



# Racine County

## 2025 Budget Process: CIP Borrowing

Presented: October 24, 2024

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# Agenda

- ◆ 2025 Borrowing for Capital Improvement Plan as part of the 2025 Budget Project (requires  $\frac{3}{4}$  vote)



## **\$15,500,000\* General Obligation Promissory Notes, Series 2025A**

Financing general capital projects included in the County's 2025 budget.

2025A GO Tax Exempt Promissory Notes	Project Amount	Borrowing Amount
CIP Projects, Equipment and the SRCCCY	\$ 15,243,875	\$ 15,500,000

*\* Preliminary, subject to change*



# 2025A Parameters Resolution

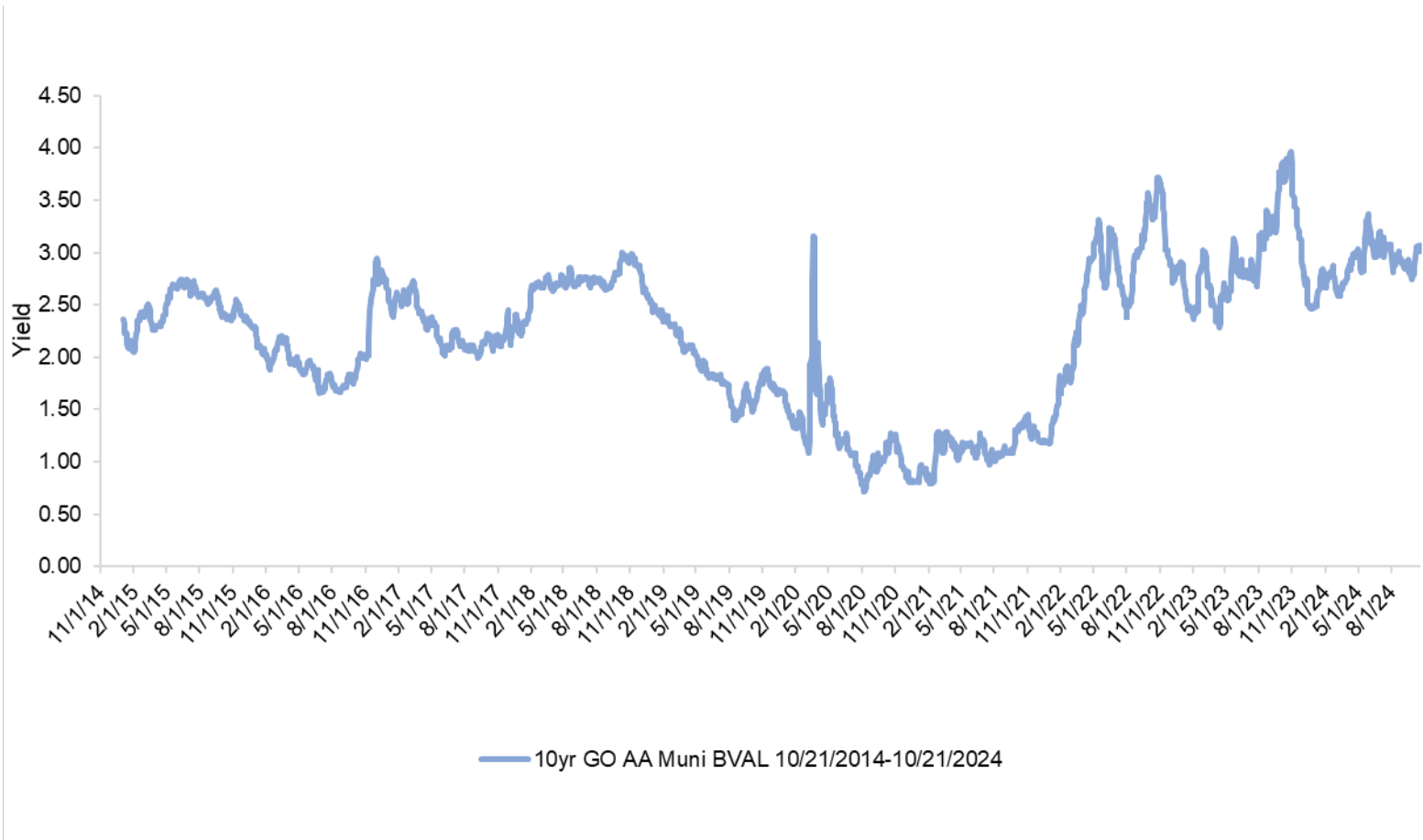
The Resolution for the \$15,500,000\* General Obligation Promissory Notes, Series 2025A authorizes the County Executive, Corporation Counsel or Finance Director to accept bids for the financing provided that:

- The Principal Amount does not exceed \$15,500,000
- The Principal Amounts are substantially the same as shown on page 6 of this presentation.
- The interest rate (true interest cost rate) does not exceed 6.0%.
- Interest Payments are due on March 1 and September 1 of each year beginning on March 1, 2026.
- Principal Payments are due on March 1, beginning on March 1, 2026 through March 1, 2045.
- The Bonds will be callable – Bonds maturing on March 1, 2036 are subject to redemption on March 1, 2035
- The Finance Director must report the sale results to the Finance Committee and County Board.

*\* Preliminary, subject to change*



## AA GO Benchmark Rate over 10 Years (10 year Maturity)





## Estimated Debt Service for 2025 CIP Borrowing

Below is the estimated debt service for the Series 2025A GO Notes (assuming an interest rate of 6.00%):

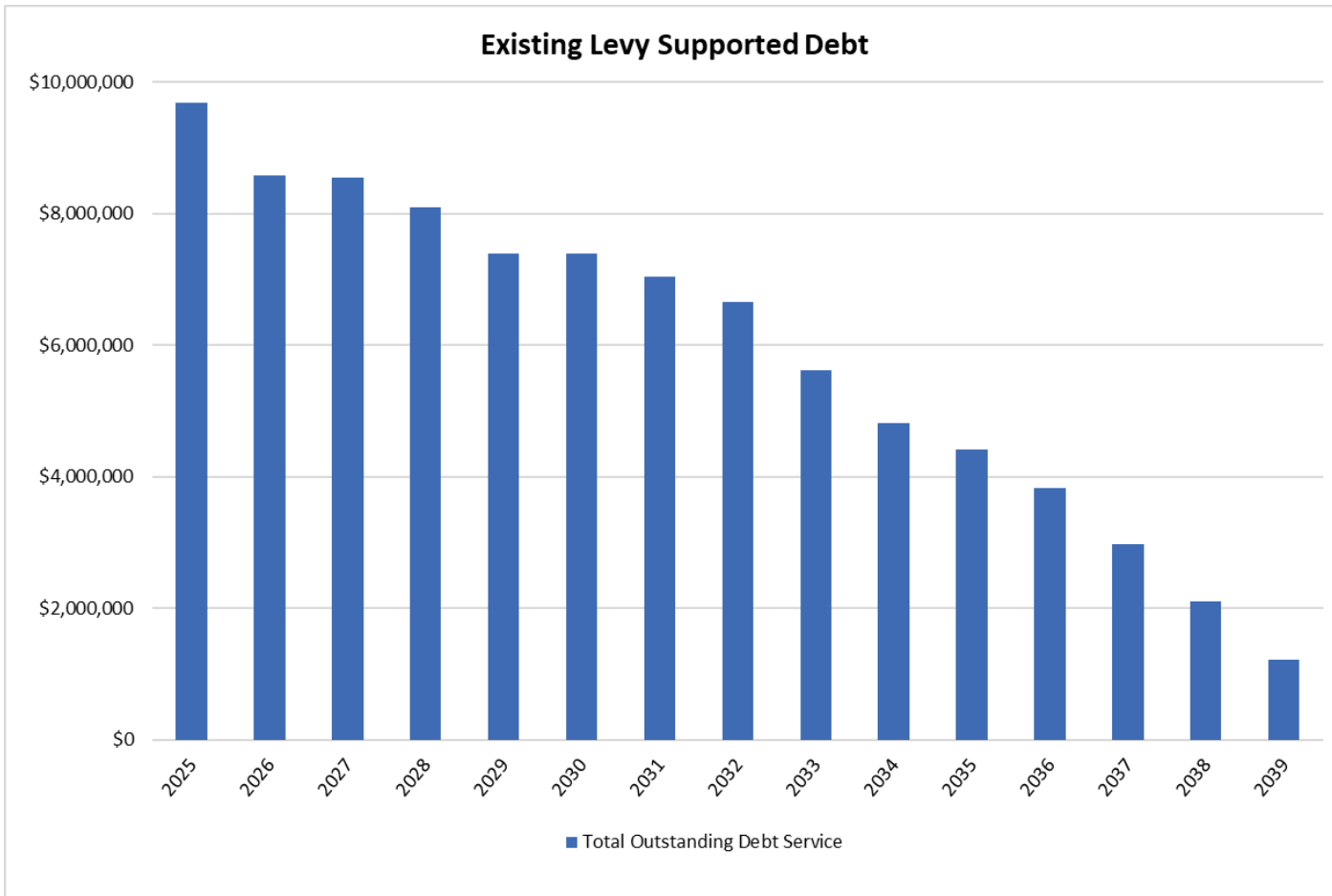
### Series 2025A GO Notes

Year	Principal	Interest	Debt Service
2026	\$ 885,000	\$ 1,058,450	\$ 1,943,450
2027	475,000	862,650	1,337,650
2028	495,000	833,550	1,328,550
2029	525,000	802,950	1,327,950
2030	550,000	770,700	1,320,700
2031	580,000	736,800	1,316,800
2032	605,000	701,250	1,306,250
2033	640,000	663,900	1,303,900
2034	670,000	624,600	1,294,600
2035	705,000	583,350	1,288,350
2036	740,000	540,000	1,280,000
2037	780,000	494,400	1,274,400
2038	820,000	446,400	1,266,400
2039	860,000	396,000	1,256,000
2040	905,000	343,050	1,248,050
2041	950,000	287,400	1,237,400
2042	1,000,000	228,900	1,228,900
2043	1,050,000	167,400	1,217,400
2044	1,105,000	102,750	1,207,750
2045	1,160,000	34,800	1,194,800
<b>TOTAL</b>	<b>\$ 15,500,000</b>	<b>\$ 10,679,300</b>	<b>\$ 26,179,300</b>



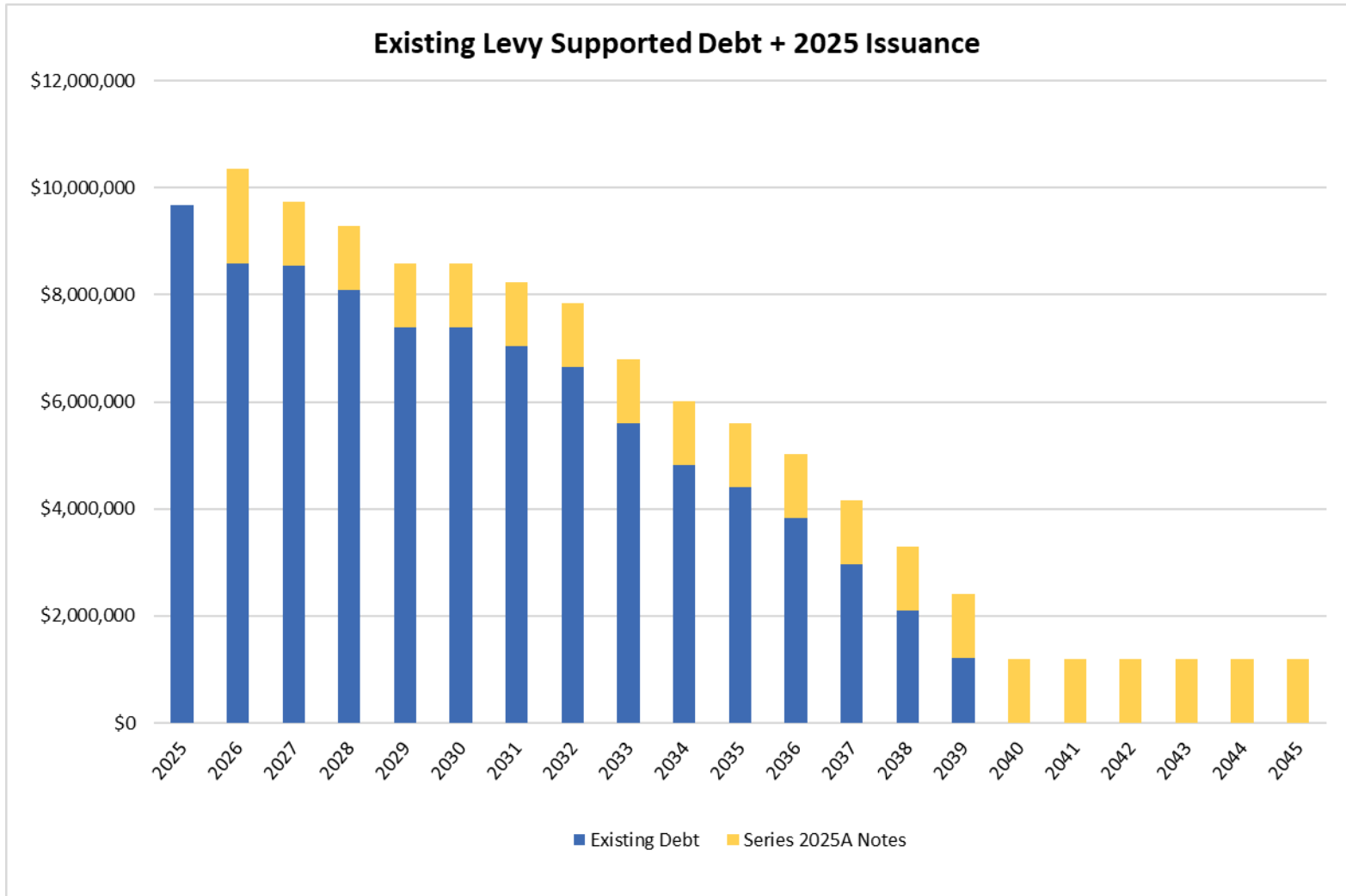
## Existing Debt Service

The below graph shows existing annual debt service requirements including the borrowing in July for the 2024 CIP projects, which are reduced by offsetting special assessments and Marina fees.





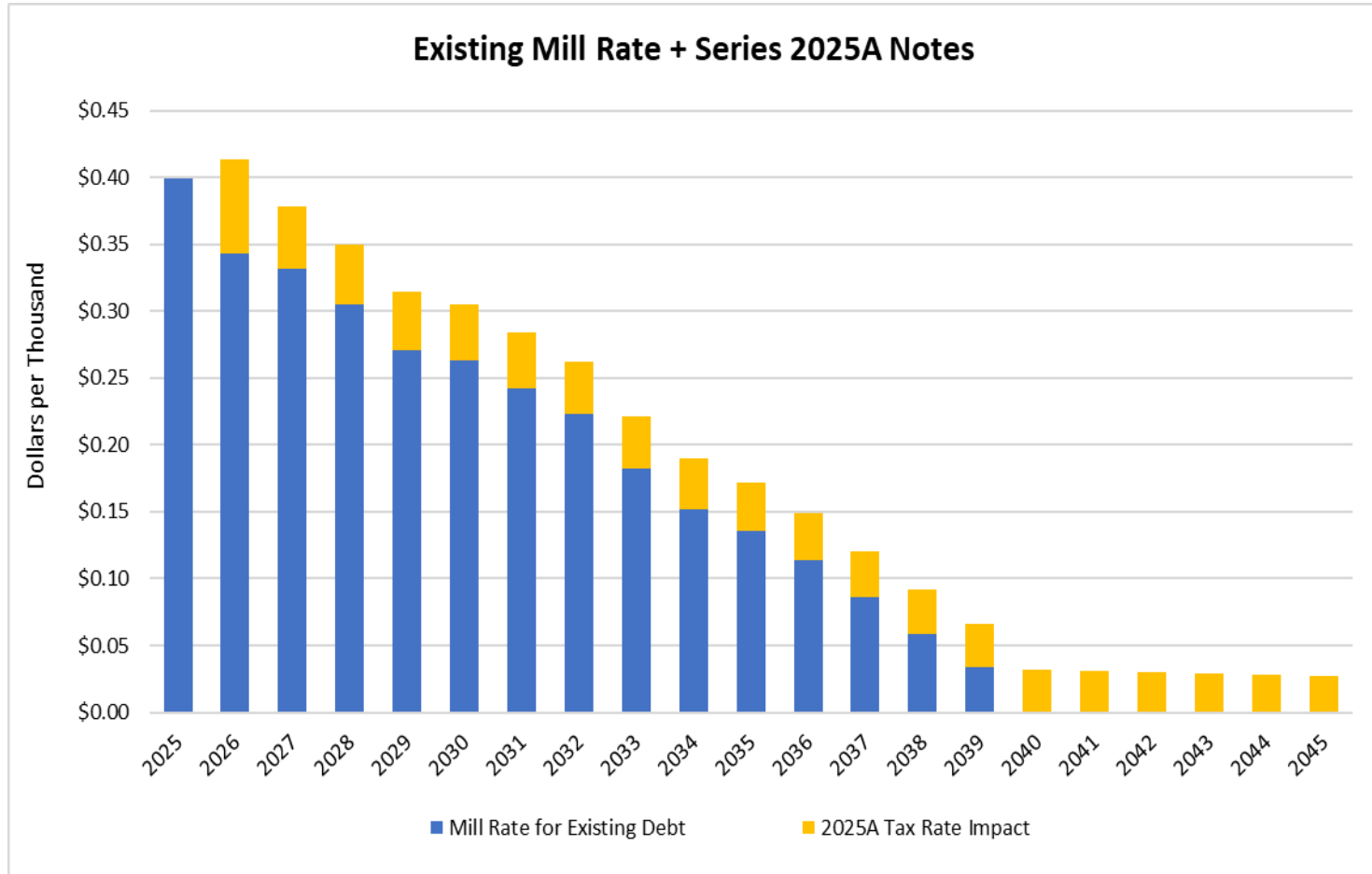
# Existing Debt Service + Estimated 2025 Issuance







# Existing Mill Rate + Estimated 2025 Issuance





# Proposed Timeline

Date	Action
October 24, 2024	Parameters Resolution considered by Finance and HR Committee
October 24, 2024	First Reading of the Parameters Resolution by County
November 4, 2024	Parameters Resolution considered by County Board for 2nd Reading and Final Adoption
TBD	Rating Call with S&P Global Ratings
TBD	Due Diligence Call
TBD	Rating Released by S&P Global Ratings
TBD	Preliminary Official Statement posted
Proposed Summer of 2025	Day of Sale and Notes Awarded Per Parameters Resolution (CIP Projects)
TBD	Closing on Notes/Funds Received
TBD	Sale Results Presented to Finance & HR Committee and County Board