



EHLERS
LEADERS IN PUBLIC FINANCE

July 19, 2016

Revised Pre-Sale Report for

City of Milton, Wisconsin

\$7,640,000 General Obligation Corporate Purpose
Bonds, Series 2016B



Prepared by:

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And

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Executive Summary of Proposed Debt

Proposed Issue:	\$7,640,000 General Obligation Corporate Purpose Bonds, Series 2016B
Purposes:	<p>The proposed issue includes financing for the following purposes:</p> <ul style="list-style-type: none"> • Advance refunding the City’s General Obligation Bonds, Series 2007A. The Sewer and Water Utilities will pay off their portion of the issue with funds on hand. The debt service on the remaining portion to be refunded will be paid from ad valorem property taxes. <p>The interest rate on the obligation proposed to be refunded is 4%. The refunding is expected to reduce interest expense by approximately \$243,531 over the next 11 years. The Net Present Value Benefit of the refunding is estimated to be \$224,141, equal to 9.581% of the refunded principal.</p> <p>This refunding is considered an Advance Refunding as the new Bonds will be issued more than 90 days prior to the call date of the obligations being refunded.</p> • Advance refunding the City’s General Obligation Bonds, Series 2007B. The Sewer Utility will pay off their portion of the issue with funds on hand. The debt service on the remaining portion to be refunded will be paid from ad valorem property taxes and TID No. 6 revenue. <p>The interest rate on the obligation proposed to be refunded is 4%. The refunding is expected to reduce interest expense by approximately \$316,155 over the next 11 years. The Net Present Value Benefit of the refunding is estimated to be \$280,065, equal to approximately 10% of the refunded principal.</p> <p>This refunding is considered an Advance Refunding as the new Bonds will be issued more than 90 days prior to the call date of the obligations being refunded.</p> • Current refunding the City’s 2015 Bank Note. Debt service will be paid from ad valorem property taxes. <p>The interest rate on the obligation proposed to be refunded is 2.65%. The refunding is expected to reduce interest expense by approximately \$52,574 over the next 9 years. The Net Present Value Benefit of the refunding is estimated to be \$39,213, equal to 3.076% of the refunded principal.</p> <p>This refunding is considered to be a Current Refunding as the obligations being refunded are either callable (pre-payable) now, or will be within 90 days of the date of issue of the new Bonds.</p> • Community Development Projects. Debt service will be paid from TID No. 6 and 7 revenue.



	<ul style="list-style-type: none"> Library Improvement Projects. Debt service will be paid from ad valorem property taxes.
Authority:	<p>The Bonds are being issued pursuant to Wisconsin Statutes, Section 67.04.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p> <p>The Bonds count against the City's General Obligation Debt Capacity Limit of 5% of total City Equalized Valuation. Following issuance of the Bonds, the City's total General Obligation debt principal outstanding will be \$13,710,000, which is 76% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$4,391,410.</p>
Term/Call Feature:	<p>The Bonds are being issued for an 11-year term. Principal on the Bonds will be due on February 1 in the years 2017 through 2027. Interest is payable every six months beginning February 1, 2017.</p> <p>The Bonds maturing on and after February 1, 2024 will be subject to prepayment at the discretion of the City on February 1, 2023 or any date thereafter.</p>
Bank Qualification:	<p>Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as "bank qualified" obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
Rating:	<p>The City's most recent bond issues were rated A1 by Moody's Investors Service. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
Basis for Recommendation:	<p>Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Bonds based on:</p> <ul style="list-style-type: none"> The expectation this form of financing will provide the overall lowest cost of funds while also meeting the City's objectives for term, structure and optional redemption. The City having adequate General Obligation debt capacity to undertake this financing. The nature of the projects being financed, which will not generate user or other fees that could be pledged to secure a revenue obligation.



	<ul style="list-style-type: none"> The existing General Obligation pledge securing the obligations to be refunded.
<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will competitively bid the purchase of the Bonds from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.1% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>Any premium amount received for that portion of the Bonds being issued for the purpose of refunding existing debt will be used to reduce the issue size. Any premium amount received for the remainder of the Bonds that is in excess of the underwriting discount and any capitalized interest amounts must be placed in the debt service fund and used to pay a portion of the interest payments due on the Bonds. These adjustments may slightly change the true interest cost of the original bid, either up or down.</p>
<p>Other Considerations:</p>	<p>Parameters Resolution: The City Council will be asked to adopt a Parameters Resolution on July 19th which delegates authority to the City Administrator or Finance Director to accept a purchase proposal for the Bonds that meets certain parameters. These parameters include:</p> <ul style="list-style-type: none"> The issue size may not exceed \$7,640,000. The purchase price may be no less than 98.9% of the par amount offered. The purchase price may be no greater than 106% of the par amount offered. The True Interest Cost (TIC) may not exceed 2.5%. Present value debt service savings must be equal to at least 5.0% of the refunded principal amount. Individual maturities cannot be increased or decreased by more than \$100,000. <p>Should the interest rate environment at the planned time of sale make proceeding inadvisable, the Parameters Resolution allows Ehlers, in</p>



	<p>consultation with the City Administrator or Finance Director, to cancel or postpone the offering.</p> <p>Term Bonds: The Bonds will be offered with the option of the successful bidder utilizing a term bond structure. By offering underwriters the option to “term up” some of the maturities at the time of the sale, it gives them more flexibility in finding a market for your Bonds. This makes your issue more marketable, which can result in lower borrowing costs. In the event that the successful bidder utilizes a term bond structure, we recommend the City retain a paying agent to handle responsibility for processing mandatory redemption/call notices associated with term bonds.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt obligations, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing. We also recommend that you establish written procedures regarding compliance with IRS rules.</p>
Risk Factors:	<p>GO with Planned Abatement: The City expects to abate a portion of the City debt service with tax incremental revenues. In the event these revenues are not available, the City is obligated to levy property taxes in an amount sufficient to make all debt payments.</p> <p>Current Refunding: The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are “callable” now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until February 1, 2023.</p>



	<p>This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p> <p>Advance Refunding: The Bonds are being issued for the purpose of “advance” refunding prior City debt obligations. Only one advance refunding of an original tax-exempt debt obligation is permitted under current IRS rules. This refunding is being undertaken based in part on the following assumptions:</p> <ul style="list-style-type: none"> • Since the new Bonds will extend the “call” date for this debt, we are assuming that the City does not expect to have revenues available to pre-pay the current obligations prior to this new call date. • That advance refunding will provide an overall lower debt cost as compared to waiting to refund the issue until its call date
<p>Other Service Providers:</p>	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Quarles & Brady LLP</p> <p>Disclosure Counsel: Quarles & Brady LLP</p> <p>Paying Agent: Bond Trust Services Corporation</p> <p>Rating Agency: Moody’s Investors Service</p> <p>CPA Escrow Verification Agent: Barthe & Wahrman</p> <p>Escrow Agent: To be determined</p>

This presale report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review and Adoption of Parameters Resolution by Common Council:	July 19, 2016
Distribute Official Statement:	On or about August 5, 2016
Conference with Rating Agency:	Week of August 8, 2016
Parameters Sale:	August 17, 2016
Estimated Closing Date:	September 8, 2016
Redemption Date for 2015 Bank Notes	September 30, 2016
Redemption Date for 2007A Bonds	March 1, 2017
Redemption Date for 2007B Bonds	April 1, 2017

Attachments

- Sources and Uses of Funds
- Tax Impact Analysis
- Refunding Savings Analysis
- Debt Limit Analysis
- Bond Buyer Index

Ehlers Contacts

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Disclosure Coordinator:	Sue Porter	(262) 796-6167
Financial Analyst:	Kathy Myers	(262) 796-6177

The Official Statement for this financing will be mailed to the Common Council at their home address or e-mailed for review prior to the sale date.





City of Milton, WI
General Obligation Corporate Purpose Bonds



Pre-Sale Estimate

	Refunding	Community Development Projects	Library Improvement Projects	G.O. Corporate Purpose Bonds
Projects				
Community Development Projects		700,000		700,000
Library Improvement Projects			400,000	400,000
Subtotal Project Costs		700,000	400,000	1,100,000
Refundings				
2007A Advanced Refunding	2,968,347			2,968,347
Water Funds on Hand	(239,301)			(239,301)
Sewer Funds on Hand	(427,658)			(427,658)
2007B Advanced Refunding	2,848,837			2,848,837
2015 Bank Note Current Refunding	1,291,800			1,291,800
Transfers from Prior Issue Debt Service Funds	(71,794)			(71,794)
Subtotal of Refundings	6,370,232	0	0	6,370,232
Estimated Issuance Expenses				
Financial Advisor (Ehlers)	28,397	3,116	1,787	33,300
Advanced Refunding Fees	2,500			2,500
Accounting Fees	3,000			3,000
Disclosure Counsel (Quarles & Brady LLP)	8,272	908	521	9,700
Bond Counsel (Quarles & Brady LLP)	15,320	1,681	964	17,965
Paying Agent	576	63	36	675
Escrow Agent	3,000			3,000
Rating (Moody's Investor's Service)	11,512	1,263	724	13,500
Underwriter Discount @ 1.1%	71,665	7,865	4,510	84,040
TOTAL TO BE FINANCED	6,514,472	714,897	408,542	7,637,912
Estimated Interest Earnings ¹				
Rounding	528	103	1,458	2,088
TOTAL BOND AMOUNT	6,515,000	715,000	410,000	7,640,000



City of Milton, WI

Projected Debt Service Impact



Existing G.O. Debt Only					
YEAR	TID OUT Equalized Value Projection ¹	Annual P&I Payment ²	Less Non-Levy Revs ³	Net Levy for Debt Service	Net Rate for Debt Service
2017	328,056,600	1,045,874	(429,734)	616,140	1.88
2018	332,977,449	1,846,859	(53,613)	1,793,246	5.39
2019	337,972,111	317,515	(54,881)	262,634	0.78
2020	343,041,692	321,765	(56,397)	265,368	0.77
2021	348,187,318	320,585	(53,466)	267,119	0.77
2022	353,410,128	319,090	(54,468)	264,622	0.75
2023	358,711,279	322,245	(55,587)	266,658	0.74
2024	364,091,949	319,718	(54,856)	264,861	0.73
2025	369,553,328	321,483	(55,537)	265,946	0.72
2026	375,096,628	322,475	(56,352)	266,123	0.71
2027	380,723,077	326,505	(17,390)	309,115	0.81
2028	386,433,923	325,760		325,760	0.84
2029	392,230,432	329,283		329,283	0.84
2030	398,113,889	322,240		322,240	0.81
2031	404,085,597	324,408		324,408	0.80
2032	410,146,881	154,568		154,568	0.38
2033	416,299,084	153,225		153,225	0.37
2034	422,543,570			0	0.00
2035	428,881,724			0	0.00
2036	435,314,950			0	0.00
2037	441,844,674			0	0.00
2038	448,472,344			0	0.00
2039	455,199,429			0	0.00
2040	462,027,421			0	0.00
2041	468,957,832			0	0.00
Totals		7,393,595	(942,283)	6,451,313	

Projected Debt Service and Abatement Sources for 2015 - 2019 Capital Improvements Plan																													
Refunding \$6,515,000				Community Development Projects \$715,000				Library Improvement Projects \$410,000				G.O. Refunding Bonds \$7,640,000				Abatement & Redemption Sources						Net Levy for Debt Service	Old Net Levy for Debt Service	Difference in Levy	Net Rate for Debt Service	YEAR			
Levy & TID No. 6				TID No. 6 & 7				Levy				Dated 9/15/2016				TID 6 (Refunded 2007B)	TID 6 (New Money 2016A)	TID 7 (New Money 2016A)	TID 6 (Cash To Redeem 2011A)	TID 8 (Cash To Redeem 2011A)	Library Donations (2018) ⁵								
Prin (2/1)	Est. Rate ⁴	Interest	Total	Prin (2/1)	Est. Rate ⁴	Interest	Total	Prin (2/1)	Est. Rate ⁴	Interest	Total	Prin (2/1)	Est. Rate ⁴	Interest	Total	Total P&I	Total P&I	Total P&I	Total P&I	Total P&I	Total P&I								
2017	225,000	0.85%	87,283	312,283			8,739	8,739			4,666	4,666	225,000	0.850%	100,688	325,688	(64,635)	(4,405)	(4,334)			(4,666)	863,788	883,537	(19,749)	2.63	2017		
2018	505,000	0.95%	94,036	599,036			9,740	9,740			5,200	5,200	505,000	0.950%	108,976	613,976	(162,896)	(4,910)	(4,830)	(875,944)	(101,406)	(402,600)	854,636	883,758	(29,122)	2.57	2018		
2019	525,000	1.15%	88,619	613,619	140,000	1.15%	8,935	148,935	135,000	1.15%	4,424	139,424	800,000	1.150%	101,978	901,978	(161,584)	(74,508)	(74,428)				854,092	866,630	(12,538)	2.53	2019		
2020	550,000	1.25%	82,163	632,163	140,000	1.25%	7,255	147,255	135,000	1.25%	2,804	137,804	825,000	1.250%	92,221	917,221	(204,803)	(73,668)	(73,588)				830,532	868,198	(37,666)	2.42	2020		
2021	560,000	1.40%	74,805	634,805	145,000	1.40%	5,365	150,365	140,000	1.40%	980	140,980	845,000	1.400%	81,150	926,150	(247,235)	(72,740)	(77,625)				795,669	828,429	(32,760)	2.29	2021		
2022	710,000	1.45%	65,738	775,738	145,000	1.45%	3,299	148,299					855,000	1.450%	69,036	924,036	(268,990)	(76,706)	(71,593)				771,369	790,048	(18,679)	2.18	2022		
2023	705,000	1.55%	55,126	760,126	145,000	1.55%	1,124	146,124					850,000	1.550%	56,250	906,250	(255,468)	(75,581)	(70,543)				771,317	801,315	(29,999)	2.15	2023		
2024	870,000	1.65%	42,485	912,485									870,000	1.650%	42,485	912,485	(420,385)							756,961	788,116	(31,155)	2.08	2024	
2025	870,000	1.80%	27,478	897,478									870,000	1.800%	27,478	897,478	(453,125)							710,298	777,531	(67,233)	1.92	2025	
2026	750,000	1.95%	12,335	762,335									750,000	1.950%	12,335	762,335	(474,583)							553,875	593,123	(39,248)	1.48	2026	
2027	245,000	2.05%	2,511	247,511									245,000	2.050%	2,511	247,511								556,626	584,515	(27,889)	1.46	2027	
2028																								325,760	325,760		0.84	2028	
2029																								329,283	329,283		0.84	2029	
2030																								322,240	322,240		0.81	2030	
2031																								324,408	324,408		0.80	2031	
2032																								154,568	154,568		0.38	2032	
2033																								153,225	153,225		0.37	2033	
2034																													2034
2035																													2035
2036																													2036
2037																													2037
2038																													2038
2039																													2039
2040																													2040
2041																													2041
Totals	6,515,000		632,578	7,147,578	715,000		44,456	759,456	410,000		18,073	428,073	7,640,000		695,108	8,335,108	(2,713,703)	(382,518)	(376,939)	(875,944)	(101,406)	(407,266)				(346,037)		Totals	

NOTES

¹Value shown for 2017 is actual 1-1-2015 equalized value reduced by TID increment. A 1.5% growth rate is shown for 2018 and on.

²Total principal and interest due on outstanding General Obligation Notes and Bonds issued by the City as of Jan. 1, 2017.

³Reflects revenues from the City's water, sanitary sewer and storm water management utilities; Tax Incremental District's No. 6 and No. 8, and installment contract payments utilized to abate a portion of the debt service levy.

⁴Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%

⁵This is the levy portion of the 2011C Bonds that will be paid off with pledges for the Library project.



Estimate of Advance Refunding Savings of 2007A G.O. Corporate Purpose Bonds
Savings Benefit to Tax Levy



Existing Debt Service To Be Refunded

(Excludes Utility Portion)

Issue	General Obligation Corporate Purpose Bonds 2007A			
Amount	\$2,505,000			
Dated	27-Mar-07			
Call Date	1-Mar-17			
Call Amt	\$2,320,000			
Rate/Term	4.000%			2017-2027
Year	Prin (3/1)	Rate	Interest	Total
2017	185,000	4.000%	96,500	281,500
2018	190,000	4.000%	89,000	279,000
2019	200,000	4.000%	81,200	281,200
2020	210,000	4.000%	73,000	283,000
2021	220,000	4.000%	64,400	284,400
2022	225,000	4.000%	55,500	280,500
2023	240,000	4.000%	46,200	286,200
2024	250,000	4.000%	36,400	286,400
2025	255,000	4.000%	26,300	281,300
2026	260,000	4.000%	16,000	276,000
2027	270,000	4.000%	5,400	275,400

Total **2,505,000** **589,900** **3,094,900**

NON REFUNDED Existing Debt Service

Issue	General Obligation Corporate Purpose Bonds 2007A			
Amount	\$185,000			
Dated	27-Mar-07			
Rate/Term	4.000%			2017-2027
Year	Prin (3/1)	Rate	Interest	Total
2017	185,000	4.000%	3,700	188,700

Total **185,000** **3,700** **188,700**

Estimated Debt Service After Refunding

Existing Debt to be paid by Issuer	Issue	General Obligation Refunding Bonds, Series 2016B			
	Amount	\$2,420,000			
Dated	15-Sep-16				
Call Date	1-Feb-23				
Call Amt	\$995,000				
Rate/Term	0.85-	2.05%			2017-2027
Year	Prin (2/1)	Est. Rate ¹	Interest	Total	
188,700	2017	50,000	0.850%	32,875	82,875
	2018	200,000	0.950%	35,503	235,503
	2019	225,000	1.150%	33,259	258,259
	2020	230,000	1.250%	30,528	260,528
	2021	235,000	1.400%	27,445	262,445
	2022	240,000	1.450%	24,060	264,060
	2023	245,000	1.550%	20,421	265,421
	2024	250,000	1.650%	16,460	266,460
	2025	250,000	1.800%	12,148	262,148
	2026	250,000	1.950%	7,460	257,460
	2027	245,000	2.050%	2,511	247,511

Total **2,420,000** **242,669** **2,662,669**

Estimated Total Savings

9,925
43,498
22,941
22,473
21,955
16,440
20,779
19,940
19,153
18,540
27,889

243,531

NET FUTURE VALUE SAVINGS

243,531

Net Present Value Savings As A Percent of Refunded Principal= 9.581%

224,141

Pre-Sale Estimate

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



Estimate of Advance Refunding Savings of 2007B G.O. Corporate Purpose Bonds

Savings Benefit to TID No. 6



Existing Debt Service To Be Refunded

(Excludes Levy & Utility Portion)

Issue	General Obligation Corporate Purpose Bonds 2007B			
Amount	\$2,350,000			
Dated	20-Dec-07			
Call Date	1-Apr-17			
Call Amt	\$2,350,000			
Rate/Term	4.000%	2017-2026		
Year	Prin (4/1)	Rate	Interest	Total
2016		4.000%	47,000	47,000
2017		4.000%	94,000	94,000
2018	100,000	4.000%	92,000	192,000
2019	100,000	4.000%	88,000	188,000
2020	150,000	4.000%	83,000	233,000
2021	200,000	4.000%	76,000	276,000
2022	225,000	4.000%	67,500	292,500
2023	225,000	4.000%	58,500	283,500
2024	400,000	4.000%	46,000	446,000
2025	450,000	4.000%	29,000	479,000
2026	500,000	4.000%	10,000	510,000

Total 2,350,000 644,000 2,994,000

NON REFUNDED Existing Debt Service

Issue	General Obligation Corporate Purpose Bonds 2007B			
Amount	\$100,000			
Dated	20-Dec-07			
Rate/Term	4.000%	2017-2026		
Year	Prin (4/1)	Rate	Interest	Total
2016			2,000	2,000
2017	100,000	4.000%	2,000	102,000

Total 100,000 2,000 102,000

Estimated Debt Service After Refunding

(Excludes Levy & Utility Portion)

Existing Debt to be paid by Issuer	Issue	General Obligation Refunding Bonds, Series 2016B			
	Amount	\$2,445,000			
	Dated	8-Sep-16			
	Call Date	1-Feb-23			
	Call Amt	\$1,310,000			
Rate/Term	0.85- 1.955%	2017-2026			
Year	Prin (2/1)	Est. Rate ¹	Interest	Total	
2016					
2017	30,000	0.850%	34,635	64,635	
2018	125,000	0.950%	37,896	162,896	
2019	125,000	1.150%	36,584	161,584	
2020	170,000	1.250%	34,803	204,803	
2021	215,000	1.400%	32,235	247,235	
2022	240,000	1.450%	28,990	268,990	
2023	230,000	1.550%	25,468	255,468	
2024	400,000	1.650%	20,385	420,385	
2025	440,000	1.800%	13,125	453,125	
2026	470,000	1.950%	4,583	474,583	

Total 2,445,000 268,703 2,713,703

Estimated Total Savings

0
29,365
29,104
26,416
28,198
28,765
23,510
28,033
25,615
25,875
35,418

280,297

NET FUTURE VALUE SAVINGS

280,297

Pre-Sale Estimate

Estimated Net Present Value Savings As A Percent of Refunded Principal= 10.577%

248,561

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



Estimate of Advance Refunding Savings of 2007B G.O. Corporate Purpose Bonds
Savings Benefit to Levy



Existing Debt Service To Be Refunded

(Excludes TIF No. 6 & Utility Portion)

Issue	General Obligation Corporate Purpose Bonds 2007B			
Amount	\$335,000			
Dated	20-Dec-07			
Call Date	1-Apr-17			
Call Amt	\$335,000			
Rate/Term	4.000%	2017-2026		
Year	Prin (4/1)	Rate	Interest	Total
2016		4.000%	6,700	6,700
2017		4.000%	13,400	13,400
2018	25,000	4.000%	12,900	37,900
2019	30,000	4.000%	11,800	41,800
2020	30,000	4.000%	10,600	40,600
2021	35,000	4.000%	9,300	44,300
2022	35,000	4.000%	7,900	42,900
2023	40,000	4.000%	6,400	46,400
2024	45,000	4.000%	4,700	49,700
2025	45,000	4.000%	2,900	47,900
2026	50,000	4.000%	1,000	51,000

Total **335,000** **80,900** **415,900**

NON REFUNDED Existing Debt Service

Issue	General Obligation Corporate Purpose Bonds 2007B			
Amount	\$25,000			
Dated	20-Dec-07			
Rate/Term	4.000%	2017-2026		
Year	Prin (4/1)	Rate	Interest	Total
2016			500	500
2017	25,000	4.000%	500	25,500

Total **25,000** **500** **25,500**

Estimated Debt Service After Refunding

(Excludes TIF No. 6 & Utility Portion)

Issue	General Obligation Refunding Bonds, Series 2016B			
Amount	\$350,000			
Dated	8-Sep-16			
Call Date	1-Feb-23			
Call Amt	\$120,000			
Rate/Term	0.85- 1.95%	2017-2026		
Year	Prin (2/1)	Est. Rate ¹	Interest	Total
2016				
2017	5,000	0.850%	4,546	9,546
2018	40,000	0.950%	4,858	44,858
2019	35,000	1.150%	4,466	39,466
2020	35,000	1.250%	4,046	39,046
2021	35,000	1.400%	3,583	38,583
2022	40,000	1.450%	3,048	43,048
2023	40,000	1.550%	2,448	42,448
2024	45,000	1.650%	1,766	46,766
2025	45,000	1.800%	990	45,990
2026	30,000	1.950%	293	30,293

Existing Debt to be paid by Issuer
7,200
25,500

Total **350,000** **30,042** **380,042**

Estimated Total Savings

0
3,854
(6,958)
2,334
1,554
5,718
(148)
3,953
2,934
1,910
20,708

35,858

NET FUTURE VALUE SAVINGS

35,858

Pre-Sale Estimate

Estimated Net Present Value Savings As A Percent of Refunded Principal= 9.404%

31,504

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



Estimate of Current Refunding Savings - 2015 G.O. Promissory Notes

Savings Benefit to Tax Levy



Existing Debt Service To Be Refunded

Issue	2015 General Obligation Promissory Notes			
Amount	\$1,275,000			
Dated	1-Apr-15			
Call Date				
Call Amt	\$1,275,000			
Rate/Term	2.650%		2017-2025	
Year	Prin (4/1)	Rate	Interest	Total
2017	120,000	2.65%	32,198	152,198
2018	125,000	2.65%	28,951	153,951
2019	115,000	2.65%	25,771	140,771
2020	110,000	2.65%	22,790	132,790
2021	70,000	2.65%	20,405	90,405
2022	185,000	2.65%	17,026	202,026
2023	190,000	2.65%	12,058	202,058
2024	180,000	2.65%	7,155	187,155
2025	180,000	2.65%	2,385	182,385

Total **1,275,000** **168,739** **1,443,739**

Estimated Debt Service After Refunding

Issue	General Obligation Refunding Bonds, Series 2016B			
Amount	\$1,300,000			
Dated	15-Sep-16			
Call Date				
Call Amt				
Rate/Term	0.85- 1.8%		2017-2025	
Year	Prin (2/1)	Est. Rate ¹	Interest	Total
2017	140,000	0.85%	15,228	155,228
2018	140,000	0.95%	15,780	155,780
2019	140,000	1.15%	14,310	154,310
2020	115,000	1.25%	12,786	127,786
2021	75,000	1.40%	11,543	86,543
2022	190,000	1.45%	9,640	199,640
2023	190,000	1.55%	6,790	196,790
2024	175,000	1.65%	3,874	178,874
2025	135,000	1.80%	1,215	136,215

Total **1,300,000** **91,165** **1,391,165**

Estimated
Total
Savings

(3,030)
(1,829)
(13,539)
5,004
3,863
2,386
5,268
8,281
46,170

52,574

ESTIMATED SAVINGS NET OF COSTS

52,574

Pre-Sale Estimate

Estimated Net Present Value Savings As A Percent of Refunded Principal= 3.076%

39,213

Note:

¹Estimated rate shown is Cross Plains (NR) 6/27/2016 Sale + 0.15%



City of Milton, WI

Actual and Projected G.O. Debt Capacity Utilization AFTER 2016B Corporate Purpose Bonds



*Previous Capacity,
Prior to Refunding*

DIFFERENCE

YEAR	PROJECTED TID IN EV ¹	DEBT LIMIT @ 5%	EXIST DEBT PRIN OUTS	% OF LIMIT	2016 Corporate Purpose Bonds	PROJ DEBT PRIN OUTS	% OF LIMIT	RESIDUAL CAPACITY	YEAR	% OF LIMIT	RESIDUAL CAPACITY	% OF LIMIT	RESIDUAL CAPACITY
2016	362,028,200	18,101,410	5,975,000	33.01%	7,640,000	13,615,000	75.22%	4,486,410	2016	71.32%	5,191,410	3.89%	(705,000)
2017	367,458,623	18,372,931	5,125,000	27.89%	7,415,000	12,540,000	68.25%	5,832,931	2017	64.99%	6,432,931	3.27%	(600,000)
2018	372,970,502	18,648,525	3,435,000	18.42%	6,910,000	10,345,000	55.47%	8,303,525	2018	58.69%	7,703,525	-3.22%	600,000
2019	378,565,060	18,928,253	3,245,000	17.14%	6,110,000	9,355,000	49.42%	9,573,253	2019	52.51%	8,988,253	-3.09%	585,000
2020	384,243,536	19,212,177	3,045,000	15.85%	5,285,000	8,330,000	43.36%	10,882,177	2020	46.22%	10,332,177	-2.86%	550,000
2021	390,007,189	19,500,359	2,840,000	14.56%	4,440,000	7,280,000	37.33%	12,220,359	2021	39.95%	11,710,359	-2.62%	510,000
2022	395,857,297	19,792,865	2,630,000	13.29%	3,585,000	6,215,000	31.40%	13,577,865	2022	33.88%	13,087,865	-2.48%	490,000
2023	401,795,156	20,089,758	2,410,000	12.00%	2,735,000	5,145,000	25.61%	14,944,758	2023	27.68%	14,529,758	-2.07%	415,000
2024	407,822,083	20,391,104	2,185,000	10.72%	1,865,000	4,050,000	19.86%	16,341,104	2024	21.55%	15,996,104	-1.69%	345,000
2025	413,939,415	20,696,971	1,950,000	9.42%	995,000	2,945,000	14.23%	17,751,971	2025	15.29%	17,531,971	-1.06%	220,000
2026	420,148,506	21,007,425	1,705,000	8.12%	245,000	1,950,000	9.28%	19,057,425	2026	9.73%	18,962,425	-0.45%	95,000
2027	426,450,733	21,322,537	1,445,000	6.78%		1,445,000	6.78%	19,877,537	2027	6.78%	19,877,537	0.00%	0
2028	432,847,495	21,642,375	1,175,000	5.43%		1,175,000	5.43%	20,467,375	2028	5.43%	20,467,375	0.00%	0
2029	439,340,207	21,967,010	890,000	4.05%		890,000	4.05%	21,077,010	2029	4.05%	21,077,010	0.00%	0
2030	445,930,310	22,296,516	600,000	2.69%		600,000	2.69%	21,696,516	2030	2.69%	21,696,516	0.00%	0
2031	452,619,265	22,630,963	295,000	1.30%		295,000	1.30%	22,335,963	2031	1.30%	22,335,963	0.00%	0
2032	459,408,554	22,970,428	150,000	0.65%		150,000	0.65%	22,820,428	2032	0.65%	22,820,428	0.00%	0
2033	466,299,682	23,314,984	0	0.00%		0	0.00%	23,314,984	2033	0.00%	23,314,984	0.00%	0
2034	473,294,177	23,664,709	0	0.00%		0	0.00%	23,664,709	2034	0.00%	23,664,709	0.00%	0
2035	480,393,590	24,019,679	0	0.00%		0	0.00%	24,019,679	2035	0.00%	24,019,679	0.00%	0

NOTES:

¹ Value shown for 2014 & 2015 are actual EV's, 2017 assumes a 0% increase and 2018 and on a 1.5% increase



City of Milton, WI

Actual and Projected G.O. Debt Capacity Utilization
AFTER 2016B Corporate Purpose Bonds



NO GROWTH

**Previous Capacity,
Prior to Refunding**

DIFFERENCE

YEAR	PROJECTED TID IN EV ¹	DEBT LIMIT @ 5%	EXIST DEBT PRIN OUTS	% OF LIMIT	2016 Corporate Purpose Bonds	PROJ DEBT PRIN OUTS	% OF LIMIT	RESIDUAL CAPACITY	YEAR
2016	362,028,200	18,101,410	5,975,000	33.01%	7,640,000	13,615,000	75.22%	4,486,410	2016
2017	362,028,200	18,101,410	5,125,000	28.31%	7,415,000	12,540,000	69.28%	5,561,410	2017
2018	362,028,200	18,101,410	3,435,000	18.98%	6,910,000	10,345,000	57.15%	7,756,410	2018
2019	362,028,200	18,101,410	3,245,000	17.93%	6,110,000	9,355,000	51.68%	8,746,410	2019
2020	362,028,200	18,101,410	3,045,000	16.82%	5,285,000	8,330,000	46.02%	9,771,410	2020
2021	362,028,200	18,101,410	2,840,000	15.69%	4,440,000	7,280,000	40.22%	10,821,410	2021
2022	362,028,200	18,101,410	2,630,000	14.53%	3,585,000	6,215,000	34.33%	11,886,410	2022
2023	362,028,200	18,101,410	2,410,000	13.31%	2,735,000	5,145,000	28.42%	12,956,410	2023
2024	362,028,200	18,101,410	2,185,000	12.07%	1,865,000	4,050,000	22.37%	14,051,410	2024
2025	362,028,200	18,101,410	1,950,000	10.77%	995,000	2,945,000	16.27%	15,156,410	2025
2026	362,028,200	18,101,410	1,705,000	9.42%	245,000	1,950,000	10.77%	16,151,410	2026
2027	362,028,200	18,101,410	1,445,000	7.98%		1,445,000	7.98%	16,656,410	2027
2028	362,028,200	18,101,410	1,175,000	6.49%		1,175,000	6.49%	16,926,410	2028
2029	362,028,200	18,101,410	890,000	4.92%		890,000	4.92%	17,211,410	2029
2030	362,028,200	18,101,410	600,000	3.31%		600,000	3.31%	17,501,410	2030
2031	362,028,200	18,101,410	295,000	1.63%		295,000	1.63%	17,806,410	2031
2032	362,028,200	18,101,410	150,000	0.83%		150,000	0.83%	17,951,410	2032
2033	362,028,200	18,101,410	0	0.00%		0	0.00%	18,101,410	2033
2034	362,028,200	18,101,410	0	0.00%		0	0.00%	18,101,410	2034
2035	362,028,200	18,101,410	0	0.00%		0	0.00%	18,101,410	2035

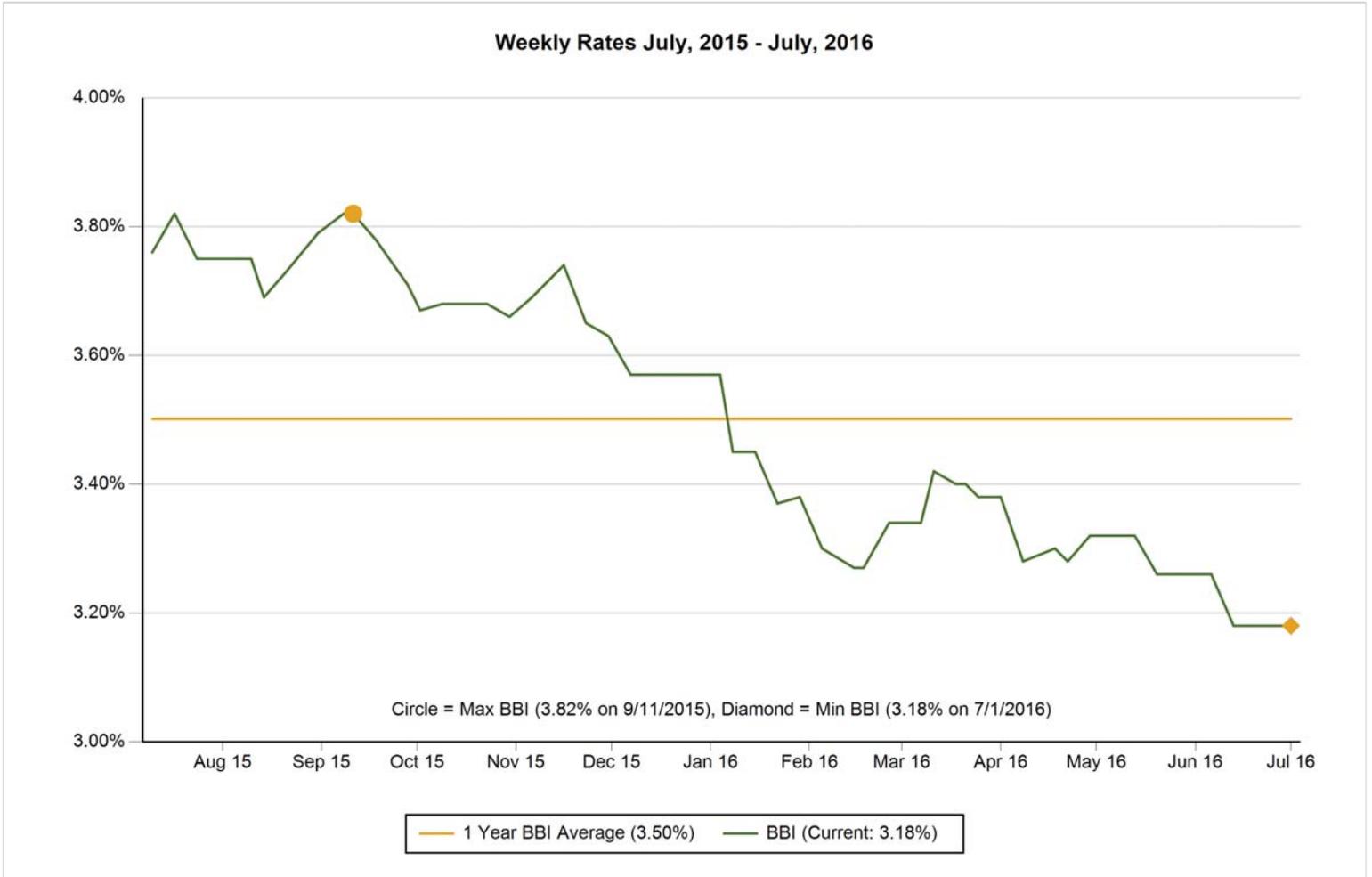
% OF LIMIT	RESIDUAL CAPACITY
71.32%	5,191,410
65.96%	6,161,410
60.46%	7,156,410
54.91%	8,161,410
49.06%	9,221,410
43.04%	10,311,410
37.04%	11,396,410
30.72%	12,541,410
24.28%	13,706,410
17.48%	14,936,410
11.30%	16,056,410
7.98%	16,656,410
6.49%	16,926,410
4.92%	17,211,410
3.31%	17,501,410
1.63%	17,806,410
0.83%	17,951,410
0.00%	18,101,410
0.00%	18,101,410
0.00%	18,101,410

% OF LIMIT	RESIDUAL CAPACITY
3.89%	(705,000)
3.31%	(600,000)
-3.31%	600,000
-3.23%	585,000
-3.04%	550,000
-2.82%	510,000
-2.71%	490,000
-2.29%	415,000
-1.91%	345,000
-1.22%	220,000
-0.52%	95,000
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0
0.00%	0

NOTES:

¹Value shown for 2014 & 2015 are actual EV's, 2017 assumes a 0% increase and 2018 and on a 1.5% increase

1 YEAR TREND IN MUNICIPAL BOND INDICES



The Bond Buyer "20 Bond Index" (BBI) shows average yields on a group of municipal bonds that mature in 20 years and have an average rating equivalent to Moody's Aa2 and S&P's AA.

Source: The Bond Buyer

