

BAIRD

City of Appleton

2017 Capital Financing Plan

August 7, 2017

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City of Appleton

Presentation to Finance Committee

2017 Capital Financing Plan

Timeline

- Finance Committee considers plan of finance August 7, 2017
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond/Note Rating
 - ✓ Marketing
- Bond/Note Pricing.....September 5, 2017
- Special Finance Committee considers award resolutionsSeptember 6, 2017
- Common Council meeting to award Bonds/NotesSeptember 6, 2017
- Closing (funds available) October 2, 2017

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2017 Capital Financing Plan

Borrowing Amount / Structure / Purpose – General Obligation Promissory Notes



Amount:	\$13,885,000
Issue:	G.O. Promissory Notes
Purpose:	\$9,175,153 - 2017 General Fund CIP \$4,991,405 - Advance Refund G.O. Police Facility Bonds, Series 2008B
Structure:	Matures April 1, 2018-2027
First Interest:	April 1, 2018
Callable:	April 1, 2025
Estimated Interest Rate:	2.30%
Estimated Present Value Savings:	\$620,661

City of Appleton

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2017 Capital Financing Plan

Example Financing Plan – General Obligation Promissory Notes



\$9,200,000

G.O. Promissory Notes ^(A)

Dated October 2, 2017

(First Interest April 1, 2018)

2017 CIP Projects Financed: \$9,175,153

YEAR DUE	EXISTING NET G.O. DEBT (Levy) (After Refunding)	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1) Est. TIC 2.29%	LESS: Bid Premium	TOTAL	COMBINED G.O. DEBT (Levy)	YEAR DUE
2017	\$4,153,886					\$4,153,886	2017
2018	\$4,940,160	\$255,000	\$292,378	(\$292,378)	\$255,000	\$5,195,160	2018
2019	\$4,939,278	\$1,130,000	\$279,350	(\$279,350)	\$1,130,000	\$6,069,278	2019
2020	\$4,772,540	\$930,000	\$258,750	(\$59,326)	\$1,129,424	\$5,901,965	2020
2021	\$4,772,110	\$890,000	\$236,100		\$1,126,100	\$5,898,210	2021
2022	\$4,769,872	\$920,000	\$208,950		\$1,128,950	\$5,898,822	2022
2023	\$4,503,504	\$950,000	\$180,900		\$1,130,900	\$5,634,404	2023
2024	\$4,504,103	\$975,000	\$152,025		\$1,127,025	\$5,631,128	2024
2025	\$3,480,575	\$1,005,000	\$122,325		\$1,127,325	\$4,607,900	2025
2026	\$2,898,000	\$1,045,000	\$81,125		\$1,126,125	\$4,024,125	2026
2027	\$615,000	\$1,100,000	\$27,500		\$1,127,500	\$1,742,500	2027
2028	\$0					\$0	2028
	<u>\$44,349,027</u>	<u>\$9,200,000</u>	<u>\$1,839,403</u>	<u>(\$631,054)</u>	<u>\$10,408,349</u>	<u>\$54,757,377</u>	

(A) This illustration assumes hypothetical interest rates based on current rates +15bps for municipal bonds as of July 13, 2017. Actual rates may vary.

City of Appleton

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2017 Capital Financing Plan

Borrowing Amount / Structure / Purpose – Storm Water System Revenue Bonds



Amount:	\$5,000,000
Issue:	Storm Water System Revenue Bonds
Purpose:	\$5,000,000 - Storm Water System Projects
Structure:	Matures April 1, 2020-2038
First Interest:	April 1, 2018
Callable:	April 1, 2027
Estimated Interest Rate:	3.34%



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2017 Capital Financing Plan

Example Financing Plan – Storm Water System Revenue Bonds

\$5,000,000

Storm Water System Revenue Bonds, Series 2017

Dated October 2, 2017

(First Interest April 1, 2018)

2017 Projects Financed: \$5,000,000

YEAR DUE	EXISTING STORM WATER DEBT (Revenue Only)	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1) Assumed TIC ⁽¹⁾ 3.34%	BID PREMIUM	TOTAL	COMBINED STORM WATER DEBT (Revenue Only)	DEBT SERVICE COVERAGE ⁽²⁾ (2016 Net Revenues)
2017	\$4,229,550					\$4,229,550	1.46
2018	\$4,763,584		\$192,707	(\$185,381)	\$7,326	\$4,770,910	1.25
2019	\$4,749,259		\$193,244		\$193,244	\$4,942,503	1.25
2020	\$4,717,659	\$50,000	\$192,244		\$242,244	\$4,959,903	1.25
2021	\$4,586,484	\$185,000	\$187,544		\$372,544	\$4,959,028	1.25
2022	\$4,230,409	\$200,000	\$179,844		\$379,844	\$4,610,253	1.34
2023	\$4,075,009	\$210,000	\$171,644		\$381,644	\$4,456,653	1.39
2024	\$3,796,134	\$215,000	\$163,144		\$378,144	\$4,174,278	1.48
2025	\$3,545,006	\$225,000	\$154,344		\$379,344	\$3,924,350	1.57
2026	\$3,542,324	\$235,000	\$144,850		\$379,850	\$3,922,174	1.58
2027	\$3,295,209	\$245,000	\$134,650		\$379,650	\$3,674,859	1.68
2028	\$2,925,462	\$255,000	\$124,025		\$379,025	\$3,304,487	1.87
2029	\$2,516,419	\$265,000	\$112,975		\$377,975	\$2,894,394	2.13
2030	\$1,571,806	\$280,000	\$101,394		\$381,394	\$1,953,200	3.16
2031	\$1,569,306	\$290,000	\$89,281		\$379,281	\$1,948,588	3.17
2032	\$1,574,369	\$300,000	\$78,056		\$378,056	\$1,952,425	3.16
2033	\$1,257,325	\$310,000	\$67,763		\$377,763	\$1,635,088	3.78
2034	\$765,425	\$325,000	\$56,844		\$381,844	\$1,147,269	5.38
2035	\$509,325	\$335,000	\$45,294		\$380,294	\$889,619	6.94
2036	\$208,075	\$345,000	\$33,178		\$378,178	\$586,253	10.54
2037		\$360,000	\$20,400		\$380,400	\$380,400	16.24
2038		\$370,000	\$6,938		\$376,938	\$376,938	16.39
	<u>\$58,428,136</u>	<u>\$5,000,000</u>	<u>\$2,450,360</u>	<u>(\$185,381)</u>	<u>\$7,264,979</u>	<u>\$65,693,116</u>	

2016 Net Revenues Available for Debt Service:

\$6,177,780

(Net Revenue Coverage Test and Additional Bonds Test requires 1.2x max annual debt service)

(1) This illustration assumes hypothetical interest rates based on current rates +15bps for municipal bonds as of July 13, 2017. Actual rates may vary.

(2) Debt service coverage is based on debt service gross of bid premium applied to interest.