

The logo for BAIRD is a dark blue parallelogram tilted to the right, with the word "BAIRD" written in white, bold, sans-serif capital letters inside it.

**BAIRD**

# City of Manitowoc

Finance Committee Meeting

January 20, 2020

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# City of Manitowoc

Finance Committee Meeting

January 20, 2020

Borrowing Amount / Structure / Purpose



<b>Estimated Amount:</b>	\$9,820,000	\$9,820,000 ( <u>Alternate Scenario</u> )	\$2,000,000
<b>Issue:</b>	G.O. Refunding Bonds	G.O. Refunding Bonds	Taxable G.O. Promissory Notes
<b>Purpose:</b>	Refinance 2020 NAN: 2020 CIP & TIF #18	Refinance 2020 NAN: 2020 CIP & TIF #18 (TIF extension)	Community Development Block Grant (CDBG) buyout
<b>Structure:</b>	Matures February 1, 2020; 2023-2035	Matures February 1, 2020; 2023-2039	Matures February 1, 2021-2030
<b>Callable:</b>	February 1, 2028	February 1, 2028	February 1, 2028
<b>Estimated Rate:</b>	2.31%	2.47%	2.53%

## Tentative Timeline

- Finance Committee considers long-term financing plans and set sale resolutions..... January 20, 2020
- Common Council considers award resolution for interim financing (finalizes terms and interest rate)..... January 20, 2020
- Common Council acts on Finance Committee recommendation/considers set sale resolutions ..... January 20, 2020
- Interim financing closing (funds available) ..... February 5, 2020
  - Preparations are made for long-term issuances
    - ✓ Official Statement
    - ✓ Bond Rating
    - ✓ Marketing
- Common Council considers award resolutions for long-term financings (finalizes terms and interest rates) ..... April 20, 2020
- Long-term financings closing (funds available) ..... May 5, 2020
- Short-term Note Payoff..... May 21, 2020

# City of Manitowoc

Finance Committee Meeting

January 20, 2020

Financing Illustration – 2020 CIP



New Debt Issued 2019-2022 = \$23,905,000												
LEVY YEAR	YEAR DUE	EXISTING DEBT	ADDITIONAL OFFSETS	EXISTING DEBT	2020 - FINAL	2020 - Preliminary	2021 (B)	2022 (B)	FUTURE BORROWINGS	TOTAL DEBT PAYMENTS	YEAR DUE	TOTAL PRINCIPAL OUTSTANDING
		(Net of TID Offsets) (Provided by City)		(Levy Supported)	(Calable 5/5/20)	(First Interest 2/1/21)	(First Interest 2/1/22)	(First Interest 2/1/23)	(B)	(Levy Supported)		(At G.O. Debt)
2019	2020	\$7,739,678	(\$606,319)	\$7,005,670	\$5,905,000	\$5,845,000	\$6,000,000	\$6,000,000	\$150,000	\$7,005,670	2020	\$49,219,617
2020	2021	\$6,795,284	(\$187,701)	\$6,498,687	NAN	\$335,000	\$180,000	\$240,000	\$300,000	\$7,001,970	2021	\$48,566,615
2021	2022	\$6,796,806	(\$73,637)	\$6,723,169	INTEREST RATE = 2.06%	\$168,283	\$180,000	\$165,825	\$450,000	\$7,005,006	2022	\$48,208,181
2022	2023	\$6,350,153	(\$76,575)	\$6,273,578	PRINCIPAL (2/1)	\$131,838	\$180,000	\$154,350	\$7,001,815	\$7,001,815	2023	\$46,969,310
2023	2024	\$5,908,865		\$5,908,865	INTEREST (2/1 & 8/1) TIC = 2.15%	\$123,138	\$180,000	\$147,375	\$7,004,725	\$7,004,725	2024	\$46,044,994
2024	2025	\$5,076,373		\$5,076,373	PRINCIPAL (2/1)	\$870,000	\$180,000	\$165,000	\$7,003,860	\$7,003,860	2025	\$45,105,226
2025	2026	\$4,155,687		\$4,155,687	INTEREST (2/1 & 8/1) TIC = 2.15%	\$890,000	\$166,125	\$133,725	\$450,000	\$7,004,450	2026	\$43,990,000
2026	2027	\$2,657,138		\$2,657,138	PRINCIPAL (2/1)	\$905,000	\$137,925	\$75,000	\$450,000	\$7,003,113	2027	\$42,060,000
2027	2028	\$1,943,625		\$1,943,625	INTEREST (2/1 & 8/1) TIC = 2.15%	\$925,000	\$108,825	\$87,525	\$450,000	\$7,002,538	2028	\$41,055,000
2028	2029	\$1,639,500		\$1,639,500	PRINCIPAL (2/1)	\$975,000	\$78,825	\$63,375	\$450,000	\$7,002,469	2029	\$40,155,000
2029	2030	\$547,200		\$547,200	INTEREST (2/1 & 8/1) TIC = 2.15%	\$1,015,000	\$47,925	\$38,550	\$450,000	\$7,002,225	2030	\$39,305,000
2030	2031	\$546,300		\$546,300	PRINCIPAL (2/1)	\$1,075,000	\$16,125	\$12,975	\$450,000	\$7,002,225	2031	\$38,885,000
2031	2032	\$544,800		\$544,800	INTEREST (2/1 & 8/1) TIC = 2.15%	\$1,045,000	\$16,125	\$12,975	\$450,000	\$6,549,050	2032	\$38,450,000
2032	2033	\$542,700		\$542,700	PRINCIPAL (2/1)	\$975,000	\$16,125	\$12,975	\$450,000	\$6,549,150	2033	\$37,995,000
2033	2034	\$544,900		\$544,900	INTEREST (2/1 & 8/1) TIC = 2.15%	\$955,000	\$137,925	\$87,525	\$450,000	\$6,549,550	2034	\$37,520,000
2034	2035	\$546,300		\$546,300	PRINCIPAL (2/1)	\$985,000	\$108,825	\$87,525	\$450,000	\$6,551,150	2035	\$37,025,000
2035	2036	\$546,900		\$546,900	INTEREST (2/1 & 8/1) TIC = 2.15%	\$1,045,000	\$47,925	\$38,550	\$450,000	\$6,550,250	2036	\$36,510,000
2036	2037	\$546,700		\$546,700	PRINCIPAL (2/1)	\$1,075,000	\$16,125	\$12,975	\$450,000	\$6,549,950	2037	\$35,975,000
2037	2038	\$545,700		\$545,700	INTEREST (2/1 & 8/1) TIC = 2.15%	\$1,015,000	\$47,925	\$38,550	\$450,000	\$6,549,950	2038	\$35,440,000
		\$53,974,608	(\$944,232)	\$52,793,791		\$5,845,000	\$1,011,051	\$6,000,000	\$1,275,750	\$55,900,425		\$129,887,117

(A) Bid premium from 2019 issue applied to interest due in 2020 & 2021. Net of 2/1/20 Bids subsidy.

(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.

# City of Manitowoc

Finance Committee Meeting

January 20, 2020

Financing Illustration TIF #18 – Final Maturity 2035



Assumptions	
Annual Inflation During Life of TID.....	0.00%
2019 Gross Tax Rate (per \$1000 Equalized Value).....	\$22.30
Annual Adjustment to tax rate.....	-0.50%
Investment rate.....	0.50%
Data above dashed line are actual	

New Issue - FINAL	Example New Issue
\$4,000,000	\$3,975,000
Note Anticipation Note	G.O. Refunding Bonds
Dated February 5, 2020	Dated May 5, 2020
Amount for Projects..... \$4,000,000	Amount for Refunding..... \$4,024,262
Cost of Issuance (est.)..... \$0	Cost of Issuance (est.)..... \$62,156
Rounding..... \$0	Rounding..... \$3
Less: Reoffering Premium..... \$0	Less: Reoffering Premium..... \$111,421

Year	Background Data					Revenues			Expenditures						TID Status			Year		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)		(k)	(l)	(m)	(n)	(o)	(p)		(q)	(r)
	TIF District Valuation	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Investment Proceeds	Total Revenues	Existing Debt Service	INTEREST	Principal	Interest	Debt Service	Sanitary Sewer PAYGO	Combined Expenditures	Annual Balance	Year End Cumulative Balance		Cost Recovery	
	(1)									(8/5)	(2/1)	(2/1 & 8/1)		(2)		(December 31)				
	(January 1)									RATE=	TIC=									
	Base Value									2.06%	2.49%									
	\$0																			
2019	\$0		\$7,111,000	\$7,111,000	\$22.30	\$0	\$0	\$0	\$24,597				\$0	\$0	\$0	\$0	\$0	\$0	2019	
2020	\$7,111,000	\$0		\$7,111,000	\$22.19	\$0	\$0	\$0	\$27,500		\$24,262		\$0	\$24,597	\$180,391	(\$24,597)	(\$24,597)		2020	
2021	\$7,111,000	\$0	\$8,508,000	\$15,619,000	\$22.08	\$157,816	\$0	\$157,816	\$140,775			\$126,224	\$126,224	\$26,667	\$269,327	(\$22,575)	(\$47,172)		2021	
2022	\$15,619,000	\$0	\$2,836,000	\$18,455,000	\$21.97	\$157,027	\$0	\$157,027	\$137,325			\$101,885	\$101,885	\$26,667	\$269,327	(\$112,299)	(\$159,471)		2022	
2023	\$18,455,000	\$0	\$1,084,000	\$19,539,000	\$21.86	\$343,179	\$0	\$343,179	\$138,800			\$99,485	\$339,485	\$26,667	\$503,477	(\$160,298)	(\$319,769)		2023	
2024	\$19,539,000	\$0	\$500,000	\$20,039,000	\$21.75	\$403,464	\$0	\$403,464	\$140,750			\$88,885	\$368,885	\$26,667	\$536,302	(\$112,275)	(\$557,433)		2024	
2025	\$20,039,000	\$0	\$500,000	\$20,539,000	\$21.64	\$425,026	\$0	\$425,026	\$138,250			\$83,235	\$368,235	\$26,667	\$533,152	(\$99,429)	(\$656,861)		2025	
2026	\$20,539,000	\$0	\$500,000	\$21,039,000	\$21.54	\$433,723	\$0	\$433,723	\$140,050			\$77,485	\$367,485	\$26,667	\$534,202	(\$91,879)	(\$748,741)		2026	
2027	\$21,039,000	\$0	\$500,000	\$21,539,000	\$21.43	\$442,322	\$0	\$442,322	\$141,075			\$71,635	\$366,635	\$26,667	\$534,377	(\$83,552)	(\$832,293)		2027	
2028	\$21,539,000	\$0	\$500,000	\$22,039,000	\$21.32	\$450,825	\$0	\$450,825	\$137,025			\$64,185	\$364,185	\$26,667	\$527,877	(\$68,646)	(\$900,938)		2028	
2029	\$22,039,000	\$0	\$500,000	\$22,539,000	\$21.21	\$459,231	\$0	\$459,231				\$54,648	\$364,648	\$26,667	\$391,314	\$76,228	(\$824,710)		2029	
2030	\$22,539,000	\$0	\$500,000	\$23,039,000	\$21.11	\$467,542	\$0	\$467,542				\$44,410	\$364,410	\$26,667	\$391,077	\$84,682	(\$740,029)		2030	
2031	\$23,039,000	\$0	\$500,000	\$23,539,000	\$21.00	\$475,758	\$0	\$475,758				\$33,848	\$363,848	\$26,667	\$390,514	\$93,367	(\$646,662)		2031	
2032	\$23,539,000	\$0	\$500,000	\$24,039,000	\$20.90	\$483,881	\$0	\$483,881				\$23,828	\$368,828	\$26,667	\$395,494	\$96,416	(\$550,246)		2032	
2033	\$24,039,000	\$0	\$500,000	\$24,539,000	\$20.79	\$491,910	\$0	\$491,910				\$14,445	\$364,445	\$26,667	\$391,112	\$108,736	(\$441,510)		2033	
2034	\$24,539,000	\$0		\$24,539,000	\$20.69	\$499,847	\$0	\$499,847				\$4,860	\$364,860	\$26,667	\$391,527	\$116,166	(\$325,344)		2034	
2035	\$24,539,000	\$0		\$24,539,000	\$20.59	\$507,693	\$0	\$507,693						\$0	\$0	\$505,154	\$179,811	Expenditures Recovered	2035	
2036	\$24,539,000	\$0		\$24,539,000	\$20.48	\$505,154	\$0	\$505,154							\$0	\$0	\$0	\$0	2036	
			\$0	\$24,539,000		\$6,704,400	\$0	\$6,704,400	\$1,166,147		\$3,975,000	\$983,442	\$4,958,442	\$400,000	\$6,524,589					

Assumes NAN principal and interest refinanced with Bonds on 5/21/2020 call date.

Type of TID: Mixed Use

- 2015 TID Inception (9/21/15)
- 2030 Final Year to Incur TIF Related Costs
- 2035 Maximum Legal Life of TID (20 Years)
- 2036 Final Tax Collection Year

- (1) Increment per City Estimates.
- (2) Represents PAYGO for Sanitary Sewer Addition. Amount per City Estimates.

# City of Manitowoc

Finance Committee Meeting

January 20, 2020

Financing Illustration TIF #18 – Final Maturity 2039 (Alternate Scenario)



Assumptions	
Annual Inflation During Life of TID	0.00%
2019 Gross Tax Rate (per \$1000 Equalized Value)	\$22.30
Annual Adjustment to tax rate	-0.50%
Investment rate	0.50%
Data above dashed line are actual	

New Issue - FINAL	Example New Issue
<b>\$4,000,000</b>	<b>\$3,975,000</b>
Note Anticipation Note	G.O. Refunding Bonds
Dated February 5, 2020	Dated May 5, 2020
Amount for Projects..... \$4,000,000	Amount for Refunding..... \$4,024,262
Cost of Issuance (est.)..... \$0	Cost of Issuance (est.)..... \$62,156
Rounding..... \$0	Rounding..... (\$0)
Less: Reoffering Premium..... \$0	Less: Reoffering Premium..... \$111,418

Year	Background Data					Revenues			Expenditures						TID Status			Year	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)		(r)
	TIF District Valuation	Inflation Increment	Construction Increment	TIF Increment Over Base	Tax Rate	Tax Revenue	Investment Proceeds	Total Revenues	Existing Debt Service	INTEREST	Principal	Interest	Debt Service	Sanitary Sewer PAYGO	Combined Expenditures	Annual Balance	Year End Cumulative Balance	Cost Recovery	
	(January 1)		(1)							(8/5) RATE=	(2/1)	(2/1 & 8/1) TIC=		(2)		(December 31)			
	Base Value									2.06%		2.77%							
2019	\$0		\$7,111,000	\$7,111,000	\$22.30	\$0	\$0	\$0	\$24,597	\$24,262			\$0	\$0	\$0	\$0	\$0	\$0	2019
2020	\$7,111,000	\$0		\$7,111,000	\$22.19	\$0	\$0	\$0	\$27,500				\$0	\$24,597	(\$24,597)	(\$24,597)			2020
2021	\$7,111,000	\$0	\$8,508,000	\$15,619,000	\$22.08	\$157,816	\$0	\$157,816	\$140,775			\$136,569	\$136,569	\$26,667	\$190,736	(\$32,919)	(\$57,517)		2021
2022	\$15,619,000	\$0	\$2,836,000	\$18,455,000	\$21.97	\$157,027	\$0	\$157,027	\$137,325			\$110,235	\$110,235	\$26,667	\$277,677	(\$120,649)	(\$178,166)		2022
2023	\$18,455,000	\$0	\$1,084,000	\$19,539,000	\$21.86	\$343,179	\$0	\$343,179	\$138,250			\$108,335	\$298,335	\$26,667	\$462,327	(\$119,148)	(\$297,314)		2023
2024	\$19,539,000	\$0	\$500,000	\$20,039,000	\$21.75	\$403,464	\$0	\$403,464	\$140,050	Assumes NAN principal and interest refinanced with Bonds on 5/21/2020 call date.		\$195,000	\$104,485	\$299,485	\$26,667	\$464,952	(\$61,488)	(\$358,802)	2024
2025	\$20,039,000	\$0	\$500,000	\$20,539,000	\$21.64	\$425,026	\$0	\$425,026	\$141,075			\$200,000	\$100,535	\$300,535	\$26,667	\$467,952	(\$42,925)	(\$401,727)	2025
2026	\$20,539,000	\$0	\$500,000	\$21,039,000	\$21.54	\$433,723	\$0	\$433,723	\$137,025			\$200,000	\$96,535	\$296,535	\$26,667	\$461,452	(\$27,729)	(\$429,456)	2026
2027	\$21,039,000	\$0	\$500,000	\$21,539,000	\$21.43	\$442,322	\$0	\$442,322	\$137,025			\$205,000	\$92,485	\$297,485	\$26,667	\$464,202	(\$21,879)	(\$451,335)	2027
2028	\$21,539,000	\$0	\$500,000	\$22,039,000	\$21.32	\$450,825	\$0	\$450,825	\$137,025			\$210,000	\$88,335	\$298,335	\$26,667	\$466,077	(\$15,252)	(\$466,587)	2028
2029	\$22,039,000	\$0	\$500,000	\$22,539,000	\$21.21	\$459,231	\$0	\$459,231				\$215,000	\$83,010	\$298,010	\$26,667	\$461,702	(\$2,471)	(\$469,058)	2029
2030	\$22,539,000	\$0	\$500,000	\$23,039,000	\$21.11	\$467,542	\$0	\$467,542				\$220,000	\$76,210	\$296,210	\$26,667	\$322,877	\$144,665	(\$324,393)	2030
2031	\$23,039,000	\$0	\$500,000	\$23,539,000	\$21.00	\$475,758	\$0	\$475,758				\$230,000	\$68,898	\$298,898	\$26,667	\$325,564	\$150,194	(\$174,198)	2031
2032	\$23,539,000	\$0	\$500,000	\$24,039,000	\$20.90	\$483,881	\$0	\$483,881				\$235,000	\$61,341	\$296,341	\$26,667	\$323,008	\$160,873	(\$13,325)	2032
2033	\$24,039,000	\$0	\$500,000	\$24,539,000	\$20.79	\$491,910	\$0	\$491,910				\$245,000	\$54,215	\$299,215	\$26,667	\$325,882	\$166,029	\$152,704	2033
2034	\$24,539,000	\$0	\$24,539,000	\$24,539,000	\$20.69	\$499,847	\$764	\$500,611				\$250,000	\$47,533	\$297,533	\$26,667	\$324,199	\$176,412	\$329,115	2034
2035	\$24,539,000	\$0	\$24,539,000	\$24,539,000	\$20.59	\$507,693	\$1,646	\$509,338				\$260,000	\$40,648	\$300,648	\$26,667	\$327,314	\$182,024	\$511,140	2035
2036	\$24,539,000	\$0	\$24,539,000	\$24,539,000	\$20.48	\$505,154	\$2,556	\$507,710				\$265,000	\$32,831	\$297,831	\$26,667	\$324,498	\$183,212	\$694,352	2036
2037	\$24,539,000	\$0	\$24,539,000	\$24,539,000	\$20.38	\$502,629	\$3,472	\$506,100				\$275,000	\$24,056	\$299,056	\$26,667	\$325,723	\$180,377	\$874,729	Expenditures Recovered 2037
2038	\$24,539,000	\$0	\$24,539,000	\$24,539,000	\$20.28	\$500,115	\$4,374	\$504,489				\$285,000	\$14,956	\$299,956	\$26,667	\$326,623	\$177,856	\$1,052,595	Expenditures Recovered 2038
2039	\$24,539,000	\$0	\$24,539,000	\$24,539,000	\$20.18	\$497,615	\$5,263	\$502,878				\$295,000	\$5,163	\$300,163	\$26,667	\$326,829	\$176,049	\$1,228,644	Expenditures Recovered 2039
			\$0	\$24,539,000		\$8,204,759	\$18,073	\$8,222,832	\$1,166,147		\$3,975,000	\$1,346,374	\$5,321,374	\$506,667	\$6,994,188				

Type of TID: Mixed Use

- 2015 TID Inception (9/21/15)
- 2030 Final Year to Incur TIF Related Costs
- 2038 Maximum Legal Life of TID (20 Years + Standard 3 Year Extension)
- 2039 Final Tax Collection Year

- (1) Increment per City Estimates.
- (2) Represents PAYGO for Sanitary Sewer Addition. Amount per City Estimates.



<b>TAXABLE G.O. PROMISSORY NOTES</b> <b>\$2,000,000</b> <b>FUNDING AMOUNT: \$1,961,224</b>			
Dated May 5, 2020 (First interest 2/1/21)			
YEAR DUE	PRINCIPAL (2/1)	INTEREST (2/1 & 8/1)	TIC = 2.53%
YEAR DUE	TOTAL	EST. ANNUAL REV.	CUMULATIVE REV. - D/S
2020	\$170,000	\$53,362	\$232,638
2021	\$185,000	\$39,291	\$464,347
2022	\$190,000	\$35,588	\$694,760
2023	\$195,000	\$31,689	\$924,071
2024	\$200,000	\$27,590	\$1,152,481
2025	\$205,000	\$23,235	
2026	\$205,000	\$228,235	
2027	\$205,000	\$18,623	
2028	\$210,000	\$13,745	
2029	\$215,000	\$8,538	
2030	\$225,000	\$2,925	
	<b>\$2,000,000</b>	<b>\$254,584</b>	<b>\$2,280,000</b>

(a) \$38,000 monthly revenue 1/1/2021 through 12/31/2025