



TOWN COUNCIL AGENDA ITEM

MEETING DATE: July 8, 2025

Agenda Title/Category:	Revenue Bond Bank Proposals			
Staff Contact/Presenter:	Christopher Tucker, Finance Director			
Meets Strategic Initiative or Approved Plan:	Yes	No	If yes, list:	N/A
Background:	<p>The Town desires to issue revenue bond debt of NTE \$8M to fund the components and construction of Delivery 4 (New Substation).</p> <p>Davenport issued a Request for Financing Proposals to banking institutions last month and received the results June 19.</p>			
Discussion:	<p>Davenport and staff will walk through the results and make a recommendation on financing.</p>			
Fiscal impact:	<p>Significant impact to future debt service commitments of the Electric Fund</p>			
Attachments:	<p>Davenport Presentation</p>			
Recommended Motion to be made by Council:	<p>Approve one of the Banking Proposals</p>			

Summary of Financing Proposals *2025 Electric System Revenue Bond*

Town of Pineville, North Carolina



July 8, 2025

Bank Loan RFP Overview



- An RFP for a Direct Bank Loan financing was distributed on May 27, 2025 to over 50 National, Regional and Local lending institutions to finance the construction of a new electric substation.
- After the initial distribution, Davenport reached out to the potential bidders to assess their interest in the financing and address any questions they had.
- Responding institutions were asked to provide proposals for an Electric System Revenue Bond (the “2025 Revenue Bond”) in an amount of up to \$8,000,000 with either 15-year or 20-year terms secured solely by the Net Revenues of the Town’s Electric System.
- The Town received 3 proposals from the following banks:
 - JPMorgan Chase
 - Truist
 - Webster Bank
- A summary of all proposals received is shown on the following page.

Summary of Interest Rates





A	B	C	D	E
Lender	Rate Lock	Call Provisions	15-Year Rate	20-Year Rate
1 JP Morgan Chase	The rates provided are indicative, market conditions are as of June 24, 2025 and subject to change until Approval. The rate will be held firm for the ensuing 45 days given agreed upon terms are unchanged (i.e. increase / decrease in par amount or delay in project timing/closing date after the 45 day rate lock period). If the terms change after LGC approval, the Town is subject to breakage penalty.	<p>Option 1: Non-Callable</p> <p>Option 2: Prepayable in whole or in part at par on any date on or after 8/1/2027.</p> <p>Option 3: Prepayable in whole or in part at par on any date on or after 8/1/2030.</p> <p>Partial redemptions will be applied in inverse order of scheduled maturities and will require the Town to provide the Bank with a revised debt service schedule showing the remaining principal & interest amounts due.</p>	<p>Option 1: 4.13% (BQ) 4.22% (NBQ)</p> <p>Option 2: 4.77% (BQ) 4.86% (NBQ)</p> <p>Option 3: 4.46% (BQ) 4.55% (NBQ)</p>	N/A
2 Truist	Rate is locked through August 22, 2025, if the term sheet is accepted by July 9, 2025.	Prepayable in whole or in part on any date through 8/1/26 at 105%, through 8/1/27 at 104%, through 8/1/28 at 103%, through 8/1/29 at 102%, through 8/1/30 at 101%, callable at par thereafter.	4.29% (NBQ)	N/A
3 Webster Bank	Rate is locked through August 19, 2025, if the term sheet is accepted by July 9, 2025.	<p>15-Year Option: Non-Callable through 8/1/30, prepayable in whole or in part on any date on or after 8/1/30 at 102%, On or after 8/1/31 at 101%, and callable at par on or after 8/1/32.</p> <p>20-Year Option: Non-Callable through 8/1/30, prepayable in whole or in part on any date on or after 8/1/30 102%, on or after 8/1/32 at 101%, and callable at par on or after 8/1/34.</p>	4.38%	4.63%

Note: Banks without BQ or NBQ designation did not differentiate between the two.

Note: Interest rates highlighted in red are indicative and subject to change.

Proposal Summary | Truist & Webster



A	B Truist	C Webster Bank	
		15-Year Term	20-Year Term
Lender	TRUIST 	 WebsterBank®	
1 Interest Rate	4.29%	4.38%	4.63%
2 Prepayment Language	-Prepayable in whole or in part on any date through 8/1/26 at 105%, through 8/1/27 at 104%, through 8/1/28 at 103%, through 8/1/29 at 102%, through 8/1/30 at 101%, callable at par thereafter.	-Non-Callable through 8/1/30, prepayable in whole or in part on any date on or after 8/1/30 at 102%, On or after 8/1/31 at 101%, and callable at par on or after 8/1/32. -Partial prepayments will be allowed once per year, on a payment date, and in inverse order. The minimum partial prepayment amount is \$300,000.	-Non-Callable through 8/1/30, prepayable in whole or in part on any date on or after 8/1/30 102%, on or after 8/1/32 at 101%, and callable at par on or after 8/1/34.
3 Acceptance / Rate Expiration	-Interest rate is locked through August 22, 2025, if accepted by July 9, 2025.	-Interest rate is locked through August 19, 2025, if accepted by July 9, 2025.	
4 Bank Fees	\$8,500 (NTE)	\$7,500 (NTE)	
5 Escrow/Project Fund Requirements	-Proceeds held in a Truist Project Fund but will be controlled by the Trustee on behalf of the Town. -Current rate on the escrow account is 3.17%	-Proceeds may be held in any account of the Town's choosing (e.g. NCCMT or other similar funds). Subject to requisition process.	
6 Credit Approval	Fully Approved	Preliminary approval, subject final approval (no issues anticipated).	
7 Lender's Counsel	Pope Flynn (Matt Davis)	Gilmore & Bell (Janelle Jackson & Jason Schurke)	
8 Other Considerations	1. Truist will require a Tax Opinion and an opinion of legal counsel attesting to the legal and enforceable nature of the Revenue Bond. 2. Email notification that Truist is the recommended winning bidder to Town Council is acceptable to lock the interest rate.	1. Webster will require a Tax Opinion and an opinion of legal counsel attesting to the legal and enforceable nature of the Revenue Bond. 2. Email notification that Webster is the recommended winning bidder to Town Council is acceptable to lock the interest rate.	

Debt Service Comparison

Truist & Webster



A	Planning Model	15-Year Options		20-Year Option
	B	C	D	E
1 Bank	20-Years	Truist	Webster Bank	Webster Bank
2 Call Provisions		Through 8/1/26: 105% Through 8/1/27: 104% Through 8/1/28: 103% Through 8/1/29: 102% Through 8/1/30: 101% After 8/1/30: 100%	8/1/30-31: 102% 8/1/31-32: 101% after 8/1/32: 100%	8/1/30-32: 102% 8/1/32-34: 101% after 8/1/34: 100%
3 Interest Rate	5.00%	4.29%	4.38%	4.63%
4 <u>Uses of Funds</u>				
5 Project Fund*	\$ 8,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000
6 Cost of Issuance / Rounding*	-	250,500	250,500	250,500
7 Bank Fees*	-	8,500	7,500	7,500
8 Total Par Amount	\$ 8,000,000	\$ 7,259,000	\$ 7,258,000	\$ 7,258,000
9 Closing Date*	8/19/2025	8/19/2025	8/19/2025	8/19/2025
10 First Interest Payment (Annual Payments)	8/1/2026	8/1/2026	8/1/2026	8/1/2026
11 First Principal Payment (Annual Payments)	8/1/2026	8/1/2026	8/1/2026	8/1/2026
12 Final Maturity	8/1/2045	8/1/2040	8/1/2040	8/1/2045
13 <u>Debt Service*</u>				
14 <u>Fiscal Year</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>
15 2027	641,941	664,841	669,005	563,243
16 2028	641,941	664,581	668,826	562,748
17 2029	641,941	664,751	668,751	562,729
18 2030	641,941	665,234	668,976	563,200
19 2031	641,941	664,989	668,456	563,116
20 2032	641,941	665,014	669,191	563,476
21 2033	641,941	665,266	669,094	563,234
22 2034	641,941	664,704	669,165	563,390
23 2035	641,941	664,326	668,360	562,899
24 2036	641,941	665,091	668,679	562,758
25 2037	641,941	664,912	669,035	562,924
26 2038	641,941	664,788	668,383	563,348
27 2039	641,941	664,679	668,723	562,986
28 2040	641,941	664,539	668,969	562,836
29 2041	641,941	664,327	669,076	562,853
30 2042	641,941	-	-	562,991
31 2043	641,941	-	-	563,202
32 2044	641,941	-	-	562,441
33 2045	641,941	-	-	562,708
34 2046	641,941	-	-	562,909
35 Total	\$ 12,838,814	\$ 9,972,041	\$ 10,032,691	\$ 11,259,991
36 Difference to Planning Model	\$ -	\$ (2,866,773)	\$ (2,806,123)	\$ (1,578,823)

* Preliminary and subject to change.

Recommendation and Next Steps



Recommendation

- Based upon our review of the proposals, related analyses, and discussions with Town Staff and Bond Counsel, Davenport recommends that the Town selects either the Truist 15-year proposal (4.29%) or the Webster Bank 20-year proposal (4.63%). The Truist 15-year proposal provides the lowest overall rate that is able to be prepaid prior to final maturity, with the lowest total debt service requirement. The Webster 20-year proposal provides the lowest 20-year rate, with the lowest annual debt service requirement.

Next Steps

Date	Task
June Timeframe	Final Project Bids Received
July 1 st	Deadline to submit LGC Application for Approval at the August 5 th LGC Meeting
July 8 th (6:30pm)	<ul style="list-style-type: none">Town Council Meeting<ul style="list-style-type: none">Town Council considers approval of winning bidderTown Council considers adopting a Preliminary Findings Resolution
August 5 th	LGC considers approving the Financing
August 12 th (6:30pm)	<ul style="list-style-type: none">Town Council Meeting<ul style="list-style-type: none">Town Council considers approving a Bond order and Bond Resolutions
By August 19 th	Close on Financing

Appendix A

Electric System Pro Forma Detail

Electric System Sample Debt Service Schedules

As of March 2025 Planning Work



Electric Substation			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	241,941	400,000	641,941
2028	254,038	387,903	641,941
2029	266,740	375,201	641,941
2030	280,077	361,864	641,941
2031	294,080	347,860	641,941
2032	308,784	333,156	641,941
2033	324,224	317,717	641,941
2034	340,435	301,506	641,941
2035	357,457	284,484	641,941
2036	375,329	266,611	641,941
2037	394,096	247,845	641,941
2038	413,801	228,140	641,941
2039	434,491	207,450	641,941
2040	456,215	185,725	641,941
2041	479,026	162,915	641,941
2042	502,977	138,963	641,941
2043	528,126	113,814	641,941
2044	554,533	87,408	641,941
2045	582,259	59,682	641,941
2046	611,372	30,569	641,941
Total	\$ 8,000,000	\$ 4,838,814	\$ 12,838,814

Electric Operations Center			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	272,183	450,000	722,183
2028	285,792	436,391	722,183
2029	300,082	422,101	722,183
2030	315,086	407,097	722,183
2031	330,840	391,343	722,183
2032	347,383	374,801	722,183
2033	364,752	357,432	722,183
2034	382,989	339,194	722,183
2035	402,139	320,045	722,183
2036	422,246	299,938	722,183
2037	443,358	278,825	722,183
2038	465,526	256,658	722,183
2039	488,802	233,381	722,183
2040	513,242	208,941	722,183
2041	538,904	183,279	722,183
2042	565,850	156,334	722,183
2043	594,142	128,041	722,183
2044	623,849	98,334	722,183
2045	655,042	67,142	722,183
2046	687,794	34,390	722,183
Total	\$ 9,000,000	\$ 5,443,666	\$ 14,443,666

Total			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	514,124	850,000	1,364,124
2028	539,830	824,294	1,364,124
2029	566,822	797,302	1,364,124
2030	595,163	768,961	1,364,124
2031	624,921	739,203	1,364,124
2032	656,167	707,957	1,364,124
2033	688,975	675,149	1,364,124
2034	723,424	640,700	1,364,124
2035	759,595	604,529	1,364,124
2036	797,575	566,549	1,364,124
2037	837,454	526,670	1,364,124
2038	879,326	484,798	1,364,124
2039	923,293	440,831	1,364,124
2040	969,457	394,667	1,364,124
2041	1,017,930	346,194	1,364,124
2042	1,068,827	295,297	1,364,124
2043	1,122,268	241,856	1,364,124
2044	1,178,382	185,742	1,364,124
2045	1,237,301	126,823	1,364,124
2046	1,299,166	64,958	1,364,124
Total	\$ 17,000,000	\$ 10,282,480	\$ 27,282,480

Electric Substation & Operations Center Financing Assumptions:

- Interest Rate: 5.00%
- FY of Issuance: FY 2026
- First Principal Payment: FY 2027
- First Interest Payment: FY 2027
- Amortization: Level Debt Service

Electric System Pro-Forma Analysis

As of March 2025 Planning Work



Fiscal year	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
1 Assumed Retail Rate Adjustments	3.00%	-	3.00%	-	-
2 Assumed Wholesale Purchase Power Rate Adjustments	-10.00%	-	2.00%	-	-
3 Total Revenues	16,190,772	13,985,611	14,661,511	14,922,462	15,187,981
4 Operating / Administrative Costs	2,696,652	3,448,135	3,627,340	3,817,493	4,019,344
5 Purchase Power Cost	7,600,000	7,790,000	8,144,445	8,348,056	8,556,758
6 Total Operating Expenses	10,296,652	11,238,135	11,771,785	12,165,549	12,576,101
7 Net Revenues Available For Debt Service	5,894,120	2,747,476	2,889,726	2,756,913	2,611,879
8 Proposed Debt Service	-	-	1,364,124	1,364,124	1,364,124
9 Total Debt Service Coverage (Line 7 / Line 8)	n/a	n/a	2.12x	2.02x	1.91x
10 Net Revenues After Debt Service	5,894,120	2,747,476	1,525,602	1,392,789	1,247,755
11 Annual Capital (Excluding Debt Funded Projects)	4,533,815	1,958,558	1,978,779	680,890	660,000
12 System Surplus (Deficit)	1,360,305	788,917	(453,177)	711,900	587,755
13 Beginning Cash Balance	3,229,208	4,589,513	5,378,431	4,925,253	5,637,153
14 Ending Cash Balance	4,589,513	5,378,431	4,925,253	5,637,153	6,224,908
15 Cash as % of Operating Expenses (Line 14 / Line 6)	44.6%	47.9%	41.8%	46.3%	49.5%
16 Cash as a % of Op. Expenses Net of Purchase Power (Line 14 / Line 4)	170.2%	156.0%	135.8%	147.7%	154.9%
17 Operating Days Cash on Hand Total Expenses	163	175	153	169	181
18 Operating Days Cash on Hand Net of Purchase Power	621	569	496	539	565

Truist 15-Year (4.29%)

Electric System Sample Debt Service Schedules

Electric Substation - Truist 15-year Proposal (4.29% interest rate)



Electric Substation			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	369,000	295,841	664,841
2028	369,000	295,581	664,581
2029	385,000	279,751	664,751
2030	402,000	263,234	665,234
2031	419,000	245,989	664,989
2032	437,000	228,014	665,014
2033	456,000	209,266	665,266
2034	475,000	189,704	664,704
2035	495,000	169,326	664,326
2036	517,000	148,091	665,091
2037	539,000	125,912	664,912
2038	562,000	102,788	664,788
2039	586,000	78,679	664,679
2040	611,000	53,539	664,539
2041	637,000	27,327	664,327
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
Total	\$ 7,259,000	\$ 2,713,041	\$ 9,972,041

Electric Operations Center			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	272,183	450,000	722,183
2028	285,792	436,391	722,183
2029	300,082	422,101	722,183
2030	315,086	407,097	722,183
2031	330,840	391,343	722,183
2032	347,383	374,801	722,183
2033	364,752	357,432	722,183
2034	382,989	339,194	722,183
2035	402,139	320,045	722,183
2036	422,246	299,938	722,183
2037	443,358	278,825	722,183
2038	465,526	256,658	722,183
2039	488,802	233,381	722,183
2040	513,242	208,941	722,183
2041	538,904	183,279	722,183
2042	565,850	156,334	722,183
2043	594,142	128,041	722,183
2044	623,849	98,334	722,183
2045	655,042	67,142	722,183
2046	687,794	34,390	722,183
Total	\$ 9,000,000	\$ 5,443,666	\$ 14,443,666

Total			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	641,183	745,841	1,387,024
2028	654,792	731,972	1,386,764
2029	685,082	701,852	1,386,934
2030	717,086	670,332	1,387,418
2031	749,840	637,331	1,387,172
2032	784,383	602,814	1,387,197
2033	820,752	566,698	1,387,449
2034	857,989	528,898	1,386,887
2035	897,139	489,371	1,386,510
2036	939,246	448,028	1,387,274
2037	982,358	404,737	1,387,095
2038	1,027,526	359,446	1,386,972
2039	1,074,802	312,060	1,386,862
2040	1,124,242	262,480	1,386,722
2041	1,175,904	210,606	1,386,511
2042	565,850	156,334	722,183
2043	594,142	128,041	722,183
2044	623,849	98,334	722,183
2045	655,042	67,142	722,183
2046	687,794	34,390	722,183
Total	\$ 16,259,000	\$ 8,156,707	\$ 24,415,707

Operations Center Financing Assumptions:

- Interest Rate: 5.00%
- FY of Issuance: FY 2026
- First Principal Payment: FY 2027
- First Interest Payment: FY 2027
- Amortization: Level Debt Service

Electric System Pro-Forma Analysis

Truist 15-year Proposal (4.29% interest rate)



Fiscal year	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
1 Assumed Retail Rate Adjustments	3.00%	-	3.00%	-	-
2 Assumed Wholesale Purchase Power Rate Adjustments	-10.00%	-	2.00%	-	-
3 Total Revenues	16,190,772	13,985,611	14,661,511	14,922,462	15,187,981
4 Operating / Administrative Costs	2,696,652	3,448,135	3,627,340	3,817,493	4,019,344
5 Purchase Power Cost	7,600,000	7,790,000	8,144,445	8,348,056	8,556,758
6 Total Operating Expenses	10,296,652	11,238,135	11,771,785	12,165,549	12,576,101
7 Net Revenues Available For Debt Service	5,894,120	2,747,476	2,889,726	2,756,913	2,611,879
8 Proposed Debt Service	-	-	1,387,024	1,386,764	1,386,934
9 Total Debt Service Coverage (Line 7 / Line 8)	n/a	n/a	2.08x	1.99x	1.88x
10 Net Revenues After Debt Service	5,894,120	2,747,476	1,502,702	1,370,149	1,224,945
11 Annual Capital (Excluding Debt Funded Projects)	4,533,815	1,958,558	1,978,779	680,890	660,000
12 System Surplus (Deficit)	1,360,305	788,917	(476,077)	689,259	564,945
13 Beginning Cash Balance	3,229,208	4,589,513	5,378,431	4,902,353	5,591,613
14 Ending Cash Balance	4,589,513	5,378,431	4,902,353	5,591,613	6,156,558
15 Cash as % of Operating Expenses (Line 14 / Line 6)	44.6%	47.9%	41.6%	46.0%	49.0%
16 Cash as a % of Op. Expenses Net of Purchase Power (Line 14 / Line 4)	170.2%	156.0%	135.2%	146.5%	153.2%
17 Operating Days Cash on Hand Total Expenses	163	175	152	168	179
18 Operating Days Cash on Hand Net of Purchase Power	621	569	493	535	559

Webster 15-Year (4.38%)

Electric System Sample Debt Service Schedules

Electric Substation – Webster 15-year Proposal (4.38% interest rate)



Electric Substation			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	367,000	302,005	669,005
2028	367,000	301,826	668,826
2029	383,000	285,751	668,751
2030	400,000	268,976	668,976
2031	417,000	251,456	668,456
2032	436,000	233,191	669,191
2033	455,000	214,094	669,094
2034	475,000	194,165	669,165
2035	495,000	173,360	668,360
2036	517,000	151,679	668,679
2037	540,000	129,035	669,035
2038	563,000	105,383	668,383
2039	588,000	80,723	668,723
2040	614,000	54,969	668,969
2041	641,000	28,076	669,076
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
Total	\$ 7,258,000	\$ 2,774,691	\$ 10,032,691

Electric Operations Center			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	272,183	450,000	722,183
2028	285,792	436,391	722,183
2029	300,082	422,101	722,183
2030	315,086	407,097	722,183
2031	330,840	391,343	722,183
2032	347,383	374,801	722,183
2033	364,752	357,432	722,183
2034	382,989	339,194	722,183
2035	402,139	320,045	722,183
2036	422,246	299,938	722,183
2037	443,358	278,825	722,183
2038	465,526	256,658	722,183
2039	488,802	233,381	722,183
2040	513,242	208,941	722,183
2041	538,904	183,279	722,183
2042	565,850	156,334	722,183
2043	594,142	128,041	722,183
2044	623,849	98,334	722,183
2045	655,042	67,142	722,183
2046	687,794	34,390	722,183
Total	\$ 9,000,000	\$ 5,443,666	\$ 14,443,666

Total			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	639,183	752,005	1,391,189
2028	652,792	738,217	1,391,009
2029	683,082	707,852	1,390,934
2030	715,086	676,073	1,391,159
2031	747,840	642,799	1,390,639
2032	783,383	607,992	1,391,374
2033	819,752	571,526	1,391,278
2034	857,989	533,359	1,391,349
2035	897,139	493,405	1,390,544
2036	939,246	451,617	1,390,863
2037	983,358	407,860	1,391,218
2038	1,028,526	362,040	1,390,566
2039	1,076,802	314,105	1,390,907
2040	1,127,242	263,910	1,391,152
2041	1,179,904	211,355	1,391,259
2042	565,850	156,334	722,183
2043	594,142	128,041	722,183
2044	623,849	98,334	722,183
2045	655,042	67,142	722,183
2046	687,794	34,390	722,183
Total	\$ 16,258,000	\$ 8,218,356	\$ 24,476,356

Operations Center Financing Assumptions:

- Interest Rate: 5.00%
- FY of Issuance: FY 2026
- First Principal Payment: FY 2027
- First Interest Payment: FY 2027
- Amortization: Level Debt Service

Electric System Pro-Forma Analysis

Webster 15-year Proposal (4.38% interest rate)



Fiscal year	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
1 Assumed Retail Rate Adjustments	3.00%	-	3.00%	-	-
2 Assumed Wholesale Purchase Power Rate Adjustments	-10.00%	-	2.00%	-	-
3 Total Revenues	16,190,772	13,985,611	14,661,511	14,922,462	15,187,981
4 Operating / Administrative Costs	2,696,652	3,448,135	3,627,340	3,817,493	4,019,344
5 Purchase Power Cost	7,600,000	7,790,000	8,144,445	8,348,056	8,556,758
6 Total Operating Expenses	10,296,652	11,238,135	11,771,785	12,165,549	12,576,101
7 Net Revenues Available For Debt Service	5,894,120	2,747,476	2,889,726	2,756,913	2,611,879
8 Proposed Debt Service	-	-	1,391,189	1,391,009	1,390,934
9 Total Debt Service Coverage (Line 7 / Line 8)	n/a	n/a	2.08x	1.98x	1.88x
10 Net Revenues After Debt Service	5,894,120	2,747,476	1,498,537	1,365,904	1,220,945
11 Annual Capital (Excluding Debt Funded Projects)	4,533,815	1,958,558	1,978,779	680,890	660,000
12 System Surplus (Deficit)	1,360,305	788,917	(480,242)	685,015	560,945
13 Beginning Cash Balance	3,229,208	4,589,513	5,378,431	4,898,188	5,583,203
14 Ending Cash Balance	4,589,513	5,378,431	4,898,188	5,583,203	6,144,148
15 Cash as % of Operating Expenses (Line 14 / Line 6)	44.6%	47.9%	41.6%	45.9%	48.9%
16 Cash as a % of Op. Expenses Net of Purchase Power (Line 14 / Line 4)	170.2%	156.0%	135.0%	146.3%	152.9%
17 Operating Days Cash on Hand Total Expenses	163	175	152	168	178
18 Operating Days Cash on Hand Net of Purchase Power	621	569	493	534	558

Webster 20-Year (4.63%)

Electric System Sample Debt Service Schedules

Electric Substation – Webster 20-year Proposal (4.63% interest rate)



A	B	C	D
Electric Substation			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	244,000	319,243	563,243
2028	238,000	324,748	562,748
2029	249,000	313,729	562,729
2030	261,000	302,200	563,200
2031	273,000	290,116	563,116
2032	286,000	277,476	563,476
2033	299,000	264,234	563,234
2034	313,000	250,390	563,390
2035	327,000	235,899	562,899
2036	342,000	220,758	562,758
2037	358,000	204,924	562,924
2038	375,000	188,348	563,348
2039	392,000	170,986	562,986
2040	410,000	152,836	562,836
2041	429,000	133,853	562,853
2042	449,000	113,991	562,991
2043	470,000	93,202	563,202
2044	491,000	71,441	562,441
2045	514,000	48,708	562,708
2046	538,000	24,909	562,909
Total	\$ 7,258,000	\$ 4,001,991	\$ 11,259,991

E	F	G	H
Electric Operations Center			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	272,183	450,000	722,183
2028	285,792	436,391	722,183
2029	300,082	422,101	722,183
2030	315,086	407,097	722,183
2031	330,840	391,343	722,183
2032	347,383	374,801	722,183
2033	364,752	357,432	722,183
2034	382,989	339,194	722,183
2035	402,139	320,045	722,183
2036	422,246	299,938	722,183
2037	443,358	278,825	722,183
2038	465,526	256,658	722,183
2039	488,802	233,381	722,183
2040	513,242	208,941	722,183
2041	538,904	183,279	722,183
2042	565,850	156,334	722,183
2043	594,142	128,041	722,183
2044	623,849	98,334	722,183
2045	655,042	67,142	722,183
2046	687,794	34,390	722,183
Total	\$ 9,000,000	\$ 5,443,666	\$ 14,443,666

I	J	K	L
Total			
FY	Principal	Interest	Total
2025	-	-	-
2026	-	-	-
2027	516,183	769,243	1,285,426
2028	523,792	761,139	1,284,931
2029	549,082	735,830	1,284,912
2030	576,086	709,297	1,285,383
2031	603,840	681,459	1,285,299
2032	633,383	652,277	1,285,659
2033	663,752	621,666	1,285,417
2034	695,989	589,584	1,285,574
2035	729,139	555,943	1,285,082
2036	764,246	520,696	1,284,942
2037	801,358	483,749	1,285,107
2038	840,526	445,006	1,285,532
2039	880,802	404,367	1,285,169
2040	923,242	361,777	1,285,020
2041	967,904	317,132	1,285,037
2042	1,014,850	270,324	1,285,174
2043	1,064,142	221,243	1,285,385
2044	1,114,849	169,775	1,284,624
2045	1,169,042	115,849	1,284,891
2046	1,225,794	59,299	1,285,093
Total	\$ 16,258,000	\$ 9,445,657	\$ 25,703,657

Operations Center Financing Assumptions:

- Interest Rate: 5.00%
- FY of Issuance: FY 2026
- First Principal Payment: FY 2027
- First Interest Payment: FY 2027
- Amortization: Level Debt Service

Electric System Pro-Forma Analysis

Webster 20-year Proposal (4.63% interest rate)



Fiscal year	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
1 Assumed Retail Rate Adjustments	3.00%	-	3.00%	-	-
2 Assumed Wholesale Purchase Power Rate Adjustments	-10.00%	-	2.00%	-	-
3 Total Revenues	16,190,772	13,985,611	14,661,511	14,922,462	15,187,981
4 Operating / Administrative Costs	2,696,652	3,448,135	3,627,340	3,817,493	4,019,344
5 Purchase Power Cost	7,600,000	7,790,000	8,144,445	8,348,056	8,556,758
6 Total Operating Expenses	10,296,652	11,238,135	11,771,785	12,165,549	12,576,101
7 Net Revenues Available For Debt Service	5,894,120	2,747,476	2,889,726	2,756,913	2,611,879
8 Proposed Debt Service	-	-	1,285,426	1,284,931	1,284,912
9 Total Debt Service Coverage (Line 7 / Line 8)	n/a	n/a	2.25x	2.15x	2.03x
10 Net Revenues After Debt Service	5,894,120	2,747,476	1,604,299	1,471,982	1,326,967
11 Annual Capital (Excluding Debt Funded Projects)	4,533,815	1,958,558	1,978,779	680,890	660,000
12 System Surplus (Deficit)	1,360,305	788,917	(374,480)	791,092	666,967
13 Beginning Cash Balance	3,229,208	4,589,513	5,378,431	5,003,951	5,795,043
14 Ending Cash Balance	4,589,513	5,378,431	5,003,951	5,795,043	6,462,010
15 Cash as % of Operating Expenses (Line 14 / Line 6)	44.6%	47.9%	42.5%	47.6%	51.4%
16 Cash as a % of Op. Expenses Net of Purchase Power (Line 14 / Line 4)	170.2%	156.0%	138.0%	151.8%	160.8%
17 Operating Days Cash on Hand Total Expenses	163	175	155	174	188
18 Operating Days Cash on Hand Net of Purchase Power	621	569	504	554	587

Municipal Advisor Disclosure



The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the “SEC”) has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC (“Davenport”) has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author’s and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 1.01.25 DT | CR | MB | TC