

BAIRD

City of Racine

2015 Financing Discussion

October 26, 2015

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City of Racine

2015 FINANCING DISCUSSION

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Timeline

- Finance Committee Meeting to discuss financings October 26, 2015
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- City Council considers Award Resolutions (finalizes terms and interest rates) November 17, 2015
- Closing (funds available)...December 7, 2015

Borrowing / Structure / Purpose

Approximate Size:	\$11,195,000
Issue:	G.O. Refunding Bonds
Purpose:	Refunds 2015 NAN
Structure:	Matures June 1, 2016 – 2017 & Dec. 1, 2017-2029
First Interest:	June 1, 2016
Callable:	Dec. 1, 2026 and thereafter callable on Dec. 1, 2025
Estimated Rate:	2.98%



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Illustration of Hypothetical Refinancing

		FINAL		PRELIMINARY								
		\$11,195,000		\$11,195,000								
		NANs - FINAL		G.O. REFUNDING BONDS								
		Dated: Sept. 8, 2015		Dated: December 7, 2015								
		Due: August 15, 2016		14-Year Amortization								
LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	INTEREST	CIP: \$9,195,000		EQUIPMENT: \$2,000,000		LESS: BID PREMIUM APPLIED	TOTAL	FUTURE ISSUES (C)	COMBINED NET DEBT SERVICE	GROWTH
			TIC = 1.72%	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	PRINCIPAL (6/1)	INTEREST (6/1 & 12/1)					
2014	2015	\$15,603,217	\$62,194								\$15,603,217	
2015	2016	\$14,629,321									\$16,589,746	6.32%
2016	2017	\$14,555,271		\$560,000	\$275,383	\$1,740,000	\$21,933.33	(\$76,892)	\$1,960,424	\$1,403,000	\$17,060,921	2.84%
2017	2018	\$14,263,794		\$535,000	\$268,850	\$260,000	\$2,600		\$1,102,650	\$2,489,200	\$17,556,844	2.91%
2018	2019	\$11,614,840		\$575,000	\$258,150				\$833,150	\$5,108,500	\$17,556,490	0.00%
2019	2020	\$9,681,262		\$610,000	\$246,650				\$856,650	\$7,019,100	\$17,557,012	0.00%
2020	2021	\$8,065,821		\$680,000	\$228,350				\$908,350	\$8,581,400	\$17,555,571	-0.01%
2021	2022	\$7,285,261		\$700,000	\$207,950				\$907,950	\$7,577,100	\$15,770,311	-10.17%
2022	2023	\$6,500,857		\$720,000	\$186,950				\$906,950	\$8,362,800	\$15,770,607	0.00%
2023	2024	\$4,789,851		\$740,000	\$165,350				\$905,350	\$10,079,100	\$15,774,301	0.02%
2024	2025	\$3,909,600		\$765,000	\$143,150				\$908,150	\$10,953,700	\$15,771,450	-0.02%
2025	2026	\$2,817,200		\$785,000	\$120,200				\$905,200	\$12,048,600	\$15,771,000	0.00%
2026	2027	\$1,832,800		\$815,000	\$92,725				\$907,725	\$13,034,600	\$15,775,125	0.03%
2027	2028	\$873,600		\$840,000	\$64,200				\$904,200	\$13,995,300	\$15,773,100	-0.01%
2028	2029			\$870,000	\$34,800				\$904,800	\$14,866,100	\$15,770,900	-0.01%
		<u>\$116,422,696</u>		<u>\$9,195,000</u>	<u>\$2,572,758</u>	<u>\$2,000,000</u>	<u>\$24,533</u>	<u>(\$76,892)</u>	<u>\$13,715,399</u>	<u>\$115,518,500</u>	<u>\$245,656,595</u>	

(A) Levy Supported net of BABs subsidy; includes WRS related debt service

(B) Indicates Maturities callable in 2025 or after.

(C) Assumes annual borrowings beginning in 2016 at \$9,550,000 then growing 2% annually with an average interest rate of 4%. Also included in annual borrowings beginning in 2016 is \$2,000,000 for equipment with 1% growth annually thereafter.