

# CASE STUDY

**FINANCING FOR PENSIONS** | OCTOBER 26, 2021



**\$45,740,000 | TAXABLE GO BONDS | SERIES 2021**

City of Wheaton, Illinois

## PENSION BONDS

### Client Profile

Wheaton, Illinois is located in DuPage County, 25 miles west of Chicago. The City has a population of roughly 54,000, making it the 27th most populous municipality in the state.

The City provides a full range of services including: public safety (police and fire protection), the construction and maintenance of streets and infrastructure, social and cultural services, water treatment and distribution, planning and zoning, and general administrative services.

### The Project & Structure

Stifel served as lead manager on the City of Wheaton, Illinois Taxable General Obligation Bonds, Series 2021. The proceeds were used to fund all of the unfunded pension liabilities in the City's Police Pension

Employees Retirement System and Firefighters' Pension Employees Retirement System and a budget stabilization fund to mitigate the risks associated with potential future unfunded liabilities arising as a result of investment losses or actuarial changes. The Bonds were rated 'AAA' with a stable outlook by S&P.

The Bonds were structured to be paid within the state-mandated 2040 pension amortization schedule. The Bonds have a three-year ramp of increasing debt service, and are level thereafter until final maturity, with the majority of expected savings accruing in the later years. The Bonds feature serial maturities in 2022 through 2036, with term bonds in 2038 and 2040, and an 8-year optional par call feature.

### Pricing Results

The Bonds were well-received in the market, receiving \$184.1 million in orders from 33 unique accounts (4.0x subscription), allowing Stifel to reduce spreads by 5-8 basis points in the 2022-2033 maturities. Ultimately, the City achieved a TIC of 2.45%.

## CONTACT

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