

June 27, 2024

SALE DAY REPORT FOR:

City of Whitewater, Wisconsin

**\$6,350,000 General Obligation Promissory Notes,
Series 2024A**



Prepared by:

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Suite 100
Waukesha, WI 53188

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Senior Municipal Advisor

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BUILDING COMMUNITIES. IT'S WHAT WE DO.

Competitive Sale Results

PURPOSE: For public purposes, including paying the cost of library building improvements, street improvement projects, storm water projects, dam repairs, lake shoreline restoration and equipment for various departments.

RATING: Build America Mutual S&P Global Ratings "AA"
Underlying Rating: S&P Global Ratings "A+"

NUMBER OF BIDS: 4

LOW BIDDER: BOK Financial Securities, Inc., Milwaukee, Wisconsin

COMPARISON FROM LOWEST TO HIGHEST BID: (TIC as bid)

LOW BID: 4.0223%

HIGH BID: 4.1764%

Summary of Sale Results:	
Principal Amount:	\$6,350,000
Underwriter's Discount:	\$72,228
Reoffering Premium:	\$356,187
True Interest Cost:	4.0247%
Costs of Issuance:	\$83,150
Yield:	3.35%-4.25%
Total Net P&I	\$9,078,233

NOTES: The net principal and interest on the Notes is \$229,163 less than the pre-sale estimate.

Bond Trust Services Corporation, Roseville, Minnesota will serve as Paying Agent on the Notes.

The Notes maturing June 1, 2034 and thereafter are callable June 1, 2033 or any date thereafter.

CLOSING DATE: July 17, 2024

**DESIGNATED
OFFICIAL ACTION:**

Award the sale of \$6,350,000 General Obligation
Promissory Notes, Series 2024A.

SUPPLEMENTARY ATTACHMENTS

- Bid Tabulation
- 2024 Project List
- 2025-2028 Project List
- Sources and Uses of Funds
- Updated Debt Service Schedules
- Tax Impact Schedule
- G.O. Debt Capacity Report
- Rating Report

BID TABULATION

\$6,430,000* General Obligation Promissory Notes, Series 2024A

City of Whitewater, Wisconsin

SALE: June 27, 2024

AWARD: BOK FINANCIAL SECURITIES, INC.

****Build America Mutual Rating:** "S&P Global Ratings "AA""

Underlying Rating: S&P Global Ratings "A+"

Tax Exempt - Non-Bank Qualified

NAME OF BIDDER	MATURITY (June 1)	COUPON RATE	REOFFERING YIELD	PRICE	TRUE INTEREST RATE
BOK FINANCIAL SECURITIES, INC.				\$6,700,932.85	4.0223%
Milwaukee, Wisconsin	2025	5.000%	3.550%		
First Citizens State Bank	2026	5.000%	3.530%		
Whitewater, Wisconsin	2027	5.000%	3.410%		
	2028	5.000%	3.390%		
	2029	5.000%	3.370%		
	2030	5.000%	3.370%		
	2031	5.000%	3.360%		
	2032	5.000%	3.350%		
	2033	5.000%	3.350%		
	2034	5.000%	3.350%		
	2035	5.000%	3.380%		
	2036	5.000%	3.440%		
	2037	5.000%	3.500%		
	2038	5.000%	3.570%		
	2039 ¹	4.000%	4.050%		
	2040 ¹	4.000%	4.050%		
	2041 ²	4.000%	4.150%		
	2042 ²	4.000%	4.150%		
	2043 ³	4.125%	4.250%		
	2044 ³	4.125%	4.250%		

* Subsequent to bid opening the issue size was decreased to \$6,350,000.

Adjusted Price: \$6,609,258.75 Adjusted Net Interest Cost: \$2,728,233.37 Adjusted TIC: 4.0247%

** Build America Mutual insurance purchased by BOK FINANCIAL SECURITIES, INC..

¹ \$630,000 Term Bond due 2040 with mandatory redemption in 2039.

² \$695,000 Term Bond due 2042 with mandatory redemption in 2041.

³ \$665,000 Term Bond due 2044 with mandatory redemption in 2043.

NAME OF BIDDER	TRUE INTEREST RATE
BAIRD Milwaukee, Wisconsin	4.0444%
BERNARDI SECURITIES, INC. Chicago, Illinois	4.0474%
TD SECURITIES (USA) LLC New York, New York	4.1764%

Table 1

Capital Improvement Plan & Funding Uses (2024 Only)

City of Whitewater, WI

Projects	Department	Repayment/Term	Plan Issue	2024
DPW Equipment	DPW	Levy-10	2024 G.O. Notes	137,000
Fire/EMS Bunk Rooms	Fire/EMS	Levy-10	2024 G.O. Notes	172,500
Squad Car and Changeover	Police	Levy-10	2024 G.O. Notes	137,256
Portable Mobile P25 Dual Band Radio Upgrade	Police	Levy-10	2024 G.O. Notes	418,639
Building Improvements	Library	Levy-20	2024 G.O. Notes	3,000,000
Ann Street/Fremont St Reconstruction	Streets	Levy-20	2024 G.O. Notes	541,573
Fremont Street Reconstruction	Streets	Levy-20	2024 G.O. Notes	667,845
Forest Street Reconstruction	Streets	Levy-20	2024 G.O. Notes	195,700
Walworth Ave Resurfacing	Streets	Levy-20	2024 G.O. Notes	296,000
Ann Street/Fremont St Reconstruction	Storm Water	Storm Water-20	2024 G.O. Notes	171,300
Fremont Street Reconstruction	Storm Water	Storm Water-20	2024 G.O. Notes	82,400
Forest Street Reconstruction	Storm Water	Storm Water-20	2024 G.O. Notes	50,500
Stormwater Quality Management Plan Update	Storm Water	Storm Water-20	2024 G.O. Notes	42,500
PC Replacement	Admin	Levy-10	2024 G.O. Notes	20,500
PD Command Staff Computers	Police	Levy-10	2024 G.O. Notes	6,000
Server Virtual Host Replacement	Admin	Levy-10	2024 G.O. Notes	141,915
Cravath Lake Mill Pond Dam Repairs	Dam	Levy-10	2024 G.O. Notes	130,000
Lake Shoreline Restoration	Lake	Levy-10	2024 G.O. Notes	100,000
Actual CIP Costs				6,311,628

Table 2
Capital Improvement Plan & Funding Uses (2025-2028)

City of Whitewater, WI

Projects	Department	Repayment/Term	Plan Issue	Funding	2025	2026	2027	2028
Patrol Truck	Streets	Levy-10	2026 G.O. Notes	G.O. Debt		300,000		
PC Replacement	Admin	Levy-10	2025 G.O. Notes	G.O. Debt	34,125			
PC Replacement	Admin	Levy-10	2026 G.O. Notes	G.O. Debt		35,831		
PD Command Staff Computers	Police	Levy-10	2026 G.O. Notes	G.O. Debt		17,500		
PD Command Staff Computers	Police	Levy-10	2028 G.O. Notes	G.O. Debt				24,500
Lake Shoreline Restoration	Lake	Levy-10	2025 G.O. Notes	G.O. Debt	110,000			
City Facility Roof Replacement	Admin	Levy-10	2025 G.O. Notes	G.O. Debt	100,000			
City Facility Roof Replacement	Admin	Levy-10	2028 G.O. Notes	G.O. Debt				200,000
Quad Axle Dump Truck Replacement	DPW	Levy-10	2025 G.O. Notes	G.O. Debt	250,000			
Squad Car and Changeover	Police	Levy-10	2025 G.O. Notes	G.O. Debt	70,000			
Fund 280 Projects	Streets	Levy-10	2025 G.O. Notes	G.O. Debt	185,000			
Walworth Ave Resurfacing	Streets	Levy-10	2025 G.O. Notes	G.O. Debt	581,548			
Jefferson Street Reconstruction	Streets	Levy-10	2025 G.O. Notes	G.O. Debt	40,000			
Biennial Street Reconstruction	Streets	Levy-10	2025 G.O. Notes	G.O. Debt	300,000			
Loader Snow Blower Replacement	DPW	Levy-20	2026 G.O. Notes	G.O. Debt		250,000		
Squad Car and Changeover	Police	Levy-20	2026 G.O. Notes	G.O. Debt		140,000		
Park Master Plan Update	Parks	Levy-20	2026 G.O. Notes	G.O. Debt		25,000		
Street Garage	DPW	Levy-20	2026 G.O. Notes	G.O. Debt		7,000,000		
Park Pathway Repair and Resurfacing	Parks	Levy-20	2026 G.O. Notes	G.O. Debt		50,000		
Park Pathway Repair and Resurfacing	Parks	Levy-10	2028 G.O. Notes	G.O. Debt				100,000
Putnam Street	Streets	Levy-20	2026 G.O. Notes	G.O. Debt		235,100		
Jefferson Street Reconstruction	Streets	Levy-20	2026 G.O. Notes	G.O. Debt		1,026,500		
Putnam Street	Storm	Storm-20	2026 G.O. Notes	G.O. Debt		90,800		
Jefferson Street Reconstruction	Storm	Storm-20	2026 G.O. Notes	G.O. Debt	40,000	181,500		
Squad Car and Changeover	Police	Levy	2027 G.O. Notes	G.O. Debt			70,000	
Street Garage	Streets	Levy	2027 G.O. Notes	G.O. Debt			200,000	
Biennial Street Reconstruction	Streets	Levy	2027 G.O. Notes	G.O. Debt			90,000	
IT Software	Streets	Levy	2027 G.O. Notes	G.O. Debt			37,622	
Biennial Street Reconstruction	Storm	Levy	2027 G.O. Notes	G.O. Debt			90,000	
IT Software	Streets	Levy-10	2028 G.O. Notes	G.O. Debt				39,503
Squad Car and Changeover	Police	Levy-10	2028 G.O. Notes	G.O. Debt				145,000
Vogele Tracked Asphalt Paver Super 700i '28	DPW	Levy-10	2028 G.O. Notes	G.O. Debt				215,000
Street Garage	Streets	Levy-20	2028 G.O. Notes	G.O. Debt				3,000,000
Biennial Street Reconstruction	Streets	Levy-20	2028 G.O. Notes	G.O. Debt				1,500,000
Biennial Street Reconstruction	Storm	Storm-20	2028 G.O. Notes	G.O. Debt				200,000
Actual CIP Costs					1,710,673	9,352,231	487,622	5,424,003

Table 3 Sources and Uses

City of Whitewater, WI

	2024			
	G.O. Notes	Levy-10 years Portion	Levy-20 years Portion	Storm Water Portion
CIP Projects¹				
Storm	346,700			346,700
City/Levy	5,967,487	1,263,810	4,703,677	
Subtotal Project Costs	6,314,187	1,263,810	4,703,677	346,700
CIP Projects¹	6,314,187	1,263,810	4,703,677	346,700
Premium				
Underwriter's Premium (built into rates)	(356,187)	(100,022)	(240,520)	(15,645)
Premium Deposit To Debt Service	259,259	81,291	167,717	10,250
Issuance Expenses				
Municipal Advisor (Ehlers)	30,000	5,039	21,991	2,971
Bond Counsel	21,500	4,300	16,015	1,185
Disclosure Counsel	13,250	2,650	9,870	730
Rating Fee	17,550	3,510	13,073	967
Underwriter's Discount	11.37 72,228	14,446	53,801	3,981
Paying Agent	850	170	633	47
Gross Bond Insurance Premium	24,700	4,285	19,001	1,414
Subtotal Issuance Expenses	180,078	34,399	134,384	11,295
TOTAL TO BE FINANCED	6,397,337	1,279,479	4,765,258	352,600
Estimated Interest Earnings	3.00% (47,337)	(9,478.58)	(35,258.39)	(2,600.25)
Assumed spend down (months)	3			
Rounding	0	0	0	(0)
NET ISSUE SIZE	6,350,000	1,270,000	4,730,000	350,000

Notes:

1) Project Total Estimates

Table 4
Allocation of Debt Service - 2024 G.O. Notes

City of Whitewater, WI

Year Ending	Levy-10 years Portion				Levy-20 years Portion					Storm Water Portion				Year Ending	Totals			
	Principal	Interest	Premium	Net Total	Principal	Rate	Interest	Net Total	Net Total	Principal	Interest	Premium	Net Total		Principal (6/1)	Interest	Premium	Net Total
2024				0				0	0				0	2024	0	0	0	0
2025	125,000	84,011	(81,291)	127,720	180,000	5.00%	295,837	(167,717)	308,119	25,000	21,416	(10,250)	36,166	2025	330,000	401,264	(259,259)	472,005
2026	110,000	54,500		164,500	290,000	5.00%	202,619		492,619	10,000	14,563		24,563	2026	410,000	271,681	0	681,681
2027	100,000	49,250		149,250	40,000	5.00%	194,369		234,369	10,000	14,063		24,063	2027	150,000	257,681	0	407,681
2028	125,000	43,625		168,625	125,000	5.00%	190,244		315,244	10,000	13,563		23,563	2028	260,000	247,431	0	507,431
2029	130,000	37,250		167,250	185,000	5.00%	182,494		367,494	10,000	13,063		23,063	2029	325,000	232,806	0	557,806
2030	135,000	30,625		165,625	200,000	5.00%	172,869		372,869	10,000	12,563		22,563	2030	345,000	216,056	0	561,056
2031	140,000	23,750		163,750	205,000	5.00%	162,744		367,744	10,000	12,063		22,063	2031	355,000	198,556	0	553,556
2032	155,000	16,375		171,375	210,000	5.00%	152,369		362,369	10,000	11,563		21,563	2032	375,000	180,306	0	555,306
2033	165,000	8,375		173,375	220,000	5.00%	141,619		361,619	15,000	10,938		25,938	2033	400,000	160,931	0	560,931
2034	85,000	2,125		87,125	230,000	5.00%	130,369		360,369	15,000	10,188		25,188	2034	330,000	142,681	0	472,681
2035					235,000	5.00%	118,744		353,744	15,000	9,438		24,438	2035	250,000	128,181	0	378,181
2036					245,000	5.00%	106,744		351,744	20,000	8,563		28,563	2036	265,000	115,306	0	380,306
2037					255,000	5.00%	94,244		349,244	20,000	7,563		27,563	2037	275,000	101,806	0	376,806
2038					270,000	5.00%	81,119		351,119	20,000	6,563		26,563	2038	290,000	87,681	0	377,681
2039					285,000	4.00%	68,669		353,669	25,000	5,563		30,563	2039	310,000	74,231	0	384,231
2040					295,000	4.00%	57,069		352,069	25,000	4,563		29,563	2040	320,000	61,631	0	381,631
2041					315,000	4.00%	44,869		359,869	25,000	3,563		28,563	2041	340,000	48,431	0	388,431
2042					330,000	4.00%	31,969		361,969	25,000	2,563		27,563	2042	355,000	34,531	0	389,531
2043					335,000	4.13%	18,459		353,459	25,000	1,547		26,547	2043	360,000	20,006	0	380,006
2044					280,000	4.13%	5,775		285,775	25,000	516		25,516	2044	305,000	6,291	0	311,291
Total	1,270,000	349,886	(81,291)	1,538,595	4,730,000		2,453,190	(167,717)	7,015,472	350,000	184,416	(10,250)	524,166	Total	6,350,000	2,987,492	(259,259)	9,078,233

Notes:

PRE-SALE ESTIMATE
DIFFERENCE 9,307,396
(229,163)



Table 5 Financing Plan Tax Impact

City of Whitewater, WI

Year Ending	Existing Debt		Proposed Debt										Year Ending
	Net Debt Service Levy	Equalized Value (TID OUT)	2024 G.O. Notes	2025 G.O. Notes	2026 G.O. Notes	2027 G.O. Notes	2028 G.O. Notes	Abatements	Debt Service Levy		Taxes		
			6,430,000 Dated: 7/17/2024 Total Net P&I	1,750,000 Dated: 6/1/2025 Total P&I	9,545,000 Dated: 6/1/2026 Total P&I	487,622 Dated: 6/1/2027 Total P&I	5,545,000 Dated: 6/1/2028 Total P&I	Less: Storm	Total Net Debt Service Levy	Levy Change from Prior Year	Total Tax Rate for Debt Service	Annual Taxes \$400,000 Home	
2024	1,313,705	925,184,300	4.00%-5.00%	4.50%	4.75%	4.75%	5.00%	0	1,313,705		\$1.42	\$568	2024
2025	1,267,724	977,494,526	0	0	0	0	0	(36,166)	1,703,563	389,858	\$1.74	\$697	2025
2026	1,222,211	1,032,762,391	472,005	0	0	0	0	(24,563)	2,095,205	391,642	\$2.03	\$811	2026
2027	1,224,455	1,091,155,118	681,681	215,875	0	0	0	(46,863)	2,486,230	391,026	\$2.28	\$911	2027
2028	1,136,904	1,152,849,389	407,681	220,875	680,081	0	0	(48,525)	2,875,304	389,074	\$2.49	\$998	2028
2029	1,126,559	1,218,031,875	507,431	219,013	1,000,088	60,394	0	(52,675)	3,264,633	389,329	\$2.68	\$1,072	2029
2030	1,081,908	1,286,899,801	557,806	221,813	1,202,906	69,600	138,625	(61,700)	3,026,851	(237,782)	\$2.35	\$941	2030
2031	1,061,496	1,359,661,541	561,056	219,275	730,713	67,225	428,375	(60,475)	2,970,539	(56,313)	\$2.18	\$874	2031
2032	676,666	1,436,537,255	553,556	221,400	616,463	64,850	513,250	(64,125)	2,700,284	(270,255)	\$1.88	\$752	2032
2033	653,033	1,517,759,546	555,306	227,963	731,500	62,475	510,500	(67,525)	2,665,957	(34,327)	\$1.76	\$703	2033
2034	651,570	1,603,574,174	560,931	224,075	728,094	60,100	507,250	(65,800)	2,568,501	(97,456)	\$1.60	\$641	2034
2035	629,933	1,694,240,788	472,681	224,850	723,975	57,725	503,500	(68,956)	2,462,482	(106,019)	\$1.45	\$581	2035
2036	613,533	1,790,033,723	378,181	230,063	733,788	55,350	504,125	(71,869)	2,206,482	(256,000)	\$1.23	\$493	2036
2037	587,120	1,891,242,822	380,306	0	732,413	52,975	499,125	(69,656)	2,117,448	(89,034)	\$1.12	\$448	2037
2038	360,945	1,998,174,317	376,806	0	691,038	38,516	493,625	(72,325)	1,853,351	(264,097)	\$0.93	\$371	2038
2039	356,520	2,111,151,754	377,681	0	699,425	0	487,625	(74,875)	1,751,001	(102,350)	\$0.83	\$332	2039
2040	307,435	2,230,516,973	384,231	0	696,625	0	388,500	(72,425)	1,700,641	(50,360)	\$0.76	\$305	2040
2041	274,050	2,356,631,141	381,631	0	692,875	0	391,125	(69,975)	1,668,806	(31,835)	\$0.71	\$283	2041
2042	0	2,489,875,845	388,431	0	688,175	0	388,125	(67,525)	1,398,913	(269,894)	\$0.56	\$225	2042
2043	0	2,630,654,250	389,531	0	687,406	0	389,500	(69,941)	1,395,403	(3,509)	\$0.53	\$212	2043
2044	0	2,779,392,311	380,006	0	695,213	0	390,125	(72,097)	1,325,663	(69,741)	\$0.48	\$191	2044
2045	0	2,936,540,072	311,291	0	691,594	0	394,875	(44,644)	1,031,013	(294,650)	\$0.35	\$140	2045
2046	0	3,102,573,020	0	0	681,906	0	393,750	(47,588)	1,035,075	4,063	\$0.33	\$133	2046
2047	0	3,277,993,525	0	0	685,913	0	396,750	(16,125)	382,625	(652,450)	\$0.12	\$47	2047
2048	0	3,463,332,364	0	0	0	0	399,750	(15,375)	384,375	1,750	\$0.11	\$44	2048
Total	14,545,765		9,078,233	2,225,200	14,790,188	589,205	8,517,250	(1,361,791)					Total

Notes:

Table 6 General Obligation Debt Capacity Analysis - Impact of Financing Plan

City of Whitewater, WI

Existing Debt					Proposed Debt							Year Ending	
Year Ending	Projected Equalized Value (TID IN)	Debt Limit	Existing Principal Outstanding	% of Limit	2024 G.O. Notes	2025 G.O. Notes	2026 G.O. Notes	2027 G.O. Notes	2028 G.O. Notes	Combined Principal Existing & Proposed	% of Limit	Residual Capacity	Year Ending
2023	976,283,200	48,814,160	20,782,415	43%						\$20,782,415	43%	\$28,031,745	2023
2024	1,019,115,935	50,955,797	19,211,315	38%	6,350,000					\$25,561,315	50%	\$25,394,481	2024
2025	1,063,827,883	53,191,394	17,651,109	33%	6,020,000	1,750,000				\$25,421,109	48%	\$27,770,285	2025
2026	1,110,501,489	55,525,074	16,098,741	29%	5,610,000	1,650,000	9,545,000			\$32,903,741	59%	\$22,621,333	2026
2027	1,159,222,820	57,961,141	14,499,124	25%	5,460,000	1,500,000	9,545,000	487,622		\$31,491,746	54%	\$26,469,395	2027
2028	1,210,081,714	60,504,086	12,945,798	21%	5,200,000	1,345,000	8,985,000	437,622	5,545,000	\$34,458,420	57%	\$26,045,666	2028
2029	1,263,171,954	63,158,598	11,367,194	18%	4,875,000	1,180,000	8,190,000	387,622	5,545,000	\$31,544,816	50%	\$31,613,782	2029
2030	1,318,591,437	65,929,572	9,959,856	15%	4,530,000	1,010,000	7,840,000	337,622	5,390,000	\$29,067,478	44%	\$36,862,093	2030
2031	1,376,442,354	68,822,118	8,532,223	12%	4,175,000	830,000	7,590,000	287,622	5,140,000	\$26,554,845	39%	\$42,267,273	2031
2032	1,436,831,379	71,841,569	7,480,000	10%	3,800,000	635,000	7,210,000	237,622	4,880,000	\$24,242,622	34%	\$47,598,947	2032
2033	1,499,869,868	74,993,493	6,430,000	9%	3,400,000	435,000	6,815,000	187,622	4,610,000	\$21,877,622	29%	\$53,115,871	2033
2034	1,565,674,062	78,283,703	5,360,000	7%	3,070,000	225,000	6,405,000	137,622	4,330,000	\$19,527,622	25%	\$58,756,081	2034
2035	1,634,365,301	81,718,265	4,280,000	5%	2,820,000	0	5,965,000	87,622	4,035,000	\$17,187,622	21%	\$64,530,643	2035
2036	1,706,070,250	85,303,512	3,195,000	4%	2,555,000		5,505,000	37,622	3,730,000	\$15,022,622	18%	\$70,280,890	2036
2037	1,780,921,128	89,046,056	2,110,000	2%	2,280,000		5,065,000	0	3,415,000	\$12,870,000	14%	\$76,176,056	2037
2038	1,859,055,960	92,952,798	1,490,000	2%	1,990,000		4,595,000		3,090,000	\$11,165,000	12%	\$81,787,798	2038
2039	1,940,618,821	97,030,941	850,000	1%	1,680,000		4,105,000		2,850,000	\$9,485,000	10%	\$87,545,941	2039
2040	2,025,760,113	101,288,006	345,000	0%	1,360,000		3,595,000		2,595,000	\$7,895,000	8%	\$93,393,006	2040
2041	2,114,636,831	105,731,842	(0)	0%	1,020,000		3,065,000		2,330,000	\$6,415,000	6%	\$99,316,842	2041
2042	2,207,412,861	110,370,643	0	0%	665,000		2,510,000		2,050,000	\$5,225,000	5%	\$105,145,643	2042
2043	2,304,259,279	115,212,964	0	0%	305,000		1,920,000		1,755,000	\$3,980,000	3%	\$111,232,964	2043
2044	2,405,354,665	120,267,733	0	0%	0		1,305,000		1,440,000	\$2,745,000	2%	\$117,522,733	2044
2045	2,510,885,437	125,544,272	0	0%			670,000		1,110,000	\$1,780,000	1%	\$123,764,272	2045
2046	2,621,046,189	131,052,309	0	0%			0		760,000	\$760,000	1%	\$130,292,309	2046
2047	2,736,040,053	136,802,003	0	0%					390,000	\$390,000	0%	\$136,412,003	2047
2048	2,856,079,074	142,803,954	0	0%					0	\$0	0%	\$142,803,954	2048

Notes:

RatingsDirect®

Summary:

Whitewater, Wisconsin; General Obligation

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US\$6.43 mil GO prom nts ser 2024A dtd 06/17/2024 due 06/01/2044

Long Term Rating A+/Stable New

Whitewater GO corp purp bnds

Long Term Rating A+/Stable Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'A+' long-term rating to the City of Whitewater, Wis.' anticipated \$6.4 million series 2024A general obligation (GO) promissory notes.
- At the same time, we affirmed our 'A+' long-term rating on the city's GO debt outstanding.
- The outlook is stable.

Security

The series 2024A GO notes and its existing GO debt are secured by the city's unlimited-tax GO pledge. Proceeds from the notes will be used for capital improvement projects, including street and dam repairs, and shoreline restoration. The city is concurrently issuing water and sewer revenue debt of \$1.4 million.

Credit overview

Anchoring the rating is the Whitewater's maintenance of very strong reserves and liquidity, and a good Financial Management Assessment (FMA). Offsetting these strengths are the city's weak debt burden, and below-average economic metrics. However, we view the local university--the University of Wisconsin-Whitewater--as a stabilizing institutional presence, and a credit strength.

Whitewater posted two years of positive results (fiscal years 2021 and 2022), fueled by reduced expenses from unfilled positions, since have been filled, and increase in hotel tax revenues. In 2023 the city made a planned draw of about \$424,000 from the available reserves applying the surplus toward various city funds. Our calculation of performance includes a number of adjustments for reoccurring transfers in and transfers out of the general fund to assess day-to-day operating performance. Notably, the voter approved reoccurring operating levy went into effect in 2023 to finance a full-time Emergency Medical Services and fire service department, previously a volunteer department; the levy revenue generates \$1.1 million to support the full-time roles. Budget fiscal 2024 is balanced, with no planned draws, and at halfway through the fiscal year, performance is trending in line with budget. Property taxes and intergovernmental revenues are the two major revenue sources for Whitewater, representing 50% and 40%, respectively, in the 2024 budget. The city received \$1.55 million in American Rescue Plan Act funds, held outside of the general fund, all of which it allocated to one-time expenses, mostly for water and sewer improvements. The city has two private placements outstanding secured by its unlimited-tax pledge, both contain acceleration provisions in

the event of default. However, we do not view these as a contingent liquidity risk given the city's liquidity is more than sufficient to cover full repayment of both obligations.

Taxbase growth has been steady with about 20% increase in the past two years from a mix of new residential construction and property reassessments. The city is in Jefferson and Walworth counties, approximately 50 miles away from both Madison and Milwaukee in southeast Wisconsin. Whitewater has five tax-increment financing districts (TID) that are at varying levels of development and anticipated to stimulate economic growth.

The rating reflects our assessment of Whitewater's:

- Weak income metrics of 53% of national average level, although largely due to the university's large student population, which understates Whitewater's economic strength. The university is also the city's largest employer, but the taxbase is diverse and predominantly residential;
- Generally consistent general fund operating performance, with an exception in 2023 (unaudited) for planned use of reserves but continued maintenance above the reserve policy minimum of 20% operating expenditures, and expectations to end with balanced results in 2024;
- Good financial management policies and practices under our FMA, including comprehensive long-term capital planning and embedded cyber-risk policies, with a strong institutional framework score;
- Weak debt burden, and additional debt plans of \$11 million in GO debt and \$3.2 million in water and sewer revenue debt in the next two years that we believe will worsen the debt burden returning to higher carrying costs; and
- Well-funded-pension plan as a participant in Wisconsin Retirement Plan.

Environmental, social, and governance

We have analyzed Whitewater's environmental, social, and governance (ESG) factors relative to the city's economy, management, financial measures, and debt and liability profile and consider them to be neutral in our credit analysis.

Outlook

The outlook reflects our expectation of stable performance given the city's consistent taxbase growth, supportive of its growing budget and needs, coupled with management's conservative budgeting practices and maintenance of reserves above its policy.

Downside scenario

In the event the city experiences weakened fiscal performance causing a material deterioration in reserves, we could lower the rating.

Upside scenario

If the city achieves sustained improvement in its economic metrics, while maintaining or improving its other credit factors, a higher rating is possible. Alternatively, if the city experiences a material improvement in its weak debt profile, a higher rating is possible.

Whitewater, Wis.--Key credit metrics

	Most recent	Historical information		
		2023	2022	2021
Weak economy				
Projected per capita EBI % of U.S.	53.9			
Market value per capita (\$)		64,946	57,905	54,467
Population		15,032	14,872	14,730
County unemployment rate(%)			2.9	
Market value (\$000)		976,263	861,166	802,303
Ten largest taxpayers % of taxable value	12.1			
Strong budgetary performance				
Operating fund result % of expenditures		-3.9	1.3	5.0
Total governmental fund result % of expenditures		1.0	-4.9	-1.3
Very strong budgetary flexibility				
Available reserves % of operating expenditures		48.3	56.6	45.0
Total available reserves (\$000)		5,272	5,286	4,069
Very strong liquidity				
Total government cash % of governmental fund expenditures		89.3	68.6	38.7
Total government cash % of governmental fund debt service		1,050.6	934.5	166.0
Strong management				
Financial Management Assessment	Good			
Weak debt and long-term liabilities				
Debt service % of governmental fund expenditures		8.5	7.3	23.3
Net direct debt % of governmental fund revenue	133.6			
Overall net debt % of market value	2.9			
Direct debt 10-year amortization (%)	63.7			
Required pension contribution % of governmental fund expenditures		4.2		
OPEB actual contribution % of governmental fund expenditures		0.0		
Strong institutional framework				

Data points and ratios may reflect analytical adjustments. EBI--Effective buying income. OPEB--Other postemployment benefits.

Related Research

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

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