



CITY OF WAUKESHA

Finance Department

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Committee: Finance Committee	Date: 3/9/2021
Common Council Item Number: ID# 21-1897	Date: 3/16/2021
Submitted By: Bridget M. Souffrant, Finance Director	City Administrator Approval: Kevin Lahner, City Administrator KL
Finance Department Review: Bridget M. Souffrant, Finance Director BS	City Attorney's Office Review: Brian Running, City Attorney BR
Subject: Matter of Report – Presentation by Baird of the 2021 Proposed Borrowing to support the City and Sewer Utility CIP. Includes refunding of prior short-term debt issues.	

Details:

This report is addressing the next five agenda items approving resolutions for the City's 2021 proposed borrowing for CIP needs. Again, we are requesting that the Finance Committee and Common Council approve the use of parameters resolutions. The 2021 proposed total borrowing is for \$91,563,000. Below are the 5 proposed issuances and their purposes.

- **\$22,715,000 Note Anticipation Note:** This issuance covers \$4,975,000 of Sewer 2021 CIP projects as well as \$17,737,230 for remodeling the Police department and other CIP needs.
- **\$31,545,000 General Obligation Promissory Note:** This issuance covers the approved \$30,854,942 in the 2021 CIP as well as \$690,000 from a reimbursement resolution for the Frame Park artificial turf project.
- **\$31,315,000 General Obligation Refunding Bonds:** This issuance is refunding \$8,245,000 of 2016 and 2017 Water note anticipation notes and \$24,310,000 of levy funded 2020 note anticipation notes.
- **\$4,365,000 Sewerage System Revenue Bonds:** This issuance is refunding a portion of the sewer projects from the 2020 Note Anticipation Note moving it into long term financing.
- **\$1,623,000 Taxable General Obligation Promissory Notes:** This issuance is for a developer incentive in TID #22.

Historically, the City issues debt that is sold on the day of a Common Council meeting. This evening, we are presenting you with parameters resolutions which provide flexibility in the timing of the debt issuance. This allows Baird to analyze interest rates and adjust to any fluctuations in the market versus being bound to a Council meeting date which could be subject to market fluctuation that we are not able to react to at that time. The resolutions establish a narrow range of parameters under which the debt may be issued. Those parameters include: the true interest cost, the purchase price, issuance cost and the principal amount of the bond. This is the same approach used for the issuance of the refunding bonds last fall.

Attached please find the presentation from Baird. Brad Viegut from Baird will present at the Committee meeting to answer any questions you may have.



Options & Alternatives:

Option 1: Approve the resolutions per Staff Recommendation

Option 2: Reject and bring back resolutions with a fixed bond sale date

Financial Remarks:

The City has approved the projects relating to these financings. The City is utilizing a variety of tools and funding sources to achieve the most financially responsible funding sources to save on costs in this interest rate environment.

Executive Recommendation:

The City Administrator recommends approving the parameters resolutions to finance the approved projects.