

BAIRD

City of Racine

Summary of Recommended Financing Plan

September 12, 2011

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City of Racine

SUMMARY OF RECOMMENDED FINANCING PLAN

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| | General Obligation Refunding Bonds | Taxable General Obligation Refunding Bonds |
|--------------------|---|---|
| New Issue | | |
| Amount | \$8,295,000 | \$12,920,000 |
| Purpose | Refund (Refinance) the County's 2011 NANs to provide long-term financing | Refund the County's 2003 Bonds for savings |
| Interest Payments | Semi-annually beginning June 1, 2012 | Semi-annually beginning June 1, 2012 |
| Principal Payments | Annually December 1, 2021 through December 1, 2025 | Annually June 1, 2012 through June 1, 2020 |
| Call Provisions | Callable 2020 | Noncallable |

Summary of Principal and Interest Savings

| | |
|-----------------------|---------------------|
| Old Payments | \$16,865,360 |
| New Payments | <u>\$14,796,903</u> |
| Gross Savings | \$2,068,457 |
| Present Value Savings | \$199,426 |

Timeline:

- Finance Committee considers Plan of Finance..... September 12, 2011
- City Staff and Baird take the necessary steps to issue bonds
 - Prepare Disclosure Statement ("Official Statement")
 - Secure S&P Rating
 - Market the Bonds
- Baird underwrites the issues and presents available interest rates to Council..... October 4, 2011
 - Finalizes terms of the Bonds



City of Racine
Example Long-Term Capital Improvement Plan

| | | FINAL \$8,295,000 NANs Dated: June 28, 2011 <i>Due: December 28, 2011</i> | | PRELIMINARY \$8,295,000 G.O. REFUNDING FUNDS Dated: November 1, 2011 <i>14-Year Amortization</i> | | EXAMPLE REFINANCING OF 11/1/2003 BONDS \$12,920,000 TAXABLE G.O. REFUNDING FUNDS Dated: November 1, 2011 <i>9-Year Amortization</i> | | | | | | | | |
|-----------|----------|--|-------------|---|-----------------------|--|--|-----------------|-----------------------|--------------|-------------------|---------------------------|--------|----------|
| LEVY YEAR | YEAR DUE | EXISTING DEBT SERVICE (A) | INTEREST | PRINCIPAL (12/1) | INTEREST (6/1 & 12/1) | TOTAL | LESS: 2003 TAXABLE BONDS DEBT SERVICE REFINANCED | PRINCIPAL (6/1) | INTEREST (6/1 & 12/1) | TOTAL | FUTURE ISSUES (C) | COMBINED NET DEBT SERVICE | GROWTH | YEAR DUE |
| | | | AVG = 1.50% | | EST TIC = 3.23% | | | | EST TIC = 2.81% | | | | | |
| 2010 | 2011 | \$10,048,893 | \$51,844 | | | | | | | | | \$10,048,893 | | 2011 |
| 2011 | 2012 | \$10,340,763 | | | \$299,772 | \$299,772 | (\$649,320) | \$620,000 | \$320,736 | \$940,736 | | \$10,931,950 | 8.79% | 2012 |
| 2012 | 2013 | \$10,931,494 | | | \$276,713 | \$276,713 | (\$649,320) | \$435,000 | \$291,276 | \$726,276 | \$619,500 | \$11,904,663 | 8.90% | 2013 |
| 2013 | 2014 | \$11,606,778 | | | \$276,713 | \$276,713 | (\$1,428,920) | \$1,180,000 | \$281,618 | \$1,461,618 | \$1,044,875 | \$12,961,063 | 8.87% | 2014 |
| 2014 | 2015 | \$11,924,024 | | | \$276,713 | \$276,713 | (\$1,451,030) | \$1,620,000 | \$260,473 | \$1,880,473 | \$1,478,875 | \$14,109,054 | 8.86% | 2015 |
| 2015 | 2016 | \$12,486,179 | | | \$276,713 | \$276,713 | (\$1,478,630) | \$1,650,000 | \$230,203 | \$1,880,203 | \$2,196,375 | \$15,360,839 | 8.87% | 2016 |
| 2016 | 2017 | \$12,789,246 | | | \$276,713 | \$276,713 | (\$1,511,045) | \$1,250,000 | \$199,015 | \$1,449,015 | \$2,359,000 | \$15,362,929 | 0.01% | 2017 |
| 2017 | 2018 | \$10,929,092 | | | \$276,713 | \$276,713 | (\$1,538,123) | \$1,995,000 | \$157,894 | \$2,152,894 | \$3,544,500 | \$15,365,076 | 0.01% | 2018 |
| 2018 | 2019 | \$8,013,917 | | | \$276,713 | \$276,713 | (\$1,569,738) | \$2,050,000 | \$100,710 | \$2,150,710 | \$6,377,750 | \$15,249,352 | -0.75% | 2019 |
| 2019 | 2020 | \$6,049,113 | | | \$276,713 | \$276,713 | (\$1,600,386) | \$2,120,000 | \$34,980 | \$2,154,980 | \$8,340,750 | \$15,221,169 | -0.18% | 2020 |
| 2020 | 2021 | \$4,749,303 | | \$1,870,000 | \$276,713 | \$2,146,713 | (\$1,629,693) | | | \$9,536,250 | \$9,536,250 | \$14,802,573 | -2.75% | 2021 |
| 2021 | 2022 | \$3,949,002 | | \$1,960,000 | \$220,613 | \$2,180,613 | (\$1,662,131) | | | \$10,334,000 | \$10,334,000 | \$14,801,483 | -0.01% | 2022 |
| 2022 | 2023 | \$3,157,678 | | \$2,055,000 | \$159,363 | \$2,214,363 | (\$1,697,025) | | | \$11,127,750 | \$11,127,750 | \$14,802,766 | 0.01% | 2023 |
| 2023 | 2024 | \$711,080 | | \$1,175,000 | \$87,438 | \$1,262,438 | | | | \$12,826,500 | \$12,826,500 | \$14,800,017 | -0.02% | 2024 |
| 2024 | 2025 | | | \$1,235,000 | \$46,313 | \$1,281,313 | | | | \$13,519,375 | \$13,519,375 | \$14,800,688 | 0.00% | 2025 |
| 2025 | 2026 | | | | | | | | | \$14,418,625 | \$14,418,625 | \$14,418,625 | -2.58% | 2026 |
| | | \$117,686,562 | \$51,844 | \$8,295,000 | \$3,303,909 | \$11,598,909 | (\$16,865,360) | \$12,920,000 | \$1,876,903 | \$14,796,903 | \$97,724,125 | \$224,941,139 | | |

(A) Levy Supported; includes UFPL refinancing.
 (B) Indicates Maturities callable in 2020 or after.
 (C) Assumes annual borrowings beginning in 2012 at \$8,260,000 then growing 2% annually with an average interest rate of 5%.

Combined TIC = 3.05%