

**Date: Tuesday, August 2, 2016**  
**Time: 7:05 pm**  
**Place: City Hall**

## **FINANCE AND TAXATION COMMITTEE**

- A. CALL TO ORDER & ROLL CALL
- B. CORRECTION OF MINUTES
- C. BUSINESS: OPEN

- 1. OPTIONS REGARDING THE 2016/2017 FINANCING PLAN FOR CAPITAL IMPROVEMENTS

Representatives from Ehlers will be present to discuss the options related to the upcoming financing proposed for 2016 and 2017 capital improvements.

Individual Requesting Item	City Administrator
Expected Length of Discussion	20 MIN

Documents:

*[Preliminary Financing Plan 2016-7-29.pdf](#)*

- D. BUSINESS BY MEMBERS

May make brief informative statements or bring up items to be discussed at a future meeting.

- E. ADJOURNMENT

***This Committee may take any action it considers appropriate related to any item on this agenda.***

Requests from persons with disabilities who need assistance to participate in this meeting, including need for an interpreter, materials in alternate formats, or other accommodations, should be made to the Office of the City Clerk at (608) 329 2564 with as much advance notice as possible so that proper arrangements can be made.

**Members: Chairperson Reid Stangel, Brooke Bauman, Chuck Koch, and Alternate Michael Boyce**

July 29, 2016

Financing Plan Updates

City of Monroe, WI



Greg Johnson  
Senior Municipal Advisor/Vice President

Maureen Schiel  
Financial Specialist



# Memo

**To:** Philip Rath, Monroe City Administrator  
**From:** Greg Johnson, Ehlers Senior Municipal Advisor  
**Date:** July 29, 2016  
**Subject:** Bank Qualified and Non-Bank Qualified Financing Options

---

## Updates to the Financing Plan

Since the City has narrowed down its list of 2016-2017 capital improvements, Ehlers wanted to determine if we could accomplish the 2016 financings as bank qualified. If less than \$10,000,000 of tax-exempt debt is issued in a calendar year (with some exceptions for current refundings if certain criteria is met) the debt can be sold as bank qualified. Banks (or underwriters) that purchase bank qualified debt get more favorable tax treatment and as a result bank qualified rates are usually lower than non-bank qualified. On page 1 is a graph that shows the current spread between bank qualified and non-bank qualified yields. The spread is fairly tight over 10 years, but starts to widen over 20 years to where the spread is about 30 basis points (1 basis point equals .01%). Since the City is issuing bonds for 20 years for some of its capital projects, this spread starts to become meaningful.

The non-bank qualified option attached is what the City has seen previously and finances projects this year as non-bank qualified. The bank qualified option removes \$5,000,000 for 8<sup>th</sup> Street (roadway portion only) and moves that project to 2017 with a separate financing.

- Even with the added transactional costs for the issue in 2017, the net debt service levy is \$365,418 less with the bank qualified option compared to the non-bank qualified option (see pages 5 and 9). This is attributable to the lower debt service costs by selling the debt as bank qualified in 2016 and 2017. Interest rates would need to go up 40 basis points in order to break even and have comparable debt service costs with each option.

The City can proceed with financing all of the projects at once, but we wanted to determine if delaying some of the project costs to 2017 could result in lower debt service costs to the City even with an additional financing included. Given the current spread between BQ and non-BQ yields, and the fact the City is financing improvements over 20 years, the debt service costs are projected to be lower by maintaining bank qualification.



## TID #6

At the City's request, Ehlers evaluated the ability of TID #6 to support portions of the roadway costs for 8<sup>th</sup> Street. TID #6 is projected to support approximately \$2.2 million of debt service costs for 8<sup>th</sup> Street roadway improvements. This project is within a ½ mile radius of TID #6 and would require a project plan amendment to include this as an eligible project. The project plan would require Joint Review Board approval, and action by the Plan Commission or RDA, and City Council. The TID project plan would need to be amended before these project costs are incurred and before the borrowing for the roadway improvements occurs.

The cash flow analysis for TID #6 (page 11) shows the District could support a portion of the street project costs. On page 12 is an update to the levy projection for the bank qualified option including revenues from TID #6 for portions of the 8<sup>th</sup> street roadway project. It is worth noting that if TID #6 revenues are applied to offset some of the debt service for the proposed 2017 financing, the debt structure changes significantly compared to the structure used if this project is financed 100% by the levy. If the City determines it wants to pursue an amendment to TID #6 this makes the bank qualified option more practical since the amendment needs to occur before the project is financed. The utility portions could still be financed in 2016.

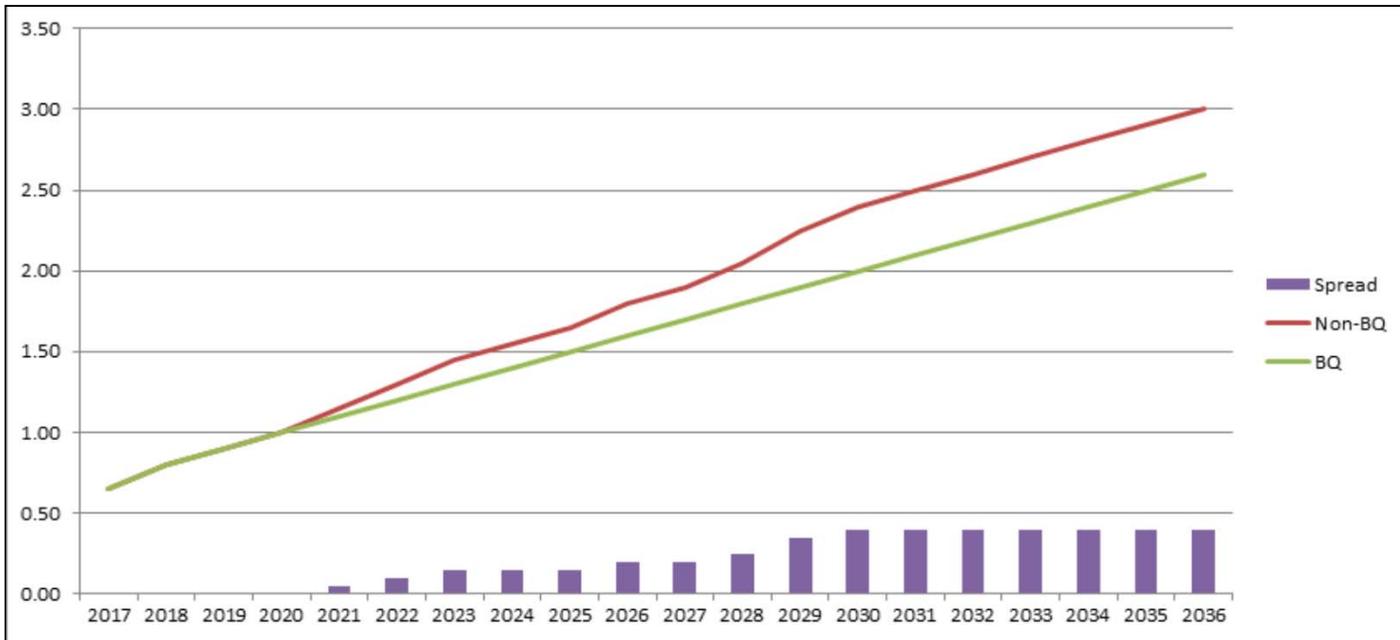
## Resolutions

Resolutions have been prepared by Quarles & Brady for both the bank qualified and non-bank qualified options. The Resolutions have been prepared to conduct a parameters sale. The City Council is authorizing the sale of the Notes and Bonds and directing staff to accept the results of the sales if certain criteria are satisfied. A summary of the key financial parameters are as follows:

	<b>G.O. Notes (BQ and NON-BQ)</b>	<b>G.O. Bonds Non-BQ</b>	<b>G.O. Bonds BQ</b>
True Interest Cost	Not to exceed 2.20%	Not to exceed 3.20%.	Not to exceed 2.75%.
Combined Present Value Savings	At least 6.00% of refunded principal	N/A	N/A

If either option is approved, the Note and Bond sale is scheduled for September 7, 2016 with a closing scheduled for September 27, 2016.

**Spread Between Bank Qualified and Non-Bank Qualified Yields**  
**7/25/16**



Capital Project List

TYPE	REVENUE	Project	Estimated		Totals
			Amounts	Life	
<b>NOTES</b>					
GENERAL		City Hall Concrete Repair	200,000	20	
GENERAL		Construct Cover for Entry to Rec Office	60,000	20	
GENERAL		Replace 911 System Server	85,000	10	
GENERAL		Replace Boom Truck	40,000	20	
GENERAL		Replace Endloader	155,000	10	
GENERAL		Purchase Plow for Endloader	25,000	10	
GENERAL		Replace Plow Truck w/ Plow & Sander	134,000	10	
GENERAL		Replace One-Ton Dump Truck	41,500	10	
GENERAL		Network Security Appliance (Firewall)	35,000	10	
GENERAL		Design Streets Shed Replacement (2018)	70,000	20	
GENERAL		Upgrade Storm Sirens	40,000	20	
GENERAL		Parking Lot Reconstruction – Twining	60,000	20	
GENERAL		Parking Lot Expansion – Honey Creek	40,000	20	
GENERAL		Pool Facility Improvements	62,000	20	
GENERAL		Server for Spillman Data System	70,000	10	
GENERAL		Replace Plow Truck w/ Plow & Sander	138,000	10	
GENERAL		Construct Parking Lot - Fire Station 1	50,000	20	
GENERAL		Refurbish Squad 5	225,000	10	
GENERAL		Replace Seating at Bandshell	42,000	10	
GENERAL		Maintenance Playground Equipment	35,000	10	
GENERAL		Replace One-Ton Dump Truck	22,000	10	
<del>GENERAL</del>		<del>Convert Runway 12/30 to LED Lighting</del>		<del>10</del>	
<del>GENERAL</del>		<del>Reconstruction Runway 12/30</del>		<del>20</del>	
GENERAL		Maintenance – Parks Garage	30,000	20	
<del>GENERAL</del>		<del>Install Precision Approach (WAAS)</del>		<del>10</del>	
GENERAL		Purchase EMS Building	200,000	50	<b>1,859,500</b> GENERAL

**BONDS**

GENERAL	Shelter Replacement Twining South	100,000	50	
GENERAL	Mill & Overlay 11 <sup>th</sup> St (STH 69 to 13 <sup>th</sup> Ave)	130,000	20	
GENERAL	Reclamation 21 <sup>st</sup> St (STH 69 to 4 <sup>th</sup> Ave W)	270,000	20	
GENERAL	Signalized Intersection Updates	250,000	20	
GENERAL	Reconstruction 8 <sup>th</sup> Street	5,000,000	20	
GENERAL	Parking Ramp Demo and Surface Work	650,000	50	
GENERAL	Reconstruction 25 <sup>th</sup> Ave	700,000	20	
<del>GENERAL</del>	<del>Land Acquisition</del>		<del>50</del>	
<del>GENERAL</del>	<del>Improvements to "Newly" Acquired Land</del>		<del>20</del>	
GENERAL	Reconstruction 18 <sup>th</sup> Ave (6 <sup>th</sup> – 9 <sup>th</sup> St)	270,000	20	<b>7,370,000</b> GENERAL
WATER	Replacement of 4" Main (Various Local)	550,000	80	
WATER	Main Replacement – 25th Ave Recon	325,000	80	
WATER	Main Replacement – 8th St Recon	500,000	80	
WATER	Main Replacement – 18th Ave Recon	135,000	80	<b>1,510,000</b> WATER
SEWER	Main Replacement – 25th Ave Recon	295,000	80	
SEWER	Main Replacement – 8th St Recon	250,000	80	
SEWER	Main Replacement – 18th Ave Recon	125,000	80	
SEWER	Replacement – Reese Lift Station Design	50,000	80	<b>720,000</b> SEWER

# City of Monroe, WI

## Estimated Project Costs & Financing Plan: NON-BANK QUALIFIED



	<b>G.O. Promissory Note 9/27/2016</b>	<b>G.O. Bond 9/27/2016</b>
<b>Projects</b>		
General Fund Capital Improvement Projects	1,859,500	7,370,000
Water Utility Capital Improvement Projects		1,510,000
Sewer Utility Capital Improvement Projects		720,000
	1,859,500	
<b>Refunding 2006A G.O. Bonds (TID #6)</b>		
Principal due 10/1/2016	1,365,000	
Interest due 10/1/2016	29,585	
Less Debt Service funds on hand	(29,585)	
	1,365,000	
<b>Refunding 2006B G.O. Bonds (TID #5)</b>		
Principal due 10/1/2016	1,325,000	
Interest due 10/1/2016	24,820	
Less Debt Service funds on hand	(254,820)	
Principal and Interest Due on Sewer Portion 10/1/2016	117,114	
Less Sewer Funds on hand	(117,114)	
Principal and Interest Due on Levy Portion 10/1/2016	106,943	
Less Debt Service funds on hand	(106,943)	
	4,319,499	9,600,000
<b>Subtotal Needed for Projects &amp; Refunding</b>		
<b>Finance Related Expenses</b>		
Municipal Advisor	18,600	39,200
Bond Counsel (Estimate)	13,000	17,000
Disclosure Counsel (if retained)	7,800	10,200
Rating Agency Fee	4,500	13,500
Paying Agent	675	675
Max. Underwriter's Discount	\$10.00 44,100	\$12.50 122,563
	4,408,174	9,803,138
<b>Total Financing Required</b>		
Estimated Interest Earnings	(1,800)	(1,875)
	3,626	3,738
<b>NET ISSUE SIZE</b>	<b>4,410,000</b>	<b>9,805,000</b>
<b>Parking Improvements</b>		665,000
<b>Streets</b>		6,860,000
<b>Water Portion</b>		1,545,000
<b>Sewer Portion</b>		735,000

Projected Levy & Rate Impact of Existing & Proposed Debt NON-BANK QUALIFIED

Existing Debt Only						
YEAR	Equalized Value Projection <sup>1</sup>	Total Payment (P&I)	Other Debt Service Expenses	Less Non Levy Revenues	Net Debt Service Levy	Debt Service Tax Rate
2016	627,046,300					
2017	633,316,763	617,214	6,075	(461,823)	161,465	0.25
2018	648,811,131	564,718	6,075	(412,062)	158,730	0.24
2019	655,299,242	605,418	6,075	(416,097)	195,395	0.30
2020	672,954,834	609,813	6,075	(424,409)	191,479	0.28
2021	679,684,383	603,440	5,300	(426,915)	181,825	0.27
2022	686,481,227	605,978	5,300	(433,638)	177,639	0.26
2023	693,346,039	612,355	5,300	(444,601)	173,054	0.25
2024	709,302,899	603,015	4,950	(444,742)	163,223	0.23
2025	716,395,928	483,130	4,950	(389,968)	98,113	0.14
2026	723,559,887	485,328	4,950	(400,065)	90,213	0.12
2027	730,795,486	496,778	4,950	(414,315)	87,413	0.12
2028	739,471,141	387,303	4,950	(312,540)	79,713	0.11
2029	746,865,853	396,483	4,950	(324,320)	77,113	0.10
2030	754,334,511	74,419	4,175		78,594	0.10
2031	761,877,856	71,488	4,175		75,663	0.10
2032	769,496,635					0.00
2033	777,191,601					0.00
2034	791,482,617					0.00
2035	799,397,443					0.00
2036	807,391,418					0.00
<b>TOTALS</b>	<b>11,949,040,115</b>	<b>7,216,875</b>	<b>78,250</b>	<b>(5,305,495)</b>	<b>1,989,630</b>	

Projected Debt Service														
G.O. Promissory Notes, Series 2016A \$4,410,000 Dated 27-Sep-16				G.O. Bonds, Series 2016B \$9,805,000 Dated 27-Sep-16				Less TID #5 Revenues	Less TID #6 Revenues	Water Utility Revenue	Sewer Utility Revenue	Net Debt Service Levy	Debt Service Tax Rate	YEAR
Prin (3/1)	Est. Rate <sup>7</sup>	Interest	Total	Prin (3/1)	Est. Rate <sup>7</sup>	Interest	Total							
450,000	1.050%	58,817	508,817	135,000	1.050%	234,226	369,226	(266,775)	(34,253)	(98,314)	(45,867)	512,409	0.82	2016
660,000	1.150%	57,422	717,422	205,000	1.150%	250,627	455,627	(269,963)	(239,415)	(100,219)	(46,784)	594,298	0.94	2017
705,000	1.350%	48,868	753,868	205,000	1.350%	248,064	453,064	(311,409)	(236,665)	(99,407)	(46,409)	708,438	1.04	2018
710,000	1.450%	38,962	748,962	235,000	1.450%	244,977	479,977	(302,175)	(238,548)	(98,497)	(45,989)	735,208	1.08	2019
415,000	1.550%	30,598	445,598	265,000	1.550%	241,219	506,219		(240,135)	(97,522)	(45,539)	750,446	1.09	2020
430,000	1.680%	23,770	453,770	280,000	1.680%	236,814	516,814		(246,336)	(101,430)	(50,013)	750,444	1.10	2021
435,000	1.800%	16,243	451,243	290,000	1.800%	231,852	521,852		(242,160)	(100,212)	(49,404)	754,373	1.09	2022
200,000	1.930%	10,398	210,398	305,000	1.930%	226,298	531,298			(98,907)	(48,751)	757,261	1.09	2023
200,000	2.030%	6,438	206,438	375,000	2.030%	219,549	594,549			(97,521)	(48,058)	753,521	1.07	2024
205,000	2.150%	2,204	207,204	400,000	2.150%	211,443	611,443			(101,004)	(47,326)	760,529	1.05	2025
				610,000	2.350%	199,975	809,975			(99,316)	(46,539)	751,533	1.05	2026
				635,000	2.550%	184,711	819,711			(102,415)	(45,681)	751,328	1.03	2027
				655,000	2.700%	167,773	822,773			(100,315)	(49,695)	749,875	1.02	2028
				670,000	2.800%	149,550	819,550			(98,115)	(48,595)	749,875	1.00	2029
				685,000	2.900%	130,238	815,238			(100,763)	(47,455)	742,683	1.00	2030
				760,000	3.000%	108,905	868,905			(98,255)	(46,275)	724,375	0.97	2031
				765,000	3.100%	85,648	850,648			(100,585)	(45,055)	705,008	0.94	2032
				770,000	3.100%	61,855	831,855			(97,795)	(48,738)	685,323	0.91	2033
				775,000	3.200%	37,520	812,520			(99,880)	(47,320)	665,320	0.87	2034
				785,000	3.200%	12,560	797,560			(106,680)	(50,800)	640,080	0.83	2035
												640,080	0.79	2036
<b>4,410,000</b>		<b>293,716</b>	<b>4,703,716</b>	<b>9,805,000</b>		<b>3,483,801</b>	<b>13,288,801</b>	<b>(1,150,322)</b>	<b>(1,477,511)</b>	<b>(1,997,150)</b>	<b>(950,291)</b>	<b>14,919,282</b>		<b>TOTALS</b>

- NOTES
- 2016 EV is actual TID Out EV.
  - 2018 EV reflects the projected closure of TID #4.
  - 2020 EV reflects the projected closure of TID #5.
  - 2024 EV reflects potential closure of TID #6.
  - 2028 EV reflects potential closure of TID #8.
  - 2034 EV reflects the potential closure of TID #7.
  - Estimated rates based on Non- BQ Green Bay Sale (Aa2) sale as of 6/21/2016 plus 35 basis points.

# City of Monroe, WI

## Current and Projected Debt Limit Calculations: Non-Bank Qualified

YEAR	PROJECTED EQ VALUE	DEBT LIMIT	EXIST DEBT PRIN OUTS	% OF LIMIT	Proposed G.O. Notes	Proposed G.O. Bonds	COMBINED EXIST & NEW PRIN	% OF LIMIT	RESIDUAL CAPACITY	YEAR
2016	664,220,300	33,211,015	6,052,008	18.22%	4,410,000	9,805,000	20,267,008	61.02%	12,944,007	2016
2017	670,862,503	33,543,125	5,595,000	16.68%	3,960,000	9,670,000	19,225,000	57.31%	14,318,125	2017
2018	677,571,128	33,878,556	5,180,000	15.29%	3,300,000	9,465,000	17,945,000	52.97%	15,933,556	2018
2019	684,346,839	34,217,342	4,715,000	13.78%	2,595,000	9,260,000	16,570,000	48.43%	17,647,342	2019
2020	691,190,308	34,559,515	4,235,000	12.25%	1,885,000	9,025,000	15,145,000	43.82%	19,414,515	2020
2021	698,102,211	34,905,111	3,750,000	10.74%	1,470,000	8,760,000	13,980,000	40.05%	20,925,111	2021
2022	705,083,233	35,254,162	3,250,000	9.22%	1,040,000	8,480,000	12,770,000	36.22%	22,484,162	2022
2023	712,134,065	35,606,703	2,730,000	7.67%	605,000	8,190,000	11,525,000	32.37%	24,081,703	2023
2024	719,255,406	35,962,770	2,205,000	6.13%	405,000	7,885,000	10,495,000	29.18%	25,467,770	2024
2025	726,447,960	36,322,398	1,785,000	4.91%	205,000	7,510,000	9,500,000	26.15%	26,822,398	2025
2026	733,712,440	36,685,622	1,350,000	3.68%	0	7,110,000	8,460,000	23.06%	28,225,622	2026
2027	741,049,564	37,052,478	890,000	2.40%		6,500,000	7,390,000	19.94%	29,662,478	2027
2028	748,460,060	37,423,003	525,000	1.40%		5,865,000	6,390,000	17.08%	31,033,003	2028
2029	755,944,660	37,797,233	140,000	0.37%		5,210,000	5,350,000	14.15%	32,447,233	2029
2030	763,504,107	38,175,205	70,000	0.18%		4,540,000	4,610,000	12.08%	33,565,205	2030
2031	771,139,148	38,556,957	0	0.00%		3,855,000	3,855,000	10.00%	34,701,957	2031
2032	778,850,539	38,942,527		0.00%		3,095,000	3,095,000	7.95%	35,847,527	2032
2033	786,639,045	39,331,952		0.00%		2,330,000	2,330,000	5.92%	37,001,952	2033
2034	794,505,435	39,725,272		0.00%		1,560,000	1,560,000	3.93%	38,165,272	2034
2035	802,450,489	40,122,524		0.00%		785,000	785,000	1.96%	39,337,524	2035
2036	810,474,994	40,523,750		0.00%		0	0	0.00%	40,523,750	2036



# City of Monroe

Estimated Savings Summary for refundings included in G.O. Notes, Series 2016A

## Debt Service Comparison

Year	Total P+I	Net New D/S	Old Net D/S	Total Savings	Savings	Savings
2016	-	-	-	-		
2017	301,028.75	301,028.75	340,415.00	39,386.25	14,469.61	24,916.64
2018	509,377.00	509,377.00	546,535.00	37,158.00	12,402.50	24,755.50
2019	548,073.25	548,073.25	583,345.00	35,271.75	11,581.25	23,690.50
2020	540,723.25	540,723.25	577,915.00	37,191.75	14,415.00	22,776.75
2021	240,134.50	240,134.50	261,755.00	21,620.50		21,620.50
2022	246,336.00	246,336.00	266,750.00	20,414.00		20,414.00
-	<b>\$2,627,832.75</b>	<b>\$2,627,832.75</b>	<b>\$2,842,807.50</b>	<b>\$214,974.75</b>	<b>\$52,868.36</b>	<b>\$162,106.39</b>

Net Present Value Benefit \$215,528.87

Net PV Benefit / \$2,690,000 Refunded Principal 8.012%

# City of Monroe, WI

## Estimated Project Costs & Financing Plan: BANK QUALIFIED



	G.O. Promissory Note 9/27/2016	G.O. Bond 9/27/2016	G.O. Bond 2/1/17
<b>Projects</b>			
General Fund Capital Improvement Projects	1,859,500	2,370,000	5,000,000
Water Utility Capital Improvement Projects		1,510,000	
Sewer Utility Capital Improvement Projects		720,000	
	1,859,500		
<b>Refunding 2006A G.O. Bonds (TID #6)</b>			
Principal due 10/1/2016	1,365,000		
Interest due 10/1/2016	29,585		
Less Debt Service funds on hand	(29,585)		
	1,365,000		
<b>Refunding 2006B G.O. Bonds (TID #5)</b>			
Principal due 10/1/2016	1,325,000		
Interest due 10/1/2016	24,820		
Less Debt Service funds on hand	(254,820)		
Principal and Interest Due on Sewer Portion 10/1/2016	117,114		
Less Sewer Funds on hand	(117,114)		
Principal and Interest Due on Levy Portion 10/1/2016	106,943		
Less Debt Service funds on hand	(106,943)		
<b>Subtotal Needed for Projects &amp; Refunding</b>	4,319,499	4,600,000	5,000,000
<b>Finance Related Expenses</b>			
Municipal Advisor	18,600	26,600	27,200
Bond Counsel (Estimate)	13,000	12,000	12,000
Disclosure Counsel (if retained)	7,800	7,200	7,200
Rating Agency Fee	4,500	11,000	13,500
Paying Agent	675	675	675
Max. Underwriter's Discount	\$10.00 44,100	\$12.50 58,938	\$12.50 64,813
Capitalized Interest			59,922
<b>Total Financing Required</b>	4,408,174	4,716,413	5,185,309
Estimated Interest Earnings	(1,800)	(1,800)	(1,875)
Rounding	3,626	388	1,566
<b>NET ISSUE SIZE</b>	4,410,000	4,715,000	5,185,000
<b>Parking Improvements</b>		670,000	
<b>Streets</b>		1,760,000	
<b>Water Portion</b>		1,550,000	
<b>Sewer Portion</b>		735,000	

Existing Debt Only						
YEAR	Equalized Value Projection <sup>1</sup>	Total Payment (P&I)	Other Debt Service Expenses	Less Non Levy Revenues	Net Debt Service Levy	Debt Service Tax Rate
2016	627,046,300					
2017	633,316,763	617,214	6,075	(461,823)	161,465	0.25
2018	648,811,131	564,718	6,075	(412,062)	158,730	0.24
2019	655,299,242	605,418	6,075	(416,097)	195,395	0.30
2020	672,954,834	609,813	6,075	(424,409)	191,479	0.28
2021	679,684,383	603,440	5,300	(426,915)	181,825	0.27
2022	686,481,227	605,978	5,300	(433,638)	177,639	0.26
2023	693,346,039	612,355	5,300	(444,601)	173,054	0.25
2024	709,302,899	603,015	4,950	(444,742)	163,223	0.23
2025	716,395,928	483,130	4,950	(389,968)	98,113	0.14
2026	723,559,887	485,328	4,950	(400,065)	90,213	0.12
2027	730,795,486	496,778	4,950	(414,315)	87,413	0.12
2028	739,471,141	387,303	4,950	(312,540)	79,713	0.11
2029	746,865,853	396,483	4,950	(324,320)	77,113	0.10
2030	754,334,511	74,419	4,175		78,594	0.10
2031	761,877,856	71,488	4,175		75,663	0.10
2032	769,496,635					0.00
2033	777,191,601					0.00
2034	791,482,617					0.00
2035	799,397,443					0.00
2036	807,391,418					0.00
2037	815,465,332					0.00
<b>TOTALS</b>	<b>11,949,040,115</b>	<b>7,216,875</b>	<b>78,250</b>	<b>(5,305,495)</b>	<b>1,989,630</b>	

Projected Debt Service																			
G.O. Promisory Notes, Series 2016A \$4,410,000 Dated 27-Sep-16				G.O. Bonds, Series 2016B \$4,715,000 Dated 27-Sep-16				G.O. Bonds, Series 2017 5,185,000 Dated: 2/1/2017				Less Cap. Int.	Less TID #5 Revenues	Less TID #6 Revenues Existing	Water Utility Revenue	Sewer Utility Revenue	Net Debt Service Levy	Debt Service Tax Rate	YEAR
Prin (3/1)	Est. Rate <sup>7</sup>	Interest	Total	Prin (3/1)	Est. Rate <sup>7</sup>	Interest	Total	Prin (2/1)	Est. Rate	Interest	Total								
450,000	1.030%	57,458	507,458	255,000	1.030%	93,757	348,757			59,922	59,922	(59,922)	(266,412)	(33,940)	(95,077)	(44,287)	512,409	0.82	2016
660,000	1.160%	55,966	715,966	160,000	1.160%	98,916	258,916	50,000	1.030%	119,586	169,586		(269,582)	(239,067)	(96,733)	(45,083)	577,965	0.91	2017
705,000	1.270%	47,661	752,661	160,000	1.270%	96,972	256,972	50,000	1.160%	119,038	169,038		(311,137)	(236,394)	(95,943)	(44,718)	652,734	1.01	2018
710,000	1.400%	38,215	748,215	160,000	1.400%	94,836	254,836	80,000	1.270%	118,240	198,240		(302,100)	(238,422)	(100,040)	(44,318)	685,875	1.05	2019
420,000	1.530%	30,032	450,032	160,000	1.530%	92,492	252,492	110,000	1.400%	116,962	226,962			(240,088)	(99,015)	(48,840)	707,890	1.05	2020
430,000	1.670%	23,228	453,228	165,000	1.670%	89,890	254,890	115,000	1.530%	115,312	230,312			(246,324)	(97,895)	(48,280)	723,368	1.06	2021
435,000	1.800%	15,723	450,723	165,000	1.800%	87,028	252,028	125,000	1.670%	113,389	238,389			(242,160)	(96,680)	(47,673)	723,572	1.05	2022
195,000	1.900%	9,955	204,955	165,000	1.900%	83,975	248,975	140,000	1.800%	111,085	251,085				(95,385)	(47,025)	727,681	1.05	2023
200,000	1.950%	6,153	206,153	170,000	1.950%	80,750	250,750	210,000	1.900%	107,830	317,830				(98,989)	(46,351)	725,828	1.02	2024
205,000	2.050%	2,101	207,101	210,000	2.050%	76,940	286,940	180,000	1.950%	104,080	284,080				(97,489)	(45,651)	727,505	1.02	2025
				255,000	2.100%	72,110	327,110	350,000	2.000%	98,825	448,825				(95,933)	(44,925)	725,194	1.00	2026
				275,000	2.200%	66,408	341,408	350,000	2.050%	91,738	441,738				(99,265)	(44,173)	722,490	0.99	2027
				285,000	2.250%	60,176	345,176	350,000	2.150%	84,388	434,388				(97,485)	(48,338)	719,420	0.97	2028
				285,000	2.350%	53,621	338,621	350,000	2.250%	76,688	426,688				(95,645)	(47,418)	710,854	0.95	2029
				270,000	2.450%	46,965	316,965	375,000	2.350%	68,344	443,344				(98,664)	(46,458)	700,840	0.93	2030
				305,000	2.600%	39,693	344,693	375,000	2.450%	59,344	434,344				(96,518)	(45,448)	690,850	0.91	2031
				310,000	2.700%	31,543	341,543	375,000	2.600%	49,875	424,875				(99,198)	(44,388)	637,071	0.83	2032
				320,000	2.800%	22,878	342,878	400,000	2.700%	39,600	439,600				(96,723)	(48,218)	622,833	0.80	2033
				325,000	2.850%	13,766	338,766	400,000	2.800%	28,600	428,600				(99,109)	(46,946)	637,538	0.81	2034
				315,000	2.900%	4,568	319,568	400,000	2.850%	17,300	417,300				(96,378)	(45,653)	621,311	0.78	2035
								400,000	2.900%	5,800	405,800						594,838	0.74	2036
																	405,800	0.50	2037
<b>4,410,000</b>		<b>286,491</b>	<b>4,696,491</b>	<b>4,715,000</b>		<b>1,307,282</b>	<b>6,022,282</b>	<b>5,185,000</b>		<b>1,705,943</b>	<b>6,890,943</b>	<b>(59,922)</b>	<b>(1,149,230)</b>	<b>(1,476,394)</b>	<b>(1,948,159)</b>	<b>(924,186)</b>	<b>14,553,863</b>		<b>TOTALS</b>

- NOTES
- 2016 EV is actual TID Out EV.
  - 2018 EV reflects the projected closure of TID #4.
  - 2020 EV reflects the projected closure of TID #5.
  - 2024 EV reflects potential closure of TID #6.
  - 2028 EV reflects potential closure of TID #8.
  - 2034 EV reflects the potential closure of TID #7.
  - Estimated rates based on BQ Aa2 sale plus 35 basis points.

Net Levy impact is \$365,418 less than non-bank qualified option

# City of Monroe, WI

## Current and Projected Debt Limit Calculations: Bank Qualified

YEAR	PROJECTED EQ VALUE	DEBT LIMIT	EXIST DEBT PRIN OUTS	% OF LIMIT	Proposed G.O. Notes	Proposed G.O. Bonds	Proposed G.O. Bonds	COMBINED EXIST & NEW PRIN	% OF LIMIT	RESIDUAL CAPACITY	YEAR
2016	664,220,300	33,211,015	6,052,008	18.22%	4,410,000	4,715,000		15,177,008	45.70%	18,034,007	2016
2017	670,862,503	33,543,125	5,595,000	16.68%	3,960,000	4,460,000	5,185,000	19,200,000	57.24%	14,343,125	2017
2018	677,571,128	33,878,556	5,180,000	15.29%	3,300,000	4,300,000	5,135,000	17,915,000	52.88%	15,963,556	2018
2019	684,346,839	34,217,342	4,715,000	13.78%	2,595,000	4,140,000	5,085,000	16,535,000	48.32%	17,682,342	2019
2020	691,190,308	34,559,515	4,235,000	12.25%	1,885,000	3,980,000	5,005,000	15,105,000	43.71%	19,454,515	2020
2021	698,102,211	34,905,111	3,750,000	10.74%	1,465,000	3,820,000	4,895,000	13,930,000	39.91%	20,975,111	2021
2022	705,083,233	35,254,162	3,250,000	9.22%	1,035,000	3,655,000	4,780,000	12,720,000	36.08%	22,534,162	2022
2023	712,134,065	35,606,703	2,730,000	7.67%	600,000	3,490,000	4,655,000	11,475,000	32.23%	24,131,703	2023
2024	719,255,406	35,962,770	2,205,000	6.13%	405,000	3,325,000	4,515,000	10,450,000	29.06%	25,512,770	2024
2025	726,447,960	36,322,398	1,785,000	4.91%	205,000	3,155,000	4,305,000	9,450,000	26.02%	26,872,398	2025
2026	733,712,440	36,685,622	1,350,000	3.68%	0	2,945,000	4,125,000	8,420,000	22.95%	28,265,622	2026
2027	741,049,564	37,052,478	890,000	2.40%		2,690,000	3,775,000	7,355,000	19.85%	29,697,478	2027
2028	748,460,060	37,423,003	525,000	1.40%		2,415,000	3,425,000	6,365,000	17.01%	31,058,003	2028
2029	755,944,660	37,797,233	140,000	0.37%		2,130,000	3,075,000	5,345,000	14.14%	32,452,233	2029
2030	763,504,107	38,175,205	70,000	0.18%		1,845,000	2,725,000	4,640,000	12.15%	33,535,205	2030
2031	771,139,148	38,556,957	0	0.00%		1,575,000	2,350,000	3,925,000	10.18%	34,631,957	2031
2032	778,850,539	38,942,527		0.00%		1,270,000	1,975,000	3,245,000	8.33%	35,697,527	2032
2033	786,639,045	39,331,952		0.00%		960,000	1,600,000	2,560,000	6.51%	36,771,952	2033
2034	794,505,435	39,725,272		0.00%		640,000	1,200,000	1,840,000	4.63%	37,885,272	2034
2035	802,450,489	40,122,524		0.00%		315,000	800,000	1,115,000	2.78%	39,007,524	2035
2036	810,474,994	40,523,750		0.00%		0	400,000	400,000	0.99%	40,123,750	2036
2037	818,579,744	40,928,987						0	0.00%	40,928,987	2037



**EHLERS**  
LEADERS IN PUBLIC FINANCE

**Tax Increment District #6  
Cash Flow Pro Forma - With Project Costs and Refunding**

Year	Revenues			Expenditures						Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Other Revenue	Total Revenues	G.O. Bonds \$1,800,000 Dated 2/1/2017			Existing Debt	Donation to TID #4	Capital Outlay	Total Expenditures	Annual			Cumulative <sup>1</sup>
				Prin (2/1)	Est. Rate	Interest								
2014											0	1,514,045	2014	
2015	267,995	2,179	<b>270,174</b>				112,714	151,978	5,482	<b>270,174</b>	(0)	(0)	1,466,645	2015
2016	252,579		<b>252,579</b>				113,649	138,930		<b>252,579</b>	(0)	(0)	1,417,008	2016
2017	252,579		<b>252,579</b>			18,706	88,472			<b>107,179</b>	145,400	145,400	3,165,000	2017
2018	252,579		<b>252,579</b>			37,413	244,096			<b>281,509</b>	(28,930)	116,470	2,960,000	2018
2019	252,579		<b>252,579</b>			37,413	236,394			<b>273,807</b>	(21,228)	95,242	2,750,000	2019
2020	252,579		<b>252,579</b>			37,413	238,422			<b>275,835</b>	(23,256)	71,986	2,530,000	2020
2021	252,579		<b>252,579</b>			37,413	240,088			<b>277,500</b>	(24,921)	47,065	2,300,000	2021
2022	252,579		<b>252,579</b>			37,413	246,324			<b>283,737</b>	(31,158)	15,907	2,055,000	2022
2023	252,579		<b>252,579</b>			37,413	242,160			<b>279,573</b>	(26,994)	(11,087)	1,800,000	2023
2024	252,579		<b>252,579</b>	125,000	1.800%	36,288				<b>161,288</b>	91,291	80,204	1,675,000	2024
2025	252,579		<b>252,579</b>	225,000	1.900%	33,025				<b>258,025</b>	(5,446)	74,758	1,450,000	2025
2026	252,579		<b>252,579</b>	225,000	1.950%	28,694				<b>253,694</b>	(1,115)	73,643	1,225,000	2026
2027	252,579		<b>252,579</b>	225,000	2.000%	24,250				<b>249,250</b>	3,329	76,972	1,000,000	2027
2028	252,579		<b>252,579</b>	250,000	2.050%	19,438				<b>269,438</b>	(16,859)	60,113	750,000	2028
2029	252,579		<b>252,579</b>	250,000	2.150%	14,188				<b>264,188</b>	(11,609)	48,504	500,000	2029
2030	252,579		<b>252,579</b>	250,000	2.250%	8,688				<b>258,688</b>	(6,109)	42,395	250,000	2030
2031	252,579		<b>252,579</b>	250,000	2.350%	2,938				<b>252,938</b>	(359)	42,036	0	2031
<b>Total</b>	<b>4,309,253</b>	<b>2,179</b>	<b>4,311,432</b>	<b>1,800,000</b>		<b>410,688</b>	<b>1,762,318</b>	<b>290,908</b>	<b>5,482</b>	<b>4,269,396</b>	42,036			

NOTES:

1. Cumulative balance for 2015 per audit.
2. Actual values in bold.

**Projected TID Closure**

Projected Levy & Rate Impact of Existing & Proposed Debt BANK QUALIFIED with TID #6 Projects

Existing Debt Only						
YEAR	Equalized Value Projection <sup>1</sup>	Total Payment (P&I)	Other Debt Service Expenses	Less Non Levy Revenues	Net Debt Service Levy	Debt Service Tax Rate
2016	627,046,300					
2017	633,316,763	617,214	6,075	(461,823)	161,465	0.25
2018	648,811,131	564,718	6,075	(412,062)	158,730	0.24
2019	655,299,242	605,418	6,075	(416,097)	195,395	0.30
2020	672,954,834	609,813	6,075	(424,409)	191,479	0.28
2021	679,684,383	603,440	5,300	(426,915)	181,825	0.27
2022	686,481,227	605,978	5,300	(433,638)	177,639	0.26
2023	693,346,039	612,355	5,300	(444,601)	173,054	0.25
2024	700,279,499	603,015	4,950	(444,742)	163,223	0.23
2025	707,282,294	483,130	4,950	(389,968)	98,113	0.14
2026	714,355,117	485,328	4,950	(400,065)	90,213	0.13
2027	721,498,668	496,778	4,950	(414,315)	87,413	0.12
2028	730,081,355	387,303	4,950	(312,540)	79,713	0.11
2029	737,382,169	396,483	4,950	(324,320)	77,113	0.10
2030	744,755,990	74,419	4,175		78,594	0.11
2031	752,203,550	71,488	4,175		75,663	0.10
2032	768,748,986					0.00
2033	776,436,475					0.00
2034	790,719,940					0.00
2035	798,627,140					0.00
2036	806,613,411					0.00
2037	814,679,545					0.00
<b>TOTALS</b>	<b>11,873,527,546</b>	<b>7,216,875</b>	<b>78,250</b>	<b>(5,305,495)</b>	<b>1,989,630</b>	

Projected Debt Service																				
G.O. Promisory Notes, Series 2016A \$4,410,000 Dated 27-Sep-16				G.O. Bonds, Series 2016B \$4,715,000 Dated 27-Sep-16				G.O. Bonds, Series 2017 5,185,000 Dated: 2/1/2017				Less Cap. Int.	Less TID #5 Revenues	Less TID #6 Revenues Existing	Less TID #6 Revenues New Money	Water Utility Revenue	Sewer Utility Revenue	Net Debt Service Levy	Debt Service Tax Rate	YEAR
Prin (3/1)	Est. Rate <sup>7</sup>	Interest	Total	Prin (3/1)	Est. Rate <sup>7</sup>	Interest	Total	Prin (2/1)	Est. Rate	Interest	Total									
450,000	1.030%	57,458	507,458	255,000	1.030%	93,757	348,757			57,818	57,818	(57,818)	(266,412)	(33,940)	(18,706)	(95,077)	(44,287)	512,409	0.82	2016
660,000	1.160%	55,966	715,966	160,000	1.160%	98,916	258,916	50,000	1.030%	115,378	165,378		(269,582)	(239,067)	(37,413)	(96,733)	(45,083)	559,258	0.88	2017
705,000	1.270%	47,661	752,661	160,000	1.270%	96,972	256,972	50,000	1.160%	114,831	164,831		(311,137)	(236,394)	(37,413)	(95,943)	(44,718)	611,114	0.94	2018
710,000	1.400%	38,215	748,215	160,000	1.400%	94,836	254,836	80,000	1.270%	114,033	194,033		(302,100)	(238,422)	(37,413)	(100,040)	(44,318)	644,255	0.98	2019
420,000	1.530%	30,032	450,032	160,000	1.530%	92,492	252,492	110,000	1.400%	112,755	222,755			(240,088)	(37,413)	(99,015)	(48,840)	666,270	0.99	2020
430,000	1.670%	23,228	453,228	165,000	1.670%	89,890	254,890	115,000	1.530%	111,105	226,105			(246,324)	(37,413)	(97,895)	(48,280)	681,748	1.00	2021
435,000	1.800%	15,723	450,723	165,000	1.800%	87,028	252,028	125,000	1.670%	109,181	234,181			(242,160)	(37,413)	(96,680)	(47,673)	681,952	0.99	2022
195,000	1.900%	9,955	204,955	165,000	1.900%	83,975	248,975	200,000	1.800%	106,338	306,338				(161,288)	(95,385)	(47,025)	686,061	0.99	2023
200,000	1.950%	6,153	206,153	170,000	1.950%	80,750	250,750	300,000	1.900%	101,688	401,688				(258,025)	(98,989)	(46,351)	619,793	0.89	2024
205,000	2.050%	2,101	207,101	210,000	2.050%	76,940	286,940	280,000	1.950%	96,108	376,108				(253,694)	(97,489)	(45,651)	553,338	0.78	2025
				255,000	2.100%	72,110	327,110	440,000	2.000%	88,978	528,978				(249,250)	(95,933)	(44,925)	563,528	0.79	2026
				275,000	2.200%	66,408	341,408	440,000	2.050%	80,068	520,068				(269,438)	(99,265)	(44,173)	528,313	0.72	2027
				285,000	2.250%	60,176	345,176	430,000	2.150%	70,935	500,935				(264,188)	(97,485)	(48,338)	528,313	0.72	2028
				285,000	2.350%	53,621	338,621	430,000	2.250%	61,475	491,475				(258,688)	(95,645)	(47,418)	513,214	0.70	2029
				270,000	2.450%	46,965	316,965	450,000	2.350%	51,350	501,350				(252,938)	(98,664)	(46,458)	506,940	0.68	2030
				305,000	2.600%	39,693	344,693	245,000	2.450%	43,061	288,061					(96,518)	(45,448)	495,919	0.66	2031
				310,000	2.700%	31,543	341,543	255,000	2.600%	36,745	291,745					(99,198)	(44,388)	490,789	0.64	2032
				320,000	2.800%	22,878	342,878	265,000	2.700%	29,853	294,853					(96,723)	(48,218)	489,703	0.63	2033
				325,000	2.850%	13,766	338,766	270,000	2.800%	22,495	292,495					(99,109)	(46,946)	492,790	0.62	2034
				315,000	2.900%	4,568	319,568	270,000	2.850%	14,868	284,868					(96,378)	(45,653)	485,206	0.61	2035
								380,000	2.900%	5,510	385,510							462,405	0.57	2036
																		385,510	0.47	2037
<b>4,410,000</b>		<b>286,491</b>	<b>4,696,491</b>	<b>4,715,000</b>		<b>1,307,282</b>	<b>6,022,282</b>	<b>5,185,000</b>		<b>1,544,568</b>	<b>6,729,568</b>	<b>(57,818)</b>	<b>(1,149,230)</b>	<b>(1,476,394)</b>	<b>(2,210,688)</b>	<b>(1,948,159)</b>	<b>(924,186)</b>	<b>12,183,905</b>		<b>TOTALS</b>

- NOTES
- 2016 EV is actual TID Out EV.
  - 2018 EV reflects the projected closure of TID #4.
  - 2020 EV reflects the projected closure of TID #5.
  - 2032 EV reflects potential closure of TID #6.
  - 2028 EV reflects potential closure of TID #8.
  - 2034 EV reflects the potential closure of TID #7.
  - Estimated rates based on BQ Aa2 sale plus 35 basis points.