

**BAIRD**

# City of Racine

2013 Financing Plan  
September 23, 2013

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## Timeline

- Finance Committee considers plan of finance .....September 23, 2013
  - Preparations are made for issuance
    - ✓ Official Statement
    - ✓ Bond Ratings
    - ✓ Marketing
- City Council receives recommendation of Finance Committee ..... October 1, 2013
- City Council considers award resolution..... October 15, 2013
- Closing (funds available) ..... November 6, 2013

September 23, 2013

## Borrowing Amount / Structure / Purpose



<b>Issue:</b>	G.O. Refunding Bonds
<b>Amount:</b>	\$26,930,000
<b>Purpose:</b>	Refund 2013 NAN / Refund 2003 Bonds
<b>Structure:</b>	Matures June 1, 2014 & Dec. 1, 2014-2027
<b>First Interest:</b>	June 1, 2014
<b>Callable:</b>	Dec. 1, 2023
<b>Estimated Savings<sup>1</sup>:</b>	\$994,487
<b>Estimated Interest Rate:</b>	2.94%
<b>Detailed Analysis:</b>	Page 3 & 4

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<sup>1</sup> Present value calculated using the All-Inclusive (AIC) of 1.99% as the discount rate.

City of Racine  
2013 FINANCING PLAN

September 23, 2013



Preliminary Financing Plan – Refunding Component

Calendar Year	BEFORE REFINANCING				AFTER REFINANCING							DEBT SERVICE SAVINGS	
	\$22,755,000 G.O. Refunding Bonds (AR) Dated July 15, 2003			TOTAL DEBT SERVICE	\$22,755,000 G.O. Refunding Bonds (AR) Dated July 15, 2003				\$15,890,000 G.O. Refunding Bonds Dated November 6, 2013				TOTAL NEW DEBT SERVICE
	PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)		PRINCIPAL (12/1)	RATE	INTEREST (6/1 & 12/1)	TOTAL	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	TOTAL		
2013	\$2,320,000	3.650%	\$753,710	\$3,073,710	\$2,320,000	3.650%	\$753,710	\$3,073,710				\$3,073,710	\$0
2014	\$3,045,000	4.000%	\$669,030	\$3,714,030	***	4.000%			\$2,995,000	\$509,804	\$3,504,804	\$3,504,804	\$209,226
2015	\$2,910,000	4.125%	\$547,230	\$3,457,230	***	4.125%			\$2,860,000	\$386,850	\$3,246,850	\$3,246,850	\$210,380
2016	\$3,585,000	4.000%	\$427,193	\$4,012,193	***	4.000%			\$3,500,000	\$301,050	\$3,801,050	\$3,801,050	\$211,143
2017	\$3,810,000	4.125%	\$283,793	\$4,093,793	***	4.125%			\$3,690,000	\$196,050	\$3,886,050	\$3,886,050	\$207,743
2018	\$3,015,000	4.200%	\$126,630	\$3,141,630	***	4.200%			\$2,845,000	\$85,350	\$2,930,350	\$2,930,350	\$211,280
	\$18,685,000		\$2,807,585	\$21,492,585	\$2,320,000		\$753,710	\$3,073,710	\$15,890,000	\$1,479,104	\$17,369,104	\$20,442,814	\$1,049,771

CALLABLE MATURITIES  
Callable 12/1/13 @ par  
City Purpose

\*\*\* REFINANCED WITH 2013 ISSUE.

EST. INVESTMENT EARNINGS <sup>(1)</sup>	\$1,023
ROUNDING AMOUNT	\$2,674
GROSS SAVINGS	\$1,053,468

<sup>(2)</sup> PRESENT VALUE SAVINGS	\$994,487
PV SAVINGS %	6.077%

(1) Calculated from 11/6/13 to 12/1/13 at recent LGIP rate of 0.09%.  
(2) Present value calculated using the All Inclusive Cost (AIC) of 1.99% as the discount rate.

September 23, 2013



# Preliminary Financing Plan – Long-Term Capital Improvement Plan

		<b>FINAL</b>		<b>PRELIMINARY</b>						
		<b>\$11,040,000</b>		<b>\$11,040,000</b>						
		<b>NANs</b>		<b>G.O. REFUNDING FUNDS</b>						
		<b>Dated: July 9, 2013</b>		<b>Dated: November 6, 2013</b>						
		<b>Due: June 9, 2014</b>		<b>14-Year Amortization</b>						
				<b>CIP: \$9,040,000</b>		<b>EQUIPMENT: \$2,000,000</b>				
LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	INTEREST	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	PRINCIPAL (6/1)	INTEREST (6/1 & 12/1)	FUTURE ISSUES (C)	COMBINED NET DEBT SERVICE	GROWTH
			<b>TIC = 1.33%</b>	<b>TIC = 3.59%</b>						
2012	2013	\$13,236,610	\$61,824						\$13,236,610	2013
2013	2014	\$11,961,675		\$0	\$345,257	\$2,000,000	\$34,167		\$14,341,098	8.34% 2014
2014	2015	\$12,690,372	<i>NAN Principal and</i>	\$300,000	\$322,838			\$2,140,800	\$15,454,009	7.76% 2015
2015	2016	\$13,260,264	<i>Interest Refunded</i>	\$300,000	\$313,838			\$2,824,100	\$16,698,202	8.05% 2016
2016	2017	\$13,131,082	<i>with Bonds;</i>	\$325,000	\$304,838			\$4,287,600	\$18,048,520	8.09% 2017
2017	2018	\$12,513,839	<i>NANs to be called</i>	\$700,000	\$295,088			\$4,150,200	\$17,659,127	-2.16% 2018
2018	2019	\$9,820,382	<i>11/15/2013</i>	\$720,000	\$274,088			\$7,049,700	\$17,864,169	1.16% 2019
2019	2020	\$7,870,979		\$740,000	\$252,488			\$8,985,900	\$17,849,367	-0.08% 2020
2020	2021	\$6,254,560		\$765,000	\$230,288			\$10,593,800	\$17,843,648	-0.03% 2021
2021	2022	\$5,458,371		\$790,000	\$205,425			\$8,809,100	\$15,262,896	-14.46% 2022
2022	2023	\$4,664,453		\$815,000	\$177,775			\$9,600,900	\$15,258,128	-0.03% 2023
2023	2024	\$2,959,280		\$845,000	\$149,250			\$11,304,800	\$15,258,330	0.00% 2024
2024	2025	\$2,076,200	(B)	\$875,000	\$115,450			\$12,184,000	\$15,250,650	-0.05% 2025
2025	2026	\$982,800		\$915,000	\$80,450			\$13,279,700	\$15,257,950	0.05% 2026
2026	2027			\$950,000	\$41,563			\$14,262,400	\$15,253,963	-0.03% 2027
		<b>\$116,880,867</b>	<b>\$61,824</b>	<b>\$9,040,000</b>	<b>\$3,108,632</b>	<b>\$2,000,000</b>	<b>\$34,167</b>	<b>\$109,473,000</b>	<b>\$240,536,666</b>	

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

(B) Indicates Maturities callable in 2023 or after.

(C) Assumes annual borrowings beginning in 2014 at \$9,180,000 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.