

2017 Capital Financing Plan August 7, 2017

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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 resolutions	.September 6, 2017
•	Common Council meeting to award Bonds/Notes	.September 6, 2017
•	Closing (funds available)	October 2, 2017

Presentation to Finance Committee 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	

Presentation to Finance Committee 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

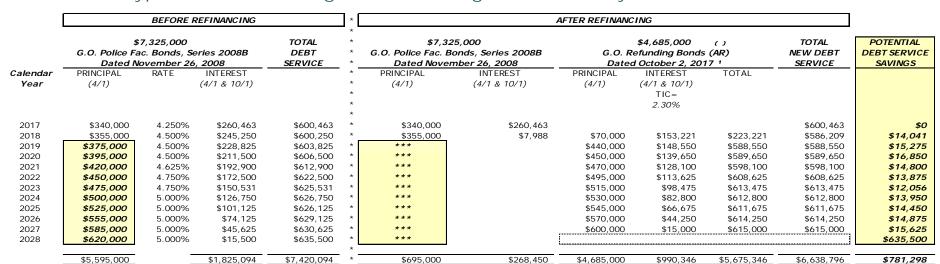
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	EXISTING	*					COMBINED	
YEAR	NET G.O.	*	PRINCIPAL	INTEREST	LESS:	TOTAL	G.O.	YEAR
DUE	DEBT	*	(4/1)	(4/1 & 10/1)	Bid		DEBT	DUE
	(Levy)	*		Est.	Premium		(Levy)	
	(After Refunding)	*		TIC				
		*		2.29%				
		*						
2017	\$4,153,886	*					\$4,153,886	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
		*						
		*						
	\$44,349,027	*	\$9,200,000	\$1,839,403	(\$631,054)	\$10,408,349	\$54,757,377	
		•						

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

Presentation to Finance Committee

2017 Capital Financing Plan

Illustration of Hypothetical Refunding - General Obligation Promissory Notes



Maturities callable 4/1/2018 General Fund

CALLABLE MATURITIES

*** REFINANCED WITH 2017 ISSUE.

(1)	This illustration represents a mathematical calculation of potential interest cost savings (cost), assuming
	hypothetical rates based on current rates +15bps for municipal bonds as of 7/13/17. 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	\$1,188	
POTENTIAL GROSS SAVINGS	\$782,486	
(2) POTENTIAL PRESENT VALUE SAVINGS \$	\$620,661	

POTENTIAL PRESENT VALUE SAVINGS %......

(2) Present value calculated using the All Inclusive Cost (AIC) of 2.44% as the discount rate.

Interest Rate Sensitivity			
Change	Est. PV %	Est. PV \$	
in Rates	Savings	Savings	
-0.30%	14.624%	\$716,591	
-0.20%	13.969%	\$684,466	
-0.10%	13.310%	\$652,206	
+0.10%	12.021%	\$589,038	
+0.20%	11.383%	\$557,781	
+0.30%	10.747%	\$526,591	

12.667%

Presentation to Finance Committee 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%

Presentation to Finance Committee 2017 Capital Financing Plan

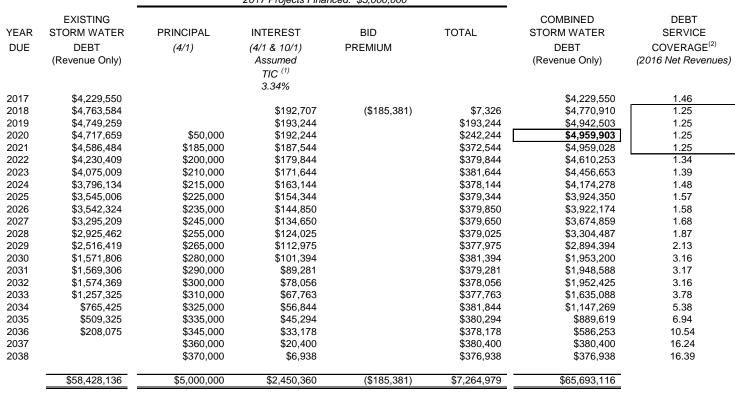
Example Financing Plan - Storm Water System Revenue Bonds

\$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



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.