



## MEMORANDUM

DATE: February 17, 2017  
TO: Daniel Duchniak, General Manager  
FROM: Donna Scholl, Administrative Services Manager  
RE: 2017 Note Anticipation Notes (NAN)

I would like to seek approval from our Commission for a 2017 NAN in the amount of \$9,885,000.

Our approved budget assumed new borrowing of approximately \$13,623,905. We expect to receive a low interest loan from the state in the amount of \$4,704,173, leaving a shortfall of \$8,919,732. Given our remaining available balance from the City is \$9,885,000, it makes sense to issue the NAN for that amount.

Similar to last year, I am recommending that the Commission approve the issue of a 5 year NAN, callable in 2019. The five year term allows us to stretch the low interest financing over a longer term, yet the call feature allows us to refinance as the cash flow plan from the Great Water Alliance is developed.

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 \$9,885,000.

**BAIRD**

# City of Waukesha

Presentation to Water Commission

February 23, 2017

**Bradley D. Viegut, Managing Director**

[bviegut@rwbaird.com](mailto:bviegut@rwbaird.com)

777 East Wisconsin Avenue

Milwaukee, WI 53202

Phone 414.765.3827

Fax 414.298.7354



# City of Waukesha

## Presentation to Water Commission

### Tentative Timeline



- Water Commission considers plan of finance ..... February 23, 2017
- Finance Committee considers plan of finance / initial resolutions ..... March 28, 2017
- City Council considers plan of finance / initial resolutions ..... April 6, 2017
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- City Council considers award resolutions (finalizes terms and interest rates) ..... May 2, 2017
- Closing (funds available) ..... May 23, 2017

### Borrowing / Structure / Purpose

<b>Approximate Size:</b>	\$9,885,000
<b>Issue:</b>	Note Anticipation Notes
<b>Purposes:</b>	- Water Utility Project (\$9,885,000)
<b>Structure:</b>	Matures May 1, 2022
<b>First Interest:</b>	November 1, 2017
<b>Callable:</b>	May 1, 2019
<b>Estimated Rate:</b>	2.87%

# City of Waukesha

## Presentation to Water Commission

### Example Financing Plan



		Water Utility Supported		FINAL	Tentative Sale Date: May 2, 2017		
		EXISTING	EXISTING	\$17,400,000 <sup>(A)</sup>	PRELIMINARY		
		DEBT	DEBT	NANs	\$9,885,000 <sup>(B)</sup>		
LEVY	YEAR	SERVICE	SERVICE	Dated May 10, 2016	Dated May 23, 2017		YEAR
YEAR	DUE	(Revenue)	(G.O.)	(First interest 11/1/16)	(First interest 11/1/17)		DUE
				(Due 5/1/21)	(Due 5/1/22)		
				(Callable 5/1/18)	(Callable 5/1/19)		
				TIC=	TIC=		
				2.28%	2.87%		
2015	2016	\$891,997	\$859,133	\$247,950			2016
2016	2017	\$542,663	\$1,005,259	\$522,000	\$140,999		2017
2017	2018	\$541,929	\$1,138,629	\$522,000	\$321,263		2018
2018	2019	\$540,557	\$1,904,129	\$522,000	\$321,263		2019
2019	2020	\$538,548	\$2,171,754	\$522,000	\$321,263		2020
2020	2021	\$540,900	\$2,496,294	\$261,000	\$321,263		2021
2021	2022	\$542,403	\$2,501,044		\$160,631		2022
2022	2023	\$67,487	\$2,501,844				2023
2023	2024	\$67,477	\$2,500,094				2024
2024	2025	\$67,467	\$2,495,844				2025
2025	2026	\$67,456	\$2,499,094				2026
2026	2027	\$67,445	\$1,840,694				2027
2027	2028	\$67,434	\$1,838,556				2028
2028	2029	\$67,423	\$1,839,506				2029
2029	2030	\$67,411	\$1,843,388				2030
2030	2031	\$67,400	\$1,834,475				2031
2031	2032	\$67,388	\$1,837,775				2032
2032	2033	\$67,365	\$1,423,550				2033
2033	2034		\$1,025,200				2034
2034	2035		\$561,600				2035
		\$4,880,750	\$36,117,859	\$2,596,950	\$1,586,680		

(A) Amount available for projects is \$17,400,000. Total excess bid premium available for debt service is \$554,065.67.

(B) Amount available for projects is \$9,885,000. Estimated bid premium available for debt service is \$145,114.37.



# City of Waukesha

## Presentation to Water Commission

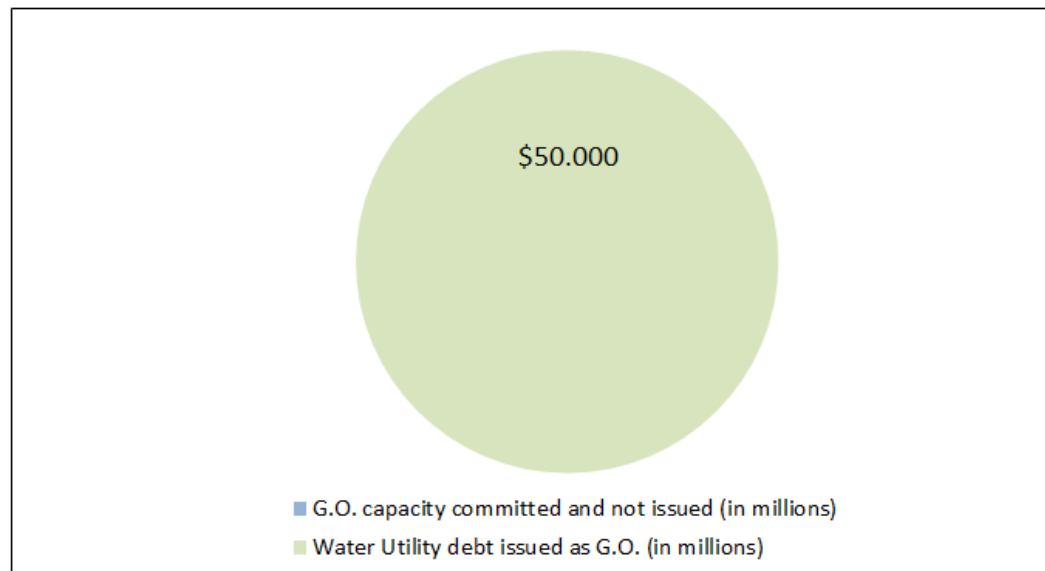
### G.O. Debt Committed/Issued for Water Utility Project

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
5-10-16	NAN	\$17,400,000
5-23-17	Proposed NAN	\$9,885,000
		<u>\$50,000,000</u>

G.O. capacity committed and not issued \$0



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

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