City of Racine

2014 Financing Plan

October 27, 2014

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City of Racine

2014 FINANCING PLAN

October 27, 2014

Timeline

- Finance Committee considers plan of finance .... October 27, 2014
    - Preparations are made for issuances
        - ✓ Official Statement
        - ✓ Bond Rating
        - ✓ Marketing
- City Council receives recommendation of Finance Committee .... November 5, 2014
- City Council considers award resolution.. November 18, 2014
- Closing (funds available) .... December 9, 2014

Borrowing Amount / Structure / Purpose

Issue:	**G.O. Refunding Bonds**	
Total Par Amount:	**$18,310,000**	
Amount:	$11,200,000	$7,110,000
Purpose:	Refund 2014 NAN	Refunds 2006B, 2007A and 2008 Bonds
Structure:	Matures June 1, 2015 & Dec. 1, 2016 - 2028	Matures December 1, 2015 - 2025
First Interest:	June 1, 2015	June 1, 2015
Callable:	December 1, 2024	December 1, 2024
Estimated Interest Rate:	2.62%	2.11%
Detailed Analysis:	Page 3 & 4	Page 5 & 6

City of Racine

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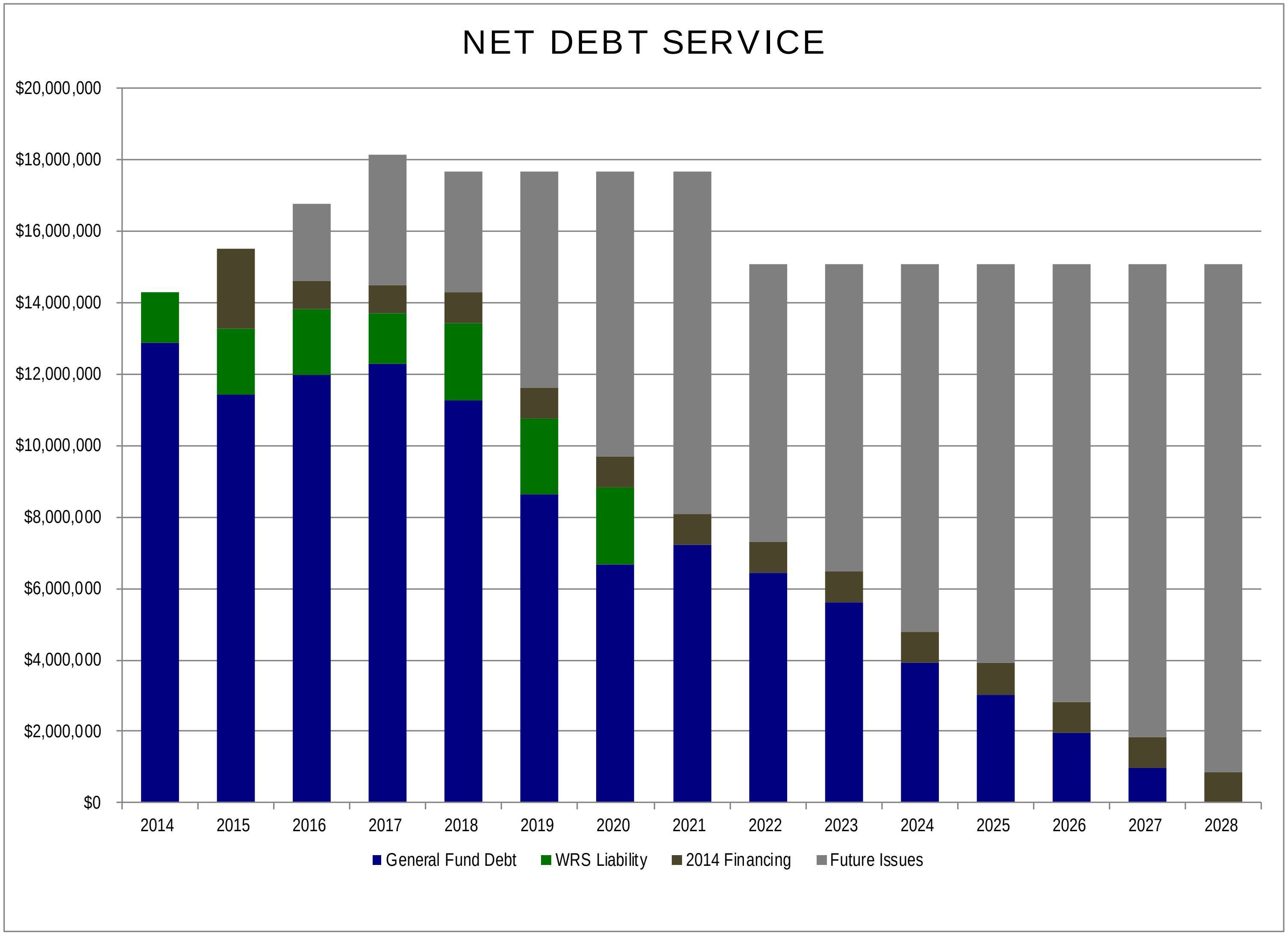
Preliminary Financing Plan – Long-Term Capital Improvement Plan

			FINAL	PRELIMINARY							
			$11,200,000 NANs Dated: Sept. 9, 2014 *Due: August 12, 2015*	$11,200,000 G.O. REFUNDING BONDS Dated: December 9, 2014 *14-Year Amortization*							
				CIP: $9,200,000		EQUIPMENT: $2,000,000					
LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE *(A)*	INTEREST TIC = 1.66%	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1) TIC = 2.62%	PRINCIPAL (6/1)	INTEREST (6/1 & 12/1)	FUTURE ISSUES *(C)*	COMBINED NET DEBT SERVICE	GROWTH	
2013	2014	$14,289,066	$62,222						$14,289,066		2014
2014	2015	$13,252,872			$226,463	$2,000,000	$19,111		$15,498,446	8.46%	2015
2015	2016	$13,814,464	NAN Principal and	$540,000	$231,610			$2,176,900	$16,762,974	8.16%	2016
2016	2017	$13,691,982	Interest Refunded	$555,000	$220,810			$3,656,600	$18,124,392	8.12%	2017
2017	2018	$13,409,014	with Bonds;	$655,000	$209,710			$3,395,200	$17,668,924	-2.51%	2018
2018	2019	$10,759,007	NANs to be called	$670,000	$196,610			$6,046,100	$17,671,717	0.02%	2019
2019	2020	$8,825,604	12/19/2014	$685,000	$183,210			$7,984,300	$17,678,114	0.04%	2020
2020	2021	$7,215,360		$695,000	$169,510			$9,589,700	$17,669,570	-0.05%	2021
2021	2022	$6,419,971		$710,000	$155,610			$7,799,220	$15,084,801	-14.63%	2022
2022	2023	$5,625,653		$725,000	$140,700			$8,597,140	$15,088,493	0.02%	2023
2023	2024	$3,918,880		$750,000	$118,950			$10,302,640	$15,090,470	0.01%	2024
2024	2025	$3,038,000		$770,000	$96,450			$11,179,640	$15,084,090	-0.04%	2025
2025	2026	$1,945,400	*(B)*	$790,000	$73,350			$12,279,540	$15,088,290	0.03%	2026
2026	2027	$962,000		$815,000	$49,650			$13,257,640	$15,084,290	-0.03%	2027
2027	2028			$840,000	$25,200			$14,228,340	$15,093,540	0.06%	2028
		$117,167,273	$62,222	$9,200,000	$2,097,833	$2,000,000	$19,111	$110,492,960	$240,977,177		

(A) Levy Supported net of BABs subsidy; includes WRS related debt service.
(B) Indicates Maturities callable in 2024 or after.
(C) Assumes annual borrowings beginning in 2015 at $9,365,000 then growing 2% annually with an average interest rate of 4%. Also included in annual borrowings is $1,500,000 for equipment amortized in the 1-year maturity.

Preliminary Financing Plan – Long-Term Capital Improvement Plan



BAIRD

Preliminary Refinancing Summary

BEFORE REFINANCING

	$3,970,000 G.O. Ref. Bonds, Series 2006B (CR) Dated October 5, 2006			$7,610,000 G.O. Ref. Bonds, Series 2007A (CR) Dated November 13, 2007			$7,680,000 G.O. Ref. Bonds (CR) Dated December 9, 2008			TOTAL DEBT SERVICE
Calendar Year	PRINCIPAL *(12/1)*	RATE	INTEREST *(6/1 & 12/1)*	PRINCIPAL *(12/1)*	RATE	INTEREST *(6/1 & 12/1)*	PRINCIPAL *(12/1)*	RATE	INTEREST *(6/1 & 12/1)*	
2014	$210,000	4.000%	$144,319	$590,000	4.000%	$239,425	$545,000	4.125%	$278,981	$2,007,725
2015	$220,000	4.000%	$135,919	$615,000	4.000%	$215,825	$570,000	4.250%	$256,500	$2,013,244
2016	$225,000	4.000%	$127,119	$640,000	4.250%	$191,225	$595,000	4.500%	$232,275	$2,010,619
2017	***$235,000***	4.500%	$118,119	$665,000	4.250%	$164,025	$625,000	4.500%	$205,500	$2,012,644
2018	***$245,000***	4.500%	$107,544	***$695,000***	4.250%	$135,763	$650,000	4.750%	$177,375	$2,010,681
2019	***$260,000***	4.500%	$96,519	***$725,000***	5.000%	$106,225	***$680,000***	5.000%	$146,500	$2,014,244
2020	***$270,000***	4.500%	$84,819	***$760,000***	4.500%	$69,975	***$715,000***	5.000%	$112,500	$2,012,294
2021	***$280,000***	4.625%	$72,669	***$795,000***	4.500%	$35,775	***$750,000***	5.000%	$76,750	$2,010,194
2022	***$295,000***	4.625%	$59,719				***$785,000***	5.000%	$39,250	$1,178,969
2023	***$310,000***	4.750%	$46,075							$356,075
2024	***$320,000***	4.750%	$31,350							$351,350
2025	***$340,000***	4.750%	$16,150							$356,150
	$3,210,000		$1,040,319	$5,485,000		$1,158,238	$5,915,000		$1,525,631	$18,334,188

Callable 12/1/16 @ Par
Purpose: TIF#10

Callable 12/1/17 @ Par
Purpose: City

Callable 12/1/18 @ Par
Purpose: City

CALLABLE MATURITIES

City of Racine

2014 FINANCING PLAN

October 27, 2014

Preliminary Refinancing Summary (1)

AFTER REFINANCING

Calendar Year	$3,970,000 G.O. Ref. Bonds, Series 2006B (CR) Dated October 5, 2006 PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	$7,610,000 G.O. Ref. Bonds, Series 2007A (CR) Dated November 13, 2007 PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	$7,680,000 G.O. Ref. Bonds (CR) Dated December 9, 2008 PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	$7,110,000 G.O. Refunding Bonds (AR) Dated December 9, 2014 PRINCIPAL (12/1)	INTEREST (6/1 & 12/1) TIC: 2.11%	TOTAL	TOTAL NEW DEBT SERVICE	POTENTIAL DEBT SERVICE SAVINGS
2014	$210,000	$144,319	$590,000	$239,425	$545,000	$278,981				$2,007,725	***$0***
2015	$220,000	$28,375	$615,000	$109,600	$570,000	$144,000	$90,000	$235,644	$325,644	$2,012,619	***$624***
2016	$225,000	$19,575	$640,000	$85,000	$595,000	$119,775	$40,000	$239,200	$279,200	$1,963,550	***$47,069***
2017	***$235,000***	$10,575	$665,000	$57,800	$625,000	$93,000	$40,000	$238,400	$278,400	$1,964,775	***$47,869***
2018	***		***$695,000***	$29,538	$650,000	$64,875	$290,000	$237,200	$527,200	$1,966,613	***$44,069***
2019	***		***		***$680,000***	$34,000	$1,030,000	$228,500	$1,258,500	$1,972,500	***$41,744***
2020	***		***		***		$1,770,000	$197,600	$1,967,600	$1,967,600	***$44,694***
2021	***		***		***		$1,820,000	$144,500	$1,964,500	$1,964,500	***$45,694***
2022	***				***		$1,080,000	$71,700	$1,151,700	$1,151,700	***$27,269***
2023	***						$310,000	$28,500	$338,500	$338,500	***$17,575***
2024	***						$315,000	$19,200	$334,200	$334,200	***$17,150***
2025	***						$325,000	$9,750	$334,750	$334,750	***$21,400***
	$890,000	$202,844	$3,205,000	$521,363	$3,665,000	$734,631	$7,110,000	$1,650,194	$8,760,194	$17,979,032	***$355,156***

*** *REFINANCED WITH 2014 ISSUE.*

ROUNDING AMOUNT…	***$2,880***
POTENTIAL GROSS SAVINGS…	***$358,036***
(2) *POTENTIAL PRESENT VALUE SAVINGS…*	***$321,004***
POTENTIAL PV SAVINGS %…	***4.686%***

(1) This illustration represents a mathematical calculation of potential interest cost savings (cost), assuming hypothetical rates based on current rates for municipal bonds as of 10/21/2014. Actual rates may vary. If actual rates are higher than those assumed, the interest cost savings would be lower. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a refinancing or otherwise to be considered as advice.

(2) Present value calculated using the All Inclusive Cost (AIC) of 2.18% as the discount rate.

Interest Rate Sensitivity

Change in Rates	Est. PV % Savings	Est. PV $ Savings
-0.30%	6.830%	$467,872
-0.20%	6.109%	$418,498
-0.10%	5.402%	$370,032
+0.10%	3.980%	$272,651
+0.20%	3.289%	$225,300
+0.30%	2.599%	$178,005