

BAIRD

City of Racine

Water Utility Refinancing
City Capital Financing

May 9, 2011

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City of Racine

WATER UTILITY REFINANCING

CITY CAPITAL FINANCING

May 9, 2011

Water Utility Refinancing

\$2,025,000 Waterworks System Bonds

(approx.) Refunds: 2001 Waterworks System Bonds

Term: Matures 2012-2015; no change of payment dates from 2001 bonds; noncallable

Estimated Present Value Savings: \$131,222 (net of issuance costs)

City Capital Financing

\$8,305,000 Note Anticipation Notes

Funds: Projects in the CIP

Term: Matures December 28, 2011; callable November 28, 2011

Long-term Financing: Fall 2011

Procedure

- Finance Committee considers plan of finance **May 9, 2011**
- Council considers Finance Committee recommendation.....**May 17, 2011**
- 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.....**June 7, 2011**

Refunding Analysis (Attached)

City of Racine
 WATER UTILITY REFINANCING
 CITY CAPITAL FINANCING
 May 9, 2011
 Preliminary Refunding Analysis



Calendar Year	BEFORE REFINANCING				AFTER REFINANCING								DEBT SERVICE SAVINGS	
	\$6,235,000 Waterworks System Mortgage Rev. Ref. Bonds Dated April 15, 2001				\$6,235,000 Waterworks System Mortgage Rev. Ref. Bonds Dated April 15, 2001				\$2,025,000 Waterworks System Mortgage Rev. Ref. Bonds (CR) Dated June 3, 2011					TOTAL NEW DEBT SERVICE
	PRINCIPAL (9/1)	RATE	INTEREST (3/1 & 9/1)	TOTAL	PRINCIPAL (9/1)	RATE	INTEREST (3/1 & 9/1)	TOTAL	PRINCIPAL (9/1)	RATE	INTEREST (3/1 & 9/1)	TOTAL		
2011	\$475,000	4.500%	\$132,369	\$607,369	\$475,000	4.500%	\$132,369	\$607,369					\$607,369	\$0
2012	\$500,000	5.375%	\$110,994	\$610,994	***	5.375%			\$510,000	2.000%	\$53,573	\$563,573	\$563,573	\$47,420
2013	\$500,000	5.375%	\$84,119	\$584,119	***	5.375%			\$500,000	2.000%	\$32,850	\$532,850	\$532,850	\$51,269
2014	\$520,000	5.375%	\$57,244	\$577,244	***	5.375%			\$505,000	2.000%	\$22,850	\$527,850	\$527,850	\$49,394
2015	\$545,000	5.375%	\$29,294	\$574,294	***	5.375%			\$510,000	2.500%	\$12,750	\$522,750	\$522,750	\$51,544
	\$2,540,000		\$414,019	\$2,954,019	\$475,000		\$132,369	\$607,369	\$2,025,000		\$122,023	\$2,147,023	\$2,754,392	\$199,627

CALLABLE MATURITIES	*** REFUNDED WITH 2011 ISSUE.	EFFECT OF CHANGE IN DSR FUND..... (\$58,748)
Maturities callable 9/1/2011 or any date thereafter.		EST. INVESTMENT EARNINGS ⁽¹⁾ \$858
		ROUNDING AMOUNT..... \$1,855
		GROSS SAVINGS..... \$143,591
		PRESENT VALUE SAVINGS..... \$131,222
		PV SAVINGS %..... 6.355%

(1) Calculated from 6/3/11 to 9/1/11 at recent LGIP rate of 0.17%.