



# City of Waukesha

Presentation to City Council

March 5, 2019

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## Timeline

- Finance Committee considers plan of finance / initial resolutions ..... February 26, 2019
- City Council considers plan of finance / initial resolutions..... March 5, 2019
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- City Council considers award resolutions (finalizes terms and interest rates) ..... April 16, 2019
- Closing (funds available)..... May 7, 2019
- Sewer NAN Payoff..... May 17, 2019



# City of Waukesha

## Borrowing / Structure / Purpose

Item 1: CIP	
<b>Size</b>	\$15,855,000
<b>Issue</b>	G.O. Promissory Notes, Series 2019C
<b>Structure</b>	10/1/2020-2028
<b>First Interest</b>	10/1/2019
<b>Call Feature</b>	10/1/2027
<b>Rating</b>	Aa2
<b>Purpose</b>	2019 CIP
<b>Proj. Amt.</b>	\$15,855,000
<b>Est. TIC</b>	2.54%

Item 2: NAN	
<b>Size</b>	\$14,700,000
<b>Issue</b>	Note Anticipation Notes, Series 2019D
<b>Structure</b>	7/1/2020
<b>First Interest</b>	1/1/2020
<b>Call Feature</b>	5/15/2020
<b>Rating</b>	MIG-1
<b>Purpose</b>	City Hall & Sewer
<b>Proj. Amt.</b>	\$14,700,000
<b>Est. TIC</b>	2.27%

Item 3: Sewerage System	
<b>Size</b>	\$2,970,000
<b>Issue</b>	Sewerage System Revenue Refunding Bonds
<b>Structure</b>	5/1/2020-2039
<b>First Interest</b>	11/1/2019
<b>Call Feature</b>	5/1/2029
<b>Rating</b>	Aa2
<b>Purpose</b>	Refund 2018 NAN
<b>Refunded Par</b>	\$2,850,000
<b>Est. TIC</b>	3.44%

# City of Waukesha

## 2019 Example Financing Plan



### EXISTING

LEVY YEAR	YEAR DUE	DEBT SERVICE (General Fund)	DEBT SERVICE (Parking Util.)	DEBT SERVICE (Cemetery)	DEBT SERVICE (Transit Buses)	DEBT SERVICE (Storm Sewer - Levy)	*	TOTAL DEBT SERVICE (Levy Supported)	ANTICIPATED PREMIUM USAGE (2018 GOPNs)	YEAR DUE
2018	2019	\$15,033,846	\$3,027	\$61,784	\$189,200	\$197,319	*	\$15,485,175	(\$556,550)	2019
2019	2020	\$14,405,728	\$3,006	\$58,056	\$191,000	\$196,519	*	\$14,854,309	(\$463,820)	2020
2020	2021	\$13,392,853	\$3,013	\$55,818	\$187,700	\$200,519	*	\$13,839,903		2021
2021	2022	\$11,539,737	\$3,006	\$5,056	\$187,750	\$184,119	*	\$11,919,668		2022
2022	2023	\$10,017,281	\$3,026	\$5,090	\$187,650	\$183,119	*	\$10,396,166		2023
2023	2024	\$6,943,606			\$192,400	\$181,919	*	\$7,317,925		2024
2024	2025	\$5,408,306			\$188,700	\$180,519	*	\$5,777,525		2025
2025	2026	\$4,157,506				\$180,569	*	\$4,338,075		2026
2026	2027	\$2,539,656				\$180,469	*	\$2,720,125		2027
2027	2028	\$653,856					*	\$653,856		2028
2028	2029	\$652,056					*	\$652,056		2029
2029	2030	\$651,806					*	\$651,806		2030
2030	2031	\$650,806					*	\$650,806		2031
2031	2032	\$652,656					*	\$652,656		2032
2032	2033	\$268,125					*	\$268,125		2033
		<u>\$86,967,826</u>	<u>\$15,077</u>	<u>\$185,805</u>	<u>\$1,324,400</u>	<u>\$1,685,069</u>	*	<u>\$90,178,176</u>	<u>(\$1,020,370)</u>	

# City of Waukesha

## 2019 Example Financing Plan (continued)



YEAR DUE	<b>CITY HALL 2019</b>	<b>2019 CIP</b>			<b>ALLOCATION BY PURPOSE</b>			<b>COMBINED DEBT SERVICE</b> (Levy Supported)	YEAR DUE
	<b>\$10,000,000</b> <b>NANs</b> Dated May 7, 2019 (First interest 1/1/20) (Due 7/1/20) NET INTEREST <sup>(A)</sup> TIC= 2.27%	<b>\$15,855,000</b> <b>G.O. PROMISSORY NOTES</b> Dated May 7, 2019 (First interest 10/1/19)	PRINCIPAL (10/1)	INTEREST (4/1 & 10/1) TIC= 2.54%	BID PREMIUM	GENERAL FUND	CEMETERY		
2019			\$206,120	(\$206,120)	\$0	\$0	\$0	\$14,928,625	2019
2020	\$277,661	\$1,855,000	\$515,300	(\$348,098)	\$1,793,423	\$48,895	\$179,885	\$16,510,467	2020
2021		\$1,560,000	\$459,650		\$1,793,600	\$45,513	\$180,538	\$15,679,016	2021
2022		\$1,605,000	\$412,850		\$1,797,050	\$44,463	\$176,338	\$13,761,180	2022
2023		\$1,655,000	\$364,700		\$1,794,150	\$48,413	\$177,138	\$12,238,728	2023
2024	Notes are callable 5/15/2020 or any date thereafter.	\$1,705,000	\$315,050		\$1,795,050	\$47,213	\$177,788	\$9,160,188	2024
2025		\$1,770,000	\$246,850		\$1,794,450	\$45,613	\$176,788	\$7,617,588	2025
2026		\$1,845,000	\$176,050		\$1,796,450	\$44,013	\$180,588	\$6,178,538	2026
2027		\$1,900,000	\$120,700		\$1,797,250	\$47,813	\$175,638	\$4,565,188	2027
2028		\$1,960,000	\$63,700		\$1,796,550	\$46,463	\$180,688	\$2,496,869	2028
2029								\$652,056	2029
2030								\$651,806	2030
2031								\$650,806	2031
2032								\$652,656	2032
2033								\$268,125	2033
	\$277,661	\$15,855,000	\$2,880,970	\$554,218	\$16,157,973	\$418,395	\$1,605,385	\$106,011,835	

(A) Excess bid premium of \$67,339.23 used to offset interest.



## 2019 Example Financing Plan – Sewer Utility

YEAR DUE	SEWER EXISTING DEBT SERVICE (G.O. & Revenue)	FINAL	PRELIMINARY			PRELIMINARY	SEWER COMBINED DEBT SERVICE (G.O. & Revenue)	SEWER COMBINED DEBT SERVICE (Revenue Debt) <sup>(E)</sup>	2017 Audited NET REVENUES (B)	PROJECTED COVERAGE RATIO (A)
		\$2,850,000 NANs Dated May 8, 2018 (First interest 1/1/19) (Due 7/1/19) NET INTEREST <sup>(C)</sup> TIC = 2.29%	\$2,970,000 Sewer System Revenue Bonds Dated May 7, 2019 (First interest 11/1/19) PRINCIPAL INTEREST TOTAL (5/1) (5/1 & 11/1) TIC = 3.44%			\$4,700,000 NANs Dated May 7, 2019 (First interest 1/1/20) (Due 7/1/20) NET INTEREST <sup>(D)</sup> TIC = 2.27%				
2019	\$5,093,852	\$79,420		\$55,973	\$55,973		\$5,229,245	\$4,583,799	\$8,313,387	1.81
2020	\$5,096,330		\$100,000	\$114,306	\$214,306	\$130,501	\$5,441,137	\$4,793,145	\$8,313,387	1.73
2021	\$5,099,095		\$105,000	\$111,231	\$216,231		\$5,315,327	\$4,670,137	\$8,313,387	1.78
2022	\$4,743,844	Assumes NAN principal refinanced with Bonds on 5/17/19. Interest to be paid with sewer revenues.	\$105,000	\$108,081	\$213,081		\$4,956,925	\$4,655,064	\$8,313,387	1.79
2023	\$4,746,066		\$110,000	\$104,856	\$214,856		\$4,960,922	\$4,658,950	\$8,313,387	1.78
2024	\$4,714,716		\$115,000	\$101,481	\$216,481	Notes are callable 5/15/2020 or any date thereafter.	\$4,931,197	\$4,656,546	\$8,313,387	1.79
2025	\$4,715,472		\$120,000	\$96,756	\$216,756		\$4,932,229	\$4,657,650	\$8,313,387	1.78
2026	\$4,719,710		\$125,000	\$90,631	\$215,631		\$4,935,341	\$4,660,836	\$8,313,387	1.78
2027	\$4,717,579		\$130,000	\$84,256	\$214,256		\$4,931,836	\$4,657,406	\$8,313,387	1.78
2028	\$4,715,078		\$135,000	\$77,631	\$212,631		\$4,927,709	\$4,653,358	\$8,313,387	1.79
2029	\$4,715,656		\$145,000	\$70,631	\$215,631		\$4,931,288	\$4,657,016	\$8,313,387	1.79
2030	\$4,714,214		\$150,000	\$63,256	\$213,256		\$4,927,470	\$4,653,281	\$8,313,387	1.79
2031	\$4,715,413		\$155,000	\$57,084	\$212,084		\$4,927,497	\$4,653,392	\$8,313,387	1.79
2032	\$4,709,242		\$160,000	\$52,263	\$212,263		\$4,921,505	\$4,647,486	\$8,313,387	1.79
2033	\$4,712,048		\$165,000	\$47,284	\$212,284		\$4,924,332	\$4,650,402	\$8,313,387	1.79
2034	\$4,714,628		\$175,000	\$41,206	\$216,206		\$4,930,834	\$4,656,995	\$8,313,387	1.79
2035	\$2,035,530		\$180,000	\$34,106	\$214,106		\$2,249,636	\$2,249,636	\$8,313,387	3.70
2036	\$1,099,750		\$185,000	\$26,806	\$211,806		\$1,311,556	\$1,311,556	\$8,313,387	6.34
2037	\$847,825		\$195,000	\$19,206	\$214,206		\$1,062,031	\$1,062,031	\$8,313,387	7.83
2038	\$391,738		\$205,000	\$11,591	\$216,591		\$608,328	\$608,328	\$8,313,387	13.67
2039			\$210,000	\$3,938	\$213,938		\$213,938	\$213,938	\$8,313,387	38.86
<b>TOTAL</b>	<b>\$81,017,786</b>	<b>\$79,420</b>	<b>\$2,970,000</b>	<b>\$1,372,576</b>	<b>\$4,342,576</b>	<b>\$130,501</b>	<b>\$85,570,282</b>	<b>\$80,010,952</b>		

- (A) Based on 2017 Audited Net Revenues. Rate covenants will require coverage of at least 1.25x max annual debt service (revenue debt only).
- (B) Net Revenues based on 2017 Audited Net Revenues. Assumes no increase thereafter.
- (C) Excess bid premium of \$8,217.83 used to offset interest paid 1/1/2019.
- (D) Excess bid premium of \$31,649.44 used to offset interest.
- (E) Includes interest payments for the Note Anticipation Notes (NANs).

	2017 Audited
Gross Revenues:	\$14,725,032
Less: Current Expenses:	(\$6,411,645) <sup>(1)</sup>
Net Revenues:	\$8,313,387

(1) Less Depreciation