

Jefferson County, WI – Highway Department Executive Summary 2015 Borrowing Options

Total Project <u>Costs</u>	Total 2013-2015 <u>Borrowing</u>	2015 <u>Borrowing</u>	Tax Rate for <u>Debt in 2016**</u>
\$16,200,000	\$16,430,000	\$2,930,000	\$0.177
\$17,400,000	\$17,665,000	\$4,165,000	\$0.191
\$17,620,000	\$17,890,000*	\$4,390,000	\$0.193

*Maximum Bonding Amount Authorized in 2013

** Level total debt service (tax rate declines with any tax base growth)

Estimates as of March 4, 2015



Jefferson County, WI

Sizing Worksheet for Debt Issues for Highway Department Projects - (\$16.20 MILLION TOTAL PROJECT COST)

	Actual 2013 Sale Results	Actual 2014 Sale Results	Preliminary Planning Estimates	Totals 2013 through 2015 Issues
	2013 Issue (BANK- QUALIFIED)	2014 Issue (BANK- QUALIFIED)	2015 Issue (BANK- QUALIFIED)	G.O. Notes &/or Bonds
	G.O. Bonds	G.O. Bonds	G.O. Bonds	
Projects				
Improvements to Highway Department Facilities ¹	3,342,500	9,815,000	3,342,500	16,500,000
2015 Reductions in Project Costs Financed	96,610	128,214	(524,824)	(300,000)
Subtotal Project Costs	3,439,110	9,943,214	2,817,676	16,200,000
Estimated Issuance Expenses	(15,034)	(123,535)	79,800	(58,768)
Financial Advisor	22,600	38,200	22,000	82,800
Less Credit for Prior Financial Analysis ²	(3,500)	0	0	(3,500)
Bond Counsel	8,500	13,000	9,500	31,000
Paying agent (if term bonds)	413	505	675	1,593
Underwriters Discount (Bid Item) ³	40,560	35,646	36,625	112,831
Underwriters Premium (Bid Item) ³	(93,607)	(223,236)	(316,843)	(316,843)
Rating Fee (Moody's Investors Service)	10,000	12,350	11,000	33,350
Capitalized Interest ⁴	85,102	187,590	33,637	306,328
TOTAL TO BE FINANCED	3,509,178	10,007,269	2,931,113	16,447,560
Estimated Interest Earnings ⁵	(4,178)	(12,269)	(1,409)	(17,856)
Rounding	0	0	296	296
NET BOND SIZE (20 Year Amortization)	3,505,000	9,995,000	2,930,000	16,430,000

NOTES:

¹ Estimates provided by staff² Discount for fee charged for Lost Opportunity Cost Study³ Discount allowance of \$12.50 per thousand for G.O. Bonds⁴ 2013 & 2014 issues based on bids received, Assumed 2015 Greenfield Sale + .20**(ACTUAL 2013 & 2014 BIDS WERE PREMIUMS, FREEING UP MONEY FOR PROJECTS & ALLOWING LESS BORROWING 2015)**⁵ Assumes investment earnings of 0.25% annually on available proceeds for 6 months on 2013 and 2014 issues only (2015 reimbursement mainly)

**SIZING BASED UPON
\$16.20 M Total Project
Costs**

**SIZING BASED UPON \$16.20
M Total Project Costs**

Proposed Debt Structure for Highway Facilities Financing Based upon \$16.20 M Total Project Cost
Level Debt Service Payments Through 2015 issue

Level Annual payments after all Issues

Existing Debt Only			
YEAR	Equalized Value TID Out Projection ³	Actual/Projected Change in TID Out Value	Net Levy for Debt Svc
2011	6,376,446,700	3.40%	374,147
2012	6,278,889,500	-1.53%	109,728
2013	6,006,273,200	-4.34%	54,601
2014	5,884,774,300	-2.02%	85,102
2015	6,036,629,100	2.58%	1,367,687
2016	6,066,812,246	0.50%	876,498
2017	6,127,480,368	1.00%	877,948
2018	6,161,665,340	0.56%	877,348
2019	6,195,850,312	0.55%	876,548
2020	6,230,035,285	0.55%	874,748
2021	6,264,220,257	0.55%	874,848
2022	6,298,405,229	0.55%	877,448
2023	6,332,590,201	0.54%	874,523
2024	6,366,775,174	0.54%	876,073
2025	6,400,960,146	0.54%	878,185
2026	6,435,145,118	0.53%	875,498
2027	6,469,330,090	0.53%	876,241
2028	6,503,515,062	0.53%	879,560
2029	6,537,700,035	0.53%	876,010
2030	6,571,885,007	0.52%	876,710
2031	6,606,069,979	0.52%	875,631
2032	6,640,254,951	0.52%	877,655
2033	6,674,439,924	0.51%	878,609
2034	6,708,624,896	0.51%	874,405
TOTALS			13,386,726

G.O. Bonds, Series 2015 \$2,930,000 Dated 4/1/15				Less: Capitalized Interest	Less:	Less:	Net Levy New Debt	Total Net Levy for Debt Svc	Net Rate for Total Debt Svc	YEAR
Prin (4/1)	Est. Rate ²	Interest	Total							
							0	374,147	0.059	2011
							0	109,728	0.017	2012
							0	54,601	0.009	2013
								0	0.000	2014
						(85,102)		1,180,098	0.195	2015
		33,637	33,637			(221,226)		1,073,414	0.177	2016
130,000	0.550%	66,916	196,916				196,916	1,073,986	0.175	2017
130,000	0.800%	66,039	196,039				196,039	1,072,151	0.174	2018
130,000	1.100%	64,804	194,804				194,804	1,074,759	0.173	2019
135,000	1.300%	63,211	198,211				198,211	1,071,069	0.172	2020
135,000	1.500%	61,321	196,321				196,321	1,069,043	0.171	2021
135,000	1.650%	59,195	194,195				194,195	1,069,314	0.170	2022
135,000	1.800%	56,866	191,866				191,866	1,073,724	0.170	2023
145,000	2.000%	54,201	199,201				199,201	1,077,174	0.169	2024
150,000	2.200%	51,101	201,101				201,101	1,075,893	0.168	2025
150,000	2.325%	47,708	197,708				197,708	1,074,466	0.167	2026
155,000	2.575%	43,968	198,968				198,968	1,076,154	0.166	2027
160,000	2.575%	39,913	199,913				199,913	1,075,153	0.165	2028
160,000	2.825%	35,593	195,593				195,593	1,076,941	0.165	2029
170,000	2.825%	30,931	200,931				200,931	1,072,733	0.163	2030
170,000	2.950%	26,023	196,023				196,023	1,076,491	0.163	2031
180,000	2.950%	20,860	200,860				200,860	1,077,900	0.162	2032
185,000	3.200%	15,245	200,245				200,245	1,072,934	0.161	2033
185,000	3.200%	9,325	194,325				194,325	1,067,588	0.159	2034
190,000	3.350%	3,183	193,183				193,183			2034
2,930,000		850,039	3,780,039				3,746,402			TOTALS

NOTES

- ¹ Actual Bid Rates
- ² Estimated Rates from actual Aa2-rated **BANK-QUALIFIED** 2/17/15 sale + 20 BP for 2015 issue.
- ³ Equalized Value projections, 0.5% increase in 2015, 1.0% increase in 2016 and fixed amount of thereafter (50% of prior 8 year average).

1,079,049 Ave. Payment 2015-34
 1,073,731 Ave. Payment 2016-34



Jefferson County, WI

Sizing Worksheet for Debt Issues for Highway Department Projects - (\$17.40 MILLION TOTAL PROJECT COST)

	Actual 2013 Sale Results	Actual 2014 Sale Results	Preliminary Planning Estimates	Totals 2013 through 2015 Issues
	2013 Issue (BANK- QUALIFIED)	2014 Issue (BANK- QUALIFIED)	2015 Issue (BANK- QUALIFIED)	G.O. Notes &/or Bonds
	G.O. Bonds	G.O. Bonds	G.O. Bonds	
Projects				
Improvements to Highway Department Facilities ¹	3,342,500	9,815,000	3,342,500	16,500,000
Additional likely Improvements	96,610	128,214	675,176	900,000
Subtotal Project Costs	3,439,110	9,943,214	4,017,676	17,400,000
Estimated Issuance Expenses	<u>(15,034)</u>	<u>(123,535)</u>	97,638	<u>(40,931)</u>
Financial Advisor	22,600	38,200	24,400	85,200
Less Credit for Prior Financial Analysis ²	(3,500)	0	0	(3,500)
Bond Counsel	8,500	13,000	9,500	31,000
Paying agent (if term bonds)	413	505	675	1,593
Underwriters Discount (Bid Item) ³	40,560	35,646	52,063	128,269
Underwriters Premium (Bid Item) ³	(93,607)	(223,236)	(316,843)	(316,843)
Rating Fee (Moody's Investors Service)	10,000	12,350	11,000	33,350
Capitalized Interest ⁴	<u>85,102</u>	<u>187,590</u>	<u>47,841</u>	<u>320,532</u>
TOTAL TO BE FINANCED	<u>3,509,178</u>	<u>10,007,269</u>	<u>4,163,154</u>	<u>17,679,601</u>
Estimated Interest Earnings ⁵	(4,178)	(12,269)	(2,009)	(18,456)
Rounding	0	0	3,855	3,855
NET BOND SIZE (20 Year Amortization)	3,505,000	9,995,000	4,165,000	17,665,000

NOTES:

¹ Estimates provided by staff² Discount for fee charged for Lost Opportunity Cost Study³ Discount allowance of \$12.50 per thousand for G.O. Bonds⁴ 2013 & 2014 issues based on bids received, Assumed 2015 Greenfield Sale + .20**(ACTUAL 2013 & 2014 BIDS WERE PREMIUMS, FREEING UP MONEY FOR PROJECTS & ALLOWING LESS BORROWING 2015)**⁵ Assumes investment earnings of 0.25% annually on available proceeds for 6 months on 2013 and 2014 issues only (2015 reimbursement mainly)

**SIZING BASED UPON
\$17.40 M Total Project
Costs**

**SIZING BASED UPON \$17.40
M Total Project Costs**

Jefferson County, WI



Proposed Debt Structure for Highway Facilities Financing Based upon \$17.40 M Total Project Cost Level Debt Service Payments Through 2015 issue

Level Annual payments after all issues

Existing Debt Only			
YEAR	Equalized Value TID Out Projection ³	Actual/Projected Change in TID Out Value	Net Levy for Debt Svc
2011	6,376,446,700	3.40%	374,147
2012	6,278,889,500	-1.53%	109,728
2013	6,006,273,200	-4.34%	54,601
2014	5,884,774,300	-2.02%	85,102
2015	6,036,629,100	2.58%	1,367,687
2016	6,066,812,246	0.50%	876,498
2017	6,127,480,368	1.00%	877,948
2018	6,161,665,340	0.56%	877,348
2019	6,195,850,312	0.55%	876,548
2020	6,230,035,285	0.55%	874,748
2021	6,264,220,257	0.55%	874,848
2022	6,298,405,229	0.55%	877,448
2023	6,332,590,201	0.54%	874,523
2024	6,366,775,174	0.54%	876,073
2025	6,400,960,146	0.54%	878,185
2026	6,435,145,118	0.53%	875,498
2027	6,469,330,090	0.53%	876,241
2028	6,503,515,062	0.53%	879,560
2029	6,537,700,035	0.53%	876,010
2030	6,571,885,007	0.52%	876,710
2031	6,606,069,979	0.52%	875,631
2032	6,640,254,951	0.52%	877,655
2033	6,674,439,924	0.51%	878,609
2034	6,708,624,896	0.51%	874,405
TOTALS			13,386,726

G.O. Bonds, Series 2015 \$4,165,000 Dated 4/1/15				Less: Capitalized Interest	Less:	Less:	Net Levy New Debt	Total Net Levy for Debt Svc	Net Rate for Total Debt Svc	YEAR
Prin (4/1)	Est. Rate ²	Interest	Total							
							0	374,147	0.059	2011
							0	109,728	0.017	2012
							0	54,601	0.009	2013
								0	0.000	2014
								1,180,098	0.195	2015
		47,841	47,841							
	185,000	0.550%	95,173	280,173			280,173	1,156,670	0.191	2016
	185,000	0.800%	93,924	278,924			278,924	1,156,871	0.189	2017
	185,000	1.100%	92,166	277,166			277,166	1,154,514	0.187	2018
	190,000	1.300%	89,914	279,914			279,914	1,156,461	0.187	2019
	190,000	1.500%	87,254	277,254			277,254	1,152,001	0.185	2020
	195,000	1.650%	84,220	279,220			279,220	1,154,068	0.184	2021
	195,000	1.800%	80,856	275,856			275,856	1,153,304	0.183	2022
	205,000	2.000%	77,051	282,051			282,051	1,156,574	0.183	2023
	210,000	2.200%	72,691	282,691			282,691	1,158,764	0.182	2024
	210,000	2.325%	67,940	277,940			277,940	1,156,125	0.181	2025
	220,000	2.575%	62,666	282,666			282,666	1,158,164	0.180	2026
	225,000	2.575%	56,937	281,937			281,937	1,158,178	0.179	2027
	230,000	2.825%	50,791	280,791			280,791	1,160,351	0.178	2028
	240,000	2.825%	44,153	284,153			284,153	1,160,163	0.177	2029
	245,000	2.950%	37,149	282,149			282,149	1,158,859	0.176	2030
	255,000	2.950%	29,774	284,774			284,774	1,160,405	0.176	2031
	260,000	3.200%	21,853	281,853			281,853	1,159,508	0.175	2032
	265,000	3.200%	13,453	278,453			278,453	1,157,061	0.173	2033
	275,000	3.350%	4,606	279,606			279,606	1,154,011	0.172	2034
4,165,000		1,210,410	5,375,410	(320,532)	0	0	5,327,569			TOTALS

NOTES

- ¹ Actual Bid Rates
- ² Estimated Rates from actual Aa2-rated **BANK-QUALIFIED** 2/17/15 sale + 20 BP for 2015 issue.
- ³ Equalized Value projections, 0.5% increase in 2015, 1.0% increase in 2016 and fixed amount of thereafter (50% of prior 8 year average).

1,158,107 Ave. Payment 2015-34
1,156,950 Ave. Payment 2016-34



Jefferson County, WI

Sizing Worksheet for Debt Issues for Highway Department Projects - (TOTAL BONDING AUTHORIZED - \$17.62 MILLION PROJECT COST)

	Actual 2013 Sale Results	Actual 2014 Sale Results	Preliminary Planning Estimates	Totals 2013 through 2015 Issues
	2013 Issue (BANK-QUALIFIED)	2014 Issue (BANK-QUALIFIED)	2015 Issue (BANK-QUALIFIED)	G.O. Notes &/or Bonds
	G.O. Bonds	G.O. Bonds	G.O. Bonds	
Projects				
Improvements to Highway Department Facilities ¹	3,342,500	9,815,000	3,342,500	16,500,000
Additional likely Improvements	96,610	128,214	725,176	950,000
Additional Funds Available for Projects			170,000	170,000
Subtotal Project Costs	3,439,110	9,943,214	4,237,676	17,620,000
Estimated Issuance Expenses	(15,034)	(123,535)	100,650	(37,918)
Financial Advisor	22,600	38,200	24,600	85,400
Less Credit for Prior Financial Analysis ²	(3,500)	0	0	(3,500)
Bond Counsel	8,500	13,000	9,500	31,000
Paying agent (if term bonds)	413	505	675	1,593
Underwriters Discount (Bid Item) ³	40,560	35,646	54,875	131,081
Underwriters Premium (Bid Item) ³	(93,607)	(223,236)	(316,843)	(316,843)
Rating Fee (Moody's Investors Service)	10,000	12,350	11,000	33,350
Capitalized Interest ⁴	85,102	187,590	50,395	323,086
TOTAL TO BE FINANCED	3,509,178	10,007,269	4,388,721	17,905,168
Estimated Interest Earnings ⁵	(4,178)	(12,269)	(2,119)	(18,566)
Rounding	0	0	3,398	3,398
NET BOND SIZE (20 Year Amortization)	3,505,000	9,995,000	4,390,000	17,890,000

SIZING BASED UPON MAX. BOND AUTH. \$17.62 M Total Project Costs

SIZING BASED UPON MAX. BOND AUTH. \$17.62 M Total Project Costs

NOTES:

- ¹ Estimates provided by staff
- ² Discount for fee charged for Lost Opportunity Cost Study
- ³ Discount allowance of \$12.50 per thousand for G.O. Bonds, \$10.00 per thousand for G.O. Notes
- ⁴ 2013 & 2014 issues based on bids received, Assumed 2015 Greenfield Sale + .20
- ⁵ Assumes investment earnings of 0.25% annually on available proceeds for 6 months on 2013 and 2014 issues only (2015 reimbursement mainly)

(ACTUAL 2013 & 2014 BIDS WERE PREMIUMS, FREEING UP MONEY FOR PROJECTS & ALLOWING LESS BORROWING 2015)

Jefferson County, WI



Proposed Debt Structure for Highway Facilities Financing Maximum Bonding Authority (\$17.62 M Project Cost) Level Debt Service Payments Through 2015 issue

Level Annual payments after all Issues

Existing Debt Only			
YEAR	Equalized Value TID Out Projection ³	Actual/Projected Change in TID Out Value	Net Levy for Debt Svc
2011	6,376,446,700	3.40%	374,147
2012	6,278,889,500	-1.53%	109,728
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2030	6,571,885,007	0.52%	876,710
2031	6,606,069,979	0.52%	875,631
2032	6,640,254,951	0.52%	877,655
2033	6,674,439,924	0.51%	878,609
2034	6,708,624,896	0.51%	874,405
TOTALS			13,386,726

G.O. Bonds, Series 2015 \$4,390,000 Dated 4/1/15				Less: Capitalized Interest	Less:	Less:	Net Levy New Debt	Total Net Levy for Debt Svc	Net Rate for Total Debt Svc	YEAR
Prin (4/1)	Est. Rate ²	Interest	Total							
							0	374,147	0.059	2011
							0	109,728	0.017	2012
							0	54,601	0.009	2013
				(85,102)				0	0.000	2014
		50,395	50,395	(237,985)				1,180,098	0.195	2015
195,000	0.550%	100,254	295,254				295,254	1,171,751	0.193	2016
195,000	0.800%	98,938	293,938				293,938	1,171,885	0.191	2017
195,000	1.100%	97,085	292,085				292,085	1,169,433	0.190	2018
200,000	1.300%	94,713	294,713				294,713	1,171,260	0.189	2019
205,000	1.500%	91,875	296,875				296,875	1,171,623	0.188	2020
205,000	1.650%	88,646	293,646				293,646	1,168,494	0.187	2021
210,000	1.800%	85,065	295,065				295,065	1,172,513	0.186	2022
215,000	2.000%	81,025	296,025				296,025	1,170,548	0.185	2023
220,000	2.200%	76,455	296,455				296,455	1,172,528	0.184	2024
220,000	2.325%	71,478	291,478				291,478	1,169,663	0.183	2025
230,000	2.575%	65,959	295,959				295,959	1,171,456	0.182	2026
235,000	2.575%	59,972	294,972				294,972	1,171,213	0.181	2027
240,000	2.825%	53,556	293,556				293,556	1,173,116	0.180	2028
255,000	2.825%	46,564	301,564				301,564	1,177,574	0.180	2029
260,000	2.950%	39,128	299,128				299,128	1,175,838	0.179	2030
265,000	2.950%	31,384	296,384				296,384	1,172,015	0.177	2031
275,000	3.200%	23,075	298,075				298,075	1,175,730	0.177	2032
280,000	3.200%	14,195	294,195				294,195	1,172,804	0.176	2033
290,000	3.350%	4,858	294,858				294,858	1,169,263	0.174	2034
4,390,000		1,274,618	5,664,618	(323,086)	0	0	5,614,223			TOTALS

NOTES

- ¹ Actual Bid Rates
- ² Estimated Rates from actual Aa2-rated **BANK-QUALIFIED** 2/17/15 sale + 20 BP for 2015 issue.
- ³ Equalized Value projections, 0.5% increase in 2015, 1.0% increase in 2016 and fixed amount of thereafter (50% of prior 8 year average).

1,172,440 Ave. Payment 2015-34
1,172,037 Ave. Payment 2016-34