



City of Racine

Finance Committee Meeting

January 7, 2019

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City of Racine

Finance Committee Meeting

January 7, 2019

Tentative Timeline

- Water Commission considers plan of finance/provides recommendation to Council December 18, 2018
- Finance Committee considers plan of finance January 7, 2019
 - Preparations are made for issuance
 - ✓ Official Statement
 - ✓ Bond Rating
 - ✓ Marketing
- City Council considers Award Resolution (finalizes terms and interest rates) February 5, 2019
- Closing (funds available)..... February 19, 2019

Borrowing/Structure/Purpose

Estimated Size:	\$20,000,000
Issue:	Waterworks System Mortgage Revenue Bonds
Purpose:	Infrastructure Improvements
Structure:	Matures September 1, 2021-2039
First Interest:	September 1, 2019
Callable:	September 1, 2027
Estimated Interest Rate:	3.91%

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Preliminary Financing Plan



YEAR DUE	EXISTING DEBT SERVICE	Waterworks Projects: \$20,000,000				COMBINED DEBT SERVICE	2018 PROJECTED NET REVENUES	PROJECTED COVERAGE RATIO (A)
		PRINCIPAL (9/1)	INTEREST (3/1 & 9/1) TIC = 3.91%	LESS: BID PREMIUM	TOTAL			
		\$20,000,000						
		Waterworks System Mortgage Revenue Bonds Dated February 19, 2019 (First interest 9/1/19)						
2019	\$5,246,305		\$498,267	(\$469,345)	\$28,922	\$5,275,227	\$11,465,885	2.17
2020	\$5,267,775		\$934,250		\$934,250	\$6,202,025	\$11,465,885	1.85
2021	\$5,256,488	\$25,000	\$934,250		\$959,250	\$6,215,738	\$11,465,885	1.84
2022	\$4,413,619	\$25,000	\$933,250		\$958,250	\$5,371,869	\$11,465,885	2.13
2023	\$4,418,518	\$25,000	\$932,250		\$957,250	\$5,375,768	\$11,465,885	2.13
2024	\$4,417,811	\$845,000	\$931,250		\$1,776,250	\$6,194,061	\$11,465,885	1.85
2025	\$1,628,505	\$890,000	\$889,000		\$1,779,000	\$3,407,505	\$11,465,885	3.36
2026	\$1,636,092	\$930,000	\$844,500		\$1,774,500	\$3,410,592	\$11,465,885	3.36
2027	\$856,880	\$980,000	\$798,000		\$1,778,000	\$2,634,880	\$11,465,885	4.35
2028	\$885,367	\$1,030,000	\$749,000		\$1,779,000	\$2,664,367	\$11,465,885	4.30
2029	\$877,753	\$1,080,000	\$694,925		\$1,774,925	\$2,652,678	\$11,465,885	4.32
2030	\$629,340	\$1,140,000	\$638,225		\$1,778,225	\$2,407,565	\$11,465,885	4.76
2031	\$624,626	\$1,200,000	\$578,375		\$1,778,375	\$2,403,001	\$11,465,885	4.77
2032	\$109,613	\$1,260,000	\$515,375		\$1,775,375	\$1,884,988	\$11,465,885	6.08
2033	\$109,599	\$1,325,000	\$449,225		\$1,774,225	\$1,883,824	\$11,465,885	6.09
2034	\$109,584	\$1,385,000	\$392,913		\$1,777,913	\$1,887,497	\$11,465,885	6.07
2035	\$109,570	\$1,445,000	\$334,050		\$1,779,050	\$1,888,620	\$11,465,885	6.07
2036		\$1,505,000	\$272,638		\$1,777,638	\$1,777,638	\$11,465,885	6.45
2037		\$1,570,000	\$208,675		\$1,778,675	\$1,778,675	\$11,465,885	6.45
2038		\$1,635,000	\$141,950		\$1,776,950	\$1,776,950	\$11,465,885	6.45
2039		\$1,705,000	\$72,463		\$1,777,463	\$1,777,463	\$11,465,885	6.45
TOTAL	\$36,597,445	\$20,000,000	\$12,742,829	(\$469,345)	\$32,273,484	\$68,870,929		

(A) Based on 2018 Projected Net Revenues.

	<u>2018 Projected</u>	
Operating Revenues:	\$22,583,885	(1)
Less: Operating Expenses:	(\$11,118,000)	(2)
Net Revenues:	<u>\$11,465,885</u>	

(1) Including investment earnings and connection fees.

(2) Less depreciation.