EHLERS
PUBLIC FINANCE ADVISORS

City of Sheboygan, WI
Ten-Year Capital Plan

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Long Range Capital Plan Topics

- Debt Base Case Review
- Ten-Year Capital Project List
- Sources and Uses / Debt Issue Sizing Schedule
- Impact of Capital Plan on the Tax Levy and Tax Rate
- Impact of Capital Plan on the Debt Limit

Goals

- Establish a multi-year Capital Plan (w/flexibility)
  - ✓ Enabling the City to schedule for legacy projects
  - ✓ Enabling the City to schedule for and meet the capital needs of the City
  - ✓ Incorporate other funding into the capital plan (i.e. TID, Grants, Fees)
- Establish debt tax rate goal/policy
- Establish/Review debt capacity goal/policy

Base Case

Existing Debt Service Sources of Repayment and Levy Impact Analysis (Base Case)

	Debt Service			*Abatement Sources*						*Projected Rate Impact*					
YEAR	General Obligation Debt	Lease Payments	Total of All Obligations	Bid Premium Deposit/ Adjustments	Total Paid By TID Funds	Interest Income	Misc Income	Funds Applied / Misc Difference	Total Abatement Sources	Net Debt Service Levy	Levy Change	Projected Equalized Value	% Change	Debt Service Tax Rate	YEAR
2022	7,009,359	75,497	7,084,856		(2,708,183)	(39,000)	(103,067)	(383,554)	(3,233,804)	3,851,052		3,156,346,500	2.48%	**1.22**	**2022**
2023	6,187,219		6,187,219	(72,035)	(1,729,612)				(1,801,647)	4,385,571	534,519	3,229,187,030	2.31%	**1.36**	**2023**
2024	6,443,688		6,443,688		(1,824,778)				(1,824,778)	4,618,910	233,339	3,473,873,471	7.58%	**1.33**	**2024**
2025	6,562,026		6,562,026		(1,933,008)				(1,933,008)	4,629,019	10,109	3,543,350,940	2.00%	**1.31**	**2025**
2026	6,032,039		6,032,039		(1,598,613)				(1,598,613)	4,433,426	(195,593)	3,614,217,959	2.00%	**1.23**	**2026**
2027	5,783,190		5,783,190		(1,777,390)				(1,777,390)	4,005,800	(427,626)	3,686,502,318	2.00%	**1.09**	**2027**
2028	5,315,670		5,315,670		(1,747,745)				(1,747,745)	3,567,925	(437,875)	3,760,232,364	2.00%	**0.95**	**2028**
2029	5,194,270		5,194,270		(1,789,205)				(1,789,205)	3,405,065	(162,860)	3,835,437,012	2.00%	**0.89**	**2029**
2030	4,364,630		4,364,630		(1,650,110)				(1,650,110)	2,714,520	(690,545)	3,912,145,752	2.00%	**0.69**	**2030**
2031	3,190,365		3,190,365		(1,637,440)				(1,637,440)	1,552,925	(1,161,595)	3,990,388,667	2.00%	**0.39**	**2031**
2032	3,032,528		3,032,528		(1,657,443)				(1,657,443)	1,375,085	(177,840)	4,070,196,440	2.00%	**0.34**	**2032**
2033	2,986,555		2,986,555		(1,640,305)				(1,640,305)	1,346,250	(28,835)	4,151,600,369	2.00%	**0.32**	**2033**
2034	2,585,340		2,585,340		(1,636,490)				(1,636,490)	948,850	(397,400)	4,234,632,376	2.00%	**0.22**	**2034**
2035	1,985,300		1,985,300		(1,640,700)				(1,640,700)	344,600	(604,250)	4,319,325,024	2.00%	**0.08**	**2035**
2036	1,965,230		1,965,230		(1,632,630)				(1,632,630)	332,600	(12,000)	4,405,711,524	2.00%	**0.08**	**2036**
2037	1,953,280		1,953,280		(1,632,680)				(1,632,680)	320,600	(12,000)	4,493,825,755	2.00%	**0.07**	**2037**
2038	1,854,480		1,854,480		(1,630,880)				(1,630,880)	223,600	(97,000)	4,583,702,270	2.00%	**0.05**	**2038**
2039	1,032,268		1,032,268		(1,032,268)				(1,032,268)		(223,600)	4,675,376,315	2.00%	**0.00**	**2039**
2040	1,029,120		1,029,120		(1,029,120)				(1,029,120)			4,768,883,842	2.00%	**0.00**	**2040**
TOTALS	**74,506,555**	**75,497**	**74,582,052**	**(72,035)**	**(31,928,598)**	**(39,000)**	**(103,067)**	**(383,554)**	**(32,526,254)**	**42,055,798**					**TOTALS**

Debt Base Case Review (cont.)

- 1st Section - Total obligations related to General Obligation (GO) debt plus a lease payment
- 2nd Section - Debt payments paid by other funding sources (abatement)
  - ✓ TID's
  - ✓ Interest income, fund balance and other revenues
- 3rd Section – Impact on Tax Levy and Rate
  - ✓ Tax levy is compact from 2023 – 2026 causing some pressure when adding new future projects without an increase in the taxes and tax rate.

10-Year Capital Project List

- Projects are best estimates currently and subject to change
- Summarized by department and annual amount
- City’s practice of issuing 10-Year GO Notes continues for normal capital projects like equipment and road work
- Special one-time time projects, like a new Fire Station, DPW Building addition, Transit Building and Harbor projects are financed over longer terms, consistent with their anticipated life
- Targeted a tax rate for debt to avoid future fluctuations

Sources and Uses

	GO Notes 2023	GO Bonds 2023	GO Notes 2024	GO Bonds 2024	GO Notes 2025	GO Bonds 2025	GO Notes 2026	GO Bonds 2026	GO Notes 2027	GO Bonds 2027
Projects										
City Buildings	250,000	0	0	0	250,000	0	0	0	250,000	0
Public Works - Traffic	415,000	0	565,000	0	230,000	0	0	0	430,000	0
Public Works - Traffic TID 16	171,400	0	0	0	0	0	0	0	0	0
Police	0	0	0	0	0	0	0	0	1,000,000	0
Transit Utility	0	0	0	0	0	0	490,000	0	0	0
Mead Public Library	0	0	0	0	184,000	0	0	0	0	0
Construction of a Firehouse	0	1,000,000	0	1,629,000	0	3,000,000	0	0	0	2,500,000
Equipment of a Fire Department	68,500	0	931,250	0	0	0	3,060,000	0	246,158	0
Harbor Improvements	0	250,000	0	3,000,000	0	0	0	2,000,000	0	0
Park Projects	0	0	250,000	0	0	0	250,000	0	0	0
Street Improvement Projects	2,338,000	0	1,842,000	0	2,762,000	0	3,648,000	0	1,663,000	0
City Development - TID 17	1,000,000	0	2,750,000	0	0	0	0	0	250,000	0
City Development - TID 19	0	0	0	0	1,000,000	0	0	0	0	0
Buildings for the housing of equipment	0	0	0	0	0	0	0	0	0	0
Project Needs	4,242,900	1,250,000	6,338,250	4,629,000	4,426,000	3,000,000	7,448,000	2,000,000	3,839,158	2,500,000
Issuance Expenses										
Municipal Advisor	27,600	14,900	33,400	24,400	28,100	20,600	36,500	18,200	26,500	19,200
Bond Counsel	15,000	11,000	18,000	16,000	15,000	13,000	19,000	12,000	14,000	13,000
Disclosure Counsel (Estimated)	9,750	7,150	11,700	10,400	9,750	8,450	12,350	7,800	9,100	8,450
Rating	15,000	4,000	11,000	8,000	11,000	8,000	15,000	4,000	11,000	8,000
Paying Agent	850	850	850	850	850	850	850	850	850	850
Underwriter Fees	45,770	16,313	64,800	59,375	45,350	38,625	76,050	25,875	39,400	32,313
Total Funds Needed	4,356,870	1,304,213	6,478,000	4,748,025	4,536,050	3,089,525	7,607,750	2,068,725	3,940,008	2,581,813
Less Interest Earnings	(1,697)	(500)	(2,535)	(1,852)	(1,770)	(1,200)	(2,979)	(800)	(1,536)	(1,000)
Rounding	4,827	1,288	4,535	3,827	720	1,675	229	2,075	1,528	4,188
Size of Issue	4,360,000	1,305,000	6,480,000	4,750,000	4,535,000	3,090,000	7,605,000	2,070,000	3,940,000	2,585,000

Sources and Uses (cont.)

	GO Bonds 2027	GO Notes 2028	GO Bonds 2028	GO Notes 2029	GO Bonds 2029	GO Notes 2030	GO Bonds 2030	GO Notes 2031	GO Bonds 2031	GO Notes 2032	GO Bonds 2032	Total
Projects												
City Buildings	0	0	0	708,750	0	0	0	500,000	0	0	0	1,958,750
Public Works - Traffic	0	0	0	0	0	0	0	0	0	0	0	1,640,000
Public Works - Traffic TID 16	0	0	0	0	0	0	0	0	0	0	0	171,400
Police	0	0	0	0	0	0	0	0	0	0	0	1,000,000
Transit Utility	0	0	0	675,000	0	575,000	0	0	0	0	0	1,740,000
Mead Public Library	0	0	0	0	0	0	0	0	0	0	0	184,000
Construction of a Firehouse	2,500,000	0	0	0	0	0	0	0	0	0	0	8,129,000
Equipment of a Fire Department	0	0	0	0	0	0	0	0	0	0	0	4,305,908
Harbor Improvements	0	0	2,000,000	0	0	0	2,000,000	0	0	0	2,000,000	11,250,000
Park Projects	0	0	0	0	0	0	0	0	0	0	0	500,000
Street Improvement Projects	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	22,253,000
City Development - TID 17	0	0	0	0	0	0	0	0	0	0	0	4,000,000
City Development - TID 19	0	0	0	0	0	0	0	0	0	0	0	1,000,000
Buildings for the housing of equipment	0	0	0	0	4,016,250	0	0	0	4,500,000	0	0	8,516,250
Project Needs	2,500,000	2,000,000	2,000,000	3,383,750	4,016,250	2,575,000	2,000,000	2,500,000	4,500,000	2,000,000	2,000,000	66,648,308
Issuance Expenses												
Municipal Advisor	19,200	18,200	21,400	21,400	27,000	23,300	18,200	19,400	28,200	21,400	18,200	466,100
Bond Counsel	13,000	12,000	12,000	14,000	14,000	13,000	12,000	19,000	15,000	12,000	12,000	281,000
Disclosure Counsel (Estimated)	8,450	7,800	7,800	9,100	9,100	8,450	7,800	12,350	9,750	7,800	7,800	182,650
Rating	8,000	7,000	7,000	9,000	10,000	8,000	6,000	7,000	12,000	7,000	7,000	175,000
Paying Agent	850	850	850	850	850	850	850	850	850	850	850	17,000
Underwriter Fees	32,313	20,700	25,938	34,750	51,625	26,550	25,875	25,850	57,813	20,700	25,938	759,608
Total Funds Needed	2,581,813	2,066,550	2,074,988	3,472,850	4,128,825	2,655,150	2,070,725	2,584,450	4,623,613	2,069,750	2,071,788	68,529,666
Less Interest Earnings	(1,000)	(800)	(800)	(1,354)	(1,607)	(1,030)	(800)	(1,000)	(1,800)	(800)	(800)	(26,660)
Rounding	4,188	4,250	813	3,504	2,782	880	75	1,550	3,188	1,050	4,013	46,994
Size of Issue	2,585,000	2,070,000	2,075,000	3,475,000	4,130,000	2,655,000	2,070,000	2,585,000	4,625,000	2,070,000	2,075,000	68,550,000

Tax Impact Overview

- Aggressive capital improvement list is possible with:
  - ✓ Projected maximum equalized tax rate for debt @ $1.52 / $1,000 of value (2023 was projected to be 1.36 prior to future capital borrowing)
- Debt levy drops off significantly after the 10-year period allowing for future capital projects
  - ✓ Early in plan, TID closures allow for additional debt repayment
  - ✓ 2% annual growth assumed
  - ✓ Increasing interest rates assumed (conservative assumption)
  - ✓ Debt repayment structured to stabilize the tax rate.

Impact of Capital Plan on Tax Levy and Rate

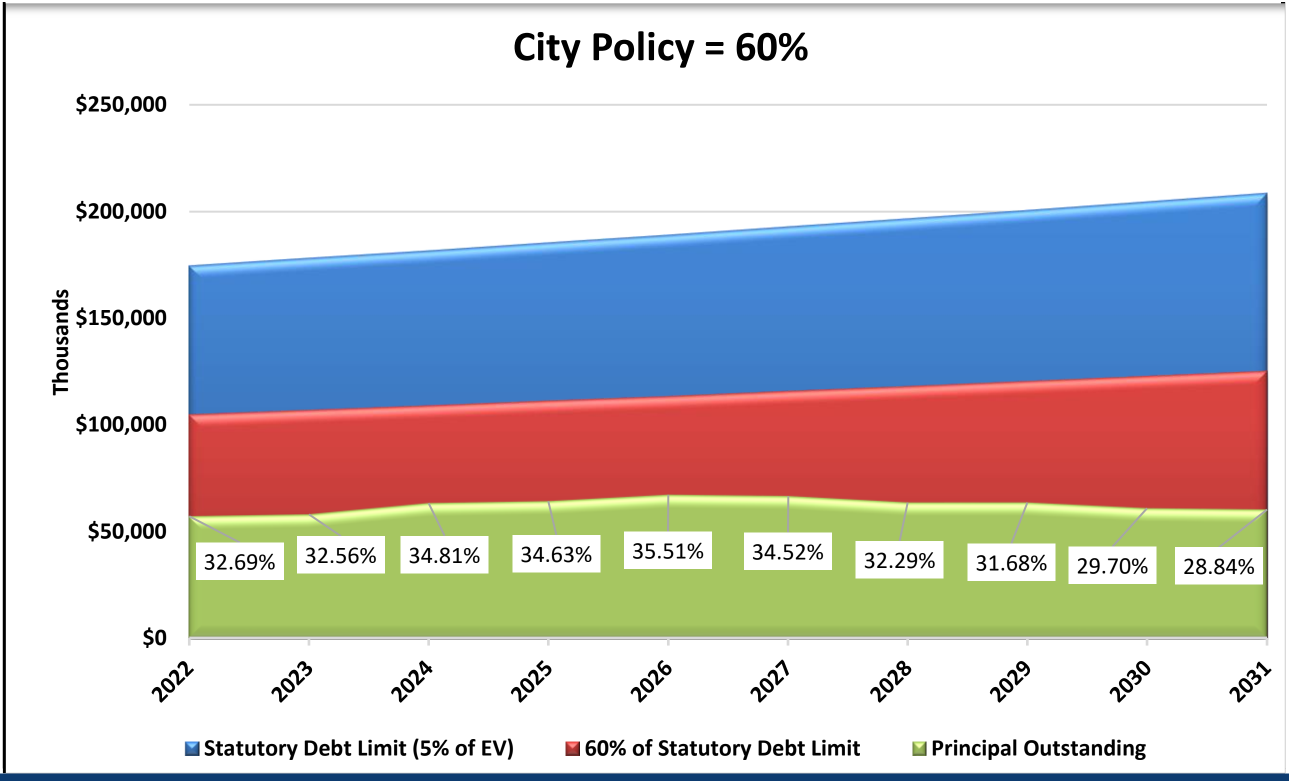
Existing Debt Payments

YEAR	Equalized Value Projection	Change in Value	Total of All Obligations	Total Abatement Sources	Net Debt Service Levy	Debt Service Tax Rate
2022	3,156,346,500	2.48%	7,084,856	(3,233,804)	3,851,052	1.22
2023	3,229,187,030	2.31%	6,187,219	(1,801,647)	4,385,571	1.36
2024	3,473,873,471	7.58%	6,443,688	(1,824,778)	4,618,910	1.33
2025	3,543,350,940	2.00%	6,562,026	(1,933,008)	4,629,019	1.31
2026	3,614,217,959	2.00%	6,032,039	(1,598,613)	4,433,426	1.23
2027	3,686,502,318	2.00%	5,783,190	(1,777,390)	4,005,800	1.09
2028	3,760,232,364	2.00%	5,315,670	(1,747,745)	3,567,925	0.95
2029	3,835,437,012	2.00%	5,194,270	(1,789,205)	3,405,065	0.89
2030	3,912,145,752	2.00%	4,364,630	(1,650,110)	2,714,520	0.69
2031	3,990,388,667	2.00%	3,190,365	(1,637,440)	1,552,925	0.39
2032	4,070,196,440	2.00%	3,032,528	(1,657,443)	1,375,085	0.34
2033	4,151,600,369	2.00%	2,986,555	(1,640,305)	1,346,250	0.32
2034	4,234,632,376	2.00%	2,585,340	(1,636,490)	948,850	0.22
2035	4,319,325,024	2.00%	1,985,300	(1,640,700)	344,600	0.08
2036	4,405,711,524	2.00%	1,965,230	(1,632,630)	332,600	0.08
2037	4,493,825,755	2.00%	1,953,280	(1,632,680)	320,600	0.07
2038	4,583,702,270	2.00%	1,854,480	(1,630,880)	223,600	0.05
2039	4,675,376,315	2.00%	1,032,268	(1,032,268)		0.00
2040	4,768,883,842	2.00%	1,029,120	(1,029,120)		0.00
2041	4,864,261,519	2.00%				0.00
2042	4,961,546,749	2.00%				0.00
2043	5,060,777,684	2.00%				0.00
2044	5,161,993,238	2.00%				0.00
2045	5,265,233,102	2.00%				0.00
2046	5,370,537,764	2.00%				0.00
2047	5,477,948,520	2.00%				0.00
2048	5,587,507,490	2.00%				0.00
2049	5,699,257,640	2.00%				0.00
2050	5,813,242,793	2.00%				0.00
2051	5,929,507,649	2.00%				0.00
2052	6,048,097,802	2.00%				0.00
2053	6,169,059,758	2.00%				0.00
2054	6,292,440,953	2.00%				0.00
2055	6,418,289,772	2.00%				0.00
2056	6,546,655,567	2.00%				0.00
TOTALS			74,582,052	(32,526,254)	42,055,798	

Projected Debt Service

	Capital Plan Debt Service			Less Abatements				Total Projected Debt Service Less Abatements	Net Debt Service Levy	Levy Change	Debt Service Tax Rate	Impact on $ 100,000 of Value		Debt Service Tax Rate @ 3% Growth	
YEAR	Principal	Interest	Total	Public Works - Traffic TID 16	TID 17 Projects Indiana Avenue	TID 19 Projects	Total Abatements					Taxes	Change		YEAR
2022									3,851,052		1.22	122.01		1.22	2022
2023									4,385,571	534,519	1.36	135.81	13.80	1.36	2023
2024	825,000	229,100	825,000	(22,181)	(141,770)		(163,951)	661,049	5,279,959	894,388	1.52	151.99	16.18	1.59	2024
2025	1,305,000	687,816	1,305,000	(19,495)	(533,384)		(552,879)	752,121	5,381,140	101,181	1.52	151.87	(0.12)	1.49	2025
2026	1,710,000	888,723	1,710,000	(19,100)	(481,513)	(151,695)	(652,308)	1,057,692	5,491,118	109,979	1.52	151.93	0.07	1.48	2026
2027	2,220,000	1,252,629	2,220,000	(18,688)	(470,405)	(131,773)	(620,866)	1,599,134	5,604,934	113,816	1.52	152.04	0.11	1.47	2027
2028	2,795,000	1,420,373	2,795,000	(18,264)	(504,216)	(128,438)	(650,918)	2,144,082	5,712,007	107,073	1.52	151.91	(0.13)	1.45	2028
2029	3,060,000	1,488,862	3,060,000	(22,760)	(486,346)	(124,988)	(634,094)	2,425,906	5,830,971	118,964	1.52	152.03	0.12	1.44	2029
2030	3,845,000	1,807,493	3,845,000	(22,170)	(473,211)	(121,463)	(616,844)	3,228,156	5,942,676	111,705	1.52	151.90	(0.13)	1.42	2030
2031	5,115,000	1,810,081	5,115,000	(21,565)	(459,756)	(122,798)	(604,119)	4,510,881	6,063,806	121,130	1.52	151.96	0.06	1.41	2031
2032	5,395,000	2,018,114	5,395,000	(20,950)	(446,022)	(118,965)	(585,937)	4,809,063	6,184,148	120,342	1.52	151.94	(0.02)	1.39	2032
2033	5,535,000	1,933,598	5,535,000	(20,320)	(436,969)	(115,054)	(572,343)	4,962,657	6,308,907	124,759	1.52	151.96	0.03	1.38	2033
2034	5,430,000	1,619,816	5,430,000		(319,227)	(111,090)	(430,317)	4,999,683	5,948,533	(360,374)	1.40	140.47	(11.49)	1.26	2034
2035	4,825,000	1,404,370	4,825,000		(28,061)	(107,048)	(135,109)	4,689,891	5,034,491	(914,042)	1.17	116.56	(23.92)	1.04	2035
2036	4,165,000	1,208,199	4,165,000		(26,943)		(26,943)	4,138,057	4,470,657	(563,834)	1.01	101.47	(15.08)	0.90	2036
2037	3,235,000	1,041,378	3,235,000		(30,690)		(30,690)	3,204,310	3,524,910	(945,747)	0.78	78.44	(23.04)	0.69	2037
2038	2,735,000	902,725	2,735,000					2,735,000	2,958,600	(566,310)	0.65	64.55	(13.89)	0.56	2038
2039	2,510,000	779,033	2,510,000					2,510,000	2,510,000	(448,600)	0.54	53.69	(10.86)	0.46	2039
2040	2,160,000	667,701	2,160,000					2,160,000	2,160,000	(350,000)	0.45	45.29	(8.39)	0.38	2040
2041	1,915,000	569,565	1,915,000					1,915,000	1,915,000	(245,000)	0.39	39.37	(5.92)	0.33	2041
2042	1,660,000	482,416	1,660,000					1,660,000	1,660,000	(255,000)	0.33	33.46	(5.91)	0.28	2042
2043	1,450,000	405,526	1,450,000					1,450,000	1,450,000	(210,000)	0.29	28.65	(4.81)	0.24	2043
2044	1,455,000	332,784	1,455,000					1,455,000	1,455,000	5,000	0.28	28.19	(0.46)	0.23	2044
2045	1,195,000	264,808	1,195,000					1,195,000	1,195,000	(260,000)	0.23	22.70	(5.49)	0.18	2045
2046	995,000	206,524	995,000					995,000	995,000	(200,000)	0.19	18.53	(4.17)	0.15	2046
2047	895,000	154,880	895,000					895,000	895,000	(100,000)	0.16	16.34	(2.19)	0.13	2047
2048	765,000	108,761	765,000					765,000	765,000	(130,000)	0.14	13.69	(2.65)	0.11	2048
2049	655,000	68,900	655,000					655,000	655,000	(110,000)	0.11	11.49	(2.20)	0.09	2049
2050	445,000	37,884	445,000					445,000	445,000	(210,000)	0.08	7.65	(3.84)	0.06	2050
2051	340,000	15,649	340,000					340,000	340,000	(105,000)	0.06	5.73	(1.92)	0.04	2051
2052	105,000	2,993	105,000					105,000	105,000	(235,000)	0.02	1.74	(4.00)	0.01	2052
2053	105,000	2,993	105,000					105,000	105,000		0.02	1.70	(0.03)	0.01	2053
2054	105,000	2,993	105,000					105,000	105,000		0.02	1.67	(0.03)	0.01	2054
2055	105,000	2,993	105,000					105,000	105,000		0.02	1.64	(0.03)	0.01	2055
2056	105,000	2,993	105,000					105,000	105,000		0.02	1.60	(0.03)	0.01	2056
TOTALS	69,160,000	23,822,670	69,160,000	(205,493)	(4,838,513)	(1,233,312)	(6,277,318)	62,882,682	104,938,480						TOTALS

Debt Limit Chart



Debt Limit Overview

- Current capital improvement list is manageable using City's debt capacity limit
  - ✓ City's existing policy is 60%.
  - ✓ Accounting for all capital projects listed, the City only reaches 35.5%
  - ✓ Could consider adjusting the policy
- Assumes future financing of utility debt using revenue debt.

Questions??

- Contact Information

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