

The logo for BAIRD, featuring the word "BAIRD" in white, serif, all-caps font on a blue, trapezoidal background that is wider at the top and tapers towards the bottom.

# City of Manitowoc

Finance Committee Meeting

January 5, 2021

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Finance Committee Meeting

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## Tentative Timeline

- Finance Committee reviews financing plan and considers parameters resolutions..... January 5, 2021
- Common Council reviews financing plan and considers parameters resolutions.....January 18, 2021
  - Preparations are made for long-term issuances
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- Signature of certificate to award notes (finalizes terms and interest rates) ..... February 11, 2021
- Final rates and terms reported to Council..... February 15, 2021
- Closing (funds available).....March 4, 2021

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## Borrowing Amount / Structure / Purpose

|                   |  |   |
|-------------------|--|---|
| Estimated Amount: | \$6,090,000                            | \$3,855,000                                   |
| Issue:            | G.O. Promissory Notes                  | Note Anticipation Notes                       |
| Purpose:          | 2021 CIP                               | TID #19, TID #22 & CAPI as needed             |
| Structure:        | Matures February 1, 2023-2031          | Matures June 1, 2022                          |
| Callable:         | February 1, 2029                       | December 1, 2021                              |
| First Interest:   | August 1, 2021 (paid with bid premium) | December 1, 2021 (paid with bid premium/CAPI) |
| Estimated Rate:   | 1.34%                                  | 1.27%   |

## Summary of Parameters

|   |             |             |
|---|-------------|-------------|
| Not to exceed amount:                   | \$6,090,000 | \$3,950,000 |
| True Interest Cost (TIC) not to exceed: | 2.00%       | 2.00%       |
| Each maturity increase/decrease by:     | \$300,000   | \$100,000   |

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## Financing Illustration – 2021 CIP



| New Debt Issued 2019-2022 = \$25,895,000 |          |  |                                    |  |                             |                                 |   |                    |  |                                    |   |             |
|--|----------|--|------------------------------------|--|-----------------------------|---------------------------------|---|--------------------|--|------------------------------------|---|-------------|
|  |          |  | 2021 <sup>(B)</sup>                |  |                             | 2021 <sup>(B)</sup>             |   |                    | 2022 <sup>(B)</sup>                      |                                    |   |             |
|  |          |  | <b>\$6,090,000</b>                 |  |                             | <b>\$3,800,000</b>              |   |                    | <b>\$4,200,000</b>                       |                                    |   |             |
|  |          |  | <b>G.O. PROMISSORY NOTES - POS</b> |  |                             | <b>SAFE DRINKING WATER LOAN</b> |   |                    | <b>G.O. PROMISSORY NOTES</b>             |                                    |   |             |
|  |          |  | Dated March 4, 2021                |  |                             | Dated May 1, 2021               |   |                    | Dated August 1, 2022                     |                                    |   |             |
|  |          |  | (First interest 8/1/21)            |  |                             | (First interest 5/1/22)         |   |                    | (First interest 2/1/23)                  |                                    |   |             |
| LEVY YEAR                                | YEAR DUE | EXISTING DEBT<br>(Levy Supported)<br>(A) | PRINCIPAL<br>(2/1)                 | INTEREST<br>(2/1 & 8/1)<br>TIC=<br>1.34% | HYPOTHETICAL<br>BID PREMIUM | PRINCIPAL<br>(5/1)              | INTEREST<br>(5/1 & 11/1)<br>AVG=<br>1.70% | PRINCIPAL<br>(2/1) | INTEREST<br>(2/1 & 8/1)<br>AVG=<br>3.00% | FUTURE<br>BORROWINGS<br>(B)<br>(C) | TOTAL<br>DEBT<br>PAYMENTS<br>(Levy Supported) | YEAR<br>DUE |
| 2020                                     | 2021     | \$6,993,960                              |                                    | \$41,642                                 | (\$41,642)                  |                                 |   |                    |  |                                    | \$6,993,960                                   | 2021        |
| 2021                                     | 2022     | \$6,850,669                              |                                    | \$101,980                                | (\$19,726)                  | \$130,000                       | \$95,795                                  |                    |  |                                    | \$7,158,717                                   | 2022        |
| 2022                                     | 2023     | \$6,401,078                              | \$215,000                          | \$99,830                                 |                             | \$165,000                       | \$60,988                                  | \$95,000           | \$124,575                                |                                    | \$7,161,470                                   | 2023        |
| 2023                                     | 2024     | \$6,036,365                              | \$220,000                          | \$95,480                                 |                             | \$168,000                       | \$58,157                                  | \$315,000          | \$118,425                                | \$150,000                          | \$7,161,427                                   | 2024        |
| 2024                                     | 2025     | \$6,050,973                              | \$225,000                          | \$91,030                                 |                             | \$171,000                       | \$55,276                                  | \$155,000          | \$111,375                                | \$300,000                          | \$7,159,653                                   | 2025        |
| 2025                                     | 2026     | \$5,134,037                              | \$865,000                          | \$80,130                                 |                             | \$174,000                       | \$52,343                                  | \$300,000          | \$104,550                                | \$450,000                          | \$7,160,060                                   | 2026        |
| 2026                                     | 2027     | \$3,633,038                              | \$880,000                          | \$62,680                                 |                             | \$177,000                       | \$49,360                                  | \$515,000          | \$92,325                                 | \$1,752,450                        | \$7,161,852                                   | 2027        |
| 2027                                     | 2028     | \$2,921,125                              | \$900,000                          | \$47,130                                 |                             | \$180,000                       | \$46,325                                  | \$530,000          | \$76,650                                 | \$2,463,275                        | \$7,164,505                                   | 2028        |
| 2028                                     | 2029     | \$2,613,250                              | \$910,000                          | \$33,555                                 |                             | \$183,000                       | \$43,240                                  | \$545,000          | \$60,525                                 | \$2,771,800                        | \$7,160,370                                   | 2029        |
| 2029                                     | 2030     | \$1,521,850                              | \$930,000                          | \$20,453                                 |                             | \$186,000                       | \$40,103                                  | \$565,000          | \$43,875                                 | \$3,856,950                        | \$7,164,231                                   | 2030        |
| 2030                                     | 2031     | \$546,300                                | \$945,000                          | \$7,088                                  |                             | \$189,000                       | \$36,916                                  | \$580,000          | \$26,700                                 | \$4,833,000                        | \$7,164,003                                   | 2031        |
| 2031                                     | 2032     | \$544,800                                |                                    |  |                             | \$192,000                       | \$33,677                                  | \$600,000          | \$9,000                                  | \$5,328,050                        | \$6,707,527                                   | 2032        |
| 2032                                     | 2033     | \$542,700                                |                                    |  |                             | \$196,000                       | \$30,379                                  |                    |  | \$5,937,050                        | \$6,706,129                                   | 2033        |
| 2033                                     | 2034     | \$544,900                                |                                    |  |                             | \$199,000                       | \$27,022                                  |                    |  | \$5,937,050                        | \$6,707,972                                   | 2034        |
| 2034                                     | 2035     | \$546,300                                |                                    |  |                             | \$202,000                       | \$23,613                                  |                    |  | \$5,937,050                        | \$6,708,963                                   | 2035        |
| 2035                                     | 2036     | \$546,900                                |                                    |  |                             | \$206,000                       | \$20,145                                  |                    |  | \$5,937,050                        | \$6,710,095                                   | 2036        |
| 2036                                     | 2037     | \$546,700                                |                                    |  |                             | \$209,000                       | \$16,618                                  |                    |  | \$5,937,050                        | \$6,709,368                                   | 2037        |
| 2037                                     | 2038     | \$545,700                                |                                    |  |                             | \$213,000                       | \$13,031                                  |                    |  | \$5,937,050                        | \$6,708,781                                   | 2038        |
| 2038                                     | 2039     |  |                                    |  |                             | \$216,000                       | \$9,384                                   |                    |  | \$5,937,050                        | \$6,162,434                                   | 2039        |
| 2039                                     | 2040     |  |                                    |  |                             | \$220,000                       | \$5,678                                   |                    |  | \$5,937,050                        | \$6,162,728                                   | 2040        |
| 2040                                     | 2041     |  |                                    |  |                             | \$224,000                       | \$1,904                                   |                    |  | \$5,937,050                        | \$6,162,954                                   | 2041        |
| <b>\$52,520,645</b>                      |          |  | <b>\$6,090,000</b>                 | <b>\$680,997</b>                         | <b>(\$61,368)</b>           | <b>\$3,800,000</b>              | <b>\$719,950</b>                          | <b>\$4,200,000</b> | <b>\$768,000</b>                         | <b>\$75,338,975</b>                | <b>\$144,057,199</b>                          |             |

(A) Bid premium from 2019 issue applied to interest due in 2021. Does not include 5/5/2020 Taxable G.O. Promissory Notes (CDBG Buyout).

(B) 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.

(C) Assumes \$5,000,000 issued annually. 10 year repayment at 3.00% interest rate.

Note: Planning estimates only. Significant changes in market conditions will require adjustments to current financing illustration. If interest rates move higher, the interest cost will be higher.