

**BAIRD**

# City of Manitowoc

2017 Refinancing  
September 5, 2017

**Bradley D. Viegut, Managing Director**

[bviegut@rwbaird.com](mailto:bviegut@rwbaird.com)  
777 East Wisconsin Avenue  
Milwaukee, WI 53202  
Phone 414.765.3827  
Fax 414.298.7354



# City of Manitowoc

## 2017 REFINANCING

### Tentative Timeline



- Finance Committee considers refinancing / set sale resolution .....September 5, 2017
- Common Council considers refinance / set sale resolution .....September 18, 2017
- Common Council considers award resolutions (finalizes terms and interest rates)..... October 16, 2017
- Closing (funds available)..... November 6, 2017

### Borrowing Amount / Structure / Purpose

<b>Estimated Amount:</b>	\$775,000
<b>Issue:</b>	G.O. Promissory Notes
<b>Purpose:</b>	2018 Levy Relief
<b>Structure:</b>	Matures Annually 2/1/2023 through 2/1/2027
<b>First Interest:</b>	February 1, 2018
<b>Callable:</b>	Noncallable
<b>Estimated Interest Rate:</b>	2.20%
<b>Detailed Analysis:</b>	Page 3

# City of Manitowoc

## 2017 REFINANCING

### Financing Plan



Calendar Year	BEFORE REFINANCING								AFTER REFINANCING								POTENTIAL DEBT SERVICE SAVINGS
	\$8,220,000 G.O. Corporate Purp. Bonds* Dated April 9, 2007			\$2,955,000 G.O. Promissory Notes Dated February 17, 2009			OTHER NET G.O. DEBT SERVICE <sup>(3)</sup>	TOTAL NET G.O. DEBT SERVICE	\$8,220,000 G.O. Corporate Purp. Bonds* Dated April 9, 2007		\$2,955,000 G.O. Promissory Notes Dated February 17, 2009		\$775,000 G.O. Promissory Notes Dated November 6, 2017 <sup>1</sup>		OTHER NET G.O. DEBT SERVICE <sup>(3)</sup>	TOTAL NET G.O. DEBT SERVICE	
	PRINCIPAL (2/1)	RATE	INTEREST (2/1 & 8/1)	PRINCIPAL (2/1)	RATE	INTEREST (2/1 & 8/1)			PRINCIPAL (2/1)	INTEREST (2/1 & 8/1)	PRINCIPAL (2/1)	INTEREST (2/1 & 8/1)	PRINCIPAL (2/1)	INTEREST (2/1 & 8/1)			
2017	\$410,000	3.875%	\$24,606	\$155,000	3.000%	\$12,488	\$5,671,782	\$6,273,875	\$410,000	\$24,606	\$155,000	\$12,488	\$5,671,782	\$6,273,875	\$0		
2018	\$430,000	3.875%	\$8,331	\$160,000	3.000%	\$7,763	\$6,344,451	\$6,950,545	***		***		\$6,344,451	\$6,356,814	\$593,731		
2019	+++			\$165,000	3.250%	\$2,681	\$6,933,554	\$7,101,235	+++		***		\$6,933,554	\$6,950,348	\$150,887		
2020	+++						\$7,033,049	\$7,033,049	+++				\$7,033,049	\$7,049,844	(\$16,795)		
2021	+++						\$6,883,448	\$6,883,448	+++				\$6,883,448	\$6,900,243	(\$16,795)		
2022	+++						\$6,215,212	\$6,215,212	+++				\$6,215,212	\$6,232,007	(\$16,795)		
2023							\$5,440,900	\$5,440,900					\$5,440,900	\$5,601,346	(\$160,446)		
2024							\$3,780,294	\$3,780,294					\$3,780,294	\$3,942,899	(\$162,605)		
2025							\$2,849,467	\$2,849,467					\$2,849,467	\$3,112,787	(\$263,320)		
2026							\$2,057,803	\$2,057,803					\$2,057,803	\$2,172,028	(\$114,225)		
2027							\$588,700	\$588,700					\$588,700	\$705,161	(\$116,461)		
	\$840,000		\$32,938	\$480,000		\$22,931	\$53,798,660	\$55,174,528	\$410,000	\$24,606	\$155,000	\$12,488	\$53,798,660	\$55,297,350	(\$122,822)		

Maturities callable 2/1/2017 or any date thereafter.

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\* General Fund Portion only

CALLABLE MATURITIES
Partially refunded with 2015 Bonds
+++ Refunded with 2015 Bonds

(1) This illustration represents a mathematical calculation of potential interest cost savings (cost), assuming hypothetical rates based on current rates for municipal bonds as of 8/18/17. Actual rates may vary. If actual rates are higher than those assumed, the interest cost savings would be lower. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a refinancing or otherwise to be considered as advice.

(2) Present value calculated using the All Inclusive Cost (AIC) of 2.43% as the discount rate.

(3) Includes bid premium offset of \$120,869 in 2017 from 2016 G.O. Promissory Notes & \$135,805 in 2018 from 2017 G.O. Promissory Notes.

Interest Rate Sensitivity			
Change in Rates	Est. PV % Savings	Est. PV \$ Savings	
-0.30%	0.435%	\$3,281	
-0.20%	0.389%	\$2,937	
-0.10%	0.343%	\$2,593	
+0.10%	0.251%	\$1,898	
+0.20%	0.206%	\$1,556	
+0.30%	0.161%	\$1,214	

ROUNDING AMOUNT.....	\$553
POTENTIAL GROSS SAVINGS (LOSS).....	(\$122,269)

POTENTIAL PRESENT VALUE SAVINGS \$.....	\$2,241
POTENTIAL PRESENT VALUE SAVINGS %.....	0.297%