# MEMORANDUM

**TO:** Honorable Mayor and Members of the Common Council

**FROM:** Peggy Steeno, Finance Director/Comptroller/Treasurer

**DATE:** November 5, 2019

**SUBJECT:** Approve Initial Resolutions Authorizing an Amount Not To Exceed $13,450,000 of General Obligation Bonds of the City of West Allis

Approve Resolution Directing Publication of Notice to Electors

Approve Resolution directing the advertisement and sale of up to $13,450,000 aggregate principal amount of General Obligation Corporate Purpose Bonds, Series 2019 A, of the City of West Allis

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**BACKGROUND**

In order to borrow money through a general obligation public bonding process, the City is required to issue an initial resolution stating its intent, along with another resolution that authorizes staff to proceed with the preparation and documentation needed to sell the bonds and receive the proceeds. The sale of the bonds cannot occur until at least 30 days after the initial resolution is authorized.

**ANALYSIS**

The currently proposed general obligation borrowing of $13,450,000 includes the following:

- $2,750,000 of tax exempt general obligation corporate purpose bonds to fund street improvement projects that call for a ten (10) year borrowing as included in the 2019 Budget approved by the Council on November 20, 2018 (Budget included $2,750,000);
- $1,540,000 of tax exempt general obligation corporate purpose bonds to fund: (1) water system improvements that call for a fifteen (15) year borrowing as included in the 2019 Budget approved by the Council on November 20, 2018 (Budget included $1,530,600 for infrastructure improvements and $177,500 for equipment, plus one project that was put on hold);
- $2,500,000 of tax exempt general obligation corporate purpose bonds to fund sanitary sewer improvements that call for a fifteen (15) year borrowing included in the 2019 Budget as approved by the Council on November 20, 2018 (Budget included $2,572,600 for infrastructure); and
- $6,660,000 of tax exempt refunding bonds to refinance the 2008, 2009, 2011, and 2012 issues, which is solely being done to save the City interest costs over the remaining payments. The refinancing will save the City approximately $205,000 in future debt repayments, however, please note that some of this savings, approximately $20,000, will be offset since the extra borrowing, greater

than $10,000,000, puts the City in a non-bank qualified position which is likely to increase the overall interest rate slightly.

Also, please find attached a Pre-Sale Report, issued by Ehlers, Inc., the City's Financial Advisor, which outlines additional details of the proposed borrowings.

**FISCAL IMPACT**

The above amounts, totaling $13,450,000, if borrowed, will be added to the City's outstanding debt obligations, and funded through the applicable budgets, specifically the Debt Service Fund/General Fund, the Water Utility Fund, and the Sanitary Sewer Utility Fund. Also, the refunding will positively affect the applicable budgets, specifically the Debt Service Fund/General Fund, the Water Utility Fund, the Sanitary Sewer Utility Fund and TIF Funds, by saving approximately $185,000 in future interest costs.

**RECOMMENDATION**

Staff recommends adoption of the above noted resolutions.

November 5, 2019

# Pre-Sale Report for

# City of West Allis, Wisconsin

# $13,450,000 General Obligation Corporate Purpose Bonds, Series 2019A

**Prepared by:**


Dawn Gunderson-Schiel, CPFO/CIPMA
Senior Municipal Advisor

Todd Taves, CIPMA
Senior Municipal Advisor

## Executive Summary of Proposed Debt

<table>
<tr><td>Proposed Issue:</td><td>$13,450,000 General Obligation Corporate Purpose Bonds, Series 2019A</td></tr>
<tr><td>Purposes:</td><td>
The proposed issue includes financing for the following purposes:
Finance 2019 Streets, Water and Sewer projects.
Refinance various outstanding issues. Debt Service on the refundings will be paid from ad valorem property taxes, sewer utility revenues and water utility revenues.
<ul>
<li>Current Refunding of 2008A GO Corporate Purpose Bonds.
Interest rates on the obligations proposed to be refunded are 4.00% to 4.25%. The refunding is expected to reduce debt service expense by approximately $34,329 over the next 4 years. The Net Present Value Benefit of the refunding is estimated to be $32,994, equal to 3.51% 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. </li>
<li>Current Refunding of 2009 GO Corporate Purpose Bonds.
Interest rates on the obligations proposed to be refunded are 4.00% to 4.35%. The refunding is expected to reduce debt service expense by approximately $49,234 over the next 4 years. The Net Present Value Benefit of the refunding is estimated to be $46,659 equal to 4.55% 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. </li>
<li>Current Refunding of the 2011A GO Corporate Purpose Bonds.
Interest rates on the obligations proposed to be refunded are 3.00% to 3.50%. The refunding is expected to reduce debt service expense by approximately $65,522 over the next 7 years. The Net Present Value Benefit of the refunding is estimated to be $61,107, equal to 3.25% 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. </li>
<li>Current Refunding of the 2012B GO Corporate Purpose Bonds.
Interest rates on the obligations proposed to be refunded are 2.25% to 3.00%. The refunding is expected to reduce debt service expense by approximately $56,081 over the next 8 years. The Net Present </li>
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| | Value Benefit of the refunding is estimated to be $51,354, equal to 1.91% of the refunded principal.<br><br>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.<br><br>• 2019 Sewer Projects. Debt service will be paid from Sewer Utility revenues.<br>• 2019 Streets Projects. Debt service will be paid from ad valorem property taxes.<br>• 2019 Water Projects. Debt service will be paid from Water Utility revenues. |
| Authority: | The Bonds are being issued pursuant to Wisconsin Statute(s):<br>• 67.04<br><br>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.<br><br>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 $76.6 million, which is 38% of its limit. Remaining General Obligation Borrowing Capacity will be approximately $123.8 million. |
| Term/Call Feature: | The Bonds are being issued for a term of 15 years. Principal on the Bonds will be due on April 1 in the years 2020 through 2034. Interest is payable every six months beginning April 1, 2020.<br><br>The Bonds will be subject to prepayment at the discretion of the City on April 1, 2028 or any date thereafter. |
| Bank Qualification: | Because the City is issuing, or expects to issue, more than $10,000,000 in tax-exempt obligations during the calendar year, the City will be not able to designate the Bonds as "bank qualified" obligations. |
| Rating: | The City's most recent bond issues were rated by Moody's Investors Service. The current ratings on those bonds are "Aa2". The City will request a new rating for the Bonds.<br><br>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City. |

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| 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:<br><br>• 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.<br><br>• The City having adequate General Obligation debt capacity to undertake this financing.<br><br>• The City's current practice and Capital Improvements Plan which identified issuance of General Obligation Bonds to finance these projects.<br><br>• The existing General Obligation pledge securing the obligations to be refunded. |
| Method of Sale/Placement: | We will solicit competitive bids for the purchase of the Bonds from underwriters and banks.<br><br>We will include an allowance for discount bidding in the terms 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.<br><br>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount. |
| Premium Pricing: | In some cases, 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." The underwriter of the bonds will retain a portion of this reoffering premium as their compensation (or "discount") but will pay the remainder of the premium to the City.<br><br>Any premium amount received for that portion of the Bond 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. |

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| | 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.<br>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 tax-exempt 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. |
| Investment of and Accounting for Proceeds: | In order to more efficiently segregate funds for this project and maximize interest earnings, we recommend using an investment advisor, to assist with the investment of bond proceeds until they are needed to pay project costs. Ehlers |

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| | Investment Partners, a subsidiary of Ehlers and registered investment advisor, can discuss an appropriate investment strategy with the City. |
| Risk Factors: | **GO with Planned Abatement:** The City expects to abate a portion of the City debt service with water utility revenues and 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.<br><br>**Current Refunding:** The Bonds are being issued to finance a current refunding of prior City debt obligations. Those prior debt obligations are currently "callable". The new Bonds will not be pre-payable until April 1, 2028.<br><br>This refunding is being undertaken based in part on an assumption that the City does not expect to pre-pay off this debt prior to the new call date and that market conditions warrant the refunding at this time. |
| 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, but the 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.<br><br>**Bond Counsel:** Quarles & Brady LLP<br><br>**Paying Agent:** Issuer, unless term bonds offered, then Bond Trust Services Corp.<br><br>**Rating Agency:** Moody's Investors Service, Inc. |

## Proposed Debt Issuance Schedule

| | |
|---|---|
| Pre-Sale Review by City Council: | November 5, 2019 |
| Due Diligence Call to review Official Statement: | Week of December 9, 2019 |
| Distribute Official Statement: | December 9, 2019 |
| Conference with Rating Agency: | Week of December 9, 2019 |
| City Council Meeting to Award Sale of the Bonds: | December 17, 2019 |
| Estimated Closing Date: | December 30, 2019 |
| Redemption Date for Bonds Being Refunded: | January 21, 2020 |

## Attachments

Estimated Sources and Uses of Funds

Estimated Proposed Debt Service Schedule/Tax Levy Impact

Estimated Debt Service Comparison with savings

Estimates Debt Service savings by issue

Bond Buyer Index

## Ehlers Contacts

| | | |
|---|---|---|
| Municipal Advisors: | Dawn Gunderson-Schiel | (262) 796-6166 |
| | Todd Taves | (262) 796-6173 |
| Disclosure Coordinator: | Sue Porter | (262) 796-6167 |
| Financial Analyst: | Mary Zywiec | (262) 796-6171 |

The Preliminary Official Statement for this financing will be sent to the City Council at their home or email address for review prior to the sale date.

## Capital Financing Plan Sizing

| | New Money | Proposed 2019A<br>Refunding | Total |
|---|---|---|---|
| **Projects** | | | |
| Streets | 2,728,000 | | 2,728,000 |
| Storm | | | 0 |
| Sanitary Sewer | 2,480,000 | | 2,480,000 |
| Water (Infrastructure) | 1,530,000 | | 1,530,000 |
| Water (Hydrants, Meters, Software, Equipment) | | | |
| Parks | | | |
| NON Utility - Equipment/Vehicles | | | |
| Utility - Vehicles & Equipment | | | |
| Property Improvement | | | |
| **Refunding:** | | | |
| **Refund $6,600,000 G.O. Corporate Purpose Bonds, dated June 1, 2008** | | | |
| P & I due 1/21/20 | | 951,830 | 951,830 |
| **Refund $2,945,000 G.O. Corporate Purpose Bonds, dated March 27, 2009** | | | |
| P & I due 1/21/20 | | 1,037,998 | 1,037,998 |
| **Refund $5,635,000 G.O. Corporate urpose Bonds, dated 5/19/11** | | | |
| P & I due 1/21/20 | | 1,897,886 | 1,897,886 |
| **Refund $6,205,000 G.O. Corporate Purpose Bonds, Series 2012B dated 4/5/12** | | | |
| P & I due 1/21/20 | | 2,715,144 | 2,715,144 |
| **Total Funds Needed** | **6,738,000** | **6,602,858** | **13,340,858** |
| **Issuance Expenses to be Paid by City excludiing discount (New Money)** | (57,400) | | (57,400) |
| **Issuance Expenses** | | | |
| Municipal Advisor | 21,700 | 7,800 | 29,500 |
| Bond Counsel | 12,000 | 4,000 | 16,000 |
| Disclosure Counsel | 7,200 | 2,400 | 9,600 |
| Paying Agent BTSC | 500 | 350 | 850 |
| Rating | 16,000 | 6,000 | 22,000 |
| Reoffering Premium (built into rates) | | | |
| Underwriter Discount est @$12.50/$1,000 Bonds, $5/1000 (REFDG) | 84,875 | 33,300 | 118,175 |
| **Total Funds Needed** | 6,822,875 | 6,656,708 | 13,479,583 |
| Less Interest 2.0% for 3 months | (33,690) | 0 | (33,690) |
| Rounding | 815 | 3,292 | 4,107 |
| **Size of Issue** | 6,790,000 | 6,660,000 | 13,450,000 |

| **Resolution Breakdowns** | | | |
|---|---|---|---|
| Streets | 2,750,000 | | |
| Storm | - | - | |
| Sanitary Sewer | 2,500,000 | - | |
| Water | 1,540,000 | - | |
| Parks | | | |
| Non Utilitly Equipment | - | | |
| Utility Equipment | - | | |
| Property Improvement | | 6,660,000 | |
| Refunding | | | |
| Total | 6,790,000 | 6,660,000 | 13,450,000 |

# Projected Impact of Proposed Projects

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## Existing General Obligation Debt Only

| YEAR | Equalized Value Projection | Change in EV TID OUT | Total Payment (P&I) | Total Less Non Levy Revenues | Net Debt Service Levy | Debt Service Tax Rate |
|---|---|---|---|---|---|---|
| 2019 | 3,720,590,900 | 2.47% | 11,196,310 | (7,168,131) | 4,028,178 | 1.08 |
| 2020 | 3,846,563,800 | 3.39% | 10,906,277 | (7,256,597) | 3,649,680 | 0.95 |
| 2021 | 3,885,029,438 | 1.00% | 10,409,289 | (7,053,861) | 3,355,429 | 0.86 |
| 2022 | 3,923,879,732 | 1.00% | 9,827,194 | (6,756,806) | 3,070,388 | 0.78 |
| 2023 | 3,963,118,530 | 1.00% | 9,358,401 | (6,578,844) | 2,779,556 | 0.70 |
| 2024 | 4,002,749,715 | 1.00% | 7,980,039 | (6,334,214) | 1,645,825 | 0.41 |
| 2025 | 4,042,777,212 | 1.00% | 6,077,395 | (4,780,557) | 1,296,838 | 0.32 |
| 2026 | 4,083,204,984 | 1.00% | 5,574,448 | (4,561,298) | 1,013,150 | 0.25 |
| 2027 | 4,124,037,034 | 1.00% | 4,807,411 | (4,084,223) | 723,187 | 0.18 |
| 2028 | 4,165,277,404 | 1.00% | 4,020,947 | (3,572,647) | 448,300 | 0.11 |
| 2029 | 4,206,930,179 | 1.00% | 2,881,781 | (2,750,906) | 130,875 | 0.03 |
| 2030 | 4,248,999,480 | 1.00% | 2,364,158 | (2,236,208) | 127,950 | 0.03 |
| 2031 | 4,291,489,475 | 1.00% | 1,896,170 | (1,771,295) | 124,875 | 0.03 |
| 2032 | 4,334,404,370 | 1.00% | 1,656,552 | (1,534,902) | 121,650 | 0.03 |
| 2033 | 4,377,748,414 | 1.00% | 1,297,608 | (1,297,608) | | 0.00 |
| 2034 | 4,421,525,898 | 1.00% | 1,007,733 | (1,007,733) | | 0.00 |
| 2035 | 4,465,741,157 | 1.00% | 1,012,133 | (1,012,133) | | 0.00 |
| 2036 | 4,510,398,568 | 1.00% | 1,015,791 | (1,015,791) | | 0.00 |
| 2037 | 4,555,502,554 | 1.00% | 668,533 | (668,533) | | 0.00 |
| 2038 | 4,601,057,579 | 1.00% | 564,533 | (564,533) | | 0.00 |
| 2039 | 4,647,068,155 | 1.00% | | | | |
| 2040 | 4,693,538,837 | 1.00% | | | | |
| TOTALS | | | 94,522,702 | (72,006,821) | 22,515,881 | |

## Projected Debt Service

| | General Obligation Bonds, Series 2019A $6,790,000 Dated 12/30/19 | | | | Capital Plan Debt Service | | | Sewer Revenues 2019 | Water Revenues 2019 | Total Projected Debt Service less abatements | Net Debt Service Levy | Debt Service Tax Rate @ 1.00% Growth | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| YEAR | Prin (4/1) | Rate | Interest | Total | Principal | Interest | Total | | | | | | YEAR |
| 2019 | | | | | | | | | | | 4,028,178 | 1.08 | 2019 |
| 2020 | 515,000 | 1.650% | 96,809 | 611,809 | 515,000 | 96,809 | 611,809 | (192,292) | (117,989) | 301,528 | 3,951,208 | 1.03 | 2020 |
| 2021 | 490,000 | 1.670% | 121,657 | 611,657 | 490,000 | 121,657 | 611,657 | (192,469) | (119,262) | 299,926 | 3,655,355 | 0.94 | 2021 |
| 2022 | 500,000 | 1.690% | 113,341 | 613,341 | 500,000 | 113,341 | 613,341 | (194,991) | (117,750) | 300,600 | 3,370,988 | 0.86 | 2022 |
| 2023 | 510,000 | 1.740% | 104,679 | 614,679 | 510,000 | 104,679 | 614,679 | (192,419) | (121,163) | 301,098 | 3,080,654 | 0.78 | 2023 |
| 2024 | 520,000 | 1.780% | 95,614 | 615,614 | 520,000 | 95,614 | 615,614 | (194,734) | (119,491) | 301,389 | 1,947,214 | 0.49 | 2024 |
| 2025 | 530,000 | 1.840% | 86,110 | 616,110 | 530,000 | 86,110 | 616,110 | (196,883) | (117,771) | 301,456 | 1,598,294 | 0.40 | 2025 |
| 2026 | 540,000 | 1.930% | 76,023 | 616,023 | 540,000 | 76,023 | 616,023 | (193,867) | (120,932) | 301,224 | 1,314,374 | 0.32 | 2026 |
| 2027 | 550,000 | 2.020% | 65,257 | 615,257 | 550,000 | 65,257 | 615,257 | (195,656) | (118,957) | 300,644 | 1,023,831 | 0.25 | 2027 |
| 2028 | 570,000 | 2.100% | 53,717 | 623,717 | 570,000 | 53,717 | 623,717 | (197,205) | (121,845) | 304,668 | 752,968 | 0.18 | 2028 |
| 2029 | 575,000 | 2.190% | 41,435 | 616,435 | 575,000 | 41,435 | 616,435 | (193,558) | (119,592) | 303,285 | 434,160 | 0.10 | 2029 |
| 2030 | 285,000 | 2.250% | 31,933 | 316,933 | 285,000 | 31,933 | 316,933 | (194,728) | (122,205) | | 127,950 | 0.03 | 2030 |
| 2031 | 290,000 | 2.300% | 25,392 | 315,392 | 290,000 | 25,392 | 315,392 | (195,689) | (119,703) | | 124,875 | 0.03 | 2031 |
| 2032 | 300,000 | 2.360% | 18,517 | 318,517 | 300,000 | 18,517 | 318,517 | (196,436) | (122,081) | | 121,650 | 0.03 | 2032 |
| 2033 | 305,000 | 2.410% | 11,301 | 316,301 | 305,000 | 11,301 | 316,301 | (196,964) | (119,338) | | 0 | 0.00 | 2033 |
| 2034 | 310,000 | 2.460% | 3,813 | 313,813 | 310,000 | 3,813 | 313,813 | (192,337) | (121,476) | | 0 | 0.00 | 2034 |
| 2035 | | | | | | | | | | | | 0.00 | 2035 |
| 2036 | | | | | | | | | | | | 0.00 | 2036 |
| 2037 | | | | | | | | | | | | 0.00 | 2037 |
| 2038 | | | | | | | | | | | | 0.00 | 2038 |
| 2039 | | | | | | | | | | | | 0.00 | 2039 |
| 2040 | | | | | | | | | | | | 0.00 | 2040 |
| TOTALS | 6,790,000 | | 945,593 | 7,735,593 | 6,790,000 | 945,593 | 7,735,593 | (2,920,225) | (1,799,552) | 3,015,816 | 25,531,697 | | TOTALS |

NOTES

Pre Sale Estimates

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## Estimated Refunding Savings - 2008, 2009, 2011 and 2012B Issues

### Existing Debt Service To Be Refunded

| Issue | General Obligation Corporate Purpose Bonds, Series 2008A | | | | General Obligation Corporate Purpose Bonds, Series 2009 | | | | General Obligation Corporate Purpose Bonds, Series 2011A | | | | General Obligation Corporate Purpose Bonds, Series 2012B | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Amount | $6,600,000 | | | | $2,945,000 | | | | $5,635,000 | | | | $6,205,000 | | | |
| Dated | 01-Jun-08 | | | | 27-Mar-09 | | | | 19-May-11 | | | | 05-Apr-12 | | | |
| Call Date | 21-Jan-20 | | | | 21-Jan-20 | | | | 21-Jan-20 | | | | 21-Jan-20 | | | |
| Call Amt | $940,000 | | | | $1,025,000 | | | | $1,025,000 | | | | $1,025,000 | | | |
| Year | Prin (4/1) | Rate | Interest | Total | Prin (4/1) | Rate | Interest | Total | Prin (4/1) | Rate | Interest | Total | Prin (4/1) | Rate | Interest | Total |
| 2020 | 235,000 | 4.000% | 34,016 | 269,016 | 205,000 | 4.000% | 38,438 | 243,438 | 465,000 | 3.000% | 51,563 | 516,563 | 505,000 | 2.250% | 60,244 | 565,244 |
| 2021 | 235,000 | 4.100% | 24,499 | 259,499 | 205,000 | 4.000% | 30,238 | 235,238 | 465,000 | 3.000% | 37,613 | 502,613 | 505,000 | 2.250% | 48,881 | 553,881 |
| 2022 | 235,000 | 4.125% | 14,834 | 249,834 | 205,000 | 4.150% | 21,884 | 226,884 | 190,000 | 3.000% | 27,788 | 217,788 | 510,000 | 2.250% | 37,463 | 547,463 |
| 2023 | 235,000 | 4.250% | 4,994 | 239,994 | 205,000 | 4.250% | 13,274 | 218,274 | 190,000 | 3.000% | 22,088 | 212,088 | 235,000 | 2.375% | 28,934 | 263,934 |
| 2024 | | | | | 205,000 | 4.350% | 4,459 | 209,459 | 190,000 | 3.250% | 16,150 | 206,150 | 235,000 | 2.500% | 23,206 | 258,206 |
| 2025 | | | | | | | | | 190,000 | 3.375% | 9,856 | 199,856 | 235,000 | 2.625% | 17,184 | 252,184 |
| 2026 | | | | | | | | | 190,000 | 3.500% | 3,325 | 193,325 | 235,000 | 3.000% | 10,575 | 245,575 |
| 2027 | | | | | | | | | | | | | 235,000 | 3.000% | 3,525 | 238,525 |
| Total | 940,000 | | 78,343 | 1,018,343 | 1,025,000 | | 108,291 | 1,133,291 | 1,880,000 | | 168,381 | 2,048,381 | 2,695,000 | | 230,013 | 2,925,013 |

### Estimated Debt Service After Refunding

| Combined Total to be Refunded | Issue | General Obligation Corporate Purpose Bonds, Series 2019A - Refunding Portion Only | | | | Total Estimated Savings |
|---|---|---|---|---|---|---|
| | Amount | $6,660,000 | | | | |
| | Dated | 30-Dec-19 | | | | |
| | Call Date | 1-Apr-28 | | | | |
| | Call Amt | $0 | | | | |
| | Year | Prin (4/1) | Est. Rate[3] | Interest | Total | |
| 1,594,260 | 2020 | 1,495,000 | 1.400% | 63,679 | 1,558,679 | **35,581** |
| 1,551,230 | 2021 | 1,455,000 | 1.420% | 67,234 | 1,522,234 | **28,997** |
| 1,241,968 | 2022 | 1,160,000 | 1.440% | 48,551 | 1,208,551 | **33,417** |
| 934,289 | 2023 | 865,000 | 1.490% | 33,755 | 898,755 | **35,535** |
| 673,815 | 2024 | 620,000 | 1.530% | 22,568 | 642,568 | **31,248** |
| 452,041 | 2025 | 425,000 | 1.590% | 14,446 | 439,446 | **12,595** |
| 438,900 | 2026 | 415,000 | 1.680% | 7,581 | 422,581 | **16,319** |
| 238,525 | 2027 | 225,000 | 1.820% | 2,048 | 227,048 | **11,478** |
| **7,125,028** | **Total** | **6,660,000** | | **259,860** | **6,919,860** | **205,168** |

PV Savings at 2.93% = **192,116**

## Presale Estimate

**NOTES:**

Rates based on Aa2 scale 10/23/19 + NONBQ adjustment

# City of West Allis Savings 2008 Issue

$960,000 General Obligation Corporate Purpose Bonds, Series 2019A

CR 2008 $6600

Dated December 30, 2019

## Debt Service Comparison -- Accrual Basis

| Calendar Year | Total P+I | Net New D/S | Old Net D/S | Savings |
|---|---|---|---|---|
| 2019 | - | - | - | - |
| 2020 | 258,630.81 | 258,630.81 | 269,016.26 | 10,385.45 |
| 2021 | 253,550.50 | 253,550.50 | 259,498.76 | 5,948.26 |
| 2022 | 240,119.00 | 240,119.00 | 249,834.38 | 9,715.38 |
| 2023 | 231,713.50 | 231,713.50 | 239,993.75 | 8,280.25 |
| **-** | **$984,013.81** | **$984,013.81** | **$1,018,343.15** | **$34,329.34** |

### PV Analysis Summary (Net to Net)

| | |
|---|---|
| Net PV Cashflow Savings @ 2.007%(Bond Yield) | 32,994.06 |
| Net Present Value Benefit | $32,994.06 |
| Net PV Benefit / $940,000 Refunded Principal | 3.510% |
| Net PV Benefit / $960,000 Refunding Principal | 3.437% |

### Refunding Bond Information

| | |
|---|---|
| Refunding Dated Date | 12/30/2019 |
| Refunding Delivery Date | 12/30/2019 |

# City of West Allis Savings 2009 Issue

$1,050,000 General Obligation Corporate Purpose Bonds, Series 2019A

CR 2009 $2945

Dated December 30, 2019

## Debt Service Comparison -- Accrual Basis

| Calendar Year | Total P+I | Net New D/S | Old Net D/S | Savings |
|---|---|---|---|---|
| 2019 | - | - | - | - |
| 2020 | 234,916.15 | 234,916.15 | 243,437.50 | 8,521.35 |
| 2021 | 225,588.50 | 225,588.50 | 235,237.50 | 9,649.00 |
| 2022 | 217,550.00 | 217,550.00 | 226,883.75 | 9,333.75 |
| 2023 | 209,510.75 | 209,510.75 | 218,273.75 | 8,763.00 |
| 2024 | 196,491.75 | 196,491.75 | 209,458.75 | 12,967.00 |
| - | **$1,084,057.15** | **$1,084,057.15** | **$1,133,291.25** | **$49,234.10** |

### PV Analysis Summary (Net to Net)

| | |
|---|---|
| Net PV Cashflow Savings @ 2.007%(Bond Yield) | 46,659.42 |
| Net Present Value Benefit | $46,659.42 |
| Net PV Benefit / $1,025,000 Refunded Principal | 4.552% |
| Net PV Benefit / $1,050,000 Refunding Principal | 4.444% |

### Refunding Bond Information

| | |
|---|---|
| Refunding Dated Date | 12/30/2019 |
| Refunding Delivery Date | 12/30/2019 |

# City of West Allis Savings 2011 Issue

$1,910,000 General Obligation Corporate Purpose Bonds, Series 2019A

CR 2011$5635

Dated December 30, 2019

## Debt Service Comparison -- Accrual Basis

| Calendar Year | Total P+I | Net New D/S | Old Net D/S | Savings |
|---|---|---|---|---|
| 2019 | - | - | - | - |
| 2020 | 507,795.32 | 507,795.32 | 516,562.50 | 8,767.18 |
| 2021 | 492,963.50 | 492,963.50 | 502,612.50 | 9,649.00 |
| 2022 | 208,187.00 | 208,187.00 | 217,787.50 | 9,600.50 |
| 2023 | 200,367.50 | 200,367.50 | 212,087.50 | 11,720.00 |
| 2024 | 197,498.50 | 197,498.50 | 206,150.00 | 8,651.50 |
| 2025 | 194,534.50 | 194,534.50 | 199,856.25 | 5,321.75 |
| 2026 | 181,512.00 | 181,512.00 | 193,325.00 | 11,813.00 |
| - | **$1,982,858.32** | **$1,982,858.32** | **$2,048,381.25** | **$65,522.93** |

### PV Analysis Summary (Net to Net)

| | |
|---|---|
| Net PV Cashflow Savings @ 2.007%(Bond Yield) | 61,107.60 |
| Net Present Value Benefit | $61,107.60 |
| Net PV Benefit / $1,880,000 Refunded Principal | 3.250% |
| Net PV Benefit / $1,910,000 Refunding Principal | 3.199% |

### Refunding Bond Information

| | |
|---|---|
| Refunding Dated Date | 12/30/2019 |
| Refunding Delivery Date | 12/30/2019 |

# City of West Allis — Savings 2012B Issue

$2,740,000 General Obligation Corporate Purpose Bonds, Series 2019A

CR 2012$6205

Dated December 30, 2019

## Debt Service Comparison -- Accrual Basis

| Calendar Year | Total P+I | Net New D/S | Old Net D/S | Savings |
|---|---|---|---|---|
| 2019 | - | - | - | - |
| 2020 | 557,336.81 | 557,336.81 | 565,243.75 | 7,906.94 |
| 2021 | 550,131.00 | 550,131.00 | 553,881.25 | 3,750.25 |
| 2022 | 542,695.00 | 542,695.00 | 547,462.50 | 4,767.50 |
| 2023 | 257,163.00 | 257,163.00 | 263,934.38 | 6,771.38 |
| 2024 | 248,577.25 | 248,577.25 | 258,206.26 | 9,629.01 |
| 2025 | 244,911.25 | 244,911.25 | 252,184.38 | 7,273.13 |
| 2026 | 241,069.00 | 241,069.00 | 245,575.00 | 4,506.00 |
| 2027 | 227,047.50 | 227,047.50 | 238,525.00 | 11,477.50 |
| - | **$2,868,930.81** | **$2,868,930.81** | **$2,925,012.52** | **$56,081.71** |

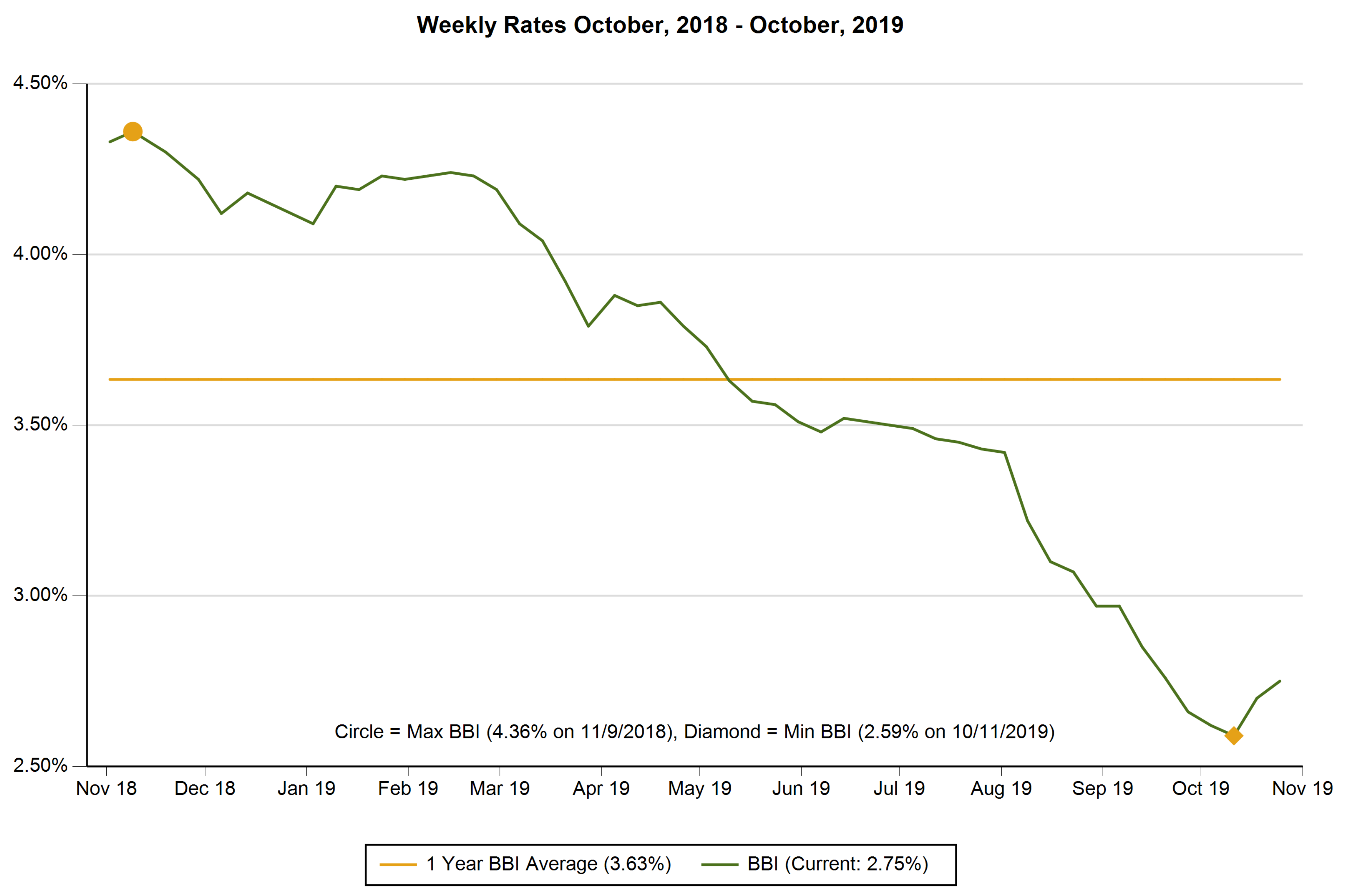
### PV Analysis Summary (Net to Net)

| | |
|---|---|
| Net PV Cashflow Savings @ 2.007%(Bond Yield) | 51,354.43 |
| Net Present Value Benefit | $51,354.43 |
| Net PV Benefit / $2,695,000 Refunded Principal | 1.906% |
| Net PV Benefit / $2,740,000 Refunding Principal | 1.874% |

### Refunding Bond Information

| | |
|---|---|
| Refunding Dated Date | 12/30/2019 |
| Refunding Delivery Date | 12/30/2019 |

# 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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