

**BAIRD**

Great outcomes.  
Done well.

# City of Racine

June 7, 2010

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**I. Refunding Opportunity**

**\$3,985,000 General Obligation Refunding Bonds**

**Refunds:** 2002 Bonds

**Term:** Matures 2010-2024; no change of payment dates from 2002 bonds; 2019-2021, Callable 2018

**Estimated Present Value Savings:** \$101,890 (net of issuance costs)

**II. New Money Borrowing**

**\$9,650,000 Note Anticipation Notes**

**Funds:** Projects in the CIP, including the Recycling Collection Bins

**Term:** Matures December 17, 2010; Noncallable

**Long-term Financing:** Fall 2010

**III. Procedure**

- Finance Committee considers plan of finance ..... **June 7, 2010**
- Council considers Finance Committee recommendation..... **June 15, 2010**
- Baird and City staff prepares necessary information and submits 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..... **July 6, 2010**

**IV. Refunding Analysis and Example Financing Plan (Attached)**



City of Racine  
June 7, 2010

**BAIRD**

Long-Term Capital Improvement Plan

**PRELIMINARY**  
\$9,650,000  
NANS  
Dated: July 7, 2010  
Due: December 17, 2010

**PRELIMINARY**  
\$9,860,000  
Taxable G.O. Refunding Bonds (BABs)  
Dated: December 7, 2010  
14-Year Amortization

LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	INTEREST (12/1)	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	BABS SUBSIDY	LESS: RECYCLING CARTS REVENUE	FUTURE ISSUES (C)	COMBINED NET DEBT SERVICE (D)	GROWTH	Year Due	
2009	2010	\$9,311,539	\$75,056	\$770,000	\$333,085	(\$116,580)	(\$250,613)	\$607,500	\$9,311,539		2010	
2010	2011	\$9,338,356		\$770,000	\$329,105	(\$115,187)	(\$249,094)		\$10,074,248	8.19%	2011	
2011	2012	\$9,626,394		\$780,000	\$316,785	(\$110,875)	(\$251,702)	\$1,024,500	\$10,968,718	8.88%	2012	
2012	2013	\$10,216,274		\$790,000	\$301,185	(\$105,415)	(\$253,647)	\$1,449,875	\$11,974,982	9.17%	2013	
2013	2014	\$10,891,472		\$805,000	\$282,620	(\$98,917)	(\$254,981)	\$2,333,875	\$13,073,471	9.17%	2014	
2014	2015	\$11,209,594		\$820,000	\$259,275	(\$90,746)	(\$255,363)	\$3,099,250	\$14,277,192	9.21%	2015	
2015	2016	\$11,774,159		\$580,000	\$232,215	(\$81,275)		\$2,716,125	\$15,606,576	9.31%	2016	
2016	2017	\$12,075,822		\$595,000	\$211,045	(\$73,866)		\$4,646,500	\$15,522,887	-0.54%	2017	
2017	2018	\$10,216,125		\$610,000	\$187,840	(\$65,744)		\$7,482,875	\$15,594,804	0.46%	2018	
2018	2019	\$7,302,939		\$630,000	\$161,305	(\$56,457)		\$9,446,500	\$15,517,910	-0.49%	2019	
2019	2020	\$5,337,489		\$645,000	\$132,955	(\$46,534)		\$11,660,625	\$15,518,837	0.01%	2020	
2020	2021	\$4,038,396		\$665,000	\$102,963	(\$36,037)		\$10,640,750	\$15,410,567	-0.70%	2021	
2021	2022	\$3,235,018		\$690,000	\$70,710	(\$24,749)		\$11,660,625	\$15,627,568	1.41%	2022	
2022	2023	\$2,447,001		\$710,000	\$36,210	(\$12,674)		\$13,770,375	\$15,880,713	1.62%	2023	
2023	2024							\$14,849,750	\$14,503,912	-8.67%	2024	
2024	2025								\$14,849,750	2.38%	2025	
									<u>\$117,020,579</u>	<u>(\$1,515,399)</u>		<u>\$223,713,674</u>
									<u>\$75,056</u>	<u>(\$1,035,054)</u>		<u>\$96,426,250</u>
									<u>\$9,860,000</u>	<u>\$2,957,297</u>		<u>\$12,817,297</u>

(A) Levy Supported; includes UFPL refinancing.  
 (B) Indicates Maturities callable on 12/1/2020 or any day thereafter.  
 (C) Assumes annual borrowings beginning in 2011 at \$8,100,000 then growing 2% annually with an average interest rate of 5%.  
 (D) Excludes Recycling Carts.

Recycling Carts Amortization – Component of NANs/Refunding Bonds

PRELIMINARY						
<b>\$1,430,000</b>						
<b>Taxable G.O. Refunding Bonds (BABs)</b>						
<b>Dated: December 7, 2010</b>						
<i>6-Year Amortization</i>						
LEVY YEAR	YEAR DUE	PRINCIPAL <i>(12/1)</i>	INTEREST <i>(6/1 &amp; 12/1)</i>	BABS SUBSIDY	TOTAL	
			<b>NET AVG =</b>			
			<b>1.69%</b>			
2009	2010					
2010	2011	\$230,000	\$31,713	(\$11,099)	\$250,613	
2011	2012	\$230,000	\$29,375	(\$10,281)	\$249,094	
2012	2013	\$235,000	\$25,695	(\$8,993)	\$251,702	
2013	2014	\$240,000	\$20,995	(\$7,348)	\$253,647	
2014	2015	\$245,000	\$15,355	(\$5,374)	\$254,981	
2015	2016	\$250,000	\$8,250	(\$2,888)	\$255,363	
		<b>\$1,430,000</b>	<b>\$131,383</b>	<b>(\$45,984)</b>	<b>\$1,515,399</b>	