

TOWN OF WINDSOR, WISCONSIN

RESOLUTION NO. 2015-20

**INITIAL RESOLUTION AUTHORIZING A BORROWING IN
AN AMOUNT ESTIMATED TO BE \$2,175,000 AND
PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION PROMISSORY NOTES**

WHEREAS, the Town Board of the Town of Windsor, Dane County, Wisconsin (the "Town") has determined that it is necessary to raise funds for the public purpose of paying project costs including, but not limited to, the following:

- (a) Road improvements;
- (b) Acquisition of Parkland;
- (c) Costs associated with the incorporation of the Town as a village; and
- (d) Professional and financing fees;

(a through d above collectively referred to as the "Projects"), and there are insufficient funds on hand to pay said costs;

WHEREAS, the Town Board of the Town hereby finds and determines that the Town has sufficient power and authority to authorize such Projects, and that the Projects serve a "public purpose" as that term is defined in Section 67.04(1)(b) of the Wisconsin Statutes; and

WHEREAS, the issuance of general obligation promissory notes will not cause the Town to exceed any general or special limit on indebtedness.

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town that:

1. Authorization of the Notes. Under and by virtue of the provisions of Chapter 67, Wisconsin Statutes, the Town shall issue its general obligation promissory notes, in an aggregate amount estimated to be \$2,175,000 (the "Notes") for the purpose of paying the costs of the Projects, including, but not limited to, the following:

- (a) Road improvements;
- (b) Acquisition of Parkland;
- (c) Costs associated with the incorporation of the Town as a village; and
- (d) Professional and financing fees.

2. Sale of the Notes. To evidence such indebtedness of the Town, the Town Chairperson and the Town Clerk are hereby authorized, empowered and directed to make, execute, issue and sell the

Notes to a purchaser to be determined by public sale and approved by subsequent resolution of the Town Board.

3. Sale Date. The Town shall offer the Notes for public sale on or about June 4, 2015.

4. Official Notice of Sale. The Town Clerk, in consultation with the Town's financial advisor, Ehlers & Associates, Inc. (the "Financial Advisor"), shall cause an official notice of sale to be prepared and distributed and may prepare or cause to be prepared an official statement pursuant to SEC Rule 15c2-12.

5. Award of the Notes. Following receipt of bids for the Notes, the Town Board shall consider taking further action to provide additional details of the Notes, shall award the Notes to the lowest responsible bidder whose proposal results in the lowest true interest cost to the Town, and shall levy a direct annual tax sufficient in amount to pay and for the express purpose of paying and discharging the principal and interest on said Notes as the same become due as required by law.

6. Financial Advisor; Official Statement. The Town Chairperson and the Town Clerk are hereby authorized and directed to consult with the Financial Advisor and to prepare financing as described herein for consideration by the Town at a subsequent meeting. The Town Chairperson and the Town Clerk are hereby authorized and directed to prepare a preliminary official statement and to supply copies of the same to potential purchasers of the Notes for the financing. Any preliminary official statement, notice of sale or bid form shall provide on the face thereof that the terms of any financing described therein are subject to approval at a subsequent meeting of the Town Board and that such financing is subject to revision or withdrawal.

7. Reimbursement Resolution. It is the reasonable expectation of the Town that proceeds of the Notes may be used to reimburse expenditures made on the Projects prior to the issuance of the Notes. The maximum principal amount of debt expected to be issued for the Projects on the date hereof is currently in an amount estimated to be \$2,175,000. This statement of official intent is made pursuant to Treasury Regulation Section §1.150-2.

8. Prior Resolution; Severability; Effective Date. All prior resolutions, roles or other actions of the Town or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted and recorded this 7th day of May, 2015.

**TOWN OF WINDSOR,
DANE COUNTY, WISCONSIN**

By: Robert Wipperfurth
Robert Wipperfurth, Town Chairperson

Attest: Christine Capstran
Christine Capstran, Town Clerk

CERTIFICATION BY TOWN CLERK

I, Christine Capstran, being first duly sworn, hereby certify that I am the duly qualified and acting Town Clerk of the Town of Windsor, Dane County, Wisconsin (the "Town"), and as such I have in my possession, or have access to, the complete corporate records of the Town and of its Town Board; that I have carefully compared the transcript attached hereto with the aforesaid records; and that said transcript attached hereto is a true, correct and complete copy of all of the records in relation to the adoption of Resolution No. 2015-20 (the "Resolution") entitled:

INITIAL RESOLUTION AUTHORIZING A BORROWING
IN AN AMOUNT ESTIMATED TO BE \$2,175,000 AND PROVIDING
FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION PROMISSORY NOTES

I hereby further certify as follows:

1. Said Resolution was considered for adoption by the Town Board at a meeting held at Town Hall, 4084 Mueller Road, DeForest, Wisconsin 53532, at 5:00 p.m. on May 7, 2015. Said meeting was a regular meeting of the Town Board and was held in open session.

2. Said Resolution was on the agenda for said meeting and public notice thereof was given not less than twenty-four (24) hours prior to the commencement of said meeting in compliance with Section 19.84 of the Wisconsin Statutes, including, without limitation, by posting on the bulletin board in the Town Hall, by notice to those news media who have filed a written request for notice of meetings, and by notice to the official newspaper of the Town.

3. Said meeting was called to order by the Town Chairperson who chaired the meeting. Upon roll, I noted and recorded that the following supervisors were present:

<u>Bruce Stravinski</u>	_____
<u>Alan Buchner</u>	_____
<u>Monica Smith</u>	_____
<u>Don Madelung</u>	_____

and that the following supervisors were absent:

I noted and recorded that a quorum was present.

Various matters and business were taken up during the course of the meeting without intervention of any closed session. One of the matters taken up was said Resolution, which was introduced, and its adoption was moved by Monica Smith and seconded by Alan Buchner.

Following discussion and after all members of the Town Board who desired to do so had expressed their views for or against said Resolution, the question was called, and upon roll being called and the continued presence of a quorum being noted, the recorded vote was as follows:

AYE:

Bob Wipperfurth
Bruce Stravinski
Alan Buchner
Don Madelung

Monica Smith

NAY:

—

ABSTAINED:

—

Whereupon the meeting chair declared said Resolution adopted, and I so recorded it.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of the Town hereto as of the 7th day of May, 2015.

[SEAL]


Christine Capstran, Town Clerk



EHLERS

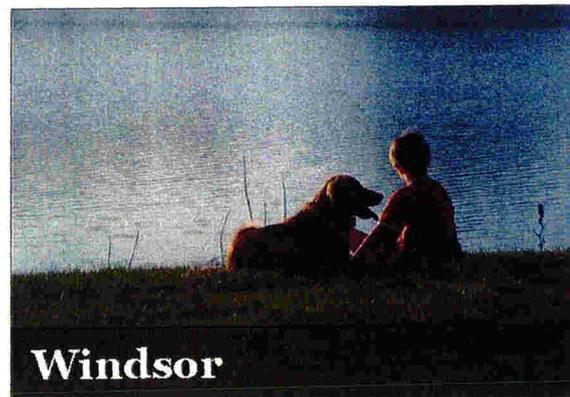
LEADERS IN PUBLIC FINANCE

May 7, 2015

Pre-Sale Report for

Town of Windsor, Wisconsin

\$2,175,000 General Obligation Promissory Notes, Series
2015A



Prepared by:

James Mann
Senior Financial Advisor

And

Dave Wagner
Senior Financial Advisor



Executive Summary of Proposed Debt

Proposed Issue:	\$2,175,000 General Obligation Promissory Notes, Series 2015A
Purposes:	<p>The proposed issue includes financing for the following purposes: Streets, Park Land Purchase, Incorporation</p> <ul style="list-style-type: none"> • General Obligation Promissory Notes, Series 2015A. Debt service will be paid from ad valorem property taxes.
Authority:	<p>The Notes are being issued pursuant to Wisconsin Statute(s):</p> <ul style="list-style-type: none"> • 67.12(12) <p>The Notes will be general obligations of the Town for which its full faith, credit and taxing powers are pledged.</p> <p>The Notes count against the Town's General Obligation Debt Capacity Limit of 5% of total Town Equalized Valuation. Following issuance of the Notes, the Town's total General Obligation debt principal outstanding will be approximately \$10.8 M, which is 36% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$19.9 M.</p>
Term/Call Feature:	<p>The Notes are being issued for a 10 year term. Principal on the Notes will be due on June 1 in the years 2016 through 2025. Interest is payable every six months beginning June 1, 2016.</p> <p>The Notes maturing on and after June 1, 2023 will be subject to prepayment at the discretion of the Town on June 1, 2022 or any date thereafter.</p>
Bank Qualification:	<p>Because the Town is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the Town will be able to designate the Notes as "bank qualified" obligations. Bank qualified status broadens the market for the Notes, which can result in lower interest rates.</p>
Rating:	<p>The Town's most recent bond issues were rated AA- by Standard & Poor's. The Town will request a new rating for the Notes.</p> <p>If the winning bidder on the Notes elects to purchase bond insurance, the rating for the issue may be higher than the Town's bond rating in the event that the bond rating of the insurer is higher than that of the Town.</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 general obligation notes as a suitable financing option because this is the most overall cost effective option that still maintains future flexibility for the repayment of debt. The effective anticipated All Inclusive Cost blended interest rate is 2.44%</p>



	which would compare to the State Trust 10 Year loan rate of 3.00%.
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the Town, we will competitively bid the purchase of the Notes from local and national underwriters/banks.</p> <p>We have included an allowance for discount bidding equal to 1.00000% 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 Notes 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>For this issue of Notes, any premium amount received 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 Notes cost of the original bid, either up or down.</p> <p>The amount of premium allowed can be restricted in the bid specifications. Restrictions on premium may result in fewer bids, but may also eliminate large adjustments on the day of sale and unintended results with respect to debt service payment impacts. Ehlers will identify appropriate premium restrictions for the Notes intended to achieve the Town’s objectives for this financing.</p>
Other Considerations:	<p>The Notes 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 Notes. 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 Town 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 Town and find that there are no refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the Town’s outstanding debt and will alert you to any future refunding opportunities.</p>



Continuing Disclosure:	Because the Town has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the Town 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 “material events” to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The Town is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.
Arbitrage Monitoring:	Because the Notes are tax-exempt securities/tax credit securities, the Town 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 No Arbitrage Certificate prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you. We also recommend that you establish written procedures regarding compliance with IRS rules.
Other Service Providers:	<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: Whyte Hirschboeck Dudek S.C.</p> <p>Paying Agent: Bond Trust Service Corporation (if termed)</p> <p>Rating Agency: Standard & Poors</p>

This presale report summarizes our understanding of the Town’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 Town’s objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review by Town Board	May 7, 2015
Distribute Official Statement:	Week of May 26, 2015
Conference with Rating Agency:	Week of May 26, 2015
Town Board Meeting to Award Sale of the Bonds:	June 4, 2015
Estimated Closing Date:	June 25, 2015

Attachments

Sources and Uses of Funds
Proposed Debt Service Schedule
Tax Impact Analysis
Bond Buyer Index

Ehlers Contacts

Financial Advisors:	James Mann	(262) 796-6162
	Dave Wagner	(262) 796-6163
Disclosure Coordinator:	Brendan Leonard	(262) 796-6169
Financial Analyst:	Mary Zywiec	(262) 796-6171

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



Town of Windsor, Wisconsin

\$2,175,000 General Obligation Promissory Notes, Series 2015A

SINGLE PURPOSE

Dated: June 25, 2015 Assumes Cudahy 5/5/15 + .25

Sources & Uses

Dated 06/25/2015 | Delivered 06/25/2015

Sources Of Funds

Par Amount of Bonds	\$2,175,000.00
Est. Interest Earnings .0015	1,583.00
Total Sources	\$2,176,583.00

Uses Of Funds

Total Underwriter's Expense	21,750.00
Financial Advisor	19,500.00
Bond Counsel..Whyte Hirschback	12,000.00
Trustee & Counsel Fees	675.00
Rating Agency Fee...S & P	12,000.00
Deposit to Project Construction Fund	2,110,500.00
Rounding Amount	158.00
Total Uses	\$2,176,583.00

Town of Windsor, Wisconsin

\$2,175,000 General Obligation Promissory Notes, Series 2015A

SINGLE PURPOSE

Dated: June 25, 2015 Assumes Cudahy 5/5/15 + .25

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
06/25/2015	-	-	-	-	-
06/01/2016	275,000.00	0.800%	30,648.33	305,648.33	-
12/01/2016	-	-	15,318.75	15,318.75	320,967.08
06/01/2017	275,000.00	1.050%	15,318.75	290,318.75	-
12/01/2017	-	-	13,875.00	13,875.00	304,193.75
06/01/2018	300,000.00	1.300%	13,875.00	313,875.00	-
12/01/2018	-	-	11,925.00	11,925.00	325,800.00
06/01/2019	200,000.00	1.450%	11,925.00	211,925.00	-
12/01/2019	-	-	10,475.00	10,475.00	222,400.00
06/01/2020	275,000.00	1.600%	10,475.00	285,475.00	-
12/01/2020	-	-	8,275.00	8,275.00	293,750.00
06/01/2021	300,000.00	1.800%	8,275.00	308,275.00	-
12/01/2021	-	-	5,575.00	5,575.00	313,850.00
06/01/2022	200,000.00	1.900%	5,575.00	205,575.00	-
12/01/2022	-	-	3,675.00	3,675.00	209,250.00
06/01/2023	150,000.00	2.000%	3,675.00	153,675.00	-
12/01/2023	-	-	2,175.00	2,175.00	155,850.00
06/01/2024	100,000.00	2.100%	2,175.00	102,175.00	-
12/01/2024	-	-	1,125.00	1,125.00	103,300.00
06/01/2025	100,000.00	2.250%	1,125.00	101,125.00	-
12/01/2025	-	-	-	-	101,125.00
Total	\$2,175,000.00	-	\$175,485.83	\$2,350,485.83	-

Yield Statistics

Bond Year Dollars	\$10,055.00
Average Life	4.623 Years
Average Coupon	1.7452594%
Net Interest Cost (NIC)	1.9615697%
True Interest Cost (TIC)	1.9664076%
Bond Yield for Arbitrage Purposes	1.7370149%
All Inclusive Cost (AIC)	2.4428232%

IRS Form 8038

Net Interest Cost	1.7452594%
Weighted Average Maturity	4.623 Years

Town of Windsor

Preferred Financing Plan



Year	Existing Payments	2015 GO Notes Dated June 25, 2015			2015 Taxable BAN TID #1		2015 Taxable Bond TID #1		Future Road Projects			Total Payments	Fire District	Community Center	Less Offsets Miscellaneous	Windsor Crossing Payments		Tax Levy	Equalized Value		Tax Rate	Year
		Principal 6/1	Rate	Interest	Total	Rate	Interest	Total	Rate	Interest	Principal					Rate	Interest		TID	Land		
2015	1,503,975				2,075,000	2.25%	11,672						3,590,647	(15,938)	(47,925)	(2,086,672)	(71,375)	1,368,738	614,505,900	2.23	2015	
2016	1,324,630	275,000	0.80%	45,967				1.20%	84,038				1,729,635	(15,638)	(47,025)		(84,038)	1,025,972	620,650,959	1.65	2016	
2017	1,332,478	275,000	1.05%	29,194				1.50%	84,038				1,720,709	(15,338)	(51,125)		(84,038)	1,027,496	626,857,469	1.64	2017	
2018	1,147,380	300,000	1.30%	25,800			0	1.80%	84,038				1,557,218				(84,038)	946,718	633,126,043	1.50	2018	
2019	1,094,703	200,000	1.45%	22,400			0	1.90%	84,038				1,401,140				(84,038)	808,640	639,457,304	1.26	2019	
2020	3,653,963	275,000	1.60%	18,750			100,000	2.05%	84,038	250,000	3.50%	8,750	4,390,500				(184,038)	712,500	645,851,877	1.10	2020	
2021		300,000	1.80%	13,850			125,000	2.50%	81,988	250,000	3.50%	8,750	779,588				(206,988)	572,600	652,310,396	0.88	2021	
2022		200,000	1.90%	9,250			125,000	2.65%	78,863	250,000	3.50%	8,750	671,863				(203,863)	468,000	658,833,499	0.71	2022	
2023		150,000	2.00%	5,850			125,000	2.80%	75,550	250,000	3.50%	8,750	615,150				(200,550)	414,600	665,421,834	0.62	2023	
2024		100,000	2.10%	3,300			125,000	2.90%	72,050	250,000	3.50%	8,750	559,100				(197,050)	362,050	672,076,053	0.54	2024	
2025		100,000	2.25%	1,125			145,000	3.00%	68,425	250,000	3.50%	8,750	573,300				(213,425)	359,875	678,796,813	0.53	2025	
2026							150,000	3.25%	64,075	250,000	3.50%	8,750	472,825				(214,075)	258,750	685,584,781	0.38	2026	
2027							150,000	3.25%	59,200	250,000	3.50%	8,750	467,950				(209,200)	258,750	692,440,629	0.37	2027	
2028							150,000	3.60%	54,325	250,000	3.50%	8,750	463,075				(204,325)	258,750	699,365,036	0.37	2028	
2029							150,000	3.70%	48,925	250,000	3.50%	8,750	457,675				(198,925)	258,750	706,358,686	0.37	2029	
2030							175,000	3.80%	43,375	250,000	3.50%	8,750	477,125				(218,375)	258,750	713,422,273	0.36	2030	
2031							175,000	3.90%	36,725	250,000	3.50%	8,750	470,475				(211,725)	258,750	720,556,496	0.36	2031	
2032							175,000	4.00%	29,900	250,000	3.50%	8,750	463,650				(204,900)	258,750	727,762,060	0.36	2032	
2033							175,000	4.10%	22,900	250,000	3.50%	8,750	456,650				(197,900)	258,750	735,039,681	0.35	2033	
2034							175,000	4.25%	15,725	250,000	3.50%	8,750	449,475				(190,725)	258,750	742,390,078	0.35	2034	
2035							195,000	4.25%	8,288	250,000	3.50%	8,750	462,038				(203,288)	258,750	749,813,979	0.35	2035	
TOTAL	10,057,128	2,175,000		175,486	2,075,000		11,672	2,415,000		1,180,500	4,000,000		22,229,785	(46,913)	(146,075)	(2,086,672)	(3,595,500)	(5,699,938)	10,654,688			

Assumes BAN refinanced and paid off within 90 days of settlement
 Rates are based on Cudahy May 5, 2015 Sale plus 25bps

1 YEAR TREND IN MUNICIPAL BOND INDICES

Weekly Rates May, 2014 - May, 2015



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