

# City of Racine

Finance & Personnel Committee Meeting

November 7, 2022

Bradley D. Viegut, Managing Director

bviegut@rwbaird.com 777 East Wisconsin Avenue Milwaukee, WI 53202 Phone 414.765.3827

### City of Racine

Finance & Personnel Committee Meeting November 7, 2022

#### **Tentative Timeline**



- Preparations are made for issuance
  - ✓ Official Statement
  - ✓ Bond Rating
  - ✓ Marketing

### Borrowing/Structure/Purpose

| Estimated Size:          | \$14,510,000                                 |
|--------------------------|--|
| Issue:                   | General Obligation Refunding Bonds           |
| Purpose:                 | Refund CIP/Equipment Note Anticipation Notes |
| Structure:               | Matures June 1, 2023; December 1, 2023-2036  |
| First Interest:          | June 1, 2023                                 |
| Callable:                | December 1, 2029                             |
| Estimated Interest Rate: | 4.44%  |



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### Preliminary Financing Plan



|      |      |                  |                 | CIP: \$10,869,875  |  |              |             |               |              | _                |   |                  |        |                        |      |               |
|------|------|------------------|-----------------|--------------------|--|--------------|-------------|---------------|--------------|------------------|---|------------------|--------|------------------------|------|---------------|
|      |      |                  |                 | Equip: \$3,811,500 | PRELIMINARY                              |              |             |               |              |                  |   |                  |        |                        |      |               |
|      |      |                  |                 | \$14,720,000       | \$14,510,000                             |              |             |               |              | _                |   |                  |        |                        |      |               |
|      |      |                  |                 | NAN - FÍNAL        | GENERAL OBLIGATION REFUNDING BONDS - POS |              |             |               |              |                  |   |                  |        |                        |      |               |
|      |      |                  |                 | Dated: 9/27/2022   | Dated December 16, 2022                  |              |             |               |              |                  |   |                  |        |                        |      |               |
|      |      |                  |                 | Due: April 1, 2023 | 14-Year Amortization                     |              |             |               |              |                  |   |                  |        |                        |      |               |
|      |      | EXISTING         | EXISTING        |                    | CIP                                      |              | EQUIPMENT   |               |              |                  |   | COMBINED         |        | COMBINED               |      | FUTURE ANNUAL |
| LEVY | YEAR | DEBT             | DEBT            | INTEREST           | PRINCIPAL                                | INTEREST     | PRINCIPAL   | INTEREST      | TOTAL        | EXISTING PLUS    | FUTURE                                  | DEBT             |        | DEBT                   |      | BORROWING     |
| YEAR | DUE  | SERVICE          | SERVICE         |                    | (12/1)                                   | (6/1 & 12/1) | (6/1)       | (6/1)         |              | NEW DEBT SERVICE | DEBT SERVICE                            | SERVICE          | GROWTH | SERVICE                |      | AMOUNT        |
|      |      | (Levy Supported) | (TIF Supported) | TIC =              |  | TIC =        |             |               |              | (Levy Supported) | (B)                                     | (Levy Supported) |        | (Levy & TIF Supported) |      | (B)           |
|      |      |                  |                 | 3.47%              |  | 4.44%        |             |               |              |                  |   |                  |        |                        |      |               |
|      |      |                  |                 |                    |  |              |             |               |              |                  |   |                  |        |                        |      |               |
| 2021 | 2022 | \$18,496,292     | \$707,569       | \$113,058          |  |              |             |               |              | \$18,496,292     | \$0                                     | \$18,496,292     |        | \$19,203,861           | 2022 |               |
| 2022 | 2023 | \$12,403,525     | \$1,319,659     | 4/                 | \$1,540,000                              | \$509,833    | \$3,870,000 | \$88,688      | \$6,008,521  | \$18,412,046     | \$85,313                                | \$18,497,358     | 0.01%  | \$19,817,017           | 2023 | \$33,365,000  |
| 2023 | 2024 | \$10,721,735     | \$1,318,701     | NAN Principal and  | \$515,000                                | \$455,000    | 1-77        | , , , , , , , | \$970,000    | \$11,691,735     | \$7,729,700                             | \$19,421,435     | 5.00%  | \$20,740,136           | 2024 | \$34,260,000  |
| 2024 | 2025 | \$9,861,165      | \$1,552,841     | Interest Refunded  | \$540,000                                | \$429,250    |             |               | \$969,250    | \$10,830,415     | \$8,999,813                             | \$19,830,228     | 2.10%  | \$21,383,068           | 2025 | \$19,160,000  |
| 2025 | 2026 | \$8,842,835      | \$1,039,571     | with Bonds at the  | \$565,000                                | \$402,250    |             |               | \$967,250    | \$9,810,085      | \$10,435,438                            | \$20,245,523     | 2.09%  | \$21,285,093           | 2026 | \$19,470,000  |
| 2026 | 2027 | \$7,888,868      | \$1,039,571     | Call Date of       | \$595,000                                | \$374,000    |             |               | \$969,000    | \$8,857,868      | \$11,811,363                            | \$20,669,230     | 2.09%  | \$21,708,801           | 2027 | \$18,245,000  |
| 2027 | 2028 | \$6,952,250      | \$1,039,571     | 12/16/2022         | \$625,000                                | \$344,250    |             |               | \$969,250    | \$7,921,500      | \$13,179,950                            | \$21,101,450     | 2.09%  | \$22,141,021           | 2028 | \$25,425,000  |
| 2028 | 2029 | \$6,079,150      | \$1,039,571     |                    | \$655,000                                | \$313,000    |             |               | \$968,000    | \$7,047,150      | \$14,489,650                            | \$21,536,800     | 2.06%  | \$22,576,371           | 2029 | \$16,310,000  |
| 2029 | 2030 | \$5,179,300      | \$1,039,571     | (A)                | \$690,000                                | \$280,250    |             |               | \$970,250    | \$6,149,550      | \$15,845,213                            | \$21,994,763     | 2.13%  | \$23,034,333           | 2030 | \$17,085,000  |
| 2030 | 2031 | \$4,210,250      | \$1,039,571     |                    | \$725,000                                | \$245,750    |             |               | \$970,750    | \$5,181,000      | \$17,272,288                            | \$22,453,288     | 2.08%  | \$23,492,858           | 2031 | \$15,370,000  |
| 2031 | 2032 | \$3,330,550      | \$521,764       |                    | \$760,000                                | \$209,500    |             |               | \$969,500    | \$4,300,050      | \$18,623,588                            | \$22,923,638     | 2.09%  | \$23,445,402           | 2032 | \$15,830,000  |
| 2032 | 2033 | \$2,487,150      | \$521,764       |                    | \$795,000                                | \$171,500    |             |               | \$966,500    | \$3,453,650      | \$19,950,513                            | \$23,404,163     | 2.10%  | \$23,925,927           | 2033 | \$16,305,000  |
| 2033 | 2034 | \$1,489,800      | \$521,764       |                    | \$835,000                                | \$131,750    |             |               | \$966,750    | \$2,456,550      | \$21,433,913                            | \$23,890,463     | 2.08%  | \$24,412,227           | 2034 | \$16,795,000  |
| 2034 | 2035 | \$810,900        | \$521,764       |                    | \$880,000                                | \$90,000     |             |               | \$970,000    | \$1,780,900      | \$22,611,075                            | \$24,391,975     | 2.10%  | \$24,913,739           | 2035 | \$17,300,000  |
| 2035 | 2036 |                  | \$521,764       |                    | \$920,000                                | \$46,000     |             |               | \$966,000    | \$966,000        | \$23,933,675                            | \$24,899,675     | 2.08%  | \$25,421,439           | 2036 | \$17,820,000  |
| 2036 | 2037 |                  | \$521,764       |                    |  |              |             |               |              |                  | \$25,426,925                            | \$25,426,925     | 2.12%  | \$25,948,689           | 2037 | \$18,355,000  |
| 2037 | 2038 |                  | \$521,764       |                    |  |              |             |               |              |                  | \$25,958,575                            | \$25,958,575     | 2.09%  | \$26,480,339           | 2038 | \$18,905,000  |
| 2038 | 2039 |                  | \$521,764       |                    |  |              |             |               |              |                  | \$26,502,238                            | \$26,502,238     | 2.09%  | \$27,024,002           | 2039 | \$19,470,000  |
| 2039 | 2040 |                  | \$521,764       |                    |  |              |             |               |              |                  | \$27,050,700                            | \$27,050,700     | 2.07%  | \$27,572,464           | 2040 | \$20,050,000  |
| 2040 | 2041 |                  | \$453,946       |                    |  |              |             |               |              |                  | \$27,612,125                            | \$27,612,125     | 2.08%  | \$28,066,071           | 2041 | \$20,655,000  |
|      |      | \$98,753,769     | \$16,286,019    |                    | \$10,640,000                             | \$4,002,333  | \$3,870,000 | \$88,688      | \$18,601,021 | \$117,354,790    | \$338,952,050                           | \$456,306,840    |        | \$472,592,859          |      | \$380,175,000 |
|      |      |                  |                 | •                  | . , ,                                    |              |             |               |              |                  | . , , , , , , , , , , , , , , , , , , , | . , , ,          | -      | . , , ,                |      | . , , ,       |

<sup>(</sup>A) Indicates maturities callable in 2029 or after.

<sup>(</sup>B) Assumes annual borrowings beginning in 2023 with an average interest rate of 3.75% - 4.00%. In 2023, assumes a short term borrowing (amortized over one to two years) of \$4,175,000 and a long term borrowing (amortized over 14 years) of \$25,415,000. Assumes future short and long-term borrowings per 2023-31 CIP Plan. Assumes 3.00% growth to future issues 2032 and thereafter. Assumes special purpose borrowing of \$3,500,000 in 2023 amortized over 10 years at an estimated interest rate of 3.25%. Assumes special purpose borrowings of \$275,000 in 2023, \$4,500,000 in 2024, and \$5,500,000 in 2028 amortized over 20 years at 4.25%. This information is provided for information purposes only. It does not recommend any future issuances and is not intended to be, and should not be regarded as, advice.