

City of Waupaca
Council Agenda Item Staff Report

FROM: Kathryn Kasza
Finance Director/City Treasurer

DATE: December 3, 2021

SUBJECT: Consideration of 2022 Capital Improvement Plan Financing – RW Baird
Presentation

DISCUSSION:

The staff and Justin Fischer, from RW Baird, the City's financial advisor, prepared the attached financing plan for funding the 2022 Capital Improvement Projects which includes the Public Works Garage. Part of the financing plan includes the prepayment of the 2016 State Trust Fund Loan for TID #3 to be able to terminate that TID next year using TID increment funds from TID #3 and #6. Staff will work with the financial advisor to prepare the necessary documents to issue a Note Anticipation Note (NAN). The NAN will allow the city to borrow the funds necessary to have the flexibility to lock-in interest rates when the rates are advantageous, which may be between council meetings. The NAN's also provide the funds to keep a strain on cash flow to start the projects as the bids come to Council for approval. The NAN's are only providing funding for the 2022 Capital Projects (\$1.5 Million) and the Public Works Garage (\$6.95 Million). The Water and Sewer projects are not included in this amount as they are financed with revenue bonds and not general obligation (tax funded) bonds. The Water Utility is not contributing to the construction of the Public Works Garage, instead it will be paying rent on a yearly basis as part of its operations.

If you have any questions regarding the financing plan, please contact me prior to the meeting.

REQUESTED ACTION:

Recommend the Council approve the prepayment of the 2016 State Trust Fund Loan for TID #3 in the amount of \$338,795.73 using tax increment funds from TIDs #3 and #6.

No action required for the NAN as they will be presented to Council for action in January.