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Done well.

# City of Racine

**Presentation of the Finance Committee**

**October 27, 2008**

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City of Racine  
Summary of Recommended Financing Plan



I. Market Update

II. Estimated Amount of Borrowing / Structure:

\$7,680,000      **General Obligation Refunding Bonds**

**Funds:** Provide long-term financing of 2008 NAN which funded Capital Projects

**Term:** Matures 2009-2022

**Call Provision:** 2019-2022; Callable 2018

III. Standard & Poor's Rating (Recommended)

Baird, in conjunction with City Staff, will prepare the necessary information for an S & P rating for the Issue.

IV. Procedure

- Finance Committee considers plan of finance ..... **October 27, 2008**
- 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..... **November 5, 2008**
- Closing..... **December 9, 2008**
- NAN Payoff ..... **December 15, 2008**

# City of Racine

## Summary of Recommended Financing Plan



### Long-term Capital Improvement Plan

LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	FINAL PRICING \$7,600,000 NaNs Dated: July 22, 2008 Due: December 15, 2008		PRELIMINARY \$7,680,000 G.O. Refunding Bonds Dated: December 9, 2008 14-Year Amortization		\$8,900,000 G.O. Bonds Dated June 1, 2009 14-Year Amortization		\$7,500,000 G.O. Bonds Dated June 1, 2010 14-Year Amortization		NEW ISSUES DEBT SERVICE	FUTURE ISSUES (B)	COMBINED NET DEBT SERVICE	GROWTH
			INTEREST AVG = 2.50%	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1) AVG = 5.80%	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1) AVG = 5.00%	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1) AVG = 5.00%					
2007	2008	\$7,985,051	\$75,472										\$7,985,051	
2008	2009	\$7,996,726		\$210,000	\$422,143						\$632,143		\$8,628,870	8.06%
2009	2010	\$8,009,014		\$210,000	\$423,338	\$90,000	\$667,500			\$1,390,838			\$9,399,851	8.93%
2010	2011	\$8,264,164		\$220,000	\$414,938	\$160,000	\$440,500	\$100,000	\$562,500	\$1,897,938			\$10,162,101	8.11%
2011	2012	\$8,500,508		\$230,000	\$403,938	\$260,000	\$432,500	\$205,000	\$370,000	\$1,901,438	\$573,750		\$10,975,695	8.01%
2012	2013	\$8,830,370		\$530,000	\$391,863	\$260,000	\$419,500	\$200,000	\$359,750	\$2,161,113	\$967,875		\$11,959,358	8.96%
2013	2014	\$9,316,565		\$555,000	\$364,038	\$395,000	\$406,500	\$200,000	\$349,750	\$2,270,288	\$1,369,750		\$12,956,603	8.34%
2014	2015	\$9,632,543		\$585,000	\$334,900	\$530,000	\$386,750	\$205,000	\$339,750	\$2,381,400	\$1,989,750		\$14,003,693	8.08%
2015	2016	\$10,197,643		\$615,000	\$304,188	\$555,000	\$360,250	\$300,000	\$329,500	\$2,463,938	\$2,487,250		\$15,148,830	8.18%
2016	2017	\$10,495,270		\$650,000	\$270,363	\$580,000	\$332,500	\$260,000	\$314,500	\$2,407,363	\$2,653,625		\$15,556,258	2.69%
2017	2018	\$8,639,428		\$690,000	\$232,500	\$895,000	\$303,500	\$280,000	\$301,500	\$2,702,500	\$4,210,875		\$15,552,803	-0.02%
2018	2019	\$5,725,050		(C) \$730,000	\$191,100	\$940,000	\$258,750	\$845,000	\$287,500	\$3,252,350	\$6,575,375		\$15,552,775	0.00%
2019	2020	\$3,762,736		\$770,000	\$147,300	\$985,000	\$211,750	\$890,000	\$245,250	\$3,249,300	\$8,540,125		\$15,552,161	0.00%
2020	2021	\$2,460,468		\$820,000	\$101,100	\$1,035,000	\$162,500	\$930,000	\$200,750	\$3,249,350	\$9,845,000		\$15,554,818	0.02%
2021	2022	\$1,662,131		\$865,000	\$51,900	\$1,075,000	\$110,750	\$975,000	\$154,250	\$3,231,900	\$10,665,125		\$15,559,156	0.03%
2022	2023	\$1,697,025				\$1,140,000	\$57,000	\$1,030,000	\$105,500	\$2,332,500	\$11,522,250		\$15,551,775	-0.05%
2023	2024							\$1,080,000	\$54,000	\$1,134,000	\$14,423,750		\$15,557,750	0.04%
		<b>\$113,174,690</b>	<b>\$75,472</b>	<b>\$7,680,000</b>	<b>\$4,053,606</b>	<b>\$8,900,000</b>	<b>\$4,550,250</b>	<b>\$7,500,000</b>	<b>\$3,974,500</b>	<b>\$36,658,356</b>	<b>\$75,824,500</b>		<b>\$225,657,546</b>	

(A) Levy Supported; includes UFPL refinancing.

(B) Future Issues consist of a borrowing of \$7,650,000 in 2011 growing at 2% annually with an average interest rate of 5%.

(C) Indicates Maturities callable on 12/1/2018 or any day thereafter.

# City of Racine

## Summary of Recommended Financing Plan



### Long-term Capital Improvement Plan (Alternative; Fallback)

LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	FINAL PRICING		PRELIMINARY		\$16,235,000 G.O. Bonds		\$7,500,000 G.O. Bonds		NEW ISSUES DEBT SERVICE	FUTURE ISSUES (B)	COMBINED NET DEBT SERVICE	GROWTH
			\$7,600,000 NANs	\$7,705,000 NANs	\$16,235,000 G.O. Bonds		\$7,500,000 G.O. Bonds							
			Dated: July 22, 2008	Dated: December 9, 2008	Dated October 15, 2009		Dated June 1, 2010							
			Due: December 15, 2008	Due: December 15, 2009	14-Year Amortization		14-Year Amortization							
			INTEREST	PRINCIPAL	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST						
			AVG =	Callible: October 15, 2009	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST						
			2.50%	(10/15)	(10/15)	(6/1 & 12/1)	(6/1 & 12/1)	(12/1)	(6/1 & 12/1)					
				AVG =		AVG =		AVG =						
				4.00%		5.00%		5.00%						
2007	2008	\$7,985,051	\$75,472										\$7,985,051	
2008	2009	\$7,996,726		\$370,000	\$261,970					\$631,970			\$8,628,696	8.06%
2009	2010	\$8,009,014				\$470,000	\$915,474			\$1,385,474			\$9,394,487	8.87%
2010	2011	\$8,264,164				\$445,000	\$788,250	\$105,000	\$562,500	\$1,900,750			\$10,164,914	8.20%
2011	2012	\$8,500,508				\$570,000	\$766,000	\$200,000	\$369,750	\$1,905,750	\$573,750		\$10,980,008	8.02%
2012	2013	\$8,830,370				\$860,000	\$737,500	\$200,000	\$359,750	\$2,157,250	\$967,875		\$11,955,495	8.88%
2013	2014	\$9,316,565				\$1,020,000	\$694,500	\$200,000	\$349,750	\$2,264,250	\$1,369,750		\$12,950,565	8.32%
2014	2015	\$9,632,543				\$1,205,000	\$643,500	\$200,000	\$339,750	\$2,388,250	\$1,979,750		\$14,000,543	8.11%
2015	2016	\$10,197,643				\$1,200,000	\$583,250	\$350,000	\$329,750	\$2,463,000	\$2,487,750		\$15,148,393	8.20%
2016	2017	\$10,495,270				\$1,285,000	\$523,250	\$295,000	\$312,250	\$2,415,500	\$2,649,125		\$15,559,895	2.72%
2017	2018	\$8,639,428				\$1,350,000	\$459,000	\$300,000	\$297,500	\$2,406,500	\$4,511,625		\$15,557,553	-0.02%
2018	2019	\$5,725,050				\$1,415,000	\$391,500	\$830,000	\$282,500	\$2,919,000	\$6,911,125		\$15,555,175	-0.02%
2019	2020	\$3,762,736				\$1,490,000	\$320,750	\$870,000	\$241,000	\$2,921,750	\$8,878,375		\$15,562,861	0.05%
2020	2021	\$2,460,468				\$1,560,000	\$246,250	\$920,000	\$197,500	\$2,923,750	\$10,169,750		\$15,553,968	-0.06%
2021	2022	\$1,662,131				\$1,640,000	\$168,250	\$960,000	\$151,500	\$2,919,750	\$10,971,125		\$15,553,006	-0.01%
2022	2023	\$1,697,025				\$1,725,000	\$86,250	\$1,010,000	\$103,500	\$2,924,750	\$10,934,500		\$15,556,275	0.02%
2023	2024							\$1,060,000	\$53,000	\$1,113,000	\$14,446,000		\$15,559,000	0.02%
		<b>\$113,174,690</b>	<b>\$75,472</b>	<b>\$370,000</b>	<b>\$261,970</b>	<b>\$16,235,000</b>	<b>\$7,323,724</b>	<b>\$7,500,000</b>	<b>\$3,950,000</b>	<b>\$35,640,694</b>	<b>\$76,850,500</b>	<b>\$225,665,884</b>		

(A) Levy Supported; includes UFPL refinancing.

(B) Future Issues consist of a borrowing of \$7,650,000 in 2011 growing at 2% annually with an average interest rate of 5%.