



Presentation to Moody's Investors Service

July 23, 2025



SUN PRAIRIE
revolves around you

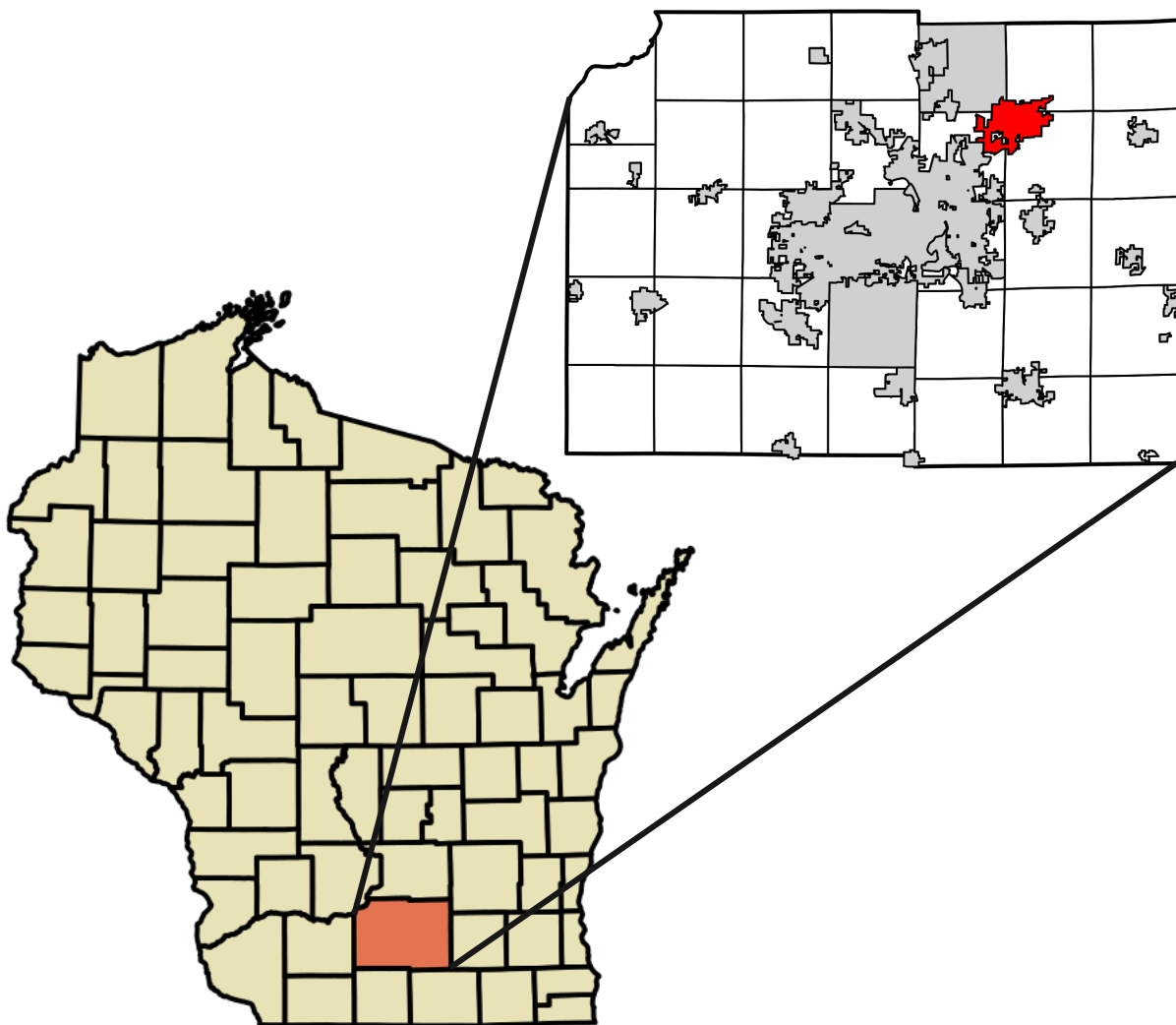
Agenda

- Economy and Tax Base
- 2025 Debt Issuance
- Overview of City Finances
- Litigation and Risk Management



Economy and Tax Base

Community Background



- Located in Dane County (AAA), adjacent to the City of Madison (Aaa)
- Approximately 13.1 square miles
- One of the fastest growing cities in Wisconsin
- Population estimate of 39,419
- January 1, 2024 Equalized Value of \$6,077,193,700 (TID in)

Economic Advantages

Highly Desirable Dane County Location

- 10 miles to the Dane County Regional Airport
- 155 miles to Chicago
- 75 miles to Milwaukee
- 255 miles to the Twin Cities
- I-90, I-94, and STH 151 provide convenient access
- University of Wisconsin- Madison
- Local and express bus service
 - Bus Rapid Transit was implemented in 2024
- Sun Prairie Area School District

Unemployment Rate (as of May '25)

- City of Sun Prairie: 2.9%
- State of Wisconsin: 3.3%
- United States 4.2%

Per Capita AGI (2024)

- City of Sun Prairie \$42,632
- Dane County \$47,487
- State of Wisconsin \$39,152

Largest Employers

Rank	Employer	Employees
1	Sun Prairie School District	1,501
2	City of Sun Prairie	758
3	Colony Brands	505
4	QBE Insurance (formally General Casualty)	500
5	Costco	419
6	Wisconsin Distribution	337
7	Axim Geospatial	286
8	Prairie Athletic Club	280
9	Target	274
10	Trachte Building Systems Inc.	270

- Many major employers have undergone recent physical expansions or renovations due to growing needs of City
- 9 out of the 10 largest employers are stable or expanding
- Sun Prairie School District projects increase in student enrollment
- City of Sun Prairie added 6.62 new budgeted employees in 2025.

Largest Taxpayers

9 out of the 10 taxpayers
are stable or expanding.

Taxpayer	Type of Property/Business	2024 Assessed Value
Fedler Connery*	Apartments	\$155,763,100
Weidner Apartments	Apartments	\$63,391,600
Prairie Lakes Retail*	Retail	\$54,688,700
Park 151	Business Park	\$53,685,300
Continental 345 Fund	Housing	\$42,988,700
CR Creekside LLC	Housing	\$33,772,100
Ryan Great Lakes SP LLC	Apartments	\$33,761,100
General Casualty	Insurance	\$29,526,400
Gebhardt Property	Housing	\$28,730,400
Menards	Box Store	\$28,550,300

*Recently split from under an umbrella category previously reported as Fedler/Connery

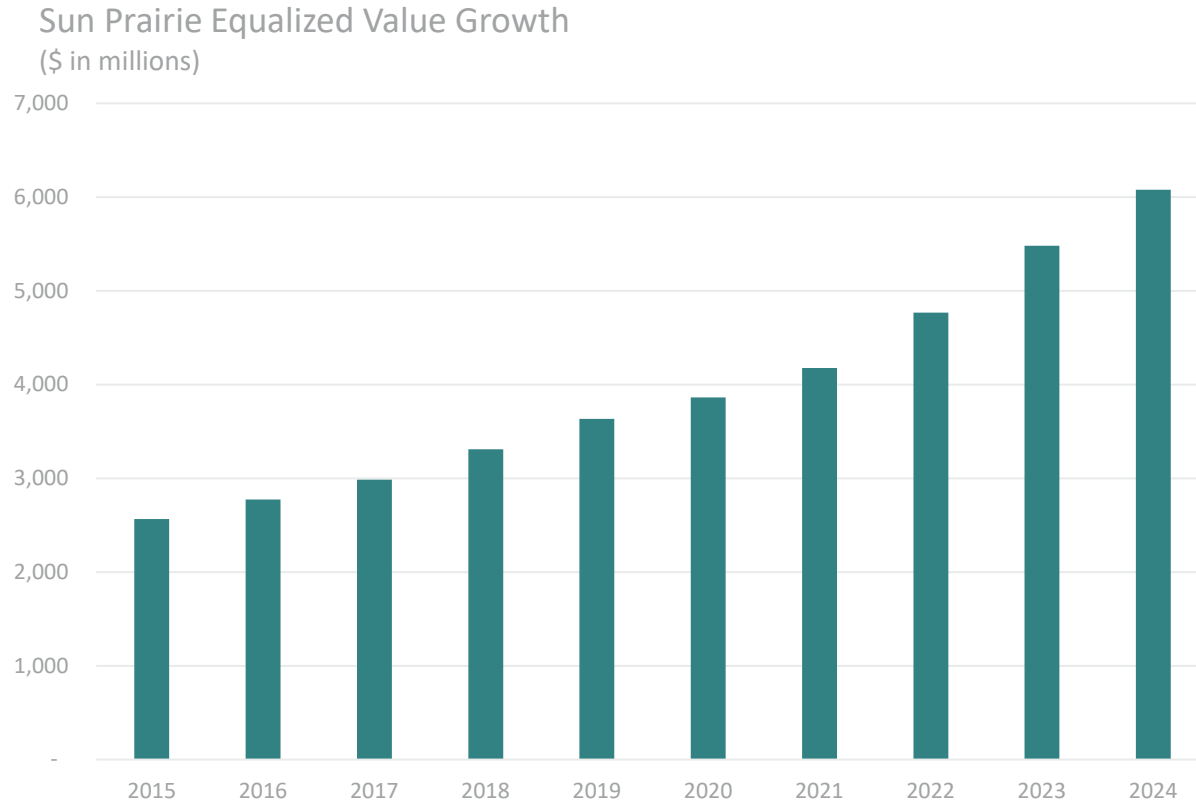
Historical Population Growth

- Population increased 19% between 2015 and 2024
- Average annual population increase since 2015 has been 821
- Annual population growth of 700-1,000 persons per year projected
- State of WI 2030 estimated population of 41,143
 - If current trend continues, we estimate a 2030 population of 42,500 to 44,500

Sun Prairie Population Growth

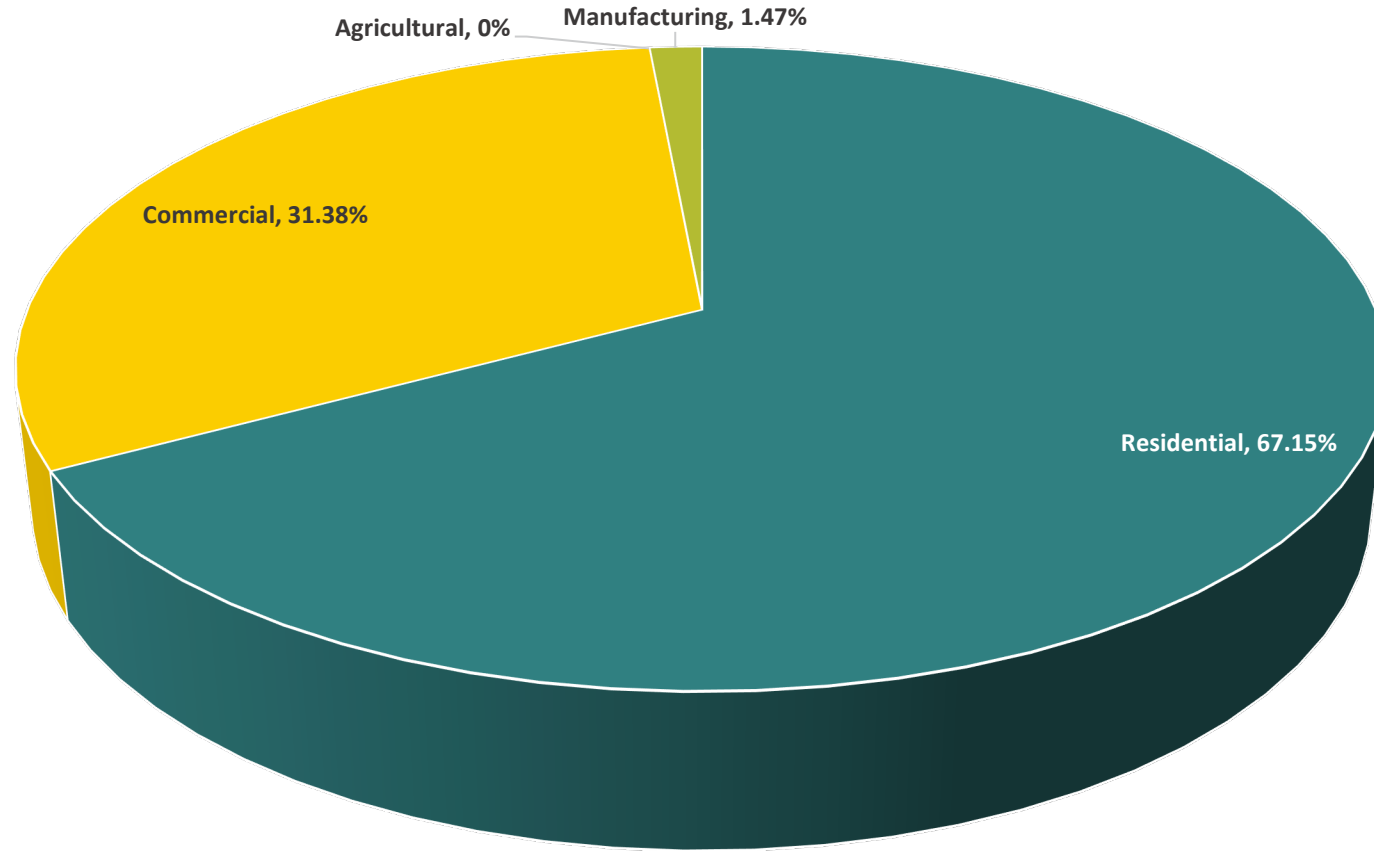


Historical Tax Base Growth



- Equalized value increased 137% between 2015 and 2024
- \$2.566 billion to \$6.077 billion

Equalized Value by Property Class (2024)



Tax Base Growth

- Projected growth in Equalized Value of 5.71% annually (4.2% economic change and 1.51% net new construction)
- Residential values increased \$54 million (1.47%) from 2023 to 2024
- Commercial improved new construction increased \$118 million (7.27%) from 2023 to 2024

Tax Base Growth, Projected Development

- More than \$10M in retail construction in 2024
 - \$5.5M anticipated for 2025
- New medical facility to open in 2025 adding \$50M in new value
- Downtown redevelopment expected to add \$34M in new value by 2027
- Manufacturing growth expected
 - 165,000/sf facility expected to pull permit by end of 2025
 - 45 acres will begin site development and infrastructure installation for future growth. As of 1/1/2026 this will add \$4.5M in new value.

Current Market Trends

- Single Family homes in last 12-months:
 - 474 sales
 - Average sale price \$508,516
 - Average days on the market was 28
- Condos in last 12-months:
 - 91 sales
 - Average sale price \$309,560
 - Average days on the market was 16



Building Permit Trends

2025 permit are on trend to meet or exceed 2024 numbers.

	2021	2022	2023	2024	2025 (as of June 30th)
New Single-Family Homes					
# of Permits	137	100	92	80	56
Valuation (\$)	55,728,587	37,442,365	38,929,712	35,459,634	26,328,604
New Multiple Family Homes					
# of Permits	13	30	36	5	0
Valuation (\$)	66,329,239	75,101,056	71,652,598	37,300,000	0
New Commercial / Industrial					
# of Permits	13	12	7	7	5
Valuation (\$)	23,962,976	41,984,109	15,991,422	78,921,935	63,487,217
All Building Permits					
# of Permits	2,339	2,915	2,807	2,984	1,606
Valuation (\$)	167,884,807	212,312,792	183,020,683	289,563,513	110,659,865



Local Housing Market Projections

- Regional Housing Authority Goal for Dane County – 7,000 units annually
 - Goal for Sun Prairie – 518 units annually
- The City added 558 units in 2024
- We are on trend to meet our goal in 2025

2024	Single Family	Duplex	More than 2 units
Permits Issued	81	3 (6 units)	5 (181 units)
Occupancy	100	4 (8 units)	19 (450 units)

Total 2024 Units added to market: 558

2025 - YTD	Single Family	Duplex	More than 2 units
Permits Issued	53	2 (4 units)	0
Occupancy	58	2 (4 units)	6 (187 units)

Total 2025 Units added to market: 249 as of 6/30/25

Tax Increment Financing Districts

- TID 8 – Downtown
 - Final incentive payments made
 - Expenditure period ended December 2023
 - Closure resolution in 2025
 - Approval of 1-year extension for Affordable Housing Fund (AHF) as allowed under WI State Statute
- TID 9 – Westside Commercial
 - Final incentive payments made
 - Expenditure Period ended March 2022
 - Closure resolution in 2025
 - Approval of extension for AHF



Tax Increment Financing Districts (cont.)

- TID 11 – Central Main Street Corridor
 - Positive cash flow
 - Jennings & Woldt finished their second multi-tenant commercial building
- TID 12 – SP Business Park, 6th Addition
 - Quarra Stone finishing the office component of their new building, full value in 2026
 - Finalized entitlement requirements for the sale of City owned land for \$900,000 to Yahara Materials
 - With sale, expecting land value to increase to \$4.5M for 1/1/2026 evaluation



Tax Increment Financing Districts (cont.)

- TID 13 – Park 151 Business Park
 - Park is completely built out
 - Final incentive to be paid out in 2025
 - Repaid the General Fund advance in 2024 and close early in 2028
- TID 14 – Downtown, SP Stronger
 - Construction completed and several commercial spaces leased at the SW corner of Bristol & Main (Monarch on Main), a 92-unit mixed use multi-family project
 - Zoning and TIGA approved for a 100-unit multi-family development project with a 63-key hotel at the NW corner of Bristol & Main



Tax Increment Financing Districts (cont.)

- TID 15 – West Main Street
 - 1/1/2022 creation date
 - Construction on a 172-unit affordable housing project completed in 2023 with a valuation of \$22 million
- TID 16 – East Main Development
 - 1/1/2023 creation date
 - Construction completed on 75 affordable age-restricted and multi-family units



2025 Debt Issuance

2025A Series A GO Notes

- 20-Year and 10-Year Notes
- Approximately \$16,910,000 inclusive of debt issuance costs
 - \$6,185,932 in street reconstruction costs
 - \$642,000 in city facility project costs
 - \$7,711,700 in park improvement costs
 - \$710,722 in fleet replacement costs
 - \$1,420,000 in wastewater project costs
 - \$235,197 in debt issuance costs less interest earnings

2025 Financing Plan

				General / Cap Projects			Wastewater		Storm Water		Water Main		Total Borrowing
PROJECT		YEAR	TOTAL PROJ BUDGET	General Cap Projects	Prior Note Funds	Grant Funds	WWTP	Prior Bond Funds	STORM	Prior Bond Funds	WATER	Prior Bond Funds	Gen. Ob. Notes
Street Reconstruction													
216071 - Borings for Future Years	Streets	2025	25,000	25,000									25,000
176018 - Concrete Road Repair	Streets	2025	75,000	75,000									75,000
000001 - Street Tree Replacement	Streets	2025	30,000	30,000								-	30,000
256028 - Linnerud Dr. Total Reconstruction	Streets	2025	1,026,117	928,050			19,800		73,310	(73,310)	4,957		947,850
256051 - Montana/Oakland/Woodward Reconstruction	Streets	2025	2,019,908	1,490,190			66,142		401,712	(401,712)	61,864		1,556,332
256016 - N Bird St Reconstruction	Streets	2025	1,784,653	1,724,653		(974,653)	5,000		50,000	(50,000)	5,000		755,000
256026 - N Thompson Ph 1 Pavement Rehabilitation	Streets	2025	3,064,971	2,769,637		(2,009,321)	11,385		272,729	(272,729)	11,220		771,701
WisDOT Projects	Streets	2025	300,000	300,000									300,000
2026 Street Projects	Streets	2026	1,168,140				74,000		1,094,140				1,168,140
226043 - Pedestrian Safety Projects	Multi Modal	2025	100,000	100,000									100,000
236059 - Annual Multimodal Maintenance/Improvements	Multi Modal	2025	100,000	100,000									100,000
236054 - N. Bird St. Multi Use Path	Multi Modal	2025	326,247	326,247									326,247
Sun Prairie Loop Bike Wayfinding Project	Multi Modal	2025	30,662	30,662									30,662
City Facility Projects													
241201 - Westside Community Building Chiller System	Buildings & Grounds	2025	214,000	214,000									214,000
251101 - City Hall 2nd Floor Carpet Replacement	Buildings & Grounds	2025	79,000	79,000									79,000
241401 - Columbus Street Watertower Repairs Contingency	Buildings & Grounds	2025	90,900	8,000	(75,000)	(7,900)							-
251503 - LED Conversion at WCSB and Fire/EMS Station #1	Buildings & Grounds	2025	112,000	112,000									112,000
251601 - Fire Station #1 Garage Door Replacement	Buildings & Grounds	2025	150,000	150,000									150,000
251602 - Fire Station #1 Carpet Replacement	Buildings & Grounds	2025	67,000	67,000									67,000
Administration of Capital Projects		2025	20,000	20,000									20,000
Park Improvements													
244012 - Creekview Crossing Park (Construction)	Park Improvements	2025	250,000	250,000		(250,000)							-
244014 - FAC Bathhouse Renovation (Construction)	Park Improvements	2025	7,100,000	7,100,000									7,100,000
244015 - Sheehan East Park Lower Parking Lot Rehab.	Park Improvements	2025	216,700	216,700									216,700
244016 - Townhall Crossing Park Development	Park Improvements	2025	250,000	250,000		(250,000)							-
254008 - 9 Hole Disc Golf Course (Design)	Park Improvements	2025	10,000	10,000		(5,000)							5,000
254009 - Carriage Hills Park Rehabilitation	Park Improvements	2025	120,000	120,000									120,000
254010 - Glacier Crossing Park Rehabilitation	Park Improvements	2025	120,000	120,000									120,000
254011 - Schey Park Rehab & ADA Compliance	Park Improvements	2025	150,000	150,000									150,000
254012 - Colorado Commons Park East Development (Design)	Park Improvements	2025	20,000	20,000		(20,000)							-
256044 - Smith's Crossing Park Boardwalk Connections	Park Improvements	2025	260,000	260,000		(260,000)							-

2025 Financing Plan (cont.)

Fleet Purchases													
251503 - LED Conversion at Fleet Building	Buildings & Grounds	2025	28,000	28,000	(28,000)								-
257106 - Engineering Pickup Truck	Public Works Equip	2025	46,800	46,800		(46,800)							-
257302 - Public Works Pickup Truck	Public Works Equip	2025	57,600	57,600	(37,944)								19,656
257404 - Parks Dump Truck	Parks Equipment	2025	75,600	75,600									75,600
257601 - Ambulance (Marshall Replacement)- amort. 8 years	EMS Equipment	2025	428,652	428,652									428,652
257406 - Toolcat- amort. 7 years	Parks Equipment	2025	91,200	91,200	(79,346)								11,854
257407 - WAM Mower- amort. 7 years	Parks Equipment	2025	87,480	87,480									87,480
257408 - WAM Mower- amort. 7 years	Parks Equipment	2025	87,480	87,480									87,480
Wastewater Projects													
238112 - Backup Generator & Control Upgrades	Wastewater	2025	375,000				375,000						375,000
258106 - Replace WAS Tank Blowers	Wastewater	2025	75,000				75,000						75,000
258108 - Replace Sewer Jet/Vac Machine	Wastewater	2025	680,000				680,000						680,000
258109 - Admin Building Heat Pump	Wastewater	2025	150,000				150,000						150,000
268101 - Repalce Collection System Truck	Wastewater	2026	140,000				140,000						140,000
Stormwater Projects													
258501 - Stormwater Tractor	Stormwater Equipment	2025	258,000				258,000	(258,000)					-
248503 - Koshkonong Creek Corridor Drainage Repair	Stormwater Equipment	2025	25,000				25,000	(25,000)					-
258503 - Batz Pond Outlet Structure	Stormwater Equipment	2025	300,000				300,000	(300,000)					-
248503 - Koshkonong Creek Corridor Drainage Repair	Stormwater Equipment	2026	25,000				25,000	(25,000)					-
SUBTOTAL													
			22,211,110	17,948,951	(220,290)	(3,823,674)	1,596,327	-	2,499,891	(1,405,751)	83,041	-	16,670,354

Debt Policy Metrics

- Statutory limit of 5% of the City's equalized value
 - 35.49% of the 5% limit for 2025
 - Combined new and existing principal \$107,837,709
 - Residual capacity \$196,021,976
- Direct debt burden of 1.75%
 - 2024 Equalized Value: 1.36%
 - 2025 Anticipated Equalized Value: 1.29%
- No more than 27.5% of the City's total tax levy
 - Estimated at 21.75% for tax year 2024, budget year 2025

Future Debt Forecast

- Wastewater Plant Biosolid and Solar Array Improvements
 - \$66M expansion currently under construction
 - Clean Water Fund Loan application submitted
 - First round of funding of \$3.5M closed in early 2025
 - Second round of funding is set to close in September 2025
- The City expects to issue GO debt in 2026 for its capital borrowing, but the amount and timing of the borrowing has not yet been determined

The background is a solid yellow color. It features several abstract, light-yellow shapes. On the left side, there are several straight, slightly curved lines of varying lengths and orientations. On the right side, there are several concentric, curved lines that resemble parts of a larger circle or a stylized sunburst.

Overview of Finances

2024 Audit Results

- Revenues greater than budget by \$351,865
 - Intergovernmental revenues surplus of \$626,478 due to increase in state shared revenue.
 - Investment Income has a surplus of \$232,279 due to increasing interest rates.
 - Public Charges for Services had a surplus of \$166,255 mainly due to increased ambulance calls for service.
 - Licenses and Permits had a deficit of \$355,807 due to several large projects being delayed in 2024, resulting in lower than anticipated applications.

2024 Audit Results (cont.)

- Expenses less than budget by \$1,840,004
 - Police Department had a surplus of \$510,853 due to retirements and change of career vacancies
 - General Government Operations had a surplus of \$566,397 primarily due to large professional service projects that span multiple years and vacancy savings
 - Culture, Recreation, and Education had a surplus of \$258,515 mainly due to lower-than-expected professional services and replacement of machinery and equipment
 - Conservation and Development had a surplus of \$279,158 mainly due to delayed zoning code rewrite project and the delay implementation of new branding program
 - Public Works has a surplus of \$109,989 due to operational expenses such as supplies and training coming in under budget



2024 Operations Summary



- Employee salary and benefit increases
 - Non-union cost-of-living and performance steps implemented
 - Police union contract settled (2024-2026)
 - EMS/Fire contracts settled (2025-2027)
- Implementation of new employee values
- No position cuts, hiring freezes, or layoffs
- We continue to be an employer of choice, and no position has been difficult to fill

Fund Balance

- Total General Fund Balance: \$12.8 million
 - Non-spendable: \$1.2 million
 - Restricted: \$0.9 million
 - Assigned: \$4.3 million
 - Unassigned: \$6.4 million
- Unassigned fund balance is 19.9% of prior year general fund revenue budget
 - Fund balance policy: 16%-20% of prior year general fund revenue budget



2025 Budget: General Fund

- City Council adopted a balanced 2025 budget in November of 2024. The budget included a 7.7% or \$183 property tax increase on the average single-family home.
- Budget included:
 - The addition of 5.5 FTE including 1 FT police officer and staff to support the expanded Public Library
 - Investments in technology upgrades for police department personnel
 - Updates to the City wayfinding and directional banners
 - Investment in Town of Burke attachment impact study

2025 Budget: Enterprise Funds

- Public charges for services continues to be the leading source of revenue
- All utilities realized an increase in net position, primarily due to the development within the City
- Rate Increases:
 - Electric December 2, 2023: 3.98%
 - Water January 1, 2024: 8%
 - Stormwater January 1, 2025: 17.5%
 - Wastewater: January 1, 2025, increase of 3% and April 1, 2025, increase of 4.9% (7.9% total)
- Stormwater and Wastewater rate cases are conducted every 2-3 years – with a study currently being completed in 2025 for 2026 and beyond.
 - Baker Tilly rate strategy for Wastewater calls for a minimum 5-year annual increase of 7.9% (2026 to 2029)
- Sun Prairie Utilities Commission provides approval to apply for rate increases to the WI Public Service Commission (PSC)
 - New facility costs being included in 2025 rate case application.

2026 and Beyond – Fiscal Roadmap

- In the summer of 2024, the Common Council participated in strategic planning sessions with the goal of creating a financial roadmap over the next 5 years.



	2025	2026	2027 - 2029
<i>Cost Savings</i>	Continue cost savings policies	Continue cost savings policies	Continue cost savings policies Staff implements \$500K in additional cost savings
<i>Fund Balance (or Existing Savings)</i>	If needed, use up to \$500K in Fund Balance (consistent with policy)		
<i>Vehicle Registration Fee to support transportation-related costs</i>	\$30 annual vehicle registration fee	\$30 annual vehicle registration fee	\$30 annual vehicle registration fee
<i>Public Engagement and Referendum</i>	Public engagement	April 2026 referendum vote	Referendum-driven revenues & services in place (if approved)

Operating Referendum – Spring 2026

- Engaged external communications consultant – Mueller Communications to assist with preparation
- Goals of Referendum:
 - Stabilize structural deficits (due to State imposed levy limits) over the next 3-5 years
 - Maintain quality city services
 - Retain talented staff

Exploration of Potential Referendum

PHASE 1

Options assessment to explore funding options including referendum – Completed in April 2025.

PHASE 2

Community feedback on funding solutions including a community-wide survey (survey to be sent in Sept. 2025 with results presented in November 2025)

PHASE 3

Provide public education efforts leading up to April 2026

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Litigation and Risk Management

Insurance Lines Carried



Liability coverage is through Cities and Villages Mutual Insurance Company (\$50k SIR/\$200k aggregate deductible)

Property coverage is through Municipal Property Insurance Company (successor to LGPIF)

Cybersecurity Concerns

- City undertakes regular cybersecurity audits
 - Identify threats
 - Plan for responses
- Disaster recovery and business continuity plan
 - Multiple offsite backup tape rotations
 - Seven day immutable near-line backups
- Dual authentication with implementation of single
- Appropriate IT usage policies



Claims and Litigation Handling

- Claims processed by internal claims committee with settlement authority
 - Administration
 - Finance
 - Attorney
 - Insurance company
- Litigation tendered to insurance for defense
- Tax assessment matters handled in-house until discovery



Pending Claims and Litigation

- City has no outstanding litigation which could materially impact city finances
- Pending matters
 - Excessive tax assessments
 - Drowning lawsuit
 - Federal case from police defendant
 - Explosion lawsuit
- No unresolved claims exceeding \$25,000



Pending Litigation – Tax Assessments



- Cabela's/Bass Pro Shops
 - 2023-2024 tax years
 - Settlement pending court approval
- Menard's
 - 2023-2024 tax years
 - Case in discovery
 - Intend to aggressively defend

Pending Litigation – Liability Claims

- Lawsuit from estates of Legend Sims and Antwon Amos Jr.
 - Stormwater pond drowning deaths
 - Families seeking to exceed municipal liability caps per claim
 - Insurance retained outside counsel, intent to vigorously defend
- Werling federal lawsuit
 - Alleges police misconduct with no apparent basis in fact
 - Tendered to insurance for defense
- 2018 explosion lawsuit continues but city has been dismissed

Other Topics

- Completed Natural Hazard Mitigation Plan
- PFAS is not a significant concern for SPU
- No privately placed debt or bank loans
- Inflationary impacts absorbed with existing budgets or by altering project scope
- Emergency Management
 - Continuity of Government planning
 - Incident Command
 - FEMA and NIMS Training





Significant and Sustainable Community Growth

Investment in Community Planning

Sound Financial Management



SUN PRAIRIE
revolves around you