FINANCE COMMITTEE

Wednesday, June 26, 2019 **6:30 PM** **McFarland Municipal Center**
Conference Room A

AGENDA

1. CALL TO ORDER, ROLL CALL.

2. PUBLIC APPEARANCES.

3. APPROVAL OF MINUTES.
   a. Discussion and action regarding the minutes of the meeting held on May 22, 2019.

4. BUSINESS.
   a. Discussion and action to make a recommendation to the Village Board regarding the plan for borrowing in order to fund the 2019 Capital Improvement Plan as presented by Carol Wirth of Wisconsin Public Finance Professionals.

   b. Discussion and action to make a recommendation to the Village Board regarding updates and revisions to Chapter 5 Debt Management Policy of the Fiscal Policy Manual.

   c. Discussion and recommendation to the Village Board on refinancing the State Trust Fund Loan for the debt service related to tax increment district number 5.

5. SCHEDULE NEXT MEETING DATE.
   a. Wednesday, July 24, 2019 at 6:30 pm.

6. ADJOURNMENT.

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related to Open Meetings Law. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the McFarland Municipal Center at (608) 838-3153 or cassandra.suettinger@mcfarland.wi.us.

VILLAGE OF MCFARLAND

Finance Committee Minutes

Wednesday, May 22, 2019 - 6:30 PM

1. **CALL TO ORDER, ROLL CALL.**

   Mary Pat Lytle called the regular meeting of the Finance Committee to order at 6:30 PM in Conference Room A at the McFarland Municipal Center.

   Members present: Village Trustee Mary Pat Lytle, Village Trustee Eric Kryzenske, Rod Clark, Chuck Mulcahy, Curtis Calnin, Clifford Strelow

   Members not present: None.

   Staff Present: Village Administrator Matt Schuenke, Accountant/Deputy Treasurer Jennifer Haried

   Others Present: Carla Gogin from Baker Tilly

2. **PUBLIC APPEARANCES.**

   None.

3. **APPROVAL OF MINUTES.**

   a. *Discussion and action regarding the minutes of the February 26, 2019 meeting.*
   Motion by Clifford Strelow, second by Curtis Calnin, to approve the minutes of the February 26, 2019 meeting. Motion carries 5 - 0 - 1 by acclamation, with Trustee Eric Kryzenske abstaining.

4. **BUSINESS.**

   a. *Discussion and action to make a recommendation to the Village Board regarding the possible acceptance of the 2018 Municipal Financial Statements and Audit Results as presented by Baker Tilly Virchow Krause.*
   Carla Gogin from Baker Tilly Virchow Krause provided a presentation of the 2018 Municipal Financial Statements and Audit Results.

   Following discussion, motion by Village Trustee Mary Pat Lytle, second by Rod Clark, to recommend approval to the Village Board regarding the possible acceptance of the 2018 Municipal Financial Statements and Audit Results as presented by Baker Tilly Virchow Krause, with the condition the item return to the Committee if there are any significant changes. Motion carries 6 - 0 - 0 by acclamation.

b. *Discussion and presentation regarding a new monthly financial summary.*
Administrator Schuenke presented a new Financial Progress Report representing the monthly balances of the funds. The report compares progress from month to month, provides a cyclical overview and is an enhancement to the current Treasurer's Report. The Committee provided some suggestions for the report and asked Administrator Schuenke to bring it back to the next meeting.

c. *Discussion regarding updates and revisions to Chapter 5 Debt Management Policy of the Fiscal Policy Manual.*
The Committee discussed the current Debt Management Policy and asked Staff to research some more information regarding debt limits and bring the findings back to the next meeting.

5. SCHEDULE NEXT MEETING DATE.

a. *Wednesday, June 26, 2019 at 6:30 pm.*

6. ADJOURNMENT.
Motion by Clifford Strelow, second by Chuck Mulcahy, to adjourn at 7:40pm.

Pursuant to law, written notice of this meeting was given to the public and posted on the public bulletin boards in accordance with Open Meetings Law.

Respectfully submitted,
Jennifer Haried
Accountant/Deputy Treasurer

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, June 26, 2019**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator**

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding the plan for borrowing in order to fund the 2019 Capital Improvement Plan as presented by Carol Wirth of Wisconsin Public Finance Professionals.**

PREVIOUS ACTION:

ISSUE SUMMARY:
To complete the projects in the 2019 Capital Improvement Plan, the Village will need to borrow approximately $2,410,000 ($1,690,000 of which is Village purpose debt and $720,000 of which is water utility purpose debt) Carol Wirth, of Wisconsin Public Finance Professionals, LLC., will present the proposed borrowing.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:
N/A

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Recommended for approval.

ATTACHMENTS:
1. Copy of 2019 Borrowing 06142019 mgs (002)
2. Report on Financing 2019 CIP Projects

Capital Improvement Program

Village of McFarland — Program Year: 2019

Funding by Project

Projects	Dept	General Fund 100	Comm/Tech Fund 200	TID #3 Fund 305	TID #4 Fund 310	TID #5 Fund 315	Capital Projects - Fund 400 Tax Levy	Grants	Intergov	Borrow	Reserve	Total	Parks Fund 405	Utility - 600 Water	Sewer	Stormwater Fund 605	Total
Accounting Updates	Admin						10,000					10,000					10,000
Equipment/Furniture	Admin	2,500										-					2,500
Impact Fee Study	Admin						15,000					15,000					15,000
Workstation Replace	Admin						8,500					8,500					8,500
Aquatics Study	Facilities										20,000	20,000					20,000
DEVELOPMENT	Facilities	100,000										-					100,000
Land Acquisition	Facilities						40,000					40,000					40,000
MC Upgrades	Facilities										10,000	10,000					10,000
Network Equip	Facilities										15,000	15,000		5,000	5,000	5,000	30,000
Sinking Fund	Facilities						100,000					100,000					100,000
Video on Demand	CT		8,000				13,000				2,000	15,000					23,000
Equipment	Police	15,000										-					15,000
Patrol Vehicle (Lease)	Police						50,000					50,000					50,000
Radios	Police	75,000										-					75,000
Traffic Safety	Police										20,000	20,000					20,000
Ambulance Replace	Fire/EMS	100,000								168,000		168,000					268,000
Car 1 Sinking Fund	Fire/EMS						5,000					5,000					5,000
EMS Equipment	Fire/EMS						8,250					8,250					8,250
Facility	Fire/EMS						3,250					3,250					3,250
Fire Equipment	Fire/EMS						22,250					22,250					22,250
Technology	Fire/EMS	25,000									9,750	9,750					34,750
Aqua Dams	EM						1,500					1,500					1,500
Farwell Under Phase 2	DPW										25,000	25,000					25,000
Leased Equipment	DPW						10,000					10,000		3,500	3,500	3,000	20,000
Lift Station #2	DPW											-			5,000		5,000
Mower	DPW										70,000	70,000				20,000	90,000
Patrol Truck	DPW										40,250	40,250		40,250	40,250	40,250	161,000
Pickup Truck	DPW										8,750	8,750		8,750	8,750	8,750	35,000
Sidewalk Replace	DPW										80,000	80,000					80,000
Sinking Fund	DPW										1,000	1,000		1,000	1,000	1,000	4,000
Small Capital	DPW											-				2,500	2,500
Stormwater	DPW											-				40,000	40,000
Street Const	DPW				33,000					295,000		295,000		659,500			987,500
Street Maint	DPW										300,000	300,000					300,000
Street Resurfacing	DPW										150,000	150,000					150,000
Street Sweeper	DPW											-				20,000	20,000
Street Tree Planting	DPW	25,000										-					25,000
Furniture Replace	Outreach										5,000	5,000					5,000
Workstation Replace	Outreach						5,000					5,000					5,000
Bathroom Remodel	Library	20,000									17,000	17,000					37,000
Comp - Workstation	Library						16,250					16,250					16,250
Equip - Shelving	Library										10,000	10,000					10,000
Facility Improvements	Library										10,750	10,750					10,750
Facility Reserve	Library							50,000				50,000					50,000
Remodel Work	Library										25,000	25,000					25,000
Security Upgrades	Library										15,000	15,000					15,000
General Improve	Parks											-	50,000				50,000
McDaniel Park	Parks										70,000	70,000	45,000				115,000
McFarland Park	Parks										25,000	25,000					25,000
Park Equipment	Parks											-	10,000				10,000
Park Signage	Parks											-	5,000				5,000
Property Acquisition	Parks									875,000		875,000					875,000
Urso/Schuetz Park	Parks									350,000		350,000					350,000
Branding - Phase 1	CD										50,000	50,000					50,000
Small Capital	CD	2,000										-					2,000
Sinking Fund	CD						2,000					2,000					2,000
Total Projects		364,500	8,000	-	33,000	-	310,000	50,000	-	1,688,000	979,500	3,027,500	110,000	718,000	63,500	140,500	4,465,000

WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC
1025 SOUTH MOORLAND ROAD, SUITE 504
BROOKFIELD, WI 53005
414-434-9644
FAX: 414-226-2014

Village of McFarland

Finance Committee

Report on Financing
2019 CIP Projects

Dated: June 26, 2019

Prepared by: Carol Ann Wirth, President

Existing General Obligation Debt Service Schedule

Village Purposes

Year Due	$3,700,000 G.O. Prom. Notes – 12/01/11 Principal (09/01)	Interest	$2,005,000 G.O. Prom. Notes – 06/23/15 Principal (12/01)	Interest	$1,710,000 G.O. Ref. Bonds – 11/07/16 Principal (12/01)	Interest	$3,345,000 G.O. Prom. Notes – 07/20/17 Principal (12/01)	Interest
2019	140,000	6,160	230,000	40,297	510,000	14,600	300,000	70,712
2020	140,000	3,220	350,000	35,698	220,000	4,400	300,000	64,713
2021			350,000	28,697			345,000	57,962
2022			350,000	21,698			400,000	50,200
2023			360,000	15,047			400,000	41,200
2024			365,000	7,848			400,000	33,200
2025							600,000	25,200
2026							600,000	13,200
	$280,000	$9,380	$2,005,000	$149,285	$730,000	$19,000	$3,345,000	$356,387
Callable	09/01/2018		12/01/2022		Noncallable		12/01/2024	
Interest Rates	2.10-2.30		2.00-2.15				2.00-2.20	

Year Due	$3,550,000 G.O. Prom. Notes – 06/21/18 Principal (12/01)	Interest	Total Village Purposes Total Principal	Total Interest	Total Debt Service
2019	145,000	153,833	1,325,000	285,602	1,610,602
2020	200,000	102,150	1,210,000	210,181	1,420,181
2021	325,000	96,150	1,020,000	182,809	1,202,809
2022	325,000	86,400	1,075,000	158,298	1,233,298
2023	350,000	76,650	1,110,000	132,897	1,242,897
2024	375,000	66,150	1,140,000	107,198	1,247,198
2025	575,000	54,900	1,175,000	80,100	1,255,100
2026	600,000	37,650	1,200,000	50,850	1,250,850
2027	655,000	19,650	655,000	19,650	674,650
	$3,550,000	$693,533	$9,910,000	$1,227,585	$11,137,585
Callable	12/01/2025				
Interest Rates	3.00				

Existing General Obligation Debt Service Schedule - (Continued)

Water Utility Purposes

Year Due	$1,360,000 G.O. Prom. Notes – 06/23/15 Principal (12/01)	Interest	$595,000 G.O. Prom. Notes – 07/20/17 Principal (12/01)	Interest	Total Water Utility Purposes Total Principal	Total Interest	Total Debt Service
2019	165,000	21,002	70,000	11,025	235,000	32,027	267,027
2020	170,000	17,703	70,000	9,625	240,000	27,328	267,328
2021	170,000	14,302	70,000	8,050	240,000	22,352	262,352
2022	175,000	10,903	70,000	6,475	245,000	17,378	262,378
2023	180,000	7,577	75,000	4,900	255,000	12,477	267,477
2024	185,000	3,977	80,000	3,400	265,000	7,377	272,377
2025			90,000	1,800	90,000	1,800	91,800
	$1,045,000	$75,464	$525,000	$45,275	$1,570,000	$120,739	$1,690,739
Callable	12/01/2022		12/1/2025				
Interest Rates	2.00 – 2.15		2.00				

Storm Water Purposes

Year Due	$875,000 G.O. Prom. Notes – 12/01/11 Principal (09/01)	Interest	$ 500,000 G.O. Prom. Notes – 06/23/15 Principal (12/01)	Interest	Total Storm Water Purposes Total Principal	Total Interest	Total Debt Service
2019	90,000	6,450	60,000	7,740	150,000	14,190	164,190
2020	95,000	4,560	60,000	6,540	155,000	11,100	166,100
2021	95,000	2,375	65,000	5,340	160,000	7,715	167,715
2022			65,000	4,040	65,000	4,040	69,040
2023			65,000	2,805	65,000	2,805	67,805
2024			70,000	1,505	70,000	1,505	71,505
	$280,000	$13,385	$385,000	$27,970	$665,000	$41,355	$706,355
Callable	09/01/2018		12/01/2022				
Interest Rates	2.10 – 2.50		2.00 – 2.15				

Existing General Obligation Debt Service Schedule - (Continued)

Sewer Utility Purposes

Year Due	$1,135,000 G.O. Prom. Notes – 06/23/15 Principal (12/01)	Interest	$250,000 G.O. Prom. Notes – 07/20/17 Principal (12/01)	Interest	Total Sewer Utility Purposes Total Principal	Total Interest	Total Debt Service
2019	135,000	17,488	$ 30,000	5,262	165,000	22,750	187,750
2020	140,000	14,787	35,000	4,663	175,000	19,450	194,450
2021	145,000	11,988	35,000	3,875	180,000	15,863	195,863
2022	145,000	9,087	35,000	3,088	180,000	12,175	192,175
2023	150,000	6,333	35,000	2,300	185,000	8,633	193,633
2024	155,000	3,332	40,000	1,600	195,000	4,932	199,932
2025			40,000	800	40,000	800	40,800
	$870,000	$63,015	$250,000	$21,588	$1,120,000	$84,603	$1,204,603
Callable	12/01/2022		12/1/2024				
Interest Rates	2.00 – 2.15		2.00				

TID #3 Purpose

Year Due	$1,415,000 G.O. Ref. Bonds – 12/15/08 Principal (12/01)	Interest	Total TID #3 Debt Service
2019	$ 260,000	66,406	326,406
2020	270,000	54,056	324,056
2021	285,000	40,894	325,894
2022	295,000	27,000	322,000
2023	305,000	13,725	318,725
2024			
2025			
2026			
	$1,415,000	$202,081	$1,617,081
Callable	12/01/2021		
Interest Rates	4.5		

TID #4 Purpose

Year Due	$275,000 G.O. Prom. Notes – 07/20/17 Principal (12/01)	Interest	Total TID #4 Debt Service
2019	30,000	5,195	35,195
2020	30,000	4,595	34,595
2021	30,000	3,920	33,920
2022	30,000	3,245	33,245
2023	30,000	2,570	32,570
2024	30,000	1,970	31,970
2025	30,000	1,370	31,370
2026	35,000	770	35,770
	$245,000	$23,635	$268,635
Callable	12/01/2024		
Interest Rates	2.00 – 2.20		

Existing General Obligation Debt Service Schedule - (Continued)

TID #5 Purpose

Year Due	$930,000 State Trust Fund Loan – 12/11/18			ALL GENERAL OBLIGATION DEBT		
	Principal (03/15)	Interest	Total TID #5 Debt Service	Total Principal	Total Interest	Total Debt Service
2019				$2,165,000	$426,170	$2,591,170
2020		$ 55,673	$ 55,673	2,080,000	382,383	2,462,383
2021	$ 33,853	44,175	78,028	1,948,853	317,728	2,266,581
2022	35,461	42,567	78,028	1,925,461	264,703	2,190,164
2023	37,145	40,883	78,028	1,987,145	213,990	2,201,135
2024	38,802	39,225	78,027	1,738,802	162,207	1,901,009
2025	40,753	37,275	78,028	1,375,753	121,345	1,497,098
2026	42,689	35,339	78,028	1,277,689	86,959	1,364,648
2027	44,716	33,312	78,028	699,716	52,962	752,678
2028	46,754	31,273	78,027	46,754	31,273	78,027
2029	49,061	28,967	78,028	49,061	28,967	78,028
2030	51,392	26,636	78,028	51,392	26,636	78,028
2031	53,833	24,195	78,028	53,833	24,195	78,028
2032	56,331	21,697	78,028	56,331	21,697	78,028
2033	59,066	18,963	78,028	59,066	18,963	78,028
2034	61,871	16,157	78,028	61,871	16,157	78,028
2035	64,810	13,218	78,028	64,810	13,218	78,028
2036	67,861	10,167	78,028	67,861	10,167	78,028
2037	71,112	6,916	78,028	71,112	6,916	78,028
2038	74,490	3,538	78,028	74,490	3,538	78,028
	$930,000	$530,176	$1,460,176	$15,855,000	$2,230,174	$18,085,173

Capital Projects - 2019

Village Purpose Projects	Dept.	Borrowing Amount
Ambulance Replacement	Fire/EMS	$ 168,000
Street Construction	DPW	295,000
Property Acquisition	Parks	875,000
Urso/Schuetz Park	Parks	350,000
TOTAL		$1,688,000

Water Utility Purposes		
Patrol/Pickup Trucks	DPW	$ 49,000
Leased Equipment	DPW	3,500
Sinking Fund	DPW	1,000
Street Construction	DPW	667,500
TOTAL		$721,000

$2,410,000 2019 G.O. Notes - Sources & Uses of Funds

Dated 08/01/2019 | Delivered 08/01/2019

	Village Purpose	Water Utility	2019 G.O. Notes
Sources Of Funds			
Par Amount of Notes	$1,690,000.00	$720,000.00	$2,410,000.00
Reoffering Premium (Est.)	65,057.15	47,863.60	112,920.75
Total Sources	**$1,755,057.15**	**$767,863.60**	**$2,522,920.75**
Uses Of Funds			
Total Issuance Expense Paid by Underwriter (Est.) *	39,774.60	16,945.40	56,720.00
Deposit to Project Construction Fund	1,690,000.00	720,000.00	2,410,000.00
Premium Deposited to Debt Service (Est.)	25,282.55	30,918.20	56,200.75
Total Uses	**$1,755,057.15**	**$767,863.60**	**$2,522,920.75**

* Municipal Advisor, Bond Counsel, Underwriter, Moody's

$2,410,000 Estimated Combined Debt Service Schedule

Date	Principal	Coupon	Interest	Total Payment	Fiscal Total
08/01/2019	-	-	-	-	-
06/01/2020	-	-	53,875.00	53,875.00	-
12/01/2020	230,000.00	2.000%	32,325.00	262,325.00	316,200.00
06/01/2021	-	-	30,025.00	30,025.00	-
12/01/2021	200,000.00	2.000%	30,025.00	230,025.00	260,050.00
06/01/2022	-	-	28,025.00	28,025.00	-
12/01/2022	165,000.00	2.000%	28,025.00	193,025.00	221,050.00
06/01/2023	-	-	26,375.00	26,375.00	-
12/01/2023	170,000.00	2.000%	26,375.00	196,375.00	222,750.00
06/01/2024	-	-	24,675.00	24,675.00	-
12/01/2024	175,000.00	3.000%	24,675.00	199,675.00	224,350.00
06/01/2025	-	-	22,050.00	22,050.00	-
12/01/2025	300,000.00	3.000%	22,050.00	322,050.00	344,100.00
06/01/2026	-	-	17,550.00	17,550.00	-
12/01/2026	385,000.00	3.000%	17,550.00	402,550.00	420,100.00
06/01/2027	-	-	11,775.00	11,775.00	-
12/01/2027	390,000.00	3.000%	11,775.00	401,775.00	413,550.00
06/01/2028	-	-	5,925.00	5,925.00	-
12/01/2028	395,000.00	3.000%	5,925.00	400,925.00	406,850.00
Total	**$2,410,000.00**	**TIC: 2.43**	**$419,000.00**	**$2,829,000.00**	**-**

Callable: December 1, 2027 and 2028 principal payments are callable beginning December 1, 2026.

Preliminary Pricing Summary - Market Week of 6/24/19

Maturity	Type	Coupon	Yield	Maturity Value	Price		YTM	Call Date	Call Price	Dollar Price
12/01/2020	Serial Coupon	2.000%	1.650%	230,000.00	100.458%		-	-	-	231,053.40
12/01/2021	Serial Coupon	2.000%	1.700%	200,000.00	100.682%		-	-	-	201,364.00
12/01/2022	Serial Coupon	2.000%	1.750%	165,000.00	100.805%		-	-	-	166,328.25
12/01/2023	Serial Coupon	2.000%	1.800%	170,000.00	100.829%		-	-	-	171,409.30
12/01/2024	Serial Coupon	3.000%	1.850%	175,000.00	105.813%		-	-	-	185,172.75
12/01/2025	Serial Coupon	3.000%	1.900%	300,000.00	106.533%		-	-	-	319,599.00
12/01/2026	Serial Coupon	3.000%	1.950%	385,000.00	107.140%		-	-	-	412,489.00
12/01/2027	Serial Coupon	3.000%	2.000%	390,000.00	106.787%	c	2.107%	12/01/2026	100.000%	416,469.30
12/01/2028	Serial Coupon	3.000%	2.100%	395,000.00	106.085%	c	2.273%	12/01/2026	100.000%	419,035.75
Total	**-**	**-**	**-**	**$2,410,000.00**	**-**	**-**	**-**	**-**	**-**	**$2,522,920.75**

Bid Information

Par Amount of Notes	$2,410,000.00
Reoffering Premium or (Discount)	112,920.75
Total Issuance Expense Paid by Underwriter (Est.) *	$(56,720.00)
Bid (102.332%)	2,466,200.75
True Interest Cost (TIC)	2.4306615%

* Municipal Advisor, Bond Counsel, Underwriter, Moody's

$1,690,000 Estimated Village Purpose Debt Service Schedule - Combined with Existing

Calendar Year	Principal	Coupon	Estimated Interest	Total Payment	Existing D/S	Net New D/S
2019	-	-	-	-	1,564,910.00	1,564,910.00 *
2020	230,000.00	2.000%	57,400.00	287,400.00	1,420,181.00	1,707,581.00
2021	200,000.00	2.000%	38,450.00	238,450.00	1,202,809.00	1,441,259.00
2022	165,000.00	2.000%	34,450.00	199,450.00	1,233,298.00	1,432,748.00
2023	170,000.00	2.000%	31,150.00	201,150.00	1,242,897.00	1,444,047.00
2024	175,000.00	3.000%	27,750.00	202,750.00	1,247,198.00	1,449,948.00
2025	180,000.00	3.000%	22,500.00	202,500.00	1,255,100.00	1,457,600.00
2026	185,000.00	3.000%	17,100.00	202,100.00	1,250,850.00	1,452,950.00
2027	190,000.00	3.000%	11,550.00	201,550.00	674,650.00	876,200.00
2028	195,000.00	3.000%	5,850.00	200,850.00	-	200,850.00
-	**$1,690,000.00**		**$246,200.00**	**$1,936,200.00**	**$11,091,893.00**	**$13,028,093.00**

* 2019 Offset by $45,692 of excess premium from 2018 Issuance

- Increase from 2019 to 2020 = $142,671 or $0.15 per $1,000 based on 2018 assessed value of $942,877,508
- 2020 tax rate impact may be reduced by actual 2019 valuation and/or applying excess premium.

$720,000 Estimated Water Utility Debt Service Schedule - Wrap Around Existing D/S

Calendar Year	Principal	Coupon	Estimated Interest	Total Payment	Existing D/S	Net New D/S
2019	-	-	-	-	-	-
2020	-	-	28,800.00	28,800.00	267,328.00	296,128.00
2021	-	-	21,600.00	21,600.00	262,352.00	283,952.00
2022	-	-	21,600.00	21,600.00	262,378.00	283,978.00
2023	-	-	21,600.00	21,600.00	267,477.00	289,077.00
2024	-	-	21,600.00	21,600.00	272,377.00	293,977.00
2025	120,000.00	3.000%	21,600.00	141,600.00	91,800.00	233,400.00
2026	200,000.00	3.000%	18,000.00	218,000.00	-	218,000.00
2027	200,000.00	3.000%	12,000.00	212,000.00	-	212,000.00
2028	200,000.00	3.000%	6,000.00	206,000.00	-	206,000.00
-	**$720,000.00**		**$172,800.00**	**$892,800.00**	**$1,423,712.00**	**$2,316,512.00**

Debt Limit

Equalized Valuation (2018) as certified by Wisconsin Department of Revenue	$936,011,100
Legal Debt Percentage Allowed	5.00%
Legal Debt Limit	$ 46,800,555
General Obligation Debt Outstanding As Of December 31, 2018	$15,855,000
Plus: $2,410,000 General Obligation Notes	2,410,000
Less: 2019 Principal Payments	(2,165,000)
Net General Obligation Debt Outstanding	$16,100,000
Unused Margin of Indebtedness	$30,700,555
Percent of Legal Debt Incurred	34.40%
Percent of Legal Debt Available	65.60%

Method of Sale

Wisconsin Law allows General Obligation Notes and Refunding Bonds to be sold at Public or Negotiated Sale

- **Public Sale** – Village Advertises for Underwriter Nation-wide – to Submit Bid on Specific Date and Time

  Underwriter's Bid Dependent Upon –

  Market Conditions on Day of Bid
  Number of Issues Underwriter Will Bid on (Bidding Calendar) or Purchase That Day
  Limited Ability to Pre-sell Notes - Risk May be Built into Bid as Cost to Village
  Underwriting Cost Locked in on the Day of Sale
  Underwriter Submits Bid on Bid Form per Bidding Parameters in "Official Notice of Sale"
  Market Conditions are Monitored by Municipal Advisor Throughout Borrowing Timeline
  Local Banks Participate Through Their Broker/Dealer Relationships
  Village Has Flexibility to Change Dollar Amount and Structuring Terms After Bids are Opened

  Municipal bond supply in market has significantly declined in 2018 and 2019 resulting in numerous bids on public sales to fulfill demand.

- **Negotiated Sale** – Underwriter is Selected by Village Through RFP Process or Based on Historical Experience

  Underwriter Provides Assistance to Village in Advance of Entering the Bond Market -

  Updates and Advises Village of Changes to Market Conditions, Interest Rates
  Investors and Local Banks Contacted Early to Determine Interest in Purchasing Notes/Bonds
  Reduces Underwriter's Risk of Unsold Notes - Potential for Lower Underwriting Cost
  Cost of Underwriting Locked in Prior to Sale Date
  Underwriter Has Flexibility to Capture Market Opportunities Several Days in Advance of Award
  Village Has Flexibility to Change Dollar Amount and Structuring Terms Up to Time of Order Period
  Underwriter Provides Village with Comparable Sales in Market

The Village of McFarland has historically used the Negotiated Sale method

The Village's underwriter in 2015, 2016, 2017, and 2018 was Bankers' Bank, Madison, in association with the McFarland State Bank.

Timeline for General Obligation Promissory Notes – 2019

Finance Presentation – 2019 Financing - Review/Discussion	June 26
Board Presentation – Report on 2019 Financing	July 8
Official Statement Submitted to Moody’s	July 9
Moody’s Conference Call	July 11-12
Official Statement Distributed to Underwriter(s)	July 11
Moody’s Rating Released; Credit Report Available	July 18 A.M.
Adopt Final Award Resolution (Sale)	July 22
Closing; Delivery of Funds to Village	August 1

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, June 26, 2019**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator**

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding updates and revisions to Chapter 5 Debt Management Policy of the Fiscal Policy Manual.**

PREVIOUS ACTION:
The Committee first discussed this policy at its last meeting on May 22, 2019.

ISSUE SUMMARY:
Enclosed is an updated version of the Debt Management Policy based on our comments from the last meeting, review by our Financial Adviser, and comments from Bond Counsel. Samples are also provided as requested for background as well as information from the GFOA. The following changes are offered for discussion:

- Section 3.02(b)(1) - It was discussed at our last meeting that the 50% and 40% limits were too constricting. A simple addition is offered here to give the Village Board authority to exceed this if they deem necessary. Makes it more of a guideline in that sense. Alternatively it could raised or eliminated; however, some sort of guide appears in most of the examples.
- Section 3.02(b)(2) - it is suggest to increase this to 20 years to provide more flexibility on longer term borrowings for bigger capital projects. Further provides discretion to the Village Board to go further if the law would allow it. This was an item we discussed and a point raised by our Financial Adviser.
- Section 3.02(b)(3) - Changed this section to set the annual limitation around the total annual expenditure for the fund versus simply the levy. The total cost for debt service is more than just the levy and using the total cost is more inclusive of the total cost. The 25% limitation is also recommended to increase to 35%, all of which helps provide flexibility as might be needed. Each of the examples have a limit of some sort like this and this seems reasonable and similar to those examples.
- Section 3.02(c)(1) - Finally the definition for financial adviser was changed to align with current terminology.

FINANCIAL/BUDGET IMPACT:
Rewriting or updating the policy is generally done by Staff under review later by the Attorney.

The cost for which is included within our operating budget as needed. We will discuss fiscal implications of the policy language as might be appropriate.

VILLAGE PLAN REFERENCE:
Village of McFarland Fiscal Policy Manual

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Presented for discussion, and if changes are agreeable may be recommended to the Village Board for approval.

ATTACHMENTS:
1. Chapter 3 - Debt Management Policy 06202019
2. Background from Carol Wirth
3. Debt Policy - Beaver Dam
4. Debt Policy - Brookfield
5. Debt Policy - Janesville
6. Debt Policy - GFOA
7. GFOA Debt Issuance Checklist

CHAPTER 3 Debt Management Policy

SECTION 3.01 Policy Purpose

(a) The Village acknowledges that certain costs incurred on an annual basis reflect an investment in the future of the Village. These types of costs include development, acquisition, and replacement of assets that will be used by the residents of the Village over a long period of time. Financing of these long-term assets is often appropriately accomplished through the issuance of long-term debt instruments, special assessments, or any other combination of these.

(b) It is the responsibility of the Village Board and Village administrative staff to monitor the financial health of the Village. A significant portion of the Village's financial health is determined by its ability to manage its debt, so the role of debt in the Village's total financial strategy must be carefully defined in order to avoid using debt in a way that weakens other parts of its financial structure. It is the responsibility of the Administrator/Treasurer to regularly monitor the Village's outstanding debt and to recommend issuance, replacement and retirement of outstanding debt to the Finance Committee and the Village Board.

SECTION 3.02 Policy Implementation Objectives

(a) **Financing Considerations.**

(1) The Village will confine long-term borrowing to capital improvements, equipment, or other long-term projects which cannot and, appropriately should not, be financed from current revenues.

(2) The Village will not use long-term debt to finance current operations, nor will long-term debt be used to finance the cost of short-lived (less than five years) depreciable assets (for example, vehicles).

(3) In general, the final maturity of bonds and notes issued by the Village should not exceed the expected useful life of the underlying project for which it is being issued.

(4) The Village will issue general obligation debt by borrowing from the State Trust Fund or through a competitive bidding process or negotiated sale, depending upon which approach is deemed most advantageous to the Village.

(5) Periodic reviews of outstanding debt will be undertaken by the Administrator/Treasurer at least every two years to determine refinancing opportunities. Refinancing will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding.

(b) **Debt Limits and Structure.**

(1) Section 67.03 of Wisconsin Statures requires that general obligation debt outstanding not exceed 5% of the equalized valuation of the taxable property within the Village. Revenue bonds and notes are not considered debt for purposes of determining compliance with constitutional debt limitations. The Village intends to keep total outstanding general obligations debt within 50% of the limit prescribed by law and non-utility and non-TIF related general obligation debt within 40% of the statutory limit unless otherwise authorized by the Village Board. Debt levels should further be consistent with the Village's credit objectives and long-term financial plan.

(2) The Village will keep the maturity of all outstanding general obligation bonds at or below 20 years ~~15 years~~ unless otherwise allowed by Wisconsin State Statutes and authorized by the Village Board.

(3) The total annual debt service expense for general obligation debt (exclusive of that funded by proprietary operations) should not exceed 35% ~~25%~~ of the Village's total operating expense, ~~tax levy,~~ with an effort to maintain debt service expenditures ~~the levy~~ at a proportionately even level for tax rate stabilization.

(c) **Financial Advisers.**

(1) The Village will utilize the services of a qualified MSRB Registered Municipal Advisor ~~financial advisor~~ that meets all current certification requirements in the monitoring of its debt and debt service.

(2) The Village should strive to maintain a long-term relationship with a financial advisor to allow for continuity and consistency in services provided by the advisor. However, the arrangement between the financial advisor and the Village should be examined every five (5) years or as deemed necessary by Village administrative staff and the Village Board.

(3) All feasible alternatives (for example, State Trust Fund loans, Clean Water Fund loans, and private placements with local financial institutions) for borrowing funds should be considered by the Village and the financial advisor depending on the uniqueness of the items or projects being financed by long-term debt.

(4) All costs of issuing long-term debt, including fees for professional services, underwriting fees, and the interest costs over the term of the debt issue, must be considered and carefully evaluated for each borrowing.

(5) The Village will work with the financial advisor to ensure that long-term debt issues are structured to protect the interest of the Village for the present and in the future (for example, the inclusion of call provisions to protect the Village against future interest rate fluctuations or other circumstances).

(d) **Other Considerations.**

(1) The maintenance of the best possible credit rating shall be a significant factor in all financial decisions.

(2) The Village will maintain good communications with bond rating agencies regarding its financial condition.

(3) The Village will follow a policy of full disclosure in all financial reporting including bond prospectuses and continuing disclosure agreements required under SEC Rule 15c2-12(b)(5).

Dated this XX day of XXXX, 2019.

Village of McFarland:	Attest:
By:________________________________	By:________________________________
Brad Czebotar Village President	Cassandra Suettinger Clerk/Treasurer

Adopted: October 10, 2011 Amended: XXXX XX, 2019

Matt Schuenke

From: Carol Wirth <cawirth@wipublicfinance.com>
Sent: Tuesday, June 4, 2019 2:14 PM
To: Matt Schuenke
Cc: Cassandra Suettinger
Subject: Debt Policy
Attachments: Final Debt Policy - Updated 2018.pdf; Budget Policies.pdf; GFOA Debt Management Policy.pdf; GFOADebtIssuanceChecklistConsiderationsWhenIssuingBonds.pdf; CP75 (Debt Management) Policy 2015.pdf

Hi Matt,

I found a couple examples of debt policies from other clients which I have attached. They are different based on what parameters those municipalities have established. I have also included information from the GFOA on this topic.

Tom Griggs and I have reviewed the Village's policy. Tom's comment was to add an "s" to the word "weaken" on the first page (b). My comment is regarding page 2 (b) (2) whereby the maturity of all outstanding general obligation bonds is at or below 15 years. While I do believe this is a reasonable parameter, could this become a problem if the Village were to proceed with a major building program.

One additional comment for (c) Financial Advisors - the current designation by the SEC is to be called a "MSRB Registered Municipal Advisor." A Municipal Advisor would have a fiduciary duty to the Village.

I hope this helps. Let me know if you need anything more.

Carol Ann Wirth
President

Wisconsin Public Finance Professionals, LLC

1025 South Moorland Road, Suite 504
Brookfield, WI 53005

Office - 414-434-9644
Mobile - 414-507-4805
Fax - 414-226-2014
Email: cawirth@wipublicfinance.com

City of Beaver Dam
Debt Policy
Dated April 2010 (Amended 8/20/18)

Purpose: Provide direction to the governing body relative to the issuance of debt and management of the City's debt portfolio to ensure that the City maintains a sound debt position and that its credit quality is protected. Establish a framework for debt management to work in conjunction with the Five Year Capital Improvement Program and to maintain the debt service levy at a proportionate even level for tax rate stabilization. Recognizing that access to capital markets over the long term is dependent upon the City's unwavering commitment to full and timely repayment of debt.

Policy: The City may issue bonds and notes in accordance with State Statutes Chapters 66 and 67 for purposes of financing its capital improvements program, to refund existing debt, to promote economic development, to provide financing for its Tax Incremental Financing (TIF) Districts and to fund the capital needs of its Wastewater, Water and Storm Water utilities.

The Administrative Committee will review each debt offering for compliance with the "Credit Objectives and Debt Limitations" section of this policy. If a proposed debt offering is determined to be non-compliant and the committee still wishes to proceed with the borrowing they must follow the process described under #2 in the "Credit Objectives and Debt Limitations section of this policy.

Definitions: **General Debt Service Levy —** Property taxes levied to fund transfers to the Debt Service Fund for payment of long-term debt principal and interest and described as the "Debt Service Fund" on the Annual Budget Appropriation Ordinance.

General Debt Equalized Mill Rate — Mill rate generated by dividing the General Debt Service Levy by the Total non-TIF equalized value for the City as determined by the State of Wisconsin.

Capital Improvements Plan (CIP) Borrowing — Funds borrowed by the City in accordance with State Statute Chapters 66 or 67 which will be repaid through the General Debt Service Levy.

Total Non-TIF Tax Levy — City tax levy as listed in the Annual Budget Appropriation Ordinance as "Net Tax Levy for All General City Purposes" exclusive of any tax levy for TIF Districts.

Total Non-TIF Equalized Mill Rate - Mill rate generated by dividing the Total Non-TIF Tax Levy by the Total non-TIF equalized value for the City as determined by the State of Wisconsin.

Natural Disasters - Flooding, tornado, dam breach, earthquake, FEMA qualified disasters, or criminal or terrorist attacks on the City's infrastructure.

ERP Percentage – The most current General Fund budget percentage increase as allowed under the State Expenditure Restraint Program.

Credit Objectives and Debt Limitations:

The City will seek to maintain or improve its current credit rating with Moody's: General (A1). The City will strive to maintain good relations with the rating agency and keep them informed of significant developments that could affect the City's credit rating.

In order to achieve its credit rating objective, the City recognizes the need to integrate the debt policy with its capital improvement program and long-range financial plans. The following Debt Limitations will be used to maintain debt service requirements at an affordable level and enhance the credit quality of the City:

1. Beginning with the 2012 CIP borrowing where debt service will begin in 2013 and be funded by the 2012 General Debt Service Levy, CIP borrowing shall not exceed $1.6 million annually unless the General Debt Equalized Mill rate in the prior year does not exceed 20% of the Total Non-TIF Equalized Mill Rate in that year. The CIP borrowing limit shall be adjusted annually by the ERP Percentage.

2. If the Administrative Committee wishes to exceed the borrowing limits described in #1 above they must first get Common Council approval by placing a resolution on the agenda of the next Common Council meeting seeking to exceed the borrowing limitations and hold a public hearing on this resolution at that meeting. The resolution must be approved by a $^{3}/_{4}$ majority vote of the Common Council. If the resolution is approved the borrowing process shall proceed. If the resolution is not approved the Administrative Committee shall review the proposed borrowing to determine what steps, if any, could be taken to bring the borrowing into compliance. This resolution shall apply to the current year's borrowing only.

The following are exceptions to the Debt Limitations described in #1 and #2 above:

1. Emergency borrowing for the purpose of dealing with natural disasters. If funding from the City's property & liability insurance program and or State/Federal funding is available to fund the immediate costs to respond to a natural disaster these funds shall be utilized prior to City funds. If funding from the City's property & liability insurance program and or State/Federal funding is not available to fund the immediate costs to respond to a natural disaster but these funds subsequently become available these funds should be used to

supplement the response costs or, where allowed by law, to reduce or eliminate new CIP borrowing in the next budgetary year.

2. Borrowing for the purpose of economic development where the property taxes to be generated when the development is completed will be sufficient to fund the annual debt service required as a result of the borrowing.

3. Issuance of debt as a conduit on behalf of for-profit or non-profit corporations when doing so would promote economic development or secure quality of life issues. Prior to issuing such debt, the corporation shall agree to pay all of the City's expenses in connection with the borrowing (including legal fees) and shall provide substantive proof acceptable to the City that no budget appropriation shall be required to repay the debt. The City shall not issue debt on behalf of a non-profit corporation if doing so would prevent the City from issuing "bank qualified" debt for its own purposes without compensation from the non-profit corporation to cover the additional debt service cost.

Refundings

Periodic reviews of outstanding debt will be undertaken to determine any refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding or when a refunding will enable the City to achieve financing or cash flow objectives.

Disclosure

The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional investors, bond insurers, other units of government, and the general public to share clear, comprehensible, and accurate financial information.

The Finance Department will provide continuing disclosure in compliance with continuing disclosure certifications made at the time of each debt issuance.

CITY OF BROOKFIELD
Budget Policies

The budget for the City of Brookfield serves as a comprehensive, rational guide for financial and programmatic decision-making and operations management throughout each fiscal year. The budget is intended to be not only a financial plan but also a performance plan linked to the strategic goals established by the Common Council and outlined in a separate section. This section describes those policies and procedures that govern the preparation and implementation of the City budget on an annual basis.

The Common Council has adopted several financial policies that guide the development and monitoring of budgets for the City, both on a long-term and annual basis. The seven adopted financial policies that address budgetary issues are: fund balance, debt, capital improvement, revenue, operating budget, budget transfer and budget development.

Fund Balance

The City's fund balance policy addresses the desired level of fund balance to be maintained in the general fund, the primary operating fund of the City. The fund balance levels are monitored and augmented by the use of a long-term five (5) year financial forecasting module developed specifically for the City. In general, the policy guidelines are to maintain an unassigned fund balance of two to four months of budgeted expenditures from the subsequent year. A detailed discussion regarding the general fund balance and compliance with the policy can be found on page 43. In addition to the formal policy, particular attention in making budgetary decisions is given to maintaining sufficient fund equity in the utility enterprise funds for capital replacement needs, operating budget flexibility and contingencies.

Debt

The City's debt policy provides guidance to ensure that long-term debt is utilized appropriately and in a fiscally prudent manner. Elements of the policy include:

- Limiting long-term borrowing to capital improvements or other long-term projects which cannot and, appropriately should not, be financed from current revenues and/or funds established for equipment replacement. Debt will not be used to finance current operations, nor will long-term debt be used to finance the cost of short-lived depreciable assets (for example, vehicles).

- Final maturity of bonds and notes should not exceed the expected useful life of the underlying project for which it is being issued.

- The statutory limit on general obligation debt is five percent (5%) of the equalized valuation of taxable property within the City. The debt policy further limits such debt, including any such proceeds allocated to the sewer and water utilities, tax incremental financing districts, and conference center, to four percent (4%) of the equalized valuation.

- Structure debt issues to achieve above average principal retirement (for example, for 20 year bonds, the City seeks to retire at least 80% of the debt within 10 years of issuance) and maximize flexibility for the City's interests (e.g., call provisions).

- Providing a cap on total annual debt service for general obligation debt (exclusive of that funded by enterprise operations or funded by alternative revenue sources such as hotel room taxes or tax increments) of 30% of the City's total annual general operating revenues.

- Maintain a stable ratio of debt outstanding as a percentage of equalized valuation.

- Maintain good communications with bond rating agencies regarding its financial condition, and provide for full disclosure in all financial reporting including official statements and continuing disclosure agreements.

Capital Improvement

Key elements of the capital improvement policy include:

- Adopting an annual capital improvement budget based upon a five-year capital improvement plan. The five-year capital improvement plan will consider major equipment replacement needs, as well as other anticipated capital expenditures. All City departments, including the water and sewer utilities, prepare a capital improvement plan, and the plan will be updated annually.

- Providing for an affordability analysis, including consideration of limits on total capital expenditures and impact on property tax and utility rate fees necessary to fund debt service.

- Coordinating development and approval of the annual capital improvement budget with the development of the operating budget, and considering future operating costs associated with new capital improvements.

- Capital improvement expenditures shall include any amounts expended for equipment or other assets with a useful life of ten years or more and/or which involve amounts more than $25,000.

Other practices followed with respect to capital budget and expenditures include the use of cash funding where feasible and appropriate, and establishment of replacement funds. Examples include: (a) infrastructure maintenance activities funded via the public works and sewer operating budgets (paid with current tax or utility rate revenues); (b) the computer replacement fund used to accumulate monies for replacement of computer equipment in all departments connected to the City's wide area network (WAN); and (c) the vehicle/equipment replacement fund established for the replacement of vehicles and major equipment (construction, etc.).

Budget balances appropriated in capital improvement funds are designated for specific projects and are carried forward as available for expenditure until the project is complete or the balance is transferred to other eligible projects.

Revenue

Revenue policy elements include:

- Where appropriate and not contrary to accepted public policy or statutes, emphasis will be directed toward full cost recovery through user fees and cost sharing with other governmental units and other City funds such as sewer, water, etc. User fees and cost allocation formulas will be updated periodically (annually if needed).

- Investment interest shall be budgeted conservatively.

- Multi-year revenue projections will be developed and updated annually.

- New sources of non-property-tax revenue should be actively explored at all times.

- Intergovernmental grant requests are subject to fiscal review before the application is submitted. This review is to ensure that the grants do not create an obligation for unfunded expenditures by the City relating to the grant's purpose and to provide an overall budgetary review of grant proposals.

Operating Budget

The City's operating budget policy sets forth guidance with respect to balanced operating budgets, with an overriding goal of achieving structural balance over a longer-term period, recognizing that in certain periods revenues and expenditures may not equal. A balanced budget for the general fund is defined as revenues and other sources equal to or exceeding operating expenditures. Other sources can include that portion of general fund balance that is allowed to be budgeted for use per the City's fund balance policy. Balanced budgets for the enterprise funds are defined as providing sufficient revenues to support the operations of those funds, without subsidy from the general fund, and enterprise fund operating surpluses shall not be used to subsidize other City funds. Charges from Internal Service funds shall be sufficient to support such activities, with no trend of operating deficits.

Budget Transfer

The City's budget transfer policy provides guidance as to changes in adopted budgets. Under Wisconsin law, the budget may be amended only by a ⅔-majority vote of the Common Council. Such a majority is required both for additional appropriations and for changes/transfers between appropriations. Appropriations are defined as functional expenditure categories such as general government, public safety, etc. for the general fund, and the total fund budget for all other fund types. Transfers from contingency are considered changes in appropriations.

CITY OF JANESVILLE

CITY COUNCIL POLICY STATEMENT

Policy No. 75

Date Issued: 5/13/97
Revised: 8/23/11
4/13/15

General Subject: Administration

Effective Date: 4/13/15

Special Subject: Debt Management

Cancellation Date
Supersedes

PURPOSE
To record and clarify the City Council's policy regarding the management and issuance of debt.

STATEMENT OF POLICY
In accordance with State Statutes, Chapter 67, the City is granted the authority to issue debt. The following practices and procedures shall be followed by the City:

1. Conditions for Debt Issuance
   The City shall limit the issuance of debt to capital outlays (and costs associated with the capital outlay), including the acquisition or construction of capital facilities, infrastructure, and other capital assets.

2. Capital Improvement Program
   The Administration prepares an updated Capital Improvement Program on a bi-annual basis. The Capital Improvement Program will indicate the source of funding for all proposed capital projects and/or assets.

   The first year of the Capital Improvement Program will be included in the Annual City Budget. Those projects and/or assets which require financing through the issuance of debt will be reconsidered when the City Council undertakes the Debt Issuance process.

3. General Obligation Debt
   The City will issue General Obligation Debt for those capital improvement projects benefiting the City as a whole. Such debt would be secured by the full faith, credit, and taxing powers of the City.

   Every capital improvement project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project, including the impact of the proposed project on the annual operating budget.

Whenever possible, the City will finance capital improvement projects by using self-supporting Revenue or Special Assessment Bonds. Such Bonds assure the greatest degree of equity because those who benefit from a project closely match those who pay for a project.

3.1 Debt Limit

Section 67.03(1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed five (5) percent of the equalized assessed valuation of the taxable property in the municipality.

The City shall limit outstanding General Obligation Debt to less than 2.5% percent of the equalized assessed value. The City Council, by super majority vote, may increase the stated debt limit.

The City recognizes the importance of issuing debt prudently and should first determine its long-term financial capability to repay.

4. Revenue Debt

To promote taxpayer equity, the City will consider the issuance of Revenue Debt for capital improvement projects providing benefits to specific users. Such debt would be secured by revenues of the financed project.

However, if the projected revenues will not be sufficient to meet the corresponding annual debt service payments or the credit rating of the proposed Revenue Debt instrument1 would result in an adverse interest rate, the City would consider issuing General Obligation Debt for such projects.

5. Debt Service Limitations

Annual General Fund Debt Service payments for General Obligation Debt, exclusive of that funded by enterprise

---

operations or debt approved exceeding the debt limit described above, shall not exceed 20 percent of annual General Fund expenditures.

6. Review of Financing Alternatives
The City will seek all possible Federal and State reimbursements for mandated projects and/or programs.

The City will encourage pay-as-you-go financing of capital improvement projects where feasible. However, it will strive to maintain a balanced relationship between issuing debt and pay-as-you-go financing to ensure property tax stabilization.

The City shall limit borrowing for the annual street resurfacing/reconstruction program to $950,000 per year, with a goal of reducing that amount. Borrowing in excess of $950,000 per year for this purpose may be approved only upon a supermajority vote of the City Council.

The City will seek to maintain a sufficient General Fund cash balance in order to prevent the need for external cash flow borrowing.

7. Timing of Debt Issuance
Debt should be issued when projects are or will be for bid or construction start within 6 months. Projects funded with borrowed funds should be completed within 24 months from of the issuance of debt. If funds are not expended within 18 months, consideration should be given to reprogramming the funds for another approved project.

8. Characteristics of Debt Issuance
The issuance of debt for funding annual general operating expenditures will be prohibited.

The average maturities of long-term obligations shall only exceed 10 years if the expected useful life of the capital project or asset financed justifies it.

The scheduled maturities of long-term obligations should not exceed the expected useful life of the capital project or asset(s) financed.

9. Debt Issuance Process

The City will use competitive sales as the primary means of selling long-term bonds and notes. Negotiated sales will be permitted only if there is evidence of volatile market conditions, complex security features, or other unique factors.

Bonds - The issuance of bonds requires the City Council to follow various procedures identified in State Statutes 67.05. These include separate Council actions to authorize and establish the bond details and are comprised of, but not limited to, setting the final amount of bonds to be issued.

Promissory Notes - Although State Statutes 67.12 permits the City Council to combine the authorization and details of a note issue into one Council action, the Council will adopt the aforementioned issuance procedure required for bonds.

10. Professional Services

The City shall retain an independent financial advisor for debt structuring, the rating review process, marketing debt issuances, sale and post-sale services, and to assist in issuing the City's official statement.

The City shall retain bond counsel for legal and procedural advice on all debt issuances, which include determining the legal authority to issue the proposed debt and that it qualifies for tax exempt status.

11. Rating Agency Relations

The City will maintain effective communications with financial and debt rating agencies concerning the City's financial condition. The City's Comprehensive Annual Financial Report shall be distributed to the rating agencies.

Additionally, the City recognizes there are several key debt ratios used by investors and financial rating analysts when reviewing the City's credit worthiness. Therefore, the City will address the following ratios:

- ☐ Debt Per Capita.
- ☐ Debt as a Percentage of Equalized Property Value.
- ☐ Annual Debt Service as a percentage of annual General Fund operating expenditure appropriations.

The City will comply with the Security and Exchange Commission’s reporting requirements concerning "Continuing Disclosure Undertakings".

12. Bond Rating Goals

The City will seek to maintain and improve its bond rating to minimize borrowing costs and to ensure access to credit markets.

Government Finance Officers Association

BEST PRACTICE

Debt Management Policy

Notice:

Issuers of municipal securities should be aware of new disclosure requirements in SEC Rule 15c2-12, effective on securities issues on or after February 27, 2019. GFOA recommends issuers consult counsel prior to the effective date to determine how these changes may impact debt portfolios and debt management policies and procedures.

The Continuing Disclosure Agreements will include affirmation by governments for debt issues on or after February 27, 2019 to:

- disclose additional information about material financial obligations (e.g., guarantees, capital leases, and bank loans) for securities entered into after the effective date
- make event filings of any material changes reflecting financial difficulties should any occur to outstanding or new financial obligations

BACKGROUND:

Debt management policies are written guidelines, allowances, and restrictions that guide the debt issuance practices of state or local governments, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations. A debt management policy should improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner. Debt management policies should be written with attention to the issuer's specific needs and available financing options and are typically implemented through more specific operating procedures. Finally, debt management policies should be approved by the issuer's governing body to provide credibility, transparency and to ensure that there is a common understanding among elected officials and staff regarding the issuer's approach to debt financing.

RECOMMENDATION:

GFOA recommends that state and local governments adopt comprehensive written debt management policies. These policies should reflect local, state, and federal laws and regulations. To assist with the development of these policies GFOA recommends that a government's Debt Management Policy (Policy) should be reviewed periodically (and updated if necessary) and should address at least the following:

1. *Debt Limits*. The Policy should consider setting specific limits or acceptable ranges for each type of debt. Limits generally are set for legal, public policy, and financial reasons.

a. *Legal restrictions* may be determined by:

- State constitution or law,
- Local charter, by-laws, resolution or ordinance, or covenant, and
- Bond referenda approved by voters.

b. *Public Policies* will address the internal standards and considerations within a government and can include:

- Purposes for which debt proceeds may be used or prohibited,
- Types of debt that may be issued or prohibited,
- Relationship to and integration with the Capital Improvement Program, and
- Policy goals related to economic development, including use of tax increment financing and public-private partnerships.

c. *Financial restrictions or planning considerations* generally reflect public policy or other financial resources constraints, such as reduced use of a particular type of debt due to changing financial conditions. Appropriate debt limits can have a positive impact on bond ratings, particularly if the government demonstrates adherence to such policies over time. Financial limits often are expressed as ratios customarily used by credit analysts. Different financial limits are used for different types of debt. Examples include:

- *Direct Debt, including general obligation bonds*, are subject to legal requirements and may be able to be measured or limited by the following ratios:
  - Debt per capita,
  - Debt to personal income,
  - Debt to taxable property value, and
  - Debt service payments as a percentage of general fund revenues or expenditures.

- *Revenue Debt* levels often are limited by debt service coverage ratios (e.g., annual net pledged revenues to annual debt service), additional bond provisions contained in bond covenants, and potential credit rating impacts.
- *Conduit Debt* limitations may reflect the right of the issuing government to approve the borrower□s creditworthiness, including a minimum credit rating, and the purpose of the borrowing issue. Such limitations reflect sound public policy, particularly if there is a contingent impact on the general revenues of the government or marketability of the government□s own direct debt.
- *Short-Term Debt Issuance* should describe the specific purposes and circumstances under which it can be used, as well as limitations in term or size of borrowing.
- *Variable Rate Debt* should include information about when using non-fixed rate debt is acceptable to the entity either due to the term of the project, market conditions, or debt portfolio structuring purposes.

2. *Debt Structuring Practices*. The Policy should include specific guidelines regarding the debt structuring practices for each type of bond, including:

- Maximum term (often stated in absolute terms or based on the useful life of the asset(s)),
- Average maturity,
- Debt service pattern such as equal payments or equal principal amortization,
- Use of optional redemption features that reflect market conditions and/or needs of the government,
- Use of variable or fixed-rate debt, credit enhancements, derivatives, short-term debt, and limitations as to when, and to what extent, each can be used, and

- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

3. *Debt Issuance Practices*. The Policy should provide guidance regarding the issuance process, which may differ for each type of debt. These practices include:

- Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,

- Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,

- Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,

- Criteria for issuance of advance refunding and current refunding bonds, and

- Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

4. *Debt Management Practices*. The Policy should provide guidance for ongoing administrative activities including:

- Investment of bond proceeds,
- Primary and secondary market disclosure practices, including annual certifications as required,
- Arbitrage rebate monitoring and filing,
- Federal and state law compliance practices, and
- Ongoing market and investor relations efforts.

5. *Use of Derivatives*. The Debt Management Policy should clearly state whether or not the entity can or should use derivatives. If the policy allows for the use of derivatives, a separate and comprehensive derivatives policy should be developed (see GFOA□s Advisory, Developing a Derivatives Policy and Derivatives Checklist).

Notes:

- Post Issuance Compliance Checklist
- Debt Issuance Checklist: Considerations When Issuing Bonds

The County of San Diego, CA was awarded the GFOA Award for Excellence for outsanding use of GFOA's Best Practice on Debt Management Policy. To learn more about the County's implementation process, please visit their award page.

References:

- GFOA Advisory: Using Variable Rate Debt Instruments, 2010.
- GFOA Advisory: Use of Debt-Related Derivatives Products, 2010.
- GFOA Derivatives Checklist, 2010.
- GFOA Best Practice: Selecting Bond Counsel, 2008.
- GFOA Best Practice: Selecting and Managing Municipal Advisors, 2014.
- GFOA Best Practice: Selecting Underwriters for a Negotiated Bond Sale, 2008.
- GFOA Best Practice: Post-Issuance Policies and Procedures, 2017.
- GFOA Best Practice: Primary Market Disclosure, 2017.
- GFOA/NABL Post Issuance Compliance Checklist, 2003.

- Debt Management Policy Examples
- *Benchmarking and Measuring Debt Capacity*, Rowan Miranda and Ron Picur, GFOA, 2000.
- *A Guide for Preparing a Debt Policy*, Patricia Tigue, GFOA, 1998.

---

203 N. LaSalle Street - Suite 2700 | Chicago, IL 60601-1210 | Phone: (312) 977-9700 - Fax: (312) 977-4806

Small Government/New Issuer - Debt Issuance Checklist: Considerations When Issuing Bonds

1) Has the issuer retained a municipal advisor (the issuer should determine if they wish to use a municipal advisor that is or is not associated with a municipal broker/dealer firm) and bond counsel to, among other tasks, assist the issuer in determining the most appropriate method of sale: competitive, negotiated, bank qualified, bank loan or private placement? Is the issuer aware of new SEC regulations over municipal advisors, and the changes regarding if and when an underwriter may provide advice to the issuer? Has the issuer discussed the possibilities of using disclosure counsel in addition to bond counsel? (BP – Selecting and Managing the Engagement of Municipal Advisors; BP – Selecting and Managing the Method of Sale of State and Local Government Bonds, BP – Selecting Bond Counsel, GFOA Municipal Advisor Issue Brief)

2) Is the type of debt being considered the most appropriate form for the type of project being financed? For example, if the capital improvement is for a revenue-generating project or system, the use of revenue bonds may be a better financing option than using a portion of the government's limited general obligation bonding capacity. (BP – Debt Management Policy)

3) Does the maturity structure and estimated debt service match the anticipated flow of revenues available for debt service in a manner that will not raise credit concerns and will unduly contribute to a favorable market reception? (BP –Debt Management Policy)

4) For a competitive sale, do the terms and conditions of sale as described in the Notice of Sale allow potential bidders sufficient flexibility to structure the most favorable bid possible? (BP – Selecting and Managing the Method of Sale of State and Local Government Bonds)

5) For a negotiated sale, does the underwriter request for proposals (RFP) request sufficient information to enable the issuer to select the most qualified firm at the best price? Does the RFP process provide a transparent and objective evaluation/ranking of respondents, free of undue political influence? Additionally, does the RFP require the underwriter to provide information on the cost of borrowing for the duration of the bonds, not just the cost of issuance, as well as having the underwriter provide at sale pricing comparables and a post-pricing book showing market conditions at the time of the sale and other sales in the market at the time of the sale? (BP – Selecting and Managing the Method of Sale of State and Local Government Bonds, Selecting and Managing the Engagement of Underwriters for Negotiated Bond Sales)

6) Depending on method of sale and applicable state laws, has the issuer, with assistance from its municipal advisor and/or bond counsel, developed a preliminary official statement, official statement or other disclosure documents, and are they being properly distributed?" (BP – Selecting and Managing the Method of Sale of State and Local Government Bonds, BP – Selecting and Managing the Engagement of Municipal Advisors, BP - Selecting Bond Counsel)

7) Does the preliminary official statement and/or other disclosure documents meet or exceed industry standards? (BP – Maintaining an Investor Relations Program, Using Your Web Site for Disclosure, Understanding Your Continuing Disclosure Responsibilities)

8) Has legal counsel been consulted to ensure that all tax and legal requirements been satisfied, including any public notices as directed by state or federal laws?

9) Has the muncipal advisor and/or bond counsel been consulted to ensure that the appropriate level of investor outreach has been conducted? (BP – Maintaining an Investor Relations Program)

10) Have credit ratings been sought for the issue? Has the municipal advisor and/or bond counsel been consulted as to how many different ratings should or need to be obtained for this type of bond issue? Has the municipal advisor and/or bond counsel been consulted about using bond insurance or other credit enhancements for the issue especially if the rating is, or is expected to be A or lower? (BP – Debt Management Policy)

11) Have post issuance compliance policies and procedures been adopted, to ensure compliance and understanding of what is required by the issuer on an ongoing basis? (Post Issuance Compliance Checklist, BP - Debt Management Policy, BP - Understanding Your Continuing Disclosure Responsibilities, BP – Investment of Bond Proceeds)

12) Do the appropriate issuer officials and representatives have an understanding of all the fees that the issuer must pay in conjunction with the bond transaction? Have the municipal advisor and/or other professionals been consulted about these various fees and if they are necessary and appropriate for a financing of this nature, size and complexity? (BP – Expenses Charged by Underwriters in Negotiated Sales, BP – Cost of Issuance Incurred in a Publicly Offered Debt Transaction).

Resources

- GFOA Best Practice, Cost of Issuance in a Publically Offered Debt Transaction (2013)
- GFOA Best Practice, Debt Management Policy (2012)
- GFOA Best Practice, Expenses Charged by Underwriters in Negotiated Sales (2012)
- GFOA Best Practice, Maintaining an Investor Relations Program (2010)
- GFOA Best Practice, Pricing Bonds in a Negotiated Sale (2010)
- GFOA Best Practice, Understanding Your Continuing Disclosure Responsibilities (2010)
- GFOA Best Practice, Using Your Web Site for Disclosure (2010)
- GFOA Best Practice, Selecting and Managing the Engagement of Municipal Advisors (2014)
- GFOA Best Practice, Selecting Bond Counsel (2008)
- GFOA Best Practice, Selecting and Managing the Engagement of Underwriters for Negotiated Bond Sales (2014)
- GFOA Best Practice, Investment of Bond Proceeds (2013)
- GFOA Best Practice, Selecting and Managing the Method of Sale of State and Local Government Bonds (2014)
- GFOA/NABL, Post Issuance Compliance Checklist
- GFOA Issue Brief: SEC Municipal Advisor Rule
- CDIAC Debt Issuance Primer, http://www.treasurer.ca.gov/cdiac/publications/alphabetical.asp#debt_primer

VILLAGE BOARD SUMMARY SHEET

MEETING DATE: **Wednesday, June 26, 2019**

SECTION: **Business**

DEPARTMENT: **Administration**

CONTACT: **Matt Schuenke, Village Administrator**

AGENDA ITEM: **Discussion and recommendation to the Village Board on refinancing the State Trust Fund Loan for the debt service related to tax increment district number 5.**

PREVIOUS ACTION:

ISSUE SUMMARY:
Carol Wirth will be on hand to present a proposal to refinance the State Trust Fund Loan debt service related to Tax Increment District Number 5. The refinancing is estimated to provide cost savings of approximately 115k.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

ATTACHMENTS:
1. Report on 2019 Refinancing

WISCONSIN PUBLIC FINANCE PROFESSIONALS, LLC
1025 South Moorland Road, Suite 504
Brookfield, WI 53005
414-434-9644
Fax: 414-226-2014

Village of McFarland

Finance Committee

Report on 2019 Refinancing

Tax Increment District No. 5 Existing Debt

Dated: June 26, 2019

Prepared by: Carol Ann Wirth, President

2018 State Trust Fund Loan (TID #5 Land Acquisition) Debt Service Schedule

Calendar Year	Principal (03/15)	Coupon	Interest	Total Payment
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	55,672.60	55,672.60
2021	33,852.96	4.750%	44,175.00	78,027.96
2022	35,460.98	4.750%	42,566.98	78,027.96
2023	37,145.37	4.750%	40,882.59	78,027.96
2024	38,802.60	4.750%	39,225.36	78,027.96
2025	40,752.90	4.750%	37,275.06	78,027.96
2026	42,688.66	4.750%	35,339.30	78,027.96
2027	44,716.37	4.750%	33,311.59	78,027.96
2028	46,754.96	4.750%	31,273.00	78,027.96
2029	49,061.26	4.750%	28,966.70	78,027.96
2030	51,391.67	4.750%	26,636.29	78,027.96
2031	53,832.78	4.750%	24,195.18	78,027.96
2032	56,330.55	4.750%	21,697.41	78,027.96
2033	59,065.54	4.750%	18,962.42	78,027.96
2034	61,871.15	4.750%	16,156.81	78,027.96
2035	64,810.03	4.750%	13,217.93	78,027.96
2036	67,860.73	4.750%	10,167.23	78,027.96
2037	71,111.89	4.750%	6,916.07	78,027.96
2038	74,489.60	4.750%	3,538.26	78,027.86
-	**$930,000.00**	**-**	**$530,175.78**	**$1,460,175.78**

2019 Taxable G.O. Refunding Bonds - Sources & Uses

Dated 08/01/2019 | Delivered 08/01/2019

Sources Of Funds

Par Amount of 2019 Refunding Bonds	$995,000.00
Total Sources	**$995,000.00**

Uses Of Funds

Est. Total Issuance Expenses Paid by Underwriter (Municipal Advisor, Bond Counsel, Underwriter, Moody's)	32,700.00
Pay Off 2018 State Trust Fund Loan (TID #5 Land Acquisition) on August 26 (Principal & Interest)	961,225.07
Est. Excess Proceeds Deposited to Debt Service	1,074.93
Total Uses	**$995,000.00**

$995,000 Taxable G.O. Refunding Bonds Estimated Debt Service Schedule

Date	Principal (04/01)	Coupon	Estimated Interest	Total Payment	Fiscal Total
08/01/2019	-	-	-	-	-
04/01/2020	-	-	19,195.00	19,195.00	-
10/01/2020	-	-	14,396.25	14,396.25	33,591.25
04/01/2021	-	-	14,396.25	14,396.25	-
10/01/2021	-	-	14,396.25	14,396.25	28,792.50
04/01/2022	50,000.00	2.200%	14,396.25	64,396.25	-
10/01/2022	-	-	13,846.25	13,846.25	78,242.50
04/01/2023	50,000.00	2.200%	13,846.25	63,846.25	-
10/01/2023	-	-	13,296.25	13,296.25	77,142.50
04/01/2024	50,000.00	2.350%	13,296.25	63,296.25	-
10/01/2024	-	-	12,708.75	12,708.75	76,005.00
04/01/2025	50,000.00	2.350%	12,708.75	62,708.75	-
10/01/2025	-	-	12,121.25	12,121.25	74,830.00
04/01/2026	50,000.00	2.350%	12,121.25	62,121.25	-
10/01/2026	-	-	11,533.75	11,533.75	73,655.00
04/01/2027	55,000.00	2.700%	11,533.75	66,533.75	-
10/01/2027	-	-	10,791.25	10,791.25	77,325.00
04/01/2028	55,000.00	2.700%	10,791.25	65,791.25	-
10/01/2028	-	-	10,048.75	10,048.75	75,840.00
04/01/2029	55,000.00	2.700%	10,048.75	65,048.75	-
10/01/2029	-	-	9,306.25	9,306.25	74,355.00
04/01/2030	55,000.00	3.050%	9,306.25	64,306.25	-
10/01/2030	-	-	8,467.50	8,467.50	72,773.75
04/01/2031	60,000.00	3.050%	8,467.50	68,467.50	-
10/01/2031	-	-	7,552.50	7,552.50	76,020.00
04/01/2032	60,000.00	3.050%	7,552.50	67,552.50	-
10/01/2032	-	-	6,637.50	6,637.50	74,190.00
04/01/2033	65,000.00	3.200%	6,637.50	71,637.50	-
10/01/2033	-	-	5,597.50	5,597.50	77,235.00
04/01/2034	65,000.00	3.200%	5,597.50	70,597.50	-
10/01/2034	-	-	4,557.50	4,557.50	75,155.00
04/01/2035	65,000.00	3.200%	4,557.50	69,557.50	-
10/01/2035	-	-	3,517.50	3,517.50	73,075.00
04/01/2036	70,000.00	3.350%	3,517.50	73,517.50	-
10/01/2036	-	-	2,345.00	2,345.00	75,862.50
04/01/2037	70,000.00	3.350%	2,345.00	72,345.00	-
10/01/2037	-	-	1,172.50	1,172.50	73,517.50
04/01/2038	70,000.00	3.350%	1,172.50	71,172.50	-
10/01/2038	-	-	-	-	71,172.50
Total	**$995,000.00**	**TIC: 3.40**	**$343,780.00**	**$1,338,780.00**	**-**

$995,000 Taxable G.O. Refunding Bonds
Preliminary Pricing Summary - Market Week of 6/24/19

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
04/01/2023	Term 1 Coupon	2.200%	2.200%	100,000.00	100.000%	100,000.00
04/01/2026	Term 2 Coupon	2.350%	2.350%	150,000.00	100.000%	150,000.00
04/01/2029	Term 3 Coupon	2.700%	2.700%	165,000.00	100.000%	165,000.00
04/01/2032	Term 4 Coupon	3.050%	3.050%	175,000.00	100.000%	175,000.00
04/01/2035	Term 5 Coupon	3.200%	3.200%	195,000.00	100.000%	195,000.00
04/01/2038	Term 6 Coupon	3.350%	3.350%	210,000.00	100.000%	210,000.00
Total	-	-	-	**$995,000.00**	-	**$995,000.00**

Bid Information

Par Amount of Bonds	$995,000.00
Est. Total Issuance Expenses Paid by Underwriter (Municipal Advisor, Bond Counsel, Underwriter, Moody's)	$(32,700.00)
Total Purchase Price	$962,300.00
True Interest Cost (TIC)	3.4081062%

Preliminary Debt Service Comparison - 2019 Refunding Bonds vs 2018 STFL

Calendar Year	2019 Refunding Est. D/S	2018 STFL D/S	Estimated Net Savings
2019	-	-	-
2020	33,591.25	55,672.60	22,081.35
2021	28,792.50	78,027.96	49,235.46
2022	78,242.50	78,027.96	(214.54)
2023	77,142.50	78,027.96	885.46
2024	76,005.00	78,027.96	2,022.96
2025	74,830.00	78,027.96	3,197.96
2026	73,655.00	78,027.96	4,372.96
2027	77,325.00	78,027.96	702.96
2028	75,840.00	78,027.96	2,187.96
2029	74,355.00	78,027.96	3,672.96
2030	72,773.75	78,027.96	5,254.21
2031	76,020.00	78,027.96	2,007.96
2032	74,190.00	78,027.96	3,837.96
2033	77,235.00	78,027.96	792.96
2034	75,155.00	78,027.96	2,872.96
2035	73,075.00	78,027.96	4,952.96
2036	75,862.50	78,027.96	2,165.46
2037	73,517.50	78,027.96	4,510.46
2038	71,172.50	78,027.86	6,855.36
-	**$1,338,780.00**	**$1,460,175.78**	**$121,395.78**

Net PV Cashflow Savings @ 3.046%(Bond Yield)	106,679.26
Contingency or Rounding Amount	1,074.93
Net Present Value Benefit	$107,754.19
Net PV Benefit / $930,000 Refunded Principal	11.586%

Timeline for Taxable General Obligation Refunding Bonds – 2019

Finance Presentation – 2019 Refinancing - Review/Discussion	June 26
Board Presentation – Report on 2019 Refinancing	July 8
Official Statement Submitted to Moody's	July 9
Moody's Conference Call	July 11-12
Official Statement Distributed to Underwriter(s)	July 11
Moody's Rating Released; Credit Report Available	July 18 A.M.
Adopt Final Award Resolution (Sale)	July 22
Notice of Prepayment – 2018 State Trust Fund Loan – Sent to State	July 23
Closing; Delivery of Funds to Village	August 1
Pay Off 2018 State Trust Fund Loan	August 26