
Summerfest Lease	-	-	-	-	-	-	-	-	-	-	-	1.610	1.610
Street Sweeping	-	-	-	-	-	11.166	-	-	-	-	-	11.166	22.332
Vehicle Registration Fee	0.381	0.473	0.504	0.726	0.573	0.639	0.588	0.597	0.567	0.492	0.565	0.461	6.566
Potawatomi PILOT	-	-	-	-	-	-	-	5.897	-	-	-	-	5.897
Year End Transfers	61.000	-	-	-	-	-	-	-	-	-	-	-	61.000
Delinquent Taxes Transfer	-	-	-	-	20.513	-	-	-	-	-	-	-	20.513
Note Proceeds (1)	-	-	-	-	120.000	-	-	-	-	-	-	-	120.000
TOTAL RECEIPTS	**108.983**	**21.929**	**26.684**	**32.116**	**167.371**	**47.000**	**137.126**	**41.027**	**23.748**	**37.171**	**217.881**	**136.152**	**997.188**
DISBURSEMENTS													
Salaries & Benefits	41.834	42.318	46.036	41.811	60.095	43.639	42.869	43.365	43.732	58.248	43.272	50.444	557.663
Services & Supplies	19.421	9.001	6.598	12.459	9.250	9.624	12.455	10.330	9.469	9.300	4.766	15.855	128.528
Employer Pension Contribution	70.000	-	-	-	-	-	-	-	-	-	-	-	70.000
Purchase Tax Delinquents	-	19.871	-	-	-	-	-	-	-	-	-	-	19.871
Contractual Tax Payment	-	-	-	-	-	53.854	-	-	-	-	-	-	53.854
Year End Transfers	-	-	-	-	-	-	-	-	-	-	-	61.000	61.000
Note Principal Repayment	-	-	-	-	-	-	-	-	-	-	-	120.000	120.000
TOTAL DISBURSEMENTS	**131.255**	**71.190**	**52.634**	**54.270**	**69.345**	**107.117**	**55.324**	**53.695**	**53.201**	**67.548**	**48.038**	**247.299**	**1,010.916**
BALANCE	**60.619**	**11.358**	**(14.592)**	**(36.746)**	**61.280**	**1.163**	**82.965**	**70.297**	**40.844**	**10.467**	**180.310**	**69.163**	

City of Milwaukee
Schedule of Cash Receipts and Disbursements
for the Year Ended December 31, 2018
(Millions of Dollars)

	General Fund Cash Balance				Other City	Total
	Beginning	Receipts	Disbursements	Ending	Funds	Cash
January	$94.959	$121.110	$148.871	$67.198	$361.398	$428.596
February	67.198	91.579	132.965	25.812	290.455	316.267
March	25.812	26.201	49.911	2.102	182.308	184.410
April	2.102	31.838	51.835	(17.895)	336.878	318.983
May	(17.895)	159.895 (1)	71.169	70.831	363.114	433.945
June	70.831	46.842	108.224	9.449	482.287	491.736
July	9.449	134.804	54.638	89.615	368.993	458.608
August	89.615	40.407	52.296	77.726	361.303	439.029
September	77.726	23.400	51.815	49.311	231.532	280.843
October	49.311	36.822	52.546	33.587	349.335	382.922
November	33.587	217.567	64.466	186.688	175.824	362.512
December (3)	186.688	135.445	239.242 (2)	82.891	293.824	376.715
		$1,065.910	$1,077.978			

(1) Amount includes CFN principal receipts.
(2) Amount includes CFN principal repayments.
(3) Estimated.

City of Milwaukee
Projected Schedule of Cash Receipts and Disbursements
for the Year Ended December 31, 2019
(Millions of Dollars)

	General Fund Cash Balance				Other City	
	Beginning	Receipts	Disbursements	Ending	Funds	Total Cash
January	$82.891	$108.983	$131.255	$60.619	$487.544	$548.163
February	60.619	21.929	71.190	11.358	447.828	459.186
March	11.358	26.684	52.634	(14.592)	408.157	393.565
April	(14.592)	32.116	54.270	(36.746)	413.541	376.795
May	(36.746)	167.371(1)	69.345	61.280	240.790	302.070
June	61.280	47.000	107.117	1.163	279.221	280.384
July	1.163	137.126	55.324	82.965	347.334	430.299
August	82.965	41.027	53.695	70.297	286.698	356.995
September	70.297	23.748	53.201	40.844	207.759	248.603
October	40.844	37.171	67.548	10.467	205.716	216.183
November	10.467	217.881	48.038	180.310	238.556	418.866
December	180.310	136.152	247.299 (2)	69.163	374.775	443.938
		$997.188	$1,010.916			

(1) Amount includes CFN principal receipts.
(2) Amount includes CFN principal repayments.

City of Milwaukee
Assessed and Equalized Valuations

	Year 2014 For 2015 Purposes	Year 2015 For 2016 Purposes	Year 2016 For 2017 Purposes	Year 2017 for 2018 Purposes	Year 2018 for 2019 Purposes
Real Property					
Residential	$14,198,159,000	$14,254,964,300	$14,438,034,368	$14,854,223,750	$15,647,625,900
Industrial (Manufacturing)	707,900,800	726,810,200	728,863,500	765,075,100	753,414,500
Mercantile (Commercial)	9,178,216,405	9,430,293,399	9,964,809,169	10,496,050,788	11,254,049,160
Total Real Property	$24,084,276,205	$24,412,067,899	$25,131,707,037	$26,115,349,638	27,655,089,560
Personal Property	940,266,234	850,895,518	842,551,928	822,009,672	680,187,543
Total Assessed Valuations	$25,024,542,439	$25,262,963,417	$25,974,258,965	$26,937,359,310	28,335,277,103
Equalized Valuation as determined by the State Department of Taxation is the basis used in computing the 7% statutory debt limitation of the City of Milwaukee	$26,138,108,100	$25,980,469,600	$27,042,046,500	$26,903,884,900	$28,340,400,600
Ratio of Assessed to Equalized Valuation	95.74%	97.24%	96.05%	100.12%	99.98%

City of Milwaukee
Assessed Tax Rates
(Per $1,000 of Assessed Valuation)

	2015	2016	2017	2018	2019
Unit of Government					
City Government	$10.71	$10.61	$10.75	$10.75	$10.59
Milwaukee Public Schools	12.62	12.43	11.46	10.71	9.44
Milwaukee County	5.50	5.46	5.49	5.05	4.90
Milwaukee Area Technical College	1.79	1.79	1.82	1.72	1.69
Milwaukee Metropolitan Sewerage District	1.33	1.29	1.31	1.26	1.23
Gross Tax Rate Per $1,000	$31.95	$31.58	$30.83	$29.49	$27.85
Less: State Tax Credit	(1.98)	(2.23)	(2.13)	(2.19)	(1.97)
Net Tax Rate	$29.97	$29.35	$28.70	$27.30	$25.88

City of Milwaukee
Property Tax Levies and Collections
($ Amounts in Thousands)

Budget Year	Taxes Levied for the Fiscal Year			Cumulative Collected in Subsequent Years	
	Levy	Collections	% of Levy	Amount	% Collected
2013	$304,700	$293,489	96.32	$10,101	99.64
2014	307,246	295,624	96.22	9,456	99.45
2015	312,216	299,650	95.98	7,258	99.08
2016	312,091	302,007	96.77	4,937	98.55
2017	318,887	309,038	96.91	0	96.91

Collection Procedures

If no payment of property taxes is received in January, the taxes become delinquent as of February 1st. If the taxes are not paid when due under the 10-month installment plan, they become delinquent for legal purposes on November 15th.

A letter is mailed to the taxpayer shortly after February 1st, telling of the delinquency and suggesting partial payments if full payment cannot be made. As directed by Chapter 74 of the Wisconsin Statutes interest at the rate of 1 percent per month is charged from the preceding January 1st. Periodic follow-up letters continue to be mailed.

Taxpayers are given every opportunity to pay their delinquent taxes and satisfactory agreements are arranged to bring this about. If a property owner continues to remain delinquent and the Treasurer's Office is unable to reach an arrangement by which the owner will pay the taxes, the Treasurer's Office starts foreclosure proceedings. The City enforces its own delinquent tax collections.

Taxes are foreclosed under Section 75.521 of the Wisconsin Statutes, which permits a legal action to be commenced one year from the date of delinquency. An exception to this provision is that legal action on owner-occupied dwellings may be deferred up to two years if authorized by Common Council action.

Insurance

The City has property insurance coverage in the amount of $1 billion with AIG, subject to a $250,000 deductible. The City also maintains insurance for theft, environmental matters, and its role as a wharfinger. The City is self-insured for liability. Under Wisconsin law, the City's tort liability is limited to $50,000 in non-automobile cases and $250,000 in automobile cases. The City follows a policy of requiring contract service providers to provide the City with indemnification and insurance as the City deems appropriate.

PENSION SYSTEM SUMMARY

Employes' Retirement System

The Employes' Retirement System ("ERS") of the City, established pursuant to Section 36 of the Milwaukee City Charter, provides retirement, disability and survivor benefits to the City and other agency employees and their beneficiaries. Membership in the ERS includes some classes of part-time employees, all full-time employees, and elected officials.

Active Members by Employee Groups
As of December 31, 2017

	Active Members	Covered Compensation
General City	3,289	$179,888,160
Policemen	1,854	157,759,603
Firemen	701	59,340,058
Water Department	314	17,616,811
Total for City of Milwaukee	5,844	$396,987,821
School Board	4,115	$124,086,032
Milwaukee Sewerage District	223	18,649,602
Housing Authority	160	9,495,583
Wisconsin Center District	77	4,231,336
Veolia	32	2,625,812
Redevelopment Authority	8	700,682
Milwaukee Technical College	-	-
Grand Total	10,459	$556,776,868

Benefit Recipients
As of December 31, 2017

Class	Vested	Non-Vested	Inactive	Retired
General & Elected	5,226	3,063		9,446
Policeman	1,476	379		2,386
Firemen	625	76		1,349
Certain pre-1996				15
Total	7,327	3,518	3,135	13,196

Source: Tables 1c and 5 of the Actuarial Valuation Report as of January 1, 2018.

The primary benefit of the ERS is a defined benefit plan with eligible employees earning a Retirement Allowance for each year of service. Funding for the ERS is derived from Member and actuarially required employer contributions. Current Retirement Allowance accrual rates and Member contributions to the system (expressed as a percentage of compensation) are as follows:

Basic Benefit Accrual Rates and Member Contributions

Class	Retirement Allowance	Maximum Allowance	Member Contribution
General and Mayor hired prior to 1/1/2014	2.0%	70%	5.5%
General hired after 12/31/2013	1.6%	70%	4.0%
Other Elected Officials enrolled prior to 1/1/2014..	2.5%	70%	7.0%
Elected Officials first enrolled after 12/13/2013.....	2.0%	70%	4.0%
Police	2.5%	90%	7.0%
Firefighters.....	2.5%	90%	7.0%

Schedule of Funding Progress
($ amounts in thousands)

Valuation As of Dec 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2017*	$5,233,486	$5,819,762	$586,276	89.9%	$577,118	101.6%
2016	5,055,700	5,259,300	203,600	96.1	583,950	34.9
2015	4,899,155	5,064,141	165,986	96.3	535,802	31.0
2014	4,797,437	4,935,482	138,045	97.2	529,939	26.0
2013	4,580,729	4,831,689	250,960	94.8	521,651	48.1
2012	4,259,889	4,689,814	429,925	90.8	523,738	81.1
2011	4,404,635	4,587,915	183,280	96.0	525,181	34.9
2010	4,641,425	4,447,548	-	104.4	538,218	0.0
2009	4,814,402	4,269,324	-	112.8	553,846	0.0

* Assumptions and methods were updated according to an experience study completed in 2017. This increased the actuarial accrued liability by $296.5 million.

Source: Tables 14 and 16 of the Actuarial Valuation Report as of January 1, 2018 (and each prior year).

For more information about the ERS, details on plan benefits, and for copies of their financial and actuarial reports, see http://www.cmers.com. The Employes' Retirement System Actuarial Valuation Report as of January 1, 2018 is available from EMMA and is hereby incorporated by reference. (See **"CONTINUING DISCLOSURE"** herein).

Policemen's Annuity and Benefit Fund

The City also administers the Policemen's Annuity and Benefit Fund ("PABF"). The PABF has no assets and is funded on a pay-as-you-go basis by the City. Membership is limited to surviving beneficiaries of Police Department employees whose service commenced prior to July 29, 1947. The unfunded accrued actuarial liability for the PABF is under $1 million.

Other Post-Employment Benefits

The City provides other post-employment benefits ("OPEB") to its retirees for health and life insurance. A single-employer defined benefit healthcare plan and life insurance plan are sponsored by the City and administered by ERS. The City provides medical insurance benefits for substantially all retirees. Retiree coverage begins at age 55 with at least 15 years of service for General City employees, at any age with at least 25 years of service for Police employees, and at age 49 with at least 22 years of service for Fire employees. In addition, the City allows employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees.

Until age 65, for retirees with at least 15 years of creditable service, the majority of the cost of the health benefit plan is paid by the City. After attaining the age of 65, and having completed a minimum of 15 years of creditable service, the City pays 25% of the base rate of the City's Basic Plan and 100% of the major medical rate.

Eligible retirees are able to continue coverage under the City's Group Life Insurance Plan, and pay the same rate as active employees. The rates established are group rates applied consistently to all employees, without regard to age or health. Upon reaching age 65, their coverage will be reduced in accordance with a reduction schedule, with the City assuming all future premiums.

The required contribution for medical and life insurance for retirees is based upon pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2017, the City paid approximately $31 million and $3 million, respectively, towards medical and life insurance for retirees.

The actuarial cost of health benefits and life insurance for retirees exceeds the average amount paid by retirees, therefore, the additional cost is paid by the City and is the basis for the OPEB obligation account for under GASB 45.

Funding Status and Funding Progress
($ amounts in thousands)

Annual Required Contribution (ARC)	$83,415,100
Interest on Net OPEB	16,930,300
Adjustment to ARC	(16,173,700)
Annual OPEB Cost	84,171,700
Contributions Made	34,120,413
Increase in net OPEB Obligation	50,051,287
Net OPEB Obligation – beginning of year	423,257,543
Net OPEB Obligation – end of year	$473,308,830

Source: City's 2017 CAFR.

Annual Cost and Net OPEB Liability
($ amounts in thousands)

Year Ended Dec 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	$84,172	40.5%	$473,309
2016	81,231	39.2	423,258
2015	77,566	37.3	373,866
2014	74,790	49.9	325,503
2013	71,489	52.5	287,460
2012	76,156	46.6	253,523
2011	73,071	47.3	212,886
2010	81,311	41.8	174,360

Source: City's 2017 and prior years CAFRs.

Schedule of Funding Progress
($ amounts in thousands)

Valuation As of Jan 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2017	$0	$1,061,772	$1,061,772	0.0%	$409,521	260%
2016	0	1,020,383	1,020,383	0.0	377,788	270
2015	0	975,696	975,696	0.0	366,785	266
2014	0	928,496	928,496	0.0	381,100	227
2013	0	888,983	888,983	0.0	382,795	218
2012	0	946,857	946,857	0.0	409,572	231
2011	0	916,383	916,383	0.0	407,840	225
2010	0	1,007,573	1,007,573	0.0	413,648	244

Source: City's 2017 and prior years CAFRs.

Actuarial Assumptions and Methods for the most recent valuation include:

The retiree healthcare valuation was based on the projected unit credit ("PUC") cost method. The PUC method produces an explicit normal cost and actuarial accrued liability. The normal cost and actuarial accrued liability are directly proportional to the employee's service. That is, the normal cost equals the present value of future benefits divided by projected service at retirement, and the actuarial accrued liability equals the present value of benefits multiplied by the ratio of service at valuation date to projected service at retirement. Depending on the demographic characteristics of the current group and new entrants in the future, this method could produce stable annual costs, in the aggregate, when expressed as a percentage of pay.

The OPEB valuation uses a discount rate assumption of 4.5% based on the City's projected short-terms investment rate of return. The healthcare cost trends rate is 8.0% initially, and reduced by decrements to the ultimate rate of 4.5% after 9 years. The actuarial assumption for wage inflation is 3%. The amortization of the unfunded actuarial accrued liability is based on a level percentage of pay over a 30-year open amortization period.

LEGAL MATTERS

Litigation Statement

The City, its boards, officers and employees, have been defendants in numerous lawsuits over the years. Experience has shown that a relatively small number of suits commenced are reduced to judgment. The City does not carry a blanket policy of insurance against tort liability. In addition, Section 893.80 of the Wisconsin Statutes limits the amount recoverable against a political corporation, its officers, officials or employees for acts done in their official capacity to $50,000 in tort liability for non-automobile cases and $250,000 in automobile cases.

The City Attorney's office has reviewed the status of pending or threatened litigation, claims and assessments to which the office has devoted substantive attention in the form of legal consultation or representation and which individually represent maximum potential loss exposure in excess of $1 million, existing on April 1, 2019.

Estate of Perry v. Wenzel, et al. James Perry was lawfully arrested by Milwaukee police officers. He was brought to the Police Administration Building, where he was detained in the City jail facility. While in the City jail, Mr. Perry suffered a seizure. Medical personnel were immediately called, and he was ultimately transported to an area hospital for treatment. While at the hospital, Mr. Perry was treated for a seizure condition, and he was released to the custody of Milwaukee police officers. Milwaukee police officers brought Mr. Perry back to the City jail facility, to complete his processing, and then he was brought to the Milwaukee County Criminal Justice Facility, for long-term imprisonment. While waiting in the triage area, and before he was accepted into the custody of the County, Mr. Perry collapsed, and died shortly thereafter. The plaintiffs are Mr. Perry's estate, along with his child. The plaintiffs claim that various County of Milwaukee and City of Milwaukee defendants violated Mr. Perry's rights, and that these actions caused his death. However, the autopsy conducted by the Milwaukee County Medical Examiner indicates that Mr. Perry died from natural causes related to significant coronary artery disease. The trial began on March 25, 2019. During trial, counsel for the parties reached a tentative settlement subject to approval by the Milwaukee Common Council.

Robert Lee Stinson v. City of Milwaukee, et al. In this 2009 civil rights action, Mr. Stinson claims that he was wrongly convicted in 1984 of the murder of a 67-year-old woman. Stinson spent more than 20 years in prison until recent DNA testing of the victim's clothing produced no DNA matching Stinson's and new techniques of examining bite marks on the victim indicating that the marks did not match Stinson's teeth. Stinson claims that Milwaukee police officers unconstitutionally withheld exculpatory evidence and conspired with two dental experts to produce false evidence. The trial has been rescheduled to allow the court to resolve certain evidentiary issues and the matter is now scheduled for trial beginning on June 17, 2019.

Estate of Derek Williams, Jr. et al v. City of Milwaukee, et al. Derek Williams, Jr. was lawfully arrested on July 6, 2011, taken into custody after a foot pursuit and placed in the back of a police squad. While in the squad, Mr. Williams complained that he could not breathe. Officers believed that Mr. Williams' complaints were exaggerated and that he was failing to cooperate with them, by refusing to provide his name and current information. When officers at the scene became aware that Mr. Williams was in medical distress they rendered immediate CPR and called for an ambulance; however they were unable to revive him and Mr. Williams was later pronounced dead. It was subsequently determined that Mr. Williams suffered from sickle cell syndrome, and the medical examiner, after further review, could not attribute his death to the officers' conduct. In February 2013 an inquest jury recommended that three officers be charged criminally with failure by a law enforcement officer to render aid to Mr. Williams; however, the special prosecutor assigned to the investigation declined to do so. The lawsuit filed July 6, 2016 alleges that Mr. Williams was subjected to unreasonable force during the arrest, and that officers failed to provide medical help in spite of Mr. Williams' pleas for help and obvious distress. The suit also alleges that the City promulgated unconstitutional policies concerning rendering medical care, discipline, supervision and training and maintaining a code of silence. The plaintiffs are the estate and three minor children. The potential damages include claims for pain and suffering, punitive damages and loss of support and companionship for the minor children. No amounts of monetary damages were specifically claim in the lawsuit. The defendants filed a motion for summary judgment which was denied by the district court. The court of appeals reversed in part and remanded the case to the district court to make further detailed findings with regard to each officer: the district court did this and reaffirmed its denial of summary judgment. The defendants again have appealed to the court of appeals, but are also engaged in ongoing settlement discussions under the auspices of the appellate court.

Estate of Sylville Smith v. Heaggan-Brown. A notice of claim and notice of injury has been asserted by the estate of Sylville Smith. Mr. Smith was fatally shot by Officer Dominique Heaggan-Drown on August 13, 2016 in the Sherman Park neighborhood. In October 2016, Heaggan-Brown's employment was terminated due to unrelated criminal charges and on December 15, 2016, former officer Heaggan-

Brown was charged with first degree reckless homicide connection with the Smith shooting. Heaggan-Brown was found not guilty of the homicide charge. The Smith estate then filed a federal civil rights action; a scheduling order has been issued in the case and the parties are engaged in discovery. The defendants plan to file a dispositive motion.

Section 74.37 Litigation. Various lawsuits are pending against the City for property tax refunds under Section 74.37 of the Wisconsin Statutes. As the tax collector, the City would pay any refund owed, and recover approximately 2/3 of the payment from overlapping jurisdictions. Litigation with the potential for a City share of more than $1,000,000 are:

- ***U.S. Bank N.A. v. City of Milwaukee.*** In this excessive assessment action, U.S. Bank alleges its 2014 and 2015 assessments are excessive and has requested a refund in the amount of $5.3 million. Trial was completed in February 2019 and the parties are engaged in post-trial briefing. U.S. Bank has another lawsuit pending against the City in regard to its 2016 and 2017 assessments and has requested a refund of $2.8 million.

- ***Metropolitan Associates v. City of Milwaukee.*** This excessive assessment action involves the 2015-2018 assessments of seven apartment complexes located on the south side of the City of Milwaukee. Metropolitan has requested a tax refund of approximately $1,505,000 plus interest. Discovery is ongoing.

- ***Wisconsin and Milwaukee Hotel, LLC v. City of Milwaukee.*** This excessive assessment action involves the 2014 and 2015 assessments of the downtown Marriott Hotel. Wisconsin and Milwaukee Hotel ("WMH") has requested a refund in the amount of approximately $980,000 plus interest. The circuit court ruled in favor of the City, and WMH appealed. The case is pending in the court of appeals. WMH has another lawsuit against the City in regard to its 2016 assessment, requesting a refund of $775,325 plus interest and costs. WMH then has another lawsuit against the City in regard to its 2017 and 2018 assessments requesting a refund of $1.53 million plus interest and costs.

- ***Citgo Petroleum v. City of Milwaukee.*** This excessive assessment action involves the 2015-2016 assessments of oil terminal property. Citgo has requested a refund in the amount of approximately $606,000 plus interest. Citgo has also filed a claim against the City in regard to its 2017-2018 assessments and requested a refund of $595,000.

- ***U.S. Venture v. City of Milwaukee.*** This excessive assessment action involves the 2015-2016 assessment of oil terminal property. U.S. Venture has requested a refund in the amount of approximately $1,804,000 plus interest. U.S. Venture has also filed a claim against the City in regard to its 2017-2018 assessment and requested a refund of $1,748,000.

LEGAL OPINIONS

The legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois, and Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Bond Counsel to the City, will be delivered to the purchasers of the Offered Obligations. Drafts of the legal opinions for the Offered Obligations are included herein as ***Appendix B***.

RATINGS

The City has requested ratings on the Offered Obligations from Fitch Ratings and S&P Global Ratings.

Fitch Ratings has assigned a rating of "F1+" on the RANs and "AA" on the N3 Notes, B4 Bonds, and T5 Bonds. S&P Global Ratings has assigned a rating of "SP-1+" on the RANs and "AA-" on the N3 Notes, B4 Bonds, and T5 Bonds.

The ratings, when issued, reflect only the views of the respective ratings agencies, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either upward or downward, or withdrawn entirely, by the respective agencies, if, in their judgment, circumstances so warrant. A revision or withdrawal of the credit rating could have an effect on the market price of the Offered Obligations.

TAX MATTERS

TAX-EXEMPT OBLIGATIONS

Summary of Bond Counsel Opinion in connection with the Tax-Exempt Obligations

Bond Counsel are of the opinion that, under existing law, interest on the Tax-Exempt Obligations is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), Bond Counsel are of the opinion that interest on the Tax-Exempt Obligations will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Bond Counsel are further of the opinion that interest on the Tax-Exempt Obligations is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the Tax-Exempt Obligations is not exempt from Wisconsin income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Tax-Exempt Obligations in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations. These requirements relate to the use and investment of the proceeds of the Tax-Exempt Obligations, the payment of certain amounts to the United States, the security and source of payment of the Tax-Exempt Obligations and the use of the property financed with the proceeds of the Tax-Exempt Obligations.

Tax-Exempt Obligations Purchased at a Premium or at a Discount

The difference (if any) between the initial price at which a substantial amount of each maturity of the Tax-Exempt Obligations is sold to the public (the "*Offering Price*") and the principal amount payable at maturity of such Tax-Exempt Obligations is given special treatment for federal income tax purposes. If the Offering Price is higher than the maturity value of a Tax-Exempt Obligation, the difference between the two is known as "*bond premium*;" if the Offering Price is lower than the maturity value of a Tax-Exempt Obligation, the difference between the two is known as "*original issue discount*."

Bond premium and original issue discount are amortized over the term of a Tax-Exempt Obligation on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as

provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as a reduction in the amount of tax-exempt interest earned during such period. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Tax-Exempt Obligations for federal income tax purposes, to the same extent and with the same limitations as current interest.

Owners who purchase Tax-Exempt Obligations at a price other than the Offering Price after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the Tax-Exempt Obligations. In addition, owners of Tax-Exempt Obligations should consult their tax advisors with respect to the state and local tax consequences of owning the Tax-Exempt Obligations; under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for federal income tax purposes.

Exclusion from Gross Income: Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations. Among these requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of proceeds of the Tax-Exempt Obligations that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

Investment Restrictions. Except during certain "*temporary periods*," proceeds of the Tax-Exempt Obligations and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "*minor portion*") may generally not be invested in investments having a yield that is "*materially higher*" (1/8 of one percent) than the yield on the Tax-Exempt Obligations.

Rebate of Arbitrage Profit. Unless the City qualifies for an exemption, earnings from the investment of the "*gross proceeds*" of the Tax-Exempt Obligations in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Tax-Exempt Obligations are required to be paid to the United States at periodic intervals. For this purpose, the term "*gross proceeds*" includes the original proceeds of the Tax-Exempt Obligations, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Tax-Exempt Obligations.

Covenants to Comply

The City has covenanted to comply with the requirements of the Code relating to the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Obligations.

Risks of Non-Compliance

In the event that the City fails to comply with the requirements of the Code, interest on the Tax-Exempt Obligations may become includable in the gross income of the owners thereof for federal income tax purposes retroactively to the date of issue. In such event, the City's agreements with the owners of the Tax-Exempt Obligations require neither acceleration of payment of principal of, or interest on, the Tax-Exempt Obligations, nor payment of any additional interest or penalties to the owners of the Tax-Exempt Obligations.

Federal Income Tax Consequences in connection with the Tax-Exempt Obligations

Pursuant to Section 103 of the Code, interest on the Tax-Exempt Obligations is not includable in the gross income of the owners thereof for federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Tax-Exempt Obligations that may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE TAX-EXEMPT OBLIGATIONS.

Cost of Carry. Owners of the Tax-Exempt Obligations will generally be denied a deduction for otherwise deductible interest on any debt which is treated for federal income tax purposes as incurred or continued to purchase or carry the Tax-Exempt Obligations. As discussed below, special allocation rules apply to financial institutions.

Corporate Owners. Interest on the Tax Exempt Obligations is taken into account in computing earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Tax Exempt Obligations is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

Individual Owners. Receipt of interest on the Tax-Exempt Obligations may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for federal income tax purposes.

Certain Blue Cross or Blue Shield Organizations. Receipt of interest on the Tax-Exempt Obligations may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

Property or Casualty Insurance Companies. Receipt of interest on the Tax-Exempt Obligations may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

Financial Institutions. Financial institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the Tax-Exempt Obligations.

Foreign Personal Holding Company Income. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Tax-Exempt Obligations held by such a company is properly allocable to the shareholder.

The opinions of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings and other official interpretations of law in existence on the date the Tax-Exempt Obligations are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Tax-Exempt Obligations are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Tax-Exempt Obligations.

TAXABLE OBLIGATIONS

The following is a summary of the principal United States federal income tax consequences of ownership of the Taxable Obligations. This summary deals only with the Taxable Obligations held as capital assets by initial purchasers, and not with special classes of holders, such as dealers in securities or currencies, banks, tax-exempt organizations, life insurance companies, persons that hold the Taxable Obligations as a hedge or as hedged against currency risks or that are part of a straddle or conversion transaction, or persons whose functional currency is not the United States dollar.

The Code contains a number of provisions relating to the taxation of the Taxable Obligations (including but not limited to the treatment of and accounting for interest, premium, and market discount thereon, gain from the disposition thereof and withholding tax on income therefrom) that may affect the taxation of certain owners, depending on their particular tax situations. Prospective purchasers of the Taxable Obligations should consult their own tax advisors concerning the consequences, in their particular circumstances, under the Code and the laws of any other taxing jurisdiction, of ownership of the Taxable Obligations.

United States Federal Income Tax Considerations for United States Holders

Payments of Interest to United States Holders. Interest on the Taxable Obligations will be taxable to a United States Holder (as defined below) as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes in accordance with generally applicable principles.

The term "*United States Holder*" refers to a beneficial owner of a Taxable Obligation for United States federal income tax law purposes and that is:

- a citizen or resident of the United States;
- a corporation or partnership which is created or organized in or under the laws of the United States or of any political subdivision thereof;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (2) the trust was in existence on August 10, 1996 and properly elected to continue to be treated as a United States person.

The term "*Non-U.S. Holder*" refers to any beneficial owner of a Taxable Obligation who or which is not a United States Holder.

Sale and Retirement of the Taxable Obligations. United States Holders of any Taxable Obligations must recognize any gain or loss on the sale, redemption, retirement or other disposition of their Taxable Obligations. The gain or loss is measured by the difference between the amount realized on the disposition of a Taxable Obligation and the United States Holder's adjusted tax basis in the Taxable Obligation. Such gain or loss is capital gain or loss, except to the extent of accrued market discount not previously included in income, and is long term capital gain or loss if at the time of disposition such Taxable Obligation has been held for more than one year.

Unearned Income Medicare Contribution Tax. A 3.8% Medicare contribution tax is imposed on the "net investment income" of certain United States individuals and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes interest and certain net gain from the disposition of property (such as the Taxable Obligations), less certain deductions.

United States Federal Income Tax Considerations for Non-U.S. Holders

Withholding Tax on Payments of Principal and Interest on Bonds. Generally, subject to the discussion of FATCA below, payments of principal and interest on a Taxable Obligation will not be subject to United States federal withholding tax, provided that in the case of an interest payment:

- the beneficial owner of the Taxable Obligation is not a bank to which the Taxable Obligations constitute an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

- either (A) the beneficial owner of the Taxable Obligation certifies to the applicable payor or its agent, under penalties of perjury on an IRS Form W-8BEN (or a suitable substitute form), that such owner is not a United States person and provides such owner's name and address or (B) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the Taxable Obligation, certifies under penalties of perjury that such an IRS Form W-8BEN (or suitable substitute form) has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof.

Except to the extent otherwise provided under an applicable tax treaty, a beneficial owner of a Taxable Obligation generally will be taxed in the same manner as a United States Holder with respect to interest and original issue discount payments on a Taxable Obligation if such interest and original issue discount is effectively connected with such owner's conduct of a trade or business in the United States. Effectively connected interest received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate (or, if applicable, a lower treaty rate), subject to certain adjustments. Such effectively connected interest will not be subject to withholding tax if the holder delivers an IRS Form W-8ECI to the payor.

Gain on Disposition of the Taxable Obligations. A beneficial owner of a Taxable Obligation generally will not be subject to United States federal income tax on gain realized on the sale, exchange or redemption of a Taxable Obligation unless:

- such owner is an individual present in the United States for 183 days or more in the year of such sale, exchange or redemption and either (A) such owner has a "tax home" in the United States and certain other requirements are met, or (B) the gain from the disposition is attributable to such owner's office or other fixed place of business in the United States; or

- the gain is effectively connected with such owner's conduct of a trade or business in the United States.

Taxation of Payments under FATCA to Foreign Financial Institutions and Certain Other Non-U.S. Holders that are Foreign Entities. A 30% withholding tax generally will apply to payments of interest on, and after December 31, 2016, on gross proceeds from the disposition of, the Taxable Obligations that are made to Non-U.S. Holders that are financial institutions and certain non-financial entities. Such withholding

tax, imposed under sections 1471 through 1474 of the Code, or FATCA, generally will not apply where such payments are made to (i) a Non-U.S. Holder that is a financial institution that enters into an agreement with the IRS to, among other requirements, undertake to identify accounts held by certain United States persons or U.S.-owned foreign entities, report annually certain information about such accounts and withhold tax as may be required by such agreement (or otherwise complies with an applicable intergovernmental agreement with respect to FATCA), or (ii) a Non-U.S. Holder that is a non-financial entity that certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner. A Non-U.S. Holder generally will be required to provide information with respect to its status for FATCA purposes, generally on the appropriate IRS Form W-8 or any successor form, to avoid withholding taxes under FATCA. Prospective investors should consult their own tax advisors regarding the application and requirements of these information reporting and withholding provisions under FATCA.

U.S. Federal Estate Tax. A Taxable Obligation held by an individual who at the time of death is not a citizen or resident of the United States (as specially defined for United States federal estate tax purposes) is not subject to United States federal estate tax if at the time of the individual's death, payments with respect to such Taxable Obligation are not effectively connected with the conduct by such individual of a trade or business in the United States.

Backup Withholding and Information Reporting

United States Holders. Information reporting applies to payments of interest on the Taxable Obligations, or the proceeds of the sale or other disposition of the Taxable Obligations with respect to certain non-corporate United States holders, and backup withholding may apply unless the recipient of such payment supplies a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise establishes an exemption from backup withholding. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against that holder's United States federal income tax liability provided the required information is furnished to the IRS.

Non-U.S. Holders. Backup withholding and information reporting on Form 1099 does not apply to payments of principal and interest on the Taxable Obligations to a Non-U.S. Holder provided the Non-U.S. Holder provides the certification described above under "United States Federal Income Tax Considerations for Non-U.S. Holders-Withholding Tax on Payments of Principal and Interest on Bonds" or otherwise establishes an exemption (provided that neither the Authority nor its agent has actual knowledge that the holder is a United States person or that the conditions of any other exemptions are not in fact satisfied). Interest payments made to a Non-U.S. Holder may, however, be reported to the IRS and to such Non-U.S. Holder on Form 1042-S.

Information reporting and backup withholding generally do not apply to a payment of the proceeds of a sale of Taxable Obligations effected outside the United States by a foreign office of a foreign broker. However, information reporting requirements (but not backup withholding) will apply to a payment of the proceeds of a sale of Taxable Obligations effected outside the United States by a foreign office of a broker if the broker (i) is a United States person, (ii) derives 50 percent or more of its gross income for certain periods from the conduct of a trade or business in the United States, (iii) is a "controlled foreign corporation" as to the United States, or (iv) is a foreign partnership that, at any time during its taxable year is 50 percent or more (by income or capital interest) owned by United States persons or is engaged in the conduct of a United States trade or business, unless in any such case the broker has documentary evidence in its records that the holder is a Non-U.S. Holder (and such broker has no actual knowledge to the contrary) and certain conditions are met, or the holder otherwise establishes an exemption. Payment by a United States office of a broker of the proceeds of a sale of Taxable Obligations will be subject to both backup

withholding and information reporting unless the holder certifies its non-United States status under penalties of perjury or otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against that holder's United States federal income tax liability provided the required information is furnished to the IRS.

STATE TAX MATTERS

Interest on the Offered Obligations is not exempt from State of Wisconsin income tax or franchise tax.

NO DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Offered Obligations as "*qualified tax-exempt obligations*" for purposes of Section 265 (b)(3) of the Code.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "*Commission*"), pursuant to the Securities Exchange Act of 1934 (the "*Rule*"), the City shall covenant pursuant to a Resolution adopted by the Governing Body to enter into an undertaking (the "*Undertaking*") for the benefit of holders including beneficial holders of the Offered Obligations to provide certain financial information and operating data relating to the City annually to a central repository designated by the Commission, currently the Municipal Securities Rulemaking Board (the "*MSRB*"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The MSRB has designated its Electronic Municipal Market Access ("*EMMA*") system as the system to be used for continuing disclosures to investors. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of reportable events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the City at the time the Offered Obligations are delivered. Such Certificate will be in substantially the form attached hereto as ***Appendix C***. The City intends to fully comply with the Undertaking relating to the Offered Obligations.

A failure by the City to comply with the Undertaking will not constitute an event of default on the Offered Obligations (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Offered Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Offered Obligations and their market price.

Prior to August of 2003 the City entered into continuing disclosure undertakings (the "*Pre-2003 Undertakings*") which contained a six-month filing requirement for Annual Financial Information. Due to the complexity and size of the City's operations, the City had difficulty meeting that timing requirement and subsequently modified its continuing disclosure undertakings (the "*Post-2003 Undertakings*") to use a nine-month filing requirement for Annual Filing Information. Except as discussed below, within the previous five years, the City has not failed to comply in any material respect with regards to the Post-2003 Undertakings. With regards to the Pre-2003 Undertakings the City has failed to strictly comply with the 6-

month time period for filing its Annual Financial Information and updating certain information on the sewerage system that does not significantly change from year to year. The final reporting obligation under the Pre-2003 Undertakings was in 2018.

The City has endeavored to report rating changes which would impact any of its outstanding debt due to bond insurer downgrades. However, since the Nationally Recognized Statistical Rating Organizations ("NRSRO") and bond insurers do not notify the City of any such rating changes, no assurance can be provided that notices of all rating changes were reported.

FINANCIAL ADVISOR

PFM Financial Advisors LLC has been retained as Financial Advisor to the City in connection with the issuance of the Offered Obligations.

UNDERWRITING

The Offered Obligations were purchased at competitive bidding conducted on May 2, 2019.

The award of $60,000,000 of the R2 Notes was made to Wells Fargo Bank, National Association, its co-managers and associates. The award of $30,000,000 of the R2 Notes was made to J.P. Morgan Securities LLC, its co-managers and associates. The award of $30,000,000 of the R2 Notes was made to TD Securities, its co-managers and associates.

The award of the N3 Notes and B4 Bonds was made to Bank of America Merrill Lynch, its co-managers and associates.

The award of the T5 Bonds was made to Robert W. Baird & Co. Inc. ("Baird"), its co-managers and associates. On April 1, 2019, Baird Financial Corporation, the parent company of Baird, acquired HL Financial Services, LLC, its subsidiaries, affiliates and assigns (collectively "Hilliard Lyons"). As a result of such common control, Baird, Hilliard Lyons and Hilliard Lyons Trust Company are now affiliated. Baird has informed the City that it expects that Hilliard Lyons will merge with and into Baird later in 2019.

The public reoffering yields of the Offered Obligations are detailed on the inside front cover of this Official Statement.

CLOSING DOCUMENTS AND CERTIFICATES

Simultaneously with the delivery of and payment for the Offered Obligations by the Underwriters thereof, the City will furnish to the Underwriters the following closing documents, in form satisfactory to Bond Counsel:

(1) signature and no litigation certificates;

(2) tax certificates for the Tax-Exempt Obligations;

(3) certificates of delivery and payment;

(4) the opinions as to the legality of the Offered Obligations under Wisconsin law and as to the tax-exempt status of the interest on the Offered Obligations for federal income tax

purposes rendered by Katten Muchin Rosenman LLP, Chicago, Illinois, and Hurtado Zimmerman SC, Wauwatosa, Wisconsin, Co-Bond Counsel to the City, in substantially the forms as set forth in ***Appendix B***;

(5) copies of this Official Statement issued in conjunction with the Offered Obligations within seven business days after the award of the Offered Obligations in accordance with SEC Rule 15c2-12(b)(3);

(6) Continuing Disclosure Certificates; and

(7) a statement to the effect that this Official Statement, to the best of its knowledge and belief as of the date of sale and the date of delivery, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

REPRESENTATIONS OF THE CITY

To the best of its knowledge, the information in this Official Statement does not include any untrue statement of a material fact, nor does the information omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ADDITIONAL INFORMATION

Periodically, the City updates its investor relations websites (www.MPSBonds.com and www.MilwaukeeBonds.com) with information regarding prospective financings and financial information. Requests for additional information and inquiries may also be directed to:

Martin Matson, City Comptroller
City of Milwaukee, Public Debt Commission
City Hall, Room 404
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3321
PDC@Milwaukee.gov

/s/ Martin Matson
City Comptroller and Secretary
City of Milwaukee, Wisconsin

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APPENDIX A

Audited Annual Financial Report of
the City of Milwaukee, Wisconsin
for the Year Ended December 31, 2017

Selected Sections of the Comprehensive Annual Financial Report

The City's Comprehensive Annual Financial Report for the year ended December 31, 2017, is available from EMMA and is hereby incorporated by reference.

The independent auditor has not been engaged to perform, and has not performed since the date of its report (a portion of which is included herein), any procedures on the financial statements addressed in the report nor on this Official Statement, nor has the independent auditor been asked to give consent to the inclusion of this appendix in this Official Statement.

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INTRODUCTORY SECTION

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CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

The Honorable Members
Common Council
City of Milwaukee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Milwaukee, Wisconsin (City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Redevelopment Authority of the City of Milwaukee, the Neighborhood Improvement Development Corporation, and the Century City Redevelopment Corporation, which represents one-hundred percent of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Milwaukee, Wisconsin as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the schedule of funding progress for retiree health and life insurance, schedule of the City's proportionate share of the net pension liability, and the schedule of the City's contributions as listed in the table of contents. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Milwaukee, Wisconsin's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the miscellaneous financial data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Members
City of Milwaukee, Wisconsin

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2018, on our consideration of the City of Milwaukee, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of City of Milwaukee, Wisconsin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Milwaukee, Wisconsin's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

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Milwaukee, Wisconsin
July 16, 2018

The Management's Discussion and Analysis (MD&A) section of the City of Milwaukee's (City) Comprehensive Annual Financial Report (CAFR) provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. The MD&A is an integral portion of the CAFR and information reported herein should be read in conjunction with the information presented in the letter of transmittal and the accompanying financial statements and disclosures, which follow this section. This section focuses on the City's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

Statement of Net Position

- Total net position (assets less liabilities) at the close of fiscal year 2017 was $718 million, a 20% decrease compared to the previous year's total of $897 million. Of the $718 million net position, ($78) million deficit was related to governmental activities and $796 million related to business-type activities. The unrestricted portion of net position, related to governmental activities, totaled ($1.08) billion. This deficit is caused in part, by the City's significant investments in private-purpose developments, which do not produce any direct financial return to the City. The City is also required to record long-term liabilities for certain future costs rather than recording them when they are payable.

- The vast majority of the City's net position is capital assets, most of which do not generate revenues by their use. Total net position is comprised of the following:
  - Capital assets, including property and equipment, net of related debt and accumulated depreciation – $1.571 billion.
  - Restricted net position, limited by constraints imposed externally such as debt covenants, grantors, laws, or regulations – $164 million.
  - Unrestricted net deficit – $(1.017) billion.

- The total 2017 year-end other post-employment benefits (OPEB) obligation is $473 million; an increase of 12% from the 2016 obligation of $423 million. The obligation is based on an actuarial valuation as of January 1, 2017, which indicates the 2017 actuarial accrued liability for benefits was $1.1 billion over a 30-year amortization period.

- In 2015, the City implemented GASB 68 for pensions. The 2017 year-end, net pension liability is $353 million, based on an actuarial valuation as of January 1, 2016, rolled forward to December 31, 2017. See Note 8 in the financial statements for more disclosures regarding pension liability reporting.

- Total 2017 liabilities increased to $2.6 billion ($2.282 billion long-term and $338 thousand short-term) from the 2016 total of $2.5 billion ($2.219 billion long-term and $311 thousand short-term). The long-term portion of total liabilities, including amounts due within one year, is shown below.

	2017	2016
	(in millions)	
Outstanding debt	$ 1,373	$ 1,364
OPEB	473	423
Pension	353	349
Compensated absences	50	49
Claims and judgments	32	33
Total	$ 2,282	$ 2,219

Statement of Activities

- Governmental expenses were $1.105 billion while combined program revenues were $181 million, a difference of $924 million. However, general revenues and transfers were $708 million, resulting in a $216 million decrease to net position for the year. Business-type activity expenses were $210 million while combined program and general revenues were $283 million, resulting in a surplus of $73 million. Transfers out reduced this excess by $37 million, resulting in a $36 million increase of net position.

- Governmental revenues and transfers of $889 million, which supported 80% of total 2017 governmental expenses, were comprised of the following.

			Percentage of Total	
		Amount	Revenue	Expense
Program revenues	$	181	20%	16%
Property and other taxes		308	35%	28%
State aids for the general fund		266	30%	24%
Miscellaneous revenues and transfers		134	15%	12%
Total	$	889	100%	80%

- Business-type activities revenue of $283 million, which supported 135% of 2017 business-type expenses, was comprised of the following.

			Percentage of Total	
		Amount	Revenue	Expense
Water	$	120	43%	57%
Sewer		69	24%	33%
Parking		38	13%	18%
Port		6	2%	3%
MMSD sewer user charges		50	18%	24%
Total	$	283	100%	135%

Fund Financial Statements

- Total governmental fund, year-end 2017 fund balance was $255 million, compared to the 2016 ending fund balance of $308 million, a decrease of $53 million or 17%.

- The 2017 General Fund, year-end fund balance totaled $97 million, an $11 million decrease compared to the 2016 balance of $108 million. The 2017 ending Fund Balance is approximately 14% of the $699 million combined General Fund expenditures and transfers for the year.

Notes

- Outstanding General Obligation bonds and notes payable were $981 million at year-end 2017, a decrease of $19 million compared to the 2016 total of $1.0 billion. In addition, revenue bonds of $200 million and state loans of $114 million were outstanding at year-end totaling $1.373 billion of debt, a $9 million increase over the 2016 total of $1.364 billion.

Required Supplementary Information

- General Fund operating revenues were $7.7 million lower than budgeted while operating expenditures were $8.3 million less than budgeted in 2017. Revenues other than property taxes were $185 thousand greater than budget. General government expenditures were $7.2 million lower than budget, causing most of the expense variance.

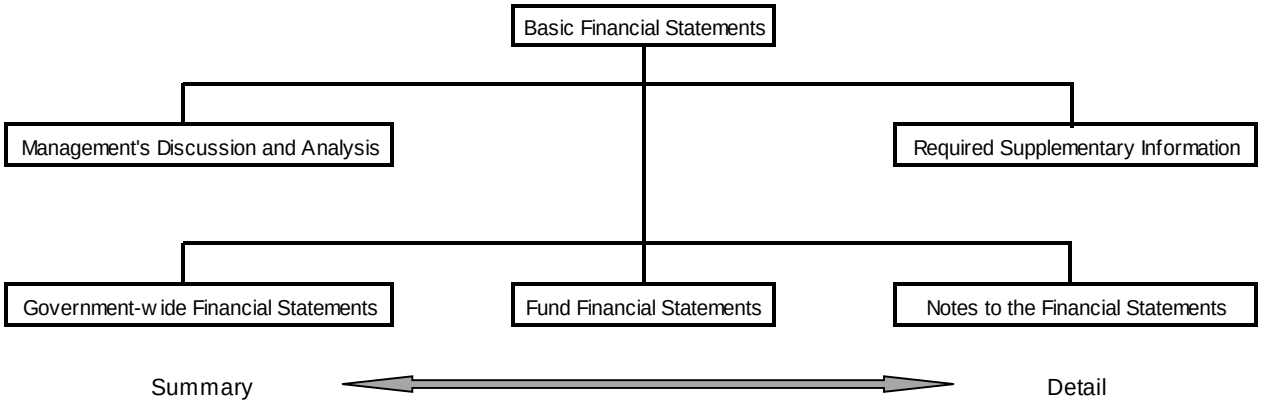
- The 2017 pension liability increased $4 million to $353 million compared to the 2016 pension liability of $349 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, (3) **Notes** to the financial statements. This report also includes other (4) **Required Supplementary Information.** Figure A-1 shows how the required parts of the annual report are arranged and relate to one another.

Figure A-1

Components of the Financial Section



The basic financial statements include two kinds of statements.

- Government-wide financial statements that provide both long-term and current period information about the City's overall financial status.
- "Fund" specific financial statements that focus on individual components of City government, reporting the City's operations in more detail than the government-wide statements.
  - Governmental fund statements tell how general government services such as public safety were financed in the past year as well as what remains for future spending.
  - Proprietary fund statements offer current year and long-term financial information about business-type activities such as the water utility and the sewer maintenance systems.
  - Fiduciary fund statements provide financial information about certain operations—such as benefit plans for the City's employees—in which the City is solely a trustee or agent for the benefit of others to whom the resources belong.

A summary of the major features of the City's financial statements, including the portion of the City government covered and the types of information contained are depicted in table Figure A-2. The remainder of this overview section of the MD&A explains the structure and contents of each of the statements.

Figure A-2
Major Features of Government-wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the city for basic governmental services	The day-to-day operating activities of the city for business-type enterprises	Instances in which the City administers resources on behalf of others, such as employee benefits
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows	* Statement of fiduciary net position * Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus, except agency funds do not have measurement focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; capital assets and long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets held in a trustee or agency capacity for others and all liabilities
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Financial Statements

The government-wide financial statements are designed to provide an overview of the City's finances, similar to a private-sector business and include both long-term and short-term information about the City's financial status. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. All of the activities of the City, except those of a fiduciary nature, are included.

Two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one measure of the City's financial health. Increases or decreases in the City's net position are one measure of its financial health. Other non-financial factors such as changes in the property tax base and the condition of the City's infrastructure (streets, sewers, etc.) are also needed to assess the overall health of the City.

The government-wide financial statements of the City of Milwaukee are divided into three categories on these statements—governmental activities, business-type activities, and component units. A total for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), police, fire, public works, health, culture, and development services. Taxes and general revenues generally support these activities.
- The *business-type activities* include the private sector type activities such as the water, sewer user charge, sewer maintenance, parking, and port. User charges or fees primarily support these activities.
- The *component units* include three other entities in its report: Redevelopment Authority of the City of Milwaukee, Neighborhood Improvement Development Corporation, and Century City Redevelopment Corporation. Although legally independent entities, these organizations are closely related to the City of Milwaukee in terms of their respective financial and public policy responsibilities.

Fund Financial Statements

The City's major funds begin with Exhibit A-1. The fund financial statements provide detailed information about the most significant financial components of the municipality as opposed to the City as a whole. These individual funds are established for the purpose of executing specific activities and objectives in accordance with Federal, State and local laws and regulations. The accounts of the City are organized on the basis of funds. Each fund is a separate fiscal and accounting entity with a self-balancing set of accounts including assets, liabilities, equities, revenues and expenditures or expenses.

The City reports financial activity and status according to three fund types: governmental, proprietary and fiduciary funds.

- **Governmental funds**: Most of the City's basic services are reported in governmental funds, applying modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine if more or fewer financial resources are available to be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in the reconciliations in Exhibits A-2 and A-4.
- **Proprietary funds**: Operations which are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control and other purposes. Proprietary funds utilize full accrual accounting. The City's proprietary (enterprise) funds focus on the business-type activities reported in the government-wide statements, providing additional detail including cash flows.
- **Fiduciary funds**: The City is the trustee, or fiduciary, for its pension and other employee benefit trusts and various miscellaneous private purpose trusts. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position in Exhibits C-1 and C-2. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes, which follow the Government-wide and Fund financial statements (Exhibits 1 through D-2), provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information to demonstrate legal budgetary compliance for each major fund for which an annual budget is adopted. This required supplementary information is presented in Exhibits E-1. A *Schedule of Funding Progress* relating to retiree health and life insurance and pension is depicted in Exhibit E-2.

Combining Schedules, Individual Fund Statements and Schedules of Miscellaneous Financial Data

Combining schedules provide detail in connection with non-major governmental funds and non-major proprietary funds. Individual fund statements provide greater detail, presented as compared with the final amended budget for the General Fund, and each non-major special revenue fund. Capital Projects are also presented in detail by major category (i.e., streets, sewers) within the Miscellaneous Financial Data Section. See Exhibits F-1 through I-9.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Statement of Net Position

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole. The net position and net expenses of governmental and business-type activities of the City are presented separately in Table 1. Table 1 focuses on the net position and Table 2a focuses on the changes in net position.

Table 1
Summary of Statement of Net Position
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Current and other assets	$ 957,235	$ 989,139	$ 129,409	$ 128,601	$ 1,086,644	$ 1,117,740
Capital assets	1,259,140	1,208,566	1,100,637	1,042,622	2,359,777	2,251,188
Total assets	2,216,375	2,197,705	1,230,046	1,171,223	3,446,421	3,368,928
Loss on refunding	-	-	112	221	112	221
Deferred outflows for pensions	219,484	377,122	11,365	14,406	230,849	391,528
Long-term obligations	1,886,007	1,833,627	395,688	385,157	2,281,695	2,218,784
Other liabilities	289,912	271,342	48,189	39,752	338,101	311,094
Total liabilities	2,175,919	2,104,969	443,877	424,909	2,619,796	2,529,878
Deferred inflows of resources:						
Gain on refunding	904	1,479	-	-	904	1,479
Deferred inflows for grants	-	-	579	-	579	-
Subsequent years property taxes	315,462	307,849	-	-	315,462	307,849
Pension related	22,254	23,140	873	907	23,127	24,047
Total deferred inflows	338,620	332,468	1,452	907	340,072	333,375
Net position:						
Net investment in capital assets	836,422	816,916	734,161	684,085	1,570,583	1,501,001
Restricted	161,592	176,923	2,209	1,229	163,801	178,152
Unrestricted	(1,076,694)	(856,449)	59,824	74,720	(1,016,870)	(781,729)
Total net position	$ (78,680)	$ 137,390	$ 796,194	$ 760,034	$ 717,514	$ 897,424

Net position of the City's governmental activities decreased to ($78) million for 2017. The portion of net position restricted as to use totaled $162 million. Net position invested in capital facilities (buildings, roads, bridges, etc.) totaled $836 million net of outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets are reported net of related debt, the funding needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted net position deficit of $1.076 billion at year-end does not imply that the City has inadequate financial resources to meet its current obligations. Rather, the deficit is caused, in part, by the full accrual of future expenses (expenditures) in the current year. The City's annual budgets, however, only include funding (revenue) for one year of multi-year liabilities such as property-casualty claims, employee leave balances and post-employment benefits. This difference between future expenditures and current year revenue is partly responsible for the deficit.

The net position of business-type activities was $796 million in 2017, a 5% increase over the 2016 total of $760 million. The City, generally, can use the net position of business-type activities only to finance the continuing operations of those specific proprietary activities.

Year-end 2017 long-term obligations for governmental activities were $1.886 billion, an increase of 2.9% over the 2016 amount of $1.833 billion. Of this $53 million increase, $50 million is due to OPEB. Year-end long-term obligations related to business-type activities were $396 million, an increase of 2.9% over the 2016 amount of $385 million. This $11 million increase is due mainly to debt issuance.

Total 2017 primary government assets, including capital assets, were $3.446 billion, an increase of $77 million or 2.3% from the 2016 amount of $3.369 billion. At year-end 2017, Water Works and Sewer Maintenance Fund net capital assets comprised 93% of the City's total net capital assets for business-type activities. These two funds are the City's largest proprietary (business-type) funds. The Water Works capital assets consist primarily of water mains and related water facilities and plants; and the Sewer Maintenance Fund includes local sewer mains and connections.

Changes in Net Position

Revenues less expenses yield the change in net position. Governmental Activity program and general revenues for 2017 totaled $852 million. This composition of this revenue, by category, is reported on Table 2a while the percentage of each revenue category to the total is shown on Chart 4.

Governmental Activity expenses include a wide range of services. Governmental Activity 2017 expenditures were $1.105 billion. The composition of these expenditures, by category, is reported on Table 2a while the percentage of each expense category to the total is shown on Chart 3.

Program-specific revenues (charges for services) generated about 16% (see Table 2b) of total revenue. General revenues (taxes, State aids, grants, and miscellaneous) account for the remaining 83%.

Governmental Activity revenue for 2017 was $253 million below expenditures, $216 million below after a $37 million transfer from business-type activities. Business-type activity revenue exceeded expenditures and transfers by $36 million, net of the $37 million transfer to governmental funds. Chart 1, *Expenses and Program Revenues – Governmental Activities*, and Chart 2, *Expenses and Program Revenues – Business-type Activities* depict the comparison of revenues vs. expenditures, by major function.

Table 2a and the narrative that follows, report the operations of governmental and business-type activities separately.

Table 2a
Changes in Net Position
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues:	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	$ 136,216	$ 135,754	$ 256,489	$ 252,631	$ 392,705	$ 388,385
Operating grants and contributions	44,328	47,464	-	-	44,328	47,464
Capital grants and contributions	240	41,993	26,066	4,965	26,306	46,958
General revenues:						
Property taxes and other taxes	307,828	286,513	-	-	307,828	286,513
State aids for General Fund	265,700	265,191	-	-	265,700	265,191
Miscellaneous	97,757	83,919	211	1,426	97,968	85,345
Total revenues	852,069	860,834	282,766	259,022	1,134,835	1,119,856
Expenses						
General government	274,652	255,177	-	-	274,652	255,177
Public safety	485,016	423,903	-	-	485,016	423,903
Public Works	206,205	174,470	-	-	206,205	174,470
Health	23,655	21,594	-	-	23,655	21,594
Culture and recreation	28,193	24,375	-	-	28,193	24,375
Conservation and development	65,175	77,670	-	-	65,175	77,670
Interest on long-term debt	22,097	25,109	-	-	22,097	25,109
Water	-	-	70,219	73,620	70,219	73,620
Sewer Maintenance	-	-	59,823	53,002	59,823	53,002
Parking	-	-	25,287	25,005	25,287	25,005
Port of Milwaukee	-	-	4,570	4,306	4,570	4,306
Metropolitan Sewerage District User Charges	-	-	49,853	48,271	49,853	48,271
Total expenses	1,104,993	1,002,298	209,752	204,204	1,314,745	1,206,502
Change in net position before transfers	(252,924)	(141,464)	73,014	54,818	(179,910)	(86,646)
Transfers	36,854	39,602	(36,854)	(39,602)	-	-
Change in net position	(216,070)	(101,862)	36,160	15,216	(179,910)	(86,646)
Net position – Beginning	137,390	239,252	760,034	744,818	897,424	984,070
Net position – Ending	$ (78,680)	$ 137,390	$ 796,194	$ 760,034	$ 717,514	$ 897,424

Governmental Activities

Revenues for the City's governmental activities totaled $852 million, while total expenses totaled $1.105 billion for 2017, resulting in a deficit of $216 million. Total revenues, excluding transfers, supported 77% of total expenses; 80% including transfers. Comparable data for 2016 indicates total revenues, excluding transfers supported 86% of expenses; 90% including transfers.

Revenue amounts for the current and prior year, by category, are summarized in Table 2b, below.

Table 2b
Governmental Activities Revenues
(Thousands of dollars)

	2017		2016	
Category	**Amount**	**% of Total**	**Amount**	**% of Total**
Property taxes	$ 307,828	36%	$ 286,513	33%
State aids	265,700	31%	265,191	31%
Charges for services	136,216	16%	135,754	16%
Grants and contributions	44,568	5%	89,457	10%
Miscellaneous	97,757	12%	83,919	10%
Total	$ 852,069	100%	$ 860,834	100%

Total 2017 governmental activity expenditures increased by $106 million or 11% over 2016. This increase is due mainly to the pension expense. See the Notes to the Financial Statements and Table 2c for further detail.

Chart 1
2017 Expenses and Program Revenues – Governmental Activities

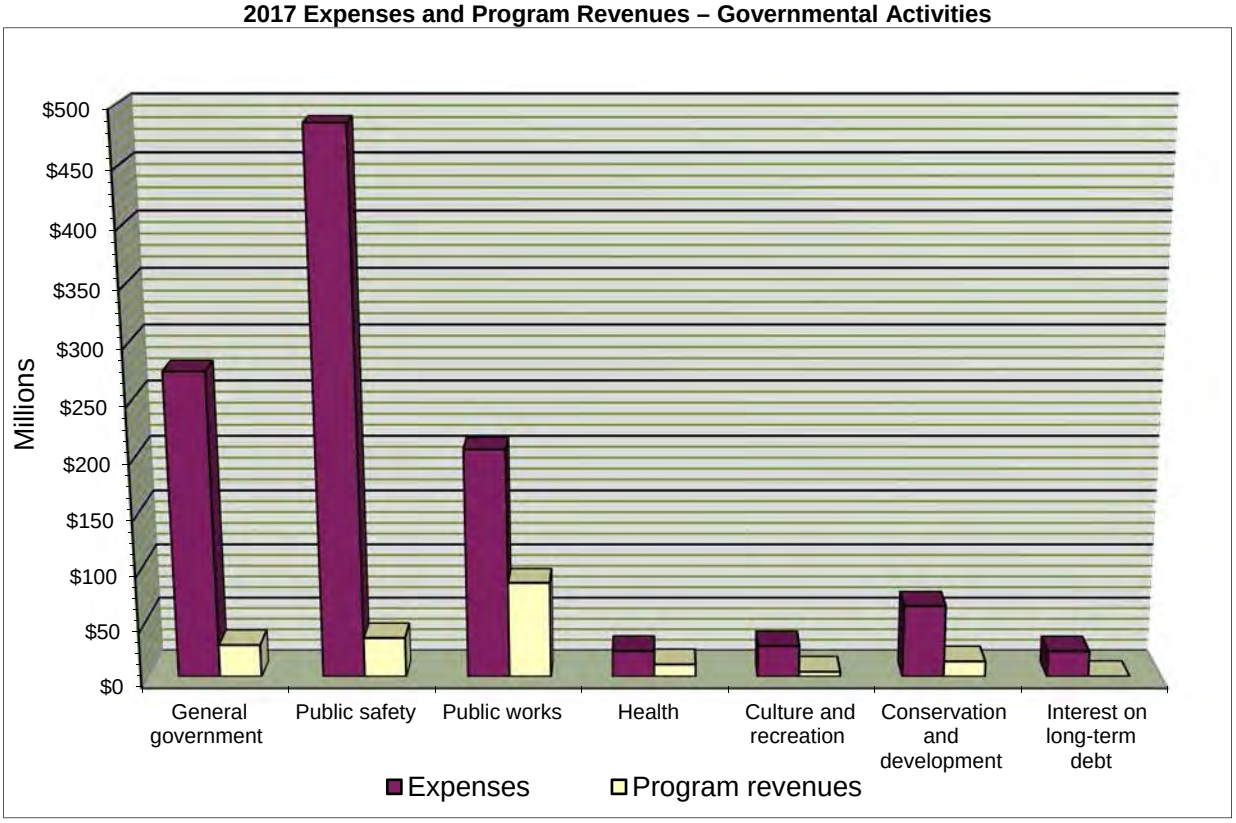


Table 2c presents the gross and net costs (total costs less the revenues generated by the activities) of each of the City's largest programs. Chart 1 above depicts total revenues and expenses for each activity. General government includes most City departments, such as: Mayor, Common Council, Administration, Employee Relations, Municipal Court, City Attorney,

Comptroller and Treasurer. Public safety includes Fire, Police and Neighborhood Services. "Net cost" shows the remaining costs, by function, that are funded by non-program revenues such as City taxes and State aids. The cost of services not funded with direct program revenue for governmental activities increased in 2017 to $924 million from $777 million in 2016, a 19% increase.

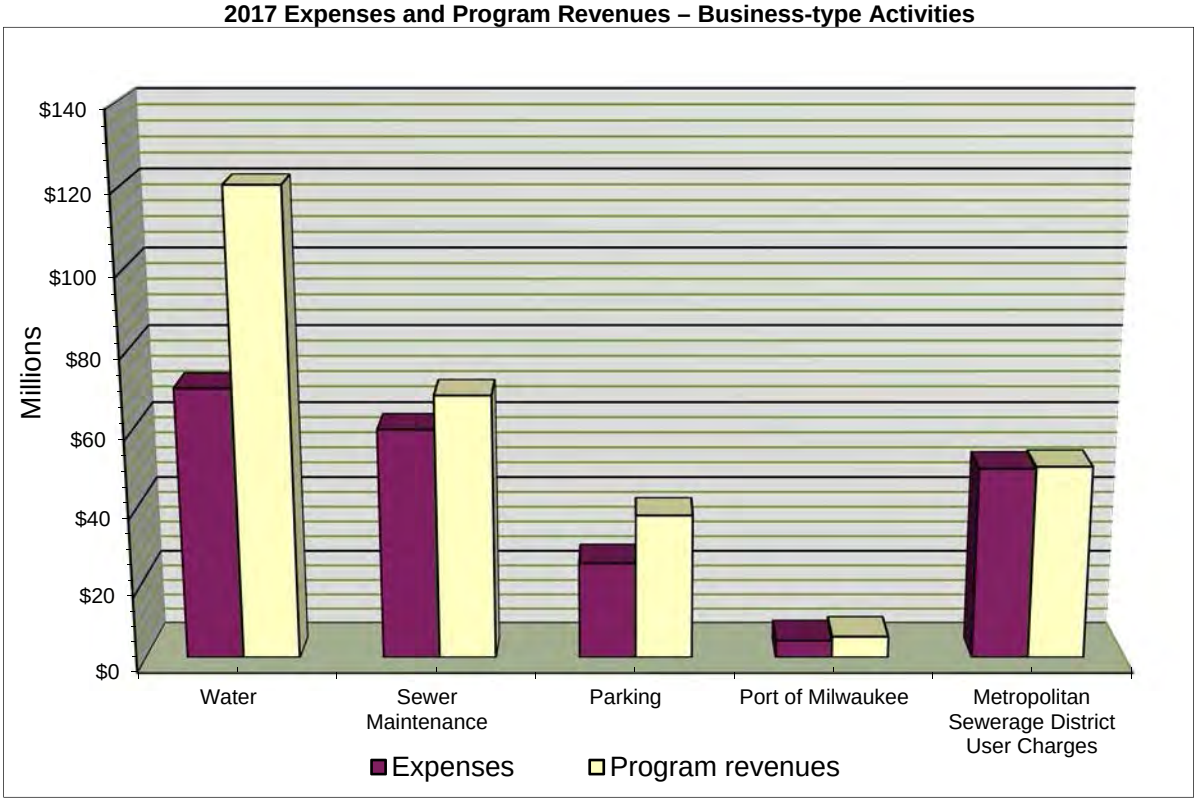
Table 2c
Governmental Activities - Cost of Services
(Thousand of Dollars)

	Total Cost of Services				Net Cost of Services	
	2017	% of Total	2016	% of Total	2017	2016
General government	$ 274,652	25%	$ 255,177	25%	$ 245,446	$ 225,438
Public safety	485,016	44%	423,903	42%	449,320	384,443
Public works	206,205	19%	174,470	17%	119,779	48,216
Health	23,655	2%	21,594	2%	12,451	10,949
Culture and recreation	28,193	2%	24,375	2%	23,926	19,486
Conservation and development	65,175	6%	77,670	8%	51,190	63,446
Interest on long-term debt	22,097	2%	25,109	3%	22,097	25,109
Total Governmental Activities	$ 1,104,993	100%	$ 1,002,298	100%	$ 924,209	$ 777,087

Business-type Activities

Revenues for the City's business-type activities totaled $283 million, while expenses totaled $210 million for 2017, resulting in a surplus of $73 million. Total revenues supported 135% of total expenses excluding transfers out and 115% including transfers out. Comparable data for 2016 indicates total revenues supported 126% of expenses excluding transfers out; 106% including transfers out. Chart 2 below depicts total revenues and expenses for each business-type activity.

Chart 2
2017 Expenses and Program Revenues – Business-type Activities



The two major proprietary or business-type activities for the City are water services (Water Works) and sewer maintenance. Operating revenues, expenses and income for Water Works and Sewer Maintenance are shown in Table 3a below.

Table 3a
Major Enterprise Fund - Revenues and Expenses
(Thousands of Dollars)

	Water Works	Sewer Maintenance
Revenues	$ 120,361	$ 68,499
Expenses	70,219	59,823
Net operating income	$ 50,142	$ 8,676

Business-type revenues, expenses and net position for the current year compared to the previous year are outlined in Table 3b below.

Table 3b
Business-type Revenues, Expenses and Net Position
(Thousands of Dollars)

	2017	2016	Increase (Decrease) Amount	Increase (Decrease) Percentage
Revenues	$ 282,766	$259,022	$ 23,744	9%
Expenses/Transfers	$ 246,606	$243,806	$ 2,800	1%
Net position	$ 796,194	$760,034	$ 36,160	5%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting consistent with finance-related legal requirements and external governmental accounting standards.

Governmental Funds

Governmental Funds are reported in the fund based financial statements with a focus on the annual inflow and outflow of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with the succeeding year's requirements. Types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

At year-end 2017, the Governmental Funds (as presented in the balance sheet on Exhibit A-1) reported a combined fund balance of $255 million, a decrease of $53 million or 17% from 2016. During 2017, $71.6 million of TID-related funds in the General Obligation Debt Service Fund were transferred to the Economic Development fund. This transfer is mostly responsible, for the increase in the Economic Development fund and the decrease in the General Obligation Debt Service Fund. Current and prior year fund balances of the funds that comprise the Governmental Funds are shown in Table 4a.

Table 4a
Governmenatal Funds Change in Fund Balances
(Thousands of Dollars)

	General	General Obligation Debt Service	Public Debt Amortization	Economic Development	Capital Projects	Nonmajor	Total
2017 ending balance.....	$ 97,476	$ 43,441	$ 54,613	$ 62,710	$ 7,958	$ (11,326)	$ 254,872
2016 ending balance.....	107,932	109,814	58,379	102	27,093	4,900	308,220
Increase (decrease).....	$ (10,456)	$ (66,373)	$ (3,766)	$ 62,608	$ (19,135)	$ (16,226)	$ (53,348)
% increase/(decrease)....	-10%	-60%	-6%	61380%	-71%	-331%	-17%

Note: Economic Development was a non-major fund in prior years.

The City of Milwaukee typically borrows to fund authorized capital projects only after expenditures for these projects has occurred. This practice minimizes City borrowing costs and complies with Internal Revenue Service (IRS) regulations. Debt issued for capital projects totaled $99 million in 2017 compared to $140 million in 2016.

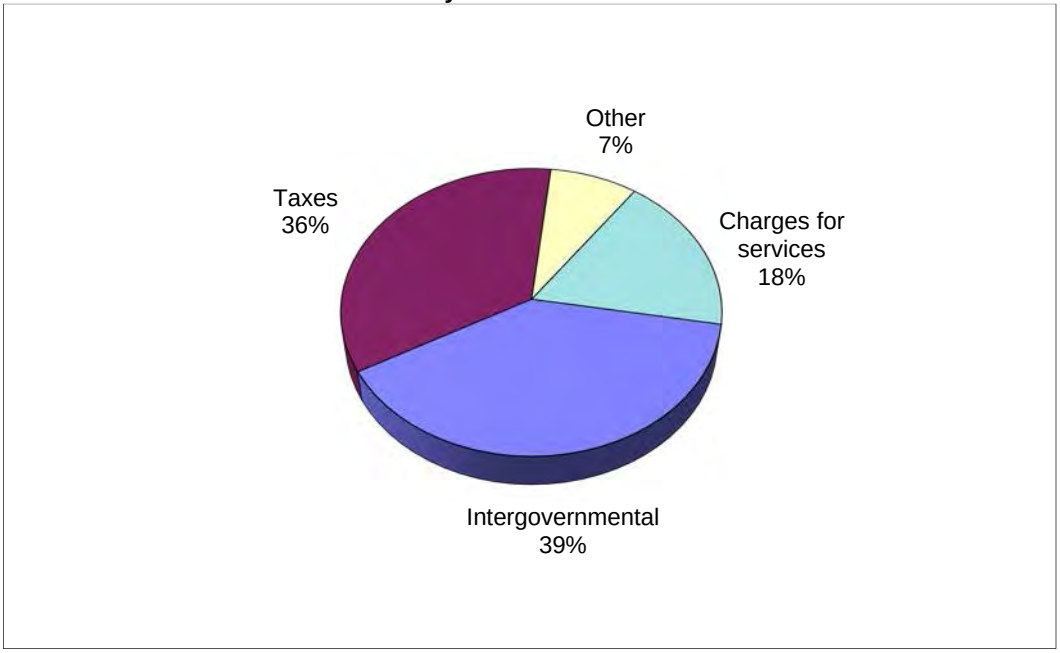
Revenues for governmental functions overall totaled $862 million in the fiscal year ended December 31, 2017, an increase of $35 million compared to the 2016 total of $827 million. Other financing sources were $506 million, a $111 million decrease from the 2016 total of $617 million. Other financing sources include, proceeds from issuance of debt, refunding payment and issuance premiums; transfers from proprietary funds; and transfers of loan repayments received by the Neighborhood Improvement Development Corporation component unit. Governmental revenues, by source, are shown on Table 4b below.

Table 4b
Governmental Fund Revenues by Source
(Thousands of Dollars)

	General	General Obligation Debt Service	Public Debt Amortization	Economic Development	Capital Projects	Nonmajor	Total
Intergovernmental.....	$ 265,700	$ -	$ -	$ 962	$ 28,756	$ 43,197	$ 338,615
Taxes.....	194,571	65,280	2,179	41,382	2,839	-	306,251
Charges for services.....	136,216	11,272	-	9,297	-	-	156,785
Other.....	41,360	4,300	2,560	5,055	6,774	-	60,049
Total revenues.....	637,847	80,852	4,739	56,696	38,369	43,197	861,700
Other sources.....	50,801	232,598	-	75,360	123,217	24,373	506,349
Total revenues & sources.....	$ 688,648	$ 313,450	$ 4,739	$ 132,056	$ 161,586	$ 67,570	$ 1,368,049

Chart 3 below depicts revenue, by source, for all governmental funds.

Chart 3
2017 Revenues by Source – Governmental Funds



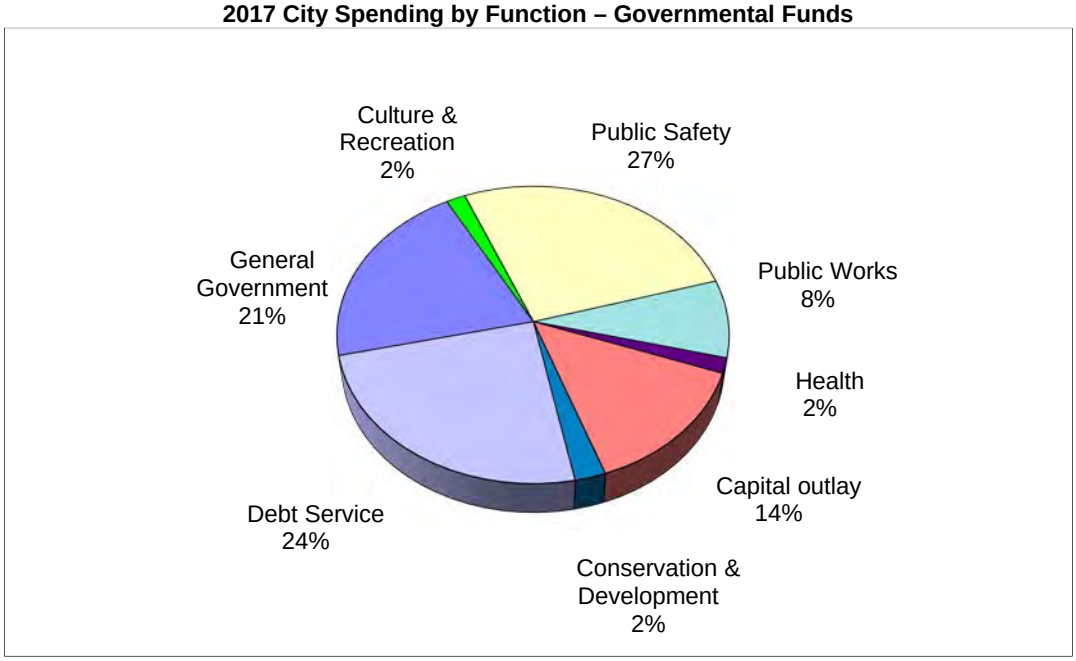
Expenditures for governmental funds totaled $1.2 billion. Other financing uses totaled $194 million, a $94 million increase over the 2016 total of $100 million. Expenditures exceeded revenues in 2017, causing a gap of $365 million. The excess of other financing sources over other financing uses of $312 million helped to close the gap. However, the net change in fund balances was a decrease of $53 million for the year compared to a decrease of $36 million in 2016. Governmental expenditures, by function, are shown on Table 4c below.

Table 4c
Governmental Fund Expenditures by Source
(Thousands of Dollars)

	General	General Obligation Debt Service	Public Debt Amortization	Economic Development	Capital Projects	Nonmajor	Total
General government	$ 247,401	$ 865	$ 5	$ -	$ -	$ 5,367	$ 253,638
Public safety	315,139	-	-	-	-	11,823	326,962
Public works	100,724	-	-	-	-	2,600	103,324
Health	10,353	-	-	-	-	9,829	20,182
Culture & recreation	18,789	-	-	-	-	2,379	21,168
Conservation & development	4,579	-	-	10,172	-	13,966	28,717
Capital outlay	-	-	-	-	172,270	-	172,270
Debt service	-	300,606	-	-	-	-	300,606
Total expenditures	696,985	301,471	5	10,172	172,270	45,964	1,226,867
Other uses	2,119	78,352	8,500	59,276	8,451	37,832	194,530
Total expenditures & uses	$ 699,104	$ 379,823	$ 8,505	$ 69,448	$ 180,721	$ 83,796	$1,421,397

Chart 4 below depicts spending by function for all governmental funds.

Chart 4
2017 City Spending by Function – Governmental Funds



Major Governmental Funds

The General Fund is the City's primary operating fund and the largest funding source for day-to-day services. The fund balance of the General Fund decreased $10.5 million or 10%. Revenues and other financing sources totaled approximately $688.6 million and expenditures and other financing uses totaled approximately $699.1 million - detailed in Table 5 below. General Fund revenues increased $2.4 million due mostly to the increase in property taxes. Expenditures decreased $4.8 million compared to 2016. Decreases in public safety and public works expenditures of $5.7 million and $3.6 million, respectively, were offset by an increase in general government expenditures of $3.7 million. The remaining expenditure categories increased $800 thousand. Total expenditures exceeded total revenues by $59 million or 9%. Other Financing Sources (consisting of debt proceeds and transfers in from other funds), exceeded Other Financing Uses (consisting of transfers out to other funds) by $21.1 million not including the $27.6 million transfer out of fund balance to fund expenditures. This $27.6 million withdrawal was a $6.5 million increase from the 2016 transfer out of $21.1 million.

Total General Fund revenues for 2017 were $638 million. The largest revenue category is intergovernmental at $266 million, representing 42% of the total. The second largest revenue source is Property Taxes with $190 million or 30%. The Charges for Services category, which includes revenues for services provided by City departments, comprises 21% or $136 million. These three categories comprise 93% of the total 2017 revenues.

Table 5 below presents a summary of revenues and expenditures of the General Fund compared to prior year:

Table 5
General Fund
Summary of Revenues, Expenditures and Other Financing Sources and Uses
(Thousands of Dollars)

Revenues and Other Financing Sources				Expenditures and Other Financing Uses			
Revenues:	**2017**	**2016**	**% Change**	**Expenditures:**	**2017**	**2016**	**% Change**
Property taxes	$ 190,337	$ 187,739	1.4%	General government	$ 247,401	$ 243,669	1.5%
Other taxes	4,234	3,979	6.4%	Public safety	315,139	320,855	-1.8%
Licenses and permits	15,597	16,767	-7.0%	Public works	100,724	104,294	-3.4%
Intergovernmental	265,700	265,191	0.2%	Health	10,353	10,286	0.7%
Charges for services	136,216	135,754	0.3%	Culture and recreation	18,789	18,264	2.9%
Fines and forfeits	3,357	3,534	-5.0%	Conservation and development	4,579	4,429	3.4%
Contributions received	3,022	2,378	27.1%				
Other	19,384	20,110	-3.6%				
Total Revenues	637,847	635,452	0.4%	Total Expenditures	696,985	701,797	-0.7%
Excess of Revenues over Expenditures	(59,138)	(66,345)	-10.9%	Other Financing Uses Transfers out	2,119	51,619	-95.9%
Other Financing Sources							
Debt proceeds	6,462	54,541	-88.2%	Total Expenditures and Other Financing Uses	699,104	753,416	-7.2%
Transfers in	44,339	44,107	0.5%				
Total Revenues and Other Financing Sources	$ 688,648	$ 734,100	-6.2%	Net Change in Fund Balance	$ (10,456)	$ (19,316)	-45.9%

During 2017, the City issued and repaid $120 million of Revenue Anticipation Notes (RANS) to finance the operating budget pending receipt of State Shared Revenues. During 2017, $300 million of RANS were issued and repaid, including notes issued for the Milwaukee Public Schools.

The City maintains two separate debt service funds; the General Obligation Debt Service Fund and the Public Debt Amortization Fund (PDAF).

The General Obligation Debt Service Fund accounts for resources accumulated and payments made for principal and interest on the City's outstanding general obligation debt. The 2017 fund balance of the General Obligation Debt Service Fund decreased $66 million to $44 million compared to the 2016 balance of $110 million (see Table 4a). This decrease was mostly caused by a transfer to the Economic Development Fund. The year-end 2016 General Obligation Debt Service Fund, fund balance of $110 million, included $71.6 million related to net cumulative TID revenues. In an effort to provide more detail and transparency related to TID activities, the TID balance of $71.6 million was transferred, in 2017, from the General Obligation Debt Service Fund to the Economic Development Fund.

Total revenues of the General Obligation Debt Service Fund decreased $22 million to $81 million in 2017 from $103 million in 2016. However, starting in 2017, TID-related property taxes formerly deposited into the General Obligation Debt Service Fund are now recorded in the Economic Development Fund. This change in procedure was the main cause for the $22 million revenue decrease. Revenues combined with *Other Financing Sources* totaled $313 million (see table 4b) while expenditures combined with *Other Financing Uses* totaled $380 million (see Table 4c); resulting in a net decrease in Fund Balance for year- end 2017 of $66 million (see Table 4a). However, the accounting change, from recording TID-related revenues and debt service payments in the General Obligation Debt Service Fund to accounting for these transactions in the Economic Development Fund is the main reason for the decreases in revenues, expenditures and fund balance.

The PDAF is governed by State Statutes Section 67.101 whereby accumulated funds can be used for the retirement of the public debt. The 2017 PDAF fund balance was $54.6 million, a $3.8 million decrease from the 2016 balance of $58.4 million – see Table 4a.

Prior to 2017, the Economic Development Fund was classified as a non-major fund and was utilized mainly to record Business Improvement District (BID) assessments and payouts. Starting in 2017, however, this fund is also used to record Tax Incremental District (TID) non-capital transactions such as receipt of tax and other revenues and payment of debt service and refunds of excess revenue to overlying taxing jurisdictions. As previously explained, the TID-related net cumulative revenues residing in the General Obligation Debt Service Fund were transferred to the Economic Development Fund at the beginning of 2017. Because of the materiality of the amounts related to this change, a comparison of the 2017 transaction amounts to prior year is not meaningful.

The Capital Projects Funds are used to account for the financial resources segregated for the acquisition, construction, or repair of major capital facilities other than those financed by proprietary funds. In 2017, total debt proceeds amounted to $99 million as compared to $140 million in 2016, a 29% decrease. Total revenues increased $12 million to $38 million in 2017 from $26 million 2016; expenditures increased $33 million, to $172 million in 2017 from $139 million in 2016. The issuance of bonds and notes during 2017 for capital purposes combined with revenues and transfers were not sufficient to cover the current year's expenditures resulting in a positive fund balance of $8 million, a $19 million decrease compared to the 2016 fund balance of $27 million (Table 4a).

Proprietary (Enterprise) Funds

The proprietary fund statements provide information on both short and long-term financial status, focusing on net position and the change in net position as a result of operations.

At the end of the fiscal year, the total unrestricted net position for all proprietary funds was $60 million, a decrease of $15 million from the 2016 balance of $75 million. This $15 million decrease is a combination of declines of $4 million in Water Works, $7 million in the Sewer Maintenance fund and a net decrease of $4 million in all other non-major proprietary funds.

In 2017, operating revenues of the proprietary funds totaled $256 million (a 1.2% increase) while total operating expenses decreased $100 thousand to $175.4 million. The Water Works is the largest proprietary activity of the City, comprising approximately 38% of the total operating revenues. The Sewer Maintenance Fund comprises 25% of the total operating revenues. Both funds primarily bill customers based on water consumption. For 2017, Water Works operating revenues were nearly the same as prior year while Sewer Maintenance operating revenues increased 3.5%. The combined revenue of all other proprietary funds (labeled Nonmajor Funds in Table 6) increased 1.8% compared to 2016.

The Water Works incurred total operating expenses of $70 million for 2017 a decrease of $3.6 million compared to 2016. Sewer Maintenance operating expenses totaled $28 million in 2017, an increase of $3 million compared to the 2016 total of $25 million. The combined operating expenses of all other proprietary funds increased .5%, from $77 million in 2016 to $77.4 million in 2017. Table 6 below presents a summary of revenues and expenditures and changes in net position of the proprietary funds.

Table 6
Enterprise Funds - Summary of Revenues, Expenses and Changes in Net Position
(Thousands of Dollars)

	Water Works	Sewer Maintenance	Nonmajor Funds	Total
Operating revenues	$ 97,833	$ 65,141	$ 93,515	$ 256,489
Operating expenses	69,861	28,204	77,357	175,422
Operating income	27,972	36,937	16,158	81,067
Nonoperating revenues (expenses)	(281)	(28,127)	(2,353)	(30,761)
Income before contributions & transfers	27,691	8,810	13,805	50,306
Capital contributions and transfers	9,226	(3,405)	(19,967)	(14,146)
Increase (decrease) in net position	36,917	5,405	(6,162)	36,160
Net position 2016	436,630	277,902	45,502	760,034
Net position 2017	$ 473,547	$ 283,307	$ 39,340	$ 796,194

General Fund Budgetary Highlights

For the year ended December 31, 2017, the General Fund budgetary-basis actual revenues were $8 million lower than budgeted revenues. Revenue categories for property taxes, licenses and permits, charges for services and fines/forfeitures experienced an unfavorable (less than budgeted) variance of $12 million. However, all other categories including other taxes, intergovernmental and other revenues exceeded the final budget by a total of $4 million. Actual total revenues increased $1 million to $616 million in 2017 from $615 million in 2016. Intergovernmental revenues increased slightly to $266 million from $265 million in 2016. The intergovernmental category includes financing from the State for shared taxes, local street aids, and payment for municipal services. Operating expenditures were $8 million less than budgeted. This favorable variance is mainly due to $7.2 million savings from general government departments.

The original 2017 budget for expenditures includes the adopted budget plus the encumbrances carried over from 2016 less the encumbrances carried over to 2018. The final budget includes the original budget, as defined above, plus appropriations authorized for carryover from 2016 by the Common Council less those appropriations authorized for carryover to 2018. In addition, certain appropriations are budgeted in a general non-departmental account (i.e. contingency) and are only transferred from this account to specific departments during the year to expend after authorization by the Common Council. These appropriation adjustments are part of the final budget. As detailed in the Required Supplementary Information Section, Exhibit E-1 shows both the original 2017 General Fund expenditure budget of $679 million and the final budget of $685 million, which is a 2.4% decrease from the final 2016 budget of $702 million. The original and final revenue budgets of $624 million are less than a 1% decrease compared to the final 2016 revenue budget of $626 million. Table 7 below presents a summary of 2017 General Fund budget to actual revenues, expenses and changes in fund balance.

Table 7
General Fund - Budgetary Comparison Summary
(Thousands of Dollars)

	Original Budget	Final Budget	Budgetary Basis Actual	Variance Positive (Negative)
Operating revenues	$ 624,216	$ 624,216	$ 616,481	$ (7,735)
Operating expenses	679,035	684,781	676,486	8,295
Deficiency of revenues over expenditures	(54,819)	(60,565)	(60,005)	560
Other financing sources (uses)	60,164	67,041	77,128	10,087
Net change in fund balance	5,345	6,476	17,123	10,647
Fund balance 2016	80,353	80,353	80,353	
Fund balance 2017	$ 85,698	$ 86,829	$ 97,476	$ 10,647

The General Fund Schedule of Expenditures - Budget and Actual (Exhibit I-9) compares current year actual to budgeted expenditures, by department.

The City's General Fund's beginning Fund Balance of $108 million, as reported on the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance (Exhibit A-3), differs from the General Fund's budgetary Fund Balance of $80 million, reported in the Budgetary Comparison Schedule (Exhibit E-1,) by the $28 million withdrawal from the Fund Balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for governmental and business-type activities as of December 31, 2017 total $2.4 billion (net of accumulated depreciation). Capital assets include land, buildings, infrastructure, improvements other than buildings, machinery and equipment, furniture and furnishings, non-utility property, and construction in progress. The total increase in the City's capital assets for the current fiscal year was $108 million or 5%. Governmental activities' capital assets increased $50 million or 4% from 2016. Business-type activity capital assets increased $58 million or 6% at the end of 2017. A schedule comparing the assets by type for 2017 and 2016 for both governmental and business-type activities is depicted in Table 8 below. The net change in assets, as detailed in Note 4 to the Financial Statements, reports that additions were $71 million and deletions were $20 million for 2017 for governmental activities. The two largest business-type activities are the Sewer Maintenance Fund and the Water Works Fund. The Sewer Maintenance Fund had a net increase in capital assets of $24 million. Of the Sewer Maintenance Fund's net assets at year end, 99% relate to the sewer mains infrastructure. Infrastructure net assets of the Water Works Fund comprise 63% of its total capital assets with 26% consisting of machinery and equipment. The total net change in all Water Works net assets was an increase of $37 million.

Table 8
Net Capital Assets
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Capital assets not being depreciated:						
Land	$ 165,735	$ 165,735	$ 17,321	$ 18,773	$ 183,056	$ 184,508
Construction in progress	117,441	108,978	44,003	46,165	161,444	155,143
Intangible right of w ays	1,342	1,342	-	-	1,342	1,342
Capital assets being depreciated:						
Buildings	324,890	321,291	95,900	97,637	420,790	418,928
Infrastructure	1,799,706	1,735,435	1,154,107	1,079,872	2,953,813	2,815,307
Improvements other than buildings	12,175	12,175	10,970	8,184	23,145	20,359
Machinery and equipment	213,173	207,580	290,121	281,286	503,294	488,866
Intangible softw are	11,327	3,834	-	-	11,327	3,834
Nonutility property	-	-	3,917	3,917	3,917	3,917
Accumulated depreciation	(1,386,649)	(1,347,804)	(515,702)	(493,212)	(1,902,351)	(1,841,016)
Total	$ 1,259,140	$ 1,208,566	$ 1,100,637	$ 1,042,622	$ 2,359,777	$ 2,251,188

Debt

At year-end, the City owed $981 million in general obligation bonds and notes, $114 million in State loans, and $200 million in revenue bonds outstanding, as itemized in Table 9.

New debt issued, general obligation bonds and notes, totaled $268 million, of which $253 million was related to governmental activities.

The City continues to maintain high investment grade ratings from the two major rating agencies. A rating of "AA" from Standard and Poor's Corporation, and "AA" from Fitch's Rating Agency Inc., were received on the City's general obligation bonds and notes.

The City's gross general obligation debt per capita, excluding proprietary fund debt, was $1,354 at the end of 2016 and $1,360 at the end of 2017; a .4% increase from the prior year. As of December 31, 2017, the City's outstanding net general obligation debt for governmental activities was 2.97% of the City's total taxable value of property (Statistical Section - Table 9). The legal debt limit is 7% of equalized property value, including Milwaukee Public Schools debt, which is also issued by the City. Excluding the 2% limit on School debt, the City has a 5% legal debt limit. Total outstanding debt, net of the debt service fund, fund balance was about 59% of this limit. The City issues general obligation notes to purchase a portion of General Fund delinquent taxes. During 2017, $21.1 million of notes were issued to fund delinquent taxes. Delinquent tax collections, along with related interest and penalties, are used to pay the debt service requirements.

Table 9
Outstanding Debt
General Obligation Bonds & Notes and Revenue Bonds
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General obligation bonds and notes (backed by the City)	$ 942,330	$ 949,001	$ 38,875	$ 52,139	$ 981,205	$1,001,140
State loans	-	-	114,308	101,612	114,308	101,612
Revenue bonds (backed by specific fee revenues)	-	-	200,156	190,086	200,156	190,086
Total	$ 942,330	$ 949,001	$ 353,339	$ 343,837	$1,295,669	$1,292,838

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATE

The average unemployment rate within the City of Milwaukee for 2017 was 4.6%, compared to 5.8% for 2016. The City of Milwaukee per capita income for the most recent fiscal year available (2016) was $43,375, compared to $42,802 for 2015. Table 13, in the Statistical Section, contains demographic and economic statistics for the last ten calendar years.

The 2018 adopted City Budget is about $1.53 billion with a General Fund budget of $748 million. The General Fund budget increased $10 million from the 2017 budget of $738 million. In 2018, the City expects to spend $107 million for health insurance and related costs compared to $114 million budgeted for 2017, a $7 million decrease.

The 2018 budget includes $3 million to abate lead in 400 housing units and $8.8 million to replace lead water service lines. Funding for the Strong Neighborhoods Plan will enable repairs and improvements to approximately 154 privately-owned homes. An average annual sworn police force of 1,861 members will be funded in 2018. Finally, the City has allocated $4 million for replacing two neighborhood libraries in 2018.

The City of Milwaukee's share of the Tax Rate remained unchanged at $10.75 (per $1,000 of Assessed Value). The total City 2017 property tax levy increased $9.7 million to $273.5 million, compared to $263.8 million in 2016, while the assessed valuation of all property within the City increased $748 million. The 2017 property tax levy (which funds the 2018 budget) is shown in Table 10 below along with a comparison to the 2016 levy.

Table 10
Tax Levy by Purpose
(Thousands of Dollars)

	Levy Year *		Increase
	2017	2016	(decrease)
General city purposes	$ 107,192	$ 115,213	$ (8,021)
Employee retirement	94,189	77,982	16,207
Capital improvements	889	300	589
Debt	66,216	65,280	936
Contingent fund	5,000	5,000	-
Total levy	$ 273,486	$ 263,775	$ 9,711

*Levy year funds the next year's budget.

The 2018 General City Purpose budget includes $622 million in estimated revenue, a decrease of $10.7 compared to 2017. The sources of funds for the 2018 General City Purpose budget, by category, compared to the 2017 budget is shown in Table 11.

Table 11
Sources of Funds for General City Purposes Budget
(Thousands of Dollars)

	Budget Year*		Increase
	2018	2017	(decrease)
Tax levy	$ 107,192	$ 115,213	$ (8,021)
Taxes and PILOTS	17,591	17,699	(108)
Licenses and permits	15,937	16,203	(266)
Intergovernmental revenue	268,191	265,292	2,899
Charges for services	129,145	127,045	2,100
Transfers	36,123	44,179	(8,056)
Other	48,150	47,362	788
Total sources	$ 622,329	$ 632,993	$ (10,664)

*Budget is funded by the prior year's levy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the City's finances and to demonstrate the City's accountability for the taxes and other funding received. If you have questions about this report or need additional financial information, contact the City of Milwaukee, Office of the City Comptroller, City Hall, 200 East Wells Street Room 404, Milwaukee, WI 53202.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MILWAUKEE
STATEMENT OF NET POSITION
December 31, 2017
(Thousands of Dollars)

Exhibit 1

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and investments	$ 338,236	$ 53,962	$ 392,198	$ 122,307
Receivables (net):				
Taxes	243,791	-	243,791	-
Accounts	32,905	48,756	81,661	407
Unbilled accounts	2,408	19,707	22,115	-
Special assessments	6,736	-	6,736	-
Notes and loans	95,544	-	95,544	58,598
Accrued interest	400	134	534	1,384
Due from component units	12,475	-	12,475	-
Due from primary government	-	-	-	136
Due from other governmental agencies	208,666	2,251	210,917	4,641
Inventory of materials and supplies	10,396	3,635	14,031	-
Inventory of property for resale	26	-	26	5,491
Prepaid items	5,652	839	6,491	-
Other assets	-	125	125	130
Total Noncapital Assets	957,235	129,409	1,086,644	193,094
Capital assets:				
Capital assets not being depreciated:				
Land	165,735	17,321	183,056	12,200
Construction in progress	117,441	44,003	161,444	-
Intangible right of ways	1,342	-	1,342	-
Capital assets being depreciated:				
Buildings	324,890	95,900	420,790	85,786
Infrastructure	1,799,706	1,154,107	2,953,813	333
Improvements other than buildings	12,175	10,970	23,145	4,264
Machinery and equipment	213,173	290,121	503,294	159
Intangible software	11,327	-	11,327	565
Nonutility property	-	3,917	3,917	-
Accumulated depreciation	(1,386,649)	(515,702)	(1,902,351)	(24,879)
Total Capital Assets	1,259,140	1,100,637	2,359,777	78,428
Total Assets	2,216,375	1,230,046	3,446,421	271,522
Deferred Outflows of Resources:				
Loss on refunding	-	112	112	-
Pension related	219,484	11,365	230,849	334
Total Deferred Outflows of Resources	219,484	11,477	230,961	334

CITY OF MILWAUKEE
STATEMENT OF NET POSITION
December 31, 2017
(Thousands of Dollars)

Exhibit 1 (Continued)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Accounts payable	$ 84,531	$ 28,521	$ 113,052	$ 2,075
Accrued expenses	27,616	1,422	29,038	1,638
Accrued interest payable	8,193	1,391	9,584	-
Internal balances	(14,245)	14,245	-	-
Due to component units	118	18	136	-
Due to other governmental agencies	2,358	-	2,358	2,921
Unearned revenues	1,341	2,592	3,933	
Revenue anticipation notes payable	180,000	-	180,000	-
Other liabilities	-	-	-	3,088
Due to primary government:				
Due within one year	-	-	-	1,148
Due in more than one year	-	-	-	11,327
Long-term obligations:				
Due within one year	166,006	22,692	188,698	3,080
Due in more than one year	1,720,001	372,996	2,092,997	197,826
Total Liabilities	2,175,919	443,877	2,619,796	223,103
Deferred Inflows of Resources:				
Gain on refunding	904	-	904	-
Deferred inflows for grants	-	579	579	-
Subsequent years property taxes	315,462	-	315,462	610
Pension related	22,254	873	23,127	39
Total Deferred Inflows of Resources	338,620	1,452	340,072	649
NET POSITION				
Net investment in capital assets	836,422	734,161	1,570,583	24,816
Restricted for:				
Debt service	152,571	2,209	154,780	-
Other purposes	9,021	-	9,021	11,575
Unrestricted	(1,076,694)	59,824	(1,016,870)	11,713
Total Net Position	**$ (78,680)**	**$ 796,194**	**$ 717,514**	**$ 48,104**

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	$ 274,652	$ 27,180	$ 2,026	$ -
Public safety	485,016	23,382	12,314	-
Public works	206,205	83,344	2,842	240
Health	23,655	1,267	9,937	-
Culture and recreation	28,193	1,024	3,243	-
Conservation and development	65,175	19	13,966	-
Interest on long-term debt	22,097	-	-	-
Total Governmental Activities	1,104,993	136,216	44,328	240
Business-type Activities:				
Water	70,219	97,833	-	22,528
Sewer Maintenance	59,823	65,141	-	3,358
Parking	25,287	37,557	-	180
Port of Milwaukee	4,570	5,625	-	-
Metropolitan Sewerage District User Charges	49,853	50,333	-	-
Total Business-type Activities	209,752	256,489	-	26,066
Total Primary Government	$ 1,314,745	$ 392,705	$ 44,328	$ 26,306
Component units:				
Redevelopment Authority	$ 11,954	$ 6,602	$ 1,814	$ -
Neighborhood Improvement Development Corporation	612	160	221	17
Century City Redevelopment Corporation	873	324	-	-
Total Component Units	$ 13,439	$ 7,086	$ 2,035	$ 17

General revenues:
Property taxes and other taxes .....
State aid for General Fund .....
Miscellaneous .....
Transfers .....
Total General Revenues and Transfers .....

Change in Net Position .....

Net Position - Beginning.....

Net Position - Ending .....

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (245,446)		$ (245,446)	
(449,320)		(449,320)	
(119,779)		(119,779)	
(12,451)		(12,451)	
(23,926)		(23,926)	
(51,190)		(51,190)	
(22,097)		(22,097)	
(924,209)		(924,209)	
-	$ 50,142	50,142	
-	8,676	8,676	
-	12,450	12,450	
-	1,055	1,055	
-	480	480	
-	72,803	72,803	
(924,209)	72,803	(851,406)	
			$ (3,538)
			(214)
			(549)
			(4,301)
307,828	-	307,828	-
265,700	-	265,700	-
97,757	211	97,968	4,678
36,854	(36,854)	-	-
708,139	(36,643)	671,496	4,678
(216,070)	36,160	(179,910)	377
137,390	760,034	897,424	47,727
$ (78,680)	**$ 796,194**	**$ 717,514**	**$ 48,104**

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FUND FINANCIAL STATEMENTS

CITY OF MILWAUKEE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit A-1

	General
ASSETS	
Assets:	
Cash and investments	$ 99,099
Receivables (net):	
Taxes	147,232
Accounts	31,524
Unbilled accounts	2,408
Special assessments	-
Notes and loans	86
Accrued interest	271
Due from other funds	73,727
Due from component units	150
Due from other governmental agencies	810
Advances to other funds	5,832
Inventory of materials and supplies	10,396
Inventory of property for resale	26
Prepaid items	1,968
Total Assets	**$ 373,529**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 34,234
Accrued expenses	27,187
Due to other funds	337
Due to component units	30
Due to other governmental agencies	-
Unearned revenue	54
Revenue anticipation notes payable	-
Advances from other funds	-
Total Liabilities	61,842
Deferred Inflows of Resources:	214,211
Fund Balances:	
Nonspendable	18,401
Restricted	-
Committed	3,444
Assigned	37,281
Unassigned	38,350
Total Fund Balances	97,476
Total Liabilities, Deferred Inflows and Fund Balances	**$ 373,529**

The notes to the financial statements are an integral part of this statement.

General Obligation Debt Service	Public Debt Amortization	Economic Development	Capital Projects	Nonmajor Governmental Funds	Total
$ 77,059	$ 32,402	$ 79,886	$ 47,633	$ 2,157	$ 338,236
39,730	-	25,186	533	31,110	243,791
-	-	-	1,381	-	32,905
-	-	-	-	-	2,408
-	-	-	6,736	-	6,736
62,389	22,082	-	-	10,987	95,544
-	129	-	-	-	400
-	-	-	-	337	74,064
47	-	12,185	45	48	12,475
180,000	-	-	16,089	11,767	208,666
-	-	-	-	-	5,832
-	-	-	-	-	10,396
-	-	-	-	-	26
-	-	-	3,682	2	5,652
$ 359,225	**$ 54,613**	**$117,257**	**$ 76,099**	**$ 56,408**	**$1,037,131**
$ 69	$ -	$ 385	$ 43,932	$ 5,911	$ 84,531
-	-	-	271	158	27,616
7,111	-	-	2,880	49,491	59,819
-	-	-	62	26	118
-	-	-	190	2,168	2,358
-	-	-	256	1,031	1,341
180,000	-	-	-	-	180,000
-	-	-	5,832	-	5,832
187,180	-	385	53,423	58,785	361,615
128,604	-	54,162	14,718	8,949	420,644
-	-	-	3,682	2	22,085
43,441	54,613	62,710	18,795	9,019	188,578
-	-	-	-	-	3,444
-	-	-	-	-	37,281
-	-	-	(14,519)	(20,347)	3,484
43,441	54,613	62,710	7,958	(11,326)	254,872
$ 359,225	**$ 54,613**	**$117,257**	**$ 76,099**	**$ 56,408**	**$1,037,131**

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CITY OF MILWAUKEE

Exhibit A-2

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017
(Thousands of Dollars)

Fund balances - total governmental funds (Exhibit A-1)		$ 254,872
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 165,735	
Buildings, net of $127,907 accumulated depreciation	196,983	
Infrastructure, net of $1,098,462 accumulated depreciation	701,244	
Improvements other than buildings, net of $10,002 accumulated depreciation	2,173	
Machinery and equipment, net of $146,959 accumulated depreciation	66,214	
Intangible assets net of $3,319 accumulated depreciation	9,350	
Construction in progress	117,441	
		1,259,140
Some revenues are unavailable in the funds because they are not available to pay current period's expenditures.		
Taxes to be collected	14,729	
Grant revenues to be collected	9,676	
Notes and loans receivable to repay long-term bonds and notes	74,659	
Special assessments to be collected	6,118	
		105,182
Deferred inflows and outflows of resources related to pensions have not been included in governmental fund activity.		
Deferred inflows for pensions	(22,254)	
Deferred outflows for pensions	219,484	
		197,230
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(8,193)	
Bonds and notes payable	(942,330)	
Gain on refunding	(904)	
Unamortized premiums	(64,140)	
Compensated absences	(48,395)	
Net other postemployment benefits obligation	(459,369)	
Net pension liability	(339,551)	
Claims and judgments	(32,222)	
		(1,895,104)
Total net position of governmental activities (Exhibit 1)		**$ (78,680)**

The notes to the financial statements are an integral part of this reconciliation.

CITY OF MILWAUKEE Exhibit A-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

	General
Revenues:	
Property taxes	$ 190,337
Other taxes	4,234
Special assessments	-
Licenses and permits	15,597
Intergovernmental	265,700
Charges for services	136,216
Fines and forfeits	3,357
Contributions received	3,022
Other	19,384
Total Revenues	637,847
Expenditures:	
Current:	
General government	247,401
Public safety	315,139
Public works	100,724
Health	10,353
Culture and recreation	18,789
Conservation and development	4,579
Capital outlay	-
Debt Service:	
Principal retirement	-
Interest	-
Bond issuance costs	-
Total Expenditures	696,985
Excess (Deficiency) of Revenues over Expenditures	(59,138)
Other Financing Sources (Uses):	
General obligation bonds and notes issued	6,462
Proceeds from debt refundings	-
Loans receivable activities	-
Issuance premium	-
Transfers in	44,339
Transfers out	(2,119)
Total Other Financing Sources and Uses	48,682
Net Change in Fund Balances	(10,456)
Fund Balances - Beginning	107,932
Fund Balances - Ending	**$ 97,476**

The notes to the financial statements are an integral part of this reconciliation.

General Obligation Debt Service	Public Debt Amortization	Economic Development	Capital Projects	Nonmajor Governmental Funds	Total
$ 65,280	$ -	$ 41,096	$ 2,839	$ -	$ 299,552
	2,179	286	-	-	6,699
-	-	-	2,019	-	2,019
-	-	-	-	-	15,597
	-	962	28,756	43,197	338,615
11,272	-	9,297	-	-	156,785
-	-	-	-	-	3,357
-	-	-	-	-	3,022
4,300	2,560	5,055	4,755	-	36,054
80,852	4,739	56,696	38,369	43,197	861,700
865	5	-	-	5,367	253,638
-	-	-	-	11,823	326,962
-	-	-	-	2,600	103,324
-	-	-	-	9,829	20,182
-	-	-	-	2,379	21,168
-	-	10,172	-	13,966	28,717
-	-	-	172,270	-	172,270
259,911	-	-	-	-	259,911
40,366	-	-	-	-	40,366
329	-	-	-	-	329
301,471	5	10,172	172,270	45,964	1,226,867
(220,619)	4,734	46,524	(133,901)	(2,767)	(365,167)
50,000	-	-	99,427	21,108	176,997
76,243	-	-	-	-	76,243
(1,590)	-	-	-	(286)	(1,876)
23,601	-	-		-	23,601
82,754	-	75,360	23,790	3,265	229,508
(76,762)	(8,500)	(59,276)	(8,451)	(37,546)	(192,654)
154,246	(8,500)	16,084	114,766	(13,459)	311,819
(66,373)	(3,766)	62,608	(19,135)	(16,226)	(53,348)
109,814	58,379	102	27,093	4,900	308,220
$ 43,441	**$ 54,613**	**$ 62,710**	**$ 7,958**	**$ (11,326)**	**$ 254,872**

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CITY OF MILWAUKEE

Exhibit A-4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

(Thousands of Dollars)

Net change in fund balances - total governmental funds (Exhibit A-3)		$ (53,348)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset additions ($126,148) less additions from Construction-in-Progress ($18,453) exceeded depreciation expense ($55,273) in the current period less loss on disposals ($1,848).		50,574
Notes and loans receivable to repay long-term bonds and notes		(7,249)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds.		
Taxes accrued in prior years	1,671	
Capital grants and contributions	(782)	
Special assessments beginning of the year $5,905 less $6,118 at year end	213	
		1,102
The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of discounts, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
Bonds and notes issued	(253,240)	
Issuance premiums	(23,601)	
Gain on refunding	(446)	
Repayments:		
Principal retirement	259,911	
Amortization:		
Premiums	15,840	
Gain/Loss on refunding	1,021	
		(515)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather as it accrues. The adjustment combines the net changes of the following balances.		
Compensated absences	(450)	
Net other postemployment benefits obligation	(48,096)	
Net pension liability	(3,218)	
Deferred inflows for pensions	886	
Deferred outflows for pensions	(157,638)	
Claims and judgments	474	
Accrued interest on bonds and notes	1,408	
		(206,634)
Changes in net position of governmental activities (Exhibit 2)		**$(216,070)**

The notes to the financial statements are an integral part of this reconciliation.

CITY OF MILWAUKEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit B-1

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 25,767	$ 3,947	$ 9,981	$ 39,695
Restricted cash and cash equivalents	2,209	12,058	-	14,267
Receivables (net):				
Accounts	18,081	16,236	14,439	48,756
Unbilled accounts	13,850	2,565	3,292	19,707
Accrued interest	-	134	-	134
Due from other funds	4,211	3,587	2,953	10,751
Due from other governmental agencies	-	1,212	1,039	2,251
Advances to other funds	109	-	-	109
Inventory of materials and supplies	3,414	221	-	3,635
Prepaid items	821	18	-	839
Other assets	125	-	-	125
Total Current Assets	68,587	39,978	31,704	140,269
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated:				
Land	1,791	-	15,530	17,321
Construction in progress	37,618	125	6,260	44,003
Capital assets being depreciated:				
Buildings	30,280	-	65,620	95,900
Infrastructure	424,000	710,174	19,933	1,154,107
Improvements other than buildings	-	-	10,970	10,970
Machinery and equipment	268,152	6,054	15,915	290,121
Nonutility property	3,917	-	-	3,917
Accumulated depreciation	(273,967)	(161,433)	(80,302)	(515,702)
Net Capital Assets	491,791	554,920	53,926	1,100,637
Total Noncurrent Assets	491,791	554,920	53,926	1,100,637
Total Assets	560,378	594,898	85,630	1,240,906
Deferred Outflows of Resources:				
Loss on refunding	-	112	-	112
Deferred outflows for pensions	6,792	2,376	2,197	11,365
Total Deferred Outflows of Resources	6,792	2,488	2,197	11,477

CITY OF MILWAUKEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit B-1 (Continued)

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 11,734	$ 4,330	$ 12,457	$ 28,521
Accrued expenses	906	235	281	1,422
Accrued interest payable	181	548	120	849
Compensated absences	1,179	325	289	1,793
Advances from other funds	-	-	109	109
Due to other funds	11,633	-	13,363	24,996
Due to component units	-	-	18	18
Unearned revenue	-	1,101	1,491	2,592
General obligation debt payable - current	857	404	1,619	2,880
Total Current Liabilities	26,490	6,943	29,747	63,180
Current Liabilities Payable from Restricted Assets:				
Revenue bonds payable	3,126	14,893	-	18,019
Accrued interest payable	-	542	-	542
Total Current Liabilities Payable from Restricted Assets	3,126	15,435	-	18,561
Noncurrent Liabilities:				
General obligation debt payable	6,970	16,308	13,058	36,336
Revenue bonds & State loans payable	39,940	269,301	-	309,241
Other post employment benefits obligation	8,042	3,076	2,822	13,940
Net pension liability	7,961	2,833	2,685	13,479
Total Noncurrent Liabilities	62,913	291,518	18,565	372,996
Total Liabilities	92,529	313,896	48,312	454,737
Deferred Inflows of Resources:				
Deferred inflows for grants	579	-	-	579
Deferred inflows for pensions	515	183	175	873
Total Deferred Inflows of Resources	1,094	183	175	1,452
NET POSITION:				
Net investment in capital assets	440,898	254,014	39,249	734,161
Restricted for Debt Service	2,209	-	-	2,209
Unrestricted	30,440	29,293	91	59,824
Total Net Position	**$ 473,547**	**$ 283,307**	**$ 39,340**	**$ 796,194**

The notes to the financial statements are an integral part of this statement.

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CITY OF MILWAUKEE

Exhibit B-2

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
Operating Revenues:				
Charges for Services:				
Water sales	$ 79,580	$ -	$ -	$ 79,580
Statutory sewer user fee	-	-	49,056	49,056
Sewer maintenance fee	-	65,141	-	65,141
Rent	-	-	12,977	12,977
Fire protection service	9,172	-	-	9,172
Parking meters	-	-	4,985	4,985
Parking permits	-	-	4,131	4,131
Vehicle towing	-	-	6,046	6,046
Parking forfeitures	-	-	15,043	15,043
Other	9,081	-	1,277	10,358
Total Operating Revenues	97,833	65,141	93,515	256,489
Operating Expenses:				
Milwaukee Metropolitan Sewerage District charges	-	-	44,351	44,351
Employee services	-	8,582	9,788	18,370
Administrative and general	11,531	-	-	11,531
Depreciation	18,185	7,997	3,011	29,193
Transmission and distribution	18,187	-	-	18,187
Services, supplies, and materials	-	11,625	20,207	31,832
Water treatment	11,780	-	-	11,780
Water pumping	7,062	-	-	7,062
Billing and collection	3,116	-	-	3,116
Total Operating Expenses	69,861	28,204	77,357	175,422
Operating Income	27,972	36,937	16,158	81,067
Nonoperating Revenues (Expenses):				
Investment income	77	134	-	211
Grant revenue	-	3,358	-	3,358
Interest expense	(87)	(8,418)	(681)	(9,186)
Other	(271)	(23,201)	(1,672)	(25,144)
Total Net Nonoperating Revenues (Expenses)	(281)	(28,127)	(2,353)	(30,761)
Income before Contributions and Transfers	27,691	8,810	13,805	50,306
Capital contributions	22,528	-	180	22,708
Transfers in	-	-	487	487
Transfers out	(13,302)	(3,405)	(20,634)	(37,341)
Change in Net Position	36,917	5,405	(6,162)	36,160
Total Net Position - Beginning	436,630	277,902	45,502	760,034
Total Net Position - Ending	**$ 473,547**	**$ 283,307**	**$ 39,340**	**$ 796,194**

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit B-3

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 91,875	$ 65,246	$ 92,240	$ 249,361
Receipts from interfund services provided	6,143	-	-	6,143
Payments to suppliers	(17,588)	(12,190)	(63,398)	(93,176)
Payments to employees	(22,873)	(7,205)	(8,360)	(38,438)
Payments from other funds	-	(2,101)	575	(1,526)
Payments to other funds	1,182	-	(1,062)	120
Net Cash Provided by Operating Activities	58,739	43,750	19,995	122,484
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Miscellaneous nonoperating revenue	309	3,247	-	3,556
Other nonoperating expenses	-	(23,201)	(452)	(23,653)
Transfers from other funds	-	-	487	487
Transfers to other funds	(13,302)	(3,405)	(20,634)	(37,341)
Net Cash Used by Noncapital Financing Activities	(12,993)	(23,359)	(20,599)	(56,951)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of bonds and notes	20,361	31,047	3,184	54,592
Acquisition of property, plant, and equipment	(31,533)	(31,553)	(2,928)	(66,014)
Retirement of bonds, notes, and revenue bonds	(23,638)	(17,827)	(3,625)	(45,090)
Interest paid	(1,293)	(9,843)	(273)	(11,409)
Other	-	-	1,373	1,373
Net Cash Used for Capital and Related Financing Activities	(36,103)	(28,176)	(2,269)	(66,548)
CASH FLOWS FROM INVESTING ACTIVITY:				
Investment income	77	105	-	182
Net Increase (Decrease) in Cash and Cash Equivalents	9,720	(7,680)	(2,873)	(833)
Cash and Cash Equivalents - Beginning	18,256	23,685	12,854	54,795
Cash and Cash Equivalents - Ending	**$ 27,976**	**$ 16,005**	**$ 9,981**	**$ 53,962**

CITY OF MILWAUKEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit B-3 (Continued)

	Water Works	Sewer Maintenance	Nonmajor Proprietary Funds	Total
Cash and Cash Equivalents at Year-End Consist of:				
Unrestricted Cash	$ 25,767	$ 3,947	$ 9,981	$ 39,695
Restricted Cash	2,209	12,058	-	14,267
	$ 27,976	$ 16,005	$ 9,981	$ 53,962
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	$ 27,972	$ 36,937	$ 16,158	$ 81,067
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	18,185	7,997	3,011	29,193
Effect of changes in assets and liabilities:				
Receivables	(123)	105	(1,274)	(1,292)
Due from other funds	(2,933)	(2,101)	(1,600)	(6,634)
Inventories	(190)	53	-	(137)
Prepaid items	1,369	(1)	-	1,368
Other assets	(18)	-	-	(18)
Accounts payable	2,577	(617)	1,254	3,214
Accrued liabilities	46	210	202	458
Net other postemployment benefits obligation	1,140	425	389	1,954
Net pension liability	309	94	(5)	398
Due to other funds	8,794	-	1,113	9,907
Deferred pension outflows	1,653	641	746	3,040
Deferred pension inflows	(42)	7	1	(34)
Net Cash Provided by Operating Activities	$ 58,739	$ 43,750	$ 19,995	$ 122,484

Non-cash Activities:

During the year, water mains and related property, installed by others were deeded to the Water Works in the amount of $22,528,174.

During the year, the Sewer Maintenance Fund removed infrastructure assets costing $1,457,000 with a net value of $0.

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE

Exhibit C-1

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2017

(Thousands of Dollars)

	Employee Benefit Trusts	Private-Purpose Trusts	Agency Funds
ASSETS			
Cash and investments	$ 1,642	$ 3,661	$ 143,949
Total Assets	1,642	3,661	$ 143,949
LIABILITIES			
Liabilities:			
Accounts payable	$ 134	$ 45	$ 2,591
Due to other governmental agencies	-	-	141,358
Total Liabilities	134	45	$ 143,949
Net Position Held In Trust For:			
Employees' pension benefits and other purposes	**$ 1,508**	**$ 3,616**	

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE

Exhibit C-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

	Employee Benefit Trusts	Private-Purpose Trusts
Additions		
Contributions:		
Plan members	$ 4,331	$ -
Private donations	-	1,752
Total Contributions	4,331	1,752
Investment earnings:		
Net appreciation in fair value of investments, dividends and interest	-	2
Total Additions	4,331	1,754
Deductions		
Benefits	4,146	-
Fees remitted from Trust	-	1,241
Other	-	759
Total Deductions	4,146	2,000
Change in Net Position	185	(246)
Net Position - Beginning	1,323	3,862
Net Position - Ending	**$ 1,508**	**$ 3,616**

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE

Exhibit D-1

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2017
(Thousands of Dollars)

	Redevelopment Authority	Neighborhood Improvement Development Corporation	Century City Redevelopment Corporation	Total
ASSETS				
Current Assets:				
Cash and investments	$ 7,081	$ 1,656	$ 334	$ 9,071
Restricted cash and investments	112,580	656	-	113,236
Receivables (net):				
Accounts	254	105	48	407
Notes and loans	58,376	222	-	58,598
Accrued interest	1,371	13	-	1,384
Due from primary government	136	-	-	136
Due from other governmental agencies	4,641	-	-	4,641
Inventory of property for resale	4,918	573	-	5,491
Prepaid items	117	-	13	130
Total Noncapital Assets	189,474	3,225	395	193,094
Capital assets:				
Capital assets not being depreciated:				
Land and land improvements	11,091	-	1,109	12,200
Construction in progress	-	-	-	-
Capital assets being depreciated:	-			
Buildings	75,621	-	10,165	85,786
Infrastructure	333	-	-	333
Improvements other than buildings	4,264	-	-	4,264
Machinery and equipment	6	-	153	159
Intangible assets	565	-	-	565
Accumulated depreciation	(22,686)	-	(2,193)	(24,879)
Total Capital Assets, Net of Depreciation	69,194	-	9,234	78,428
Total Assets	258,668	3,225	9,629	271,522
Deferred Outflows of Resources:				
Deferred outflows for pensions	334	-	-	334

CITY OF MILWAUKEE
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit D-1 (Continued)

	Redevelopment Authority	Neighborhood Improvement Development Corporation	Century City Redevelopment Corporation	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Current Liabilities:				
Accounts payable	$ 2,018	$ 13	$ 44	$ 2,075
Accrued expenses	1,621	-	17	1,638
Due to other governmental agencies	2,675	-	246	2,921
Other liabilities	2,852	236	-	3,088
Total Current Liabilities	9,166	249	307	9,722
Due to primary government:				
Due within one year	1,055	93	-	1,148
Due in more than one year	11,327	-	-	11,327
Total Due to Primary Government	12,382	93	-	12,475
Long-term obligations:				
Due within one year	3,080	-	-	3,080
Due in more than one year	178,976	-	18,850	197,826
Total Noncurrent Liabilities	182,056	-	18,850	200,906
Total Liabilities	203,604	342	19,157	223,103
Deferred Inflows of Resources:				
Unavailable revenue	459	151	-	610
Deferred inflows for pensions	39	-	-	39
Total Deferred Inflows of Resources	498	151	-	649
Total Liabilities and Deferred Inflows of Resources	204,102	493	19,157	223,752
NET POSITION:				
Net investment in capital assets	26,932	-	(2,116)	24,816
Restricted	10,898	677	-	11,575
Unrestricted	17,070	2,055	(7,412)	11,713
Total Net Position	**$ 54,900**	**$ 2,732**	**$ (9,528)**	**$ 48,104**

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

Exhibit D-2

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Redevelopment Authority				
Prevention and elimination of blight	$ 11,954	$ 6,602	$ 1,814	$ -
Neighborhood Improvement Development Corp.				
Housing improvements	612	160	221	17
Century City Redevelopment Corporation				
Rental income	873	324	-	-
Total Component Units	$ 13,439	$ 7,086	$ 2,035	$ 17

General revenues:	
Miscellaneous	
Total General Revenues	
Change in Net Position	
Net Position - Beginning	
Net Position - Ending	

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Redevelopment Authority	Neighborhood Improvement Development Corporation	Century City Redevelopment Corporation	Total
$ (3,538)	$ -	$ -	$ (3,538)
-	(214)	-	(214)
-	-	(549)	(549)
(3,538)	(214)	(549)	(4,301)
4,288	190	200	4,678
4,288	190	200	4,678
750	(24)	(349)	377
54,150	2,756	(9,179)	47,727
$ 54,900	**$ 2,732**	**$ (9,528)**	**$ 48,104**

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NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. Reporting Entity

The City of Milwaukee (the "City") was incorporated on January 31, 1846, and operates under a Council-Mayor form of government. These financial statements present the City (the primary government) and other organizations, including component units, for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units discussed below are legally separate organizations for which the elected officials of the City are accountable. The City is considered financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to or burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the primary government.

Discretely Presented Component Units

The component unit's columns in the government-wide financial statements include the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City. The City has the following discretely presented component units:

Redevelopment Authority - The Redevelopment Authority of the City of Milwaukee (RACM) is responsible for activities related to the prevention and elimination of blighted conditions in the City. The City appoints all members of the Board and approves the budget.

Neighborhood Improvement Development Corporation - The Neighborhood Improvement Development Corporation (NIDC) is a nonprofit organization established to promote reinvestment in both housing and commercial structures within the City. NIDC programs encourage private lending institutions and property owners to make improvements to the community's homes and businesses. Corporate officers of NIDC are provided by the City and daily operations are managed by City employees.

Century City Redevelopment Corporation - The Century City Redevelopment Corporation (CCRC) is a nonprofit organization created to perform redevelopment activities within the City. CCRC is managed by a Board of Directors made up of members from City government and employee services are provided by the Redevelopment Authority through a cooperation agreement.

Financial statements of the individual component units can be obtained from their respective administrative offices. Addresses of the component units are as follows: RACM, 809 North Broadway, 3rd Floor, Milwaukee, Wisconsin 53202; NIDC, 841 North Broadway, 3rd Floor, Milwaukee, Wisconsin 53202; and CCRC, 841 North Broadway, 2nd Floor, Milwaukee, Wisconsin 53202.

The basic financial statements exclude the accounts of the Housing Authority of the City of Milwaukee (HACM), Milwaukee Economic Development Corporation (MEDC), Wisconsin Center District, Milwaukee Public Schools, the Milwaukee Metropolitan Sewerage District, World Festivals Inc. ("Summerfest") and the Employes' Retirement System of the City of Milwaukee, because these entities do not meet the criteria established by GASB Statement 80 as component units of the City. The Milwaukee Metropolitan Sewerage District (MMSD) is a special purpose municipal corporation created to provide sewerage treatment services in the Milwaukee metropolitan area. The City is responsible for paying usage charges within its jurisdiction. These amounts, in turn, are billed by the City to its water customers. The City has no equity interest in MMSD. Financial statements for MMSD can be obtained from its administrative office.

Related Organizations

Housing Authority of the City of Milwaukee

The Housing Authority of the City of Milwaukee (HACM) is responsible for the construction and management of safe, affordable, and quality housing with services that enhance residents' self-sufficiency.

The Housing Authority is governed by a seven-member Board of Commissioners who are appointed by the Mayor and confirmed by the Common Council. The City is not legally obligated for any of HACM obligations or debt.

Milwaukee Area Workforce Investment Board

The Milwaukee Area Workforce Investment Board (MAWIB) was established to provide job training, employment services, and workforce development within Milwaukee County. MAWIB (aka Employ Milwaukee) acts as the recipient, dispenser, and administer of funding provided under the Workforce Development Act for Milwaukee County.

The Governor designated the Mayor of the City of Milwaukee as Milwaukee County's chief local elected officer for the Workforce Investment Act of 1998. The directors of the MAWIB are appointed by the Mayor in accordance with the Workforce Investment Act. The City is not legally obligated for any of MAWIB obligations or debt. The City is not entitled to access funds of the MAWIB.

B. Basis of Presentation

***Government-wide Statements*.** The government-wide statement of net position and statement of activities report the overall financial activity of the City, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) fines, fees, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary are presented. The emphasis on fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of rents, sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting these criteria are reported as nonoperating expenses. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

General Obligation Debt Service– This fund accounts for the resources accumulated and payments made for principal and interest on the City's outstanding long-term general obligation debt. Prior to 2017, this fund was used to account for all non-capital TID revenues and debt service. As of December 31, 2016, the fund balance included $71.6 million of net cumulative

TID revenues. To provide more detail and transparency regarding TID activities, on January 1, 2017, $71.6 million of fund balance was moved to the Economic Development Fund.

Public Debt Amortization – This fund accounts for one-third of all interest on general City investments and interest on Fund investments for the retirement of debt. The Public Debt Amortization Fund is governed by Section 67.101 of the Wisconsin Statutes for the retirement of the public debt. See Note 7 for further discussion.

Economic Development Fund – Prior to 2017, this fund was used mostly to account for revenues and expenditures related to owner-financed development projects in commercial (Business Improvement Districts) and residential (Neighborhood Improvement Districts) areas. Beginning on January 1, 2017, in an effort to provide more detail and transparency related to TID activities, all non-capital TID transactions, including debt service payments, are recorded in this fund. Also, on January 1, 2017 the $71.6 million balance of net cumulative TID-related revenues within the General Obligation Debt Service Fund were transferred to this fund.

Capital Projects Fund – The Capital Projects Fund is used to account for the financial resources segregated for the acquisition or construction of major capital expenditures other than those financed by proprietary funds.

The City reports the following major proprietary funds:

Water Works – All activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance and financing.

Sewer Maintenance – This fund accounts for the maintenance of the City's sewer system. Wisconsin State Statutes Section 66.0821, permit municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

Additionally, the City reports the following fiduciary fund types:

Employee Benefit Trusts – This fund accounts for resources for employee flexible spending plans.

Private Purpose Trust – These funds account for resources legally held in trust for use by various individuals, governmental entities, and nonpublic corporations. All resources of these funds, including any earnings on invested resources, may be used to support each trust's initiatives.

Agency – These funds account for taxes and deposits collected by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

C. Basis of Accounting – Measurement Focus

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property tax revenue, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Taxes levied in 2017 that will be collected in 2018 are recorded as receivable and deferred inflows of resources. Deferred inflows of resources arise when assets are recognized before revenue recognition criteria have been satisfied. Revenue from grants and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, excluding property taxes, to be available if they are collected within 90 days of the

end of the current year. Property taxes are considered to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual include property taxes, state shared revenues, grants, contributions, and interest. All other revenue sources including licenses, permits, fines, and forfeits are considered to be measurable and available only when cash is received.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted cash and investments) purchased with a maturity of three months or less are considered to be cash equivalents. The City manages a cash and investment pool to maximize return on funds while providing liquidity to meet day-to-day obligations. Each fund's equity in the City's investment pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

E. Investments

Investments, primarily consisting of fixed income securities, are reported at fair value based on quoted market prices. Commercial paper, which is short term, defined as having an original maturity of one year or less, and highly liquid is carried at amortized cost. Investment transactions are recorded on the trade date. Under Wisconsin Statutes, one-third of all interest on pooled cash and investments is allocated to the Public Debt Amortization Fund. The remaining two-thirds are credited to the General Fund. Each fund type's portion of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Position/Balance Sheet.

Wisconsin Statutes permit the City to invest funds not immediately needed in any of the following:

- Time deposits maturing within three years in any credit union, bank, savings bank, trust company, or savings and loan association, which are authorized to transact business in the State of Wisconsin.

- Bonds or securities issued or guaranteed by the Federal government.

- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the State of Wisconsin, as well as bonds issued by a local exposition district, a local professional baseball park district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

- Local Government Investment Pool - Investment Fund of the State of Wisconsin. The Local Government Pooled Investment Fund is an external investment pool administered by the State of Wisconsin. The fair value of the City's investment in the fund is the same as the value of the pooled shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of Section 25.50 of the Wisconsin Statutes.

- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.

- Any security that matures or that may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating, which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

- Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board, or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

F. Property Taxes

Property taxes are recorded as receivables and deferred inflows in the taxing fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. Property tax payments received prior to year-end are also reflected in the taxing fund. Property taxes are recognized in the appropriate funds as revenues in the succeeding year when they are collected and available to finance City services. If not collected at year-end, the delinquent property taxes are reflected as receivables and deferred inflows. Delinquent property taxes and related interest are recognized as revenues when collected.

The allowance for uncollectible property taxes is based on an analysis of the delinquent property taxes and, in management's judgment, represents an amount adequate to provide for potential uncollectible taxes. The allowance is increased by provisions charged against revenues and is reduced by taxes receivable written off.

The City, through its Special Revenue Fund - Delinquent Tax, issues general obligation short-term promissory notes to finance the purchase of the most recent delinquent taxes from its General Fund. Collections on these delinquencies are used for the associated debt service requirements.

G. Accounts Receivable

Accounts receivable are presented net of allowances. The amount of the General Fund allowance as of December 31, 2017 was approximately $608,000.

Delinquent accounts for business type activities are presented in accounts receivable net of allowances. The amounts of the Water, Sewer, and Non-major Proprietary fund allowances as of December 31, 2017 were approximately $721,000, $495,000, and $801,000 respectively.

H. Unbilled Services

Unbilled water and sewer services at year-end are recognized as revenues and receivables in the accompanying financial statements.

I. Special Assessments

Special assessments consist of capital projects constructed through non-special-assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred revenues when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements, special assessments are recorded as receivables and capital contribution revenue when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general city taxes with like force and effect.

J. Notes and Loan Receivables

The General Fund, the Special Revenue Fund - Community Development Block Grant, and Neighborhood Improvement Development Corporation hold notes and loans receivable from individuals, small businesses, and corporations in the Milwaukee area that are secured by primary or secondary security interests in real estate or other assets. The City periodically analyzes the collectability of the notes and loans that are not insured and provides allowances as considered necessary. The amount of the allowance in the nonmajor governmental fund is approximately $25,636,000 as of December 31, 2017.

The City creates tax incremental districts (TID) to issue debt to fund redevelopment projects. Pursuant to a cooperation agreement between the City, the Redevelopment Authority of the City of Milwaukee (Authority), and the Milwaukee Economic Development Corporation (Corporation), the City provides the Authority and the Corporation with the funds necessary to carry out the loan to a private developer to finance the redevelopment projects. Loan repayments to the Authority and the Corporation from the private developer, including interest income as well as other project income, are transferred to the City until the City's loan has been repaid or the TID expires. The City reflects these loans as notes receivable and deferred inflows in governmental fund financial statements based on an amount estimated to be repaid from the Authority and the Corporation.

K. Inventories

Inventories of materials and supplies are stated at moving average cost, based upon perpetual recordkeeping systems and periodic cycle counts of quantities on hand. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased therefore inventories are classified as non-spendable in fund balance.

L. Prepaid Items

Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year and are classified as non-spendable in fund balance.

M. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks, and drainage and lighting systems, acquired prior to January 1, 2002 are reported at estimated historical cost using deflated replacement cost. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed. Interest expenses incurred during construction were not capitalized as part of the additions to capital assets.

Capitalization thresholds and the estimated useful lives for the City and component units are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure	$ 5,000	5-100 years
Land	5,000	N/A
Land Improvements	5,000	N/A
Intangible right of ways	5,000	N/A
Site Improvements	5,000	3-50
Buildings	5,000	10-60
Building Improvements	5,000	10-45
Machinery and equipment	5,000	3-40
Works of Art, Historical Treasures	5,000	N/A
Intangible software	100,000	5-20

N. Pension Contributions

The employer's share of the annual contribution is recorded in the proprietary funds and government-wide financial statements as an expense when the liability is incurred and in the governmental funds as expenditure when the liability is liquidated with expendable available financial resources.

O. Compensated Absences

The liability for compensated absences reported in the government-wide, proprietary, and fiduciary fund financial statements consists of unpaid, accumulated vacation, and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., social security and Medicare tax). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

City employees accrue sick leave in accordance with labor agreements or Section 350-37 of the Code of Ordinances.

P. Claims and Judgments

The liability for claims and judgments is reported in the government-wide, proprietary, and fiduciary fund financial statements when they are both probable and estimable. A liability for claims and judgments is reported in governmental funds only if they have matured (i.e., are due). The City accrues environmental remediation obligations when related liabilities are probable and reasonably estimable. These accruals generally are recognized no later than completion of a remedial feasibility study and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

Q. Debt Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Long-term debt payable are reported net of the applicable debt premium or discount. Debt issuance costs are expensed in the current period.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The City records premiums for governmental fund types in the General Obligation Debt Service Fund.

Advance Refundings of Debt

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method.

R. Fund Balance-Governmental Funds

The fund balances of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City's Common Council. The Common Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Common Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. It is the policy of the City that the City Comptroller will have the authority to assign funds intended for a specific purpose but have not received formal approval by the Common Council. The Comptroller records funds as assigned fund balance based on intentions for use of the funds and can redeploy assigned resources to an alternative fund balance category based on intended use of the funds.

Unassigned – All other spendable amounts.

When expenditure is incurred for purposes for which restricted, committed, assigned, or unassigned amounts are available, it is the policy of the City to consider restricted amounts to have been reduced first followed by committed, assigned and then unassigned fund balance unless the order of fund balance usage is dictated by legal, borrowing or other requirements.

S. Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "Net investment in capital assets."

T. Interfund Transactions

The City has the following types of interfund transactions:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds. The noncurrent portions of long-term interfund loans receivable are reported as advances.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursement is reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return, including payments in lieu of taxes, and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In entity-wide proprietary funds, transfers are reported after nonoperating revenues and expenses.

U. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

V. Deferred Outflows/Inflows of Transactions

In addition to assets, the Statement of Net Position reports a separate section for Deferred Outflows of Resources. This section represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two items that qualify for inclusion within this category, both of which are reported in the government-wide statement of net position (Exhibit 1).

- Loss on refunding is a deferred expense resulting from the difference between the carrying value of refunded debt and the refunding debt. The loss is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension related is a deferred expense related mostly to the net differences between projected and actual earnings on pension plan investments. This deferred outflow will be recognized in future pension expense over 4.16 years.

In addition to liabilities, the Statement of Net Position reports a separate section for Deferred Inflows of Resources. This section represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources

(revenue) until that time. The City has four items that qualify for inclusion within this category, all reported in the government-wide statement of net position (Exhibit 1).

- Gain on refunding is a deferred revenue resulting from the difference between the carrying value of refunded debt and the refunding debt. The gain is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows for grants is the amount of grant funds received prior to meeting the eligibility requirements. This deferred inflow will be recognized as revenue when the funds are spent.
- Subsequent years property taxes is the amount of the current year property tax levy. This deferred inflow is recognized as revenue in the subsequent year.
- Pension related is the reduction in pension expense due to differences between plan expected and actual experience, differences between projected and actual earnings on plan investments and changes to the plan itself. This deferred inflow will be recognized as a reduction to pension expense over 4.16 years.

W. Pension Obligations

Plan Description - The City participates in the Employes' Retirement System of the City of Milwaukee (the "System"), a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability, and death benefits to plan members and beneficiaries.

Funding Policy – Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation. The City is required to contribute an actuarial contribution based on separate calculated rates for police officers, firefighters, and general City employees.

Measurement Focus and Basis of Accounting – The System is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Contributions are recognized in the accounting period in which the underlying earnings, on which the contributions are based, are paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the System. Investment transactions and the related gains and losses are recorded on a trade date basis. Dividend and interest income are accrued as earned. Investments are reported at fair value. See Note 8 for a detailed explanation of pension benefits and the System.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System (ERS) and additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

X. New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The application of this Statement will be implemented starting with the year ended December 31, 2018 financial statements.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and recognition of a liability and a corresponding deferred outflow for asset retirement obligations (AROs). This Statement will be effective for the year end December 31, 2018 financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities and the reporting of such activities. This Statement will be effective for the year end December 31, 2018 financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement will be effective for the year end December 31, 2020 financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* This Statement requires additional essential information related to debt be disclosed in notes to financial statements. This Statement will be effective for the year end 2019 financial statements.

2. DEPOSITS AND INVESTMENTS

A. Primary Government

The description of the City's deposit and investment policies are discussed in Note 1 D and E.

As of December 31, 2017, the City's deposits and investments are as follows:

		Investment Maturities (in Years) *(Thousands of Dollars)*				
	Fair Value	**Less than 1**	**1-5**	**6-10**	**Greater than 10**	**Credit Rating**
Governmental and Business-type activities:						
Investment type						
Pooled Deposits and Investments	$ 259,116	$ 213,733	$ 41,682	$ 2,426	$ 1,275	see below
Other Deposits	93	93	-	-	-	not rated
Segregated Deposits and Investments						
Interest Checking	5,339	5,339	-	-	-	not rated
Wisconsin Local Government Investment Pool	86,133	86,133	-	-	-	not rated
Municipal Bonds	13,568	4,951	2,729	5,888	-	see below
Treasuries (Fiscal Agent)	24,564	24,564	-	-	-	not rated
GNMA Bonds	3,385	-	-	3,385	-	Aaa
	$ 392,198	$ 334,813	$ 44,411	$ 11,699	$ 1,275	
Fiduciary activities:						
Investment type						
Pooled Deposits and Investments	$ 148,620	$ 148,620	$ -	$ -	$ -	see below
Other Deposits	176	176	-	-	-	not rated
Segregated Deposits and Investments						
Wisconsin Local Government Investment Pool	456	456	-	-	-	not rated
	$ 149,252	$ 149,252	$ -	$ -	$ -	

Security Ratings

The Governmental and Business-type municipal bond holdings of $13,568,000 were rated by Moody's as follows: Aa1 (3.7%), Aa2 (58.9%), Aa3 (12.2%), Aaa (18.2%) and A1 (7.0%).

Pooled Deposits and Investments

The City maintains a cash and investment pool (Pool) that is available for use by all the funds, except for Debt Service Funds, Water Works Proprietary Fund, and component entities. Each fund's share of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Position/Balance Sheet.

As of December 31, 2017, the City had the following investments and maturities in the Pool:

		Investment Maturities (in Years) *(Thousands of Dollars)*				
	Fair Value	**Less than 1**	**1-5**	**6-10**	**Greater than 10**	**Credit Rating**
Pooled Deposits and Investments						
Bank Demand Deposits	$ 47,766	$ 47,766	$ -	$ -	$ -	not rated
Other Deposits	13,559	13,559	-	-	-	not rated
Deposits and Investments						
Interest Checking	144,198	144,198	-	-	-	not rated
Wisconsin Local Government Investment Pool	95,157	95,157	-	-	-	not rated
BMO Investment Portfolio						
Money Market	26,249	26,249	-	-	-	see below
Corporate Bond	36,204	18,845	14,933	2,426	-	see below
FHLB Bond	994	-	994	-	-	see below
FHLMC Bond	1,540	659	881	-	-	see below
FNMA Bond	2,433	-	1,985	-	448	see below
GNMA Bond	827	-	-	-	827	see below
Treasury Note	36,509	13,620	22,889	-	-	see below
Certificates of Deposits	2,300	2,300	-	-	-	not rated
	$ 407,736	$ 362,353	$ 41,682	$ 2,426	$ 1,275	

Investment Portfolio Ratings

Corporate bond holdings of $36,204,000 were rated by Moody's as follows: A1 (26.6%), Aa1 (9.0%), Aa2 (25.2%), Aa3 (23.3%), Aaa (14.5%), and A2 (1.4%).

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City's deposits may not be returned. Per Common Council, the City Treasurer shall require collateralization of certificates of time deposit (including interest checking) at financial institutions when the total amount of such certificates of deposit with any institution exceeds the combined federal and state insured limit of $900,000. As of December 31, 2017, $5,000 of the City's bank balances was subject to custodial credit risk as they were neither insured nor collateralized.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. The City's investment policy does not explicitly limit investment maturities. However, the City manages its exposure to interest risk based on the anticipated cash flow needs of the City and limiting the amount of pooled investments to $68,000,000 with maturities greater than one year.

Credit risk

Credit risk is the risk that the City will not recover its investments due to the inability of the counterparty to fulfill its obligations. Wisconsin Statutes expressly limit the City to invest in certain allowable investments as listed in Note 1. E. The City's investment policy generally does not further limit its investment choices.

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The City has the following recurring fair value measurements valued using a matrix pricing model (Level 2 inputs) as of December 31, 2017:

1. Municipal bonds of $13.6 million.
2. U.S. Treasury securities of $24.5 million.
3. GNMA of $3.3 million
4. Pooled deposits and investments of:
    a. Corporate Bonds of $36 million.
    b. FLHB of $994 thousand.
    c. FHLMC of $1.5 million.
    d. FNMA bonds of $2.4 million.
    e. GNMA bonds of $827 thousand.
    f. U.S. Treasury of $36.5 million.

B. Component Units

Deposits and Investments

Deposits in each local area bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for interest bearing accounts and $250,000 for noninterest bearing accounts. An additional $400,000 is covered by the State Deposit Guarantee Fund.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the Component Unit investments are exposed to losses as a result of increases in interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation.

The Component Units have the following deposits and investments as of December 31, 2017:

		Investment Maturities (in Years) *(Thousands of Dollars)*				
	Fair value	**Less than 1**	**1-5**	**6-10**	**10 and greater**	**Moody's Credit Rating**
Component Units:						
Bank Demand Deposits	$ 10,579	$ 10,579	$ -	$ -	$ -	not rated
Local Government Investment Pool	223	223	-	-	-	not rated
U.S. Treasury Money Market Fund	962	962	-	-	-	Aaa
U.S. Treasury Notes	1,311	-	1,311	-	-	Aaa
U.S. Agencies	1,387	319	1,068	-	-	Aaa
U.S. Government Mortgage	90	-	90	-	-	Aaa
Municipal Bonds	1,652	734	918	-	-	Aa3
Corporate Bonds	677	496	181	-	-	Aaa
Certificates of Deposit	10,948	10,948	-	-	-	AA
Money Market	94,369	94,369	-	-	-	N/A
Other	109	109	-	-	-	not rated
	$ 122,307	$ 118,739	$ 3,568	$ -	$ -	

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the Component Units deposits may not be returned.

As of December 31, 2017 Component Unit bank balances exposed to Custodial Credit Risk are as follows:

	Bank Balance	**Uninsured and Uncollateralized**
	(Thousands of Dollars)	
Redevelopment Authority	$ 20,612	$ 18,520
Neighborhood Improvement Development Corporation	2,104	1,268

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The City follows the accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The Component Units of City has the following recurring fair value measurements valued using a matrix pricing model (Level 2 inputs) as of December 31, 2017:

1. U.S. Treasury notes of $1.3 million.
2. U.S. Agency bonds of $1.4 million.
3. U.S. Government mortgage of $90 thousand.
4. Municipal bonds of $1.7 million.
5. Corporate bonds of $677 thousand.

3. PROPERTY TAXES

The City's property taxes are levied on or before December 31, on the assessed (taxable) value as of the prior January 1, for all general property located in the City. Taxes become a lien against the property upon filing the roll in the Office of the City Clerk. This generally takes place in December. The taxes are due January 31, but may be paid in ten monthly installments without interest from January through October. Foreclosure can be commenced after one year from date of delinquency.

The City purchases property taxes receivable from other taxing authorities at the unpaid amounts to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenues. Also, delinquent water and sewer charges and special assessment receivables are transferred to the General Fund at the unpaid amounts.

At December 31, 2016, delinquent property taxes include delinquent sewer and water charges and special assessments by year levied, tax deeded property, and allowance for uncollectible taxes. These delinquent property taxes are reported as part of taxes receivable in the General Fund and Special Revenue Fund - Delinquent Tax and consist of the following:

	City Levy	Purchased Taxes Receivable	Total
	(Thousands of Dollars)		
2012 and prior	$ 2,053	$ 3,464	$ 5,517
2013	1,154	1,845	2,999
2014	1,944	3,045	4,989
2015	3,835	5,744	9,579
2016	8,588	13,626	22,214
Total delinquent property taxes receivable	$ 17,574	$ 27,724	$ 45,298
Property taxes receivable on foreclosed property			47,926
Less: Allowance for uncollectible taxes			(40,357)
Net delinquent property taxes receivable, including tax deeded property			$ 52,867

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Governmental activities	**Balance 01/01/17**	**Additions**	**Deletions**	**Balance 12/31/17**
		(Thousands of Dollars)		
Capital assets not being depreciated:				
Land	$ 165,735	$ -	$ -	$ 165,735
Construction in progress	108,978	26,916	18,453	117,441
Intangible right of ways	1,342	-	-	1,342
Total capital assets not being depreciated	276,055	26,916	18,453	284,518
Capital assets being depreciated:				
Buildings	321,291	6,486	2,887	324,890
Infrastructure	1,735,435	74,101	9,830	1,799,706
Improvements other than buildings	12,175	-	-	12,175
Machinery and equipment	207,580	11,152	5,559	213,173
Intangible software	3,834	7,493	-	11,327
Total capital assets being depreciated	2,280,315	99,232	18,276	2,361,271
Less accumulated depreciation for:				
Buildings	120,668	8,737	1,498	127,907
Infrastructure	1,074,999	33,201	9,738	1,098,462
Improvements other than buildings	9,738	264	-	10,002
Machinery and equipment	140,031	12,120	5,192	146,959
Intangible software	2,368	951	-	3,319
Total accumulated depreciation	1,347,804	55,273	16,428	1,386,649
Total capital assets being depreciated, net	932,511	43,959	1,848	974,622
Government activity capital assets, net	$ 1,208,566	$ 70,875	$ 20,301	$ 1,259,140

Depreciation expense for governmental activities was charged to functions as follows:

General government	$ 1,028
Public safety	7,747
Public works	45,345
Health	189
Culture and recreation	964
Total	$ 55,273

Business-type activities	Balance 01/01/17	Additions	Deletions	Balance 12/31/17
		(Thousands of Dollars)		
Water Works				
Capital assets not being depreciated:				
Land	$ 1,791	$ -	$ -	$ 1,791
Construction in progress	37,506	55,508	55,396	37,618
Total capital assets not being depreciated	39,297	55,508	55,396	39,409
Capital assets being depreciated:				
Buildings	28,993	1,287	-	30,280
Infrastructure	381,682	43,068	750	424,000
Machinery and equipment	259,605	11,041	2,494	268,152
Nonutility property	3,917	-	-	3,917
Total capital assets being depreciated	674,197	55,396	3,244	726,349
Less accumulated depreciation for:				
Buildings	19,043	941	-	19,984
Infrastructure	109,190	5,080	630	113,640
Machinery and equipment	129,626	12,024	2,367	139,283
Nonutility property	920	140	-	1,060
Total accumulated depreciation	258,779	18,185	2,997	273,967
Total capital assets being depreciated, net	415,418	37,211	247	452,382
Water Works capital assets, net	454,715	92,719	55,643	491,791
Sewer Maintenance				
Capital assets not being depreciated:				
Construction in progress	76	80	31	125
Total capital assets not being depreciated	76	80	31	125
Capital assets being depreciated:				
Infrastructure	680,158	31,473	1,457	710,174
Machinery and equipment	6,023	31	-	6,054
Total capital assets being depreciated	686,181	31,504	1,457	716,228
Less accumulated depreciation for:				
Infrastructure	151,435	7,709	1,457	157,687
Machinery and equipment	3,458	288	-	3,746
Total accumulated depreciation	154,893	7,997	1,457	161,433
Total capital assets being depreciated, net	531,288	23,507	-	554,795
Sewer Maintenance capital assets, net	531,364	23,587	31	554,920

	Balance 01/01/17	Additions	Deletions	Balance 12/31/17
		(Thousands of Dollars)		
Other business-type activities				
Capital assets not being depreciated:				
Land	16,982	180	1,632	15,530
Construction in progress	8,583	1,132	3,455	6,260
Total capital assets not being depreciated	25,565	1,312	5,087	21,790
Capital assets being depreciated:				
Buildings	68,644	-	3,024	65,620
Infrastructure–port	18,032	1,901	-	19,933
Improvements other than buildings	8,184	2,859	73	10,970
Machinery and equipment	15,658	491	234	15,915
Total capital assets being depreciated	110,518	5,251	3,331	112,438
Less accumulated depreciation for:				
Buildings	51,842	1,508	1,949	51,401
Infrastructure–port	11,181	302	-	11,483
Improvements other than buildings	7,382	276	73	7,585
Machinery and equipment	9,135	925	227	9,833
Total accumulated depreciation	79,540	3,011	2,249	80,302
Total capital assets being depreciated, net	30,978	2,240	1,082	32,136
Other business-type activities, net	56,543	3,552	6,169	53,926
Business-type activity capital assets, net	$ 1,042,622	$ 119,858	$ 61,843	$ 1,100,637

Depreciation expense for business-type activities was charged to functions as follows:	
Water Utility	
Depreciation	$ 18,045
Depreciation charged to Sanitary Sewer	140
	18,185
Sewer Maintenance	7,997
Other business-type activities	3,011
Total	$ 29,193

	Balance 01/01/17	Additions	Deletions	Balance 12/31/17
		(Thousands of Dollars)		
Component Units				
Capital assets not being depreciated:				
Land	$ 12,200	$ -	$ -	$ 12,200
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	12,200	-	-	12,200
Capital assets being depreciated:				
Buildings	85,786	-	-	85,786
Infrastructure	333	-	-	333
Improvements other than buildings	4,264	-	-	4,264
Machinery and equipment	159	-	-	159
Intangibles	565	-	-	565
Total capital assets being depreciated	91,107	-	-	91,107
Less accumulated depreciation for:				
Buildings	20,281	2,235	-	22,516
Infrastructure	121	14	-	135
Improvements other than buildings	1,443	318	-	1,761
Machinery and equipment	85	16	-	101
Intangibles	311	55	-	366
Total accumulated depreciation	22,241	2,638	-	24,879
Total capital assets being depreciated, net	68,866	(2,638)	-	66,228
Component units capital assets, net	$ 81,066	$ (2,638)	$ -	$ 78,428

5. DEFERRED INFLOWS OF RESOURCES

Unavailable revenue is recorded in the governmental funds for amounts not yet available and for resources received prior to being earned by the City. Related revenue is recognized when these amounts become available or when earned. The composition of the deferred balances in the governmental funds as of December 31, 2017 is as follows:

	General	General Obligation Debt Service	Economic Development	Capital Projects	Nonmajor Governmental Funds	Total
			(Thousands of Dollars)			
Subsequent years property taxes	$ 206,380	$ 66,215	$ 41,978	$ 889	$ -	$ 315,462
Delinquent property taxes	7,745	-	-	-	6,984	14,729
Unavailable grant revenue	-	-	-	7,711	1,965	9,676
Long-term receivables	86	62,389	12,184	-	-	74,659
Unbilled special assessments	-	-	-	6,118	-	6,118
Total	$ 214,211	$ 128,604	$ 54,162	$ 14,718	$ 8,949	$ 420,644

6. SHORT-TERM DEBT

During 2017, the City issued and repaid $120,000,000 of Revenue Anticipation Notes, Series 2017 R3 (R3 Notes). The RANs were issued for the purpose of financing the City's operating budget on an interim basis pending receipt of State of Wisconsin shared revenue payments due in November 2017.

As of December 31, 2016, the City had outstanding $180,000,000 of short-term Revenue Anticipation Notes (RANs) on behalf of Milwaukee Public Schools. In 2017, the City repaid the outstanding balance and issued $180,000,000 short-term RANs for the same purpose. The new notes of $180,000,000 bear an interest rate of 5.00% and mature on September 27, 2018. The liability and related receivable to repay the revenue anticipation notes are recorded in the General Obligation Debt Service Fund.

Following is a summary of the Revenue Anticipation Notes issued (in thousands):

Balance 01/01/17	Additions	Deletions	Balance 12/31/17
$180,000	$300,000	$300,000	$180,000

7. LONG-TERM OBLIGATIONS

A. Changes in Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2017 were as follows:

	Balance 01/01/17	Additions	Deductions	Balance 12/31/17	Amounts Due within One Year
		(Thousands of Dollars)			
Governmental activities					
General obligation bonds and notes					
City	$ 872,399	$ 203,240	$ 203,354	$ 872,285	$ 157,530
Milwaukee Public Schools	76,602	50,000	56,557	70,045	5,746
Unamortized premiums	56,379	23,601	15,840	64,140	-
Compensated absences	47,945	4,903	4,453	48,395	1,333
Net other postemployment benefits obligation	411,273	79,998	31,902	459,369	-
Net pension liability	336,333	283,169	279,951	339,551	-
Claims and judgments	32,696	4,600	5,074	32,222	1,397
Total governmental activities	$ 1,833,627	$ 649,511	$ 597,131	$ 1,886,007	$ 166,006
Business-type activities					
Water Works					
General obligation bonds and notes	$ 28,343	$ -	$ 20,857	$ 7,486	$ 857
Unamortized premiums	375	-	34	341	-
Revenue bonds	25,486	20,361	2,781	43,066	3,126
Compensated absences	1,154	1,406	1,381	1,179	1,179
Net other postemployment benefits obligation	6,902	2,435	1,295	8,042	-
Net pension liability	7,652	6,873	6,564	7,961	-
Total Water Works	69,912	31,075	32,912	68,075	5,162
Sewer Maintenance					
General obligation bonds and notes	8,678	11,500	3,466	16,712	404
State Loans	101,612	19,547	6,851	114,308	7,038
Revenue bonds	164,600	-	7,510	157,090	7,855
Unamortized premiums	14,325	-	1,529	12,796	-
Compensated absences	135	563	373	325	325
Net other postemployment benefits obligation	2,651	908	483	3,076	-
Net pension liability	2,739	2,429	2,335	2,833	-
Total Sewer Maintenance	294,740	34,947	22,547	307,140	15,622
Other Proprietary Funds					
General obligation bonds and notes	15,118	3,184	3,625	14,677	1,619
Compensated absences	264	442	417	289	289
Net other postemployment benefits obligation	2,433	831	442	2,822	-
Net pension liability	2,690	2,211	2,216	2,685	-
Total Other Proprietary	20,505	6,668	6,700	20,473	1,908
Total business-type activities	385,157	72,690	62,159	395,688	22,692

	Balance 01/01/17	Additions	Deductions	Balance 12/31/17	Amounts Due within One Year
		(Thousands of Dollars)			
Component Units					
Revenue bonds	$ 116,870	$ 108,348	$ 52,855	$ 172,363	$ 2,310
Unamortized premiums	2,293	4,908	214	6,987	770
Notes payable	18,850	-	-	18,850	-
Environmental remediation liability	1,668	-	29	1,639	-
Net other postemployment benefits	615	54	-	669	-
Net pension liability (asset)	521	-	123	398	-
Total component units	$ 140,817	$ 113,310	$ 53,221	$ 200,906	$ 3,080

B. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the City and for Milwaukee Public Schools. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are secured by the full faith and unlimited taxing power of the City. The debt for governmental activities will be retired by future property tax levies and other resources accumulated in the Debt Service Funds. The debt for business-type activities (i.e. Water Works, Sewer Maintenance, Parking, and Port of Milwaukee Proprietary Funds) will be retired by revenues from those operations or, if the revenues are not sufficient, by future tax levies.

As of December 31, 2017, the City general obligation bonds totaled $369,455,000 of which $303,100,965 is for Capital Improvements, $51,873,748 for schools and $14,480,287 for business-type activities. The interest rates are between 1.18% and 5.50% with a final maturity date of June 30, 2034.

During the year ended December 31, 2017, general obligation bonds totaling $15,018,535 were issued of which $14,922,035 was issued to finance capital improvements, and $96,500 for business-type activities.

Use of Public Debt Amortization Fund for retirement of the public debt is governed by the Wisconsin Statutes. The Statutes provide that when total principal and accrued interest in the Public Debt Amortization Fund is substantially equal to the outstanding general obligation bonds and notes, the resources in the fund shall be applied to make annual interest and principal payments on that debt to maturity. The Statutes provide, in part, that “The Public Debt Commission may, however, at any time, apply the fund, not to exceed in any one year 40% of the balance in said fund on the preceding December 31, to acquire for cancellation general obligation bonds or notes prior to their maturity dates at prices not to exceed principal plus accrued interest to date of maturity, but the fund shall not be decreased below $2,000,000 as a result of such purchases and cancellations.” Principal sources of revenue are one-third of all interest on general City investments and interest on Fund investments. As authorized by the Statutes, the Public Debt Amortization Fund may purchase for investment or for cancellation, notes issued by the General Fund to fund operations.

Under the Wisconsin Statutes, the City is required, if requested by the Board of Milwaukee Public Schools, and if approved by referendum, to issue general obligation bonds, under the School’s 2% debt limit, to finance purchases of school sites and to construct or remodel school buildings, and without referendum for certain pension obligations. As of December 31, 2017, there was $9,267,506 of debt outstanding. There is also $70,044,992 of debt for school purposes issued under the City’s 5% debt limit. Under the Wisconsin Statutes, the City has title to the land and buildings of the Milwaukee Public Schools. However, the City does not control the use of the assets or receive the proceeds upon disposition of the assets. At June 30, 2017, the historical costs of the land and buildings as reported by Milwaukee Public Schools were approximately $1,134,000,000. These assets are excluded from the financial statements of the City.

As of December 31, 2017, $203,132,293 is outstanding for Tax Incremental District purposes. Total remaining debt service requirements associated with the debt is $249,680,836. In any year in which TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the property tax levy.

C. Revenue Bonds and State Loans

The City issues revenue bonds and State loans to provide funds for water and sewer improvements. The revenue bonds do not have a General Obligation pledge of the City. The revenue bonds and State loans will be repaid from revenues of the Sewer Maintenance and Water Works Proprietary Funds.

As of December 31, 2017, the City has State loans totaling $147,373,827 of which $114,307,559 is for Sewer and $33,066,267 is for Water. The interest rates are between 1.54% and 2.89% and the final maturity date is May 1, 2037.

As of December 31, 2017, the City has Revenue Bonds totaling $167,090,000 of which $157,090,000 is for Sewer and $10,000,000 is for Water. The interest rates are between 2.00% and 5.00% and the final maturity date is December 1, 2033.

During 2017, the City received loans from the State's Clean Water Fund and Safe Drinking Water Loan Programs totaling $39,908,507 of which $19,547,585 is for Sewer and $20,360,922 is for Water.

D. Notes Payable

The City issues General Obligation notes to provide funds for various public improvement projects, general City financing, and purchases of delinquent taxes.

As of December 31, 2017, the City had notes totaling $611,750,000 of which $442,073,366 is for Capital Improvements, $18,171,244 for schools, $24,394,462 for business-type activities, $54,717,534 for the purchase of delinquent taxes and $72,393,394 for general City. The interest rates are between 2.00% and 5.00% with a final maturity date of June 30, 2027.

During the year ended December 31, 2017, General Obligation notes totaled $66,779,437 of which $43,292,337 was issued to finance capital improvements, $2,175,110 for general City, $203,680 for business-type activities and $21,108,310 to purchase 2016's delinquent taxes.

E. Loans

On November 18, 2016, the City entered into a tax-exempt revolving loan agreement with U.S. Bank National Association (Loan) in the amount of $80,000,000. The Loan is secured by a General Obligation pledge of the City, and may be drawn upon at any time for any public purpose. Interest on the Loan is based on the One-Month LIBOR rate, or any successor thereto. The Loan had an initial maturity date of November 16, 2017. On November 16, 2017, the Loan was extended to a maturity date of November 15, 2019, and may be extended by mutual consent. If not extended, on the maturity date, the Loan enters an Amortization Period with the principal due on the first business day of the 18th month following the maturity date.

On December 7, 2016, the City entered into a $50,000,000 taxable and a $100,000,000 tax-exempt line of credit agreements with JPMorgan Chase Bank, National Association (Lines). The Lines are secured by a General Obligation pledge of the City, and may be drawn upon at any time for any public purpose. Interest on the Lines is based on the One-Month LIBOR rate. The Lines have an initial Commitment Expiration Date of December 7, 2018, and may be extended by mutual consent. If not extended, the principal is due 18 months from the Commitment Expiration Date.

During 2017, $131 million was drawn on the Loans for the following purposes.

Loan Draws
(Thousands of Dollars)

Purpose		Amount
Refund debt	$	23,000
Capital expenditues		42,213
Schools cash flow		50,000
Legal settlements		4,287
Sewer		11,500
	$	131,000

Following is a summary of Loan activity, which is included in the Notes payable and long-term obligation table in footnote 7(a) above:

Loans
(Thousands of Dollars)

Balance 01/01/17	Additions	Deletions	Balance 12/31/17
$ 75,550	131,000	148,550	$ 58,000

F. Extendable Municipal Commercial Paper

The EMCP program expired on May 22, 2017. There were no new EMCP issues during 2017 and all outstanding issues had been repaid as of December 31, 2016.

G. Debt Service Requirements

The maturities of the outstanding principal and related interest requirements are as follows:

Year	General Obligation Debt		Revenue Bonds Payable		Total Debt Service
	Principal	Interest	Principal	Interest	
			(Thousands of Dollars)		
Governmental activities					
2018	$ 163,276	$ 37,669	$ -	$ -	$ 200,945
2019	93,906	35,697	-	-	129,603
2020	87,046	31,665	-	-	118,711
2021	120,840	26,850	-	-	147,690
2022	65,350	18,106	-	-	83,456
2023-2027	311,688	50,862	-	-	362,550
2028-2032	95,755	6,673	-	-	102,428
2033-2037	4,469	89	-	-	4,558
Total	$ 942,330	$ 207,611	$ -	$ -	$ 1,149,941
Business-type activities					
Water Works					
2018	$ 857	$ 353	$ 3,126	$ 938	$ 5,274
2019	859	309	2,002	874	4,044
2020	835	267	2,034	830	3,966
2021	835	226	2,067	791	3,919
2022	835	184	2,100	750	3,869
2023-2027	3,265	322	11,037	2,980	17,604
2028-2032	-	-	12,069	1,689	13,758
2033-2037	-	-	8,631	390	9,021
Total	$ 7,486	$ 1,661	$ 43,066	$ 9,242	$ 61,455
Business-type activities					
Sewer Maintenance					
2018	$ 404	$ 1,137	$ 14,893	$ 9,123	$ 25,557
2019	404	1,955	15,451	8,557	26,367
2020	11,904	1,820	16,028	7,961	37,713
2021	800	180	16,629	7,339	24,948
2022	800	140	16,850	6,701	24,491
2023-2027	2,400	180	83,207	24,300	110,087
2028-2032	-	-	72,412	10,571	82,983
2033-2037	-	-	35,928	1,825	37,753
Total	$ 16,712	$ 5,412	$ 271,398	$ 76,377	$ 369,899

Year	General Obligation Debt Principal	General Obligation Debt Interest	Revenue Bonds Payable Principal	Revenue Bonds Payable Interest	Total Debt Service
			(Thousands of Dollars)		
Other Proprietary					
2018	$ 1,619	$ 631	$ -	$ -	$ 2,250
2019	1,546	633	-	-	2,179
2020	2,475	555	-	-	3,030
2021	1,389	350	-	-	1,739
2022	1,345	287			1,632
2023-2027	4,902	685	-	-	5,587
2028-2032	1,401	79	-	-	1,480
Total	$ 14,677	$ 3,220	$ -	$ -	$ 17,897
Total Component Units					
2018	$ -	$ -	$ 2,310	$ 7,300	$ 9,610
2019	-	-	4,243	6,187	10,430
2020	-	-	4,416	6,065	10,481
2021	-	-	4,599	5,926	10,525
2022	-	-	4,798	5,780	10,578
2023-2027	-	-	44,619	25,930	70,549
2028-2032	-	-	54,507	19,884	74,391
2033-2037	-	-	30,086	12,631	42,717
2038-2042	-	-	41,635	6,959	48,594
Total	$ -	$ -	$ 191,213	$ 96,662	$ 287,875

H. Debt Limit

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. The Statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation. At December 31, 2017, the City's legal debt margin was $987,296,000. Of this amount, $540,841,000 was for school purposes and $446,445,000 was for City purposes.

I. Refinancing

During 2017, the City refinanced $98,560,000 of General Obligation Debt with Promissory Notes, Series 2017 N4 in the amount of $48,059,283, T6 in the amount of $2,946,280, Corporate Purpose Bonds, Series 2017 B5 in the amount of $3,994,640, 2017 T7 in the amount of $126,825, State loans for Water in the amount of $20,000,000, State Loans for Sewer in the amount of $432,972 and a draw on the Line of Credit in the amount of $23,000,000. These issues provided long-term financing for interim debt of $75,550,000 and reduced the interest cost of long-term debt of $23,030,000 realizing a net present value savings of $2,212,775.

J. Conduit Debt

Occasionally, the City has issued revenue bonds in order to provide financing to private sector entities for the purpose of acquiring, constructing, or rehabilitating housing units and for retiring the existing debt associated with housing units. These obligations are primarily secured by mortgage or revenue agreements on the associated projects and, together with the interest obligation, are payable solely by the developers from leased rentals and other funds or revenues. In addition, these obligations do not constitute indebtedness of the City, as the City has no responsibility for the debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate amount of all revenue bonds outstanding at December 31, 2017 is approximately $3,400,000 for the City and $532,000,000 for RACM.

8. RETIREMENT PLANS

Pension Benefits

Plan Description **–** The City makes contributions to the Employes' Retirement System of the City of Milwaukee (the "System"), a cost-sharing multiple-employer defined benefit pension plan, on behalf of all eligible City employees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The City Charter assigns the authority to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employes' Retirement System of the City of Milwaukee, 789 North Water Street, Suite 300, Milwaukee, WI 53202, or may be found by visiting ERS' website www.cmers.com, by clicking on "Library" and then "Reports".

Funding Policy **–** Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5%, for general City employees enrolled prior to January 1, 2014, 4% for general City employees enrolled on or after January 1, 2014, 7%, police officers, firefighters, 7% for elected officials enrolled prior to January 1, 2014, and 4% for elected officials enrolled on or after January 1, 2014. The City Charter assigns the authority to establish and amend contribution requirements. The City Charter was amended so that various groups of represented and non-represented City employees hired on or after January 1, 2010 contribute a percentage of their earnable compensation for pension benefits as described above. A general City employee who enrolls as a member in the Employes' Retirement System on or after January 1, 2014 has the following: a minimum service retirement age of 65 and a service retirement allowance equal to 1.6% of the members final average salary times the total number of years of all creditable service; eligibility for a service retirement allowance when attaining the age of 60 years and the completion of 30 years of creditable service. Additionally, they are eligible for a pension escalator of 2% annually after the fifth anniversary of their service retirement, with spouse survivors of service retirees also eligible for the escalator. All new city employees enrolled on or after January 1, 2014, are required to contribute 4% of their earnable compensation to the retirement system. Total contributions to the System for the plan year 2017 was $62,184,000, equal to the required contributions on behalf of the plan members for the year. Total contributions for the years ended December 31, 2016 and 2015 were $67,149,000 and $72,695,000 respectively, equal to the required contribution for each year. In 2013 the funding policy changed and the City went to a "stable contribution" policy. The actuarial contribution shall be based on separate calculated rates for police officers, firefighters and general City employees and shall be applicable for a 5-year period. The actuary shall, consistent with actuarial standards of practice, set the actuarial contribution rate at a percentage of covered compensation sufficient to fund the entire amount of the employers' share of the normal cost, and to amortize any unfunded past service liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Long-term Expected Return on Plan Assets –The long-term expected rate of return on pension plan investments was determined using Callan Associates' 10-year geometric capital market projections. Projected long term rates of return for each major asset class in the Retirement System's target asset allocation as of December 31, 2016, are summarized in the following table:

Asset Class	Policy	Actual	Long-term Expected Rate of Return
Public Equity	55.0%	55.7%	8.32%
Fixed Income	21.0%	20.5%	1.87%
Cash	1.0%	0.6%	0.92%
Real Estate	7.0%	8.0%	6.82%
Real Assets	3.0%	2.2%	5.63%
Private Equity	5.0%	5.0%	12.52%
Absolute Return	8.0%	8.1%	4.67%
	100.0%	100.0%	

Rate of Return – For the year ended December 31, 2016, the annual money-weighted rate of return, net of investment expense was 8.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions – The last actuarial valuation was performed as of January 1, 2016, and the amounts were used to roll-forward the total pension liability to the plan's year-end December 31, 2016, and was determined using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial Valuation Date	January 1, 2016
Measurement Date of Net Pension Liability	December 31, 2016
Amortization Method	For pension expense; the difference between expected and actual liability experience and changes of assumptions are amortized over the average of the expected remaining service lives of all members. The differences between projected and actual earnings are amortized over a closed period of five years.
Actuarial Cost Method:	Entry Age Normal - Level Percentage Pay
Asset Valuation Method:	Market Value
Actuarial Assumptions:	
Investment Rate of Return:	8.25% for calendar years through 2017, and 8.50% beginning with calendar year 2018.
Discount Rate:	8.50%
Projected Salary Increases	General City 3.0% - 7.5%
	Police & Fire 3.0% - 14.4%
Inflation Assumption:	3.00%
Cost of Living Adjustments	Vary by Employe Group as explained in summary of plan provisions.
Mortality Table	For regular retirees and for survivors, the RP-2000 Combined Mortality Table projected nine years using Scale AA. Future generational rates are projected from 2009 based on Scale AA. For duty and ordinary disability retirees, use the RP-2000 Disability Mortality Table. For death in active service, the rates are similar to those used for regular retirees and survivors with a 6-year setback.
Experience Study	The actuarial assumptions used in December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2007 - December 31, 2011.

Net Pension Liability – The components of the pension liability of the City of Milwaukee as of December 31, 2017, were as follows:

		Total (Thousands of Dollars)
Total pension liability,,,

Discount Rate - The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from ERS agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the ERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The cross over analysis produces a single rate of 8.50 percent, which reflects the long-term expected rate of return on ERS investments. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the City's net pension liability (asset) calculated using the discount rate of 8.50%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate:

	Discount Rate (7.50%)	Discount Rate (8.50%)	Discount Rate (9.50%)
City's net pension liability (asset)	$ 832,377,000	$ 353,030,000	$ (51,249,000)

Schedule of Employer Allocations – The Employer Allocation Percentage is based on the employers required contribution compared to the required contribution for all employers. The Employer Allocation Percentage is rounded to seven decimal places.

Schedule of Pension Amounts – The employer's proportionate share of the Collective Net Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and Total Employer Pension Expense (Income) is based on the Employer Allocation Percentage.

The Collective Deferred Inflows and Outflow of Resources due to liabilities are amortized over the Average Expected Service Lives of all Employees of 4.16 years. The Collective Deferred Inflows and Outflows of Resources due to the net difference between projected and actual earnings on pension plan investments are amortized over 5.00 years.

Collective Deferred Inflows and Outflows of Resources to be recognized in the Future Pension Expense are as follows:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
	(Thousands of Dollars)		
Differences between expected and actual experience	$ -	$ (19,278)	$ (19,278)
Changes in assumptions	-	(2,258)	(2,258)
Current year contributions to be deferred	65,410	-	65,410
Prior year contributions	(68,391)	-	(68,391)
Net differences between projected and actual earnings on pension plan investments	233,641	(1,307)	232,334
Changes in proportion and differences between employer contributions and proportionate share of contributions	189	(284)	(95)
	$ 230,849	$ (23,127)	$ 207,722

Deferred Outflows and Inflows of Resources to be recognized in the Future Pension Expense are as follows:

Year Ended December 31:	Net Deferred Outflows of Resources (Thousands of Dollars)
2018	$ 76,310
2019	76,310
2020	55,733
2021	(631)
	$ 207,722

Employers may also need to recognize a Deferred Outflow or Inflow of Resources related to a change in their proportionate share of the Net Pension Liability and for differences between employer contributions and proportionate share of contributions.

The Collective Pension Expense is determined as follows:

	Total (Thousands of Dollars)
Service Cost	$ 58,309
Interest cost on total pension liability	356,884
Projected earnings on plan investments	(316,310)
Contributions - Member	(29,759)
Administrative Expense	6,708
Plan Changes	-
Recognition of net deferred outflows (inflows)	
Changes in assumptions	-
Differences between expected and actual liability experience	(1,976)
Difference between projected and actual earnings	(326)
Other changes in fiduciary net position	-
Prior years' deferred outflows	86,766
Prior years' deferred inflows	(6,953)
Other changes in fiduciary net position	(29)
Total Pension Expense	$ 153,314

Other Postemployment Benefits

The City provides other post-employment benefits (OPEB) to its retirees for health and life insurance.

Plan Description. The City provides a single-employer defined benefit healthcare plan and life insurance administered by both the City and Milwaukee's Employes' Retirement System (ERS). The City provides medical and COBRA dental insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts or by Common Council resolution. Retirees are eligible to enroll in any of the group plans offered by the City.

Retiree eligibility for full health insurance coverage varies by employee group, but can be summarized as follows:

General Employees: Employees hired prior to January 1, 2017, in general, are eligible when they retire through the ERS with a minimum of 15 years of creditable service with the City. Furthermore, if they retire on a service retirement they are eligible for an 88% subsidy until they attain age 65. Certain other groups of General employees are eligible, but pay a variety of rates depending upon their group affiliation at the time of retirement, service credit, age, and type of retirement – the subsidy for these

may range from 100% to 25% until age 65. Almost all retirees get a 25% subsidy once they attain Medicare age (65 years). Service retirement for General employees enrolled prior to January 1, 2014 is age 60 or age 55 with 30 years of creditable service; for those enrolled on/after January 1, 2014 is age 65 or age 60 with 30 years of creditable service.

Fire and Police: In general, protective service sworn employees are eligible when they retire on a service retirement through the ERS with a minimum of 15 years of creditable service. The amount they pay is part of their collective bargaining agreement with the subsidy ranging from 100% to 65% until age 65, and varies with the type of employee group they belonged to and their sick leave balance at the time of retirement. Almost all retirees get a 25% subsidy once they attain Medicare age (65 years). Service retirement for Fire enrolled prior to July 30, 2016 is age 57 or age 49 with 22 years of service; for those enrolled on/after July 30, 2016 is age 57 or age 52 with 25 years of creditable Fire service. Service retirement for Police enrolled prior to December 20, 2015 is age 57 or 25 years of creditable service; for those enrolled on/after December 20, 2015 is age 57 or age 50 with 25 years of creditable Police service.

Disability: Slightly different eligibility criteria apply for employees who retire on an ordinary or duty disability and their subsidy is different from regular service retirees.

In addition to medical insurance, before 2014 the City allowed its employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees in accordance with Section 350-25 of the Code of Ordinances. The base amount of coverage for general City employees covered under the City's Life Insurance plan until December 31, 2013 was equal to the employee's annual basic salary to the next higher thousand dollars. The base amount of coverage for firefighters and police officers is equal to one and one-half the employee's annual basic salary to the next higher thousand dollars.

General City employees retiring after 2013 must have purchased before retirement at least 50% of their annual base salary in voluntary life insurance coverage to be able to continue their enrollment in the City's General Life Insurance program. Premiums are paid at age-banded rates that are in effect at that time. Employees maintaining a minimum of 50% of their annual base salary at the time of retirement in voluntary coverage until age 65, upon attaining age 65, have $10,000 of coverage paid for by the City.

In general, General City employees retiring on a service retirement prior to 2014 were eligible to continue coverage at the level on the date prior to their date of retirement. Firefighters and Police retiring on a service retirement are eligible to continue coverage up to their base amount of coverage on the date prior to their date of retirement. Prior to age 65, all retirees are required to pay the full premium rates as established by the insurance carrier, less an adjustment for estimated dividends.

Furthermore, as part of recent collective bargaining agreements, Fire and Police employees (except MPSO) now follow the same life insurance plan design as General employees – they must have purchased before retirement at least 50% of their annual base salary in voluntary life insurance coverage to be able to continue their enrollment in the City's General Life Insurance program. Premiums are paid at age-banded rates that are in effect at that time. Employees maintaining a minimum of 50% of their annual base salary at the time of retirement in voluntary coverage until age 65, upon attaining age 65, have $10,000 of coverage paid for by the City.

The rates established are group rates applied consistently to all employees, without regard to age or health. Upon reaching the age of 65, those retirees still part of the group life plan have their coverage reduced in accordance with the reduction schedule in effect on their last day physically at work. For certain groups of retirees, the City may assume all future premiums or only the cost of the $10,000 of coverage, depending upon the retirement date and reduction schedule in effect on their last day at work.

Funding Policy. The contribution of plan members and the City are established and may be amended by the City. The required contribution for medical and life insurance for retirees is based on a pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2017, the City paid approximately $31,083,196 and $3,038,030, respectively, toward medical and life insurance for retirees.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 *Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan (pay-as-you basis), and the changes in the City's net OPEB obligation:

Funding Status and Funding Progress

ARC	$ 83,415,100
Interest on Net OPEB Obligation	16,930,300
Adjustment to ARC	(16,173,700)
Annual OPEB Cost	84,171,700
Contribution made	34,120,413
Increase in net OPEB Obligation	50,051,287
Net OPEB Obligation - beginning of year	423,257,543
Net OPEB Obligation - end of year	$ 473,308,830

The City annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Annual Cost and Net OPEB Liability

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	$ 77,565,700	37.3%	$ 373,866,273
12/31/2016	$ 81,230,800	39.2%	$ 423,257,543
12/31/2017	$ 84,171,700	40.5%	$ 473,308,830

Funded Status and Funding Progress. Actuarial liabilities increased from $1.02 billion as of January 1, 2016, to $1.06 billion as of January 1, 2017. As of January 1, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $1,061,771,500, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $1,061,771,500. The covered payroll (annual payroll of active employees covered by the plan) was $409,521,000 and the ratio of the UAAL to the covered payroll was 260 percent.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend amounts. The funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. The retiree healthcare valuation was based on the projected unit credit (PUC) cost method. The PUC method produces an explicit normal cost and actuarial accrued liability. The normal cost and actuarial accrued liability are directly proportional to the employee's service. That is, the normal cost equals the present value of future benefits divided by projected service at retirement, and the actuarial accrued liability equals the present value of benefits multiplied by the ratio of service at valuation date to projected service at retirement. Depending on the demographic characteristics of the current group and new entrants in the future, this method should produce stable annual costs, in the aggregate, when expressed as a percentage of pay.

The OPEB valuation uses a discount rate assumption of 4.0% based on the City's projected short-term investment rate of return. The healthcare cost trend rate is 8.0% per year graded down to 4.5% per year ultimate trend in 0.5% thereafter for pre-Medicare, 9.5% per year graded down to 4.5% per year ultimate trend in 0.5% increments thereafter for post-Medicare. The actuarial assumption for wage inflation is 3%. The amortization of the unfunded actuarial accrued liability is based on a level percentage of pay over a 30-year open amortization period.

Terminal Leave Payments

Upon retirement, employees receive a portion of their unused sick leave as terminal leave, in accordance with the Milwaukee Police Association, Milwaukee Police Supervisors' Organization, and the Milwaukee Professional Firefighters Association labor contracts or Section 350-38 of the Code of Ordinances. Firefighters whose normal hours of work exceed 40 hours per week receive one 24-hour work day's base salary for each 10 work days of accumulated, unused sick leave rounded down to the nearest multiple of 10. Firefighters whose normal hours of work average 40 hours per week are converted to 24-hour workdays where the above calculation then applies. Firefighters who have fewer than twenty, 24-hour workdays of accumulated, unused sick days are not eligible for a terminal leave benefit. Police officers receive payment for up to 55 days of unused sick leave at base pay for their terminal leave benefit. All remaining City employees receive up to 30 days of unused sick leave at base pay as their terminal leave benefit. In 2017, approximately $7,521,200 was paid for sick leave from all funds. At December 31, 2017, accumulated sick leave earned but not taken totaled approximately $161,669,948 determined on the basis of current salary rates.

Terminal leave pay is funded on a pay-as-you-go basis and provided for in the salary budgets of the respective departments annually. In 2017, terminal leave payments totaled $4,452,768 to employees retiring during the year. As of December 31, 2017, the City has accrued approximately $31,280,500 in the government-wide statements for future terminal leave payments. This amount is included under the unfunded compensated absences of $48,395,500 with the remainder accrued vacation leave of $17,115,000.

9. FUND BALANCE

The constraints placed on fund balance for the governmental funds at December 31, 2017 were as follows:

	General	General Obligation Debt Service	Public Debt Amortization	Economic Development	Capital Projects	Nonmajor Governmental Funds	Total
				(Thousands of Dollars)			
Nonspendable							
Loans receivable	$ 86	$ -	$ -	$ -	$ -	$ -	$ 86
Advances	5,832	-	-	-	-	-	5,832
Inventory	10,396	-	-	-	-	-	10,396
Inventory of property for resale	26	-	-	-	-	-	26
Prepaid items	1,968	-	-	-	3,682	2	5,652
Investment-Targeted Mortgage	93	-	-	-	-	-	93
Spendable							
Restricted for:							
Future debt payments	-	43,441	54,613	-	-	-	98,054
Capital projects	-	-	-	-	18,795	-	18,795
Grants	-	-	-	-	-	9,019	9,019
Economic Development	-	-	-	62,710	-	-	62,710
Committed to:							
Contributions	3,444	-	-	-	-	-	3,444
Delinquent taxes	-	-	-	-	-	-	-
Equipment replacement	-	-	-	-	-	-	-
Assigned to:							
Conservation and development	298	-	-	-	-	-	298
General government	12,662	-	-	-	-	-	12,662
Health	211	-	-	-	-	-	211
Library	309	-	-	-	-	-	309
Public safety	3,005	-	-	-	-	-	3,005
Public works	1,563	-	-	-	-	-	1,563
2018 budgetary financing	19,000	-	-	-	-	-	19,000
Environmental remediation	233	-	-	-	-	-	233
Unassigned	38,350	-	-	-	(14,519)	(20,347)	3,484
Total Fund Balance	$ 97,476	$ 43,441	$ 54,613	$ 62,710	$ 7,958	$ (11,326)	$ 254,872

Tax Stabilization and Advances to Other Funds

A tax stabilization arrangement is incorporated into the City's adopted *Reserve for Tax Stabilization Fund Balance Policy* and is governed by the City's Code of Ordinances. At December 31, 2017, the tax stabilization reserve was $63,268,000. Of this amount, $19,000,000 has been committed to the funding of the 2018 General Fund budget and $38,350,000 is unassigned for 2018 and subsequent years' budgets. This Reserve includes an amount for advances of $5,832,000 from the General Fund to the Capital Projects Fund and $86,000 in loans receivable. All General Fund appropriation balances not encumbered or carried over are reserved for tax stabilization in subsequent years. The total amount that can be withdrawn from the reserved for tax stabilization in any one year is an amount that prevents an increase of more than 3% in the City's property tax rate, as defined, and is anticipated to be available as of April 15 of the year covered by the budget. Such amount must be included in the adopted budget, which requires a majority affirmative vote of the Common Council. Fund withdrawals not needed to stabilize the tax rate can be made for up to 50% of the available balance, but require a three-fourths affirmative vote of the Common Council prior to budget adoption.

10. INTERFUND RECEIVABLE AND PAYABLE BALANCES AND NET TRANSFERS

The individual interfund receivable and payable balances at December 31, 2017 were as follows:

		Due From					
		General Fund	Nonmajor Governmental Funds	Water Works	Sewer Maintenance Fund	Nonmajor Proprietary Funds	Total
				(Thousands of Dollars)			
Due To	General Fund	$ -	$ 337	$ -	$ -	$ -	$ 337
	General Obligation Debt	2,900	-	4,211	-	-	7,111
	Capital Projects	2,880	-	-	-	-	2,880
	Nonmajor Governmental Funds	49,491	-	-	-	-	49,491
	Water Works	5,093	-	-	3,587	2,953	11,633
	Nonmajor Proprietary Funds	13,363	-	-	-	-	13,363
	Totals	$ 73,727	$ 337	$ 4,211	$ 3,587	$ 2,953	$ 84,815

Balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) funds overdraw their share of pooled cash or when there are transactions between funds where one fund does not participate in the City's pooled cash.

The City of Milwaukee General Fund advances funds to the Special Assessments Capital Projects fund periodically to finance cash flows. These advances are non-interest bearing and are repaid as collections from the receivables are obtained. At December 31, 2017 the outstanding balance was $5,832,000.

The City of Milwaukee Water Fund advanced $272,286 to the Parking Proprietary Fund in 2012. This advance is non-interest bearing and is due in annual installments from 2013 to 2021. At December 31, 2017 the outstanding balance was $108,914.

Interfund transfers for the year ended December 31, 2017 were as follows *(in thousands)*:

Funds Transferred To	Fund Transferred From	Amount	Purpose
General Fund	General Obligation Debt	$ 2,700	Funding for Revenue Anticipation Notes
	General Obligation Debt	325	Funding for operations
	Nonmajor Governmental Funds	7,905	Subsidize uncollected property taxes
	Capital Funds	521	Grant variance closeouts
	Water Works	13,302	Payment in Lieu of taxes
	Nonmajor Proprietary Funds	1,521	Payment in Lieu of taxes
	Nonmajor Proprietary Funds	16,600	Subsidy for operations
	Nonmajor Proprietary Funds	1,465	Excess earnings of Port
	Subtotal General Fund	**44,339**	
General Obligation Debt	General	2,119	Funding for debt payments
	Economic Development	38,028	Funding for debt payments
	Public Debt Amortization	8,500	Funding for debt payments
	Capital Funds	13	Funding for debt payments
	Nonmajor Governmental Funds	29,641	Funding for debt payments
	Sewer Maintenance	3,405	Funding for debt payments
	Nonmajor Proprietary Funds	1,048	Funding for debt payments
	Subtotal Debt Service	**82,754**	
Nonmajor Governmental Funds	General Obligation Debt	3,265	Funding for operations
	Subtotal Nonmajor Governmental Funds	**3,265**	
Economic Development	General Obligation Debt	67,443	Funding for debt payments
	Capital Funds	7,917	Close surplus revenues
	Subtotal Economic Development	**75,360**	
Capital Projects	General Obligation Debt	2,542	
	Economic Development	21,248	Funding for operations
	Subtotal Capital Projects	**23,790**	
Nonmajor Proprietary	General Obligation Debt	487	Funding for debt payments
	Subtotal Nonmajor Proprietary	**487**	
	Total Interfund Transfers	**$ 229,995**	

Transfers are used to (1) move revenues from the fund that statute or budget requires collection from to the fund that statute or budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

11. BALANCES BETWEEN THE CITY AND COMPONENT UNITS

Balances due to and due from component units as of December 31, 2017 were as follows:

Component Unit Payable	Primary Government's Receivable
	(Thousands of Dollars)
Due from RACM for reimbursable expenditures	$ 150
Due from RACM for loans issued to developers for the purpose of renovations and improvements to existing parcels of real estate	12,232
Due from NIDC for housing projects	58
Due from NIDC for home and Community Development Block grants	35
Total	$ 12,475

Component Unit Receivable	Primary Government's Payable
	(Thousands of Dollars)
Due to RACM for reimbursable expenditures	$ 110
Due to RACM for home and Community Development Block grants	26
Total	$ 136

12. OPERATING LEASES

The City is the lessor for various properties under operating lease agreements expiring at various dates through 2017 and beyond. Certain leases contain provisions for possible renewal at term of the lease.

Scheduled minimum lease payments receivable for years ending December 31 are as follows:

Year	Amount
	(Thousands of Dollars)
2018	$ 4,400
2019	3,989
2020	4,758
2021	3,751
2022	3,693
2023-2027	19,065
2028-2032	15,838
2033-2037	6,066
2038 and beyond	4,022
Total	$ 65,582

13. COMMITMENTS AND CONTINGENCIES

Claims and Other Legal Proceedings

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employee or natural disaster. With certain exceptions, it is not the policy of the City to purchase commercial insurance for the risks of losses to which it is exposed. Instead, the City believes it is more economical to manage its risks internally and set aside funds as needed for reasonably estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations. Current settlements are paid from the General Fund and recorded as expenditures when paid in the fund based statements. The liabilities are recorded in the government-wide financial statements.

Under Wisconsin Statutes, the amount recoverable by any person for any damages, injuries, or death in any action founded on fact against the City, agencies, officials, officers, or employees cannot exceed $50,000, with certain exceptions.

The City is self-insured for workers' compensation, health insurance (basic plan), uninsured motorist vehicle coverage for City employees, and general liability. Liabilities are reported when it is probable that a loss can be reasonable estimated. These losses include an estimate of claims that have been incurred but not reported. Liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other economic and social factors. Claims are paid from the General Fund and recorded as expenditures when paid in the fund based financial statements. The liabilities are recorded in the government-wide financial statements.

The liabilities recorded as long-term debt in the government-wide financial statements at December 31 were as follows:

	2017	2016
General liability claims	$ 22,207,000	$ 28,647,000
Workers' compensation claims	8,320,000	2,064,000
Unemployment claims	172,000	426,000
Pollution remediation obligation	1,523,000	1,559,000
	$ 32,222,000	$ 32,696,000

Changes in the balances of claim liabilities during the past two years were as follows:

	2017	2016
Beginning of year liability	$ 32,696,000	$ 30,912,000
Current year claims and changes in estimates	4,600,300	19,213,300
Claim payments	(5,074,300)	(17,429,300)
End of year liability	$ 32,222,000	$ 32,696,000

The City is self-insured for active and retired employee health insurance, which is recorded in accounts payable within the general fund. Changes in the balance of this claim liability include both actives and retirees. Changes in the liabilities during the past two years were as follows:

	2017	2016
Beginning of year liability	$ 8,510,800	$ 10,009,000
Current year claims and changes in estimates	91,325,413	94,656,800
Claim payments	(91,189,308)	(96,155,000)
End of year liability	$ 8,646,905	$ 8,510,800

At year-end 2017, there were fifteen plaintiffs that had filed lawsuits, involving the refund of allegedly excessive property taxes, under Section 74.37. Of these cases, four of them have the potential, if they are successful, to result in large individual judgements. These cases include Marathon Petroleum, US Venture, US Bank, and Wisconsin and Milwaukee Hotel. As these cases are still pending, the associated potential liabilities remain as of the current date.

During 2017, several prior year claims were either settled or dismissed while thirteen new claims were filed. All pending cases are included in the calculation of estimated legal liability.

Environmental Liabilities

The nature and sources of the City's pollution remediation obligation are asbestos abatement, underground storage tanks, PCB pollution, and contaminated properties. The probability-weighted expected cash flow measurement technique is used in determining the amount of liability. This involves determining a range of probabilities or likelihoods that different probable outlays will be necessary and calculating a weighted average of these outlays. There is a potential for changes in the estimated pollution remediation obligation due to third-party contracts and City labor costs changes, amendments to regulatory requirements and rules, and previously unknown conditions. The estimated costs of $363,000 to address PBC pollution could increase if the Environment Protection Agency (EPA) does not approve the City's proposed cleanup methods. The EPA could require the City to do additional testing and remediation, resulting in greater costs to the City. The City qualifies for the State of Wisconsin *Municipal Liability Exemption Program* for contaminated properties. As long as the City is protective of human health environment, cleanup is not required. The City generally cleans up contaminated properties based on remediation grants awarded to the City. The City does not expect to receive any non-grant revenues from insurance or other parties to reduce the City's liability for pollution remediation.

During 2017, the City's estimated liability for pollution remediation-related activities decreased $36,000. At December 31, 2017, the City has an outstanding liability of $1,522,855 related to pollution remediation obligations.

The City is exposed to numerous environmental liabilities, the most significant of which relate to seven landfills. Four of the seven landfills have been closed. The remaining three landfills are no longer accepting waste. The Wisconsin Department of Natural Resources has imposed closure requirements on the North College Avenue Site, which the City substantially closed during 2000. The City spent $36,000 in post-closure care of solid waste landfills during 2017. Actual future costs may be higher due to inflation, changes in technology, or changes in regulations.

Intergovernmental grants

Intergovernmental awards received by the City are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements at December 31, 2017.

Commitments

The following is a list of encumbrances by function at December 31, 2017:

	General Fund	Capital Projects	Water Works	Total
		(Thousands of Dollars)		
General government	$ 100	$ 21	$ -	$ 121
Conservation and development	336	29,402	-	29,738
Health	109	-	-	109
Library	1,118	-	-	1,118
Public safety	921	-	-	921
Public works	860	-	-	860
Infrastructure	-	27,783	6,179	33,962
Total	$ 3,444	$ 57,206	$ 6,179	$ 66,829

14. TAX ABATEMENTS

Wisconsin State Statue Section 66.1105 gives the City of Milwaukee (City) the authority to create Tax Incremental Financing (TIF) districts. TIF is an economic development tool used by the City to leverage private development investment. As of December 31, 2017, the City provides tax incentives to certain developers of properties within tax incremental districts (TIDs) utilizing the following methods.

Program 1 - Developer-Financed Projects:

- The City and/or Redevelopment Authority of the City of Milwaukee (RACM) enter into an agreement with a developer or corporation to fund a portion of a redevelopment project. The developer/corporation advances the City's contribution and the advance is considered a loan to the City at an agreed-upon interest rate. The loan to the City is repaid by using a portion of the annual tax increment revenue to repay the developer/corporation. In most instances, the amount of the City's loan repayment to the developer/corporation can be reduced if an economic indicator, such as full-time-equivalent employment, is not achieved. Moreover, loan repayments typically cease after a set number of years, even if the loan is not fully amortized.

Program 2 – Grants to Developers/Corporations:

- In exchange for performing or taking a certain action, such as renewing a lease to remain at a certain location, the City and/or RACM (through the TID) will provide a grant, payable through a refund of annual taxes paid. The amount of the refund can be reduced for not meeting an economic indicator, such as full-time-equivalent employment.

Authority for these tax abatement agreements is provided by 66.1105 Wis. Stats. (Tax Increment Law), and 66.1333 Wis. Stats. (Blight Elimination and Slum Clearance). All tax abatement agreements also require the approval of the City of Milwaukee Common Council, RACM Board and the Joint Review Board.

The City is the collection agent for the property taxes of all overlying taxing authorities and deposits the revenues into a separate fund. Taxes refunded during 2017 and the remaining potential future refunds are shown in the table below. The "Remaining" column represents the maximum principal amount outstanding as of December 31, 2017.

	2016 Remaining	Additions	2017 Taxes Refunded	2017 Remaining
Program 1, Developer-Financed		*(Thousands of Dollars)*		
TID 50	$ 32	$ -	$ (32)	$ -
TID 52	1,960	37	(455)	1,542
TID 57	3,075	106	(570)	2,611
TID 64	3,367	77	(362)	3,082
TID 70	433	39	(346)	126
TID 78	54,000	-	-	54,000
TID 80	2,752	34	(200)	2,586
TID 83	900	64	(91)	873
TID 84	8,000	-	-	8,000
TID 86	1,500	-	-	1,500
TID 87	1,200	-	-	1,200
TID 90	-	635	-	635
TID 93	-	575	-	575
Total Program 1	$ 77,219	$ 1,567	$ (2,056)	$ 76,730
Program 2, Grant				
TID 37	$ 300	$ -	$ (300)	$ -
TID 63	1,631	30	(76)	1,585
TID 77	533	19	(150)	402
Total Program 2	$ 2,464	$ 49	$ (526)	$ 1,987
Total tax abatements	$ 79,683	$ 1,616	$ (2,582)	$ 78,717

15. SUBSEQUENT EVENTS

On February 8, 2018, the City issued $61,125,000 of general obligation promissory notes, series N1, for financing the fiscal requirements of the City. The notes mature on February 1, 2023.

On March 9, 2018, the City drew $6,925,000 on its line of credit with US Bank National Association for refunding purposes. The issuance was repaid on May 17, 2018.

On March 28, 2018, the City drew $606,000 from the CWF program, for capital project and refunding purposes. The CWF loan matures in each of the years 2019 through 2037.

On April 11, 2018, the City drew $18,535,000 from the CWF program for capital project and refunding purposes. The CWF loan matures in each of the years 2019 through 2037.

On May 17, 2018, the City issued $110,000,000 of limited obligation, revenue anticipation notes, series R3, for cash flow purposes. The maturity date is May 26, 2019, and is anticipated to be repaid from the receipt of State shared revenues.

On May 17, 2018, the City issued $132,755,000 of general obligation promissory notes, series N4, for capital project, fiscal, and refunding purposes. The notes mature in each of the years 2019 through 2028.

On May 17, 2018, the City issued $31,040,000 of general obligation corporate purpose bonds, series B5 for capital project, fiscal, and refunding purposes. The notes mature in each of the years 2029 through 2033.

On May 17, 2018, the City issued $5,450,000 of taxable general obligation promissory notes, series T6 for capital project, fiscal, and refunding purposes. The notes mature in each of the years 2019 through 2028.

On May 17, 2018, the City issued $1,600,000 of taxable general obligation corporate purpose bonds, series T7 for capital project, fiscal, and refunding purposes. The notes mature in each of the years 2029 through 2033.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MILWAUKEE

Exhibit E-1

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

	Budgeted Amounts		Actual - Amounts Budgetary Basis	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Property taxes	$ 198,695	$ 198,695	$ 190,775	$ (7,920)
Other taxes	3,017	3,017	3,795	778
Licenses and permits	16,204	16,204	15,597	(607)
Intergovernmental	265,292	265,292	265,701	409
Charges for services	121,070	121,070	117,873	(3,197)
Fines and forfeits	3,703	3,703	3,356	(347)
Other	16,235	16,235	19,384	3,149
Total Revenues	624,216	624,216	616,481	(7,735)
Expenditures:				
Current:				
General government	235,461	235,835	228,607	7,228
Public safety	310,842	315,527	314,648	879
Public works	100,059	100,596	100,482	114
Health	10,164	10,277	10,245	32
Culture and recreation	17,929	17,945	17,925	20
Conservation and development	4,580	4,601	4,579	22
Total Expenditures	679,035	684,781	676,486	8,295
Deficiency of Revenues over Expenditures	(54,819)	(60,565)	(60,005)	560
Other Financing Sources (Uses):				
General obligation bonds and notes issued	-	6,787	6,462	(325)
Transfers in	31,686	31,686	44,339	12,653
Transfers out	-	-	(2,119)	(2,119)
Contributions received	29,247	29,247	21,366	(7,881)
Contributions used	(28,348)	(28,258)	(20,499)	7,759
Use of fund balance - reserved for tax stabilization	27,579	27,579	27,579	-
Total Other Financing Sources and Uses	60,164	67,041	77,128	10,087
Net Change in Fund Balance	5,345	6,476	17,123	10,647
Fund Balance - Beginning (Excludes Reserved for Tax Stabilization)	80,353	80,353	80,353	-
Fund Balance - Ending	**$ 85,698**	**$ 86,829**	**$ 97,476**	**$ 10,647**

Explanation of Differences of Budget to GAAP:
For budget purposes, the fund balance - reserved for tax stabilization is reflected as other financing sources whereas for accounting purposes, it is reflected as part of fund balance. The difference between the fund balance on a GAAP basis compared with budget basis is $27.6 million at January 1, 2017.
Contributions received and used for budget purposes are reported as other financing sources, but for GAAP are considered to be revenues and expenditures.

See accompanying independent auditors' report.

CITY OF MILWAUKEE

Exhibit E-2

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Thousands of Dollars)

RETIREE HEALTH AND LIFE INSURANCE

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	$ -	$ 975,696	$ 975,696	0.0%	$ 366,785	266.00%
1/1/2016	-	1,020,383	1,020,383	0.0%	377,789	270.09%
1/1/2017	-	1,061,772	1,061,772	0.0%	409,521	259.27%

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Employes' Retirement System

	12/31/15	12/31/16	12/31/17
The City's proportion of the net pension liability (asset).....	83.92%	83.08%	82.85%
The City's proportionate share of the net pension liability (asset).....	$ 95,224	$ 349,915	$ 353,030
The City's covered-employee payroll.....	$ 444,719	$ 445,615	$ 483,819
Plan fiduciary net position as a percentage of the total pension liability (asset).....	97.76%	91.95%	91.98%

SCHEDULE OF THE CITY'S CONTRIBUTIONS
Employes' Retirement System

	2014	2015	2016	2017
Legally required contributions*.....	$ 65,474	$ 66,333	$ 66,401	$ 74,811
Contributions in relation to the required contributions.....	$ 61,130	$ 59,985	$ 61,390	$ 65,410
Contribution deficiency (excess).....	$ 4,344	$ 6,348	$ 5,011	$ 9,401
City's pensionable - employee payroll.....	$ 375,751	$ 380,976	$ 383,845	$ 422,717
Contributions as a percentage of covered-employee payroll.....	16.27%	15.75%	15.99%	15.47%

See accompanying independent auditors' report.

Schedules of Funding Progress

Retiree Health and Life Insurance – Actuarial Methods and Assumptions

Valuation date	January 1, 2017
Actuarial cost method	Projected unit credit
Amortization method	Level percent open
Amortization period	30 years
Investment rate of return	4.0%
Projected salary increases	3.0%
Health care inflation rate	8.0% per year graded down to 4.5% per year, ultimate trend in 0.5% increments thereafter for pre-Medicare, 9.5% per year graded down to 4.5% per year ultimate trend in .5% increments thereafter for post-Medicare.

Pension Liability and Contributions – Actuarial Methods and Assumptions

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal – level percentage of pay
Amortization method	Difference between expected and actual liability and actual liability experience and changes of assumptions are amortized over average of expected remaining service lives. Difference between projected and actual earnings amortized over 5 years.
Current discount rate	8.0%
Asset valuation method	Market value
Investment rate of return	8.25% for 2017, 8.50% thereafter
Projected salary increases	3.0% - 7.5%, General City 3.0% - 14.4% Police & Fire
Inflation assumption	3.0%

Changes of assumptions: There were no changes in the assumptions.
Changes of benefit terms: There were no changes of benefit terms for any City of Milwaukee Employes' Retirement System participants.

* See Ch.36 of the City Ordinances - City requirement is to contribute 100% of pension liability.

Budgets and Budgetary Accounting

City departments are required to submit their annual budget requests for the ensuing year to the Mayor by the second Tuesday in May. The Department of Administration, Division of Budget and Management Analysis, acting as staff for the Mayor, reviews the request in detail with the departments during June and July. After all of the requests have been reviewed, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires that this be done on or before September 28. The Common Council must complete its review and adopt the budget on or before November 14. Once adopted, Common Council approval is required to amend the total appropriations by a department, the legal level of control for each budget. During the year, various amendments were made to the budget including carryovers of appropriations and encumbrances, and internal transfers.

Annual budgets are legally adopted by the Common Council for some but not all governmental funds. Annual budgets are not adopted for Special Revenue Fund - Delinquent Tax, Debt Service Fund - Public Debt Amortization and Capital Projects Funds. The Debt Service Fund - General Obligation Debt uses a non-appropriated budget. Budgets for Capital Projects Funds are prepared for the project life, rather than for the standard current fiscal year. Therefore, project appropriations for these budgets lapse at the conclusion of the project. All other appropriations lapse at the end of the current fiscal year. Governmental funds for which annual budgets have been adopted are included in the accompanying Required Supplementary Information Budgetary Comparison Schedule and in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

REMAINDER OF FINANCIAL SECTION
Combined and Individual Fund Statements and Schedules
Miscellaneous Financial Data

STATISTICAL SECTION

Pages 111-174 Omitted

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APPENDIX B

Draft Forms of Legal Opinions

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May 16, 2019

The City Comptroller and the Commissioners
of the Public Debt of the City of Milwaukee,
Wisconsin

We have examined a record of proceedings relating to the issuance of $120,000,000 aggregate principal amount of Revenue Anticipation Notes, Series 2019 R2 (the "Notes") of the City of Milwaukee (the "City"), a municipal corporation of the State of Wisconsin. The Notes are authorized and issued pursuant to the provisions of Chapter 65 and Chapter 67 of the Wisconsin Statutes and the City Charter and by virtue of a resolution passed by the Common Council of the City on January 15, 2019.

The Notes constitute an issue of "revenue anticipation notes" under Section 67.12(1) of the Wisconsin Statutes and are issuable in fully registered form in the denominations of $5,000 or any integral multiple thereof. The Notes are dated May 16, 2019, mature (without option of prior redemption) on May 7, 2020 and bear interest from their date payable at maturity. $60,000,000 principal amount of the Notes bear interest at the rate of four per centum (4.00%) per annum and $60,000,000 principal amount of the Notes bear interest at the rate of three per centum (3.00%) per annum.

In our opinion, the Notes are valid and legally binding limited obligations of the City; payment of the principal of and interest on the Notes is secured by an irrevocable pledge of State of Wisconsin aid payments to be received by the City and by a pledge of all other general fund revenues included in the City budget for the current calendar year, which are due to the City and have not yet been received as of the date of issuance of the Notes and which are not otherwise pledged or assigned. The Notes are not general obligations of the City and neither the full faith and credit nor the general taxing power of the City is pledged as security for the payment of the principal of or interest on the Notes. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are further of the opinion that, under existing law, interest on the Notes is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Notes will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Notes are not "private activity bonds" within the meaning of Section 141(a) of the Code; accordingly, interest on the Notes is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Notes. These requirements relate to the use and investment of the proceeds of the Notes, the payment of certain amounts to the United States, the security and source of payment of the Notes and the use of the property financed with the proceeds of the Notes. The City has covenanted to comply with these requirements.

Interest on the Notes is not exempt from Wisconsin income taxes.

Respectfully submitted,

May 16, 2019

The City Comptroller and the Commissioners
of the Public Debt of the City of Milwaukee,
Wisconsin

We have examined a record of proceedings relating to the issuance of $89,100,000 aggregate principal amount of General Obligation Promissory Notes, Series 2019 N3 (the "Notes") of the City of Milwaukee (the "City"), a municipal corporation of the State of Wisconsin. The Notes are authorized and issued pursuant to the provisions of Chapter 65 and Chapter 67 of the Wisconsin Statutes and the City Charter and by virtue of a resolution passed by the Common Council of the City on January 15, 2019.

The Notes constitute an issue of "promissory notes" under Section 67.12(12) of the Wisconsin Statutes, are issuable in fully registered form in the denominations of $5,000 or any integral multiple thereof. The Notes are dated May 16, 2019 and bear interest from their date at the rate of five per centum (5.00%) per annum payable on October 1, 2019 and semiannually thereafter on April 1 and October 1 of each year. The Notes mature (without option of prior redemption) on April 1 in each of the following years in the respective principal amount set forth opposite each such year in the following table:

Year	Principal Amount
2020	$10,955,000
2021	10,985,000
2022	10,320,000
2023	11,070,000
2024	11,070,000
2025	6,930,000
2026	6,935,000
2027	6,940,000
2028	6,945,000
2029	6,950,000

In our opinion, the Notes are valid and legally binding general obligations of the City, and the City has power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Notes and the interest thereon, without limitation as to rate or amount. The enforceability of rights or remedies with respect to the Notes, however, may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are further of the opinion that, under existing law, interest on the Notes is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Notes will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Notes are not "private activity bonds" within the meaning of Section 141(a) of the Code; accordingly, interest on the Notes is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Notes. These requirements relate to the use and investment of the proceeds of the Notes, the payment of certain

amounts to the United States, the security and source of payment of the Notes and the use of the property financed with the proceeds of the Notes. The City has covenanted to comply with these requirements.

Interest on the Notes is not exempt from Wisconsin income taxes.

Respectfully submitted,

May 16, 2019

The City Comptroller and the Commissioners
of the Public Debt of the City of Milwaukee,
Wisconsin

We have examined a record of proceedings relating to the issuance of $24,635,000 aggregate principal amount of General Obligation Corporate Purpose Bonds, Series 2019 B4 (the "Bonds") of the City of Milwaukee (the "City"), a municipal corporation of the State of Wisconsin. The Bonds are authorized and issued pursuant to the provisions of Chapter 65 and Chapter 67 of the Wisconsin Statutes and the City Charter and by virtue of resolutions passed by the Common Council of the City on January 21, 2015, January 19, 2016, January 18, 2017, January 17, 2018 and January 15, 2019.

The Bonds constitute an issue of "corporate purpose bonds" under Section 67.05 of the Wisconsin Statutes, are issuable in fully registered form in the denominations of $5,000 or any integral multiple thereof. The Bonds are dated May 16, 2019, mature on April 1 in each of the following years in the respective principal amount set forth opposite each such year in the following table, and bear interest from their date, payable on October 1, 2019 and semiannually thereafter on April 1 and October 1 of each year, at the respective rate of interest per annum set forth opposite such year:

Year	Principal Amount	Interest Rate
2030	$4,810,000	5.00%
2031	4,815,000	5.00
2032	4,820,000	3.00
2033	4,825,000	3.00
2034	4,825,000	3.00
2035	100,000	4.00
2036	105,000	4.00
2037	110,000	4.00
2038	110,000	4.00
2039	115,000	4.00

The Bonds are subject to redemption prior to maturity at the option of the City, in such principal amounts and from such maturities as the City shall determine and by lot within a single maturity, on April 1, 2027 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption.

In our opinion, the Bonds are valid and legally binding general obligations of the City, and the City has power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. The enforceability of rights or remedies with respect to the Bonds, however, may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are further of the opinion that, under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not "private activity bonds" within

the meaning of Section 141(a) of the Code; accordingly, interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The City has covenanted to comply with these requirements.

Interest on the Bonds is not exempt from Wisconsin income taxes.

Respectfully submitted,

May 16, 2019

The City Comptroller and the Commissioners
of the Public Debt of the City of Milwaukee,
Wisconsin

We have examined a record of proceedings relating to the issuance of $5,000,000 aggregate principal amount of Taxable General Obligation Corporate Purpose Bonds, Series 2019 T5 (the "Bonds") of the City of Milwaukee (the "City"), a municipal corporation of the State of Wisconsin. The Bonds are authorized and issued pursuant to the provisions of Chapter 65 and Chapter 67 of the Wisconsin Statutes and the City Charter and by virtue of resolutions passed by the Common Council of the City on January 21, 2015, January 19, 2016, January 18, 2017, January 17, 2018 and January 15, 2019.

The Bonds constitute an issue of "corporate purpose bonds" under Section 67.05 of the Wisconsin Statutes, are issuable in fully registered form in the denominations of $5,000 or any integral multiple thereof. The Bonds are dated May 16, 2019, mature (without option of prior redemption) in the principal amount of $500,000 on April 1 in each of the years 2020 to 2029, both inclusive, and bear interest from their date at the rate of three per centum (3.00%) per annum, payable on October 1, 2019 and semiannually thereafter on April 1 and October 1 of each year.

In our opinion, the Bonds are valid and legally binding general obligations of the City, and the City has power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. The enforceability of rights or remedies with respect to the Bonds, however, may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

Interest on the Bonds is not exempt from Federal or Wisconsin income taxes.

Respectfully submitted,

APPENDIX C

Form of Continuing Disclosure Certificate
and list of EMMA filings for the past 5 years

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MASTER CONTINUING DISCLOSURE CERTIFICATE

This Master Continuing Disclosure Certificate (the "Certificate") dated as of February 1, 2019 is executed and delivered in connection with the issuance, from time to time, of municipal securities of the City of Milwaukee, Wisconsin (the "City") and pursuant to Resolution 181110 duly adopted by the Common Council of the City on December 18, 2018 (the "Resolution"). Capitalized terms used in this Certificate shall have the respective meanings specified above or in Article I hereof. Pursuant to the Resolution, the City agrees as follows:

ARTICLE I - Definitions

Section 1.1. Definitions. The following capitalized terms used in this Certificate shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) the financial information and operating data as described in an Addendum Describing Annual Report; and (ii) information regarding amendments to this Certificate required pursuant to Sections 4.2(c) and (d) of this Certificate.

The descriptions contained in clause (i) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. Where such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a new Addendum Describing Annual Report shall be executed describing the information to be provided.

(2) "Audited Financial Statements" means the annual financial statements, if any, of the City, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP for governmental units as prescribed by GASB; provided, however, that the City may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification, other than modifications prescribed by GASB, shall be provided to the Repository, and shall include a reference to the specific federal or State law or regulation describing such accounting basis.

(3) "Counsel" means a nationally recognized bond counsel or counsel expert in federal securities laws, acceptable to the City.

(4) "Event" means such events as described in Addendum Describing Enumerated Events.

(5) "Event Notice" means notice of an Enumerated Event.

(6) "GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

(7) "GASB" means the Governmental Accounting Standards Board.

(8) "MSRB" means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

(9) "Offered Obligations" means an issue of municipal securities of the City in connection with which the City has executed and delivered a Supplemental Certificate.

(10) "Official Statement" means the "final official statement" as defined in paragraph (f)(3) of the Rule.

(11) "Repository" means the SID and repository(ies), as designated from time to time by the SEC to receive continuing disclosure filings. The SID, repository(ies), and filing information are set forth in the Addendum Describing Repository and SID as may be revised from time to time.

(12) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Certificate, including any amendments and official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.

(13) "SEC" means the United States Securities and Exchange Commission.

(14) "Security Holders" means the holders from time to time of Offered Obligations.

(15) "SID" means, at any time, a then-existing state information depository, if any, as operated or designated as such by or on behalf of the State for the purposes referred to in the Rule. As of the date of this Certificate, there is no SID.

(16) "State" means the State of Wisconsin.

(17) "Unaudited Financial Statements" means the same as Audited Financial Statements, except the same shall not have been audited.

(18) "Underwriters" means the underwriter(s) purchasing an issue of Offered Obligations.

ARTICLE II - The Undertaking

Section 2.1. Purpose. This Certificate shall apply to Offered Obligations, and shall constitute a written undertaking for the benefit of the Security Holders, and is being executed and delivered solely to assist the Underwriters in complying with paragraph (b)(5) of the Rule.

Section 2.2. Annual Financial Information. (a) The City shall provide Annual Financial Information for the City with respect to each fiscal year of the City, by no later than nine months after the end of the respective fiscal year, to the Repository.

(b) The City shall provide, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, notice of any failure of the City to provide the Annual Financial Information by the date specified in subsection (a) above to the Repository.

Section 2.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the dates required by Section 2.2(a) hereof, the City shall provide Unaudited Financial Statements by the dates required, and will also provide Audited Financial Statements, when and if available, to the Repository.

Section 2.4. Notices of Enumerated Events. (a) If an Enumerated Event occurs, the City shall provide, in a timely manner (as may be further defined in the Addendum Describing Enumerated Events), an Enumerated Event Notice to the Repository.

(b) Upon any legal defeasance of an Offered Obligation, the City shall provide notice of such defeasance to the Repository, which notice shall state whether the Offered Obligations to be defeased have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 2.5. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and SEC Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that under some circumstances compliance with this Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the City under such laws.

Section 2.6. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information or Enumerated Event Notice, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Financial Information or Enumerated Event Notice in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information or Enumerated Event Notice.

ARTICLE III - Operating Rules

Section 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the City provides Annual Financial Information by specific reference to documents (i) either (1) provided to the Repository existing at the time of such reference, or (2) filed with the SEC, or (ii) if such a document is an Official Statement, available from the MSRB.

Section 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 3.3. Enumerated Event Notices. Each Enumerated Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Offered Obligations.

Section 3.4. Transmission of Information and Notices. Transmission of information and notices shall be as prescribed by the SEC and the Repository. The transmission requirements are described in the Addendum Describing Repository.

ARTICLE IV - Termination, Amendment and Enforcement

Section 4.1. Termination. (a) The City's obligations under this Certificate with respect to an Offered Obligation shall terminate upon legal defeasance, prior redemption or payment in full of the Offered Obligation.

(b) This Certificate or any provision hereof, shall be null and void in the event that the City (1) delivers to the City an opinion of Counsel, addressed to the City, to the effect that those portions of the Rule which require the provisions of this Certificate or any of such provisions, do not or no longer apply to the Offered Obligations, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the Repository.

Section 4.2. Amendment. (a) This Certificate may be amended, by written certificate of the Comptroller, without the consent of the Security Holders if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the City or the type of business conducted thereby; (2) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (3) the City shall have received an opinion of Counsel addressed to the City, to the same effect as set forth in clause (2) above and further to the effect that the amendment does not materially impair the interests of the Security Holders; and (4) the City delivers copies of such opinion and amendment to the Repository.

(b) In addition to subsection (a) above, this Certificate may be amended and any provision of this Certificate may be waived, without the consent of the Security Holders, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Certificate; (2) the City shall have received an opinion of Counsel to the effect that performance by the City under this Certificate as so

amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and (3) the City shall have delivered copies of such opinion and amendment to the Repository.

(c) To the extent any amendment to this Certificate results in a change in the types of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, other than changes prescribed by GASB, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of any such amendment shall be provided by the City to the Repository.

Section 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the Security Holders. Beneficial owners of Offered Obligations shall be third-party beneficiaries of this Certificate.

(b) Except as provided in this subparagraph (b), the provisions of this Certificate shall create no rights in any person or entity. The obligations of the City to comply with the provisions of this Certificate shall be enforceable by the Security Holders, including beneficial owners of Offered Obligations. The Security Holders' rights to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the City's obligations under this Certificate and the Resolution. In consideration of the third-party beneficiary status of beneficial owners of Offered Obligations pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be Security Holders for purposes of this subsection (b).

(c) Any failure by the City to perform in accordance with this Certificate shall not constitute a default under the Resolution and any rights and remedies provided by the Resolution upon the occurrence of a default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, I have hereunto executed this Certificate this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING ENUMERATED EVENTS

This Addendum Describing Listed Events (the "Addendum") is delivered by the City of Milwaukee, Wisconsin (the "City") pursuant to the Master Continuing Disclosure Certificate (the "Certificate"), executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes specific events required to be reported by Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (the "Rule"). Capitalized terms that are not defined in this Addendum have the meanings set forth in the Certificate. "Obligor" shall mean the entity specified in the Addendum Describing Annual Report.

Enumerated Event: Any of the following events with respect to the Offered Obligations, whether relating to the City or otherwise:

(i) principal and interest payment delinquencies;
(ii) non-payment related defaults, if material;
(iii) unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) unscheduled draws on credit enhancements reflecting financial difficulties;
(v) substitution of credit or liquidity providers, or their failure to perform;
(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Offered Obligations, or other events affecting the tax-exempt status of the Offered Obligations;
(vii) modifications to rights of Security Holders, if material;
(viii) bond calls, if material, and tender offers;
(ix) defeasances;
(x) release, substitution, or sale of property securing repayment of the Offered Obligations, if material;
(xi) rating changes;
(xii) bankruptcy, insolvency, receivership or similar event of the Obligor. Note: The event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligor in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligor, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligor.
(xiii) the consummation of a merger, consolidation, or acquisition involving the Obligor or the sale of substantially all of the assets of the Obligor, other than pursuant to its terms, if material;
(xiv) appointment of a success or additional trustee or the change of name of a trustee, if material;
(xv) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

As used in clauses (xv) and (xvi), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For purposes of reporting the above enumerated events, "timely manner" shall mean not in excess of ten (10) business days after the occurrence of the event.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING REPOSITORY AND SID

This Addendum Describing Repository (the "Addendum") is delivered by the City of Milwaukee, Wisconsin (the "Issuer") pursuant to the Master Continuing Disclosure Certificate, executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes the filing information as specified by the Securities and Exchange Commission.

Repositories

In December, 2008, the Securities and Exchange Commission modified Exchange Act Rule 15c2-12 to require that Continuing Disclosure shall be made to the Electronic Municipal Market Access system administered by the MSRB ("EMMA"). Pursuant to that modification, continuing disclosure filings will be provided to the Municipal Securities Rulemaking Board for disclosure on the EMMA system.

Information submitted to the MSRB for disclosure on the EMMA shall be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SID (State Information Depository)

None.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

ADDENDUM DESCRIBING ANNUAL REPORT
FOR GENERAL OBLIGATION DEBT

This Addendum Describing Annual Report for General Obligation Debt (the "Addendum") is delivered by the City of Milwaukee, Wisconsin (the "City") pursuant to the Master Continuing Disclosure Certificate (the "Certificate"), executed and delivered by the Issuer and dated February 1, 2019. This Addendum describes the content of Annual Financial Information prepared with respect to general obligation debt of the Issuer. Capitalized terms that are not defined in this Addendum have the meanings set forth in the Certificate.

Obligor: The City of Milwaukee, Wisconsin

Information and operating data included in the Annual Financial Information for Issuer:

1. Audited Financial Statements, if available, or Unaudited Financial Statements of the Issuer.

2. Operating data for the reporting year of the type included in the City's Comprehensive Annual Financial Report ("CAFR") for the year ending December 31, 2017, Required Supplementary Information Exhibit E-1, and Statistical Section Tables 5, 6, 7, and 8. If the CAFR does not contain the information, then the City agrees to provide such operating data, to the extent such information is prepared by the City. No separate filing is required if the operating data is included in the document filed pursuant to paragraph 1.

IN WITNESS WHEREOF, this Addendum is executed this 1st day of February, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

SUPPLEMENTAL CERTIFICATE

This Supplemental Certificate is executed and delivered by the City of Milwaukee, Wisconsin (the "Issuer") to supplement the Master Continuing Disclosure Certificate (the "Certificate"), executed and delivered by the Issuer and dated February 1, 2019. Pursuant to the provisions of the Certificate, the Issuer hereby determines that the Certificate and the Addendum Describing Annual Report, as described below, shall apply to the following issue of obligations:

Name of Obligations:

$120,000,000 Revenue Anticipation Notes, Series 2019 R2
89,100,000 General Obligation Promissory Notes, Series 2019 N3
24,635,000 General Obligation Corporate Purpose Bonds, Series 2019 B4
5,000,000 Taxable General Obligation Corporate Purpose Bonds, Series 2019 T5

Addendum Describing Annual Report:

ADDENDUM DESCRIBING ANNUAL REPORT
FOR GENERAL OBLIGATION DEBT

Date of Issues:

May 16, 2019

No Previous Non-Compliance. The Issuer represents that for the period beginning 5 years prior to the date hereof, it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

IN WITNESS WHEREOF, this Supplemental Certificate is executed this 16th day of May, 2019.

CITY OF MILWAUKEE, WISCONSIN

By: _____
Comptroller

City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since May 1, 2014

			CAFR (1)	
Date	Submission ID	Description of Filing	City	MPS
		Annual Financial Information: OS Series 2019 R2, N3, B4, T5		
		OS: Series 2019 R2		
		OS: Series 2019 N3, B4		
		OS: Series 2019 T5		
4/18/19	ER939482	Rating Change: S&P on City GO and Sewers		
4/18/19	ER939425	POS: Series 2019 R2		
4/18/19	ER939434	POS: Series 2019 N3, B4		
4/18/19	ER939436	POS: Series 2019 T5		
2/12/2019	ES956134	Bank Loan: US Bank Master Revolving Loan Agreement		
1/2/2019	ES946759	Bond Call: 2009 B2		
12/21/2018	ER915062	CAFR, MPS, 6/30/18		2018
9/28/18	ER895075	OS: Series 2018 M10		
9/14/2018	ES927113	POS: Series 2018 M10		
7/30/2018	ES917717	Pension Actuarial Valuation Report, 1/1/18		
7/20/2018	EP806204	CAFR, City, 12/31/17, raw formatting	2017	
6/29/2018	ES910940	Unaudited CAFR, City, 12/31/17		
6/1/2018	ES902596	Failure to file CAFR, City by June 30		
5/16/2018	ES898126	Annual Financial Information: OS Series 2018 R3, N4, B5, T6, T7		
5/11/2018	ES895529	OS: Series 2018 R3		
5/11/2018	ES895531	OS: Series 2018 N4, B5		
5/11/2018	ES895536	OS: Series 2018 T6, T7		
5/1/2018	ES891489	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
4/23/2018	ES888345	POS: Series 2018 R3		
4/23/2018	ES888338	POS: Series 2018 N4, B5		
4/23/2018	ES888342	POS: Series 2018 T6, T7		
4/5/2018	ES882832	Rating Change: Moody's on Sewer Revenue Bonds		
4/4/2018	ES882560	Rating Change: S&P on MPS Pension Bonds Bond Insurer		
3/19/2018	ES871151	Rating Change: S&P on MPS Pension Bonds		
3/13/2018	ES869567	Rating Change: Moody's on City GO and RACM Summerfest Bonds		
3/2/2018	ER877771	Rating Change: S&P on MPS NSI Bonds		
2/1/2018	ER873797	Bond Call: 2008 B7		
2/1/2018	ER872203	CAFR, MPS, 6/30/17, previous file replaced with revised version		
1/29/2018	ER873333	OS: Series 2018 N1		
1/26/2018	ER872203	CAFR, MPS, 6/30/17 (archived)		2017
1/18/2018	ES850796	POS: Series 2018 N1		
12/29/2017	ER506658	Corrected typo in Failure to file CAFR, City by June 30, 2012		
12/8/2017	ER861838	POS: RACM MPS 2017C QSCBs		

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City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since May 1, 2014

			CAFR (1)	
Date	Submission ID	Description of Filing	City	MPS
11/7/2017	ER853451	Pension Actuarial Valuation Report, 1/1/17		
11/7/2017	EP803719	Rating Change: Fitch on MPS Pension Bonds		
10/5/2017	ES822384	OS: Series 2017 M11 MPS RANs		
9/27/2017	ER848376	POS: Series 2017 M11 MPS RANs		
8/8/2017	EP798860	Rating Change: Moody's on MPS Pension and NSI Bonds		
8/2/2017	ER841452	CAFR, City, 12/31/16	2016	
6/26/2017	EP377478	OS: RACM MPS 2017 Refunding NSI - Supplement Rating Change		
6/14/2017	ER831649	Annual Financial Information: OS Series 2017 R3, N4, B5		
6/14/2017	ER831646	Failure to file CAFR, City by June 30		
6/13/2017	EP377479	OS: RACM MPS 2017 Lease		
6/13/2017	EP377478	OS: RACM MPS 2017 Refunding NSI		
6/1/2017	ES810072	POS: RACM MPS 2017 Lease		
6/1/2017	ES810070	POS: RACM MPS 2017 Refunding NSI		
5/9/2017	EP779249	OS: Series 2017 T6 and T7		
5/9/2017	EP779244	OS: Series 2017 N4 and B5		
5/9/2017	EP779240	OS: Series 2017 R3		
5/1/2017	ER825087	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
4/24/2017	ER822910	POS: Series 2017 T6 and T7		
4/24/2017	ER822904	POS: Series 2017 N4 and B5		
4/24/2017	ER822885	POS: Series 2017 R3		
1/31/2017	ER806929	CAFR, MPS, 6/30/16		2016
1/9/2017	ER794709	Bond Call: 2007 B5		
1/9/2017	ER794708	Bond Call: 2006 B10		
12/7/2016	ES786074	Bank Loan: JP Morgan Chase Line		
12/7/2016	ES786061	OS: Series 2016 W10 Water		
11/29/2016	ES377098	OS: RACM MPS 2016A, 2016B QECB		
11/21/2016	ES781334	Bank Loan: US Bank Line		
11/21/2016	ES781270	POS: Series 2016 W10 Water		
11/18/2016	ES780313	Bond Call: 2012 F9 & V10		
10/12/2016	EP752983	OS: Series 2016 M8 MPS RANs		
9/29/2016	EP750542	POS: Series 2016 M8 MPS RANs		
9/23/2016	ES663847	Rating Change: Moody's on RACM Summerfest		
8/16/2016	ES652467	OS: Series 2016 S7 Sewers		
8/3/2016	EP744796	POS: Series 2016 S7 Sewers		
8/2/2016	ES652017	Pension Actuarial Valuation Report, 1/1/16		
8/2/2016	ES651988	Pension Actuarial Valuation Report, 1/1/15		
8/1/2016	ES650872	CAFR, City, 12/31/15, raw formatting	2015	
6/14/2016	ER764909	OS: Series 2016 B6		

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City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since May 1, 2014

			CAFR (1)	
Date	Submission ID	Description of Filing	City	MPS
6/14/2016	ER764907	OS: Series 2016 N5		
6/1/2016	ES640183	Annual Financial Information: POS Series 2016 N5, B6		
6/1/2016	ES640180	POS: Series 2016 N5, B6		
6/1/2016	EP741451	Failure to file CAFR, City by June 30		
5/12/2016	EP735406	OS: Series 2016 T4		
5/12/2016	EP735405	OS: Series 2016 N2, B3		
5/12/2016	EP735402	OS: Series 2016 R1		
5/2/2016	ER755640	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
3/8/2016	ES622894	Rating Change: Moody's on RACM (MPS NSI) to "A1" and "A2"		
1/4/2016	ES611748	CAFR, MPS, 6/30/15		2015
1/4/2016	ES611742	Bond Call: 2006 B2		
11/19/2015	EP705011	Reoffering Circular, Series 2012 V10		
10/5/2015	ER730150	OS Series 2015 M7 MPS RANs		
9/22/2015	ES596432	POS: Series 2015 M7 MPS RANs		
9/10/2015	EA600555	CAFR, City, 12/31/14, previous file replaced with final formatting		
7/31/2015	EA600555	CAFR, City, 12/31/14, raw formatting (archived)	2014	
7/1/2015	ER718386	Bond Call: 2005 B10, 2019-2022 maturities		
7/1/2015	ER716342	Bond Call: 2005 B10, 2016-2018 maturities		
6/29/2015	ER713827	Bond Call: RACM 2005A (MPS Congress Craig Fratney)		
6/26/2015	ER712870	Official Statement RACM 2015A MPS QSCB		
6/4/2015	EP687877	Failure to file CAFR, City by June 30		
5/26/2015	EP685340	OS Series 2015 T4		
5/26/2015	EP685338	OS Series 2015 N2 B3		
5/26/2015	EP685335	OS Series 2015 R1		
5/8/2015	ER699706	POS: Series 2015 R1, N2, B3, and T4		
5/1/2015	ER697247	Bond Call, Mandatory Sinking Fund Redemption: Series 2001-A		
1/30/2015	EA572313	CAFR, MPS, 6/30/14		2014
1/23/2015	EA566970	Bond Call: 2005 B2, 2018-2022 maturities		
1/20/2015	EA564896	Bond Call: 2005 A5		
1/8/2015	ER670752	Bond Call: 2005 B2, 2018-2022 maturities		
12/31/2014	ER667442	Bond Call: 2005 B2		
10/23/2014	ER645647	Successor Trustee: 2009 M6, and 2010 M6 QSCB		
10/14/2014	EA543863	OS Series 2014 M4		
10/7/2014	EA472095	2012 CAFR, City updated to also be the AFI filing		
10/1/2014	EP666595	POS Series 2014 M4		
7/31/2014	ER639237	CAFR, City, 12/31/13	2013	
7/29/2014	ER637373	Pension Actuarial Valuation Report, 1/1/13		

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City of Milwaukee, Wisconsin
Continuing Disclosure Filings on the EMMA
Since May 1, 2014

			CAFR (1)	
Date	Submission ID	Description of Filing	City	MPS
7/29/2014	ER637379	Pension Actuarial Valuation Report, 1/1/14		
7/18/2014	ER635579	Successor Trustee, 2003 RACM Pension Bonds		
7/14/2014	EA521008	Bank Loan, Series 2013 T4, PNC Line		
6/3/2014	ER626851	Failure to file CAFR, City by June 30		
5/9/2014	EA508249	Official Statement with updated financial information		
5/9/2014	EA508254	Official Statement with updated financial information		
5/9/2014	EA508256	Official Statement with updated financial information		

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APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

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BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.

The Depository Trust Company ("*DTC*"), New York, NY, will act as securities depository for the Offered Obligations. The Offered Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Offered Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "*banking organization*" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "*clearing corporation*" within the meaning of the New York Uniform Commercial Code, and a "*clearing agency*" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U. S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Offered Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Obligations on DTC's records. The ownership interest of each actual purchaser of each Note ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Offered Obligations, except in the event that use of the book-entry system for the Offered Obligations is discontinued.

To facilitate subsequent transfers, all Offered Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Offered Obligations with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited,

which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Offered Obligations within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Offered Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Offered Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Offered Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "*street name*," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Offered Obligations purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Offered Obligations by causing the Direct Participant to transfer the Participant's interest in the Offered Obligations, on DTC's records, to Agent. The requirement for physical delivery of Offered Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Offered Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Offered Obligations to Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Offered Obligations at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note or Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE CITY, THE PAYING AGENT NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE OFFERED OBLIGATIONS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE OFFERED OBLIGATIONS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE OFFERED OBLIGATIONS; OR (5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF OFFERED OBLIGATIONS.

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