

The logo for the law firm BAIRD, consisting of the word "BAIRD" in white, uppercase, serif font, set against a blue parallelogram background.

City of Racine

Finance & Personnel Committee Meeting

February 24, 2025

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Timeline

- Preparations are made for issuance..... Ongoing
 - Official Statement
 - Bond Rating
 - Marketing

- Finance & Personnel Committee Meeting to discuss financing plan and consider Parameters Resolution..... February 24, 2025
A Parameters Resolution defines a narrow set of parameters for the issuance of the Notes. Provides additional flexibility to lock-in interest rate between Common Council meeting dates.
 - Authority for final sign-off on the sale of the Notes, within designated parameters, is delegated to the Mayor and City Clerk

- Common Council considers Finance & Personnel Committee recommendation and adopts Parameters Resolution March 4, 2025

- Mayor and City Clerk execute Approving Certificate (target date to finalize terms and interest rate)..... March 5, 2025
Approving Certificate certifies that designated parameters established in Parameters Resolution are met.

- Closing (funds available).....March 17, 2025



Borrowing / Structure / Purpose

Estimated Size:	\$17,000,000
Issue:	General Obligation Promissory Notes
Purpose:	Bridge loan for paying the cost associated with the construction of the Lincoln King Community Center Clinic
Structure:	Matures March 15, 2027
First Interest:	March 15, 2026
Callable:	March 15, 2026 or any date thereafter
Estimated Interest Rate:	4.21%
Summary of Key Parameters:	
Not to Exceed Par:	\$17,000,000
Authority for Final Sign-off:	Mayor and City Clerk
Not to Exceed Interest Rate (TIC %):	5.25%
Maturity Structure:	March 15, 2027



Financing Plan Comparison

		STATE TRUST FUND LOAN			OPEN MARKET ISSUE			
		\$17,000,000 State Trust Fund Loan <i>Dated March 17, 2025</i> <i>Callable 1/1 - 8/31 Annually</i>			\$17,000,000 General Obligation Promissory Notes <i>Dated March 17, 2025</i> <i>Callable 3/15/26 or Any Date Thereafter @ Par</i>			
LEVY YEAR	YEAR DUE	PRINCIPAL (3/15)	INTEREST (3/15) Rate= 5.75%	TOTAL	PRINCIPAL (3/15)	NET INTEREST ^(A) (3/15 & 9/15) TIC= 4.21%	TOTAL	YEAR DUE
2024	2025							2025
2025	2026		\$972,144	\$972,144		\$1,086,173	\$1,086,173	2026
2026	2027	\$17,000,000	\$977,500	\$17,977,500	\$17,000,000	\$433,500	\$17,433,500	2027
		\$17,000,000	\$1,949,644	\$18,949,644	\$17,000,000	\$1,519,673	\$18,519,673	
		Estimated Sources and Uses			Estimated Sources and Uses			
		Sources			Sources			
		Loan Borrowing.....		\$17,000,000	Note Borrowing.....		\$17,000,000	
					Est. Reoffering Premium.....		\$330,310	
		Total Sources		\$17,000,000	Total Sources		\$17,330,310	
		Uses			Uses			
		Deposit to Project Fund.....		\$17,000,000	Deposit to Project Fund.....		\$17,000,000	
					Estimated Cost of Issuance.....		\$120,800	
					Bid Premium Available for D/S.....		\$209,510	
		Total Uses		\$17,000,000	Total Uses		\$17,330,310	

(A) Assumes hypothetical bid premium used to offset estimated interest cost in the amount of \$209,510.

* These illustrations represent a mathematical calculation of potential debt service, assuming hypothetical rates based on current market rates. Interest and costs of issuance are only estimates for illustrative purposes and are based on Baird's experience with comparable transactions. Actual interest and costs of issuance will vary.