



City of Racine

Finance & Personnel Committee Meeting

January 11, 2021

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City of Racine

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Tentative Timeline

- Water Works Commission considers plan of finance/authorizes the borrowing.....December 15, 2020
- Finance Committee considers plan of finance/parameters resolution..... January 11, 2021
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- City Council considers plan of finance/parameters resolution.....January 19, 2021
- Signature of certificate to award bonds (finalizes terms and interest rates).....January 21, 2021
- Closing (funds available)..... February 11, 2021

Borrowing/Structure/Purpose

Estimated Size:	\$20,000,000
Issue:	Waterworks System Mortgage Revenue Bonds
Purpose:	Infrastructure Improvements
Structure:	Matures September 1, 2022-2041
First Interest:	September 1, 2021
Callable:	September 1, 2028
Estimated Interest Rate:	2.12%

Summary of Parameters

Not to exceed amount:	\$20,000,000
True Interest Cost (TIC) not to exceed:	3.25%
Each maturity increase/decrease by:	\$500,000

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Preliminary Financing Plan



YEAR DUE	WATERWORKS EXISTING DEBT SERVICE	Waterworks Projects: \$20,000,000				COMBINED DEBT SERVICE	2020 PROJECTED NET REVENUES	PROJECTED COVERAGE RATIO (A)
		PRINCIPAL (9/1)	INTEREST (3/1 & 9/1) TIC = 2.12%	LESS: HYPOTHETICAL BID PREMIUM	TOTAL			
		\$20,000,000						
		Waterworks System Mortgage Revenue Bonds - POS Dated February 11, 2021 (First interest 9/1/21)						
2021	\$6,098,882		\$349,882	(\$349,882)	\$0	\$6,098,882	\$10,560,000	1.73
2022	\$5,255,263	\$25,000	\$629,788	(\$67,627)	\$587,160	\$5,842,423	\$10,560,000	1.81
2023	\$5,259,412	\$25,000	\$628,538		\$653,538	\$5,912,950	\$10,560,000	1.79
2024	\$5,257,955	\$25,000	\$627,288		\$652,288	\$5,910,242	\$10,560,000	1.79
2025	\$3,402,899	\$845,000	\$626,038		\$1,471,038	\$4,873,936	\$10,560,000	2.17
2026	\$3,412,486	\$890,000	\$583,788		\$1,473,788	\$4,886,274	\$10,560,000	2.16
2027	\$2,632,773	\$935,000	\$539,288		\$1,474,288	\$4,107,061	\$10,560,000	2.57
2028	\$2,663,260	\$980,000	\$492,538		\$1,472,538	\$4,135,798	\$10,560,000	2.55
2029	\$2,654,897	\$1,030,000	\$443,538		\$1,473,538	\$4,128,435	\$10,560,000	2.56
2030	\$2,407,984	\$1,085,000	\$389,463		\$1,474,463	\$3,882,446	\$10,560,000	2.72
2031	\$2,401,770	\$1,130,000	\$343,350		\$1,473,350	\$3,875,120	\$10,560,000	2.73
2032	\$1,886,444	\$1,165,000	\$306,625		\$1,471,625	\$3,358,069	\$10,560,000	3.14
2033	\$1,886,530	\$1,205,000	\$268,763		\$1,473,763	\$3,360,292	\$10,560,000	3.14
2034	\$1,883,703	\$1,230,000	\$241,650		\$1,471,650	\$3,355,353	\$10,560,000	3.15
2035	\$1,887,288	\$1,260,000	\$213,975		\$1,473,975	\$3,361,263	\$10,560,000	3.14
2036	\$1,778,919	\$1,290,000	\$185,625		\$1,475,625	\$3,254,544	\$10,560,000	3.24
2037	\$1,777,719	\$1,315,000	\$156,600		\$1,471,600	\$3,249,319	\$10,560,000	3.25
2038	\$1,779,119	\$1,345,000	\$127,013		\$1,472,013	\$3,251,131	\$10,560,000	3.25
2039	\$1,774,125	\$1,375,000	\$96,750		\$1,471,750	\$3,245,875	\$10,560,000	3.25
2040		\$1,405,000	\$65,813		\$1,470,813	\$1,470,813	\$10,560,000	7.18
2041		\$1,440,000	\$34,200		\$1,474,200	\$1,474,200	\$10,560,000	7.16
TOTAL	\$56,101,427	\$20,000,000	\$7,350,507	(\$417,509)	\$26,932,998	\$83,034,425		

(A) Based on 2020 Projected Net Revenues.

	<u>2020 Projected</u>
Operating Revenues:	\$21,310,000 ⁽¹⁾
Less: Operating Expenses:	(\$10,750,000) ⁽²⁾
Net Revenues:	<u>\$10,560,000</u>

(1) Including investment earnings and connection fees.

(2) Less depreciation.