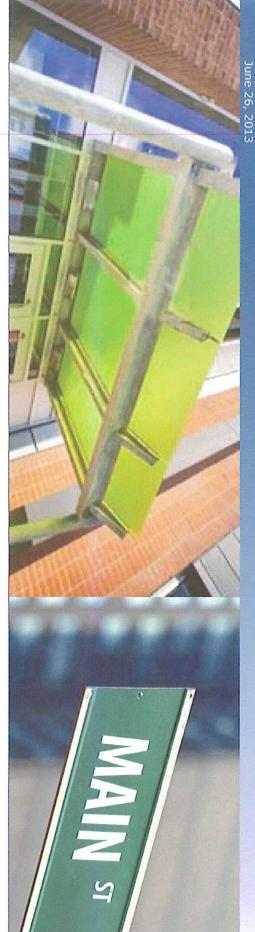


City of Appleton

Summary of Recommended Financing Plan for:

Keith A. Kolb, Managing Director 777 East Wisconsin Avenue Milwaukee, WI 53202 Phone 414.765.3827 Fax 414.298.7354

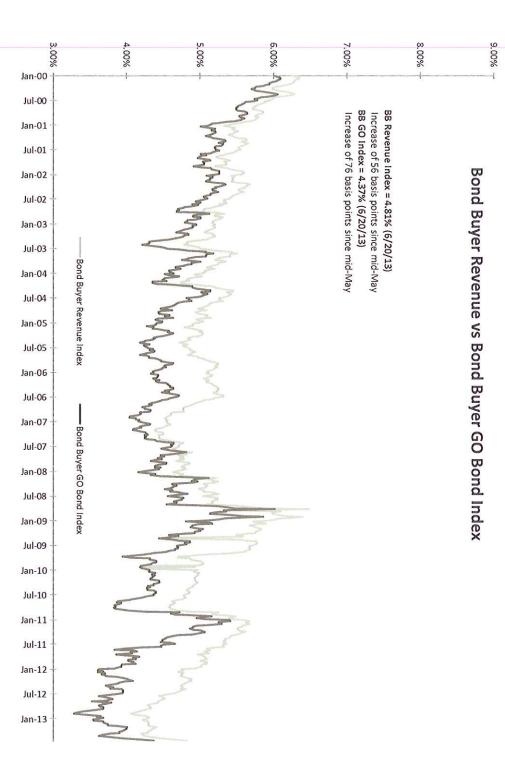






City of Appleton Summary of Recommended Financing Plan

Interest Rate Update





City of Appleton

Summary of Recommended Financing Plan

Storm Water System Revenue Bonds (Attached)

Estimated Amount of Borrowing:

\$6,320,000

Storm Water: Effective July 1, 2013, the annual rate per ERU will increase from \$125 to \$155.

Recommended Term: 20 Years

- The recommended term of the 2013 Project Bonds compliments the existing and planned future debt structure.
- The debt is retired sooner than the useful life of the assets being financed. This will reduce the interest expense

Prepayment Option:

- Bonds maturing in 2024 and thereafter are prepayable in 2023 at par.
- This provides the City with flexibility to refinance or prepay without penalty.

Water does not project a full rate study increase until 2015.

Water System Revenue Bonds (Attached)

Estimated Amount of Borrowing:

\$7,080,000

Recommended Term: 20 Years (see above)

Prepayment Option: Same as Storm Water

oody/o Doting: Docommondod

Moody's Rating: Recommended

Baird, in conjunction with City staff, will prepare the necessary information to Moody's Investors Service for credit analysis of each of the Bond issues.

Schedule

- Finance Committee approves financing plan on June 26, 2013.
- Baird and staff prepare necessary information and submit it to Moody's Investors Service
- Preparations are made for the Bond sale.
- The Bonds are offered to investors.
- Baird underwrites the Bonds and Bond Counsel prepares resolutions for Council action on July 24, 2013.



City of Appleton Summary of Recommended Financing Plan

Example Storm Water System Financing Plan

			2036 2037	2034	2033	2032	2031	202	2028	202	2026	202	2024	202	202	202	2020	201	201	201	201	2015	2014	2013	201				YEAR	LEVY							
(Addit)	2012 N			4 2035 5 2036	153		1 2032		8 2029								0 2021								2 2013					Y YEAR							
(Additional Bonds Test requires 1.2x max annual debt service)	2012 Net Revenues Available for Debt Service:	\$52,878,320				4000	\$320,119	\$319,944	\$1,341,619	\$1,793,750	\$2,192,286	\$2,462,521	\$2,469,413	\$2,720,366	\$2,999,740	\$3,152,018	\$3,502,687	\$3,666,471	\$3,668,099	\$3,659,953	\$3,661,253	\$3,647,246	\$3,659,246	\$3,659,999	\$3,661,396			(F)		ST	EXISTING						
s 1.2x max annual deb	for Debt Service:	\$6,320,000			•	\$475,000	\$455,000	\$415,000	\$395,000	\$380,000	\$365,000	\$350,000	\$335,000	\$320,000	\$310,000	\$295,000	\$285,000	\$275,000	\$265,000	\$255,000	\$245,000	\$235,000	\$230,000	()	*	* *	8.	•	(4/1)	PRINCIPAL	•x		. 2013 Pro		Storm Wa	S.*.)	
t service)	\$4,310,134	\$3,271,283				\$11,281	\$33,369	\$74,175	\$92,400	\$109,363	\$125,194	\$140,038	\$153,825	\$166,925	\$179,525	\$191,625	\$203,225	\$214,425	\$224,894	\$234,644	\$243,713	\$251,819	\$259,375	\$306,965			4.17%	TIC =	(4/1 & 10/1)	INTEREST			(First Interest April 1, 2014) 2013 Projects Financed: \$6,000,000	Dated August 1, 2013	Storm Water System Revenue Bonds	\$6,320,000	2013 BONDS
		\$9,591,283				\$486,281	\$488,369	\$489,175	\$487,400	\$489,363	\$490,194	\$490,038	\$488,825	\$486,925	\$489,525	\$486,625	\$488,225	\$489,425	\$489,894	\$489,644	\$488,713	\$486,819	\$489,375	\$306,965						TOTAL			00,000		le Bonds		
		\$62,469,603				\$486,281	\$808.488	\$809,119	\$1,829,019	\$2,283,113	\$2,682,480	\$2,952,559	\$2,958,238	\$3,207,291	\$3,489,265	\$3,638,643	\$3,990,912	\$4,155,896	\$4,157,993	\$4,149,596	\$4,149,965	\$4,134,065	\$4,148,621	\$3,966,964	\$3,661,396			(Revenue Only)	DEBT	STORM WATER	COMBINED						
	(A)		50 - 000 6 0 -	* 3*	****	8.86	5.22	533	2.36	1.89	1.61	1.46	1.46	1.34	1.24 •	1.18	1.08	1.04	1.04	1.04	1.04	1.04	1.04	1.09	1.18			(2012 Net Revenues)	COVERAGE .	SERVICE .	DEBT .		a a	62 5			
 Future Financings assume \$5,000,000 with annual increase of 3.50% each year All Future Financings structured as 20 Year Level Debt Service 		\$7,134,250			\$358,750	\$360,875	\$362,010	\$362,750	\$361,875	\$360,250	\$363,000	\$360,125	\$361,625	\$362,625	\$363,125	\$363,125	\$362,625	\$361,625	\$360,125	\$363,250	\$361,000	\$363,375	\$259,000						5.00%	Avg. Rate	Estimated	4.000.000	Projects Financed	Revenue Bonds	\$4,440,000		
	ssume \$5,000,000 wit	\$7,134,250		\$358,750	\$360,875	\$362,250	\$362,730	\$361,875	\$360,250	\$363,000	\$360,125	\$361,625	\$362,625	\$363,125	\$363,125	\$362,625	\$361,625	\$360,125	\$363,250	\$361,000	\$363,375	\$259,000							5.00%	Avg. Rate	Estimated	4.000.000	Projects Financed	Kevenue Bonds	\$4,440,000		FU
Debt Service	th annual increase of	\$15.125.167		\$765,250 \$768,750	\$764,875	\$767,875	\$769.375	\$767,875	\$770,000	\$765,750	\$765,125	\$768,375	\$765,500	\$766,500	\$766,500	\$765,500	\$768,625	\$765,875	\$767,250	\$767,875	\$548,917								5,00%	Avg. Rate	Estimated	8.500.000	Projects Financed	Kevenue Bonds	\$9,410,000		FUTURE FINANCINGS
	3.50% each year.	\$11,574,500	\$584,250	\$588,750 \$587,125	\$589,125	\$588,250	\$585.135	\$588,625	\$588,375	\$587,125	\$584,875	\$586,750	\$587,875	\$588,250	\$587,875	\$586,750	\$584,875	\$587,375	\$584,250	\$420,000									5.00%	Avg. Rate	Estimated	6.500.000	Projects Financed	Kevenue Bonds	\$7,200,000		
		\$104,529,522	\$10,526,266 \$11,186,131	\$9,049,906 \$9,774,653	\$8,352,084	\$7,676,288	\$7,000,70	\$5,780,871	\$5,192,991	\$4,622,093	\$4,073,037	\$3,540,857	\$3,025,465	\$2,531,730	\$2,054,691	\$1,589,315	\$1,140,401	\$707.875	\$291,667								ii,	€			Estimated			FINANCINGS	FUTURE		
		\$207,967,292	\$11,110,516 \$11,186,131	\$10,762,656 \$11,130,528	\$10,425,709	\$10,241,820	89 911 813	\$8,671,115	\$9,102,510	\$8,981,330	\$8,828,642	\$8,570,290	\$8.061.328	\$7.819.521	\$7,624,581	\$7,305,958	\$7,209,063	\$6,938,771	\$6,524,535	\$6,061,721	\$5,423,257	\$4,756,440	\$4,407,621	\$3,966,964	\$3,661,396			9	DEBT	STORM WATER	COMBINED						
	\$10,390,303	Average =	\$14,443,671 \$14,541,970	\$13,991,453	\$13,553,421	\$13,314,366	\$12,885,097	\$11,272,449	\$11,833,263	\$11,675,730	\$11,477,234	\$11,141,378	\$10,479,726	\$10,165,377	\$9,911,955	\$9,497,745	\$9,371,781	\$9,020,403	\$8,481,895	\$7,880,238	\$7,050,234	\$6,183,372	\$5,729,908	\$5,157,053	\$4,759,815						COVERAGE	1.3X	NEEDED FOR) U			
	39,390,490	Average =	\$13,332,619 \$13,423,357	\$12,915,188 \$13,356,634	\$12,510,850	\$12,290,184	\$11,893,936	\$10,405,338	\$10,923,012	\$10,777,597	\$10,594,370	\$10,284,348	\$9,673,593	\$9,383,425	\$9,149,497	\$8,767,149	\$8,650,875	\$8,326,526	\$7,829,442	\$7,274,066	\$6,507,908	\$5,707,728	\$5,289,146	\$4,760,357	\$4,393,676						COVERAGE	1.2X	NEEDED FOR	N I			



City of Appleton Summary of Recommended Financing Plan

Example Water System Financing Plan

			2037	2036	2034	2033	2032	2031	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013				DUE	YEAR																																																									
		\$95,620,910 *					\$172,763	\$408,036	\$407,548	\$411,366 •	\$1,658,023	\$1,655,633	\$2,686,815	\$2,840,231	\$3,133,738	\$3,136,869	\$7,278,550	\$7,285,206	\$7,596,044	\$7,598,850	\$8,090,538	\$8,104,231	\$8,092,506	\$8,095,069 *	\$8,530,044	\$8,438,853	* *	(constitute diny)	(Revenue Only)	DEBT .	WATER	NET EXISTING .	* *		e ::#0																																																					
(Additional Bonds		\$7,080,000				\$535,000	\$510,000	\$485,000	\$465,000	\$445,000	\$425,000	\$405,000	\$390,000	\$375,000	\$360,000	\$345,000	\$335,000	\$320,000	\$310,000	\$295,000	\$285,000	\$275,000	\$265,000	\$255,000					89	(1/1)	PRINCIPAL	1	(First In	Da	Water S																																																					
2012 Not Revenues Available for Debt Service: \$13. (Additional Bonds Test requires 11x max annual debt service)		\$3,591,548		\$12,706			\$12,706			\$12,70b			\$12,706			\$12,700			\$12,700			<u>.</u>						1						į			÷ 1			\$12,706			\$12,706			\$12,700			\$12,706			\$37,525 \$12,706			\$61,156 \$37,525 \$12,706		\$83,138 \$61,156 \$37,525 \$12,706		\$103,613 \$83,138 \$61,156 \$37,525		\$103,613	\$122,656	\$140,294	\$156,798	\$172,195	\$186,895	\$200,995	\$214,595	\$227,695	\$240,295	\$252,026	\$262,901	\$273,058	\$282,176	\$290,626	\$270,206			4.19%	TIC =	(1/1 & 7/1)	NTEREST		(First Interest January 1, 2014)	Dated August 1, 2013	Water System Revenue Bonds	\$7,080,000	2013 BONDS
		\$10,671,548				\$547,706	\$547,525	\$546,156	\$548,138	\$548,613	\$547,656	\$545,294	\$546,798	\$547,195	\$546,895	\$545,995	\$549,595	\$547,695	\$550,295	\$547,026	\$547,901	\$548,058	\$547,176	\$545,626	\$270,206						TOTAL		213 1, 2014) 17,000,000	Bonds																																																						
\$13,350,569 'service)		\$106,292,459				\$547,706	\$720,288	\$954,193	\$955,685	\$959,979	\$2,205,679	\$2,200,926	\$3,233,613	\$3,387,426	\$3,680,633	\$3,682,864	\$7,828,145	\$7,832,901	\$8,146,339	\$8,145,876	\$8,638,439	\$8,652,289	\$8,639,683	\$8,640,695	\$8,800,250	\$8,438,853		(resource City)	(Revenue Only)	DEBT	WATER	COMBINED																																																								
(A) Future Financings assume 3.50% increase over 2017 financing needs. All Future Financings structured as 20-Year Level Debt Service						24.38	18.54	13.99	13.97	13.91	6.05	6.07	4.13	3.94	3.63	3.63	1.71	1.70	1.64	1.64	1.55	1.54	1.55	1.55	1.52	1.58		(mark part to manufacture)	(2012 Net Revenues)	COVERAGE	SERVICE	DERT																																																								
		\$8,031,375	* * *		\$410,000	\$409,500	\$408,000	\$410,625	\$407,375	\$408,250	\$408,375	\$407,750	\$411,500	\$409,625	\$407,000	\$408,750	\$410,000	\$410,750	\$411,000	\$410,750	\$410,000	\$408,750	\$412,125	\$251,250	•	*			*	5.00%	Avg. Rate	Estimated	Projects Financed:	Dated 7/1/14	\$5,025,000	3041																																																				
Future Financings assume 3.50% increase over 2011 All Future Financings structured as 20-Year Level Debt Service		\$8,210,875		\$ 1000,000 O	\$420,250	\$419,250	\$417,250	\$419,375	\$420,750	\$416,250	\$415,875	\$419,875	\$418,250	\$415,875	\$417,875	\$419,375	\$420,375	\$415,750	\$420,625	\$420,125	\$419,125	\$417,625	\$256,750							5.00%	Avg. Rate	Estimated	Projects Financed:	Dated 7/1/15	\$5,135,000		FUT																																																			
rease over 2017 fin: evel Debt Service		\$6,065,125	120000000000000000000000000000000000000	\$307,500	\$311,125	\$309,500	\$307,125	\$309,125	\$310,625	\$311,625	\$307,000	\$306,750	\$311,125	\$310,125	\$308,625	\$306,625	\$309,250	\$311,625	\$308,625	\$310,250	\$311,625	\$189,750								5.00%	Avg. Rate	Estimated	Projects Financed:	Dated 7/1/16	\$3,795,000		FUTURE FINANCINGS																																																			
ancing needs.		\$4,468,375	\$230,625	\$226,500	\$226,500	\$225,750	\$229,625	\$228,125	\$226,125	\$228,750	\$226,000	\$227,875	\$229,500	\$230,875	\$226,875	\$227,500	\$227,875	\$228,000	\$227,875	\$227,500	\$139,750									5.00%	Avg. Rate	Estimated	Projects Financed:	Dated 7/1/17	\$2,795,000		GS																																																			
		\$53,394,372 *	\$6,043,357	\$5,612,492	\$4,793,739	\$4,405,882	\$4,027,266	\$3,662,953	\$3,312,960	\$2,972,178	\$2,645,669	\$2,328,327	\$2,020,092	\$1,720,904	\$1,435,834	\$1,159,780	\$892,685	\$634,498	\$385,166	\$144,641			1 2					3	(4)	5.00%	Avg. Rate	Estimated	FINANCINGS	FUTURE .																																																						
		\$186,462,580	\$6,273,982	\$6,146,492	\$6,161,614	\$6,317,588	\$6,109,553	\$5,984,396	\$5,633,520	\$5,297,032	\$6,208,598	\$5,891,504	\$6,624,079	\$6,474,831	\$6,476,842	\$6,204,893	\$10,088,330	\$9,833,524	\$9,899,630	\$9,659,143	\$9,918,939	\$9,668,414	\$9,308,558	\$8,891,945	\$8,800,250	\$8,438,853		(ixescine City)	(Revenue Only)	SERVICE	DEBT	COMBINED			× 1.40																																																					
	\$9,696,054	Average =	\$8,156,176	\$7,990,440	\$8,010,099	\$8,212,865	\$7,942,419	\$7,779,714	\$7,323,576	\$6,886,141	\$8,071,178	\$7,658,955	\$8,611,303	\$8,417,280	\$8,419,895	\$8,066,361	\$13,114,829	\$12,783,581	\$12,869,519	\$12,556,885	\$12,894,620	\$12,568,938	\$12,101,125	\$11,559,529	\$11,440,324	\$10,970,509				COVERAGE	1.3X	NEEDED FOR	DEVENIES NET																																																							
	\$8,204,354	Average =	\$6,901,380	\$6.761.141	\$6,777,776	\$6,949,347	\$6,720,509	\$6,582,835	\$6,196,872	\$5,826,735	\$6,829,458	\$6,480,654	\$7,286,487	\$7,122,314	\$7,124,526	\$6,825,383	\$11,097,163	\$10,816,876	\$10,889,593	\$10,625,057	\$10,910,833	\$10,635,255	\$10,239,413	\$9,781,140	\$9,680,275	\$9,282,738				COVERAGE	1.1X	NEEDED FOR	D NET IN																																																							