

The logo for BAIRD, featuring the word "BAIRD" in white, uppercase, serif font, set against a blue, trapezoidal background that is wider at the top and tapers towards the bottom.

City of Appleton

Finance Committee Meeting

May 9, 2022

Bradley D. Viegut, Managing Director

bviegut@rwbaird.com

777 East Wisconsin Avenue

Milwaukee, WI 53202

Phone 414.765.3827

City of Appleton

FINANCE COMMITTEE MEETING

May 9, 2022



Timeline

- Finance Committee considers plan of finance..... May 9, 2022
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- Notes/Bonds Pricing May 18, 2022
- Special Finance Committee considers award resolutions May 18, 2022
- Common Council meeting to award Notes/Bonds..... May 18, 2022
- Closing (funds available)..... June 15, 2022



Borrowing Amount / Structure / Purpose – General Obligation Promissory Notes, Series 2022

Amount:	\$15,530,000
Issue:	General Obligation Promissory Notes, Series 2022
Purpose:	2022 CIP: \$8,028,283 Fire Truck Purchase: \$345,000 Library: \$6,160,000 Stormwater: \$222,650 Watermain: \$581,750 Sanitary Sewer: \$189,975
Structure:	Matures April 1, 2024-2032
First Interest:	October 1, 2022
Callable:	April 1, 2029
Estimated Interest Rate:	3.24%



Example Financing Plan – General Obligation Promissory Notes, Series 2022

		PRELIMINARY 2022 NOTES					
		\$15,530,000					
		General Obligation Promissory Notes, Series 2022 June 15, 2022 (First Interest October 1, 2022)					
		2022 CIP Projects: \$8,028,283; Fire Truck Purchase: \$345,000; 2022 Library: \$6,160,000; Stormwater: \$222,650; Watermain: \$581,750; Sanitary Sewer: \$189,975					
YEAR	EXISTING LEVY SUPPORTED DUE DEBT SERVICE ^(A)	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1) TIC 3.24%	LESS: HYPOTHETICAL BID PREMIUM	TOTAL	TOTAL EXISTING & 2022 PRELIMINARY DEBT SERVICE (Lew)	YEAR DUE
2022	\$11,231,311		\$224,757	(\$224,757)	\$0	\$11,231,311	2022
2023	\$13,403,204		\$763,325	(\$763,325)	\$0	\$13,403,204	2023
2024	\$11,391,353	\$1,260,000	\$730,250	(\$197,007)	\$1,793,243	\$13,045,573	2024
2025	\$10,774,525	\$1,650,000	\$653,863		\$2,303,863	\$12,947,825	2025
2026	\$10,196,400	\$1,945,000	\$559,494		\$2,504,494	\$12,570,188	2026
2027	\$9,102,150	\$2,395,000	\$445,569		\$2,840,569	\$11,807,263	2027
2028	\$7,536,713	\$1,500,000	\$343,325		\$1,843,325	\$9,245,225	2028
2029	\$6,033,900	\$1,580,000	\$262,475		\$1,842,475	\$7,747,338	2029
2030	\$4,540,800	\$1,660,000	\$185,725		\$1,845,725	\$6,252,925	2030
2031	\$1,828,100	\$1,735,000	\$113,581		\$1,848,581	\$3,538,394	2031
2032		\$1,805,000	\$38,356		\$1,843,356	\$1,710,594	2032
	\$86,038,454	\$15,530,000	\$4,320,719	(\$1,185,089)	\$18,665,631	\$103,499,838	

(A) Net of bid premium from the 2021 Notes.

This illustration of the 2022 Notes represents a mathematical calculation of potential debt service, assuming hypothetical rates based on current market rates +25bps. Interest and costs of issuance are only estimates for illustrative purposes and are based on Baird's experience with comparable transactions. Actual interest and costs of issuance will vary. This illustration provides information and is not intended to be a recommendation, proposal or otherwise considered advice.



Debt Service Allocation – General Obligation Promissory Notes, Series 2022

2022 DEBT SERVICE ALLOCATION

YEAR DUE	CIP (Lewy)	FIRE TRUCK (Lewy)	LIBRARY (Lewy)	STORMWATER (TID Supported)	WATERMAIN (TID Supported)	SAN. SEWER (TID Supported)	YEAR DUE
2022	\$0	\$0	\$0	\$0	\$0	\$0	2022
2023	\$0	\$0	\$0	\$0	\$0	\$0	2023
2024	\$201,895	\$46,768	\$1,405,559	\$32,687	\$79,808	\$26,527	2024
2025	\$374,725	\$44,138	\$1,754,438	\$29,125	\$78,656	\$22,781	2025
2026	\$374,725	\$47,431	\$1,951,631	\$28,075	\$75,769	\$26,863	2026
2027	\$920,025	\$45,594	\$1,739,494	\$31,894	\$77,750	\$25,813	2027
2028	\$1,664,756	\$43,756	\$0	\$30,581	\$79,469	\$24,763	2028
2029	\$1,666,650	\$46,788	\$0	\$29,269	\$76,056	\$23,713	2029
2030	\$1,662,344	\$49,781	\$0	\$28,081	\$77,863	\$27,656	2030
2031	\$1,662,425	\$47,869	\$0	\$31,913	\$79,781	\$26,594	2031
2032	\$1,664,638	\$45,956	\$0	\$30,638	\$76,594	\$25,531	2032
<div style="display: flex; justify-content: space-between;"> \$10,192,182 \$418,080 \$6,851,121 \$272,262 \$701,746 \$230,239 </div>							



Potential Future Borrowing Debt Service – General Obligation

Periods of level payments are boxed

YEAR DUE	TOTAL EXISTING & 2022 PRELIMINARY DEBT SERVICE (Levy)	POTENTIAL FUTURE BORROWING DEBT SERVICE					COMBINED G.O. DEBT SERVICE (Levy)	YEAR DUE
		CIP BORROWINGS ^{(B)(C)} (Levy)	LIBRARY D/S ^{(B)(C)}	2026 ^{(B)(C)}	2028 ^{(B)(C)}	2030 ^{(B)(C)}		
2022	\$11,231,311						\$11,231,311	2022
2023	\$13,403,204						\$13,403,204	2023
2024	\$13,045,573	\$5,061	\$745,850				\$13,796,484	2024
2025	\$12,947,825	\$208,834	\$639,300				\$13,795,959	2025
2026	\$12,570,188	\$586,610	\$639,300				\$13,796,097	2026
2027	\$11,807,263	\$1,405,869	\$805,050	\$380,217			\$14,398,398	2027
2028	\$9,245,225	\$2,232,137	\$2,541,800	\$376,900			\$14,396,062	2028
2029	\$7,747,338	\$2,974,074	\$2,541,300		\$756,097		\$14,396,521	2029
2030	\$6,252,925	\$4,465,441	\$2,545,550	\$378,150	\$756,723		\$14,398,789	2030
2031	\$3,538,394	\$6,844,268	\$2,545,113	\$378,213	\$754,310	\$335,500	\$14,395,797	2031
2032	\$1,710,594	\$8,671,896	\$2,545,375	\$377,900	\$756,285	\$336,538	\$14,398,587	2032

(B) This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.

(C) Assumes future borrowings, as described below, using current rates +25bps:

	Potential Future Borrowings				
	General Purposes	Library	2026	2028	2030
2023	\$4,000,000	\$13,500,000			
2024	\$9,000,000				
2025	\$9,000,000				
2026	\$6,500,000		\$4,500,000		
2027	\$10,500,000				
2028	\$8,500,000			\$9,000,000	
2029	\$9,500,000				
2030	\$7,500,000				\$4,000,000
2031	\$6,500,000				
2032	\$6,500,000				

City of Appleton

FINANCE COMMITTEE MEETING

May 9, 2022



Amount / Structure / Purpose – Sewerage System Revenue Bonds, Series 2022

Amount:	\$11,460,000
Issue:	Sewerage System Revenue Bonds, Series 2022
Purpose:	\$11,000,000 - Sewer System Projects
Structure:	Matures May 1, 2023-2042
First Interest:	November 1, 2022
Callable:	May 1, 2030
Estimated Interest Rate:	3.88%



Example Financing Plan – Sewerage System Revenue Bonds, Series 2022

PRELIMINARY 2022 BONDS						
\$11,460,000						
Sewerage System Revenue Bonds, Series 2022						
Dated June 15, 2022						
(First Interest November 1, 2022)						
2022 Projects Financed: \$11,000,000						
YEAR DUE	EXISTING SEWERAGE SYSTEM DEBT (Revenue Only)	PRINCIPAL (5/1)	INTEREST (5/1 & 11/1) TIC 3.88%	TOTAL	COMBINED SEWERAGE SYSTEM DEBT (Revenue Only)	DEBT SERVICE COVERAGE (2021 Net Revenues)
2022	\$2,222,213		\$191,779	\$191,779	\$2,413,991	2.26
2023	\$2,236,056	\$355,000	\$498,775	\$853,775	\$3,089,831	1.77
2024	\$2,230,100	\$375,000	\$480,525	\$855,525	\$3,085,625	1.77
2025	\$2,218,025	\$395,000	\$461,275	\$856,275	\$3,074,300	1.78
2026	\$2,222,875	\$415,000	\$441,025	\$856,025	\$3,078,900	1.77
2027	\$1,997,325	\$435,000	\$419,775	\$854,775	\$2,852,100	1.91
2028	\$1,825,325	\$460,000	\$397,400	\$857,400	\$2,682,725	2.03
2029	\$1,524,075	\$480,000	\$373,900	\$853,900	\$2,377,975	2.30
2030	\$1,528,375	\$505,000	\$351,800	\$856,800	\$2,385,175	2.29
2031	\$1,225,825	\$525,000	\$330,544	\$855,544	\$2,081,369	2.62
2032	\$958,150	\$550,000	\$307,700	\$857,700	\$1,815,850	3.01
2033	\$954,000	\$570,000	\$283,900	\$853,900	\$1,807,900	3.02
2034	\$954,400	\$595,000	\$259,144	\$854,144	\$1,808,544	3.02
2035	\$959,225	\$620,000	\$233,325	\$853,325	\$1,812,550	3.01
2036	\$958,475	\$650,000	\$206,338	\$856,338	\$1,814,813	3.01
2037	\$958,225	\$675,000	\$178,181	\$853,181	\$1,811,406	3.01
2038	\$953,550	\$705,000	\$148,856	\$853,856	\$1,807,406	3.02
2039	\$958,116	\$735,000	\$118,256	\$853,256	\$1,811,372	3.01
2040	\$956,866	\$770,000	\$86,275	\$856,275	\$1,813,141	3.01
2041	\$450,563	\$805,000	\$52,806	\$857,806	\$1,308,369	4.17
2042		\$840,000	\$17,850	\$857,850	\$857,850	6.36
	\$28,291,763	\$11,460,000	\$5,839,429	\$17,299,429	\$45,591,191	

(1) 2021 Net Revenues Available for Debt Service: \$5,459,166

Additional Bonds Test: Net Revenues at least 1.20 times the maximum annual combined principal and interest requirement

(1) Provided by the City in April 2022.