



MEMORANDUM

DATE: January 14, 2016
TO: Daniel Duchniak, General Manager
FROM: Donna Scholl, Administrative Services Manager
RE: 2016 Note Anticipation Notes (NAN) and General Obligation (GO) Debt

In January, I would like to seek approval from our Commission for the 2016 NAN and 2016 GO Debt.

Our approved budget assumed new borrowing of approximately \$18,200,000. This amount assumed that the total amount from the previous year's borrow would be spent. Instead, there was \$811,500 remaining. As a result, I am recommending that the Commission approve the issue of a 5 year NAN, callable in 2018, at an amount of \$17,400,000. The five year term allows us to stretch the financing over a longer term, yet the call feature allows us to refinance the NAN when Safe Drinking Water Loan Funds become available.

In addition, we are scheduled to roll last year's NAN (\$6,990,000) into GO Debt issued by the City. So, I will also be asking for the Commission's approval to do so. This is in keeping with past practice.

Brad Viegut, from Baird, will be available at the Commission meeting to present the details of these borrowings. A copy of his presentation is attached.

Should the Commission agree with our recommendations, an appropriate motion would be ...

... move to approve the issue of a 5 year NAN at the amount of \$17,400,000 and to refund last year's NAN issued at \$6,990,000 using GO Debt issued by the City.

BAIRD

City of Waukesha

Presentation to Water Commission

January 21, 2016

Bradley D. Viegut, Managing Director

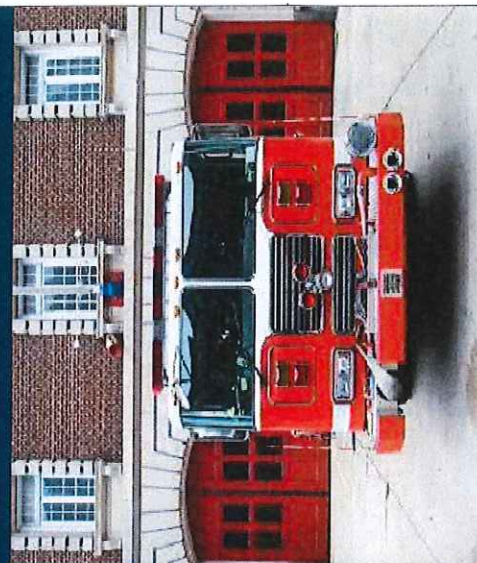
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City of Waukesha

Presentation to Water Commission

Tentative Timeline

- Water Commission considers plan of finance January 21, 2016
- Finance Committee considers plan of finance / initial resolutions February 9, 2016
- City Council considers plan of finance / initial resolutions February 16, 2016
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- City Council considers award resolutions (finalizes terms and interest rates) April 6, 2016
- Closing (funds available) May 2, 2016

City of Waukesha

Presentation to Water Commission

Borrowing / Structure / Purpose

Approximate Size:	\$6,990,000	\$17,400,000	
Issue:	G.O. Refunding Bonds	Note Anticipation Notes	
Purposes:	- Refunds 2015 NAN (Water - \$6,990,000)	- Water Utility Project (\$17,400,000)	
Structure:	Matures October 1, 2021 - 2035	Matures May 1, 2021	
First Interest:	April 1, 2017	November 1, 2016	
Callable:	October 1, 2026	May 1, 2018	
Estimated Rate:	3.16%	2.30%	

City of Waukesha

Presentation to Water Commission

Example Financing Plan

BAIRD

		April 6th Sale Date		April 6th Sale Date	
		PRELIMINARY		PRELIMINARY	
		G.O. REFUNDING BONDS Dated May 2, 2016 (First interest 4/1/17)		G.O. REFUNDING BONDS Dated May 2, 2016 (First interest 11/1/16)	
		PRINCIPAL (10/1)		PRINCIPAL (10/1)	
		INTEREST (4/1 & 10/1)		INTEREST (4/1 & 10/1)	
		TIC= 3.16%		TIC= 2.30%	
		TOTAL		TOTAL	
		NANS		NANS	
		Dated May 2, 2016 (First interest 11/1/16)		Dated May 2, 2016 (First interest 11/1/16)	
		TIC= 0.98%		TIC= 2.30%	
		Assumes NAN principal refinanced with 2016 Bonds on 5/9/2016			
LEVY YEAR	YEAR DUE	Water Utility Supported EXISTING DEBT SERVICE (Revenue) (C)	EXISTING DEBT SERVICE (G.O.)	PRINCIPAL (10/1)	YEAR DUE
2014	2015	\$890,402	\$923,077	\$370,000	2015
2015	2016	\$891,643	\$859,132	\$375,000	2016
2016	2017	\$542,309	\$679,678	\$390,000	2017
2017	2018	\$541,575	\$904,678	\$400,000	2018
2018	2019	\$540,203	\$1,670,178	\$410,000	2019
2019	2020	\$538,194	\$1,937,803	\$425,000	2020
2020	2021	\$540,547	\$1,937,344	\$435,000	2021
2021	2022	\$542,049	\$1,941,844	\$445,000	2022
2022	2023	\$67,133	\$1,942,694	\$455,000	2023
2023	2024	\$67,123	\$1,941,294	\$470,000	2024
2024	2025	\$67,112	\$1,937,694	\$480,000	2025
2025	2026	\$67,102	\$1,936,894	\$490,000	2026
2026	2027	\$67,091	\$1,278,694	\$510,000	2027
2027	2028	\$67,080	\$1,277,356	\$530,000	2028
2028	2029	\$57,165	\$1,279,706	\$555,000	2029
2029	2030	\$67,250	\$1,280,588	\$575,000	2030
2030	2031	\$67,238	\$1,274,475	\$600,000	2031
2031	2032	\$67,226	\$1,276,175		2032
2032	2033	\$67,214	\$861,150		2033
2033	2034		\$462,800		2034
2034	2035				2035
2035	2036				2036
		\$5,755,658	\$27,603,252	\$6,990,000	
			\$88,928	\$3,446,183	\$2,608,550

(A) Includes capitalized interest through 1/1/2016, amount available for projects is \$6,900,000.
 Total excess bid premium available for debt service is \$71,191.58. \$49,706.67 will be used to pay accrued interest on 5/9/16, leaving a balance of \$21,484.91.
 (B) Amount available for projects is \$17,400,000. Bid premium available for debt service is \$533,983.
 (C) Includes Safe Drinking Water Loan (2013) repayment amounts which reflect maximum amount authorized not disbursed.

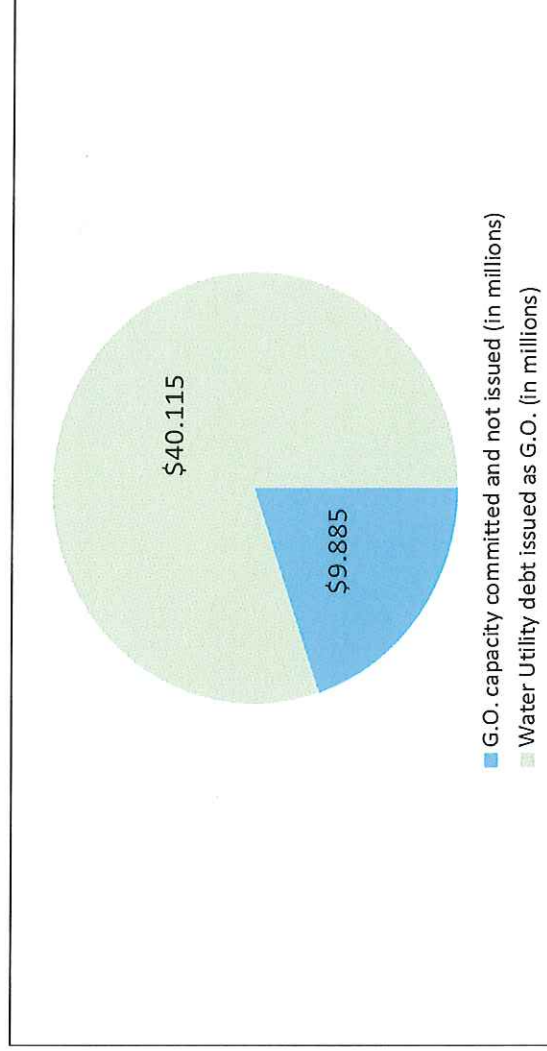
Note: Planning estimates only. Significant changes in market conditions will require adjustments to current financing plan. Rates subject to change.

City of Waukesha

Presentation to Water Commission

G.O. Debt Committed/Issued for Water Utility Project

G.O. capacity committed for Water Utility project		\$50,000,000
Water Utility debt issued as G.O.		
7-10-12	NAN	\$5,300,000
5-7-13	NAN	\$4,700,000
4-8-14	NAN	\$5,725,000
5-12-15	NAN	\$6,990,000
5/2/2016	Proposed NAN	\$17,400,000
		<u>\$40,115,000</u>
G.O. capacity committed and not issued		<u>\$9,885,000</u>



Note: Excludes G.O. Refunding of 2001 and 2006 Water Revenue Bonds

2001 Bonds (G.O.)	\$970,000
2006 Bonds (G.O.)	\$4,850,000
	<u>\$5,820,000</u>