

September 22, 2020  
Pre-Sale Report for

# Barron County, Wisconsin

\$25,120,000 General Obligation Highway  
Department Building Bonds, Series 2020B



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**Prepared by:**

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# EXECUTIVE SUMMARY OF PROPOSED DEBT

## Proposed Issue:

\$25,120,000 General Obligation Highway Department Building Bonds, Series 2020B

## Purposes:

The proposed issue includes financing for the following purpose:

Funding for New Highway Department Building

- General Obligation Highway Department Building Bonds, Series 2020B (\$25,120,000). Debt service will be paid from ad valorem property taxes.

## Authority:

The Bonds are being issued pursuant to Wisconsin Statute, Section:

- 67.04

The Bonds will be general obligations of the County for which its full faith, credit and taxing powers are pledged.

The Bonds count against the County's General Obligation Debt Capacity Limit of 5% of total County Equalized Valuation. Following issuance of the Bonds, the County's total General Obligation debt principal outstanding will be \$31,023,400, which is 14% of its limit. Remaining General Obligation Borrowing Capacity will be approximately \$206,190,000.

## Term/Call Feature:

The Bonds are being issued for a term of 20 years. Principal on the Bonds will be due on November 1 in the years 2023 through 2040. Interest is payable every six months beginning May 1, 2022.

The Bonds will be subject to prepayment at the discretion of the County on November 1, 2028 or any date thereafter.

## Bank Qualification:

Because the County is issuing, or expects to issue, more than \$10,000,000 in tax-exempt obligations during the calendar year, the County will be not able to designate the Bonds as "bank qualified" obligations.

**Rating:**

We recommend selling this issue non-rated as the Note will be offered for sale to local, regional, and national banks.

**Basis for Recommendation:**

Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of Bonds as a suitable option based on:

- The expectation this form of financing will provide the overall lowest cost of funds while also meeting the County's objectives for term, structure and optional redemption.
- The County having adequate General Obligation debt capacity to undertake this financing.

**Method of Sale/Placement:**

We will solicit competitive bids for the purchase of the Bonds from local, regional, & national banks. The County has been contacted by several area banks expressing a strong interest in the Bonds. The County would like to explore these options if the banks can provide market rate long-term financing that meets the County's objectives for term, structure and optional redemption.

**Review of Existing Debt:**

We have reviewed all outstanding indebtedness for the County and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the County's outstanding debt and will alert you to any future refunding opportunities.

**Continuing Disclosure:**

The County will be agreeing to provide its Audited Financial Statements annually as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The County 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 Bonds tax-exempt obligations, the County 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 defined in the Tax Exemption Certificate prepared by your Bond Attorney and provided at closing.

### **Investment of Bond Proceeds:**

The County is requesting a draw as needed option which would eliminate the investment of the bond proceeds during the construction period.

### **Other Service Providers:**

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, but the 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.

**Bond Counsel:** Quarles & Brady LLP

**Paying Agent:** Issuer

**Rating Agency:** This issue will not be rated.

## PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by Board of Supervisors:	September 22, 2020
Distribute Offering Document:	Week of September 21, 2020
Board of Supervisors Meeting to Award Sale of the Bonds:	October 19, 2020
Estimated Closing Date:	November 4, 2020

### Attachments

- Estimated Debt Service Schedule and Sources and Uses of Funds
- Estimated General Obligation Debt Capacity (Chart)
- Estimated General Obligation Debt Levy (Chart)

## EHLERS' CONTACTS

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# Exhibit 1

For Discussion Only

## Barron County, WI

### Estimated Debt Service and Capitalization Schedule

\$25,120,000 General Obligation Highway Building Bonds, Series 2021

Year	Principal	Rate	Interest	Net Total P&I
2021				
2022			956,525	956,525
2023	1,220,000	0.900%	478,263	1,698,263
2024	1,235,000	0.950%	467,283	1,702,283
2025	1,245,000	1.100%	455,550	1,700,550
2026	1,260,000	1.250%	441,855	1,701,855
2027	1,275,000	1.350%	426,105	1,701,105
2028	1,290,000	1.500%	408,893	1,698,893
2029	1,310,000	1.650%	389,543	1,699,543
2030	1,335,000	1.800%	367,928	1,702,928
2031	1,355,000	1.900%	343,898	1,698,898
2032	1,380,000	1.950%	318,153	1,698,153
2033	1,410,000	2.050%	291,243	1,701,243
2034	1,440,000	2.150%	262,338	1,702,338
2035	1,470,000	2.300%	231,378	1,701,378
2036	1,505,000	2.400%	197,568	1,702,568
2037	1,540,000	2.450%	161,448	1,701,448
2038	1,575,000	2.500%	123,718	1,698,718
2039	1,615,000	2.550%	84,343	1,699,343
2040	1,660,000	2.600%	43,160	1,703,160
<b>Totals</b>	<b>25,120,000</b>		<b>6,449,185</b>	<b>31,569,185</b>

Issue Summary	
<b>Key Dates</b>	
Dated Date:	11/1/2020
First Interest Payment:	5/1/2022
First Principal Payment:	11/1/2022
<b>Estimated Interest Rates</b>	
<b>50 Basis Points above Non-BQ AA Rates</b>	
	<b>Preliminary</b>
True Interest Cost (TIC):	2.175%
All Inclusive Cost (AIC):	2.220%
Total P & I:	\$31,569,185
<b>Sources and Uses</b>	
	<b>Total</b>
Par Amount of Bonds	25,120,000
<b>Total Sources</b>	<b>\$25,120,000</b>
Underwriters Discount (0.600%)	150,720
Cost of Issuance	116,000
Deposit to Project Fund	24,852,560
Rounding	720
<b>Total Uses</b>	<b>\$25,120,000</b>

# Exhibit 2

For Discussion Only



