

The logo for BAIRD is a blue parallelogram tilted to the right, containing the word "BAIRD" in white, bold, serif capital letters.

BAIRD

City of Appleton

Finance Committee Meeting

July 22, 2024

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City of Appleton

FINANCE COMMITTEE MEETING

July 22, 2024



Timeline

- Finance Committee considers plan of finance July 22, 2024
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- Notes/Bonds Pricing August 7, 2024
- Special Finance Committee considers award resolutions August 7, 2024
- Common Council meeting to award Notes/Bonds August 7, 2024
- Closing (funds available) August 28, 2024



Borrowing Amount / Structure / Purpose – General Obligation Promissory Notes, Series 2024

Amount:	\$13,500,000
Issue:	General Obligation Promissory Notes, Series 2024
Purpose:	2024 CIP: \$8,777,300 TID #13: \$4,721,700
Structure:	Matures April 1, 2025-2034
First Interest:	April 1, 2025
Callable:	April 1, 2031
Estimated Interest Rate:	3.84%



Example Financing Plan – General Obligation Promissory Notes, Series 2024

		POS 2024 NOTES						
		\$13,500,000						
		General Obligation Promissory Notes, Series 2024						
		August 28, 2024						
		(First Interest April 1, 2025)						
		2024 CIP Projects: \$8,777,300; TID #13: \$4,721,700						
LEVY YEAR	YEAR DUE	EXISTING LEVY SUPPORTED DEBT SERVICE ^(A)	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1) TIC= 3.84%	LESS: HYPOTHETICAL BID PREMIUM	TOTAL	TOTAL EXISTING & 2024 DEBT SERVICE (Lewy)	YEAR DUE
2023	2024	\$13,794,989					\$13,794,989	2024
2024	2025	\$13,795,384	\$655,000	\$730,538	(\$883,736)	\$501,802	\$13,795,384	2025
2025	2026	\$13,381,625	\$420,000	\$640,945		\$1,060,945	\$13,796,906	2026
2026	2027	\$12,942,750	\$420,000	\$619,945		\$1,039,945	\$13,406,678	2027
2027	2028	\$12,003,688	\$980,000	\$584,945		\$1,564,945	\$12,997,740	2028
2028	2029	\$10,503,000	\$1,305,000	\$527,820		\$1,832,820	\$11,761,053	2029
2029	2030	\$9,010,475	\$1,750,000	\$451,445		\$2,201,445	\$10,639,403	2030
2030	2031	\$6,299,900	\$1,840,000	\$361,695		\$2,201,695	\$7,927,453	2031
2031	2032	\$4,469,100	\$1,940,000	\$265,740		\$2,205,740	\$6,100,701	2032
2032	2033	\$2,769,300	\$2,040,000	\$163,255		\$2,203,255	\$4,400,068	2033
2033	2034		\$2,150,000	\$55,363		\$2,205,363	\$1,630,943	2034
		\$98,970,211	\$13,500,000	\$4,401,690	(\$883,736)	\$17,017,954	\$110,251,315	

(A) Net of bid premium from the 2023 Notes.



Debt Service Allocation – General Obligation Promissory Notes, Series 2024

2024 DEBT SERVICE ALLOCATION			
YEAR	CIP	TID #13	YEAR
DUE	(Lewy)	(TID Supported)	DUE
2024	\$0	\$0	2024
2025	\$0	\$572,199	2025
2026	\$415,281	\$575,268	2026
2027	\$463,928	\$576,018	2027
2028	\$994,053	\$570,893	2028
2029	\$1,258,053	\$574,768	2029
2030	\$1,628,928	\$572,518	2030
2031	\$1,627,553	\$574,143	2031
2032	\$1,631,601	\$574,139	2032
2033	\$1,630,768	\$572,488	2033
2034	\$1,630,943	\$574,420	2034
	<u>\$11,281,104</u>	<u>\$5,736,850</u>	



Potential Future Borrowing Debt Service – General Obligation

Periods of level payments are boxed

YEAR DUE	TOTAL EXISTING & 2024 NOTES DEBT SERVICE (Levy)	POTENTIAL FUTURE BORROWING DEBT SERVICE				COMBINED G.O. DEBT SERVICE (Levy)	YEAR DUE
		CIP BORROWINGS ^{(B)(C)} (Levy)	2026 ^{(B)(C)}	2028 ^{(B)(C)}	2030 ^{(B)(C)}		
2024	\$13,794,989	\$0				\$13,794,989	2024
2025	\$13,795,384	\$0				\$13,795,384	2025
2026	\$13,796,906	\$0				\$13,796,906	2026
2027	\$13,406,678	\$359,575	\$380,217			\$14,146,469	2027
2028	\$12,997,740	\$770,639	\$376,900			\$14,145,279	2028
2029	\$11,761,053	\$1,251,775	\$377,713	\$756,097		\$14,146,637	2029
2030	\$10,639,403	\$2,372,450	\$378,150	\$756,723		\$14,146,725	2030
2031	\$7,927,453	\$4,746,928	\$378,213	\$754,310	\$335,500	\$14,142,403	2031
2032	\$6,100,701	\$6,573,271	\$377,900	\$756,285	\$336,538	\$14,144,695	2032
2033	\$4,400,068	\$8,272,271	\$381,750	\$752,648	\$338,838	\$14,145,573	2033
2034	\$1,630,943	\$11,042,777	\$381,275	\$753,118	\$335,875	\$14,143,987	2034

(B) This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.

(C) Assumes future borrowings, as described below, using estimated interest rates of approximately 3.00%:

Potential Future Borrowings				
	General Purposes	2026	2028	2030
2025	\$9,000,000			
2026	\$6,350,000	\$4,500,000		
2027	\$10,500,000			
2028	\$8,500,000		\$9,000,000	
2029	\$9,500,000			
2030	\$7,500,000			\$4,000,000
2031	\$6,500,000			
2032	\$6,500,000			
2033	\$6,500,000			
2034	\$6,500,000			

City of Appleton

FINANCE COMMITTEE MEETING

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Total Combined Debt Service



Note: Includes existing and hypothetical future issues.

City of Appleton

FINANCE COMMITTEE MEETING

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Amount / Structure / Purpose – Sewerage System Revenue Bonds, Series 2024

Amount:	\$12,910,000
Issue:	Sewerage System Revenue Bonds, Series 2024
Purpose:	\$12,550,000 - Sewer System Projects
Structure:	Matures May 1, 2026-2044
First Interest:	May 1, 2025
Callable:	May 1, 2032
Estimated Interest Rate:	4.44%



Example Financing Plan – Sewerage System Revenue Bonds, Series 2024

PRELIMINARY						
\$12,910,000						
Sewerage System Revenue Bonds, Series 2024						
Dated August 28, 2024						
(First Interest May 1, 2025)						
2024 Projects Financed: \$12,550,000						
YEAR DUE	EXISTING SEWERAGE SYSTEM DEBT (Revenue Only)	PRINCIPAL (5/1)	INTEREST (5/1 & 11/1) TIC= 4.44%	TOTAL	COMBINED SEWERAGE SYSTEM DEBT (Revenue Only)	DEBT SERVICE COVERAGE (2023 Net Revenues)
2024	\$3,102,763				\$3,102,763	2.10
2025	\$3,091,188		\$751,794	\$751,794	\$3,842,982	1.70
2026	\$3,095,538	\$200,000	\$634,825	\$834,825	\$3,930,363	1.66
2027	\$2,868,488	\$440,000	\$618,825	\$1,058,825	\$3,927,313	1.66
2028	\$2,698,863	\$465,000	\$596,200	\$1,061,200	\$3,760,063	1.74
2029	\$2,393,863	\$490,000	\$572,325	\$1,062,325	\$3,456,188	1.89
2030	\$2,398,288	\$515,000	\$547,200	\$1,062,200	\$3,460,488	1.89
2031	\$2,099,488	\$540,000	\$520,825	\$1,060,825	\$3,160,313	2.06
2032	\$1,829,188	\$570,000	\$493,075	\$1,063,075	\$2,892,263	2.26
2033	\$1,824,113	\$600,000	\$463,075	\$1,063,075	\$2,887,188	2.26
2034	\$1,825,413	\$630,000	\$430,788	\$1,060,788	\$2,886,200	2.26
2035	\$1,830,138	\$665,000	\$396,794	\$1,061,794	\$2,891,931	2.26
2036	\$1,828,288	\$700,000	\$360,963	\$1,060,963	\$2,889,250	2.26
2037	\$1,830,838	\$735,000	\$323,294	\$1,058,294	\$2,889,131	2.26
2038	\$1,827,763	\$775,000	\$283,656	\$1,058,656	\$2,886,419	2.26
2039	\$1,832,256	\$820,000	\$241,788	\$1,061,788	\$2,894,044	2.25
2040	\$1,829,244	\$865,000	\$197,556	\$1,062,556	\$2,891,800	2.26
2041	\$1,324,325	\$910,000	\$150,963	\$1,060,963	\$2,385,288	2.74
2042	\$873,169	\$955,000	\$106,781	\$1,061,781	\$1,934,950	3.37
2043		\$995,000	\$65,344	\$1,060,344	\$1,060,344	6.15
2044		\$1,040,000	\$22,100	\$1,062,100	\$1,062,100	6.14
	\$40,403,206	\$12,910,000	\$7,778,169	\$20,688,169	\$61,091,376	

2023 Audited Net Revenues Available for Debt Service: \$6,525,132

Additional Bonds Test: Net Revenues at least 1.20 times the maximum annual combined principal and interest requirement annual combined principal and interest requirement.