

The logo for BAIRD is a blue parallelogram tilted to the right, containing the word "BAIRD" in white, uppercase, serif font.

BAIRD

# City of Appleton

Finance Committee Meeting

July 22, 2024

Bradley D. Viegut, Managing Director

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

777 East Wisconsin Avenue

Milwaukee, WI 53202

Phone 414.765.3827



## Timeline

- Finance Committee considers plan of finance ..... July 22, 2024
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- Notes/Bonds Pricing ..... August 7, 2024
- Special Finance Committee considers award resolutions ..... August 7, 2024
- Common Council meeting to award Notes/Bonds ..... August 7, 2024
- Closing (funds available) ..... August 28, 2024



Borrowing Amount / Structure / Purpose – General Obligation Promissory Notes, Series 2024

<b>Amount:</b>	\$13,500,000
<b>Issue:</b>	General Obligation Promissory Notes, Series 2024
<b>Purpose:</b>	2024 CIP: \$8,777,300 TID #13: \$4,721,700
<b>Structure:</b>	Matures April 1, 2025-2034
<b>First Interest:</b>	April 1, 2025
<b>Callable:</b>	April 1, 2031
<b>Estimated Interest Rate:</b>	3.84%



Example Financing Plan – General Obligation Promissory Notes, Series 2024

		<b>POS 2024 NOTES</b>						
		<b>\$13,500,000</b>						
		General Obligation Promissory Notes, Series 2024						
		August 28, 2024						
		(First Interest April 1, 2025)						
		2024 CIP Projects: \$8,777,300; TID #13: \$4,721,700						
LEVY YEAR	YEAR DUE	EXISTING LEVY SUPPORTED DEBT SERVICE <sup>(A)</sup>	PRINCIPAL (4/1)	INTEREST (4/1 & 10/1) TIC= 3.84%	LESS: HYPOTHETICAL BID PREMIUM	TOTAL	TOTAL EXISTING & 2024 DEBT SERVICE (Lewy)	YEAR DUE
2023	2024	\$13,794,989					\$13,794,989	2024
2024	2025	\$13,795,384	\$655,000	\$730,538	(\$883,736)	\$501,802	\$13,795,384	2025
2025	2026	\$13,381,625	\$420,000	\$640,945		\$1,060,945	\$13,796,906	2026
2026	2027	\$12,942,750	\$420,000	\$619,945		\$1,039,945	\$13,406,678	2027
2027	2028	\$12,003,688	\$980,000	\$584,945		\$1,564,945	\$12,997,740	2028
2028	2029	\$10,503,000	\$1,305,000	\$527,820		\$1,832,820	\$11,761,053	2029
2029	2030	\$9,010,475	\$1,750,000	\$451,445		\$2,201,445	\$10,639,403	2030
2030	2031	\$6,299,900	\$1,840,000	\$361,695		\$2,201,695	\$7,927,453	2031
2031	2032	\$4,469,100	\$1,940,000	\$265,740		\$2,205,740	\$6,100,701	2032
2032	2033	\$2,769,300	\$2,040,000	\$163,255		\$2,203,255	\$4,400,068	2033
2033	2034		\$2,150,000	\$55,363		\$2,205,363	\$1,630,943	2034
		\$98,970,211	\$13,500,000	\$4,401,690	(\$883,736)	\$17,017,954	\$110,251,315	

(A) Net of bid premium from the 2023 Notes.



Debt Service Allocation – General Obligation Promissory Notes, Series 2024

2024 DEBT SERVICE ALLOCATION			
YEAR DUE	CIP (Lewy)	TID #13 (TID Supported)	YEAR DUE
2024	\$0	\$0	2024
2025	\$0	\$572,199	2025
2026	\$415,281	\$575,268	2026
2027	\$463,928	\$576,018	2027
2028	\$994,053	\$570,893	2028
2029	\$1,258,053	\$574,768	2029
2030	\$1,628,928	\$572,518	2030
2031	\$1,627,553	\$574,143	2031
2032	\$1,631,601	\$574,139	2032
2033	\$1,630,768	\$572,488	2033
2034	\$1,630,943	\$574,420	2034
	\$11,281,104	\$5,736,850	



Potential Future Borrowing Debt Service – General Obligation

**Periods of level payments are boxed**

YEAR DUE	TOTAL EXISTING & 2024 NOTES DEBT SERVICE (Levy)	POTENTIAL FUTURE BORROWING DEBT SERVICE				COMBINED G.O. DEBT SERVICE (Levy)	YEAR DUE
		CIP BORROWINGS <sup>(B)(C)</sup> (Levy)	2026 <sup>(B)(C)</sup>	2028 <sup>(B)(C)</sup>	2030 <sup>(B)(C)</sup>		
2024	\$13,794,989	\$0				\$13,794,989	2024
2025	\$13,795,384	\$0				\$13,795,384	2025
2026	\$13,796,906	\$0				\$13,796,906	2026
2027	\$13,406,678	\$359,575	\$380,217			\$14,146,469	2027
2028	\$12,997,740	\$770,639	\$376,900			\$14,145,279	2028
2029	\$11,761,053	\$1,251,775	\$377,713	\$756,097		\$14,146,637	2029
2030	\$10,639,403	\$2,372,450	\$378,150	\$756,723		\$14,146,725	2030
2031	\$7,927,453	\$4,746,928	\$378,213	\$754,310	\$335,500	\$14,142,403	2031
2032	\$6,100,701	\$6,573,271	\$377,900	\$756,285	\$336,538	\$14,144,695	2032
2033	\$4,400,068	\$8,272,271	\$381,750	\$752,648	\$338,838	\$14,145,573	2033
2034	\$1,630,943	\$11,042,777	\$381,275	\$753,118	\$335,875	\$14,143,987	2034

(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 estimated interest rates of approximately 3.00%:

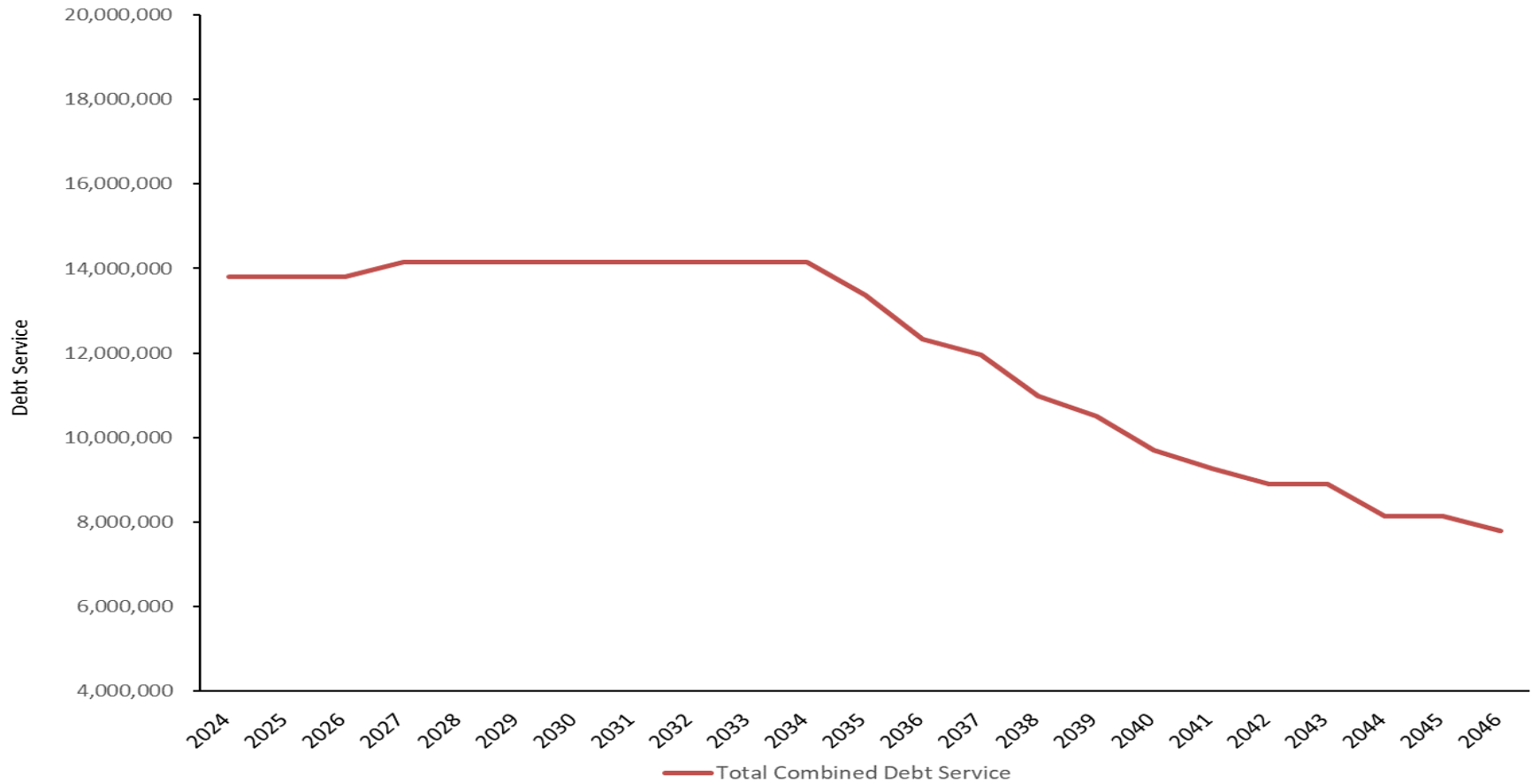
Potential Future Borrowings				
	General Purposes	2026	2028	2030
2025	\$9,000,000			
2026	\$6,350,000	\$4,500,000		
2027	\$10,500,000			
2028	\$8,500,000		\$9,000,000	
2029	\$9,500,000			
2030	\$7,500,000			\$4,000,000
2031	\$6,500,000			
2032	\$6,500,000			
2033	\$6,500,000			
2034	\$6,500,000			

# City of Appleton

FINANCE COMMITTEE MEETING

July 22, 2024

## Total Combined Debt Service



Note: Includes existing and hypothetical future issues.

# City of Appleton

FINANCE COMMITTEE MEETING

July 22, 2024



## Amount / Structure / Purpose – Sewerage System Revenue Bonds, Series 2024

<b>Amount:</b>	\$12,910,000
<b>Issue:</b>	Sewerage System Revenue Bonds, Series 2024
<b>Purpose:</b>	\$12,550,000 - Sewer System Projects
<b>Structure:</b>	Matures May 1, 2026-2044
<b>First Interest:</b>	May 1, 2025
<b>Callable:</b>	May 1, 2032
<b>Estimated Interest Rate:</b>	4.44%





Example Financing Plan – Sewerage System Revenue Bonds, Series 2024

<b>PRELIMINARY</b>						
<b>\$12,910,000</b>						
Sewerage System Revenue Bonds, Series 2024						
Dated August 28, 2024						
(First Interest May 1, 2025)						
<b>2024 Projects Financed: \$12,550,000</b>						
YEAR DUE	EXISTING SEWERAGE SYSTEM DEBT (Revenue Only)	PRINCIPAL (5/1)	INTEREST (5/1 & 11/1) TIC= 4.44%	TOTAL	COMBINED SEWERAGE SYSTEM DEBT (Revenue Only)	DEBT SERVICE COVERAGE (2023 Net Revenues)
2024	\$3,102,763				\$3,102,763	2.10
2025	\$3,091,188		\$751,794	\$751,794	\$3,842,982	1.70
2026	\$3,095,538	\$200,000	\$634,825	\$834,825	<b>\$3,930,363</b>	1.66
2027	\$2,868,488	\$440,000	\$618,825	\$1,058,825	\$3,927,313	1.66
2028	\$2,698,863	\$465,000	\$596,200	\$1,061,200	\$3,760,063	1.74
2029	\$2,393,863	\$490,000	\$572,325	\$1,062,325	\$3,456,188	1.89
2030	\$2,398,288	\$515,000	\$547,200	\$1,062,200	\$3,460,488	1.89
2031	\$2,099,488	\$540,000	\$520,825	\$1,060,825	\$3,160,313	2.06
2032	\$1,829,188	\$570,000	\$493,075	\$1,063,075	\$2,892,263	2.26
2033	\$1,824,113	\$600,000	\$463,075	\$1,063,075	\$2,887,188	2.26
2034	\$1,825,413	\$630,000	\$430,788	\$1,060,788	\$2,886,200	2.26
2035	\$1,830,138	\$665,000	\$396,794	\$1,061,794	\$2,891,931	2.26
2036	\$1,828,288	\$700,000	\$360,963	\$1,060,963	\$2,889,250	2.26
2037	\$1,830,838	\$735,000	\$323,294	\$1,058,294	\$2,889,131	2.26
2038	\$1,827,763	\$775,000	\$283,656	\$1,058,656	\$2,886,419	2.26
2039	\$1,832,256	\$820,000	\$241,788	\$1,061,788	\$2,894,044	2.25
2040	\$1,829,244	\$865,000	\$197,556	\$1,062,556	\$2,891,800	2.26
2041	\$1,324,325	\$910,000	\$150,963	\$1,060,963	\$2,385,288	2.74
2042	\$873,169	\$955,000	\$106,781	\$1,061,781	\$1,934,950	3.37
2043		\$995,000	\$65,344	\$1,060,344	\$1,060,344	6.15
2044		\$1,040,000	\$22,100	\$1,062,100	\$1,062,100	6.14
	<b>\$40,403,206</b>	<b>\$12,910,000</b>	<b>\$7,778,169</b>	<b>\$20,688,169</b>	<b>\$61,091,376</b>	

**2023 Audited Net Revenues Available for Debt Service: \$6,525,132**

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