

Resolution

Town of Utica, Winnebago County, State of Wisconsin

No. 2025-08

AUTHORIZING THE BORROWING OF FUNDS FOR TOWN ROAD REPAIRS AND TOWN EXPENSES

By the Town Board of the Town of Utica,

WHEREAS, the town has a need for funding to pay Winnebago County for road repairs completed in 2024 and Town expenditures for the remaining of 2025;

WHEREAS, at a Special Town Board meeting held on July 24, 2025, the Town Board of the Town of Utica authorized the Town to borrow money for such expenses.


IT IS HEREBY RESOLVED, that the Town of Utica is authorized to borrow up to \$250,000.00 from Horicon Bank to on such terms as the Town Board determines is desirable;

BE IT FURTHER RESOLVED, that any two of the following: the Town Clerk Jenny Sonnleitner, Town Treasurer Trisha Hunter, or any member of the Town Board: currently being Leonard Schmick and Benjamin Sawall are hereby authorized to sign such documents as may be necessary in order to complete the borrowing process.

Passed, approved and adopted this 24th day of July, 2025.

TOWN OF UTICA


Chairman, Leonard Schmick


Attested by Town Clerk, Jenny Sonnleitner

Spoehr, Smits & Blazel, LLC
ATTORNEYS AT LAW

CONNIE SMITS
JOHN M. BLAZEL

118 N. Pearl Street
Post Office Box 191
Berlin, WI 54923-0191
(920) 361-1777
Fax (920) 361-4447

July 23, 2025

Horicon Bank
Attn: David Kruck

VIA EMAIL: davek@horiconbank.com

RE: Town of Utica

Dear Mr. Kruck:

I represent the Town of Utica and am sending this letter to you at the request of the town. I understand that the town is seeking to borrow \$250,000 from your bank and the bank has requested a letter regarding the tax exempt nature of the interest on the loan. The purpose of the loan is to pay for road improvements that were made in 2024 by Winnebago County and for town expenses incurred in 2025.

The town is a body corporate and politic pursuant to section 60.01 of the Wisconsin Statutes. As such it is a political subdivision of the state. It is a tax exempt entity.

Under 26 IRC section 103, a town borrowing of this nature would generally be tax exempt. That is, the gross income on a local bond would not include interest. Further, the town does not have any unpaid debt and borrowing \$250,000 would not cause the town to exceed its debt limit.

The town will not use the funds in such manner as would qualify the loan as an arbitrage bond under 26 IRC section 148 which could affect the tax exempt nature of the borrowing. Any tax exempt status is dependent upon the lender having the bonds in registered form or the bond not being of a type offered to the public.

Thank you for your consideration.

Sincerely,
SPOEHR, SMITS & BLAZEL, LLC

John M. Blazel

John M. Blazel
JMB/cab
cc: Town Clerk