

November 21, 2023

SALE DAY REPORT FOR:

City of Dodgeville, Wisconsin

**\$1,065,000 General Obligation Community
Development Bonds, Series 2023C**



Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

David Ferris, CPA,
Senior Municipal Advisor

Brian Roemer,
Senior Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: For the public purpose of providing financial assistance to community development projects under Section 66.1105 of the Wisconsin Statutes, by paying the costs of projects listed in the project plans for the City's Tax Incremental Districts.

RATING: S&P Global Ratings "AA-"

NUMBER OF BIDS: 6

LOW BIDDER: Baird, Milwaukee, Wisconsin

COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

LOW BID:* 3.6975%

HIGH BID: 4.0471%

Summary of Sale Results:	
Principal Amount*:	\$1,065,000
Underwriter's Discount:	\$13,313
Reoffering Premium:	\$73,355
True Interest Cost:	3.6941%
Capitalized Interest:	\$133,796
Costs of Issuance:	\$55,000
Yield:	3.20%-3.75%
Total Net P&I	\$1,330,625

NOTES: Bond Trust Services Corporation, Roseville, Minnesota will serve as Paying Agent on the Bonds.

The Bonds maturing March 1, 2032 and thereafter are callable March 1, 2031 or any date thereafter.

* Subsequent to bid opening, the issue size was decreased from \$1,170,000.

CLOSING DATE: December 13, 2023

**CITY COUNCIL
ACTION:**

Adopt a resolution awarding the sale of \$1,065,000 General Obligation Community Development Bonds, Series 2023C.

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- Sources and Uses of Funds
- Updated Debt Service Schedule
- Rating Report
- BBI Graph

BID TABULATION

\$1,170,000* General Obligation Community Development Bonds, Series 2023C

City of Dodgeville, Wisconsin

SALE: November 21, 2023

AWARD: BAIRD

Rating: S&P Global Ratings "AA-"

Tax Exempt - Bank Qualified

NAME OF BIDDER	MATURITY (March 1)	REOFFERING YIELD	COUPON RATE	PRICE	TRUE INTEREST RATE
BAIRD				\$1,234,585.15	3.6975%
Milwaukee, Wisconsin	2027	3.250%	5.000%		
C.L. King & Associates	2028	3.200%	5.000%		
Fidelity Capital Markets	2029	3.200%	5.000%		
Crews & Associates, Inc.	2030	3.200%	5.000%		
Country Club Bank	2031	3.200%	5.000%		
Duncan-Williams, Inc.	2032	3.220%	5.000%		
Sierra Pacific Securities	2033	3.240%	5.000%		
Isaak Bond Investments, Inc	2034 ¹	3.450%	4.000%		
Carty & Company, Inc.	2035 ¹	3.450%	4.000%		
Celadon Financial Group, LLC	2036 ²	3.750%	4.000%		
Alliance Global Partners	2037 ²	3.750%	4.000%		
UMB Bank,N.A.					
Midland Securities					
Central States Capital Markets					
First Southern LLC					
The Baker Group					
Dinosaur Securities					
Wintrust Investments, LLC					
First Bankers' Banc Securities, Inc.					
Mountainside Securities LLC					
Seaport Global Securities LLC					

* Subsequent to bid opening the issue size was decreased to \$1,065,000.

Adjusted Price - \$1,125,042.85

Adjusted Net Interest Cost - \$339,377.98

Adjusted TIC - 3.6941%

¹ \$200,000 Term Bond due 2035 with mandatory redemption in 2034.

² \$200,000 Term Bond due 2037 with mandatory redemption in 2036.

NAME OF BIDDER	MATURITY (March 1)	PRICE	TRUE INTEREST RATE
BOK FINANCIAL SECURITIES, INC. Milwaukee, Wisconsin		\$1,222,251.20	3.8456%
NORTHLAND SECURITIES, INC. Minneapolis, Minnesota		\$1,227,125.80	3.8980%
TD SECURITIES (USA) LLC New York, New York		\$1,202,454.25	3.8990%
BERNARDI SECURITIES, INC. Chicago, Illinois		\$1,200,236.65	3.9262%
HILLTOPSECURITIES Dallas, Texas		\$1,205,729.60	4.0471%

City of Dodgeville, Wisconsin

TID No. 3 Mixed Use District

Financing Plan

	FINAL	Preliminary
	G.O. Bond 2023	G.O. Bond 2023
Projects		
City Project (Tax Exempt)	940,845	940,845
Project Contingency	0	5,000
Total Project Funds	940,845	945,845
Underwriter's Premium	(73,355)	0
Estimated Finance Related Expenses		
Municipal Advisor	19,200	19,200
Bond Counsel	13,000	15,000
Disclosure Counsel	8,450	9,750
Rating Agency Fee	13,500	14,500
Paying Agent	850	850
Underwriter Discount	13,313	14,625
Capitalized Interest	133,796	158,925
Total Financing Required	1,069,598	1,178,695
Net interest from construction fund ¹	(6,908)	(9,408)
Rounding	2,310	713
Net Issue Size	1,065,000	1,170,000

Notes:

¹Investment fees (\$2,500) are netted against interest earnings for administering the purchase of State & Local Government Securities (SLGS).

City of Dodgeville, Wisconsin

TID No. 3 Mixed Use District

Development Assumptions

Construction Year		DOR Certified	New Apartments		Limestone Hills Ph 2	Annual Total	Construction Year	
1	2020	57,500				57,500	2020	1
2	2021	1,070,200				1,070,200	2021	2
3	2022	4,636,200				4,636,200	2022	3
4	2023		2	720,000		720,000	2023	4
5	2024		2	720,000	1,450,000	2,170,000	2024	5
6	2025		2	720,000	4,350,000	5,070,000	2025	6
7	2026		2	720,000		720,000	2026	7
8	2027		1	360,000		360,000	2027	8
9	2028					0	2028	9
10	2029					0	2029	10
11	2030					0	2030	11
12	2031					0	2031	12
13	2032					0	2032	13
14	2033					0	2033	14
15	2034					0	2034	15
16	2035					0	2035	16
17	2036					0	2036	17
18	2037					0	2037	18
19	2038					0	2038	19
20	2039					0	2039	20
Totals		5,763,900	3,240,000		5,800,000	14,803,900		

Notes:

City of Dodgeville, Wisconsin

TID No. 3 Mixed Use District

Tax Increment Projection Worksheet

Type of District	Mixed Use		Base Value	1,925,400
District Creation Date	July 21, 2020		Appreciation Factor	0.00%
Valuation Date	Jan 1,	2020	Base Tax Rate	\$24.59
Max Life (Years)	20		Rate Adjustment Factor	0.00%
Expenditure Period/Termination	15	7/21/2035		
Revenue Periods/Final Year	20	2041		
Extension Eligibility/Years	Yes	3		
Eligible Recipient District	No			

Construction Year	Value Added	Valuation Year	Total Increment	Revenue Year	Tax Rate	Tax Increment	
	Tech College Ext.	0				0	
1	2020	57,500	2021	57,500	2022	\$24.35	1,400
2	2021	1,070,200	2022	1,127,700	2023	\$21.78	24,556
3	2022	4,636,200	2023	5,763,900	2024	\$20.43	117,753
4	2023	720,000	2024	6,483,900	2025	\$20.43	132,462
5	2024	2,170,000	2025	8,653,900	2026	\$20.43	176,793
6	2025	5,070,000	2026	13,723,900	2027	\$20.43	280,371
7	2026	720,000	2027	14,443,900	2028	\$20.43	295,080
8	2027	360,000	2028	14,803,900	2029	\$20.43	302,435
9	2028	0	2029	14,803,900	2030	\$20.43	302,435
10	2029	0	2030	14,803,900	2031	\$20.43	302,435
11	2030	0	2031	14,803,900	2032	\$20.43	302,435
12	2031	0	2032	14,803,900	2033	\$20.43	302,435
13	2032	0	2033	14,803,900	2034	\$20.43	302,435
14	2033	0	2034	14,803,900	2035	\$20.43	302,435
15	2034	0	2035	14,803,900	2036	\$20.43	302,435
16	2035	0	2036	14,803,900	2037	\$20.43	302,435
17	2036	0	2037	14,803,900	2038	\$20.43	302,435
18	2037	0	2038	14,803,900	2039	\$20.43	302,435
19	2038	0	2039	14,803,900	2040	\$20.43	302,435
20	2039	0	2040	14,803,900	2041	\$20.43	302,435
Totals		6,150,000			Future Value of Increment	4,960,070	

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

City of Dodgeville, Wisconsin

TID No. 3 Mixed Use District

Cash Flow Projection - Overall District

Year	Projected Revenues				Expenditures									Balances			Year	
	Tax Increments	Interest Earnings/ (Cost)	Proceeds from Long-Term Debt	Total Revenues	General Obligation Bonds 1,065,000 Dated Date: 12/13/23			Total Debt Service (Includes 2021 & 2022 Issues Outstanding)		Capital	Debt Issuance	MRO ¹ Developer Incentive	Upfront Developer Incentive	Admin.	Total Expenditures	Annual		Cumulative
2022	1,400	935	770,000	772,335			700,000	29,129	516,516	35,282	0	700,000	3,294	1,984,221	(1,211,886)	(317,458)	2,650,000	2022
2023	24,556		1,065,000	1,089,556			0	66,921	940,845	68,313	23,016		2,500	1,101,595	(12,039)	(329,497)	3,715,000	2023
2024	117,753			117,753			50,000	92,127			40,124		2,500	184,751	(66,998)	(396,495)	3,665,000	2024
2025	132,462			132,462			50,000	49,250			34,876		2,500	192,570	(60,108)	(456,603)	3,615,000	2025
2026	176,793			176,793			100,000	49,250			29,272		2,500	235,878	(59,085)	(515,688)	3,515,000	2026
2027	280,371			280,371	65,000	5.00%	190,000	47,625			81,606		2,500	374,600	(94,229)	(609,917)	3,325,000	2027
2028	295,080			295,080	100,000	5.00%	225,000	43,500			92,488		2,500	413,669	(118,589)	(728,506)	3,100,000	2028
2029	302,435			302,435	100,000	5.00%	225,000	38,500			81,022		2,500	394,516	(92,081)	(820,587)	2,875,000	2029
2030	302,435			302,435	100,000	5.00%	235,000	33,500			69,327		2,500	385,033	(82,598)	(903,185)	2,640,000	2030
2031	302,435			302,435	100,000	5.00%	245,000	28,500			57,870		2,500	375,589	(73,154)	(976,339)	2,395,000	2031
2032	302,435			302,435	100,000	5.00%	250,000	23,500			52,013		2,500	366,594	(64,159)	(1,040,498)	2,145,000	2032
2033	302,435			302,435	100,000	5.00%	255,000	18,500			46,039		2,500	357,383	(54,948)	(1,095,446)	1,890,000	2033
2034	302,435			302,435	100,000	4.00%	260,000	14,000			39,945		2,500	348,358	(45,923)	(1,141,368)	1,630,000	2034
2035	302,435			302,435	100,000	4.00%	270,000	10,000			33,730		2,500	344,468	(42,033)	(1,183,401)	1,360,000	2035
2036	302,435			302,435	100,000	4.00%	275,000	6,000			27,390		2,500	335,303	(32,868)	(1,216,268)	1,085,000	2036
2037	302,435			302,435	100,000	4.00%	280,000	2,000			20,923		2,500	325,892	(23,457)	(1,239,725)	805,000	2037
2038	302,435			302,435			190,000	16,281			14,327		2,500	223,108	79,327	(1,160,398)	615,000	2038
2039	302,435			302,435			200,000	11,819			7,599		2,500	221,918	80,517	(1,079,881)	415,000	2039
2040	302,435			302,435			210,000	7,138			737		2,500	220,375	82,061	(997,821)	205,000	2040
2041	302,435			302,435			205,000	2,369			0		5,000	212,369	90,066	(907,754)	0	2041
Total	4,960,070	1,120	4,464,858	9,426,048	1,065,000	399,421	4,415,000	1,116,634	3,095,581	183,311	752,304	700,000	70,973	10,333,802				Total

Notes: ¹MRO payments per development agreement.

Preliminary Planning	1,170,000	485,425
Difference	(105,000)	(86,004)

Projected TID Closure

RatingsDirect®

Summary:

Dodgeville, Wisconsin; General Obligation

Primary Credit Analyst:

Jessica Olejak, Chicago + 1 (312) 233 7068; jessica.olejak@spglobal.com

Secondary Contact:

Emma Drilias, Madison (1) 312-233-7132; emma.drilias@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Related Research

Summary:

Dodgeville, Wisconsin; General Obligation

Credit Profile

US\$1.17 mil GO comnty dev bnds ser 2023C dtd 12/13/2023 due 03/01/2037

<i>Long Term Rating</i>	AA-/Stable	New
-------------------------	------------	-----

Dodgeville GO rfdg bnds

<i>Long Term Rating</i>	AA-/Stable	Affirmed
-------------------------	------------	----------

Credit Highlights

- S&P Global Ratings assigned its 'AA-' rating to Dodgeville, Wis.' \$1.17 million series 2023C general obligation (GO) community development bonds.
- At the same time, S&P Global Ratings affirmed its 'AA-' rating on the city's existing GO debt.
- The outlook is stable.

Security

Unlimited ad valorem property taxes secure the GO community development bonds.

Officials intend to use the bond proceeds for tax increment finance (TIF) district improvements.

Credit overview

Dodgeville's trend of operational balance continued in fiscal 2022 (year-end Dec. 31) with slight surplus results and maintenance of very strong reserves, despite an unpaid \$300,000 loan from the general fund to TIF3--which we deducted from the available fund balance for our analysis. The TIF has developments underway and is expected to repay the general fund in the medium term. In fiscal 2022, the general fund provided interim financing for a water utility project (\$697,000), which has been repaid. Fiscal 2023 projected general fund results show a \$360,000 surplus (7.5% of expenditures), primarily due to budgeted vehicle purchases that were not made. The preliminary fiscal 2024 budget has a \$269,000 deficit (5.6% of expenditures), which includes a 4.2% salary increase and 14.5% rise in insurance costs. The budget also includes the purchase of the vehicles, but management is uncertain if they will, once again, be unavailable. We believe that the city will maintain very strong reserves, likely above 30% of expenditures over, at least, the short-to-medium term.

The city has more than \$3.3 million of directly placed loans with Farmers Savings Bank. The terms of the loan include what we consider permissive events of default and acceleration of all principal and interest payments in the event of a default. With more than \$7 million of available cash, in our opinion, the city would have sufficient liquidity to cover a possible acceleration, in the short term, with ample access to capital markets to refinance the debt; we do not view this as a contingent liquidity risk. However, if the city's liquidity declined materially compared with the debt, we could lower the rating.

Dodgeville received \$500,000 in federal pandemic stimulus; it was not recognized as revenue until it was spent and is not inflating the fund balance or year-end results. Almost all of this has been spent and was used for one-time capital expenditures.

The primary limiting credit factor is a lack of robust financial management policies and practices, but we do not think this has negatively affected operations.

The rating reflects our view of the city's:

- Modestly improving economy during the past several years with additional developments underway; Dodgeville benefits from its access to Madison, the state capital, and the economy, which has improved recently, continues to benefit from the presence of the global headquarters of Lands' End's, with about 4,000 employees;
- Finances that remain steady, fueled by economic growth supporting taxes, permits, and fee revenue--with no plans to draw down general fund reserves; property taxes and state aid generated 41% and 27%, respectively, of general fund revenue;
- Adequate financial management with limited budget-monitoring practices, no long term financial or capital planning, but with robust budget planning and a fund balance policy that calls for 15% of expenditures, and a strong institutional framework score; and
- Manageable debt with no additional bond plans and participation in the Wisconsin Retirement System (WRS), which was 96% funded as of Dec. 31, 2022, and is among the nation's strongest pension plans.

Environmental, social, and governance

We analyzed Dodgeville's environmental, social, and governance factors relative to the city's economy, management, financial measures, and debt and liability profile and consider them to be neutral in our credit analysis. The city uses outside contractors for its cybersecurity and trains employees in cybersecurity best practices.

Outlook

The stable outlook reflects our expectation that the city will maintain stable operations and very strong reserves.

Downside scenario

We could lower the rating if budget performance were to weaken, leading to materially worse available reserves or liquidity.

Upside scenario

We could raise the rating if wealth and income were to improve to levels we consider comparable with those of higher-rated peers and if the city were to bolster its financial management policies and practices.

Dodgeville, Wisconsin--Key credit metrics				
	Most recent	Historical information		
		2022	2021	2020
Strong economy				
Projected per capita EBI % of U.S.	92			

Dodgeville, Wisconsin--Key credit metrics (cont.)

	Most recent	Historical information		
		2022	2021	2020
Market value per capita (\$)	104,974			
Population		4,946	4,905	4,939
County unemployment rate(%)		2.6		
Market value (\$000)	519,201	511,136	440,174	427,892
Ten largest taxpayers % of taxable value	14.1			
Strong budgetary performance				
Operating fund result % of expenditures		2.9	2.0	3.3
Total governmental fund result % of expenditures		1.4	(10.7)	36.0
Very strong budgetary flexibility				
Available reserves % of operating expenditures		46.7	59.4	61.2
Total available reserves (\$000)		2,455	2,709	2,602
Very strong liquidity				
Total government cash % of governmental fund expenditures		107	94	138
Total government cash % of governmental fund debt service		2159	1896	1556
Adequate management				
Financial Management Assessment	Standard			
Adequate debt & long-term liabilities				
Debt service % of governmental fund expenditures		5.0	5.0	8.9
Net direct debt % of governmental fund revenue	101			
Overall net debt % of market value	4.4			
Direct debt 10-year amortization (%)	60			
Required pension contribution % of governmental fund expenditures		2.7		
OPEB actual contribution % of governmental fund expenditures		0.0		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

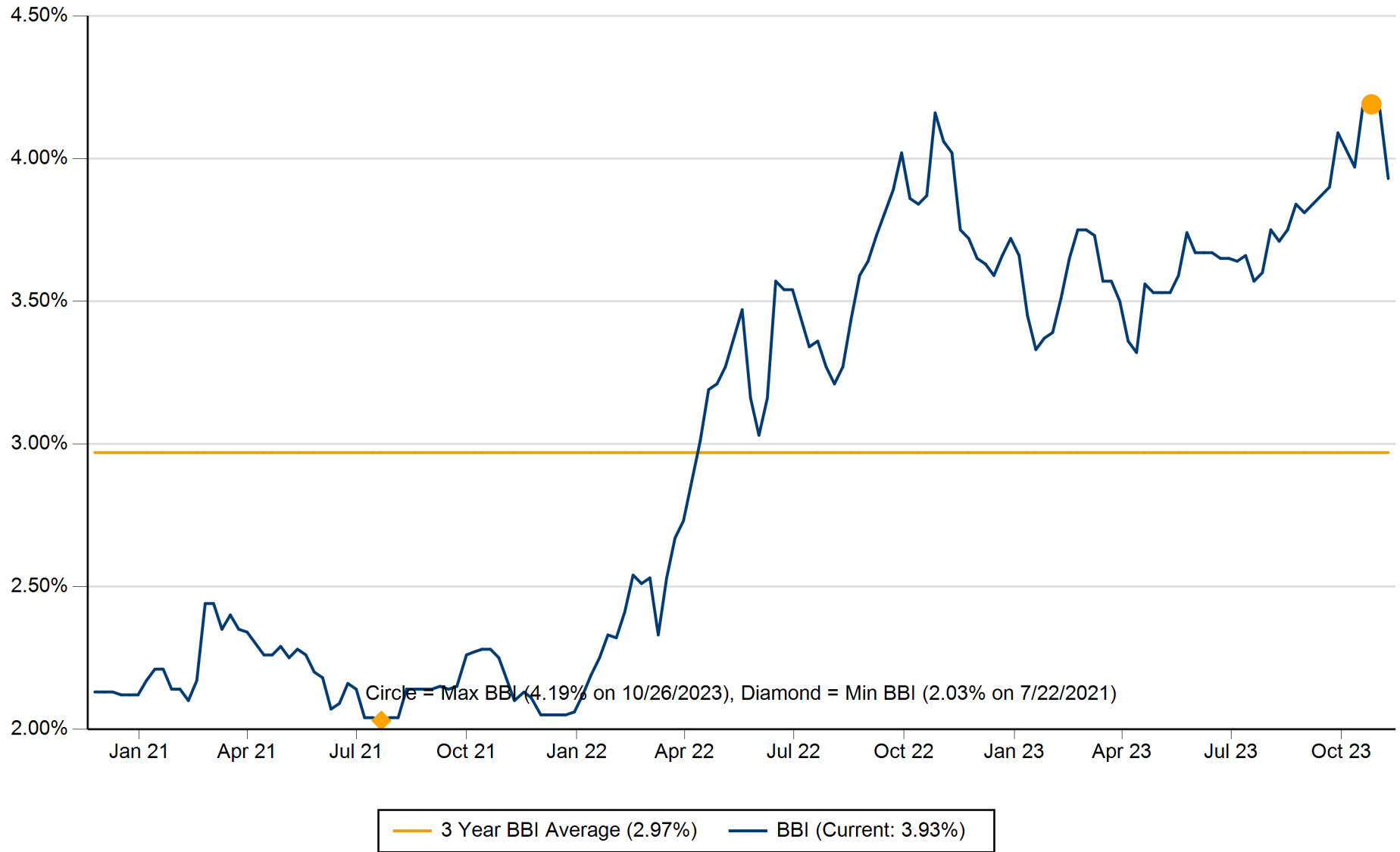
S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

3 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates November, 2020 - November, 2023



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer

