



# City of Waukesha

Finance Committee Meeting

December 11, 2018

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## Tentative Timeline

- Finance Committee considers plan of finance /initial resolution ..... December 11, 2018
- City Council considers plan of finance /initial resolution..... December 18, 2018
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- City Council considers award resolutions (finalizes terms and interest rates) ..... January 15, 2019
- Closing (funds available)..... February 5, 2019

## Borrowing / Structure / Purpose

Estimated Size:	\$12,210,000
Issue:	Taxable General Obligation Refunding Bonds
Purpose:	Refinance outstanding debt for TID #11, #17 & #19
Structure:	Matures October 1, 2020-2030
First Interest:	October 1, 2019
Callable:	October 1, 2027
Estimated Interest Rate:	4.04%

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## Illustration of Hypothetical Refunding

Calendar Year	BEFORE REFINANCING							AFTER REFINANCING							POTENTIAL DEBT SERVICE SAVINGS		
	\$1,865,000 Tax G.O. Refunding Bonds July 28, 2009			\$19,015,000 Tax G.O. Refunding Bonds December 1, 2010			TOTAL DEBT SERVICE	\$1,865,000 Tax G.O. Refunding Bonds July 28, 2009		\$19,015,000 Tax G.O. Refunding Bonds December 1, 2010		\$12,210,000 Taxable G.O. Refunding Bonds (AR) Dated February 5, 2019 <sup>1</sup>				TOTAL NEW DEBT SERVICE	
	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	RATE	INTEREST (4/1 & 10/1)		PRINCIPAL (10/1)	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	INTEREST (4/1 & 10/1)	PRINCIPAL (10/1)	INTEREST (4/1 & 10/1)	TOTAL			
2019	\$95,000	5.150%	\$69,948	\$1,080,000	3.950%	\$728,798	\$1,973,745	\$95,000	\$37,420	\$1,080,000	\$439,723		\$304,540	\$304,540	\$1,956,682	\$17,063	
2020	\$100,000	5.300%	\$65,055	\$1,125,000	4.200%	\$686,138	\$1,976,193	***		\$1,125,000	\$107,988	\$205,000	\$464,553	\$669,553	\$1,902,540	\$73,653	
2021	\$105,000	5.500%	\$59,755	\$1,180,000	4.550%	\$638,888	\$1,983,643	***		\$535,000	\$60,738	\$855,000	\$457,890	\$1,312,890	\$1,908,628	\$75,015	
2022	\$110,000	5.500%	\$53,980	\$1,240,000	4.750%	\$585,198	\$1,989,178	***		\$365,000	\$36,395	\$1,085,000	\$429,248	\$1,514,248	\$1,915,643	\$73,535	
2023	\$115,000	5.700%	\$47,930	\$1,305,000	4.950%	\$526,298	\$1,994,228	***		\$385,000	\$19,058	\$1,125,000	\$391,815	\$1,516,815	\$1,920,873	\$73,355	
2024	\$120,000	5.700%	\$41,375	\$970,000	5.700%	\$461,700	\$1,593,075	***		***		\$1,170,000	\$351,878	\$1,521,878	\$1,521,878	\$71,198	
2025	\$130,000	5.900%	\$34,535	\$1,025,000	5.700%	\$406,410	\$1,595,945	***		***		\$1,215,000	\$309,173	\$1,524,173	\$1,524,173	\$71,773	
2026	\$140,000	5.900%	\$26,865	\$1,080,000	5.700%	\$347,985	\$1,594,850	***		***		\$1,260,000	\$263,610	\$1,523,610	\$1,523,610	\$71,240	
2027	\$150,000	6.100%	\$18,605	\$1,145,000	5.700%	\$286,425	\$1,600,030	***		***		\$1,315,000	\$215,100	\$1,530,100	\$1,530,100	\$69,930	
2028	\$155,000	6.100%	\$9,455	\$1,215,000	5.700%	\$221,160	\$1,600,615	***		***		\$1,370,000	\$163,158	\$1,533,158	\$1,533,158	\$67,458	
2029				\$1,300,000	5.700%	\$151,905	\$1,451,905	***		***		\$1,285,000	\$107,673	\$1,392,673	\$1,392,673	\$59,233	
2030				\$1,365,000	5.700%	\$77,805	\$1,442,805	***		***		\$1,325,000	\$54,988	\$1,379,988	\$1,379,988	\$62,818	
	\$1,220,000		\$427,503	\$14,030,000		\$5,118,708	\$20,796,210		\$95,000	\$37,420	\$3,490,000	\$663,900	\$12,210,000	\$3,513,622	\$15,723,622	\$20,009,942	\$786,268

Maturities callable 10/1/2019 or any date thereafter. TID #11

Maturities callable 10/1/2020 or any date thereafter. GF, Sewer, Parking, Cemetary, TID #17, TID #19 & TID #20

\*\*\* REFINANCED WITH 2019 ISSUE. Only TID #17 & TID #19 portions of 2010 Bonds refunded.

CALLABLE MATURITIES

ROUNDING AMOUNT.....	\$3,686
POTENTIAL GROSS SAVINGS.....	\$789,953
POTENTIAL PRESENT VALUE SAVINGS \$.....	\$627,287
POTENTIAL PRESENT VALUE SAVINGS %.....	5.378%

(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 11/5/18. 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 4.11% as the discount rate.

Interest Rate Sensitivity		
Change in Rates	Est. PV % Savings	Est. PV \$ Savings
-0.30%	6.975%	\$813,613
-0.20%	6.437%	\$750,921
-0.10%	5.906%	\$688,902
+0.10%	4.857%	\$566,545
+0.20%	4.340%	\$506,313
+0.30%	3.830%	\$446,787

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## Hypothetical Savings by Component

Calendar Year	POTENTIAL DEBT SERVICE SAVINGS			
	TIF # 11	TIF # 17	TIF # 19	TOTAL
2019	\$4,694	\$4,176	\$8,192	\$17,063
2020	\$12,598	\$21,320	\$39,735	\$73,653
2021	\$10,873	\$22,295	\$41,848	\$75,015
2022	\$8,950	\$22,100	\$42,485	\$73,535
2023	\$12,040	\$19,235	\$42,080	\$73,355
2024	\$9,745	\$20,890	\$40,563	\$71,198
2025	\$12,468	\$20,038	\$39,268	\$71,773
2026	\$9,673	\$18,963	\$42,605	\$71,240
2027	\$11,803	\$17,788	\$40,340	\$69,930
2028	\$8,380	\$21,445	\$37,633	\$67,458
2029		\$19,763	\$39,470	\$59,233
2030		\$22,598	\$40,220	\$62,818
	<b>\$101,222</b>	<b>\$230,608</b>	<b>\$454,437</b>	<b>\$786,268</b>
ROUNDING AMOUNT.....	\$1,705	\$1,300	\$681	\$3,686
POTENTIAL GROSS SAVINGS.....	<b>\$102,926</b>	<b>\$231,909</b>	<b>\$455,118</b>	<b>\$789,953</b>
(2) POTENTIAL PRESENT VALUE SAVINGS \$.....	<b>\$84,874</b>	<b>\$183,217</b>	<b>\$359,196</b>	<b>\$627,287</b>
POTENTIAL PRESENT VALUE SAVINGS %.....	<b>7.544%</b>	<b>5.334%</b>	<b>5.056%</b>	<b>5.378%</b>

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