EHLERS
LEADERS IN PUBLIC FINANCE

June 6, 2017

Pre-Sale Report for

City of West Allis, Wisconsin

$8,935,000 General Obligation Corporate Purpose Bonds Series 2017 A

Prepared by:

Michael C. Harrigan, CIPMA
Senior Municipal Advisor/Chairman of the Board

And

Dawn Gunderson-Schiel, CPFO, CIPMA
Senior Municipal Advisor/Vice President

Executive Summary of Proposed Debt

<table>
<tr><td>Proposed Issue:</td><td>$8,935,000 General Obligation Corporate Purpose Bonds Series 2017 A</td></tr>
<tr><td>Purposes:</td><td>The proposed issue includes financing for the following purposes:
Streets, Water, Sewer, Fire Apparatus, Refund 2010 B TID 5 portion.
• Current Refund 2010B $2,445,000 TID 5 only Debt service will be paid from tax increment revenues.
Interest rates on the obligations proposed to be refunded are 3.00% to 4.20%. The refunding is expected to reduce interest expense by approximately $56,000 over the next 11 years. The Net Present Value Benefit of the refunding is estimated to be $49,000, equal to 6.5 % of the refunded principal.
This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.
• Fire Apparatus. Debt service will be paid from ad valorem property taxes
• Sanitary Sewer. Debt service will be paid from sewer revenues.
• Streets Improvements. Debt service will be paid from ad valorem property taxes .
• Water Improvements. Debt service will be paid from water revenues.</td></tr>
<tr><td>Authority:</td><td>The Bonds are being issued pursuant to Wisconsin Statutes:
• 67.04
The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.
The Bonds count against the City's General Obligation Debt Capacity Limit of 5% of total City Equalized Valuation. Following issuance of the Bonds, the City's total General Obligation debt principal outstanding will be approximately $71.5 million, which is 38% of its limit. Remaining General Obligation Borrowing Capacity will be approximately $115 million.</td></tr>
<tr><td>Term/Call Feature:</td><td>The Bonds are being issued for a 15 year term. Principal on the Bonds will be due on April 1 in the years 2018 through 2032. Interest is payable every six months beginning April 1, 2018.
The Bonds maturing on and after August 24, 2026 will be subject to prepayment at the discretion of the City on August 24, 2025 or any date thereafter.</td></tr>
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Bank Qualification:	Because the City is expecting to issue no more than $10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.
Rating:	The City's most recent bond issues were rated "Aa2" by Moody's Investors Service and "AA" by Standard & Poor's. The City will request new ratings for the Bonds. If the winning bidder on the Bonds elects to purchase bond insurance, the ratings for the issue may be higher than the City's bond ratings in the event that the bond ratings of the insurer is higher than that of the City.
Basis for Recommendation:	Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Bonds as a suitable option based on: • The expectation this form of financing will provide the overall lowest cost of funds while also meeting the City's objectives for term, structure and optional redemption. • The City having adequate General Obligation debt capacity to undertake this financing and anticipating any potential rating impacts. • The nature of the projects being financed. • The relative cost of GO Bond Financing vs Revenue Bond Financing. • The City's current Capital Improvements Plan which identified issuance of General Obligation Bonds to finance these projects. • The existing General Obligation pledge securing the obligations to be refunded.
Method of Sale/Placement:	In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks. We have included an allowance for discount bidding equal to 1.25000% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount. Determination of the required deposit to the advance refunding escrow requires that the issue price and associated arbitrage yield for the Bonds be established on the date of sale. To ensure issue price certainty on the day of sale underwriters and any syndicate members, as a condition of bid submittal, will be required to hold their initial

	offering price for each maturity until 10% of that maturity is sold to the public at a price no higher than the initial offering price, or for five business days, whichever occurs sooner. The requirement to hold the price is only applicable if less than three bids are received for the Bonds. Due to the potential for increased underwriting risk associated with the hold the price requirement, some bidders may refrain from bidding, or may build that risk into the price they are willing to offer for the Bonds if they believe that less than three bids may be received. This may increase the City's debt service costs for the Bonds, or result in receiving no bids. **Premium Bids:** Under current market conditions, most investors in municipal bonds prefer "premium" pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered "reoffering premium." Any premium amount received for that portion of the Bonds being issued for the purpose of refunding existing debt will be used to reduce the issue size. Any premium amount received for the remainder of the Bonds that is in excess of the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Bonds. These adjustments may slightly change the true interest cost of the original bid, either up or down. **We anticipate using any premium amounts received to reduce the issue size.** The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City's objectives for this financing.
Other Considerations:	The Bonds will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to "term up" some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Bonds. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the City retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.
Review of Existing Debt:	We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time. We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:	Because the City has more than $10,000,000 in outstanding debt (including this issue) and this issue is over $1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.
Arbitrage Monitoring:	Because the Bonds are tax-exempt obligations/tax credit obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.
Risk Factors:	**GO with Planned Abatement:** The City expects to abate a portion of the City debt service with tax incremental revenues, water utility revenues, sewer utility revenues. In the event these revenues are not available, the City is obligated to levy property taxes in an amount sufficient to make all debt payments. **Current Refunding:** The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are "callable" now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until August 24, 2025.
Other Service Providers:	This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us. **Bond Attorney:** Quarles & Brady LLP **Paying Agent:** Bond Trust Services Corporation **Rating Agency:** Moody's Investors Service Standard & Poor's Global Ratings (S&P)

This presale report summarizes our understanding of the City's objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City's objectives.

Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	June 6, 2017
Distribute Official Statement:	July 21, 2017
Conference with Rating Agency:	Week of July 10, 2017
City Council Meeting to Award Sale of the Bonds:	August 1, 2017
Estimated Closing Date:	August 24, 2017
Redemption Date for Bond	September 5, 2017

Attachments

Sources and Uses of Funds

Proposed Debt Service Schedule & Allocation

Tax Rate Impact Analysis

Bond Buyer Index

Refunding Savings Analysis

Ehlers Contacts

Municipal Advisors:	Michael C. Harrigan	(262) 796-6165
	Dawn Gunderson-Schiel	(262) 796-6166
Disclosure Coordinator:	Sue Porter	(262) 796-6167
Financial Analyst:	Mary Zywiec	(262) 796-6171

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.

City of West Allis
Sizing Worksheet - 2017 Issue

	Streets	Fire Apparatus	Sanitary Sewer	Water	Refund 2010B TID 5 Portion	Preliminary ***Tax-Exempt G.O. Bonds, 2017A***
						Bank Qualified
New Projects						
Streets	**2,718,000**					2,718,000
Storm Sewer		1,850,000				1,850,000
Sanitary Sewer			1,750,000			1,750,000
Water				1,750,000		1,750,000
TID Projects (Taxable)						
Refund - 2010B TID 5 Portion only						
Principal due call date of 9/5/17					755,000	755,000
Interest due call date 9/5/17					12,033	12,033
Less: Levied funds available					(14,065)	(14,065)
Total Amount Needed for Capital Projects & Refunding	2,718,000	1,850,000	1,750,000	1,750,000	752,968	8,820,968
Issuance Expenses to be Paid by City excluding discount (New Money)	(21,906)	(14,936)	(14,100)	(14,100)	0	(65,041)
Bid Premium Deposit to DS/Transfer						0
Estimated Issuance Expenses						
Financial Advisor (2nd issue discount on smaller issue)	5,694	3,882	3,665	3,665	1,594	18,500
Bond Counsel	4,617	3,148	2,971	2,971	1,293	15,000
Disclosure Counsel (If chosen)	2,770	1,889	1,783	1,783	776	9,000
Reoffering Premium (Built into Rates)						
Underwriter's Discount ($12.50 est)	34,375	23,438	22,125	22,125	9,625	111,688
Paying Agent (If terms)	208	142	134	134	58	675
Rating Fee (Moody's and S & P)	8,618	5,876	5,547	5,547	2,413	28,000
TOTAL TO BE FINANCED	2,752,375	1,873,438	1,772,125	1,772,125	768,727	8,938,790
Estimated Interest Earnings[1]	(2,718)	(1,850)	(1,750)	(1,750)		(8,068)
Rounding	343	3,413	(375)	(375)	1,273	4,278
NET BOND SIZE	**2,750,000**	1,875,000	1,770,000	1,770,000	770,000	**8,935,000**

[1] Estimated interest earnings at .004

CITY AT THE CENTER WEST ALLIS

City of West Allis

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Summary of 2017

	Existing Debt Only Does NOT include issues to be refunded						2017 Issues									
	Equalized Value Projection	Change in EV	Annual P&I Payment	Less Non-Levy Sources	Net Debt Service	Rate Impact Equalized	Tax Exempt G.O. Bonds, 2017A - Bank Qualified $8,935,000 Dated 8/24/17				Less Sanitary Sewer Revs 2017A	Less Water Revs 2017A	Less TID 5 Rev 2017A	Net Debt Service	New Rate Impact (Equalized)	
YEAR							Prin (4/1)	Rate	Interest	Net Total						YEAR
2017	3,639,905,800	-0.55%	10,867,641	(6,959,284)	3,908,356	1.07								3,908,356	1.07	2017
2018	3,639,905,800	0.00%	10,339,669	(6,700,423)	3,639,246	1.00	710,000	1.30%	203,483	913,483	(162,572)	(162,572)	(86,406)	4,141,178	1.14	2018
2019	3,649,005,565	0.25%	9,317,776	(6,037,590)	3,280,186	0.90	710,000	1.42%	174,433	884,433	(156,900)	(156,900)	(83,883)	3,766,936	1.03	2019
2020	3,658,128,078	0.25%	8,653,113	(5,761,492)	2,891,621	0.79	710,000	1.54%	163,925	873,925	(155,124)	(155,124)	(82,847)	3,372,451	0.92	2020
2021	3,676,418,719	0.50%	7,963,712	(5,354,753)	2,608,959	0.71	710,000	1.70%	152,423	862,423	(153,180)	(153,180)	(81,713)	3,083,309	0.84	2021
2022	3,703,991,859	0.75%	7,405,267	(5,069,348)	2,335,918	0.63	710,000	1.85%	139,820	849,820	(151,050)	(151,050)	(80,470)	2,803,168	0.76	2022
2023	3,741,031,778	1.00%	6,941,460	(4,883,961)	2,057,499	0.55	710,000	2.00%	126,153	836,153	(148,740)	(148,740)	(79,123)	2,517,049	0.67	2023
2024	3,778,442,096	1.00%	5,584,047	(4,647,455)	936,592	0.25	710,000	2.15%	111,420	821,420	(146,250)	(146,250)	(77,670)	1,387,842	0.37	2024
2025	3,835,118,727	1.50%	3,699,639	(3,103,700)	595,940	0.16	710,000	2.35%	95,445	805,445	(143,550)	(143,550)	(76,095)	1,038,190	0.27	2025
2026	3,892,645,508	1.50%	3,159,565	(2,881,815)	277,750	0.07	715,000	2.35%	78,701	793,701	(140,730)	(140,730)	(79,391)	710,600	0.18	2026
2027	3,960,766,804	1.75%	2,415,490	(2,415,490)	0	0.00	700,000	2.60%	61,200	761,200	(132,825)	(132,825)	(72,600)	422,950	0.11	2027
2028	4,039,982,140	2.00%	1,915,189	(1,915,189)	0	0.00	420,000	2.60%	46,640	466,640	(129,835)	(129,835)	(65,845)	141,125	0.03	2028
2029	4,120,781,783	2.00%	1,214,804	(1,214,804)	0	0.00	355,000	2.80%	36,210	391,210	(126,730)	(126,730)		137,750	0.03	2029
2030	4,203,197,419	2.00%	700,712	(700,712)	0	0.00	355,000	2.80%	26,270	381,270	(123,510)	(123,510)		134,250	0.03	2030
2031	4,287,261,367	2.00%	237,938	(237,938)	0	0.00	355,000	3.00%	15,975	370,975	(120,175)	(120,175)		130,625	0.03	2031
2032	4,373,006,595	2.00%					355,000	3.00%	5,325	360,325	(116,725)	(116,725)		126,875	0.03	2032
TOTALS			80,416,022	(57,883,955)	22,532,067		8,935,000		1,437,421	10,372,421	(2,107,896)	(2,107,896)	(866,041)	27,565,155		TOTALS

Rates based on Aa2 sold 5/16/17 + .25

City of West Allis

2017A ISSUE PLANNING - Tax-Exempt G.O. Bonds - Bank Qualified

Pre Sale Estimates

Dated August 24, 2017

	2,750,000 Streets			1,875,000 Fire Apparatus		
	Principal 1-Apr	Interest	Total	Principal 1-Apr	Interest	Total
2018	$275,000	$56,621	$331,621	$125,000	$45,311	$170,311
2019	$275,000	$47,438	$322,438	$125,000	$39,313	$164,313
2020	$275,000	$43,368	$318,368	$125,000	$37,463	$162,463
2021	$275,000	$38,913	$313,913	$125,000	$35,438	$160,438
2022	$275,000	$34,031	$309,031	$125,000	$33,219	$158,219
2023	$275,000	$28,738	$303,738	$125,000	$30,813	$155,813
2024	$275,000	$23,031	$298,031	$125,000	$28,219	$153,219
2025	$275,000	$16,844	$291,844	$125,000	$25,406	$150,406
2026	$275,000	$10,381	$285,381	$125,000	$22,469	$147,469
2027	$275,000	$3,575	$278,575	$125,000	$19,375	$144,375
2028				$125,000	$16,125	$141,125
2029				$125,000	$12,750	$137,750
2030				$125,000	$9,250	$134,250
2031				$125,000	$5,625	$130,625
2032				$125,000	$1,875	$126,875
TOTALS	$2,750,000	$302,939	$3,052,939	$1,875,000	$362,649	$2,237,649

	$1,770,000 Sanitary Sewer			1,770,000 Water			
	Principal 1-Apr	Interest	Total	Principal 1-Apr	Rate	Interest	Total
2018	$120,000	$42,572	$162,572	$120,000	1.30%	$42,572	$162,572
2019	$120,000	$36,900	$156,900	$120,000	1.42%	$36,900	$156,900
2020	$120,000	$35,124	$155,124	$120,000	1.54%	$35,124	$155,124
2021	$120,000	$33,180	$153,180	$120,000	1.70%	$33,180	$153,180
2022	$120,000	$31,050	$151,050	$120,000	1.85%	$31,050	$151,050
2023	$120,000	$28,740	$148,740	$120,000	2.00%	$28,740	$148,740
2024	$120,000	$26,250	$146,250	$120,000	2.15%	$26,250	$146,250
2025	$120,000	$23,550	$143,550	$120,000	2.35%	$23,550	$143,550
2026	$120,000	$20,730	$140,730	$120,000	2.35%	$20,730	$140,730
2027	$115,000	$17,825	$132,825	$115,000	2.60%	$17,825	$132,825
2028	$115,000	$14,835	$129,835	$115,000	2.60%	$14,835	$129,835
2029	$115,000	$11,730	$126,730	$115,000	2.80%	$11,730	$126,730
2030	$115,000	$8,510	$123,510	$115,000	2.80%	$8,510	$123,510
2031	$115,000	$5,175	$120,175	$115,000	3.00%	$5,175	$120,175
2032	$115,000	$1,725	$116,725	$115,000	3.00%	$1,725	$116,725
TOTALS	$1,770,000	$337,896	$2,107,896	$1,770,000		$337,896	$2,107,896

	770,000 Refund - 2010B TID 5			TOTAL	TOTAL	TOTAL
	Principal 1-Apr	Interest	Total	PRINCIPAL	INTEREST	DEBT SERVICE
2018	$70,000	$16,406	$86,406	$710,000	$203,483	$913,483
2019	$70,000	$13,883	$83,883	$710,000	$174,433	$884,433
2020	$70,000	$12,847	$82,847	$710,000	$163,925	$873,925
2021	$70,000	$11,713	$81,713	$710,000	$152,423	$862,423
2022	$70,000	$10,470	$80,470	$710,000	$139,820	$849,820
2023	$70,000	$9,123	$79,123	$710,000	$126,153	$836,153
2024	$70,000	$7,670	$77,670	$710,000	$111,420	$821,420
2025	$70,000	$6,095	$76,095	$710,000	$95,445	$805,445
2026	$75,000	$4,391	$79,391	$715,000	$78,701	$793,701
2027	$70,000	$2,600	$72,600	$700,000	$61,200	$761,200
2028	$65,000	$845	$65,845	$420,000	$46,640	$466,640
2029				$355,000	$36,210	$391,210
2030				$355,000	$26,270	$381,270
2031				$355,000	$15,975	$370,975
2032				$355,000	$5,325	$360,325
TOTALS	$770,000	$96,041	$866,041	$8,935,000	$1,437,421	$10,372,421

Rates based on Aa2 sold 5/16/17 + .25

City of West Allis, WI
Refunding Analysis
Estimated Refunding Savings

PRE SALE

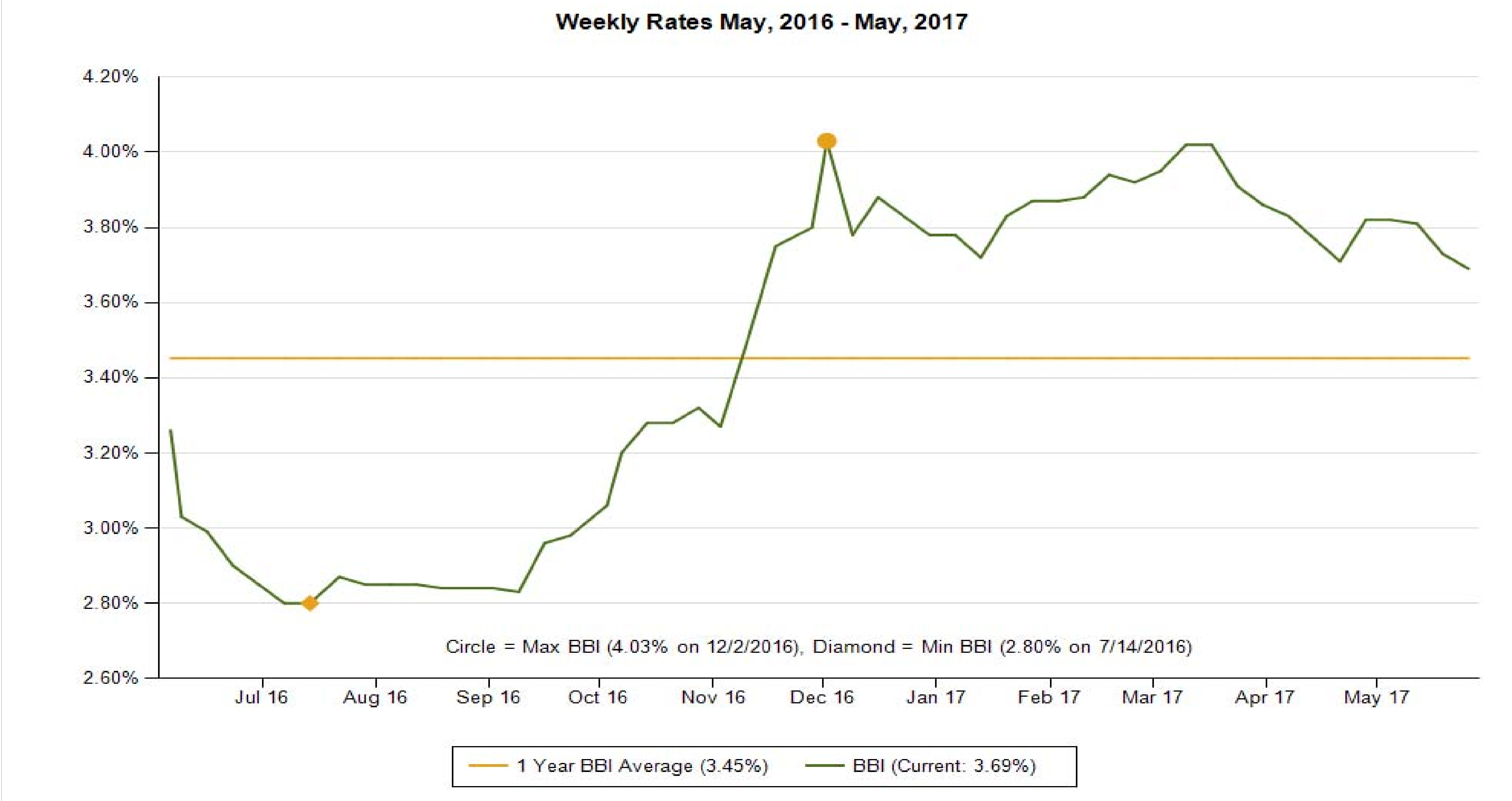
	Existing Debt Service To Be Refunded				NON REFUNDED PORTION									Total Savings Preliminary
Issue	**$2,445,000 G.O. Refunding Bonds, Series 2010B**				**$2,445,000 G.O. Refunding Bonds, Series 2010B**				**Existing Debt to be paid by Issuer**	**Proposed 2017 G.O. Bonds - Refunding Portion (TID 5)**				
Amount	$7,105,000				$7,105,000					$770,000				
Dated	27-Mar-09				27-Mar-09					24-Aug-17				
Call Date	1-Apr-19													
Year	**Prin (4/1)**	**Rate**	**Interest**	**Total**	**Prin (4/1)**	**Rate**	**Interest**	**Total**		**Prin (4/1)**	**Rate**	**Interest**	**Total**	
2017			28,130	28,130	115,000	2.700%	3,053	118,053	118,053					
2018	65,000	3.00%	27,155	92,155	50,000	3.000%	750	50,750	50,750	70,000	1.30%	16,406	86,406	**5,749**
2019	65,000	3.30%	25,108	90,108						70,000	1.42%	13,883	83,883	**6,225**
2020	65,000	3.30%	22,963	87,963						70,000	1.54%	12,847	82,847	**5,116**
2021	65,000	3.60%	20,720	85,720						70,000	1.70%	11,713	81,713	**4,008**
2022	65,000	3.60%	18,380	83,380						70,000	1.85%	10,470	80,470	**2,910**
2023	70,000	3.80%	15,880	85,880						70,000	2.00%	9,123	79,123	**6,758**
2024	70,000	3.80%	13,220	83,220						70,000	2.15%	7,670	77,670	**5,550**
2025	70,000	4.00%	10,490	80,490						70,000	2.35%	6,095	76,095	**4,395**
2026	75,000	4.00%	7,590	82,590						75,000	2.35%	4,391	79,391	**3,199**
2027	75,000	4.20%	4,515	79,515						70,000	2.60%	2,600	72,600	**6,915**
2028	70,000	4.20%	1,470	71,470						65,000	2.60%	845	65,845	**5,625**
Total	**755,000**		**195,620**	**950,620**	**165,000**		**3,803**	**168,803**	**168,803**	**770,000**		**96,041**	**866,041**	**56,449**

Net Present Value Savings 49,123

Rates based on Aa2 sold 5/16/17 + .25

NET PRESENT VALUE SAVINGS AS A PERCENT OF REFUNDED PRINCIPAL = **6.50%**

1 YEAR TREND IN MUNICIPAL BOND INDICES



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

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