Financial Management Planning

City of Stoughton

David Ferris, Municipal Advisor

Phil Cosson, Senior Municipal Advisor

Workshop Agenda

Long Range Plan Structure & Goals

Highlights from City's Current Bond Rating

Historic Issues

Capital Projects and Debt Plan

Operating Fund Projections

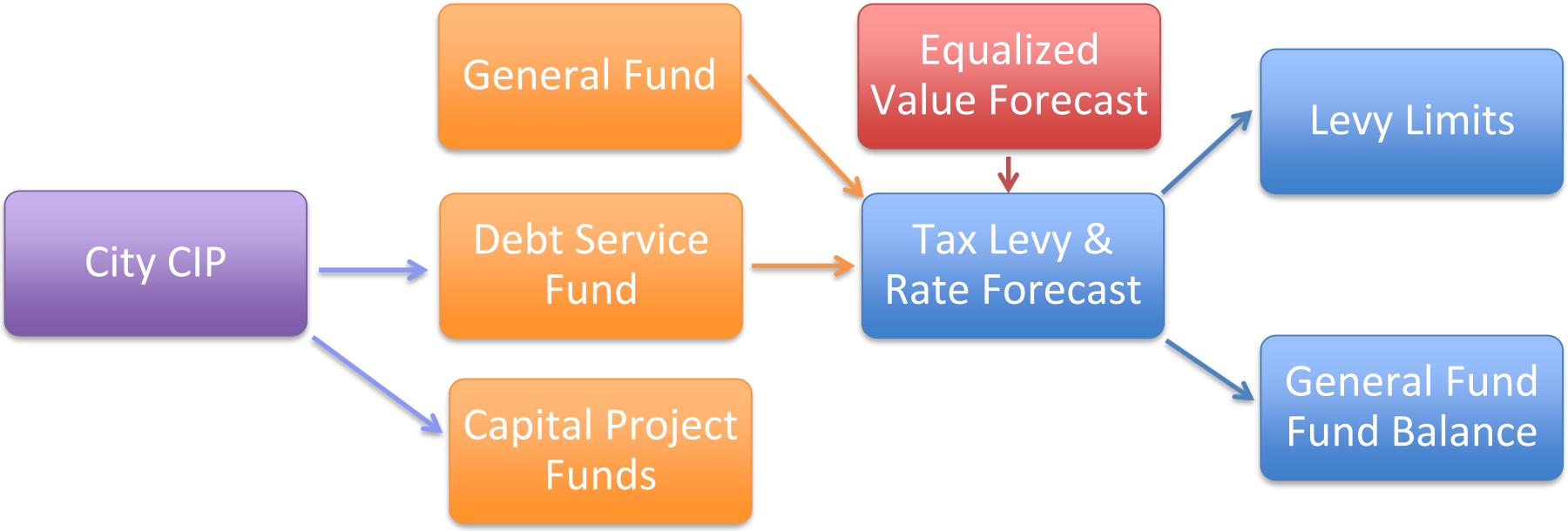
Levy Limit and Expenditure Restraint Impacts

Projected Tax Rates

TID Cashflow Review

Summary Comments

FMP Architecture – Tax Supported Funds



FMP Model Goals

Provide an estimate of future tax levy requirements, and associated tax rate, based on a set of assumptions

Support the political decision-making process with regard to service levels, capital spending and financial management

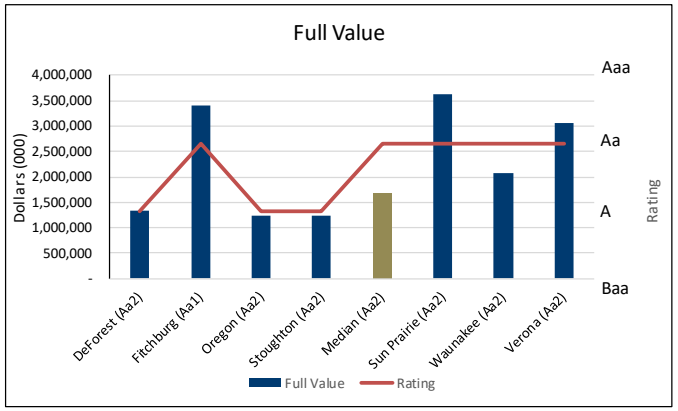
Help identify potential financial pressure points in advance of their occurrence (i.e. compliance with the levy limit law)

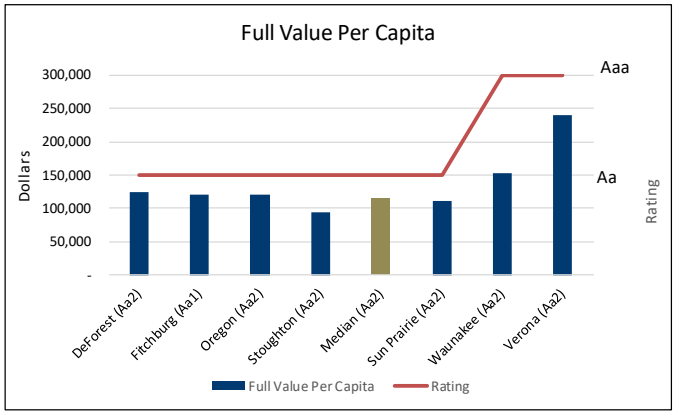
Provide guidance to ensure stable health and maintain bond rating

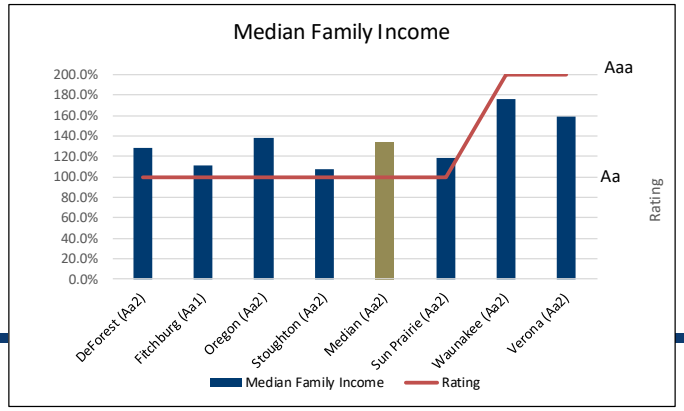
Moody's Analytical Framework for Local GO Ratings

30% Economy

- 10% Tax Base Size (full value)
- 10% Full Value Per Capita
- 10% Wealth (median family income)







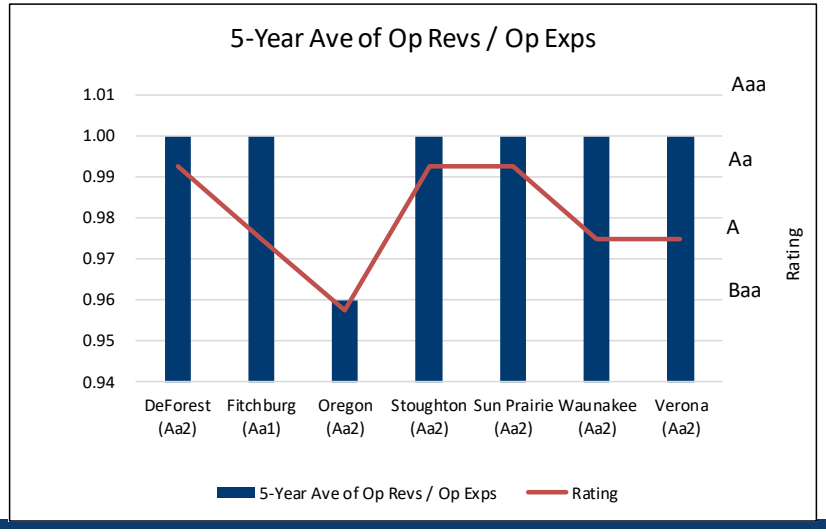
Moody's Analytical Framework for Local GO Ratings

20% Management

10% Institutional Framework

- All Wisconsin local governments are rated "A"
- Encompasses levy limits, effects of TID, predictable revenues and expenditures

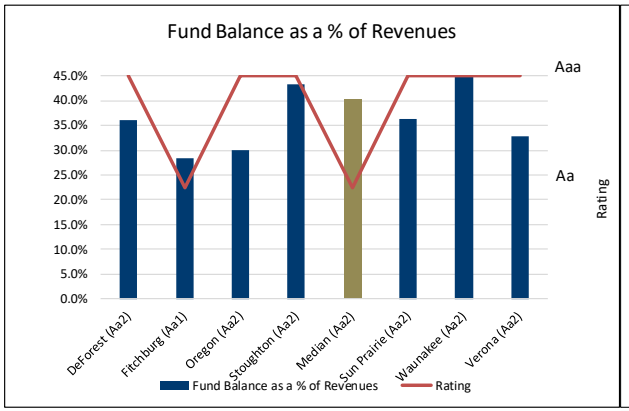
10% Operating History – (No median for this item)

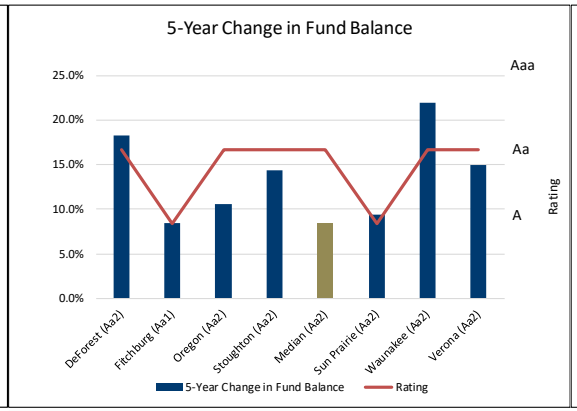


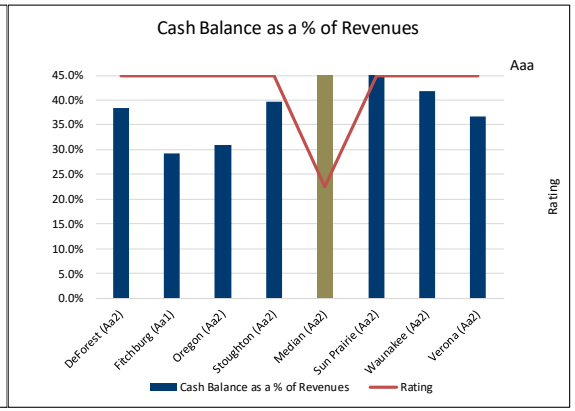
Moody's Analytical Framework for Local GO Ratings

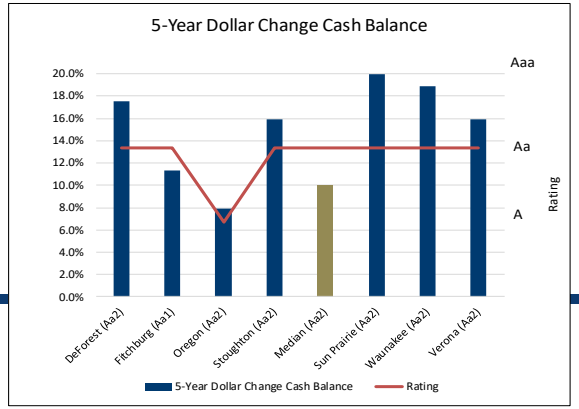
30% Financial Measures

- 10% Fund Balance (% of revenues)
- 5% Fund Balance Trend (5-year change)
- 10% Cash Balance (% of revenues)
- 5% Cash Balance Trend (5-year change)



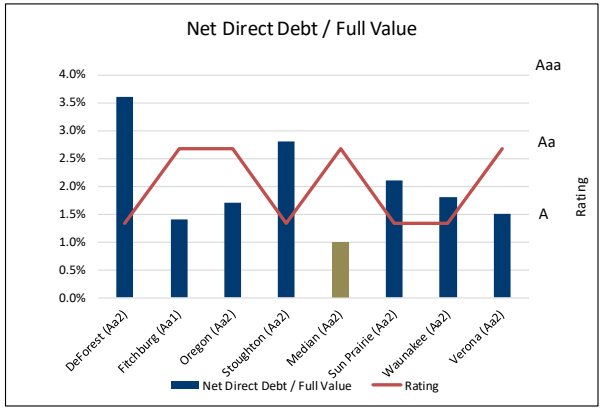


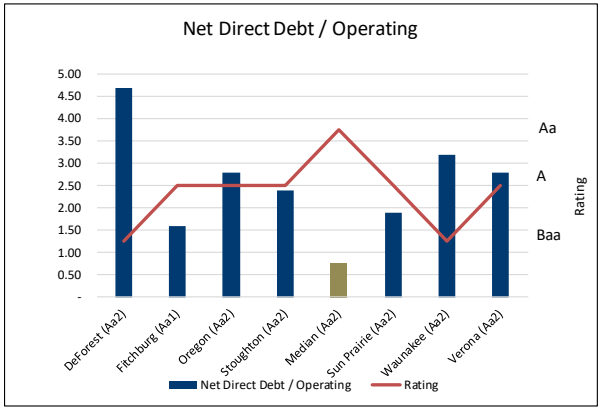


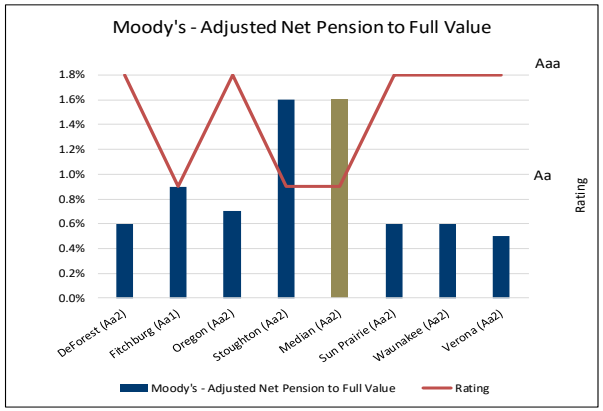


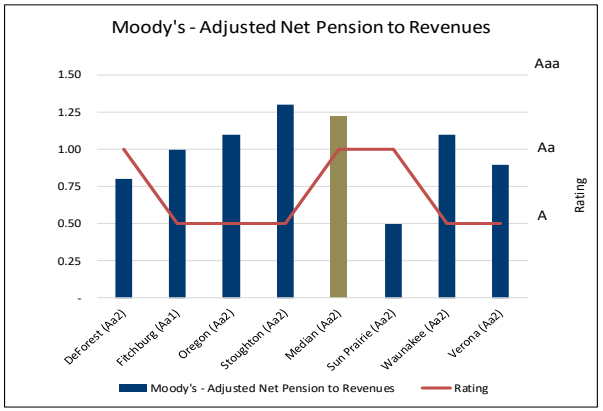
Moody's Analytical Framework for Local GO Ratings

20% Debt & Net Pension Liability









June 1, 2020 Rating Report
(Based upon 2019 Audited Financials)

ASSIGNED RATING = Aa2

STRENGTHS:

- Positive demographic trends benefitting from access to Madison metro.
- Strong operating reserves and liquidity.
- Wisconsin Retirement participation

MODERATE:

- Institutional framework – Wisconsin communities are "A" rated. Relates to levy limits and impact of TIF, etc.

WEAK:

- Above average debt burden that will remain high due to regular planned issuing.
- Elevated fixed costs (debt service and pension contributions)

June 1, 2020 Rating Report (Based upon 2019 Audited Financials)

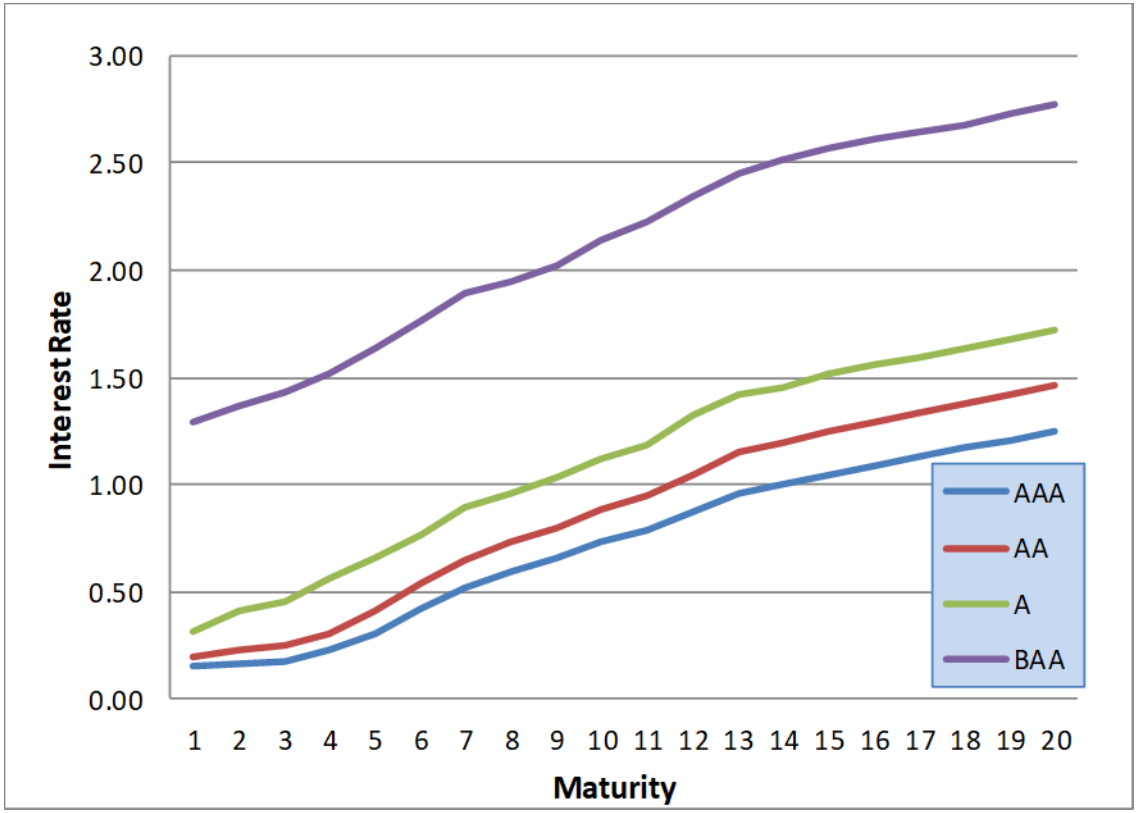
WHAT COULD CHANGE THE RATING UP:

- Continued tax base growth coupled with strengthened resident income levels
- Debt burden moderation and lower fixed costs

WHAT COULD CHANGE THE RATING DOWN:

- Material decline in operating reserves or liquidity
- Growth in the city's debt or pension burden

Municipal Yield Curves



Data Source: BVAL – July 20, 2020

Interest Rate Impact 23bp

Effect of difference between AA rating and A rating increase in Interest Rates

	General Obligation Notes, 2020 $2,415,000 Dated 6-18-20					General Obligation Notes, 2020 $2,415,000 Dated 6-18-20				
YEAR	Prin (4/1)	Rate	Interest	Premium	Total	Prin (4/1)	Rate	Interest	Premium	Total
2019										
2020										
2021	150,000	3.00%	71,187	(71,187)	150,000	150,000	3.23%	78,158	(78,158)	150,000
2022	125,000	3.00%	50,725	(50,725)	125,000	125,000	3.23%	55,791	(55,791)	125,000
2023	250,000	3.00%	45,100	(19,166)	275,934	250,000	3.23%	49,735	(7,129)	292,606
2024	180,000	3.00%	38,650		218,650	180,000	3.23%	42,790		222,790
2025	175,000	3.00%	33,325		208,325	175,000	3.23%	37,057		212,057
2026	210,000	2.00%	28,600		238,600	210,000	2.23%	31,889		241,889
2027	400,000	2.00%	22,500		422,500	400,000	2.23%	25,088		425,088
2028	475,000	2.00%	13,750		488,750	475,000	2.23%	15,331		490,331
2029	225,000	2.00%	6,750		231,750	225,000	2.23%	7,526		232,526
2030	225,000	2.00%	2,250		227,250	225,000	2.23%	2,509		227,509
TOTALS	2,415,000		312,837	(141,078)	2,586,759	2,415,000		345,873	(141,078)	2,619,795

Note: Average difference between AA to A from 2021 through 2030 = 0.23%

Additional Financing Costs $ 33,036

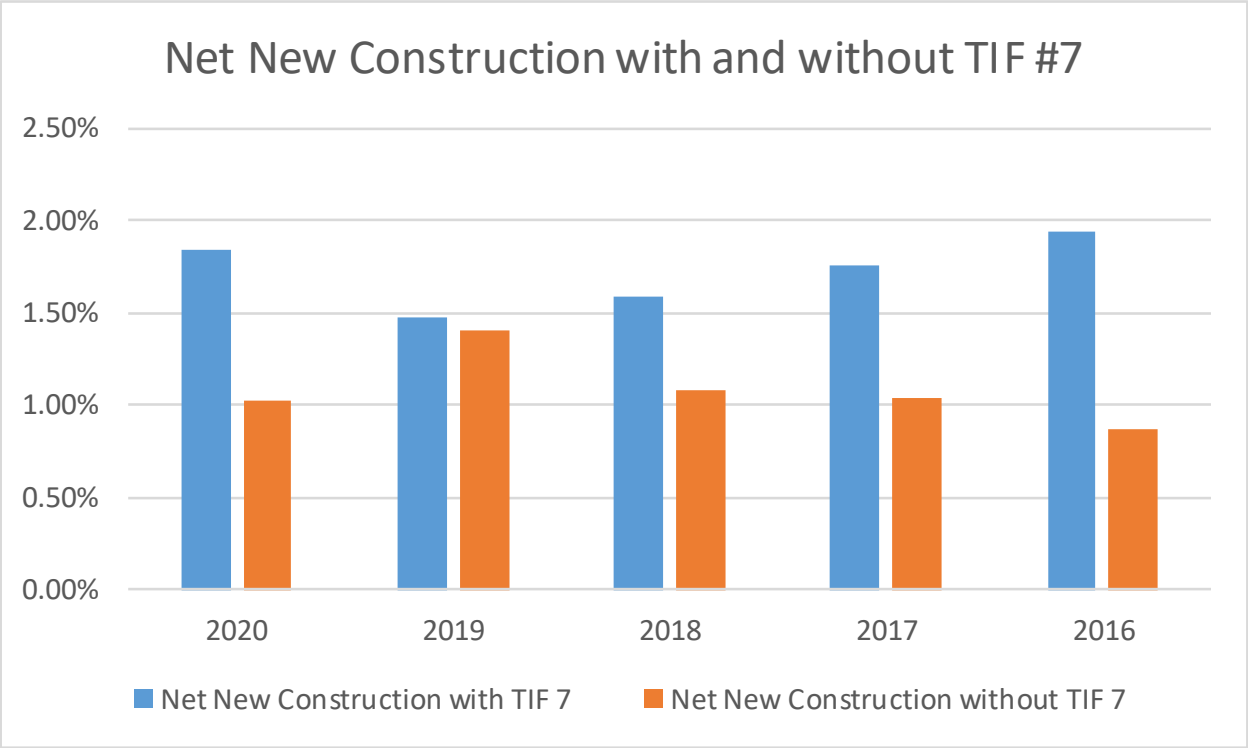
Historic Issues

- Net new construction and levy limits has restricted staffing increases.

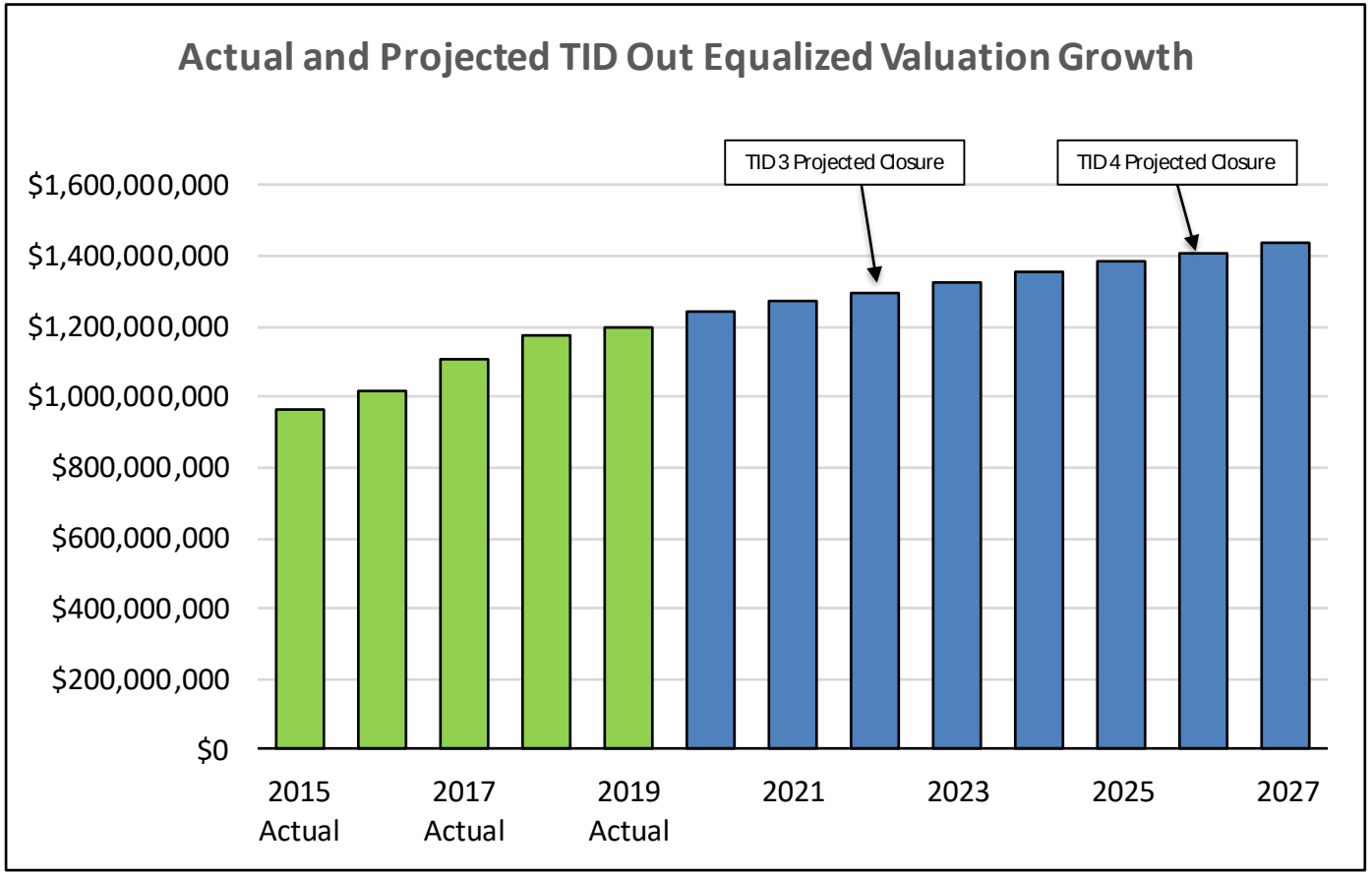
- TID 7 growth has had an impact on net new construction and allowed the City to balance the budget and undertake capital projects.

- TID financing methods have historically put more risk on the City and have led to significant usage of borrowing capacity.

TID Effect on Net New Construction



Equalized Valuation Projections



Existing General Obligation Debt (Base Plan)

	Debt Service			Abatement Sources										Projected Rate Impact					
YEAR	General Obligation Debt	Other Debt Service Fees	Total of All Obligations	Bid Premium Deposit/ Adjustments	Total Paid By Other Funds	TID 5 Levy Support	TID 6 Levy Support	TID 8 Levy Support	BAB Rebate	Township Share of Fire Debt	Specials	Funds Applied / Misc Difference	Total Abatement Sources	Net Debt Service Levy	Levy Change	Projected Equalized Value	% Change	Debt Service Tax Rate	YEAR9
2020	5,238,393	1,000	5,239,393	(163,825)	(1,655,826)				(4,312)	(73,975)		3,157	(1,894,781)	3,344,613		1,176,283,200	5.88%	2.84	2020
2021	4,451,731	1,000	4,452,731	(59,569)	(975,990)		125,000	24,741		(73,975)	(35,000)	(24,011)	(1,018,804)	3,433,927	89,314	1,199,002,400	1.93%	2.86	2021
2022	4,748,663	1,000	4,749,663	(42,025)	(1,408,692)	65,000	250,000	150,000		(73,975)	(65,000)	(100,000)	(1,224,692)	3,524,971	91,044	1,246,132,248	3.93%	2.83	2022
2023	4,538,863	1,000	4,539,863	(16,328)	(1,327,546)	65,000	250,000	125,000		(73,975)	(70,000)	(110,205)	(1,158,054)	3,381,809	(143,162)	1,271,054,893	2.00%	2.66	2023
2024	4,482,597	1,000	4,483,597		(1,328,229)	65,000	250,000	125,000		(73,975)	(80,000)	(154,674)	(1,196,878)	3,286,719	(95,090)	1,296,475,991	2.00%	2.54	2024
2025	4,419,409	1,000	4,420,409		(1,306,670)	75,000	300,000	125,000		(73,975)	(100,000)	(188,541)	(1,169,186)	3,251,223	(35,495)	1,322,405,511	2.00%	2.46	2025
2026	4,131,025	1,000	4,132,025		(1,182,415)	75,000	300,000	125,000		(73,975)	(120,000)	(176,934)	(1,053,324)	3,078,701	(172,522)	1,356,719,721	2.59%	2.27	2026
2027	3,695,121	1,000	3,696,121		(1,192,176)	80,000	300,000	125,000		(25,192)	(130,000)	(228,955)	(1,071,323)	2,624,798	(453,903)	1,383,854,115	2.00%	1.90	2027
2028	2,531,873	1,000	2,532,873		(1,051,753)		225,000	125,000		(25,192)		(109,385)	(836,330)	1,696,542	(928,256)	1,411,531,198	2.00%	1.20	2028
2029	2,158,929	1,000	2,159,929		(933,579)		225,000	60,000				(104,183)	(752,762)	1,407,167	(289,375)	1,439,761,822	2.00%	0.98	2029
2030	1,219,404	1,000	1,220,404		(493,229)							(53,596)	(546,825)	673,579	(733,588)	1,468,557,058	2.00%	0.46	2030
2031	990,879	1,000	991,879		(396,979)							(21,715)	(418,694)	573,185	(100,394)	1,497,928,199	2.00%	0.38	2031
2032	997,479	1,000	998,479		(397,829)								(397,829)	600,650	27,465	1,527,886,763	2.00%	0.39	2032
2033	997,741	1,000	998,741		(398,179)								(398,179)	600,563	(88)	1,558,444,498	2.00%	0.39	2033
2034	1,001,116	1,000	1,002,116		(397,816)								(397,816)	604,300	3,738	1,589,613,388	2.00%	0.38	2034
2035	668,529	1,000	669,529		(62,454)								(62,454)	607,075	2,775	1,621,405,656	2.00%	0.37	2035
2036	670,654	1,000	671,654		(62,454)								(62,454)	609,200	2,125	1,653,833,769	2.00%	0.37	2036
2037	609,675	1,000	610,675											610,675	1,475	1,686,910,445	2.00%	0.36	2037
2038	610,125	1,000	611,125											611,125	450	1,720,648,653	2.00%	0.36	2038
TOTALS	48,162,204	19,000	48,181,204	(281,747)	(14,571,815)	425,000	2,225,000	984,741	(4,312)	(568,209)	(600,000)	(1,269,042)	(13,660,384)	34,520,820					

NOTES:
- TIDs account for $11,754,751 of debt payments from 2020 - 2036.
- TID levy support will be reviewed annually to determine need based upon performance of the TID
- Funds applied consists of available funds on hand that can be used to reduce debt tax levy.

Capital Projects and Debt Plan

- The current model is built with standard 10-year General Obligation Note issues funding average annual projects.

- The plan attempts to stabilize the tax rate which minimizes impact to the taxpayer and debt limit.

- The recommended CIP has more aggressive projects contained it and further analysis could be done to see the impact on using 10-year debt or if repayment years need to be extended.

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Financing Plan Issue Sizing

			ESTIMATED Issue 1 - GO Notes 2021	Issue 4 GO Notes 2022	Issue 5 GO Notes 2023	Issue 6 GO Notes 2024	Issue 7 GO Notes 2025	Issue 8 STFL 2021	Total
Projects									
Capital Projects			2,300,000	2,310,000	2,855,000	3,200,000	3,510,000	0	14,175,000
TID 8			0	0	0	0	0	260,000	260,000
Stormwater Utility			145,000	500,000	0	255,000	375,000	0	1,275,000
Project Needs			2,445,000	2,810,000	2,855,000	3,455,000	3,885,000	260,000	15,710,000
Issuance Expenses									
Municipal Advisor			24,400	25,400	25,500	27,100	28,300	0	130,700
Bond Counsel			13,000	13,000	13,000	13,000	13,000	0	65,000
Rating			13,000	13,000	13,000	13,000	13,000	0	65,000
Paying Agent			850	850	850	850	850	0	4,250
Underwriter Fees			25,250	28,900	29,400	35,450	39,800	0	158,800
Total Funds Needed			2,521,500	2,891,150	2,936,750	3,544,400	3,979,950	260,000	16,133,750
	Rate	Months							
Less Interest Earnings	0.20%	3	(1,223)	(1,405)	(1,428)	(1,728)	(1,943)	0	(7,727)
Rounding			4,723	255	4,678	2,328	1,993	0	13,977
Size of Issue			2,525,000	2,890,000	2,940,000	3,545,000	3,980,000	260,000	16,140,000

Select Debt Policies

- The City will not increase the debt service tax rate by more than 2%.
  - In 2022, the plan forecasts an increase (3.99%) in levy support for TIDs with underperforming growth. Otherwise the policy is met in all other years covered in the plan
- Annual general obligation debt payments should aim to not exceed 40 percent of total budgeted tax levy expenditures.
  - Th 2021 Budget currently shows this at 36%
- The City's objective is to maintain a debt limit or direct debt burden ratio of 4.00% or less (all outstanding general obligation debt principal divided by total equalized value).
  - The City is currently at 2.89%.

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Projected Impact of Proposed Projects

Existing Debt Payments

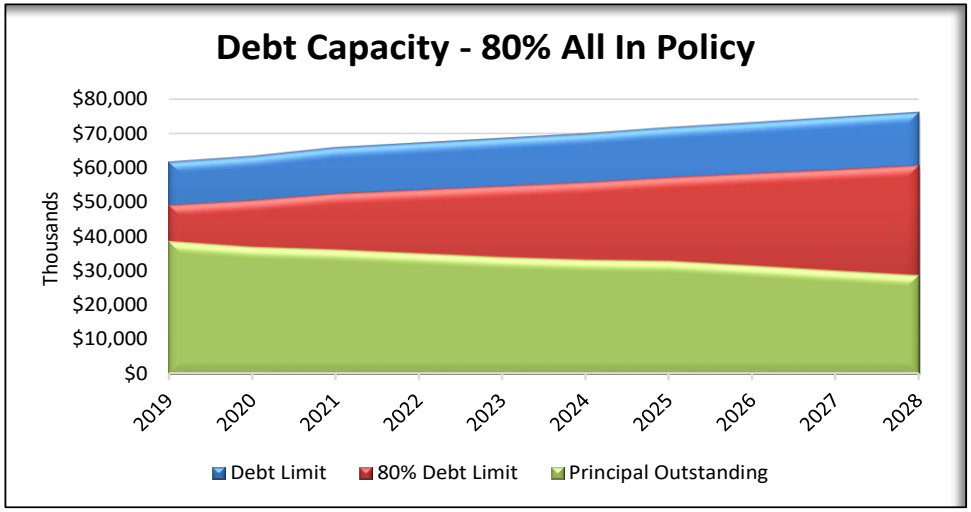
YEAR	Equalized Value Projection	Change in Value	Total of All Obligations	Total Abatement Sources	Net Debt Service Levy	Debt Service Tax Rate
2020	1,176,283,200	5.88%	5,239,393	(1,894,781)	3,344,613	2.84
2021	1,199,002,400	1.93%	4,452,731	(1,018,804)	3,433,927	2.86
2022	1,246,132,248	3.93%	4,749,663	(1,224,692)	3,524,971	2.83
2023	1,271,054,893	2.00%	4,539,863	(1,158,054)	3,381,809	2.66
2024	1,296,475,991	2.00%	4,483,597	(1,196,878)	3,286,719	2.54
2025	1,322,405,511	2.00%	4,420,409	(1,169,186)	3,251,223	2.46
2026	1,356,719,721	2.59%	4,132,025	(1,053,324)	3,078,701	2.27
2027	1,383,854,115	2.00%	3,696,121	(1,071,323)	2,624,798	1.90
2028	1,411,531,198	2.00%	2,532,873	(836,330)	1,696,542	1.20
2029	1,439,761,822	2.00%	2,159,929	(752,762)	1,407,167	0.98
2030	1,468,557,058	2.00%	1,220,404	(546,825)	673,579	0.46
2031	1,497,928,199	2.00%	991,879	(418,694)	573,185	0.38
2032	1,527,886,763	2.00%	998,479	(397,829)	600,650	0.39
2033	1,558,444,498	2.00%	998,741	(398,179)	600,563	0.39
2034	1,589,613,388	2.00%	1,002,116	(397,816)	604,300	0.38
2035	1,621,405,656	2.00%	669,529	(62,454)	607,075	0.37
2036	1,653,833,769	2.00%	671,654	(62,454)	609,200	0.37
2037	1,686,910,445	2.00%	610,675		610,675	0.36
2038	1,720,648,653	2.00%	611,125		611,125	0.36
2039	1,755,061,627	2.00%				0.00
2040	1,790,162,859	2.00%				0.00
TOTALS			48,181,204	(13,660,384)	34,520,820	

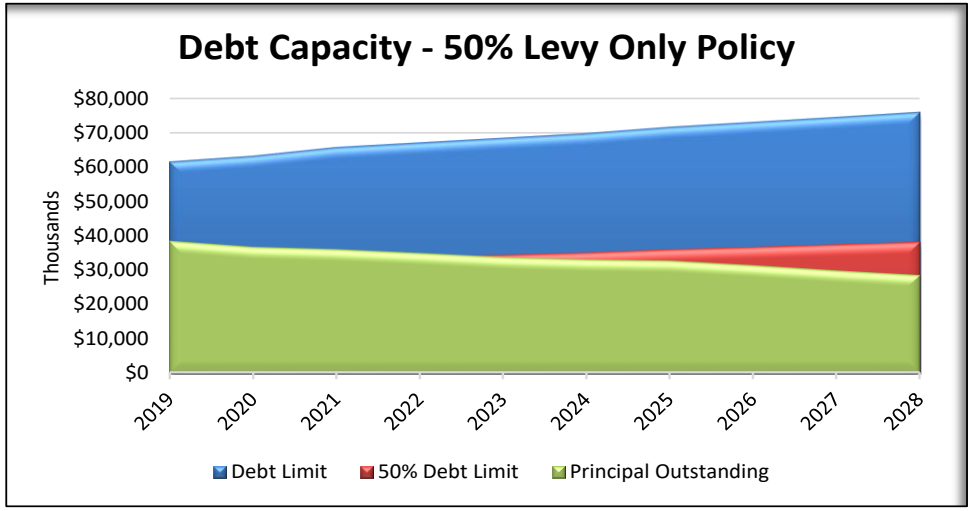
Projected Debt Service

YEAR	Capital Plan Debt Service: Principal	Interest	Total	Less Abatements: Stormwater Utility	Total Projected Debt Service Less Abatements	Net Debt Service Levy	Levy Change	Debt Service Tax Rate	Impact on a $ 100,000 of Value: Taxes	Change	YEAR
2020						3,344,613		2.84	284.34		2020
2021						3,433,927	89,314	2.86	286.40	2.06	2021
2022	115,000	93,510	208,510	(20,443)	188,067	3,713,037	279,111	2.98	297.96	11.57	2022
2023	315,000	180,518	495,518	(64,289)	431,229	3,813,038	100,000	3.00	299.99	2.03	2023
2024	440,000	268,363	708,363	(82,044)	626,319	3,913,038	100,000	3.02	301.82	1.83	2024
2025	495,000	388,895	883,895	(122,081)	761,814	4,013,037	100,000	3.03	303.46	1.64	2025
2026	670,000	529,321	1,199,321	(164,984)	1,034,337	4,113,038	100,000	3.03	303.16	(0.30)	2026
2027	1,160,000	588,727	1,748,727	(160,488)	1,588,240	4,213,038	100,000	3.04	304.44	1.28	2027
2028	2,120,000	652,733	2,772,733	(156,238)	2,616,496	4,313,038	100,000	3.06	305.56	1.12	2028
2029	2,465,000	692,858	3,157,858	(151,988)	3,005,871	4,413,038	100,000	3.07	306.51	0.95	2029
2030	3,275,000	712,196	3,987,196	(147,738)	3,839,458	4,513,037	100,000	3.07	307.31	0.80	2030
2031	3,475,000	713,246	4,188,246	(148,394)	4,039,852	4,613,037	100,000	3.08	307.96	0.65	2031
2032	3,465,000	564,806	4,029,806	(134,075)	3,895,731	4,496,381	(116,656)	2.94	294.29	(13.67)	2032
2033	2,985,000	446,263	3,431,263	(75,700)	3,355,563	3,956,125	(540,256)	2.54	253.85	(40.44)	2033
2034	2,640,000	339,713	2,979,713	(78,056)	2,901,656	3,505,956	(450,169)	2.21	220.55	(33.30)	2034
2035	2,145,000	246,813	2,391,813	(45,844)	2,345,969	2,953,044	(552,913)	1.82	182.13	(38.43)	2035
2036	1,660,000	171,400	1,831,400		1,831,400	2,440,600	(512,444)	1.48	147.57	(34.56)	2036
2037	1,355,000	111,100	1,466,100		1,466,100	2,076,775	(363,825)	1.23	123.11	(24.46)	2037
2038	1,035,000	63,300	1,098,300		1,098,300	1,709,425	(367,350)	0.99	99.35	(23.76)	2038
2039	705,000	28,500	733,500		733,500	733,500	(975,925)	0.42	41.79	(57.55)	2039
2040	360,000	7,200	367,200		367,200	367,200	(366,300)	0.21	20.51	(21.28)	2040
TOTALS	30,880,000	6,799,461	37,679,461	(1,552,359)	36,127,102	70,647,922					TOTALS

NOTES
- Growth is projected at a conservative 2%. The City has averaged 5.87% growth over the last 5 years.
- Stabilized tax levy with an annual increase of $100,000. The conservative growth rate shows an increasing levy rate, however 1% additional growth causes the rate to decline.
- Plan takes into account the 5 year CIP plus an additional 5 years of annual $3 million dollar street projects.

Debt Limit Calculation





Operating Fund Projections

- The General Fund levies all general property taxes for the City. The General Fund is responsible for transferring funds out to multiple City funds to fund those specific operations. (i.e. Library)
- Fund Balance Policy
  - General Fund unassigned fund balance will be maintained at a level between 20% and 25% of the General Fund budgeted expenditures.
    - The City was at 27% as of the end of 2019.
- 2021 includes numbers from the current City budget. Years 2022 – 2025 were projected using forecasts included in this report.
- 2020 budget has been impacted by COVID. 2021 is budgeted as if it will be a normal year. Staff is anticipating continued impact and will include a contingency to address this issue.

THE CITY OF STOUGHTON

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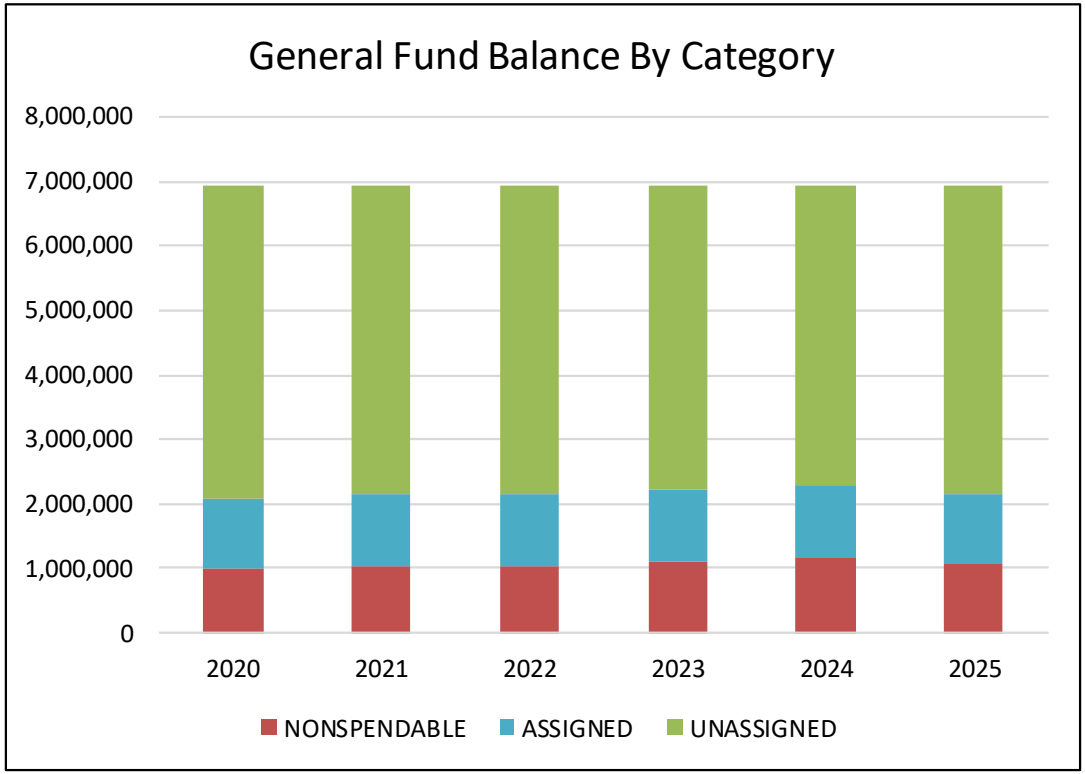
General Fund Forecast Codes

CODE	DEFINITION	EXPLANATION	FORECASTED INCREASE
A	Average	Sets the value in all five years of the forecast period to the average of the prior five year's values.	
C	Commodities	Operating supplies	2.00%
E	Employee Finges	Dental, life, and disability insurance	5.00%
G	Gas & Oil	Motor Fuel	2.00%
H	Health Insurance	Health insurance	8.00%
I	Insurance	Property, Liability, Worker's Compensation	2.00%
L	Last	Sets the value in all five years of the forecast period to the value in the most recent budget or actual column.	
M	Manual	Manual Entry	
S	Services	Professional services, training & travel, dues and subscriptions	2.00%
U	Utilities	Utilities - Water, Sewer, Electric, Telecommunications	1.00%
W	Wages	Salaries, Wages, payroll taxes, retirement	3.00%
Z	Zero	Sets the value in the forecast period to zero.	

2020 Financial Management Plan | General Fund

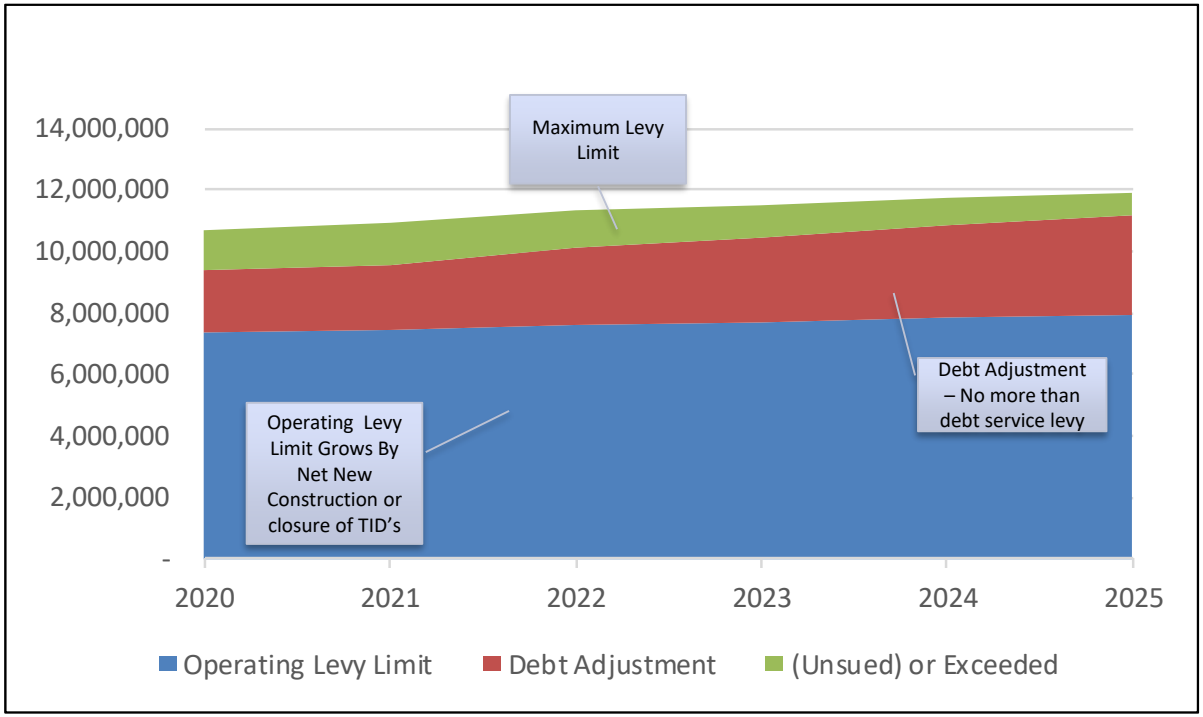
	2020 PROJECTED	2021 PROJECTED	2022 PROJECTED	2023 PROJECTED	2024 PROJECTED	2025 PROJECTED
REVENUE						
Local property taxes	$ 6,039,101	$ 6,177,884	$ 6,431,660	$ 6,688,988	$ 6,980,827	$ 7,219,389
Other taxes	58,794	57,500	57,500	57,500	57,500	57,500
Intergovernmental revenues	2,130,051	2,308,800	2,308,800	2,308,800	2,308,800	2,308,800
Licenses and permits	217,466	195,500	195,500	195,500	195,500	195,500
Fines and forfeitures	102,689	147,000	147,000	147,000	147,000	147,000
Public charges for service	511,845	621,488	633,248	642,255	651,532	661,088
Intergovernmental charges for service	45,665	32,000	32,960	33,949	34,967	36,016
Special assessments	10,973	12,250	12,250	12,250	12,250	12,250
Investment income	98,816	22,000	22,000	22,000	22,000	22,000
Miscellaneous	416,290	402,090	407,089	402,090	407,090	402,090
Transfers in (includes PILOT)	732,072	865,200	887,200	907,200	927,200	947,200
TOTAL REVENUE	**10,363,762**	**10,841,712**	**11,135,207**	**11,417,532**	**11,744,666**	**12,008,833**
EXPENDITURES						
General Government	1,910,159	1,973,883	2,027,519	2,056,440	2,109,032	2,096,884
Public Safety	4,153,865	4,255,912	4,397,507	4,540,145	4,699,164	4,854,924
Public Works	1,540,372	1,635,778	1,685,501	1,737,335	1,791,403	1,847,834
Culture, Recreation & Education	1,532,807	1,789,003	1,837,544	1,896,476	1,957,931	2,022,055
Transfers out	1,112,500	1,187,136	1,187,136	1,187,136	1,187,136	1,187,136
TOTAL EXPENDITURES	**10,249,703**	**10,841,712**	**11,135,207**	**11,417,532**	**11,744,666**	**12,008,833**
Net Change	**114,059**	**-**	**-**	**-**	**-**	**-**
FUND BALANCE						
BEGINNING FUND BALANCE	**6,803,581**	**6,917,640**	**6,917,640**	**6,917,640**	**6,917,640**	**6,917,640**
YEAR END BALANCE	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**
COMPONENTS OF FUND BALANCE						
NONSPENDABLE	**$ 982,345**	**$ 1,033,296**	**$ 1,040,082**	**$ 1,118,415**	**$ 1,188,172**	**$ 1,064,933**
ASSIGNED	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**
UNASSIGNED	**4,835,295**	**4,784,344**	**4,777,558**	**4,699,225**	**4,629,468**	**4,752,707**
TOTAL FUND BALANCE	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**	**$ 6,917,640**
Other transfers included in policy	**3,519,613**	**3,426,186**	**3,248,037**	**3,373,038**	**3,473,038**	**3,513,037**
Unassigned fund balance as a % of expenditures	**35%**	**34%**	**33%**	**32%**	**30%**	**31%**

General Fund (Cont.)



Note: Demonstrates a stable distribution of fund balance over the projection period.

Levy Limits



Note: The green area above represents the amount that the projected levy is below the maximum levy limit. The blue operating section can only grow by the rate of net new construction (new improvements less improvements removed) which is 1.837% for the 2021 budget.

THE CITY OF STOUGHTON

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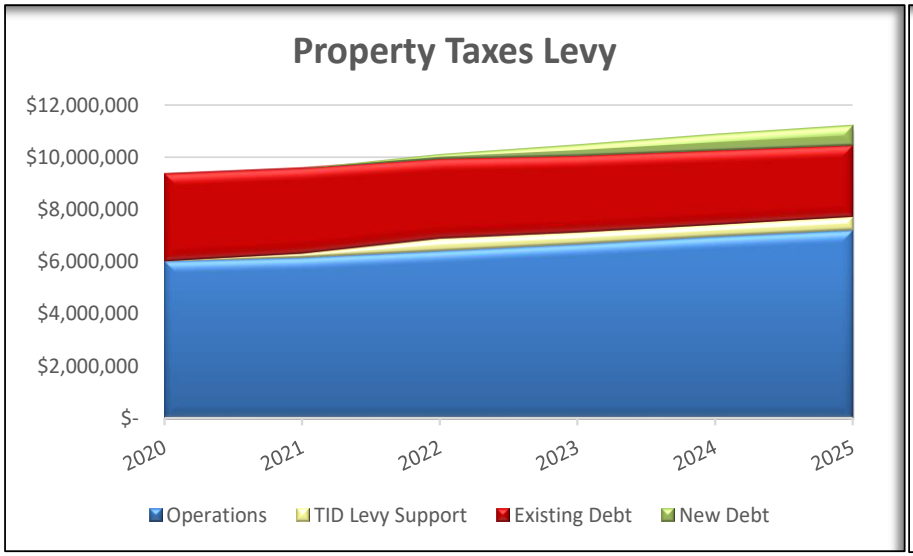
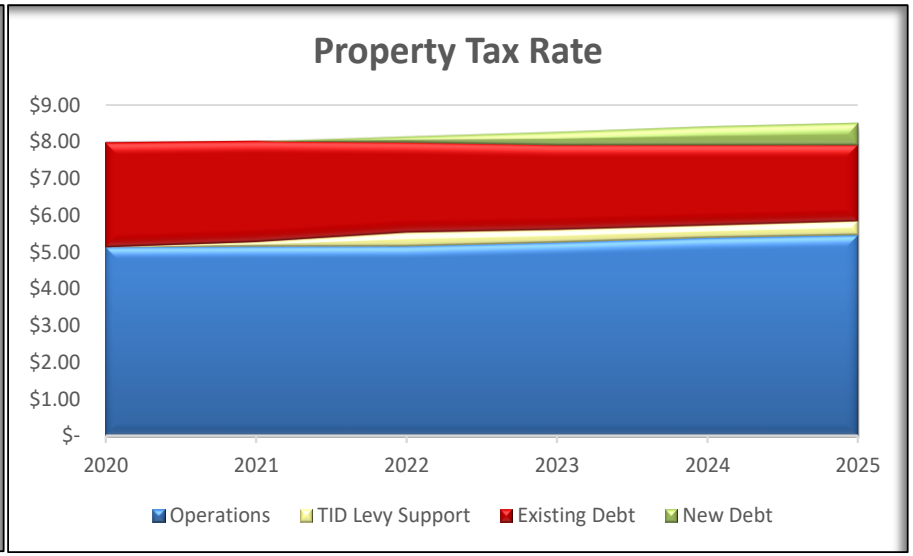
Expenditure Restraint Budget Worksheet

CPI allowable amount per DOR		1.85%	1.30%	1.30%	1.30%	1.30%	1.30%
Net new construction factor		0.90%	1.10%	0.80%	0.80%	0.80%	0.80%
Total (Rounded up)		2.8%	2.4%	2.1%	2.1%	2.1%	2.1%
General Fund Expenditure Budget		2020	2021	2022	2023	2024	2025
Budget Comparison							
1	Total general fund budget expenditures (s. 65.90)(include general fund transfers out to other funds)	13,757,314	13,942,408	14,094,505	14,601,423	15,022,988	15,821,417
2	Subtract long-term debt principal and interest payments in general fund budget (include general fund transfers out to debt service fund)	(3,344,613)	(3,284,186)	(3,248,038)	(3,373,038)	(3,473,038)	(4,013,037)
7	Net general fund operating budget expenditures	$10,412,701	$10,658,222	$10,846,467	$11,228,385	$11,549,950	$11,808,380
Budget Change Calculation							
11	Adjusted general fund budget expenditures current year	10,412,701	10,658,222	10,846,467	11,228,385	11,549,950	11,808,380
12	Adjusted general fund budget expenditures prior year	10,173,781	10,412,701	10,658,222	10,846,467	11,228,385	11,549,950
13	General fund budget dollar change	238,920	245,521	188,245	381,918	321,565	258,431
14	General fund budget percentage change	2.3%	2.4%	1.8%	3.5%	2.9%	2.2%
The general fund budget percentage change must be less than this percent to qualify for a payment		2.8%	2.4%	2.1%	2.1%	2.1%	2.1%

Impact on Property Tax Levy and Tax Rate

Year	Operations		TID Levy Support		Existing Debt		New Debt		Total	
2020	$ 6,039,101	$ 5.13	0	$ 0	$ 3,344,613	$ 2.84	$ 0	$ 0	$ 9,383,714	$ 7.98
2021	6,177,884	5.15	149,741	0.12	3,284,186	2.74	0	0	9,611,811	8.02
2022	6,431,660	5.16	465,000	0.37	3,059,971	2.46	188,067	0.15	10,144,697	8.14
2023	6,688,988	5.26	440,000	0.35	2,941,809	2.31	431,229	0.34	10,502,026	8.26
2024	6,980,827	5.38	440,000	0.34	2,846,719	2.20	626,319	0.48	10,893,865	8.40
2025	7,219,389	5.46	500,000	0.38	2,751,223	2.08	761,814	0.58	11,232,426	8.49





Tax Incremental Districts

- The City currently has six open Tax Incremental Districts (TID)
- Two City TIDs could potentially close during the forecast period. The additional value was considered when developing the debt plan. The additional value allowed the City to pay off additional debt in those years and absorb changes in operations.
- Cash flows of the City's TIDs are summarized on the following slides.

TID #3 – Industrial Park North

- TID #3 was closed in 2020 and has created $23 million in incremental value over its life.
- 2021 will be the final year tax increment is received by TID #3 and will provide approximately $500,000 in funding to the City's Affordable Housing Program
- As a result of TID #3's closure, the City is anticipating a cash inflow in 2021 of approximately $130,000; an increase to the City's TID Out equalized value of approximately $23 million in 2021; and an increase to the 2021 base levy of approximately $65,000

TID #3 – Industrial Park North (cont.)

City of Stoughton, WI

Tax Increment District #3

Cash Flow Projection

Year	Projected Revenues				Expenditures								Balances			Year
	Tax Increments	Interest Earnings/ (Cost)	Intergov. Revenues	Total Revenues	Total Debt Service Principal	Total Debt Service Interest	Transfer to Other Funds	Affordable Housing	Distribution to Overlying Districts	Professional Services	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2019	475,729	6,466	5,698	487,893	419,262	17,967	181,304			1,305	150	619,988	(132,095)	292,736	425,000	2019
2020	494,843		5,698	500,541	425,000	8,029			352,598	7,500	150	793,277	(292,736)	0		2020
2021	520,147		5,698	525,845	0	0		520,147	5,698			525,845	0	0		2021
Total	1,490,719	6,466	17,094	1,514,279	844,262	25,996	181,304	520,147	358,296		300	1,939,110				Total

Notes: - per 2019 audit

Projected TID Closure

TID #4 – Downtown

- TID #4's expenditure period will lapse on March 23, 2021
- As a result of the end of the expenditure period, the City chose to fund approximately $1 million in downtown improvements in 2020 and earmark an additional $200,000 for Revolving Loan funding in 2021
- Since this TID's creation in 1999, nearly $8 million in incremental value has been created
- TID #8 is anticipated to close in 2025, but could be closed out sooner depending on City's future needs and objectives

TID #4 – Downtown (cont.)

City of Stoughton, WI

Tax Increment District #4

Cash Flow Projection

Year	Projected Revenues					Expenditures							Balances			Year
	Tax Increments	Interest Earnings/ (Cost)	Land Sales / Misc Rev	Intergov. Revenues	Total Revenues	Total Debt Service Principal	Total Debt Service Interest	Capital Expenditures	Revolving Loan Fund	Professional Services	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2019	174,694	23,264	5,000	2,634	205,592	100,000	4,800	39,618	65,000	10,100	150	219,668	(14,076)	1,118,748	100,000	2019
2020	180,369	2,237		2,634	185,240	100,000	1,625	950,000		10,000	150	1,061,775	(876,535)	242,213	0	2020
2021	176,741	484		2,634	179,859	0	0		100,000	10,000	150	110,150	69,709	311,922	0	2021
2022	175,858	624		2,634	179,116	0	0			10,000	150	10,150	168,966	480,887	0	2022
2023	174,978	962		2,634	178,574	0	0			10,000	150	10,150	168,424	649,312	0	2023
2024	174,103	1,299		2,634	178,036	0	0			10,000	150	10,150	167,886	424,831	0	2024
2025	173,233	850		2,634	176,717	0	0			10,000	150	10,150	166,567	591,398	0	2025
2026	172,367	1,183		2,634	176,184	0	0			10,000	150	10,150	166,034	757,432		2026
2027	171,505	1,515		2,634	175,654	0	0					0	175,654	933,086		2027
2028	170,647	1,866		2,634	175,147	0	0					0	175,147	1,108,233		2028
2029	169,794	2,216		2,634	174,644	0	0					0	174,644	1,282,877		2029
Total	1,914,289	36,500	5,000	28,974	1,984,763	200,000	6,425	989,618	165,000	80,100	1,200	1,442,343				Total

Notes: - per 2019 audit

- The City may consider extending the life of the TID for the affordable housing extension, otherwise, the City could consider closing the TID earlier than presented.

Projected TID Closure

TID #5 – Railroad Corridor

- TID #5 was created in 2010 and was amended in 2018
- Since this TID's creation in 2010, nearly $2.3 million in incremental value has been created
- TID #5 had a significant decrement prior to the 2018 amendment and is carrying a significant amount of debt
- As a result, the City is anticipating providing levy support beginning in 2022 through 2027. Future growth would eliminate some of the need for levy support. Levy support is projected to be $425,000
- The TID also has an advance of $760,000 owed to the City

TID #5 – Railroad Corridor (cont.)

City of Stoughton, WI

Tax Increment District #5

Cash Flow Projection

Year	Projected Revenues					Expenditures					Balances				
	Tax Increments	Interest Earnings/ (Cost)	Grants	Levy Support	Total Revenues	Total Debt Service Principal	Total Debt Service Interest	Capital Expenditures	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	Advances	Year
2019	0	1,311	39,592		40,903	53,462	54,199	21,753	1,000	130,414	(89,511)	(677,594)	1,412,478	677,594	2019
2020	50,678	300	39,592		90,570	55,475	47,046		2,000	104,521	(13,951)	(691,545)	1,357,003	691,545	2020
2021	50,597		39,592		90,189	67,708	45,230		5,000	117,938	(27,749)	(719,294)	1,289,294	719,294	2021
2022	50,597		39,592	65,000	155,189	111,461	42,388		5,000	158,849	(3,660)	(722,954)	1,177,833	787,954	2022
2023	50,597		39,592	65,000	155,189	115,700	38,500		5,000	159,200	(4,011)	(726,965)	1,062,133	856,965	2023
2024	50,597		39,592	65,000	155,189	117,673	34,490		5,000	157,163	(1,974)	(728,939)	944,461	923,939	2024
2025	50,597		39,592	75,000	165,189	131,411	30,209		5,000	166,620	(1,431)	(730,370)	813,049	1,000,370	2025
2026	50,597		39,592	75,000	165,189	136,247	25,837		5,000	167,084	(1,895)	(732,265)	676,803	1,077,265	2026
2027	50,597		39,592	80,000	170,189	147,745	21,384		5,000	174,129	(3,940)	(736,205)	529,058	1,161,205	2027
2028	50,597		39,592		90,189	99,781	17,551		5,000	122,332	(32,143)	(768,348)	429,276	1,193,348	2028
2029	50,597		39,592		90,189	47,429	15,025		5,000	67,454	22,735	(745,613)	381,847	1,170,613	2029
2030	50,597		39,592		90,189	49,089	13,365		5,000	67,454	22,735	(722,878)	332,758	1,147,878	2030
2031	50,597		39,592		90,189	50,807	11,647		5,000	67,454	22,735	(700,143)	281,951	1,125,143	2031
2032	50,597		39,592		90,189	52,558	9,895		5,000	67,453	22,736	(677,407)	229,393	1,102,407	2032
2033	50,597		39,592		90,189	54,425	8,029		5,000	67,454	22,735	(654,672)	174,968	1,079,672	2033
2034	50,597		39,592		90,189	56,330	6,124		5,000	67,454	22,735	(631,937)	118,638	1,056,937	2034
2035	50,597		39,592		90,189	58,301	4,152		5,000	67,453	22,736	(609,201)	60,336	1,034,201	2035
2036	50,597		39,592		90,189	60,336	2,118		5,000	67,454	22,735	(586,466)	0	1,011,466	2036
2037	50,597		39,592		90,189				5,000	5,000	85,189	(501,277)		926,277	2037
2038	50,597		39,592		90,189				5,000	5,000	85,189	(416,088)		841,088	2038
2039	50,597		39,592		90,189				5,000	5,000	85,189	(330,899)		755,899	2039
2040	50,597		39,592		90,189				5,000	5,000	85,189	(245,710)		670,710	2040
Total	1,062,618	1,611	871,024	425,000	2,360,253	1,465,938	427,189	21,753	103,000	2,017,880					Total

TID #6 – Business Park North Expansion

- TID #6 was created in 2015 to accommodate expansion in the City's existing Business Park North
- An agreement entered into in 2016 required the City to complete infrastructure improvements totaling approximately $2.6 million
- Subsequent to the City borrowing the funds to complete the required work, the developer declared bankruptcy and may not be able to honor the financial responsibility as outlined in the TID agreement
- Although this TID had activity in 2020, it has only created $1.1 million in increment since 2015 while incurring $3.1 million in debt

TID #6 – Business Park North Expansion (cont.)

- As a result, the City is anticipating providing levy support beginning in 2021 through 2029. Future growth would eliminate some of the need for levy support. Levy support is projected to be $2,225,000

- The City may consider an extension amendment to the District to recover the levy support

- The TID also has an advance of $140,000 owed to the City

TID #6 – Business Park North Expansion (cont.)

City of Stoughton, WI

Tax Increment District #6

Cash Flow Projection

	Projected Revenues							Projected Expenditures							Balances				
Year	Tax Increments	Interest Earnings/ (Cost)	Land Sales / Misc Rev	Developer Guarantees	Levy Support	Debt Proceeds	Total Revenues	Total Debt Service Principal	Total Debt Service Interest	Capital	Prof Services	Repay of Levy Support	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	Advances	Year
2019	24,537	30,468		465		2,600,000	2,655,470	45,000	10,162	1,321,123	81,481		150	1,457,916	1,197,554	1,066,510	3,032,931	140,399	2019
2020	24,831	10,000	173,230	51,714			259,775	50,000	20,138	1,150,451			7,500	1,228,089	(968,314)	98,196	2,982,931	140,399	2020
2021	24,786				125,000		149,786	50,000	83,731				5,000	138,731	11,055	109,251	2,932,931	254,344	2021
2022	75,594				250,000		325,594	341,379	78,235				5,000	424,614	(99,020)	10,231	2,591,552	603,364	2022
2023	92,531				250,000		342,531	350,345	68,109				5,000	423,454	(80,923)	(70,692)	2,241,207	934,287	2023
2024	109,467				250,000		359,467	363,793	56,737				5,000	425,530	(66,063)	(136,755)	1,877,414	1,250,350	2024
2025	126,403				300,000		426,403	377,759	44,263				5,000	427,022	(619)	(137,374)	1,499,655	1,550,969	2025
2026	126,403				300,000		426,403	391,207	31,528				5,000	427,735	(1,332)	(138,706)	1,108,448	1,852,301	2026
2027	126,403				300,000		426,403	400,172	20,705				5,000	425,877	526	(138,180)	708,276	2,151,775	2027
2028	126,403				225,000		351,403	349,655	12,451				5,000	367,106	(15,703)	(153,883)	358,621	2,392,478	2028
2029	126,403				225,000		351,403	358,621	4,259				5,000	367,880	(16,477)	(170,360)	0	2,633,955	2029
2030	126,403						126,403	0	0				5,000	5,000	121,403	(48,957)	0	2,512,552	2030
2031	126,403						126,403	0	0			72,446	5,000	77,446	48,957	0	0	2,391,149	2031
2032	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	2,269,746	2032
2033	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	2,148,343	2033
2034	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	2,026,940	2034
2035	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	1,905,537	2035
2036	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	1,784,134	2036
2037	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	1,662,731	2037
2038	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	1,541,328	2038
2039	126,403						126,403	0	0			121,403	5,000	126,403	0	0	0	1,419,925	2039
Total	2,247,791	40,468	173,230	52,179	2,225,000	2,600,000	7,338,668	3,077,931	430,318	2,471,574	81,481	1,043,670	102,650	7,207,624					Total

Notes:
- per 2019 audit
- 3 year extension

Projected TID Closure

TID #7 – Kettle Park West

- TID #7 was created in 2015 to accommodate mixed use growth on the City's west side
- In that short time, this TID has created over $34 million in incremental value
- TID #7 was amended in 2020 to incorporate residential phases into the overall project plan
- This TID has incurred approximately $4 million in debt and recently agreed to a $3 million MRO plus onsite improvement costs to assist with Phase II of the development

TID #7 – Kettle Park West

City of Stoughton, WI

Tax Increment District #7

Cash Flow Projection - After Amendment

	Projected Revenues						Expenditures									Balances			
							General Obligation Bonds, Series 2018A 4,090,000												
Year	Tax Increments	Interest Earnings/ (Cost)	Intergov. Grants	Developer Guarantees	Misc Revenue	Total Revenues	Dated Date: Principal	04/26/18 Rate	Interest	Phase I MRO	Phase II MRO	Capital Expenditures	Professional Services	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	Year
2019	526,673	4,445	1,959	33,510	15,274	581,861	150,000	2.00%	183,149				1,000		334,149	247,712	438,407	4,490,000	2019
2020	546,394	4,384		32,913		583,691	210,000	2.00%	123,975	200,000				10,000	543,975	39,716	478,123	4,080,000	2020
2021	777,542	4,781		33,000		815,323	215,000	2.00%	119,725	200,000				10,000	544,725	270,598	748,721	3,665,000	2021
2022	1,105,114	7,487				1,112,601	220,000	3.00%	114,275	150,000	402,059			10,000	896,334	216,267	964,988	3,295,000	2022
2023	1,274,661	9,650				1,284,311	225,000	3.00%	107,600		402,059	690,000		10,000	1,434,659	(150,348)	814,640	3,070,000	2023
2024	1,627,048	8,146				1,635,194	235,000	3.00%	100,700		402,059	661,250		10,000	1,409,009	226,185	1,040,825	2,835,000	2024
2025	1,864,155	10,408				1,874,563	240,000	3.00%	93,575		402,059	310,500		10,000	1,056,134	818,429	1,859,254	2,595,000	2025
2026	2,082,858	18,593				2,101,451	245,000	3.00%	86,300		402,059	2,138,250		10,000	2,881,609	(780,158)	1,079,096	2,350,000	2026
2027	2,300,771	10,791				2,311,562	255,000	4.00%	77,525		1,224,204			10,000	1,566,729	744,833	1,823,929	2,095,000	2027
2028	2,470,133	18,239				2,488,372	265,000	4.00%	67,125		1,154,910			10,000	1,497,035	991,337	2,815,266	1,830,000	2028
2029	2,569,944	28,153				2,598,097	280,000	4.00%	56,225					10,000	346,225	2,251,872	5,067,138	1,550,000	2029
2030	2,569,944	50,671				2,620,615	290,000	4.00%	44,825					10,000	344,825	2,275,790	7,342,928	1,260,000	2030
2031	2,569,944	73,429				2,643,373	300,000	3.00%	34,525					10,000	344,525	2,298,848	9,641,776	960,000	2031
2032	2,569,944	96,418				2,666,362	310,000	3.00%	25,375					10,000	345,375	2,320,987	11,962,763	650,000	2032
2033	2,569,944	119,628				2,689,572	320,000	3.13%	15,725					10,000	345,725	2,343,847	14,306,610	330,000	2033
2034	2,569,944	143,066				2,713,010	330,000	3.25%	5,362					10,000	345,362	2,367,648	16,674,258	0	2034
2035	2,569,944	166,743				2,736,687								10,000	10,000	2,726,687	19,400,945	0	2035
Total	32,564,957	775,032	1,959	99,423	15,274	33,456,645	4,090,000		1,255,986	550,000	4,389,409	3,800,000	1,000	160,000	14,246,395				Total

Notes:

- Per 2019 audit

Projected TID Closure

TID #8 – Riverfront

- TID #8 was created in 2018 as a result of the 2018 TID #5 amendment
- Since this TID's creation in 2018, approximately $250,000 in incremental value has been created
- The TID is currently carrying a significant amount of debt. Discussions with a potential developer continue, however, growth is not expected in the near term
- As a result, the City is anticipating providing levy support beginning in 2021 through 2029. Future growth would eliminate some of the need for levy support. Levy support is projected to be $980,000
- The TID also has an advance of $144,000 owed to the City

TID #8 – Riverfront (cont.)

City of Stoughton, WI

Tax Increment District #8

Cash Flow Projection

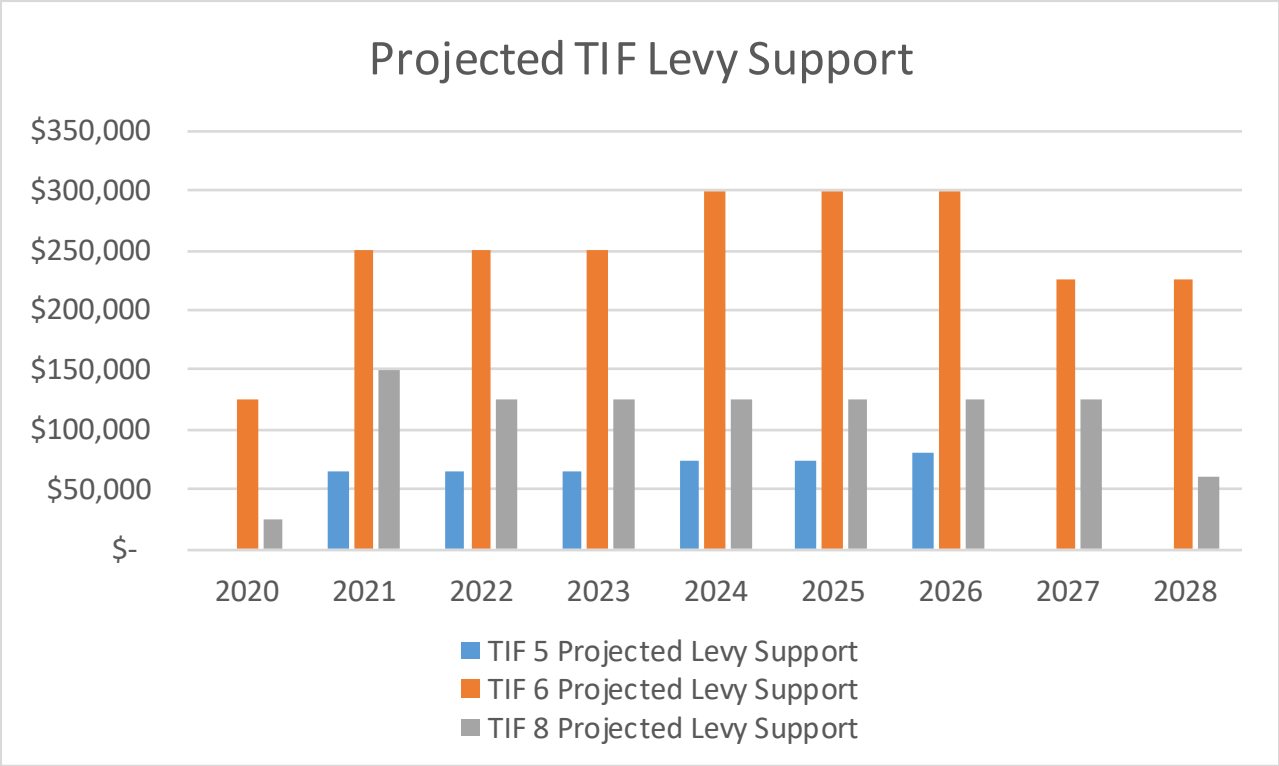
Year	Projected Revenues												Balances			Year
	Tax Increments	Interest Earnings/ (Cost)	Grants	Levy Support	Debt Proceeds	Total Revenues	Total Debt Service Principal	Total Debt Service Interest	Capital	Prof Services	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2019	0	4,669			300,001	304,670	0	22,928	461,239	46,834	9,648	540,649	(235,979)	(16,681)	728,319	2019
2020	0		232,235			232,235	0	17,289	183,065	25,000	7,000	232,354	(119)	(16,800)	728,319	2020
2021	5,706		670,174	24,741	260,000	960,621	0	24,740	929,083	25,000	5,000	983,823	(23,202)	(40,002)	728,319	2021
2022	5,706			150,000		155,706	98,546	30,286		25,000	5,000	158,832	(3,126)	(43,128)	639,698	2022
2023	5,706			125,000		130,706	102,603	26,734			5,000	134,337	(3,631)	(46,758)	547,293	2023
2024	5,706			125,000		130,706	104,435	22,991			5,000	132,426	(1,720)	(48,478)	453,336	2024
2025	5,706			125,000		130,706	108,507	19,052			5,000	132,560	(1,854)	(50,332)	355,595	2025
2026	5,706			125,000		130,706	113,105	14,950			5,000	133,056	(2,350)	(52,681)	253,552	2026
2027	5,706			125,000		130,706	117,194	11,223			5,000	133,418	(2,712)	(55,393)	147,724	2027
2028	5,706			125,000		130,706	118,024	7,905			5,000	130,929	(223)	(55,616)	41,379	2028
2029	5,706			60,000		65,706	53,379	5,565			5,000	63,945	1,761	(53,854)	0	2029
2030	5,706					5,706	12,330	4,744			5,000	22,075	(16,369)	(70,223)	0	2030
2031	5,706					5,706	12,669	4,405			5,000	22,075	(16,369)	(86,591)	0	2031
2032	5,706					5,706	13,018	4,057			5,000	22,075	(16,369)	(102,960)	0	2032
2033	5,706					5,706	13,376	3,699			5,000	22,075	(16,369)	(119,329)	0	2033
2034	5,706					5,706	13,743	3,331			5,000	22,075	(16,369)	(135,697)	0	2034
2035	5,706					5,706	14,121	2,953			5,000	22,075	(16,369)	(152,066)	0	2035
2036	5,706					5,706	14,510	2,565			5,000	22,075	(16,369)	(168,435)	0	2036
2037	5,706					5,706	14,909	2,166			5,000	22,075	(16,369)	(184,803)	0	2037
2038	5,706					5,706	15,319	1,756			5,000	22,075	(16,369)	(201,172)	0	2038
2039	5,706					5,706	15,740	1,335			5,000	22,075	(16,369)	(217,541)	0	2039
2040	5,706					5,706	16,173	902			5,000	22,075	(16,369)	(233,909)	0	2040
2041	5,706					5,706	16,618	457			5,000	22,075	(16,369)	(250,278)	0	2041
2042	5,706					5,706	0	0			5,000	5,000	706	(249,572)	0	2042
2043	5,706					5,706	0	0			5,000	5,000	706	(248,866)	0	2043
2044	5,706					5,706	0	0			5,000	5,000	706	(248,160)	0	2044
2045	5,706					5,706					5,000	5,000	706	(247,454)		2045
2046	5,706					5,706					5,000	5,000	706	(246,748)		2046
Total	159,768	4,669	902,409	984,741	560,001	2,611,588	988,319	236,034	1,573,387	121,834	146,648	3,066,222				Total

Notes: - per 2019 audit

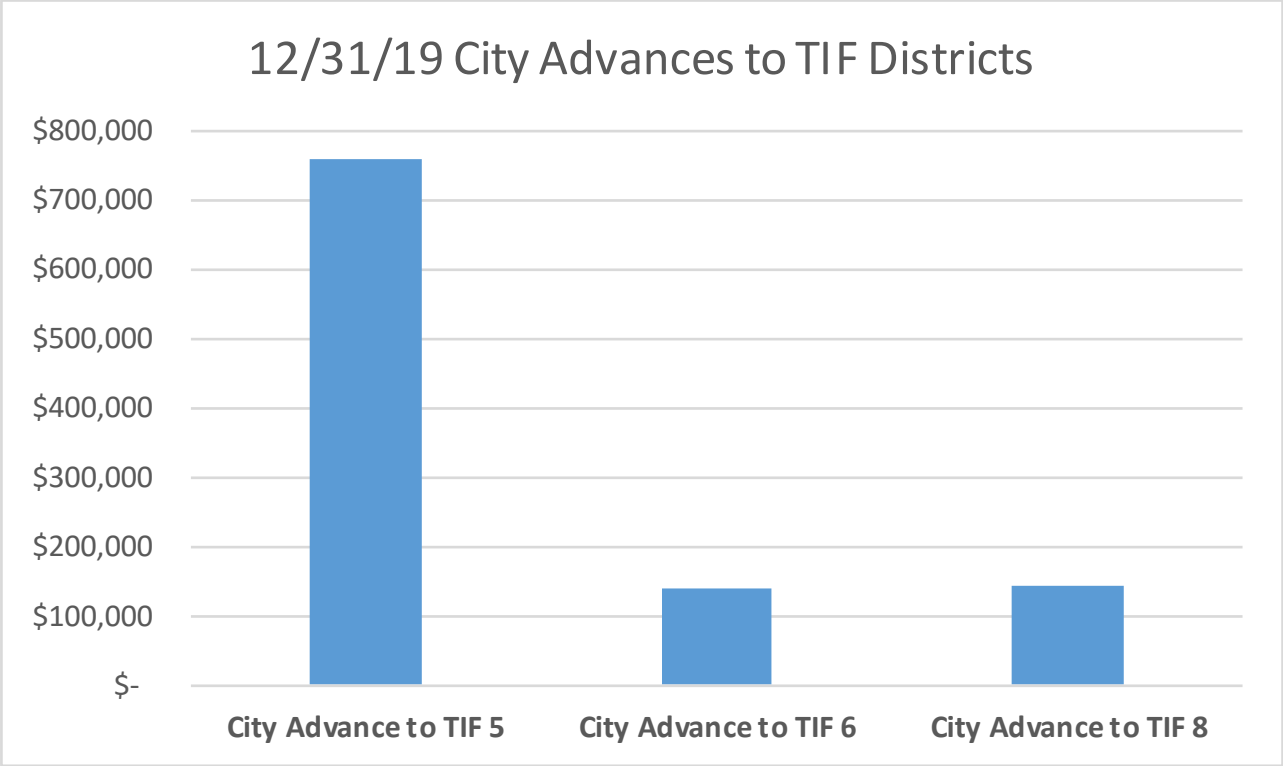
- As an example, the District would need approximately $730,000 over the next 5 years to payoff by the mandatory termination date.

Projected TID Closure

Summary of TID Levy Support



Outstanding TID Advances From City



Summary Comments

- The City has approved financial policies in the past for various financial areas.
  - As part of this process, consider reviewing policies annually to make sure they are in line with the current status and/or initiatives of the City.
- Increased growth of the City would have a positive effect on the tax rate and levy limit.
- Levy limits only increase by net new construction. The current plan shows a narrowing of the available levy limit. Annual budgets will lead to tighter budgets than the forecast shows, but be aware that decisions may need to be made in the future to ensure compliance.

Summary Comments (cont.)

- Establishing a stable debt plan will help stabilize that part of the tax levy/rate.
- Continue to review development financing and whenever possible, shift risk to developers.
- The City is in pretty good financial shape and maintains a very good bond rating. Continue to plan financially to maintain metrics that have a direct impact on the City's bond rating.