



CITY OF WAUKESHA

Finance Department

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Committee: Finance Committee	Date: 10/13/2020
Common Council Item Number: Click here to enter text.	Date: 10/20/2020
Submitted By: Bridget M. Souffrant, Finance Director	City Administrator Approval: Kevin Lahner, City Administrator KL
Finance Department Review: Bridget M. Souffrant, Finance Director BMS	City Attorney's Office Review: Brian Running, City Attorney BR
Subject: Review and Act on Resolution Authorizing the Issuance and Establishing Parameters for the Sale of Not to Exceed \$22,500,000 Taxable General Obligation Refunding Bonds, Series 2020D	

Details:

The attached resolution is authorizing the issuance and establishing the parameters for the sale of not to exceed \$22,500,000 taxable general obligation refunding bonds, series 2020D. Staff was contacted by Baird to review the potential of a refunding bond for seven of the City's existing debt issuances as follows:

- 2010D – General Fund, Sewer, Parking (Levy), Cemetery & TID #20
- 2011C – TID #17 & #18
- 2012C – General Fund & Storm Sewer (Levy)
- 2013B – Water Utility
- 2014A – General Fund & Parking (Non levy)
- 2014B – Water Utility
- 2015A – General Fund, TID #11 & #22

The proposed refunding has the potential to save the City roughly \$796,000 with an estimated present value savings of 3.913% without extending the life of the existing debt. Historically, the City issues debt that is sold on the day of a Common Council meeting. This evenings resolution is a parameters resolution which gives Baird the ability to choose which day is in the City's best interest to go to the bond market. 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 parameters resolution says that the bonds can only be sold if the true interest cost is less than 2.00% and the present value debt service savings must be at least 2.5% in aggregate of the principal amount refunded.

Attached please find the draft parameters resolution and 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 resolution per Staff Recommendation
- Option 2: Reject and bring back a resolution with a fixed bond sale date
- Option 3: Reject and do not seek the savings from a refunding



Financial Remarks:

The City has the opportunity to save an estimated \$796,000 by refunding the above stated bonds without extending the life of the issuances.

Executive Recommendation:

The City Administrator recommends Option 1 approving the parameters resolution to refinance the debt.

Committee Recommendation:

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