



City of Watertown

2023 Financing

January 9, 2023

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City of Watertown

2023 FINANCING

January 9, 2023



Summary of Financing

| | |
|--------------------------|--------------------------------------|
| Issue: | General Obligation Promissory Notes |
| Estimated Size: | \$3,995,000 |
| Purpose: | 2023 Capital Improvement Projects |
| Structure: | Matures Annually 6/1/2024 – 6/1/2031 |
| First Interest: | June 1, 2023 |
| Callable: | 2031 callable 6/1/2030 |
| Estimated Interest Rate: | 3.49% |
| Detailed Analysis: | Page 2 |

Tentative Timeline

- Finance Committee considers Plan of FinanceJanuary 9, 2023
- Council considers Initial Borrowing Resolution January 17, 2023
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- Council considers Award Resolution (finalizes terms and interest rates).....February 21, 2023
- Closing (funds available)..... March 14, 2023

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Detailed Analysis

BAIRD

| | | 2023 CIP | | | Overall Taxpayer Impact | | | | |
|------|---------------------|--------------------------------|--------------------|--------------------|-------------------------|---------------------|-----------|------|--|
| | | \$3,995,000 | | | General Fund | | | | |
| | | G.O. PROMISSORY NOTES | | | | | | | |
| | | <i>Dated March 14, 2023</i> | | | | | | | |
| | | <i>(First interest 6/1/23)</i> | | | | | | | |
| YEAR | NET | PRINCIPAL | INTEREST | TOTAL | FUTURE | COMBINED | COMBINED | YEAR | |
| DUE | GENERAL | (6/1) | (6/1 & 12/1) | (b) | BORROWINGS | DEBT | DEBT | DUE | |
| | FUND | | TIC= | | (c) (d) | SERVICE | MILL RATE | | |
| | | | 3.49% | | | | (e) | | |
| | EXISTING | | | | | | | | |
| | DEBT | | | | | | | | |
| | SERVICE | | | | | | | | |
| | (a) | | | | | | | | |
| 2023 | \$4,745,942 | | \$138,477 | \$0 | \$0 | \$4,745,942 | \$2.54 | 2023 | |
| 2024 | \$4,456,031 | \$310,000 | \$186,225 | \$411,167 | \$0 | \$4,867,198 | \$2.55 | 2024 | |
| 2025 | \$4,095,850 | \$180,000 | \$173,975 | \$353,975 | \$514,562 | \$4,964,387 | \$2.55 | 2025 | |
| 2026 | \$3,536,138 | \$175,000 | \$165,100 | \$340,100 | \$1,188,925 | \$5,065,163 | \$2.55 | 2026 | |
| 2027 | \$3,070,531 | \$255,000 | \$154,350 | \$409,350 | \$1,687,925 | \$5,167,806 | \$2.55 | 2027 | |
| 2028 | \$2,500,531 | \$715,000 | \$130,100 | \$845,100 | \$1,819,425 | \$5,165,056 | \$2.50 | 2028 | |
| 2029 | \$1,572,231 | \$750,000 | \$93,475 | \$843,475 | \$2,753,463 | \$5,169,169 | \$2.46 | 2029 | |
| 2030 | \$1,186,406 | \$785,000 | \$55,100 | \$840,100 | \$3,140,488 | \$5,166,994 | \$2.41 | 2030 | |
| 2031 | \$1,113,061 | \$825,000 | \$17,738 | \$842,738 | \$3,210,931 | \$5,166,730 | \$2.36 | 2031 | |
| 2032 | \$726,403 | | | | \$4,441,744 | \$5,168,146 | \$2.31 | 2032 | |
| 2033 | \$338,531 | | | | \$4,827,525 | \$5,166,056 | \$2.27 | 2033 | |
| 2034 | \$337,581 | | | | \$4,831,169 | \$5,168,750 | \$2.22 | 2034 | |
| 2035 | \$341,481 | | | | \$4,828,344 | \$5,169,825 | \$2.18 | 2035 | |
| 2036 | \$340,231 | | | | \$4,829,050 | \$5,169,281 | \$2.14 | 2036 | |
| 2037 | \$338,881 | | | | \$4,828,213 | \$5,167,094 | \$2.10 | 2037 | |
| 2038 | \$338,244 | | | | \$4,830,725 | \$5,168,969 | \$2.05 | 2038 | |
| 2039 | \$338,125 | | | | \$4,831,513 | \$5,169,638 | \$2.01 | 2039 | |
| 2040 | \$337,722 | | | | \$4,830,544 | \$5,168,266 | \$1.97 | 2040 | |
| | <u>\$29,713,922</u> | <u>\$3,995,000</u> | <u>\$1,114,539</u> | <u>\$4,886,004</u> | <u>\$57,394,543</u> | <u>\$91,994,469</u> | | | |

(a) The City will make principal payments of \$5,325,000 in 2023.

(b) Hypothetical bid premium on estimated debt service in the amount of \$223,535.

(c) Assumes future borrowings of **\$3,740,000 for CIP in 2024 and \$3,000,000 annually thereafter** amortized over 8 years at 3.00%. Future borrowings also include \$11,000,000 to fund 2024 fire station construction amortized over 20 years beginning in 2025 at an estimated interest rate of 4.25%.

(d) 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.

(e) Mill rate based on 2022 Equalized Valuation (TID-OUT) of \$1,868,971,600 with 2.00% growth thereafter.