



City of Waukesha

Finance Committee Meeting

October 13, 2020

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City of Waukesha

Finance Committee

October 13, 2020

Borrowing / Structure / Purpose



Estimated Size:	\$22,300,000
Issue:	Taxable General Obligation Refunding Bonds
Purpose:	Refinance the following issues: <ul style="list-style-type: none">• 2010D – General Fund, Sewer, Parking (Levy), Cemetery & TID #20• 2011C – TID #17 & #18• 2012C – General Fund & Storm Sewer (Levy)• 2013B – Water Utility• 2014A – General Fund & Parking (Non levy)• 2014B – Water Utility• 2015A – General Fund, TID #11 & #22
Structure:	Matures October 1, 2021-2033
First Interest:	April 1, 2021
Callable:	October 1, 2028
Estimated Interest Rate:	1.29%
Estimated Present Value Savings (\$): ⁽¹⁾	\$796,741
Estimated Present Value Savings (%):	3.913%

¹ Present value calculated using the All-Inclusive Cost (AIC) of 1.37% as the discount rate.

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Summary of Parameters Resolution

Amount not to exceed:	\$22,500,000
True Interest Cost (TIC) not to exceed:	2.00%
Maturity Schedule:	October 1, 2021-2033
Each maturity increased/decreased by:	\$3,000,000
Minimum Present Value Savings:	2.50% of refunded par

Tentative Timeline

- Finance Committee considers plan of finance /parameters resolutionOctober 13, 2020
- City Council considers plan of finance /parameters resolution.....October 20, 2020
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- Signature of certificate to award bonds (finalizes terms and interest rates)..... Target week of October 26, 2020
- Closing (funds available)..... Mid-November

City of Waukesha

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Illustration of Hypothetical Refunding

BEFORE REFINANCING												
Calendar Year	\$19,015,000 Taxable G.O. Ref. Bonds, 2010D Dated December 1, 2010			\$2,575,000 Taxable G.O. Ref. Bonds, 2011C Dated August 9, 2011			\$4,465,000 G.O. Ref. Bonds, 2012C Dated July 10, 2012			\$10,085,000 G.O. Ref. Bonds, 2013B Dated May 7, 2013		
	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)
2020	\$1,125,000	4.200%	\$107,988	\$150,000	3.500%	\$57,825	\$355,000	4.000%	\$118,419	\$780,000	3.00%/1.53%	\$305,241
2021	\$535,000	4.550%	\$60,738	\$180,000	3.700%	\$52,575	\$375,000	4.000%	\$104,219	\$800,000	4.000%	\$284,781
2022	\$365,000	4.750%	\$36,395	\$185,000	3.900%	\$45,915	\$390,000	4.000%	\$89,219	\$835,000	4.000%	\$252,781
2023	\$385,000	4.950%	\$19,058	\$195,000	4.100%	\$38,700	\$405,000	4.000%	\$73,619	\$865,000	4.000%	\$219,381
2024				\$195,000	4.300%	\$30,705	\$420,000	4.000%	\$57,419	\$900,000	4.000%	\$184,781
2025				\$205,000	4.400%	\$22,320	\$435,000	3.000%	\$40,619	\$935,000	4.000%	\$148,781
2026				\$220,000	4.600%	\$13,300	\$445,000	3.000%	\$27,569	\$970,000	4.000%	\$111,381
2027				\$30,000	5.300%	\$3,180	\$455,000	3.125%	\$14,219	\$350,000	3.125%	\$72,581
2028				\$30,000	5.300%	\$1,590				\$360,000	3.125%	\$61,644
2029										\$375,000	3.125%	\$50,394
2030										\$385,000	3.250%	\$38,675
2031										\$395,000	3.250%	\$26,163
2032										\$410,000	3.250%	\$13,325
2033												
	<u>\$2,410,000</u>		<u>\$224,178</u>	<u>\$1,390,000</u>		<u>\$266,110</u>	<u>\$3,280,000</u>		<u>\$525,300</u>	<u>\$8,360,000</u>		<u>\$1,769,910</u>
	Maturities callable 10/1/2020 or any date thereafter. GF, Sewer, Parking, Cemetery, TID #20 CALLABLE MATURITIES			Maturities callable 10/1/2021 or any date thereafter. TID #17 & #18			Maturities callable 10/1/2022 or any date thereafter. GF & Storm Sewer			Maturities callable 10/1/2023 or any date thereafter. Water Utility		

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Illustration of Hypothetical Refunding (Cont.)

BEFORE REFINANCING										
Calendar Year	\$11,795,000 G.O. Prom. Notes, 2014A Dated April 8, 2014			\$4,600,000 G.O. Ref. Bonds, 2014B Dated April 8, 2014			\$20,595,000 G.O. Prom. Notes, 2015A Dated May 12, 2015			TOTAL DEBT SERVICE
	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1) (4/1/2021) (2/1/2024)	RATE	INTEREST (4/1 & 10/1) (2/1/2024)	
2020	\$1,420,000	2.000%	\$159,750	\$235,000	2.000%	\$157,163	\$3,015,000	3.000%	\$494,950	\$8,481,335
2021	\$1,450,000	2.375%	\$131,350	\$240,000	2.250%	\$152,463	\$2,975,000	3.00%/4.00%	\$403,750	\$7,744,875
2022	\$1,480,000	2.440%	\$96,912	\$245,000	3.000%	\$147,063	\$2,280,000	4.000%	\$286,000	\$6,734,285
2023	\$1,520,000	4.000%	\$60,800	\$255,000	4.000%	\$139,713	\$2,375,000	4.000%	\$194,800	\$6,746,070
2024				\$265,000	4.000%	\$129,513	\$2,495,000	4.000%	\$77,667	\$4,755,084
2025				\$275,000	4.000%	\$118,913				\$2,180,633
2026				\$285,000	4.000%	\$107,913				\$2,180,163
2027				\$295,000	4.000%	\$96,513				\$1,316,493
2028				\$310,000	4.000%	\$84,713				\$847,946
2029				\$320,000	4.000%	\$72,313				\$817,706
2030				\$335,000	4.000%	\$59,513				\$818,188
2031				\$345,000	4.250%	\$46,113				\$812,275
2032				\$360,000	4.250%	\$31,450				\$814,775
2033				\$380,000	4.250%	\$16,150				\$396,150
	<u>\$5,870,000</u>		<u>\$448,811</u>	<u>\$4,145,000</u>		<u>\$1,359,500</u>	<u>\$13,140,000</u>		<u>\$1,457,167</u>	<u>\$44,645,975</u>

Maturities callable 10/1/2021
or any date thereafter.
GF, Parking (non levy)

CALLABLE MATURITIES

Maturities callable 10/1/2024
or any date thereafter.
Water Utility

Maturities callable 10/1/2022
or any date thereafter.
GF, TID #11 & #22

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Illustration of Hypothetical Refunding (Cont.)

AFTER REFINANCING								
Calendar Year	\$19,015,000 Taxable G.O. Ref. Bonds, 2010D Dated December 1, 2010		\$2,575,000 Taxable G.O. Ref. Bonds, 2011C Dated August 9, 2011		\$4,465,000 G.O. Ref. Bonds, 2012C Dated July 10, 2012		\$10,085,000 G.O. Ref. Bonds, 2013B Dated May 7, 2013	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	(10/1)	(4/1 & 10/1)	(10/1)	(4/1 & 10/1)	(10/1)	(4/1 & 10/1)	(10/1)	(4/1 & 10/1)
2020	\$1,125,000	\$107,988	\$150,000	\$57,825	\$355,000	\$118,419	\$780,000	\$305,241
2021	***		\$180,000	\$6,660	\$375,000	\$30,600	\$800,000	\$100,000
2022	***		***		\$390,000	\$15,600	\$835,000	\$68,000
2023	***		***		***		\$865,000	\$34,600
2024			***		***		***	
2025			***		***		***	
2026			***		***		***	
2027			***		***		***	
2028			***				***	
2029							***	
2030							***	
2031							***	
2032							***	
2033							***	
	<u>\$1,125,000</u>	<u>\$107,988</u>	<u>\$330,000</u>	<u>\$64,485</u>	<u>\$1,120,000</u>	<u>\$164,619</u>	<u>\$3,280,000</u>	<u>\$507,841</u>
	GF, Sewer, Parking, Cemetery, TID #20		TID #17 & #18		GF & Storm Sewer		Water Utility	
	***		REFINANCED WITH 2020 ISSUE.					

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Illustration of Hypothetical Refunding (Cont.)

AFTER REFINANCING

Calendar Year	\$11,795,000 G.O. Prom. Notes, 2014A Dated April 8, 2014		\$4,600,000 G.O. Ref. Bonds, 2014B Dated April 8, 2014		\$20,595,000 G.O. Prom. Notes, 2015A Dated May 12, 2015		\$22,300,000 Taxable G.O. Refunding Bonds Dated November 19, 2020 ⁽¹⁾			TOTAL NEW DEBT SERVICE	POTENTIAL DEBT SERVICE SAVINGS	Calendar Year
	PRINCIPAL (10/1)	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1) (4/1/2021) (2/1/2024)	INTEREST (4/1 & 10/1) (2/1/2024)	PRINCIPAL (10/1)	INTEREST (4/1 & 10/1) TIC= 1.29%	TOTAL			
2020	\$1,420,000	\$159,750	\$235,000	\$157,163	\$3,015,000	\$494,950				\$8,481,335	\$0	2020
2021	\$1,450,000	\$34,438	\$240,000	\$33,550	\$2,975,000	\$208,950	\$1,020,000	\$172,111	\$1,192,111	\$7,626,309	\$118,566	2021
2022	***		\$245,000	\$28,150	\$2,280,000	\$91,200	\$2,440,000	\$194,000	\$2,634,000	\$6,586,950	\$147,335	2022
2023	***		\$255,000	\$20,800	***		\$5,265,000	\$180,580	\$5,445,580	\$6,620,980	\$125,090	2023
2024			\$265,000	\$10,600	***		\$4,250,000	\$146,358	\$4,396,358	\$4,671,958	\$83,127	2024
2025			***				\$2,010,000	\$114,483	\$2,124,483	\$2,124,483	\$56,150	2025
2026			***				\$2,025,000	\$97,398	\$2,122,398	\$2,122,398	\$57,765	2026
2027			***				\$1,180,000	\$77,148	\$1,257,148	\$1,257,148	\$59,345	2027
2028			***				\$740,000	\$63,578	\$803,578	\$803,578	\$44,369	2028
2029			***				\$735,000	\$53,588	\$788,588	\$788,588	\$29,119	2029
2030			***				\$745,000	\$42,930	\$787,930	\$787,930	\$30,258	2030
2031			***				\$750,000	\$31,755	\$781,755	\$781,755	\$30,520	2031
2032			***				\$765,000	\$19,755	\$784,755	\$784,755	\$30,020	2032
2033			***				\$375,000	\$6,750	\$381,750	\$381,750	\$14,400	2033
	\$2,870,000	\$194,187	\$1,240,000	\$250,263	\$8,270,000	\$795,100	\$22,300,000	\$1,200,431	\$23,500,431	\$43,819,913	\$826,062	

GF, Parking (non levy)

Water Utility

GF, TID #11 & #22

*** REFINANCED WITH 2020 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 9/15/20. 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.

(2) Present value calculated using the All Inclusive Cost (AIC) of 1.37% as the discount rate.

ROUNDING AMOUNT.....	\$4,466
POTENTIAL GROSS SAVINGS.....	\$830,528
POTENTIAL PRESENT VALUE SAVINGS \$.....	\$796,741
POTENTIAL PRESENT VALUE SAVINGS %.....	3.913%
POTENTIAL NEGATIVE ARBITRAGE \$.....	\$412,513

Interest Rate Sensitivity		
Change in Rates	Est. PV % Savings	Est. PV \$ Savings
-0.30%	5.498%	\$1,119,371
-0.20%	4.966%	\$1,011,027
-0.10%	4.438%	\$903,596
+0.10%	3.395%	\$691,211
+0.20%	2.877%	\$585,819
+0.30%	2.363%	\$481,092

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Hypothetical Savings by Component



DEBT SERVICE SAVINGS													
Calendar Year	General Fund	Sewer	Parking (Levy)	Parking (Non Levy)	Cemetery	Water	Storm Water (Levy)	TIF # 11	TIF # 17	TIF # 18	TIF # 20	TIF # 22	TOTAL
2021	\$69,209	\$1,747	(\$2,007)	\$810	(\$3)	\$30,661	\$1,437	\$1,868	\$9,496	(\$1,077)	\$2,677	\$3,749	\$118,566
2022	\$77,652	\$1,738	\$3,006	\$964	(\$4)	\$32,159	\$5,499	\$5,998	\$13,643	\$3,758		\$2,923	\$147,335
2023	\$74,682	(\$2,945)	\$3,026	(\$3,913)	\$58	\$28,066	\$5,581	\$1,135	\$13,725	\$2,588		\$3,088	\$125,090
2024	\$28,133					\$29,171	\$5,486	\$4,842	\$14,683			\$813	\$83,127
2025	\$6,758					\$31,196	\$5,361		\$12,835				\$56,150
2026	\$6,038					\$34,271	\$6,856		\$10,600				\$57,765
2027	\$10,588					\$32,621	\$3,456		\$12,680				\$59,345
2028						\$33,049			\$11,320				\$44,369
2029						\$29,119							\$29,119
2030						\$30,258							\$30,258
2031						\$30,520							\$30,520
2032						\$30,020							\$30,020
2033						\$14,400							\$14,400
	<u>\$273,059</u>	<u>\$541</u>	<u>\$4,025</u>	<u>(\$2,139)</u>	<u>\$51</u>	<u>\$385,512</u>	<u>\$33,677</u>	<u>\$13,842</u>	<u>\$98,981</u>	<u>\$5,268</u>	<u>\$2,677</u>	<u>\$10,572</u>	<u>\$826,062</u>
ROUNDING AMOUNT.....	(\$5,970)	\$4,288	(\$3,361)	\$2,820	\$857	\$3,563	(\$354)	(\$2,511)	(\$1,249)	\$1,252	\$1,369	\$3,761	\$4,466
GROSS SAVINGS.....	\$267,088	\$4,829	\$664	\$681	\$908	\$389,074	\$33,323	\$11,331	\$97,731	\$6,520	\$4,046	\$14,333	\$830,528
(1) PRESENT VALUE SAVINGS \$.....	\$260,824	\$4,899	\$499	\$804	\$910	\$361,129	\$31,819	\$18,448	\$92,549	\$6,408	\$4,041	\$14,410	\$796,741
PRESENT VALUE SAVINGS %.....	3.174%	6.604%	6.055%	2.613%	6.566%	4.527%	3.857%	1.922%	11.569%	2.465%	2.184%	1.441%	3.913%

(1) Present value calculated using the All Inclusive Cost (AIC) of 1.37% as the discount rate.