



City of Watertown

2025 Financing

May 12, 2025

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City of Watertown

2025 FINANCING

May 12, 2025

Summary of Financing

Issue:	General Obligation Promissory Notes
Estimated Size:	\$18,585,000
Purpose:	<ul style="list-style-type: none"> Refinance 2024 Note Anticipation Notes (\$14,335,000) <ul style="list-style-type: none"> NAN was issued to construct and equip a new fire station and campus 2025 Capital Improvement Projects (\$4,250,000)
Structure:	Matures Annually June 1, 2026 – June 1, 2044
First Interest:	June 1, 2026
Callable:	2035 and thereafter callable beginning 6/1/2034
Estimated Interest Rate:	4.56%
Detailed Analysis:	Pages 3-5

Summary of Key Parameters

Not to Exceed Par:	\$19,000,000
Not to Exceed Interest Rate (TIC %):	5.25%
Maturity Schedule:	June 1, 2026-2044
Per Maturity Increase/Decrease:	Up to \$1,500,000



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Tentative Timeline

- Finance Committee considers Plan of Finance and Parameters Resolution..... May 12, 2025
A Parameters Resolution defines a narrow set of parameters for the issuance of the Notes. Provides additional flexibility to lock-in long-term interest rates between Council meeting dates.
 - Authority for final sign-off on the sale of the Notes, within designated parameters, is delegated to the Finance Director/Treasurer (the "Authorized Officer").
- Council considers recommendation of the Finance Committee and adopts Parameters Resolution.....May 20, 2025
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Moody's Rating
 - ✓ Marketing
- Authorized Officer execute Approving Certificate (target date to finalize terms and interest rates)..... June 5, 2025
Approving Certificate certifies that designated parameters established in Parameters Resolution are met.
- Closing (funds available)..... July 1, 2025
- Payoff Note Anticipation Notes..... July 7, 2025

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Detailed Analysis



		Project Fund: \$14,000,000						
		Fire Station Project			Refunding of NAN		2025 CIP	
		\$14,630,000			\$14,335,000		\$4,250,000	
		NANs - FINAL			G.O. PROMISSORY NOTES		G.O. PROMISSORY NOTES	
		Dated April 1, 2024			Dated July 1, 2025		Dated July 1, 2025	
		(Due 10/1/2025)			(First Interest 6/1/2026)		(First Interest 6/1/2026)	
YEAR	GENERAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	NET INTEREST (b)	YEAR	
DUE	FUND	(4/1 & 10/1)	(6/1)	(6/1 & 12/1)	(6/1)	(6/1 & 12/1)	DUE	
		TIC=		TIC=		TIC=		
		3.95%		4.65%		4.02%		
	EXISTING DEBT SERVICE (a)							
2025	\$5,505,150	\$156,053					2025	
2026	\$4,148,238		\$170,000	\$1,036,185	\$410,000	\$143,702	2026	
2027	\$3,753,531		\$495,000	\$713,550	\$280,000	\$185,000	2027	
2028	\$3,620,531		\$520,000	\$688,175		\$178,000	2028	
2029	\$2,691,456		\$545,000	\$661,550	\$645,000	\$161,875	2029	
2030	\$2,297,806		\$575,000	\$633,550	\$675,000	\$128,875	2030	
2031	\$2,224,461		\$600,000	\$604,175	\$710,000	\$94,250	2031	
2032	\$1,001,803		\$635,000	\$573,300	\$745,000	\$57,875	2032	
2033	\$338,531		\$665,000	\$540,800	\$785,000	\$19,625	2033	
2034	\$337,581		\$700,000	\$506,675			2034	
2035	\$341,481		\$735,000	\$469,881			2035	
2036	\$340,231		\$775,000	\$430,244			2036	
2037	\$338,881		\$820,000	\$388,375			2037	
2038	\$338,244		\$860,000	\$344,275			2038	
2039	\$338,125		\$910,000	\$297,813			2039	
2040	\$337,722		\$955,000	\$248,856			2040	
2041			\$1,010,000	\$197,275			2041	
2042			\$1,065,000	\$142,806			2042	
2043			\$1,120,000	\$85,450			2043	
2044			\$1,180,000	\$28,025			2044	
2045							2045	
2046							2046	
2047							2047	
2048							2048	
2049							2049	
	<u>\$27,953,773</u>		<u>\$14,335,000</u>	<u>\$8,590,960</u>	<u>\$4,250,000</u>	<u>\$969,202</u>		

(a) The City has existing principal payments of \$5,905,000 in 2025.

(b) Assumes bid premium used to partially offset interest due in 2026 in the amount of \$147,089.

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Detailed Analysis, continued

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YEAR DUE	2026 BUILDING PROJECT		2027 BUILDING PROJECT		2028 BUILDING PROJECT		2029 BUILDING PROJECT		YEAR DUE
	\$7,460,000		\$6,205,000		\$2,855,000		\$4,120,000		
	G.O. PROMISSORY NOTES		G.O. PROMISSORY NOTES		G.O. PROMISSORY NOTES		G.O. PROMISSORY NOTES		
	Dated June 1, 2026		Dated June 1, 2027		Dated June 1, 2028		Dated June 1, 2029		
	(First Interest 6/1/2027)		(First Interest 6/1/2028)		(First Interest 6/1/2029)		(First Interest 6/1/2030)		
	PRINCIPAL (6/1)	NET INTEREST (c) (6/1 & 12/1) TIC= 4.45%	PRINCIPAL (6/1)	INTEREST (6/1 & 12/1) AVG= 3.75%	PRINCIPAL (6/1)	INTEREST (6/1 & 12/1) AVG= 3.75%	PRINCIPAL (6/1)	INTEREST (6/1 & 12/1) AVG= 3.75%	
2025									2025
2026									2026
2027		\$384,990							2027
2028		\$362,565		\$349,031					2028
2029		\$362,565		\$232,688		\$160,594			2029
2030	\$285,000	\$355,440		\$232,688		\$107,063		\$231,750	2030
2031	\$300,000	\$340,815	\$265,000	\$227,719	\$115,000	\$104,906		\$154,500	2031
2032	\$315,000	\$325,440	\$275,000	\$217,594	\$120,000	\$100,500	\$165,000	\$151,406	2032
2033	\$330,000	\$309,315	\$285,000	\$207,094	\$120,000	\$96,000	\$170,000	\$145,125	2033
2034	\$350,000	\$291,790	\$300,000	\$196,125	\$125,000	\$91,406	\$175,000	\$138,656	2034
2035	\$365,000	\$272,843	\$310,000	\$184,688	\$130,000	\$86,625	\$185,000	\$131,906	2035
2036	\$385,000	\$252,968	\$320,000	\$172,875	\$135,000	\$81,656	\$190,000	\$124,875	2036
2037	\$405,000	\$232,033	\$335,000	\$160,594	\$140,000	\$76,500	\$195,000	\$117,656	2037
2038	\$430,000	\$209,905	\$345,000	\$147,844	\$145,000	\$71,156	\$205,000	\$110,156	2038
2039	\$455,000	\$186,453	\$360,000	\$134,625	\$155,000	\$65,531	\$210,000	\$102,375	2039
2040	\$480,000	\$161,675	\$375,000	\$120,844	\$160,000	\$59,625	\$220,000	\$94,313	2040
2041	\$500,000	\$138,205	\$385,000	\$106,594	\$165,000	\$53,531	\$230,000	\$85,875	2041
2042	\$525,000	\$116,168	\$400,000	\$91,875	\$170,000	\$47,250	\$240,000	\$77,063	2042
2043	\$545,000	\$93,163	\$415,000	\$76,594	\$180,000	\$40,688	\$245,000	\$67,969	2043
2044	\$570,000	\$68,478	\$435,000	\$60,656	\$185,000	\$33,844	\$255,000	\$58,594	2044
2045	\$595,000	\$41,974	\$450,000	\$44,063	\$190,000	\$26,813	\$265,000	\$48,844	2045
2046	\$625,000	\$14,219	\$465,000	\$26,906	\$200,000	\$19,500	\$275,000	\$38,719	2046
2047			\$485,000	\$9,094	\$205,000	\$11,906	\$285,000	\$28,219	2047
2048					\$215,000	\$4,031	\$300,000	\$17,250	2048
2049							\$310,000	\$5,813	2049
	\$7,460,000	\$4,521,000	\$6,205,000	\$3,000,188	\$2,855,000	\$1,339,125	\$4,120,000	\$1,931,063	

(c) Assumes bid premium used to partially offset interest due in 2027 in the amount of \$158,857.

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Detailed Analysis, continued

YEAR DUE	FUTURE CIP BORROWINGS (d) (e)	Overall Taxpayer Impact General Fund		ESTIMATED MOODY'S LT LIABILITIES RATIO (g)	YEAR DUE
		COMBINED DEBT SERVICE	COMBINED DEBT MILL RATE (f)		
2025	\$0	\$5,505,150	\$2.43	215%	2025
2026	\$0	\$5,908,125	\$2.56	229%	2026
2027	\$497,675	\$6,309,746	\$2.66	240%	2027
2028	\$992,900	\$6,711,203	\$2.76	244%	2028
2029	\$1,654,175	\$7,114,903	\$2.86	250%	2029
2030	\$1,993,450	\$7,515,621	\$2.95	246%	2030
2031	\$2,177,625	\$7,918,451	\$3.05	242%	2031
2032	\$3,639,450	\$8,322,368	\$3.14	237%	2032
2033	\$4,709,750	\$8,721,240	\$3.23	231%	2033
2034	\$5,906,450	\$9,118,684	\$3.31	224%	2034
2035	\$5,904,850	\$9,117,274	\$3.24	217%	2035
2036	\$5,631,775	\$8,839,624	\$3.08	210%	2036
2037	\$5,450,075	\$8,659,114	\$2.96	204%	2037
2038	\$5,347,350	\$8,553,930	\$2.87	198%	2038
2039	\$5,252,400	\$8,467,321	\$2.78	193%	2039
2040	\$5,145,375	\$8,358,409	\$2.69	187%	2040
2041	\$5,135,075	\$8,006,555	\$2.53	182%	2041
2042	\$5,130,000	\$8,005,161	\$2.48	177%	2042
2043	\$5,130,000	\$7,998,863	\$2.43	172%	2043
2044	\$5,130,000	\$8,004,596	\$2.38	166%	2044
2045	\$5,130,000	\$6,791,693	\$1.98	163%	2045
2046	\$5,130,000	\$6,794,344	\$1.94	160%	2046
2047	\$5,130,000	\$6,154,219	\$1.73	158%	2047
2048	\$5,130,000	\$5,666,281	\$1.56	157%	2048
2049	\$5,130,000	\$5,445,813	\$1.47	156%	2049
\$100,478,375		\$188,008,686			

(d) Assumes future CIP borrowings of \$4,500,000 beginning in 2026 and thereafter amortized over 8 years at 3.00%.

(e) 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.

(f) Mill rate based on the 2024 Equalized Valuation (TID-OUT) of \$2,263,682,600 with 2.00% annual growth thereafter.

Assumes the following increases to equalized value (growth projections - housing development):

2026: \$14,650,000

2027: \$13,500,000

2028: \$11,400,000

2029: \$4,750,000

(g) Represents a future estimate of Moody's Long-Term Liabilities Ratio per Moody's 2022 US Cities and Counties Methodology.