

The logo for BAIRD is a blue parallelogram tilted to the right, containing the word "BAIRD" in white, bold, serif capital letters.

**BAIRD**

# City of Racine

Finance Committee Meeting

October 22, 2018

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## Tentative Timeline

- Finance Committee Meeting to discuss financing..... October 22, 2018
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- City Council considers Award Resolution (finalizes terms and interest rates) ..... November 20, 2018
- Closing (funds available)..... December 11, 2018
- NAN Paid Off..... December 21, 2018

## Borrowing/Structure/Purpose

Estimated Size:	\$9,910,000	\$3,500,000
Issue:	General Obligation Refunding Bonds	Taxable Note Anticipation Notes
Purpose:	Refund CIP Note Anticipation Notes	Tax Incremental District Projects
Structure:	Matures December 1, 2019-2032	Matures December 1, 2023
First Interest:	June 1, 2019	June 1, 2019
Callable:	December 1, 2027	December 1, 2021
Estimated Interest Rate:	3.40%	3.74%

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## Financing Plan – General Obligation Refunding Bonds

LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	CIP: \$10,244,000		PRELIMINARY \$9,910,000			FUTURE ISSUES (C)	COMBINED NET DEBT SERVICE	GROWTH	FUTURE ANNUAL BORROWING AMOUNT (C)
			\$10,245,000 NAN - FINAL Dated Sept. 11, 2018 Due: March 11, 2019		GENERAL OBLIGATION REFUNDING BONDS Dated December 11, 2018 14-Year Amortization						
			INTEREST	CIP		TOTAL					
			TIC = 2.95%	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)						
					TIC = 3.40%						
2017	2018	\$17,593,353	\$99,604					\$17,593,353			2018
2018	2019	\$15,338,413		\$1,500,000	\$407,670	\$1,907,670		\$17,246,083	-1.97%		2019
2019	2020	\$12,312,168	Assumes	\$490,000	\$359,318	\$849,318	\$4,560,000	\$17,721,486	2.76%		2020
2020	2021	\$10,639,396	NAN Principal and	\$510,000	\$339,718	\$849,718	\$6,721,900	\$18,211,013	2.76%		2021
2021	2022	\$9,898,913	Interest Refunded	\$530,000	\$319,318	\$849,318	\$7,963,250	\$18,711,481	2.75%		2022
2022	2023	\$9,176,545	with Bonds;	\$555,000	\$298,118	\$853,118	\$9,196,650	\$19,226,313	2.75%		2023
2023	2024	\$7,470,683	NAN to be called	\$580,000	\$270,368	\$850,368	\$11,432,300	\$19,753,351	2.74%		2024
2024	2025	\$6,587,900	12/21/2018	\$610,000	\$241,368	\$851,368	\$12,856,325	\$20,295,593	2.75%		2025
2025	2026	\$5,568,050		\$640,000	\$210,868	\$850,868	\$14,434,300	\$20,853,218	2.75%		2026
2026	2027	\$4,578,600		\$670,000	\$178,868	\$848,868	\$16,002,150	\$21,429,618	2.76%		2027
2027	2028	\$3,620,800		(B) \$705,000	\$145,368	\$850,368	\$17,546,775	\$22,017,943	2.75%		2028
2028	2029	\$2,752,250		\$740,000	\$110,118	\$850,118	\$19,022,800	\$22,625,168	2.76%		2029
2029	2030	\$1,848,800		\$765,000	\$84,958	\$849,958	\$20,551,900	\$23,250,658	2.76%		2030
2030	2031	\$884,000		\$795,000	\$58,948	\$853,948	\$22,154,075	\$23,892,023	2.76%		2031
2031	2032			\$820,000	\$29,930	\$849,930	\$23,697,975	\$24,547,905	2.75%		2032
		<u>\$108,269,872</u>		<u>\$9,910,000</u>	<u>\$3,054,930</u>	<u>\$12,964,930</u>	<u>\$186,140,400</u>	<u>\$307,375,201</u>			<u>\$301,895,000</u>

(A) Levy Supported net of BABs subsidy; includes WRS related debt service.

(B) Indicates maturities callable in 2027 or after.

(C) Assumes annual borrowings beginning in 2019 with an average interest rate of 4.00-4.50%. In 2019, assumes a short term borrowing (amortized over one to two years) of \$2,500,000 and a long term borrowing (amortized over 14 years) of \$11,000,000, with annual growth in issue size of 3% thereafter. Also assumes special purpose borrowings of \$3,750,000 and \$38,000,000 in 2021, \$4,500,000 in 2026, and \$25,000,000 in 2028, amortized over 20 years at 4.50%.

This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.

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## Financing Plan – Taxable Note Anticipation Notes

<b>PRELIMINARY</b>					
<b>\$3,500,000</b>					
<b>TAXABLE NOTE ANTICIPATION NOTES</b>					
<i>Dated December 11, 2018</i>					
<i>Callable 12/1/2021</i>					
LEVY YEAR	YEAR DUE	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	TOTAL	
			<b>TIC =</b>		
			<b>3.74%</b>		
2017	2018			2018	
2018	2019		\$124,201	\$124,201	2019
2019	2020		\$127,750	\$127,750	2020
2020	2021		\$127,750	\$127,750	2021
2021	2022		\$127,750	\$127,750	2022
2022	2023	\$3,500,000	\$127,750	\$3,627,750	2023
		<b>\$3,500,000</b>	<b>\$635,201</b>	<b>\$4,135,201</b>	