

RESOLUTION
15 – R – 15

A RESOLUTION TO FORMALLY ADOPT POLICY GOVERNING
THE CONTINUING DISCLOSURE PROCEDURES RELATED TO
CITY BONDS

WHEREAS, the City of Waukegan (hereinafter “the City”) is a home-rule unit of government pursuant to Section 6(a), Article VII of the 1970 Illinois Constitution; and

WHEREAS, the City of Waukegan recognizes the importance of complying with required continuing disclosure rules and regulations; and

WHEREAS, the City of Waukegan issues bonds to fund capital projects and meet other long term needs as identified; and

WHEREAS, the City of Waukegan wishes to comply with Security Exchange Commission and the Municipal Securities Rulemaking Board rules and regulations; and

WHEREAS, only the City Council has the authority to commit funds and establish policy regarding continuing disclosure.

NOW, THEREFORE, BE IT RESOLVED that the City Council adopts the Continuing Disclosure Policy as presented and as specified in the Policy.


MAYOR WAYNE MOTLEY

ATTEST:


MARIA M. LACOUR, City Clerk

Presented and read at a regular meeting of the Waukegan City Council on the **16th** day of **March, 2015**.

Passed and approved at a regular meeting of the Waukegan City Council on the **16th** day of **March, 2015**.

ROLL CALL: Aldermen Newsome, TenPas, May, Valko, Rivera, Koncan, Moisio, and Beadling

AYES: Aldermen Newsome, TenPas, May, Valko, Rivera, Koncan, Moisio, and Beadling

NAYS: None

ABSENT: Alderman Cunningham

ABSTAIN: None

**City of Waukegan
Continuing Disclosure Policy
March 16, 2015**

- 1) **Authority.** The Waukegan City Council has the authority to establish a Continuing Disclosure Policy and has exercised this authority by the passage of a Resolution.
- 2) **General.** Compliance with Continuing Disclosure requirements relative to the City's current and future bond issues is a necessity for sound financial management and fiscal accountability.
- 3) **Purpose of the Policy.** The City has agreed to the procedures contained in this policy in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The Director of Finance or her designee is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the City, each and everything necessary to comply with the undertakings of the City for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the City remains an "obligated person" under the Rule with respect to the Bonds.
- 4) **Reports Provided.** The City covenants and agrees to provide to the Municipal Securities Rulemaking Board (the "MSRB") for disclosure on the Electronic Municipal Market Access ("EMMA") system, in an electronic format as prescribed by the MSRB, (i) an annual report containing certain financial information and operating data relating to the City and (ii) timely notices of the occurrence of certain enumerated events. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.
 - a) The annual report shall be provided to the MSRB for disclosure on EMMA within 210 days after the close of the City's fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the City and such additional information as noted in the City's various Official Statements under the caption "Continuing Disclosure." Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement shall be included in the annual report and the audited financial statement shall be provided within 30 days after it becomes available.
 - b) The City, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the City to provide any such annual report within the 210 day period and of the occurrence of any of the following events with respect to the Bonds:
 - i) Principal and interest payment delinquencies;
 - ii) Nonpayment 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 Bonds, or other material events affecting the tax-exempt status of the Bonds;
 - vii) Modifications to rights of bondholders, if material;
 - viii) Bond calls, if material;
 - ix) Defeasances;
 - x) Release, substitution or sale of property securing repayment of the Bonds, if material;
 - xi) Rating changes;
 - xii) Tender offers;
 - xiii) Bankruptcy, insolvency, receivership or similar event of the City;
 - xiv) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - xv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- 5) **Amendments to the Policy.** The undertakings contained in this Policy may be amended by the City upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of Rule 15c2-12(b)(5) at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the Bonds. The City will periodically review this policy and update as required by governmental provisions.