

INTER-OFFICE CORRESPONDENCE

To: Mayor and City Council
From: Walter K. Munchheimer
Date: April 20, 2017
Subject: Issue Paper #2—Infrastructure Investment Plan

Economic development is an acknowledged priority in Marysville. The Council's adoption of the Marysville Bounce Back Initiative is the broad foundation for a series of actions intended to return Marysville to prosperity. Much of what we have begun recently and what will follow in the future involves modernizing the city's planning vision and regulatory environment.

By design, Bounce Back is not planning for planning sake. It has pragmatic objectives which will give us the tools necessary to help achieve our economic revitalization goals. Among these are:

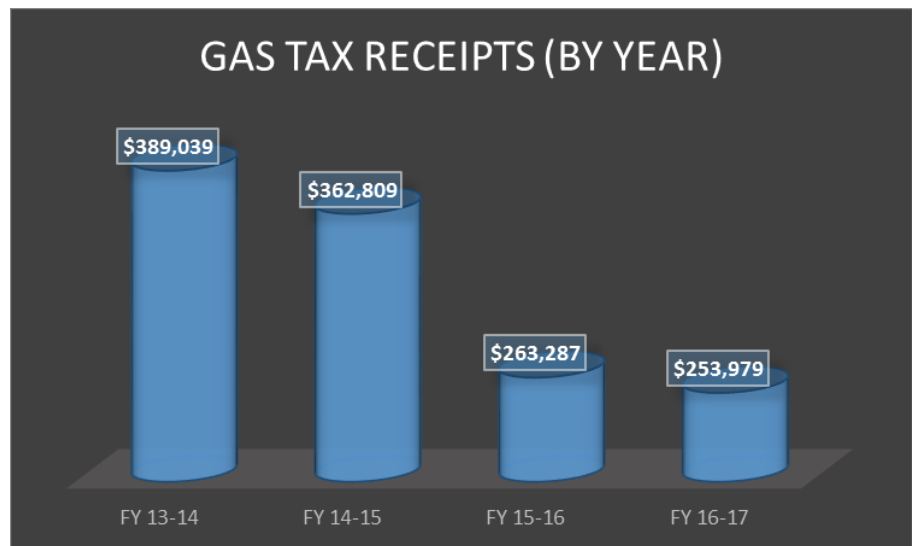
- A clear set of business objectives that capitalizes on the strengths, and removes the impediments, of each of the five target economic districts in the community;
- A clear framework for updating the General Plan to ensure that the City's land-use planning ground rules and its zoning code are made to be consistent with the community's vision;
- A less complicated regulatory environment that embraces compatible business development throughout the community and gives potential investors the confidence and encouragement they need to make large-scale investments in our town;
- A wide range of options for civic improvements available to the community, and the necessary tools for seeking outside funding sources to help carry out those options which the community selects;
- A coherent plan for making public investments in community infrastructure needed to support business development and private investment.

None of these tools is superfluous; each is vital to a successful outcome. But one has a significant cost that requires us to invest more heavily in our own future than we have grown accustomed to in the past. Of the essential infrastructure needed to support large-scale economic growth, the community's water, wastewater and electric systems have both the capacity and the reliability to meet high levels of economic development. In contrast, the City's transportation infrastructure gets a mixed review. With the completion of the Caltrans resurfacing project in 2014, state routes 20 and 70 are in excellent condition (although current highway alignments do not always lend themselves to the most favorable land-use options in every area of the City). But city streets are a different matter. Throughout the main commercial districts of Marysville, city streets are generally in substandard condition, in need of restoration because of deferred past maintenance. The primary source of funding for street maintenance for cities and counties is motor vehicle fuel taxes charged to motorists at the pump. However, too small a share of those

funds is available each year for materials and/or construction contracts to keep all city streets in good repair, so years of deferred maintenance have left the city street system in need of a large-scale capital investment that is presently beyond our capacity from existing funding sources.

Much has been written and discussed about the inadequacy of current funding arrangements for streets and roads in California. For a variety of reasons, the motor vehicle fuel tax, introduced in California nearly 100 years ago, is increasingly a poor means of supporting the needs of a massive highway and local streets and roads network throughout the state. In Marysville, as elsewhere, our streets are deteriorating faster than they can be adequately preserved, and that

represents a drag on our future economic recovery. The City-maintained street system consists of approximately 60 miles of surface streets and alleyways. To put the matter into perspective, the City now relies solely on its gas tax revenue for maintenance and upkeep of those 60 miles of streets. But, as the chart at right shows, that source of funding has steadily



declined over recent years. In part, this is the result of more fuel efficient internal combustion engines and the increased use of electric hybrid technology. And it is due to state legislative actions that have swapped some gas tax revenues to help balance state budgets. What was already an inadequate level of funding at \$6,484 per mile (or \$463 per city block) just three years ago, is now down to \$4,233 per mile (\$302 per city block) in the current year. This funding must go toward both labor costs and materials and supplies needed for street and sidewalk repairs. At the current rate, the gas tax can no longer be counted on for more than patch repairs; paving projects are well beyond our present means. This has the practical effect of further deferring the maintenance backlog more with each passing year.

An upcoming pavement management study to be completed this year will give a detailed picture of current conditions of City streets according to a national system of ratings of pavement surface condition. But even without an updated engineering study, motorists know from observation that many City streets need more attention. Waiting for a funding solution from the state Legislature seems increasingly in vain.

At its regular semi-annual goal-setting workshop last October, Council agreed that this is a significant enough issue for Council/citizens that it is time to craft a local solution to our local street needs. At an average estimated cost of \$80,000 per city block, repaving City streets will require funding strategies that go far beyond our annual gas tax allocations, and call for sustainable funding arrangements for at least 20 years or more into the future.

In the *City Manager’s Mid-Year Report and Budget Outlook* delivered to Council last month, we stated that, “If the state sends cities more transportation money in the future, that’s wonderful, but the condition of our streets gets progressively worse, with no solution in place.” A local solution is needed, and City Administration proposed what it called the “2017 Infrastructure Renewal and Economic Recovery Program” (IRERP). The strategy we are recommending consists of two parts. First, updating an outdated pavement management study over the next 4-5 months will give the City a current review of the condition of every one of the City’s streets. That will allow the Council to determine the priority street segments for rehabilitation and/or repaving. Funding for the study has already been secured from SACOG, and awaits only a memorandum of agreement with that organization to allow contracting with an appropriate traffic engineering firm to proceed.

Second, based upon the criteria the Council will establish for selecting priority street segments, a correctly-sized financing program would be put together and construction bids awarded. Even in a compact city like Marysville, with only about 60 miles of streets, the cost of repairing streets from years of deferred maintenance quickly becomes very large. Asphalt overlay or full depth replacement of public streets throughout the City, as needed, is conservatively estimated in excess of \$65 million. This is where an updated engineering survey of street conditions becomes important to deciding how to narrow the scale of our rebuilding program to a cost that’s manageable.

Preliminarily, I am recommending setting a target of the worst 5% of street segments for an initial phase of the 2017 Infrastructure Renewal and Economic Recovery Program would rehab 40+ city blocks at a cost of \$4 million raised by issuance of an infrastructure bond. Annual debt service would run approximately \$356,000 at current interest rates with a 15-year repayment schedule. The recent passage of Senate Bill 1 provides the City with improved gas tax and vehicle registration fees which can be applied toward partial repayment of the bond. The new revenue associated with SB 1 is conservatively estimated to produce \$210,000 per year (beginning in FY 18) for that purpose. Measure F, the new Cannabis Business Tax, would be well suited to support the remaining \$146,000± per year, and would be consistent with the recommendation I made earlier in the Mid-Year Report that Measure F be used for one-time costs or paying debt or building financial reserves, and not used for ongoing operational costs. Because there is presently no history of Measure F collections to base a conclusive decision on, once the first step of conducting the new updated pavement management study is completed later this summer or fall, we should have some amount of empirical tax data to work with by then. The IRERP Bond would likely be a private placement lease revenue bond. The table below summarizes the funding commitments for various levels of project spending, while the amortization tables attached show the corresponding yearly repayment schedules.

Infrastructure Revenue Bond			
Project Size / Bond Term (Yrs)	Average Annual Debt	SB 1 Transportation Funds	Measure F Proceeds
\$4 Million / 15 Yrs	\$356,000	\$210,000	\$146,000
\$4.5 Million / 15 Yrs	\$399,000	\$210,000	\$189,000
\$4.5 Million / 20 Yrs	\$325,000	\$210,000	\$115,000
\$5 Million / 20 Yrs	\$362,000	\$210,000	\$152,000

Shortly, City staff will conclude the required memorandum of agreement with SACOG to free up grant funding for the proposed pavement management study. The project will then be assigned to a qualified engineering firm and a contract for engineering services brought to Council for authorization to proceed with the study.

Concurrently, the City has held discussions with the Yuba-Sutter Economic Development Corporation to assess whether a grant application for funding from the U.S. Department of Commerce, Economic Development Administration, would be a feasible means to supplement our own bond financing to expand the IRERP to as much as \$10 million. That funding is an approved part of the City's 2016 Comprehensive Economic Development Strategy (CEDS) report adopted by Council last May as CEDS project M16. Whether the source of a future supplemental grant is the U.S. Economic Development Administration or some other grantor, we will continue to seek additional funding to be able to continue an accelerated program of large-scale street reconditioning throughout the City.

Attachments: Infrastructure Bond Schedules (16 pages)

SOURCES AND USES OF FUNDS

CITY OF MARYSVILLE
INFRASTRUCTURE BOND-4MM PAR-15Y--1

Sources:

Bond Proceeds:	
Par Amount	4,140,000.00
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	4,140,000.00
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Uses:

Project Fund Deposits:	
Project Fund	4,000,000.00
Delivery Date Expenses:	
Cost of Issuance	140,000.00
	<hr/>
	4,140,000.00
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BOND SUMMARY STATISTICS

CITY OF MARYSVILLE
INFRASTRUCTURE BOND-4MM PAR-15Y--1

Dated Date	07/01/2017
Delivery Date	07/01/2017
Last Maturity	07/01/2032
Arbitrage Yield	3.350000%
True Interest Cost (TIC)	3.350000%
Net Interest Cost (NIC)	3.350000%
All-In TIC	3.831389%
Average Coupon	3.350000%
Average Life (years)	8.614
Duration of Issue (years)	7.319
Par Amount	4,140,000.00
Bond Proceeds	4,140,000.00
Total Interest	1,194,610.00
Net Interest	1,194,610.00
Total Debt Service	5,334,610.00
Maximum Annual Debt Service	358,205.00
Average Annual Debt Service	355,640.67
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	4,140,000.00	100.000	3.350%	8.614
	4,140,000.00			8.614

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,140,000.00	4,140,000.00	4,140,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-140,000.00	
- Other Amounts			
Target Value	4,140,000.00	4,000,000.00	4,140,000.00
Target Date	07/01/2017	07/01/2017	07/01/2017
Yield	3.350000%	3.831389%	3.350000%

BOND PRICING

CITY OF MARYSVILLE
INFRASTRUCTURE BOND-4MM PAR-15Y--1

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	07/01/2018	215,000	3.350%	3.350%	100.000
	07/01/2019	225,000	3.350%	3.350%	100.000
	07/01/2020	230,000	3.350%	3.350%	100.000
	07/01/2021	240,000	3.350%	3.350%	100.000
	07/01/2022	250,000	3.350%	3.350%	100.000
	07/01/2023	255,000	3.350%	3.350%	100.000
	07/01/2024	265,000	3.350%	3.350%	100.000
	07/01/2025	275,000	3.350%	3.350%	100.000
	07/01/2026	285,000	3.350%	3.350%	100.000
	07/01/2027	290,000	3.350%	3.350%	100.000
	07/01/2028	300,000	3.350%	3.350%	100.000
	07/01/2029	310,000	3.350%	3.350%	100.000
	07/01/2030	320,000	3.350%	3.350%	100.000
	07/01/2031	335,000	3.350%	3.350%	100.000
	07/01/2032	345,000	3.350%	3.350%	100.000
		4,140,000			

Dated Date	07/01/2017	
Delivery Date	07/01/2017	
First Coupon	01/01/2018	
Par Amount	4,140,000.00	
Original Issue Discount		
Production	4,140,000.00	100.000000%
Underwriter's Discount		
Purchase Price	4,140,000.00	100.000000%
Accrued Interest		
Net Proceeds	4,140,000.00	

BOND DEBT SERVICE
CITY OF MARYSVILLE
INFRASTRUCTURE BOND-4MM PAR-15Y--1

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2018			69,345.00	69,345.00	
07/01/2018	215,000	3.350%	69,345.00	284,345.00	353,690.00
01/01/2019			65,743.75	65,743.75	
07/01/2019	225,000	3.350%	65,743.75	290,743.75	356,487.50
01/01/2020			61,975.00	61,975.00	
07/01/2020	230,000	3.350%	61,975.00	291,975.00	353,950.00
01/01/2021			58,122.50	58,122.50	
07/01/2021	240,000	3.350%	58,122.50	298,122.50	356,245.00
01/01/2022			54,102.50	54,102.50	
07/01/2022	250,000	3.350%	54,102.50	304,102.50	358,205.00
01/01/2023			49,915.00	49,915.00	
07/01/2023	255,000	3.350%	49,915.00	304,915.00	354,830.00
01/01/2024			45,643.75	45,643.75	
07/01/2024	265,000	3.350%	45,643.75	310,643.75	356,287.50
01/01/2025			41,205.00	41,205.00	
07/01/2025	275,000	3.350%	41,205.00	316,205.00	357,410.00
01/01/2026			36,598.75	36,598.75	
07/01/2026	285,000	3.350%	36,598.75	321,598.75	358,197.50
01/01/2027			31,825.00	31,825.00	
07/01/2027	290,000	3.350%	31,825.00	321,825.00	353,650.00
01/01/2028			26,967.50	26,967.50	
07/01/2028	300,000	3.350%	26,967.50	326,967.50	353,935.00
01/01/2029			21,942.50	21,942.50	
07/01/2029	310,000	3.350%	21,942.50	331,942.50	353,885.00
01/01/2030			16,750.00	16,750.00	
07/01/2030	320,000	3.350%	16,750.00	336,750.00	353,500.00
01/01/2031			11,390.00	11,390.00	
07/01/2031	335,000	3.350%	11,390.00	346,390.00	357,780.00
01/01/2032			5,778.75	5,778.75	
07/01/2032	345,000	3.350%	5,778.75	350,778.75	356,557.50
	4,140,000		1,194,610.00	5,334,610.00	5,334,610.00

SOURCES AND USES OF FUNDS

CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-15Y--3

Sources:

Bond Proceeds:	
Par Amount	4,640,000.00
	<hr/>
	4,640,000.00
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Uses:

Project Fund Deposits:	
Project Fund	4,500,000.00
Delivery Date Expenses:	
Cost of Issuance	140,000.00
	<hr/>
	4,640,000.00
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BOND SUMMARY STATISTICS

CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-15Y--3

Dated Date	07/01/2017
Delivery Date	07/01/2017
Last Maturity	07/01/2032
Arbitrage Yield	3.350000%
True Interest Cost (TIC)	3.350000%
Net Interest Cost (NIC)	3.350000%
All-In TIC	3.778574%
Average Coupon	3.350000%
Average Life (years)	8.610
Duration of Issue (years)	7.315
Par Amount	4,640,000.00
Bond Proceeds	4,640,000.00
Total Interest	1,338,325.00
Net Interest	1,338,325.00
Total Debt Service	5,978,325.00
Maximum Annual Debt Service	401,102.50
Average Annual Debt Service	398,555.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	4,640,000.00	100.000	3.350%	8.610
	4,640,000.00			8.610

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,640,000.00	4,640,000.00	4,640,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-140,000.00	
- Other Amounts			
Target Value	4,640,000.00	4,500,000.00	4,640,000.00
Target Date	07/01/2017	07/01/2017	07/01/2017
Yield	3.350000%	3.778574%	3.350000%

BOND PRICING

CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-15Y--3

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	07/01/2018	245,000	3.350%	3.350%	100.000
	07/01/2019	250,000	3.350%	3.350%	100.000
	07/01/2020	260,000	3.350%	3.350%	100.000
	07/01/2021	270,000	3.350%	3.350%	100.000
	07/01/2022	280,000	3.350%	3.350%	100.000
	07/01/2023	285,000	3.350%	3.350%	100.000
	07/01/2024	295,000	3.350%	3.350%	100.000
	07/01/2025	305,000	3.350%	3.350%	100.000
	07/01/2026	315,000	3.350%	3.350%	100.000
	07/01/2027	325,000	3.350%	3.350%	100.000
	07/01/2028	340,000	3.350%	3.350%	100.000
	07/01/2029	350,000	3.350%	3.350%	100.000
	07/01/2030	360,000	3.350%	3.350%	100.000
	07/01/2031	375,000	3.350%	3.350%	100.000
	07/01/2032	385,000	3.350%	3.350%	100.000
		4,640,000			

Dated Date	07/01/2017	
Delivery Date	07/01/2017	
First Coupon	01/01/2018	
Par Amount	4,640,000.00	
Original Issue Discount		
Production	4,640,000.00	100.000000%
Underwriter's Discount		
Purchase Price	4,640,000.00	100.000000%
Accrued Interest		
Net Proceeds	4,640,000.00	

BOND DEBT SERVICE
CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-15Y--3

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2018			77,720.00	77,720.00	
07/01/2018	245,000	3.350%	77,720.00	322,720.00	400,440.00
01/01/2019			73,616.25	73,616.25	
07/01/2019	250,000	3.350%	73,616.25	323,616.25	397,232.50
01/01/2020			69,428.75	69,428.75	
07/01/2020	260,000	3.350%	69,428.75	329,428.75	398,857.50
01/01/2021			65,073.75	65,073.75	
07/01/2021	270,000	3.350%	65,073.75	335,073.75	400,147.50
01/01/2022			60,551.25	60,551.25	
07/01/2022	280,000	3.350%	60,551.25	340,551.25	401,102.50
01/01/2023			55,861.25	55,861.25	
07/01/2023	285,000	3.350%	55,861.25	340,861.25	396,722.50
01/01/2024			51,087.50	51,087.50	
07/01/2024	295,000	3.350%	51,087.50	346,087.50	397,175.00
01/01/2025			46,146.25	46,146.25	
07/01/2025	305,000	3.350%	46,146.25	351,146.25	397,292.50
01/01/2026			41,037.50	41,037.50	
07/01/2026	315,000	3.350%	41,037.50	356,037.50	397,075.00
01/01/2027			35,761.25	35,761.25	
07/01/2027	325,000	3.350%	35,761.25	360,761.25	396,522.50
01/01/2028			30,317.50	30,317.50	
07/01/2028	340,000	3.350%	30,317.50	370,317.50	400,635.00
01/01/2029			24,622.50	24,622.50	
07/01/2029	350,000	3.350%	24,622.50	374,622.50	399,245.00
01/01/2030			18,760.00	18,760.00	
07/01/2030	360,000	3.350%	18,760.00	378,760.00	397,520.00
01/01/2031			12,730.00	12,730.00	
07/01/2031	375,000	3.350%	12,730.00	387,730.00	400,460.00
01/01/2032			6,448.75	6,448.75	
07/01/2032	385,000	3.350%	6,448.75	391,448.75	397,897.50
	4,640,000		1,338,325.00	5,978,325.00	5,978,325.00

SOURCES AND USES OF FUNDS

CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-20Y--4

Sources:

Bond Proceeds:	
Par Amount	4,140,000.00
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	4,140,000.00
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Uses:

Project Fund Deposits:	
Project Fund	4,000,000.00
Delivery Date Expenses:	
Cost of Issuance	140,000.00
	<hr/>
	4,140,000.00
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BOND SUMMARY STATISTICS

CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-20Y--4

Dated Date	07/01/2017
Delivery Date	07/01/2017
Last Maturity	07/01/2037
Arbitrage Yield	3.500000%
True Interest Cost (TIC)	3.500000%
Net Interest Cost (NIC)	3.500000%
All-In TIC	3.880558%
Average Coupon	3.500000%
Average Life (years)	11.633
Duration of Issue (years)	9.268
Par Amount	4,140,000.00
Bond Proceeds	4,140,000.00
Total Interest	1,685,600.00
Net Interest	1,685,600.00
Total Debt Service	5,825,600.00
Maximum Annual Debt Service	294,150.00
Average Annual Debt Service	291,280.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	4,140,000.00	100.000	3.500%	11.633
	4,140,000.00			11.633

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,140,000.00	4,140,000.00	4,140,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-140,000.00	
- Other Amounts			
Target Value	4,140,000.00	4,000,000.00	4,140,000.00
Target Date	07/01/2017	07/01/2017	07/01/2017
Yield	3.500000%	3.880558%	3.500000%

BOND PRICING

CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-20Y--4

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	07/01/2018	145,000	3.500%	3.500%	100.000
	07/01/2019	150,000	3.500%	3.500%	100.000
	07/01/2020	155,000	3.500%	3.500%	100.000
	07/01/2021	165,000	3.500%	3.500%	100.000
	07/01/2022	170,000	3.500%	3.500%	100.000
	07/01/2023	175,000	3.500%	3.500%	100.000
	07/01/2024	180,000	3.500%	3.500%	100.000
	07/01/2025	185,000	3.500%	3.500%	100.000
	07/01/2026	195,000	3.500%	3.500%	100.000
	07/01/2027	200,000	3.500%	3.500%	100.000
	07/01/2028	205,000	3.500%	3.500%	100.000
	07/01/2029	215,000	3.500%	3.500%	100.000
	07/01/2030	220,000	3.500%	3.500%	100.000
	07/01/2031	230,000	3.500%	3.500%	100.000
	07/01/2032	235,000	3.500%	3.500%	100.000
	07/01/2033	245,000	3.500%	3.500%	100.000
	07/01/2034	255,000	3.500%	3.500%	100.000
	07/01/2035	265,000	3.500%	3.500%	100.000
	07/01/2036	270,000	3.500%	3.500%	100.000
	07/01/2037	280,000	3.500%	3.500%	100.000
		4,140,000			

Dated Date	07/01/2017	
Delivery Date	07/01/2017	
First Coupon	01/01/2018	
Par Amount	4,140,000.00	
Original Issue Discount		
Production	4,140,000.00	100.000000%
Underwriter's Discount		
Purchase Price	4,140,000.00	100.000000%
Accrued Interest		
Net Proceeds	4,140,000.00	

BOND DEBT SERVICE
CITY OF MARYSVILLE
Infrastructure Bond-4.5MM PAR-20Y--4

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2018			72,450.00	72,450.00	
07/01/2018	145,000	3.500%	72,450.00	217,450.00	289,900
01/01/2019			69,912.50	69,912.50	
07/01/2019	150,000	3.500%	69,912.50	219,912.50	289,825
01/01/2020			67,287.50	67,287.50	
07/01/2020	155,000	3.500%	67,287.50	222,287.50	289,575
01/01/2021			64,575.00	64,575.00	
07/01/2021	165,000	3.500%	64,575.00	229,575.00	294,150
01/01/2022			61,687.50	61,687.50	
07/01/2022	170,000	3.500%	61,687.50	231,687.50	293,375
01/01/2023			58,712.50	58,712.50	
07/01/2023	175,000	3.500%	58,712.50	233,712.50	292,425
01/01/2024			55,650.00	55,650.00	
07/01/2024	180,000	3.500%	55,650.00	235,650.00	291,300
01/01/2025			52,500.00	52,500.00	
07/01/2025	185,000	3.500%	52,500.00	237,500.00	290,000
01/01/2026			49,262.50	49,262.50	
07/01/2026	195,000	3.500%	49,262.50	244,262.50	293,525
01/01/2027			45,850.00	45,850.00	
07/01/2027	200,000	3.500%	45,850.00	245,850.00	291,700
01/01/2028			42,350.00	42,350.00	
07/01/2028	205,000	3.500%	42,350.00	247,350.00	289,700
01/01/2029			38,762.50	38,762.50	
07/01/2029	215,000	3.500%	38,762.50	253,762.50	292,525
01/01/2030			35,000.00	35,000.00	
07/01/2030	220,000	3.500%	35,000.00	255,000.00	290,000
01/01/2031			31,150.00	31,150.00	
07/01/2031	230,000	3.500%	31,150.00	261,150.00	292,300
01/01/2032			27,125.00	27,125.00	
07/01/2032	235,000	3.500%	27,125.00	262,125.00	289,250
01/01/2033			23,012.50	23,012.50	
07/01/2033	245,000	3.500%	23,012.50	268,012.50	291,025
01/01/2034			18,725.00	18,725.00	
07/01/2034	255,000	3.500%	18,725.00	273,725.00	292,450
01/01/2035			14,262.50	14,262.50	
07/01/2035	265,000	3.500%	14,262.50	279,262.50	293,525
01/01/2036			9,625.00	9,625.00	
07/01/2036	270,000	3.500%	9,625.00	279,625.00	289,250
01/01/2037			4,900.00	4,900.00	
07/01/2037	280,000	3.500%	4,900.00	284,900.00	289,800
	4,140,000		1,685,600.00	5,825,600.00	5,825,600

SOURCES AND USES OF FUNDS

CITY OF MARYSVILLE
Infrastructure Bond-5MM-20Y--5

Sources:

Bond Proceeds:	
Par Amount	5,150,000.00
	<hr/>
	5,150,000.00
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Uses:

Project Fund Deposits:	
Project Fund	5,000,000.00
Delivery Date Expenses:	
Cost of Issuance	150,000.00
	<hr/>
	5,150,000.00
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BOND SUMMARY STATISTICS

CITY OF MARYSVILLE
Infrastructure Bond-5MM-20Y--5

Dated Date	07/01/2017
Delivery Date	07/01/2017
Last Maturity	07/01/2037
Arbitrage Yield	3.500000%
True Interest Cost (TIC)	3.500000%
Net Interest Cost (NIC)	3.500000%
All-In TIC	3.826816%
Average Coupon	3.500000%
Average Life (years)	11.628
Duration of Issue (years)	9.263
Par Amount	5,150,000.00
Bond Proceeds	5,150,000.00
Total Interest	2,095,975.00
Net Interest	2,095,975.00
Total Debt Service	7,245,975.00
Maximum Annual Debt Service	365,250.00
Average Annual Debt Service	362,298.75
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	5,150,000.00	100.000	3.500%	11.628
	5,150,000.00			11.628

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,150,000.00	5,150,000.00	5,150,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-150,000.00	
- Other Amounts			
Target Value	5,150,000.00	5,000,000.00	5,150,000.00
Target Date	07/01/2017	07/01/2017	07/01/2017
Yield	3.500000%	3.826816%	3.500000%

BOND PRICING

CITY OF MARYSVILLE
Infrastructure Bond-5MM-20Y--5

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	07/01/2018	185,000	3.500%	3.500%	100.000
	07/01/2019	190,000	3.500%	3.500%	100.000
	07/01/2020	195,000	3.500%	3.500%	100.000
	07/01/2021	200,000	3.500%	3.500%	100.000
	07/01/2022	210,000	3.500%	3.500%	100.000
	07/01/2023	215,000	3.500%	3.500%	100.000
	07/01/2024	225,000	3.500%	3.500%	100.000
	07/01/2025	230,000	3.500%	3.500%	100.000
	07/01/2026	240,000	3.500%	3.500%	100.000
	07/01/2027	250,000	3.500%	3.500%	100.000
	07/01/2028	255,000	3.500%	3.500%	100.000
	07/01/2029	265,000	3.500%	3.500%	100.000
	07/01/2030	275,000	3.500%	3.500%	100.000
	07/01/2031	285,000	3.500%	3.500%	100.000
	07/01/2032	295,000	3.500%	3.500%	100.000
	07/01/2033	305,000	3.500%	3.500%	100.000
	07/01/2034	315,000	3.500%	3.500%	100.000
	07/01/2035	325,000	3.500%	3.500%	100.000
	07/01/2036	340,000	3.500%	3.500%	100.000
	07/01/2037	350,000	3.500%	3.500%	100.000
		5,150,000			

Dated Date	07/01/2017	
Delivery Date	07/01/2017	
First Coupon	01/01/2018	
Par Amount	5,150,000.00	
Original Issue Discount		
Production	5,150,000.00	100.000000%
Underwriter's Discount		
Purchase Price	5,150,000.00	100.000000%
Accrued Interest		
Net Proceeds	5,150,000.00	

BOND DEBT SERVICE
CITY OF MARYSVILLE
Infrastructure Bond-5MM-20Y--5

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2018			90,125.00	90,125.00	
07/01/2018	185,000	3.500%	90,125.00	275,125.00	365,250
01/01/2019			86,887.50	86,887.50	
07/01/2019	190,000	3.500%	86,887.50	276,887.50	363,775
01/01/2020			83,562.50	83,562.50	
07/01/2020	195,000	3.500%	83,562.50	278,562.50	362,125
01/01/2021			80,150.00	80,150.00	
07/01/2021	200,000	3.500%	80,150.00	280,150.00	360,300
01/01/2022			76,650.00	76,650.00	
07/01/2022	210,000	3.500%	76,650.00	286,650.00	363,300
01/01/2023			72,975.00	72,975.00	
07/01/2023	215,000	3.500%	72,975.00	287,975.00	360,950
01/01/2024			69,212.50	69,212.50	
07/01/2024	225,000	3.500%	69,212.50	294,212.50	363,425
01/01/2025			65,275.00	65,275.00	
07/01/2025	230,000	3.500%	65,275.00	295,275.00	360,550
01/01/2026			61,250.00	61,250.00	
07/01/2026	240,000	3.500%	61,250.00	301,250.00	362,500
01/01/2027			57,050.00	57,050.00	
07/01/2027	250,000	3.500%	57,050.00	307,050.00	364,100
01/01/2028			52,675.00	52,675.00	
07/01/2028	255,000	3.500%	52,675.00	307,675.00	360,350
01/01/2029			48,212.50	48,212.50	
07/01/2029	265,000	3.500%	48,212.50	313,212.50	361,425
01/01/2030			43,575.00	43,575.00	
07/01/2030	275,000	3.500%	43,575.00	318,575.00	362,150
01/01/2031			38,762.50	38,762.50	
07/01/2031	285,000	3.500%	38,762.50	323,762.50	362,525
01/01/2032			33,775.00	33,775.00	
07/01/2032	295,000	3.500%	33,775.00	328,775.00	362,550
01/01/2033			28,612.50	28,612.50	
07/01/2033	305,000	3.500%	28,612.50	333,612.50	362,225
01/01/2034			23,275.00	23,275.00	
07/01/2034	315,000	3.500%	23,275.00	338,275.00	361,550
01/01/2035			17,762.50	17,762.50	
07/01/2035	325,000	3.500%	17,762.50	342,762.50	360,525
01/01/2036			12,075.00	12,075.00	
07/01/2036	340,000	3.500%	12,075.00	352,075.00	364,150
01/01/2037			6,125.00	6,125.00	
07/01/2037	350,000	3.500%	6,125.00	356,125.00	362,250
	5,150,000		2,095,975.00	7,245,975.00	7,245,975