

The logo for BAIRD, featuring the word "BAIRD" in white, uppercase, serif font, set against a blue, trapezoidal background that is wider at the top and tapers towards the bottom.

City of Racine

Finance & Personnel Committee Meeting

September 23, 2024

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City of Racine

FINANCE & PERSONNEL COMMITTEE MEETING

September 23, 2024



Timeline

- Finance Committee Meeting to discuss financing planSeptember 23, 2024
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- City Council considers Award Resolution (finalizes terms and interest rate)October 1, 2024
- Closing (funds available)October 22, 2024

Borrowing / Structure / Purpose

Estimated Size:	\$16,525,000
Issue:	General Obligation Promissory Notes
Purpose:	\$12,329,525 - Capital Improvement Projects \$4,192,075 - Equipment
Structure:	Matures June 1, 2025; December 1, 2025-2038
First Interest:	June 1, 2025
Callable:	December 1, 2031
Estimated Interest Rate:	4.07%

Preliminary Financing Plan



PRELIMINARY								
\$16,525,000								
GENERAL OBLIGATION PROMISSORY NOTES - POS								
Dated October 22, 2024								
14-Year Amortization								
EXISTING DEBT SERVICE (Levy Supported)		EXISTING DEBT SERVICE (TIF Supported)		CIP PROJECTS - \$12,329,525		EQUIPMENT PROJECTS - \$4,192,075		TOTAL
YEAR	DUE	YEAR	DUE	PRINCIPAL (12/1)	NET INTEREST (B) (6/1 & 12/1)	PRINCIPAL (6/1)	NET INTEREST (C) (6/1)	
TIC = 4.07%								

LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (Levy Supported)	EXISTING DEBT SERVICE (TIF Supported)	PRINCIPAL (12/1)	NET INTEREST (B) (6/1 & 12/1)	PRINCIPAL (6/1)	NET INTEREST (C) (6/1)	TOTAL	EXISTING PLUS NEW DEBT SERVICE (Levy Supported)	FUTURE DEBT SERVICE (D) (E) (F)	COMBINED DEBT SERVICE (Levy Supported)	GROWTH	COMBINED DEBT SERVICE (Levy & TIF Supported)	FUTURE ANNUAL BORROWING AMOUNT (D) (E)	YEAR DUE
2023	2024	\$19,328,491	\$1,528,006						\$19,328,491	\$0	\$19,328,491		\$20,856,497		2024
2024	2025	\$11,962,890	\$1,785,416	\$3,200,000	\$56,406	\$4,195,000	\$141,863	\$7,593,269	\$19,556,159	\$0	\$19,556,159	1.18%	\$21,341,575	\$28,365,000	2025
2025	2026	\$10,946,060	\$1,270,746	\$535,000	\$437,675			\$972,675	\$11,918,735	\$7,895,038	\$19,813,773	1.32%	\$21,084,518	\$24,790,000	2026
2026	2027	\$9,990,593	\$1,274,371	\$560,000	\$416,275			\$976,275	\$10,966,868	\$9,107,525	\$20,074,393	1.32%	\$21,348,763	\$20,245,000	2027
2027	2028	\$9,054,475	\$1,272,751	\$580,000	\$393,875			\$973,875	\$10,028,350	\$10,311,525	\$20,339,875	1.32%	\$21,612,626	\$24,420,000	2028
2028	2029	\$8,183,625	\$1,271,131	\$605,000	\$370,675			\$975,675	\$9,159,300	\$11,446,825	\$20,606,125	1.31%	\$21,877,256	\$17,020,000	2029
2029	2030	\$7,277,525	\$1,274,511	\$625,000	\$346,475			\$971,475	\$8,249,000	\$12,625,513	\$20,874,513	1.30%	\$22,149,023	\$16,570,000	2030
2030	2031	\$6,308,975	\$1,322,621	\$650,000	\$321,475			\$971,475	\$7,280,450	\$13,867,200	\$21,147,650	1.31%	\$22,470,271	\$16,260,000	2031
2031	2032	\$5,428,425	\$855,139 (A)	\$680,000	\$295,475			\$975,475	\$6,403,900	\$15,017,613	\$21,421,513	1.30%	\$22,276,652	\$18,860,000	2032
2032	2033	\$4,585,975	\$907,439	\$715,000	\$259,435			\$974,435	\$5,560,410	\$16,137,050	\$21,697,460	1.29%	\$22,604,899	\$18,640,000	2033
2033	2034	\$3,591,125	\$956,439	\$750,000	\$221,540			\$971,540	\$4,562,665	\$17,418,200	\$21,980,865	1.31%	\$22,937,304	\$15,000,000	2034
2034	2035	\$2,916,075	\$1,011,619	\$790,000	\$181,790			\$971,790	\$3,887,865	\$18,377,188	\$22,265,053	1.29%	\$23,276,672	\$15,450,000	2035
2035	2036	\$2,100,125	\$1,012,809	\$835,000	\$139,920			\$974,920	\$3,075,045	\$19,479,913	\$22,554,958	1.30%	\$23,567,767	\$15,910,000	2036
2036	2037	\$1,160,250	\$1,012,859	\$880,000	\$95,665			\$975,665	\$2,135,915	\$20,715,063	\$22,850,978	1.31%	\$23,863,837	\$16,390,000	2037
2037	2038		\$1,011,769	\$925,000	\$49,025			\$974,025	\$974,025	\$22,172,675	\$23,146,700	1.29%	\$24,158,469	\$16,885,000	2038
2038	2039		\$1,008,759						\$0	\$23,443,938	\$23,443,938	1.28%	\$24,452,697	\$17,390,000	2039
2039	2040		\$1,009,569						\$0	\$23,749,663	\$23,749,663	1.30%	\$24,759,232	\$17,910,000	2040
2040	2041		\$941,086						\$0	\$24,058,863	\$24,058,863	1.30%	\$24,999,948	\$18,445,000	2041
		\$102,834,609	\$20,727,042	\$12,330,000	\$3,585,706	\$4,195,000	\$141,863	\$20,252,569	\$123,087,178	\$265,823,788	\$388,910,965		\$409,638,007	\$318,550,000	

(A) Indicates maturities callable in 2031 or after.
 (B) Assumes hypothetical bid premium (CIP Portion) used to offset interest cost in the amount of \$641,483.
 (C) Assumes hypothetical bid premium (Equipment Portion) used to offset interest cost in the amount of \$11,255.
 (D) Assumes annual borrowings beginning in 2025. Assumes future short and long-term borrowings per 2025-33 CIP Plan. Assumes short-term borrowings amortized over 1-2 years and long-term borrowings amortized over 14 years. Assumes an estimated short-term interest rate of 3.75% and a long-term interest rate of 4.00%. Assumes future borrowings (LT: \$11,000,000 & ST: \$4,000,000) in 2034. Issues 2034 and thereafter are not included in the CIP. Assumes 3.00% growth to future issues 2035 and thereafter. Assumes the following CIP borrowings:

CIP Borrowing Amounts:	2025	2026	2027	2028	2029
LT Debt Amounts:	\$19,585,000	\$20,420,000	\$16,400,000	\$14,540,000	\$12,730,000
ST Debt Amounts:	\$4,780,000	\$4,370,000	\$3,845,000	\$4,380,000	\$4,290,000
	2030	2031	2032	2033	
	\$11,930,000	\$11,400,000	\$13,800,000	\$13,990,000	
	\$4,640,000	\$4,860,000	\$4,785,000	\$4,650,000	

(E) Assumes special purpose borrowings beginning in 2025. Assumes 2025, 2028 and 2032 special purpose borrowings amortized over 14 years at an estimated rate of 3.75%. Assumes the following special purpose borrowings:

Special Purpose Borrowings:	2025	2026	2027	2028	2029
Borrowing Amounts	\$4,000,000	-	-	\$5,500,000	-
	2030	2031	2032	2033	
	-	-	\$275,000	-	

(F) This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.

\$12,330,000 \$4,395,000