



# City of Manitowoc

Finance Committee

October 23, 2017

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# City of Manitowoc

## Finance Committee

### Tentative Timeline



- Finance Committee considers financing plan..... October 23, 2017
- Common Council considers award resolution for NAN (finalizes terms and interest rates)..... April 17, 2018
- NAN Closing (funds available) ..... May 1, 2018
- Common Council considers award resolution for GORB (finalizes terms and interest rates)..... July 16, 2018
- GORB Closing/NAN Paid off (funds available)..... August 16, 2018

### Borrowing Amount / Structure / Purpose

<b>Estimated Amount:</b>	\$7,005,000	\$9,005,000
<b>Issue:</b>	Note Anticipation Note	General Obligation Refunding Bonds
<b>Purpose:</b>	Levy Supported Projects	Refund 2017 NAN, 2008B Bonds, 2009 Bonds, a portion of 2011 Notes and a portion of 2011 Bonds
<b>Structure:</b>	Matures November 1, 2018	Matures February 1, 2023 - 2038
<b>First Interest:</b>	November 1, 2018	February 1, 2019
<b>Callable:</b>	Callable August 1, 2018	Callable February 1, 2028
<b>Estimated Interest Rate:</b>	2.00%	3.08%
<b>Detailed Analysis:</b>	Page 5	Page 3-5

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### Current & Advance Refunding Illustration



BEFORE REFINANCING														
Calendar Year	\$5,600,000 G.O. Corp Purp. Bonds, 2008B Dated June 30, 2008			\$6,225,000 G.O. Corporate Purp. Bonds Dated February 17, 2009			\$1,605,000 G.O. Promissory Notes Dated April 25, 2011			\$3,280,000 G.O. Corp Purpose Bonds * Dated April 25, 2011			OTHER NET G.O. 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)	RATE	INTEREST (2/1 & 8/1)	PRINCIPAL (2/1)	RATE	INTEREST (2/1 & 8/1)		
2018	\$410,000	4.000%	\$36,000	\$425,000	4.000%	\$64,100	\$190,000	2.350%	\$19,040	195,000	2.700%	\$62,953	\$4,953,888	\$6,355,980
2019	\$420,000	4.000%	\$19,400	\$445,000	4.000%	\$46,700	\$195,000	2.550%	\$14,321	205,000	2.750%	\$57,501	\$5,546,980	\$6,949,903
2020	\$275,000	4.000%	\$5,500	\$460,000	4.000%	\$28,600	\$205,000	2.700%	\$9,068	210,000	3.000%	\$51,533	\$5,804,714	\$7,049,414
2021	+++			\$485,000	4.000%	\$9,700	\$210,000	3.000%	\$3,150	\$215,000	3.000%	\$45,158	\$5,931,823	\$6,899,830
2022	+++			+++						\$230,000	3.000%	\$38,483	\$5,963,132	\$6,231,614
2023	+++			+++						\$235,000	3.200%	\$31,273	\$5,334,759	\$5,601,032
2024				+++						\$250,000	3.350%	\$23,325	\$3,669,362	\$3,942,687
2025										\$260,000	3.500%	\$14,588	\$2,838,071	\$3,112,658
2026										\$275,000	3.650%	\$5,019	\$1,891,946	\$2,171,965
2027													\$705,138	\$705,138
2028														
2029														
	\$1,105,000		\$60,900	\$1,815,000		\$149,100	\$800,000		\$45,579	\$2,075,000		\$329,830	\$42,639,811	\$49,020,220
	Maturities callable 2/1/2018 or any date thereafter.			Maturities callable 2/1/2019 or any date thereafter.			Maturities callable 2/1/2019 or any date thereafter.			Maturities callable 2/1/2021 or any date thereafter.				
		* 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 +15bps for municipal bonds as of 10/12/17. 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 2.79% as the discount rate.

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

Interest Rate Sensitivity		
Change in Rates	Est. PV % Savings	Est. PV \$ Savings
-0.30%	2.519%	\$52,386
-0.20%	1.839%	\$38,244
-0.10%	1.154%	\$23,995
+0.10%	-0.207%	(\$4,300)
+0.20%	-0.892%	(\$18,561)
+0.30%	-1.574%	(\$32,747)

## Current & Advance Refunding Illustration (Cont.)



AFTER REFINANCING														POTENTIAL DEBT SERVICE SAVINGS (COSTS)	Calendar Year
\$5,600,000 G.O. Corp Purp. Bonds, 2008B Dated June 30, 2008		\$6,225,000 G.O. Corporate Purp. Bonds Dated February 17, 2009		\$1,605,000 G.O. Promissory Notes Dated April 25, 2011		\$3,280,000 G.O. Corp Purpose Bonds * Dated April 25, 2011			\$2,000,000 ( ) G.O. Refunding Bonds (CR/AR) Dated August 16, 2018 <sup>1</sup>			OTHER NET G.O. SERVICE <sup>(3)</sup>	TOTAL NET G.O. NEW DEBT SERVICE		
PRINCIPAL (2/1)	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)	TOTAL	PRINCIPAL (2/1)	INTEREST (2/1 & 8/1)	TOTAL				
									TIC= 2.57%						
\$410,000	\$36,000	\$425,000	\$64,100	\$190,000	\$19,040	\$195,000	\$62,953	\$257,953				\$4,953,888	\$6,355,980	\$0	2018
***		\$445,000	\$8,900	\$195,000	\$8,021	\$205,000	\$50,601	\$50,601		\$67,270	\$67,270	\$5,546,980	\$6,526,773	\$423,130	2019
***		***		\$205,000	\$2,768	\$210,000	\$44,633	\$279,633		\$70,195	\$70,195	\$5,804,714	\$6,337,309	\$712,105	2020
+++		***		***		\$215,000	\$38,258	\$288,258		\$70,195	\$70,195	\$5,931,823	\$6,255,275	\$644,555	2021
++		++		***		***	\$35,033	\$295,033		\$70,195	\$70,195	\$5,963,132	\$6,068,359	\$163,255	2022
++		++				\$235,000	\$31,273	\$306,273	\$180,000	\$67,495	\$247,495	\$5,334,759	\$5,848,527	(\$247,495)	2023
+++		+++		\$250,000		\$250,000	\$23,325	\$23,325	\$295,000	\$60,370	\$355,370	\$3,669,362	\$4,298,057	(\$355,370)	2024
				\$260,000		\$260,000	\$14,588	\$14,588	\$310,000	\$51,295	\$361,295	\$2,838,071	\$3,473,953	(\$361,295)	2025
				\$275,000		\$275,000	\$5,019	\$5,019	\$315,000	\$40,345	\$355,345	\$1,891,946	\$2,527,310	(\$355,345)	2026
									\$330,000	\$27,445	\$357,445	\$705,138	\$1,062,583	(\$357,445)	2027
									\$340,000	\$14,045	\$354,045		\$354,045	(\$354,045)	2028
									\$230,000	\$3,623	\$233,623		\$233,623	(\$233,623)	2029
\$410,000	\$36,000	\$870,000	\$73,000	\$590,000	\$29,829	\$1,845,000	\$305,680	\$1,520,680	\$2,000,000	\$542,473	\$2,542,473	\$42,639,811	\$49,341,793	(\$321,573)	

\*\*\* REFINANCED WITH 2018 ISSUE.

ROUNDING AMOUNT.....	\$987
POTENTIAL GROSS SAVINGS (LOSS).....	(\$320,586)

(2) POTENTIAL PRESENT VALUE SAVINGS.....	\$9,846
POTENTIAL PV SAVINGS %.....	0.473%

POTENTIAL NEGATIVE ARBITRAGE.....	\$16,894
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# City of Manitowoc

## Finance Committee

### Financing Plan



					New Debt Issued 2018-2022 = \$25,900,000									
					2018 <sup>(B)</sup>				2019 <sup>(B)</sup>					
					\$7,005,000 NAN Dated May 1, 2018 (Due 11/1/18)	\$7,005,000 G.O. REFUNDING BONDS Dated August 16, 2018 (First interest 2/1/19)			\$5,895,000 G.O. PROMISSORY NOTES Dated August 1, 2019 (First interest 2/1/20)					
LEVY YEAR	YEAR DUE	EXISTING DEBT (Levy Supported) (A)	2017 REFINANCE (Bank Note)	2018 REFINANCE (CR/AR) (B)	INTEREST (Callable 8/1/18) RATE= 2.00%	PRINCIPAL (2/1)	INTEREST (2/1 & 8/1) TIC= 3.18%	BID PREMIUM	PRINCIPAL (2/1)	INTEREST (2/1 & 8/1) AVG= 3.00%	BID PREMIUM	TOTAL	YEAR DUE	
2016	2017	\$6,273,876											2017	
2017	2018	\$6,950,402	(\$594,422)		\$40,863								2018	
2018	2019	\$7,101,106	(\$151,203)	(\$423,130)			\$231,737	(\$102,975)					2019	
2019	2020	\$7,032,936	\$16,478	(\$712,105)			\$241,813		\$80,000	\$174,450	(\$174,450)	\$80,000	2020	
2020	2021	\$6,883,352	\$16,478	(\$644,555)			\$241,813			\$174,450	(\$15,000)	\$159,450	2021	
2021	2022	\$6,215,136	\$16,478	(\$163,255)	Assumes NAN principal and interest refinanced with bonds on 8/16/18.		\$241,813			\$174,450		\$174,450	2022	
2022	2023	\$5,440,844	\$160,188	\$247,495			\$241,813			\$174,450		\$174,450	2023	
2023	2024	\$3,780,260	\$162,427	\$355,370		\$465,000	\$234,838		\$955,000	\$160,125		\$1,115,125	2024	
2024	2025	\$2,849,455	\$263,203	\$361,295		\$480,000	\$220,663		\$895,000	\$132,375		\$1,027,375	2025	
2025	2026	\$2,057,803	\$114,162	\$355,345		\$500,000	\$203,463		\$1,110,000	\$102,300		\$1,212,300	2026	
2026	2027	\$588,700	\$116,438	\$357,445		\$520,000	\$183,063		\$1,865,000	\$57,675		\$1,922,675	2027	
2027	2028			\$354,045		\$540,000	\$161,863		\$490,000	\$22,350		\$512,350	2028	
2028	2029			\$233,623		\$385,000	\$144,999		\$500,000	\$7,500		\$507,500	2029	
2029	2030						\$400,000	\$132,635						2030
2030	2031						\$410,000	\$119,365						2031
2031	2032					\$425,000	\$105,170						2032	
2032	2033					\$440,000	\$89,915						2033	
2033	2034					\$455,000	\$74,719						2034	
2034	2035					\$470,000	\$59,856						2035	
2035	2036					\$490,000	\$43,830						2036	
2036	2037					\$505,000	\$26,915						2037	
2037	2038					\$520,000	\$9,165						2038	
		\$55,173,870	\$120,226	\$321,573		\$7,005,000	\$3,009,443	(\$102,975)	\$5,895,000	\$1,180,125	(\$189,450)	\$6,885,675		

(A) 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.

(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.

# City of Manitowoc

## Finance Committee

### Financing Plan (Cont.)



New Debt Issued 2018-2022 = \$25,900,000													
2020 <sup>(B)</sup>				2021 <sup>(B)</sup>			2022 <sup>(B)</sup>						
\$5,000,000 G.O. PROMISSORY NOTES <i>Dated August 1, 2020 (First interest 2/1/21)</i>				\$4,000,000 G.O. PROMISSORY NOTES <i>Dated August 1, 2021 (First interest 2/1/22)</i>			\$4,000,000 G.O. PROMISSORY NOTES <i>Dated August 1, 2022 (First interest 2/1/23)</i>						
YEAR DUE	PRINCIPAL <i>(2/1)</i>	INTEREST <i>(2/1 &amp; 8/1)</i> AVG= 3.00%	BID PREMIUM	PRINCIPAL <i>(2/1)</i>	INTEREST <i>(2/1 &amp; 8/1)</i> AVG= 3.00%	BID PREMIUM	PRINCIPAL <i>(2/1)</i>	INTEREST <i>(2/1 &amp; 8/1)</i> AVG= 3.00%	FUTURE BORROWINGS <i>(B)</i> <i>(C)</i>	TOTAL DEBT PAYMENTS <i>(Levy Supported)</i>	ANNUAL LEVY INCREASE	YEAR DUE	
2017										\$6,273,876		2017	
2018										\$6,355,980	\$82,104	2018	
2019										\$6,655,535	\$299,555	2019	
2020										\$6,659,122	\$3,586	2020	
2021		\$150,000	(\$150,000)							\$6,656,537		2021	
2022		\$150,000			\$120,000	(\$100,000)				\$6,654,621		2022	
2023		\$150,000			\$120,000			\$120,000		\$6,654,789		2023	
2024		\$150,000			\$120,000			\$120,000	150,000	\$6,653,019		2024	
2025	\$775,000	\$138,375			\$120,000			\$120,000	300,000	\$6,655,365		2025	
2026	\$795,000	\$114,825		\$620,000	\$110,700			\$120,000	450,000	\$6,653,597		2026	
2027	\$820,000	\$90,600		\$635,000	\$91,875		\$620,000	\$110,700	600,000	\$6,656,495		2027	
2028	\$845,000	\$65,625		\$655,000	\$72,525		\$635,000	\$91,875	2,724,925	\$6,658,207		2028	
2029	\$870,000	\$39,900		\$675,000	\$52,575		\$655,000	\$72,525	3,021,625	\$6,657,746		2029	
2030	\$895,000	\$13,425		\$695,000	\$32,025		\$675,000	\$52,575	3,617,375	\$6,513,035	(\$144,711)	2030	
2031				\$720,000	\$10,800		\$695,000	\$32,025	4,522,575	\$6,509,765		2031	
2032							\$720,000	\$10,800	5,249,600	\$6,510,570		2032	
2033									5,980,400	\$6,510,315		2033	
2034									5,980,400	\$6,510,119		2034	
2035									5,980,400	\$6,510,256		2035	
2036									5,980,400	\$6,514,230		2036	
2037									5,980,400	\$6,512,315		2037	
2038									5,980,400	\$6,509,565		2038	

(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.