

The logo for BAIRD is a blue parallelogram tilted to the right, with the word "BAIRD" in white, serif, all-caps font centered inside.

BAIRD

# City of Racine

Summary of Recommended Financing Plan

November 12, 2012

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<b>New Issue</b>	<b>General Obligation Refunding Bonds</b>
<b>Amount</b>	\$10,760,000
<b>Purpose</b>	Refund (Refinance) the City's 2012 NANs to provide Long-term financing <ul style="list-style-type: none"> <li>• \$9,260,000 CIP</li> <li>• \$1,500,000 Equipment</li> </ul>
<b>Interest Payments</b>	Semi-annually beginning June 1, 2013
<b>Principal Payments</b>	Annually December 1, 2013 through December 1, 2026 <ul style="list-style-type: none"> <li>• The CIP portion is repaid over a 14 year period</li> <li>• The equipment portion is repaid in 2013</li> </ul>
<b>Call Provisions</b>	Callable 2022

Timeline:

- Finance Committee considers Plan of Finance ..... November 12, 2012
- 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 ..... December 4, 2012
  - Finalizes terms of the Bonds



## City of Racine Long-Term Capital Improvement Plan

		<b>FINAL</b>	<b>PRELIMINARY</b>							
		<b>\$10,760,000</b>	<b>\$10,760,000</b>							
		<b>NANs</b>	<b>G.O. REFUNDING FUNDS</b>							
		<b>Dated: July 10, 2012</b>	<b>Dated: December 27, 2012</b>							
		<i>Due: July 1, 2013</i>	<i>14-Year Amortization</i>							
		<b>CIP: \$9,260,000</b>		<b>EQUIPMENT: \$1,500,000</b>						
LEVY YEAR	YEAR DUE	EXISTING DEBT SERVICE (A)	INTEREST	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	PRINCIPAL (12/1)	INTEREST (6/1 & 12/1)	FUTURE ISSUES (C)	COMBINED NET DEBT SERVICE	GROWTH
			<b>AVG = 1.375%</b>		<b>TIC =</b>	<b>2.54%</b>				
2011	2012	\$10,902,825	\$72,742						\$10,902,825	
2012	2013	\$11,123,923		\$350,000	\$219,907	\$1,500,000	\$27,833		\$13,221,663	21.27%
2013	2014	\$11,756,151	<i>NAN Principal and Interest Refunded with Bonds; NANs callable 12/3/2012.</i>	\$165,000	\$230,025			\$2,130,000	\$14,281,176	8.01%
2014	2015	\$12,473,502		\$175,000	\$226,725			\$2,550,800	\$15,426,027	8.02%
2015	2016	\$13,016,957		\$200,000	\$223,225			\$3,227,100	\$16,667,282	8.05%
2016	2017	\$12,861,175		\$225,000	\$219,225			\$4,703,800	\$18,009,200	8.05%
2017	2018	\$11,743,469		\$825,000	\$214,725			\$5,219,000	\$18,002,194	-0.04%
2018	2019	\$8,840,032		\$840,000	\$198,225			\$8,124,900	\$18,003,157	0.01%
2019	2020	\$6,889,829		\$855,000	\$181,425			\$10,081,100	\$18,007,354	0.02%
2020	2021	\$5,273,810	\$875,000	\$162,188			\$11,692,000	\$18,002,998	-0.02%	
2021	2022	\$4,476,321	\$895,000	\$142,500			\$9,888,900	\$15,402,721	-14.44%	
2022	2023	\$3,681,853	(B) \$920,000	\$115,650			\$10,686,700	\$15,404,203	0.01%	
2023	2024	\$1,980,280	\$950,000	\$88,050			\$12,390,000	\$15,408,330	0.03%	
2024	2025	\$1,092,000	\$980,000	\$59,550			\$13,277,200	\$15,408,750	0.00%	
2025	2026		\$1,005,000	\$30,150			\$14,369,100	\$15,404,250	-0.03%	
2026	2027						\$15,406,600	\$15,406,600	0.02%	
		<b>\$116,112,125</b>	<b>\$72,742</b>	<b>\$9,260,000</b>	<b>\$2,311,569</b>	<b>\$1,500,000</b>	<b>\$27,833</b>	<b>\$123,747,200</b>	<b>\$252,958,728</b>	

(A) Levy Supported net of BABs subsidy; includes UFPL refinancing.

(B) Indicates Maturities callable in 2022 or after.

(C) Assumes annual borrowings beginning in 2013 at \$9,000,000 then growing 2% annually with an average interest rate of 4%. Also included in annual borrowings beginning in 2013 is \$1,500,000 for equipment amortized in the 1-year maturity.



# City of Racine

## Long-Term Capital Improvement Plan

