



CITY OF RACINE

Presentation of the Finance Committee

May 8, 2006

Robert W. Baird & Co.

Bradley D. Viegut, Director

brvgut@rwbaird.com

777 East Wisconsin Avenue

Milwaukee, Wisconsin 53202

800-792-2473

414-298-7354 Fax

CITY OF RACINE

Summary of Recommended Financing

May 8, 2006

I. ESTIMATED AMOUNT OF BORROWING / STRUCTURE:

\$7,000,000 Note Anticipation Notes

Funds: Projects included in CIP

Term: Matures December 28, 2006; Callable October 10, 2006

Long-term Financing: Fall 2006

\$2,000,000 Taxable General Obligation Refunding Bonds

Funds: Long-term financing of TTID #11 projects which include land acquisition, demolition and rehabilitation for the purpose of blight elimination

Term: To be structured around anticipated TTID #11 revenue

II. STANDARD & POOR'S RATING (Recommended)

Baird, in conjunction with City staff, will prepare the necessary information for an S&P's rating for the Issues.

III. PROCEDURE

- Finance Committee considers plan of finance: May 8, 2006.
- Council considers Finance Committee recommendation: May 16, 2006.
- Baird and City staff prepares necessary information and submit it to S&P for credit rating.
- Preparations are made for the issuance (compilation of Preliminary Official Statement, marketing).
- Baird underwrites the issues and presents available interest rates to the Council on June 6, 2006.

City of Racine

Long-Term Capital Improvement Plan

LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	INTEREST AVG = 4.75%	PRINCIPAL (12/31)	INTEREST (6/1 & 12/1) AVG = 4.97%	PRINCIPAL (12/31)	INTEREST (6/1 & 12/1) AVG = 5.00%	PRINCIPAL (12/31)	INTEREST (6/1 & 12/1) AVG = 5.00%	NEW ISSUES DEBT SERVICE	FUTURE ISSUES (B)	COMBINED NET DEBT SERVICE	GROWTH
2005	2006	\$6,948,468	\$96,056	\$340,000	\$393,784	\$150,000	\$525,000	\$733,784	\$6,948,468			\$7,407,681	6.61%
2006	2007	\$6,673,898		\$120,000	\$330,130	\$190,000	\$342,500	\$975,130	\$7,895,835			\$8,416,661	6.59%
2007	2008	\$6,920,705		\$175,000	\$324,910	\$180,000	\$333,000	\$1,792,855	\$8,416,661			\$9,569,744	6.60%
2008	2009	\$6,891,001		\$355,000	\$317,298	\$185,000	\$323,750	\$1,530,225	\$8,974,986			\$10,199,408	6.63%
2009	2010	\$6,738,689		\$480,000	\$301,855	\$180,000	\$332,750	\$1,792,855	\$8,974,986			\$10,870,035	6.63%
2010	2011	\$6,886,639		\$210,000	\$280,975	\$285,000	\$314,750	\$1,796,565	\$9,569,744			\$11,588,355	6.58%
2011	2012	\$7,416,183		\$400,000	\$271,315	\$300,000	\$300,500	\$1,393,915	\$10,870,035			\$12,352,673	6.61%
2012	2013	\$7,353,845		\$160,000	\$252,915	\$165,000	\$284,500	\$1,683,305	\$11,588,355			\$13,167,198	6.59%
2013	2014	\$8,109,440		\$485,000	\$245,555	\$155,000	\$292,250	\$1,879,805	\$12,352,673			\$14,035,500	6.60%
2014	2015	\$8,714,518		\$485,000	\$221,305	\$145,000	\$284,500	\$1,531,305	\$13,167,198			\$14,960,870	6.59%
2015	2016	\$8,115,618		\$85,000	\$197,055	\$100,000	\$265,000	\$3,292,750	\$14,960,870			\$15,886,480	6.59%
2016	2017	\$8,862,945		\$670,000	\$197,055	\$107,500	\$265,000	\$2,749,055	\$15,886,480			\$16,864,711	6.19%
2017	2018	\$7,058,940		\$665,000	\$163,555	\$920,000	\$211,250	\$3,757,055	\$16,864,711			\$17,905,193	6.19%
2018	2019	\$3,561,550		\$1,230,000	\$130,305	\$1,290,000	\$165,250	\$4,163,325	\$17,905,193			\$18,351,131	6.17%
2019	2020	\$1,600,686		\$1,325,000	\$67,575	\$2,015,000	\$100,750	\$1,716,750	\$18,351,131			\$19,345,750	-4.94%
2020	2021	\$1,629,693											
2021	2022	\$1,662,131											
2022	2023	\$1,697,025											
		\$108,841,672	\$96,056	\$7,100,000	\$3,498,531	\$7,000,000	\$4,085,750	\$7,010,000	\$4,091,000	\$32,785,281	\$79,310,750	\$218,937,703	

PRELIMINARY
\$7,000,000
NANS
Dated: June 26, 2006
Due: December 28, 2006

PRELIMINARY
\$7,100,000
G.O. Refunding Bonds
Dated: October 10, 2006
14-Year Amortization

\$7,000,000
G.O. Bonds
Dated June 1, 2007
15-Year Amortization

Assumes NANS Principal and Interest Refinanced on 10/10/06
First Eligible Call Date: 10/10/2006

(A) Levy Supported; Includes UFPL refinancing and is net of CVMIC revenues.

(B) Future Issues consist of a borrowing of \$7,080,100 in 2009 growing at 1% annually with an average interest rate of 5%.