

The logo for BAIRD is a blue parallelogram with the word "BAIRD" in white, serif, uppercase letters.

# City of Appleton

Finance Committee Meeting

July 21, 2025

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# City of Appleton

## FINANCE COMMITTEE MEETING

July 21, 2025



### Timeline

- Finance Committee considers plan of finance / parameters resolutions .....July 21, 2025
- City Council considers plan of finance / parameters resolutions .....August 6, 2025
- A Parameters Resolution defines a narrow set of parameters for the issuance of the Notes/Bonds. Provides additional flexibility to lock-in long-term interest rates between Council meeting dates and when timing is optimal.*
  - Authority for final sign-off on the sale of the Notes/Bonds, within designated parameters, is delegated to the Mayor, Finance Director or City Clerk (the "Authorized Officers").
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- Tentative Sale (target date to finalize terms and interest rates) ..... September 9, 2025
- Designated parameters established in Parameters Resolution are met*
- Closing (funds available)..... October 1, 2025



## Borrowing Amount / Structure / Purpose – General Obligation Promissory Notes, Series 2025

<b>Estimated Size:</b>	\$10,865,000
<b>Issue:</b>	General Obligation Promissory Notes, Series 2025
<b>Purpose:</b>	2025 CIP: \$10,862,791
<b>Structure:</b>	Matures April 1, 2026-2035
<b>First Interest:</b>	April 1, 2026
<b>Callable:</b>	April 1, 2034
<b>Estimated Interest Rate:</b>	3.81%

## Summary of Parameters Resolution

<b>Not to Exceed Par:</b>	\$10,865,000
<b>Not to Exceed Interest Rate (TIC%):</b>	4.50%
<b>Maturity Schedule:</b>	April 1, 2026-2035
<b>Per maturity increase/decrease:</b>	\$1,100,000



Example Financing Plan – General Obligation Promissory Notes, Series 2025

			PRELIMINARY 2025 NOTES					
			<b>\$10,865,000</b>					
			General Obligation Promissory Notes, Series 2025					
			October 1, 2025					
			(First Interest April 1, 2026)					
			2025 CIP Projects: \$10,862,791					
LEVY YEAR	YEAR DUE	EXISTING LEVY SUPPORTED DEBT SERVICE <sup>(A)</sup>	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1) TIC= 3.81%	LESS: HYPOTHETICAL BID PREMIUM	TOTAL	TOTAL EXISTING & 2025 DEBT SERVICE (Lewy)	YEAR DUE
2024	2025	\$13,813,034					\$13,813,034	2025
2025	2026	\$13,813,945	\$200,000	\$542,930	(\$742,930)	\$0	\$13,813,945	2026
2026	2027	\$13,404,525	\$100,000	\$535,430	(\$59,382)	\$576,048	\$13,980,573	2027
2027	2028	\$13,054,088	\$100,000	\$530,430		\$630,430	\$13,684,518	2028
2028	2029	\$11,814,400	\$100,000	\$525,430		\$625,430	\$12,439,830	2029
2029	2030	\$10,650,750	\$700,000	\$505,430		\$1,205,430	\$11,856,180	2030
2030	2031	\$7,943,025	\$965,000	\$463,805		\$1,428,805	\$9,371,830	2031
2031	2032	\$6,107,050	\$2,015,000	\$389,305		\$2,404,305	\$8,511,355	2032
2032	2033	\$4,408,575	\$2,120,000	\$285,930		\$2,405,930	\$6,814,505	2033
2033	2034	\$1,568,250	\$2,225,000	\$177,305		\$2,402,305	\$3,970,555	2034
2034	2035		\$2,340,000	\$60,840		\$2,400,840	\$2,400,840	2035
		<u>\$96,577,642</u>	<u>\$10,865,000</u>	<u>\$4,016,835</u>	<u>(\$802,312)</u>	<u>\$14,079,523</u>	<u>\$110,657,165</u>	

(A) Net of bid premium from the 2023 and 2024 Notes. After re-allocation of 2023 Notes issue.



Amount / Structure / Purpose – Sewerage System Revenue Bonds, Series 2025

<b>Estimated Size:</b>	\$4,530,000
<b>Issue:</b>	Sewerage System Revenue Bonds, Series 2025
<b>Purpose:</b>	\$4,352,875 Sewerage System Projects
<b>Structure:</b>	Matures May 1, 2027-2045
<b>First Interest:</b>	May 1, 2026
<b>Callable:</b>	May 1, 2035
<b>Estimated Interest Rate:</b>	4.73%

Summary of Parameters Resolution

<b>Not to Exceed Par:</b>	\$4,725,000
<b>Not to Exceed Interest Rate (TIC%):</b>	5.25%
<b>Maturity Schedule:</b>	May 1, 2026-2045
<b>Per maturity increase/decrease:</b>	\$500,000



Example Financing Plan – Sewerage System Revenue Bonds, Series 2025

PRELIMINARY							
\$4,530,000							
Sewerage System Revenue Bonds, Series 2025							
Dated October 1, 2025							
(First Interest May 1, 2026)							
2025 Projects Financed: \$4,352,875							
LEVY YEAR	YEAR DUE	EXISTING SEWERAGE SYSTEM DEBT (Revenue Only)	PRINCIPAL (5/1)	INTEREST (5/1 & 11/1) TIC= 4.73%	TOTAL	COMBINED SEWERAGE SYSTEM DEBT (Revenue Only)	DEBT SERVICE COVERAGE (2023 Net Revenues)
2024	2025	\$3,779,620				\$3,779,620	1.73
2025	2026	\$3,876,438		\$251,025	\$251,025	\$4,127,462	1.58
2026	2027	\$3,873,388	\$60,000	\$230,215	\$290,215	\$4,163,603	1.57
2027	2028	\$3,706,138	\$235,000	\$222,840	\$457,840	\$4,163,978	1.57
2028	2029	\$3,397,388	\$160,000	\$212,965	\$372,965	\$3,770,353	1.73
2029	2030	\$3,401,938	\$170,000	\$204,715	\$374,715	\$3,776,653	1.73
2030	2031	\$3,106,888	\$175,000	\$196,090	\$371,090	\$3,477,978	1.88
2031	2032	\$2,833,963	\$185,000	\$187,090	\$372,090	\$3,206,053	2.04
2032	2033	\$2,829,888	\$195,000	\$177,590	\$372,590	\$3,202,478	2.04
2033	2034	\$2,830,688	\$205,000	\$167,590	\$372,590	\$3,203,278	2.04
2034	2035	\$2,838,288	\$215,000	\$157,090	\$372,090	\$3,210,378	2.03
2035	2036	\$2,832,688	\$230,000	\$145,620	\$375,620	\$3,208,308	2.03
2036	2037	\$2,834,863	\$240,000	\$133,165	\$373,165	\$3,208,028	2.03
2037	2038	\$2,834,538	\$255,000	\$120,048	\$375,048	\$3,209,585	2.03
2038	2039	\$2,839,781	\$270,000	\$106,135	\$376,135	\$3,215,916	2.03
2039	2040	\$2,834,844	\$280,000	\$91,560	\$371,560	\$3,206,404	2.04
2040	2041	\$2,330,625	\$295,000	\$76,323	\$371,323	\$2,701,948	2.41
2041	2042	\$1,878,769	\$315,000	\$60,158	\$375,158	\$2,253,926	2.90
2042	2043	\$1,008,400	\$330,000	\$43,065	\$373,065	\$1,381,465	4.72
2043	2044	\$1,004,700	\$350,000	\$25,920	\$375,920	\$1,380,620	4.73
2044	2045		\$365,000	\$8,760	\$373,760	\$373,760	17.46
		\$56,873,826	\$4,530,000	\$2,817,962	\$7,347,962	\$64,221,788	

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.



Amount / Structure / Purpose – Water System Revenue Bonds, Series 2025

<b>Estimated Size:</b>	\$8,485,000
<b>Issue:</b>	Water System Revenue Bonds, Series 2025
<b>Purpose:</b>	<ul style="list-style-type: none"> <li>• \$2,941,000 – Water System Projects</li> <li>• Current Refunding of 2013 &amp; 2014 Revenue Bonds</li> </ul>
<b>Structure:</b>	Matures January 1, 2026-2045
<b>First Interest:</b>	January 1, 2026
<b>Callable:</b>	January 1, 2035
<b>Estimated Interest Rate:</b>	4.31%
<b>Estimated Present Value Savings:</b>	\$136,130

Summary of Parameters Resolution

<b>Not to Exceed Par:</b>	\$8,975,000
<b>Not to Exceed Interest Rate (TIC%):</b>	5.25%
<b>Maturity Schedule:</b>	January 1, 2026-2045
<b>Per maturity increase/decrease:</b>	\$1,000,000 - Ability to remove current refunding(s)



Example Financing Plan – Water System Revenue Bonds, Series 2025

PRELIMINARY							
\$2,870,000							
Water System Revenue Bonds, Series 2025							
Dated October 1, 2025							
(First Interest January 1, 2026)							
2025 Projects Financed: \$2,941,000							
LEVY YEAR	YEAR DUE	EXISTING WATER DEBT (Revenue Only) (A)	PRINCIPAL (1/1)	INTEREST (1/1 & 7/1) TIC= 4.75%	TOTAL	COMBINED WATER DEBT (Revenue Only)	DEBT SERVICE COVERAGE (2023 Net Revenues)
2024	2025	\$4,853,254				\$4,853,254	2.31
2025	2026	\$4,841,324		\$110,111	\$110,111	\$4,951,435	2.26
2026	2027	\$3,923,041	\$90,000	\$144,565	\$234,565	\$4,157,606	2.69
2027	2028	\$3,921,669	\$95,000	\$139,940	\$234,940	\$4,156,609	2.69
2028	2029	\$2,753,625	\$100,000	\$135,065	\$235,065	\$2,988,690	3.74
2029	2030	\$2,744,406	\$105,000	\$129,940	\$234,940	\$2,979,346	3.76
2030	2031	\$2,749,475	\$115,000	\$124,440	\$239,440	\$2,988,915	3.74
2031	2032	\$2,536,694	\$120,000	\$118,565	\$238,565	\$2,775,259	4.03
2032	2033	\$2,367,669	\$125,000	\$112,440	\$237,440	\$2,605,109	4.30
2033	2034	\$1,826,606	\$130,000	\$106,065	\$236,065	\$2,062,671	5.43
2034	2035	\$1,540,044	\$135,000	\$99,440	\$234,440	\$1,774,484	6.31
2035	2036	\$1,146,319	\$145,000	\$92,223	\$237,223	\$1,383,541	8.09
2036	2037	\$897,419	\$150,000	\$84,405	\$234,405	\$1,131,824	9.89
2037	2038	\$898,719	\$160,000	\$76,190	\$236,190	\$1,134,909	9.86
2038	2039	\$901,341	\$170,000	\$67,445	\$237,445	\$1,138,786	9.83
2039	2040	\$898,328	\$180,000	\$58,170	\$238,170	\$1,136,498	9.85
2040	2041	\$439,622	\$190,000	\$48,365	\$238,365	\$677,987	16.51
2041	2042		\$200,000	\$38,030	\$238,030	\$238,030	47.02
2042	2043		\$210,000	\$27,165	\$237,165	\$237,165	47.19
2043	2044		\$220,000	\$16,320	\$236,320	\$236,320	47.36
2044	2045		\$230,000	\$5,520	\$235,520	\$235,520	47.52
		\$39,239,553	\$2,870,000	\$1,734,404	\$4,604,404	\$43,843,957	
2023 Audited Net Revenues Available for Debt Service:						\$11,191,874	
(Additional Bonds Test requires 1.1x max annual debt service)							

(A) After hypothetical current refunding of 2013 and 2014 Bonds.





Illustration of Hypothetical Refunding – Water System Revenue Bonds, Series 2025 (Before)

<b>BEFORE REFINANCING</b>								
<b>Calendar Year</b>	<b>\$7,180,000 Water Sys. Rev. Bonds, 2013 Dated August 7, 2013</b>			<b>\$3,850,000 Water Sys. Rev. Bonds, 2014 Dated September 10, 2014</b>				<b>Calendar Year</b>
	PRINCIPAL (1/1)	RATE	INTEREST (1/1 & 7/1)	PRINCIPAL (1/1)	RATE	INTEREST (1/1 & 7/1)	TOTAL	
2025	<b>\$380,000</b>	4.000%	\$170,150	<b>\$195,000</b>	4.000%	\$89,500	\$284,500	2025
2026	<b>\$395,000</b>	4.250% / 5.000%	\$153,969	<b>\$200,000</b>	4.000%	\$81,600	\$281,600	2026
2027	<b>\$410,000</b>	4.250% / 5.000%	\$136,488	<b>\$210,000</b>	4.000%	\$73,400	\$283,400	2027
2028	<b>\$430,000</b>	4.250% / 5.000%	\$118,263	<b>\$220,000</b>	4.000%	\$64,800	\$284,800	2028
2029	<b>\$450,000</b>	4.375%	\$99,094	<b>\$230,000</b>	4.000%	\$55,800	\$285,800	2029
2030	<b>\$470,000</b>	4.375%	\$78,969	<b>\$235,000</b>	4.000%	\$46,500	\$281,500	2030
2031	<b>\$490,000</b>	4.375%	\$57,969	<b>\$245,000</b>	4.000%	\$36,900	\$281,900	2031
2032	<b>\$515,000</b>	4.500%	\$35,663	<b>\$255,000</b>	4.000%	\$26,900	\$281,900	2032
2033	<b>\$535,000</b>	4.500%	\$12,038	<b>\$265,000</b>	4.000%	\$16,500	\$281,500	2033
2034				<b>\$280,000</b>	4.000%	\$5,600	\$285,600	2034
	<u>\$4,075,000</u>		<u>\$862,600</u>	<u>\$2,335,000</u>		<u>\$497,500</u>	<u>\$2,832,500</u>	<u>\$7,770,100</u>

Maturities callable 1/1/2023  
or any date thereafter.

Maturities callable 1/1/2024  
or any date thereafter.

	CALLABLE MATURITIES
X.XXX%	TERM BONDS

# Illustration of Hypothetical Refunding<sup>(1)</sup> – Water System Revenue Bonds, Series 2025 (After)

AFTER REFINANCING									
Calendar Year	\$7,180,000 Water Sys. Rev. Bonds, 2013 Dated August 7, 2013		\$3,850,000 Water Sys. Rev. Bonds, 2014 Dated September 10, 2014		\$5,615,000 Water Sys. Rev. Ref. Bonds (CR) Dated October 1, 2025 <sup>(1)</sup>		TOTAL NEW DEBT SERVICE	POTENTIAL DEBT SERVICE SAVINGS	Calendar Year
	PRINCIPAL (1/1)	INTEREST (1/1 & 7/1)	PRINCIPAL (1/1)	INTEREST (1/1 & 7/1)	PRINCIPAL (1/1)	INTEREST (1/1 & 7/1) TIC= 3.52%			
2025	\$380,000	\$170,150	\$195,000	\$89,500			\$834,650	\$0	2025
2026	***		***		\$615,000	\$195,188	\$810,188	\$20,381	2026
2027	***		***		\$580,000	\$235,500	\$815,500	\$14,388	2027
2028	***		***		\$610,000	\$205,750	\$815,750	\$17,313	2028
2029	***		***		\$640,000	\$174,500	\$814,500	\$20,394	2029
2030	***		***		\$670,000	\$141,750	\$811,750	\$18,719	2030
2031	***		***		\$705,000	\$107,375	\$812,375	\$17,494	2031
2032	***		***		\$740,000	\$71,250	\$811,250	\$21,313	2032
2033	***		***		\$780,000	\$33,250	\$813,250	\$15,288	2033
2034	***		***		\$275,000	\$6,875	\$281,875	\$3,725	2034
	\$380,000	\$170,150	\$195,000	\$89,500	\$5,615,000	\$1,171,438	\$7,621,088	\$149,013	
	***	REFINANCED WITH 2025 ISSUE.							

(1) This illustration represents a mathematical calculation of potential interest cost savings (cost), assuming hypothetical rates based on current rates for municipal bonds as of 6/26/25 +0bps. Actual rates may vary. If actual rates are higher than those assumed, the interest cost savings would be lower. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a refinancing or otherwise to be considered as advice.

ROUNDING AMOUNT..... \$4,968  
POTENTIAL GROSS SAVINGS..... \$153,981

(2) Present value calculated using the All Inclusive Cost (AIC) of 3.64% as the discount rate.

<sup>(2)</sup> POTENTIAL PRESENT VALUE SAVINGS \$..... \$136,130  
POTENTIAL PRESENT VALUE SAVINGS %..... 2.333%

Interest Rate Sensitivity		
Change in Rates	Est. PV % Savings	Est. PV \$ Savings
-0.30%	3.465%	\$202,193
-0.20%	3.089%	\$180,252
-0.10%	2.711%	\$158,211
+0.10%	1.955%	\$114,085
+0.20%	1.576%	\$91,963
+0.30%	1.195%	\$69,705



Amount / Structure / Purpose – Storm Water System Revenue Refunding Bonds, Series 2025

<b>Estimated Size:</b>	\$8,295,000
<b>Issue:</b>	Storm Water System Revenue Refunding Bonds, Series 2025
<b>Purpose:</b>	Current Refunding of 2013, 2014 & 2015 Revenue Bonds
<b>Structure:</b>	Matures April 1, 2026-2035
<b>First Interest:</b>	April 1, 2026
<b>Callable:</b>	Non-callable
<b>Estimated Interest Rate:</b>	3.55%
<b>Estimated Present Value Savings:</b>	\$142,977

Summary of Parameters Resolution

<b>Not to Exceed Par:</b>	\$8,800,000
<b>Not to Exceed Interest Rate (TIC%):</b>	4.50%
<b>Maturity Schedule:</b>	April 1, 2026-2035
<b>Per maturity increase/decrease:</b>	\$1,275,000 - Ability to remove prior issues from refunding

# City of Appleton

## FINANCE COMMITTEE MEETING

July 21, 2025



### Illustration of Hypothetical Refunding – Storm Water System Revenue Refunding Bonds, Series 2025 (Before)

BEFORE REFINANCING											
Calendar Year	\$6,440,000 Storm Sys. Rev. Bonds Dated August 7, 2013			\$3,450,000 Storm Sys. Rev. Bonds Dated September 10, 2014			\$9,425,000 Storm Sys. Rev. Bonds Dated October 28, 2015			TOTAL NEW DEBT SERVICE	Calendar Year
	PRINCIPAL (4/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (4/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (4/1)	RATE	INTEREST (4/1 & 10/1)		
2025	\$340,000	4.000%	\$150,394	\$175,000	4.000%	\$80,300	\$780,000	4.000%	\$152,450	\$1,678,144	2025
2026	\$355,000	4.000%	\$136,494	\$180,000	4.000%	\$73,200	\$810,000	4.000%	\$120,650	\$1,675,344	2026
2027	\$370,000	4.000%	\$121,994	\$190,000	4.000%	\$65,800	\$585,000	4.000%	\$92,750	\$1,425,544	2027
2028	\$385,000	4.375%	\$106,172	\$195,000	4.000%	\$58,100	\$230,000	4.000%	\$76,450	\$1,050,722	2028
2029	\$400,000	4.375%	\$89,000	\$205,000	4.000%	\$50,100	\$235,000	4.000%	\$67,150	\$1,046,250	2029
2030	\$420,000	4.375%	\$71,063	\$210,000	4.000%	\$41,800	\$245,000	4.000%	\$57,550	\$1,045,413	2030
2031	\$435,000	4.500%	\$52,088	\$220,000	4.000%	\$33,200	\$255,000	4.000%	\$47,550	\$1,042,838	2031
2032	\$460,000	4.500%	\$31,950	\$230,000	4.000%	\$24,200	\$265,000	4.000%	\$37,150	\$1,048,300	2032
2033	\$480,000	4.500%	\$10,800	\$240,000	4.000%	\$14,800	\$280,000	4.000%	\$26,250	\$1,051,850	2033
2034				\$250,000	4.000%	\$5,000	\$290,000	3.500%	\$15,575	\$560,575	2034
2035							\$300,000	3.500%	\$5,250	\$305,250	2035
	\$3,645,000		\$769,953	\$2,095,000		\$446,500	\$4,275,000		\$698,775	\$11,930,228	
Maturities callable 4/1/2023 or any date thereafter.				Maturities callable 4/1/2024 or any date thereafter.			Maturities callable 4/1/2023 or any date thereafter.				



### Illustration of Hypothetical Refunding<sup>(1)</sup> – Storm Water System Revenue Refunding Bonds, Series 2025 (After)

AFTER REFINANCING												
Calendar Year	\$6,440,000 Storm Sys. Rev. Bonds Dated August 7, 2013		\$3,450,000 Storm Sys. Rev. Bonds Dated September 10, 2014		\$9,425,000 Storm Sys. Rev. Bonds Dated October 28, 2015		\$8,295,000 Storm Sys. Rev. Ref. Bonds (CR) Dated October 1, 2025 <sup>(1)</sup>			TOTAL NEW DEBT SERVICE	POTENTIAL DEBT SERVICE SAVINGS	Calendar Year
	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1)	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1)	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1)	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1)	TOTAL			
									TIC= 3.55%			
2025	\$340,000	\$150,394	\$175,000	\$80,300	\$780,000	\$152,450			\$0	\$1,678,144	\$0	2025
2026	***		***		***		\$1,275,000	\$382,875	\$1,657,875	\$1,657,875	\$17,469	2026
2027	***		***		***		\$1,085,000	\$323,875	\$1,408,875	\$1,408,875	\$16,669	2027
2028	***		***		***		\$750,000	\$278,000	\$1,028,000	\$1,028,000	\$22,722	2028
2029	***		***		***		\$785,000	\$239,625	\$1,024,625	\$1,024,625	\$21,625	2029
2030	***		***		***		\$825,000	\$199,375	\$1,024,375	\$1,024,375	\$21,038	2030
2031	***		***		***		\$865,000	\$157,125	\$1,022,125	\$1,022,125	\$20,713	2031
2032	***		***		***		\$920,000	\$112,500	\$1,032,500	\$1,032,500	\$15,800	2032
2033	***		***		***		\$965,000	\$65,375	\$1,030,375	\$1,030,375	\$21,475	2033
2034			***		***		\$530,000	\$28,000	\$558,000	\$558,000	\$2,575	2034
2035					***		\$295,000	\$7,375	\$302,375	\$302,375	\$2,875	2035
	\$340,000	\$150,394	\$175,000	\$80,300	\$780,000	\$152,450	\$8,295,000	\$1,794,125	\$10,089,125	\$11,767,269	\$162,959	
	***	REFINANCED WITH 2025 ISSUE.										

\*\*\* REFINANCED WITH 2025 ISSUE.

- (1) This illustration represents a mathematical calculation of potential interest cost savings (cost), assuming hypothetical rates based on current rates for municipal bonds as of 6/26/25 +0bps. Actual rates may vary. If actual rates are higher than those assumed, the interest cost savings would be lower. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a refinancing or otherwise to be considered as advice.

ROUNDING AMOUNT..... **\$791**  
POTENTIAL GROSS SAVINGS..... **\$163,751**

- (2) Present value calculated using the All Inclusive Cost (AIC) of 3.67% as the discount rate.

<sup>(2)</sup> POTENTIAL PRESENT VALUE SAVINGS \$..... **\$142,977**  
POTENTIAL PRESENT VALUE SAVINGS %..... **1.640%**

Interest Rate Sensitivity		
Change in Rates	Est. PV % Savings	Est. PV \$ Savings
-0.30%	2.822%	\$246,096
-0.20%	2.426%	\$211,537
-0.10%	2.031%	\$177,109
+0.10%	1.251%	\$109,101
+0.20%	0.865%	\$75,427
+0.30%	0.480%	\$41,885