

MESIROW PUBLIC FINANCE

City of New Britain

Standing Bonding Subcommittee: *Proposed GO Bond Issue of 2022* *Series A, B & C*

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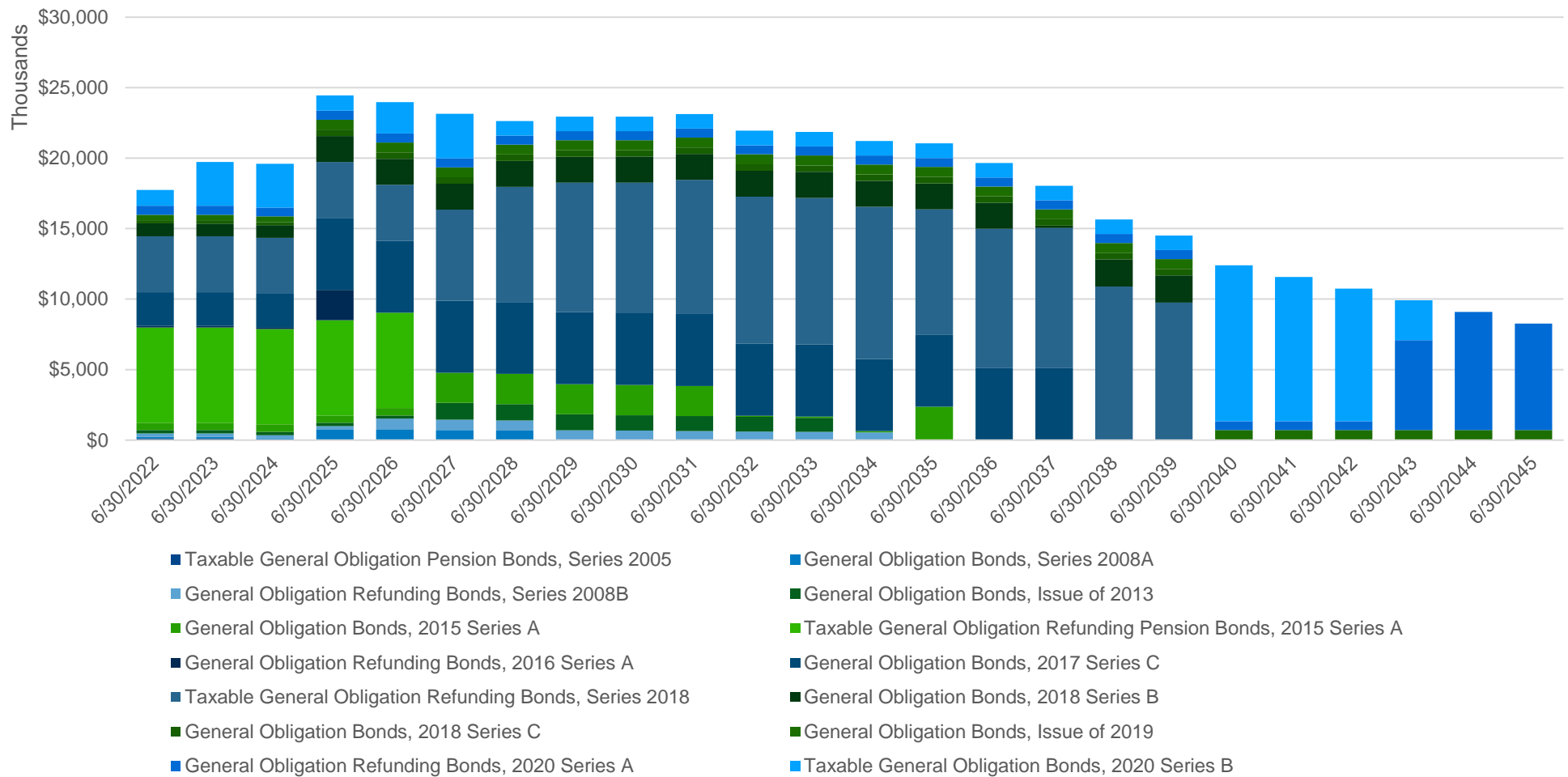
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Current Debt Profile New Britain, CT

Topic I

City of New Britain Outstanding Debt Service Profile

- The City currently has a 10-year principal amortization rate of approximately **45.5%**.



As of 6/30/2021
 Data Sources: Bloomberg, City's Official Statements via EMMA

Summary of Outstanding Bonds

Dated Date	Issue	Original Issue Amount (\$)	Amount Outstanding as of 6/30/2021 (\$)	Coupon Rates	Final Maturity	Call Date	Par Callable (\$)
7/28/2005	Series 2005	1,450,000	225,000	4.930%	6/1/2023	None	N/A
4/1/2008	Series 2008A	12,965,000	2,565,000	4.750%	4/1/2028	None	N/A
4/1/2008	Series 2008B	29,655,000	4,865,000	4.750%	4/1/2034	None	N/A
3/27/2013	Issue of 2013	19,225,000	6,745,000	3.250% - 3.500%	3/15/2033	3/15/2021	6,745,000
3/26/2015	2015 Series A	29,000,000	11,155,000	3.625% - 5.000%	3/1/2035	3/1/2025	11,155,000
4/15/2015	2015 Series A (POBs)	56,000,000	30,200,000	3.464% - 4.034%	2/1/2026	None	N/A
1/28/2016	2016 Series A	44,545,000	2,040,000	5.000%	3/1/2025	None	N/A
3/15/2017	2017 Series C	53,145,000	47,970,000	5.000%	3/1/2037	3/1/2027	39,430,000
5/31/2018	Series 2018	91,645,000	91,645,000	4.032% - 4.350%	3/1/2039	3/1/2028	84,845,000
12/20/2018	2018 Series B	23,320,000	18,995,000	3.250% - 5.250%	9/1/2038	9/1/2028	18,995,000
12/20/2018	2018 Series C	5,650,000	5,020,000	3.750% - 5.250%	9/1/2038	9/1/2028	3,735,000
12/19/2019	Issue of 2019	11,360,000	10,755,000	2.500% - 5.000%	9/1/2044	9/1/2029	8,525,000
8/27/2020	2020 Series A	21,315,000	21,315,000	3.000%	9/1/2044	9/1/2030	21,315,000
8/27/2020	2020 Series B	39,040,000	39,040,000	0.891% - 3.250%	9/1/2042	9/1/2030	31,805,000

Source: EMMA and most recent Official Statement
As of 6/30/2021

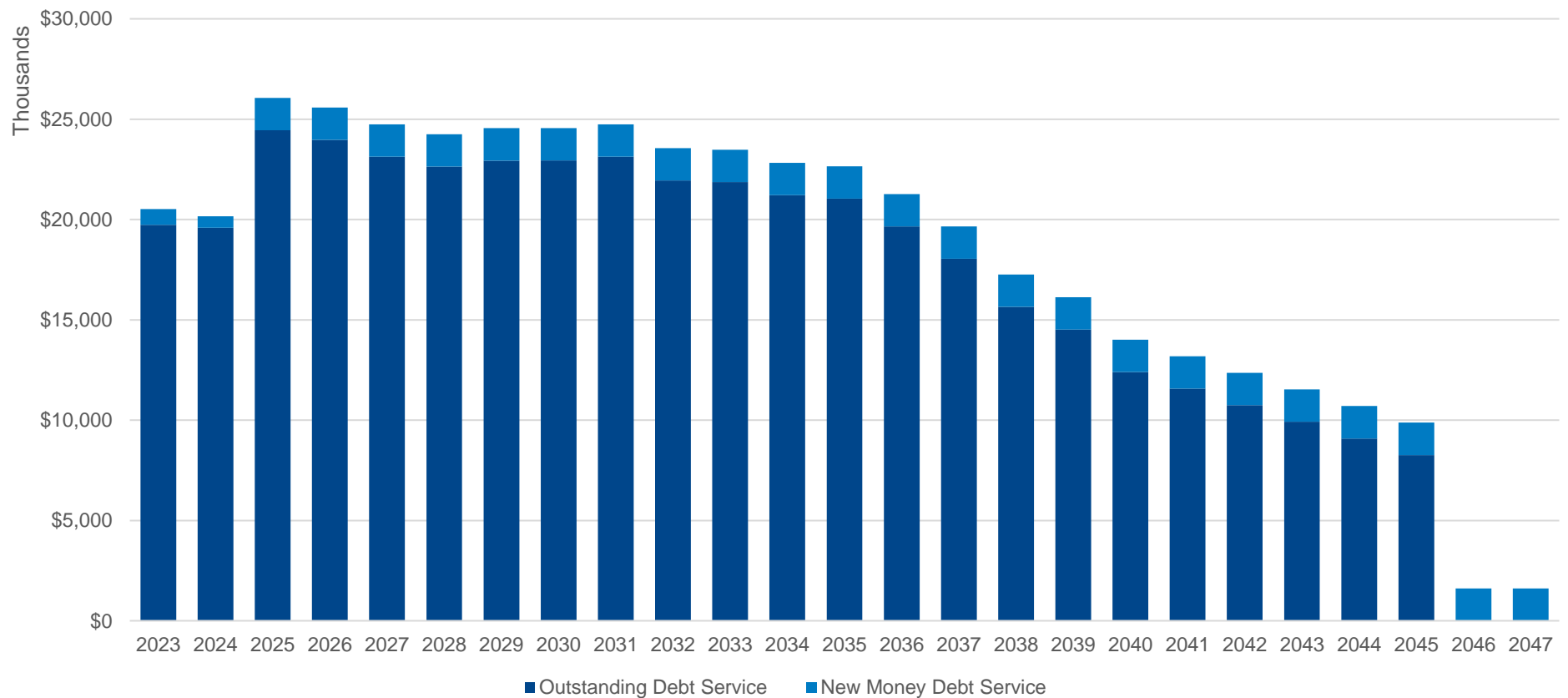
New Money Scenario

Topic II

New Money Issuance (cont.)

- The chart below displays the projected results of the new money issuance. This new money financing would result in a projected 10-year principal amortization rate of approximately **43.1%**

Projected Financing Results - New Money



Based on rates as of March 14, 2022
 Actual results may vary based on interest rates and other factors.
 New money debt service shown net of capitalized interest.

New Money Issuance

- To illustrate how the City of New Britain could take advantage of the current market environment, Mesirow has modeled a \$25 million new money transaction.
- The table below displays the results of our model. To the right is the projected debt service schedule of the issue.

New Money Issuance – Financing Results

Scenario	Level Debt Service
Dated Date	5/25/2022
Final Maturity	3/1/2047
Call Date	3/1/2032
All-in TIC	3.511%
Par Amount	25,000,000
Project Fund	24,892,745
Total Interest	15,302,020
Total Debt Service	40,302,020
Average Annual Debt Service	1,627,269

Fiscal Year	Principal	Interest	Total Debt Service
6/30/2023	785,000	--	785,000
6/30/2024	570,000	--	570,000
6/30/2025	600,000	1,011,950	1,611,950
6/30/2026	630,000	981,950	1,611,950
6/30/2027	660,000	950,450	1,610,450
6/30/2028	695,000	917,450	1,612,450
6/30/2029	730,000	882,700	1,612,700
6/30/2030	765,000	846,200	1,611,200
6/30/2031	805,000	807,950	1,612,950
6/30/2032	845,000	767,700	1,612,700
6/30/2033	885,000	725,450	1,610,450
6/30/2034	930,000	681,200	1,611,200
6/30/2035	970,000	644,000	1,614,000
6/30/2036	1,005,000	605,200	1,610,200
6/30/2037	1,045,000	565,000	1,610,000
6/30/2038	1,090,000	523,200	1,613,200
6/30/2039	1,130,000	479,600	1,609,600
6/30/2040	1,180,000	434,400	1,614,400
6/30/2041	1,225,000	387,200	1,612,200
6/30/2042	1,275,000	338,200	1,613,200
6/30/2043	1,325,000	287,200	1,612,200
6/30/2044	1,380,000	234,200	1,614,200
6/30/2045	1,435,000	179,000	1,614,000
6/30/2046	1,490,000	121,600	1,611,600
6/30/2047	1,550,000	62,000	1,612,000
Total	25,000,000	13,433,800	38,433,800

Based on rates as of March 14, 2022
 Actual results may vary based on interest rates and other factors
 New money debt service shown net of capitalized interest.

New Money Issuance (cont.)

Fiscal Year	Outstanding Principal	Outstanding Interest	Outstanding Debt Service	New Money Principal	New Money Interest	New Money Debt Service	Total Debt Service After Financing
6/30/2023	7,925,000	11,806,373	19,731,373	785,000	--	785,000	20,516,373
6/30/2024	8,025,000	11,570,518	19,595,518	570,000	--	570,000	20,165,518
6/30/2025	13,155,000	11,294,517	24,449,517	600,000	1,011,950	1,611,950	26,061,467
6/30/2026	13,270,000	10,694,192	23,964,192	630,000	981,950	1,611,950	25,576,142
6/30/2027	13,010,000	10,125,428	23,135,428	660,000	950,450	1,610,450	24,745,878
6/30/2028	13,035,000	9,602,578	22,637,578	695,000	917,450	1,612,450	24,250,028
6/30/2029	13,935,000	9,002,677	22,937,677	730,000	882,700	1,612,700	24,550,377
6/30/2030	14,580,000	8,360,861	22,940,861	765,000	846,200	1,611,200	24,552,061
6/30/2031	15,450,000	7,682,880	23,132,880	805,000	807,950	1,612,950	24,745,830
6/30/2032	14,970,000	6,975,295	21,945,295	845,000	767,700	1,612,700	23,557,995
6/30/2033	15,550,000	6,310,139	21,860,139	885,000	725,450	1,610,450	23,470,589
6/30/2034	15,605,000	5,608,764	21,213,764	930,000	681,200	1,611,200	22,824,964
6/30/2035	16,155,000	4,888,666	21,043,666	970,000	644,000	1,614,000	22,657,666
6/30/2036	15,490,000	4,168,170	19,658,170	1,005,000	605,200	1,610,200	21,268,370
6/30/2037	14,540,000	3,502,850	18,042,850	1,045,000	565,000	1,610,000	19,652,850
6/30/2038	12,845,000	2,801,674	15,646,674	1,090,000	523,200	1,613,200	17,259,874
6/30/2039	12,270,000	2,248,663	14,518,663	1,130,000	479,600	1,609,600	16,128,263
6/30/2040	10,780,000	1,614,938	12,394,938	1,180,000	434,400	1,614,400	14,009,338
6/30/2041	10,295,000	1,273,988	11,568,988	1,225,000	387,200	1,612,200	13,181,188
6/30/2042	9,795,000	949,088	10,744,088	1,275,000	338,200	1,613,200	12,357,288
6/30/2043	9,270,000	648,181	9,918,181	1,325,000	287,200	1,612,200	11,530,381
6/30/2044	8,715,000	374,925	9,089,925	1,380,000	234,200	1,614,200	10,704,125
6/30/2045	8,140,000	122,100	8,262,100	1,435,000	179,000	1,614,000	9,876,100
6/30/2046				1,490,000	121,600	1,611,600	1,611,600
6/30/2047				1,550,000	62,000	1,612,000	1,612,000
Total	286,805,000	131,627,466	418,432,466	25,000,000	13,433,800	38,433,800	456,866,266

Based on rates as of March 14, 2022

Actual results may vary based on interest rates and other factors

New money debt service shown net of capitalized interest.

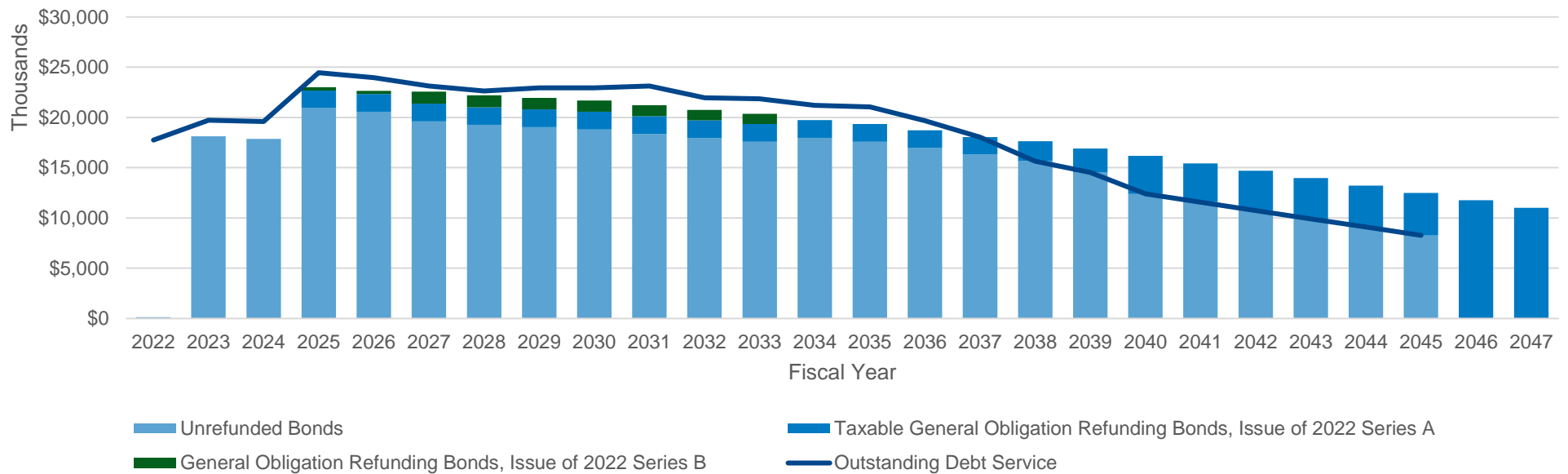
Mini-Restructuring

Topic III

Restructuring Scenario

- The City of New Britain currently has a sharp debt service increase of about \$4.8 million in FY 2025 followed by an uneven downward slope.
- By taking advantage of the restructuring legislation, this increase could be reduced and the downward slope of the City’s debt service profile could be significantly smoothed out.
- Mesirow has modeled a restructuring transaction that could accomplish these goals, reducing the City’s debt service burden and potentially freeing up capacity for a new money issuance.
- Additionally, this transaction could be done concurrently with a tax-exempt current refunding of the City’s outstanding General Obligation Bonds, Issue of 2013 in order to generate additional savings.
- The chart below displays the projected results of our model.

Projected Financing Results - Restructuring



Based on rates as of March 14, 2022
 Actual results may vary based on interest rates and other factors.
 Refunding Issues shown net of Capitalized Interest.

Restructuring Scenario (cont.)

- Our refunding model includes two series:
 - A taxable Series A, which restructures non-currently callable debt
 - A tax-exempt Series B, which currently refunds the callable Issue of 2013
- Refunding the entire Issue of 2013 generates debt service savings which partially offset the cost of the restructuring.
- The table below displays the projected results of the financing, based on our model. Please note that the Net PV Dissavings of the taxable Series A represents the cost of extending debt.
- The transactions result in a projected 10-year principal amortization rate of **approximately 38.0%**

New Britain - Restructuring Results

Restructuring	Taxable Series A	Tax-Exempt Series B	Total
Dated Date	5/25/2022	5/25/2022	5/25/2022
Final Maturity	3/1/2047	3/1/2033	3/1/2047
True Interest Cost	4.669%	2.860%	4.518%

Refunded Bond Summary

Par amount of refunded bonds (\$)	29,225,000	6,745,000	35,970,000
Average coupon of refunded bonds	4.305%	3.452%	4.162%
Average life of refunded bonds (yrs)	8.971	7.809	8.753

Bond Statistics

Bond Par Amount (\$)	37,200,000	6,490,000	43,690,000
Escrow Fund Deposit (\$)	33,552,910	6,808,433	40,361,343
Average Coupon	4.636%	5.000%	4.658%
Average Life	21.482	7.828	19.454
Net PV (Dis)savings (\$)	(5,778,539)	207,459	(5,571,080)
Net PV (Dis)savings (%)	-19.773%	3.076%	-15.488%
Total Debt Service (\$)	74,247,525	9,030,283	83,277,808

Based on rates as of March 14, 2022

Actual results may vary based on interest rates and other factors

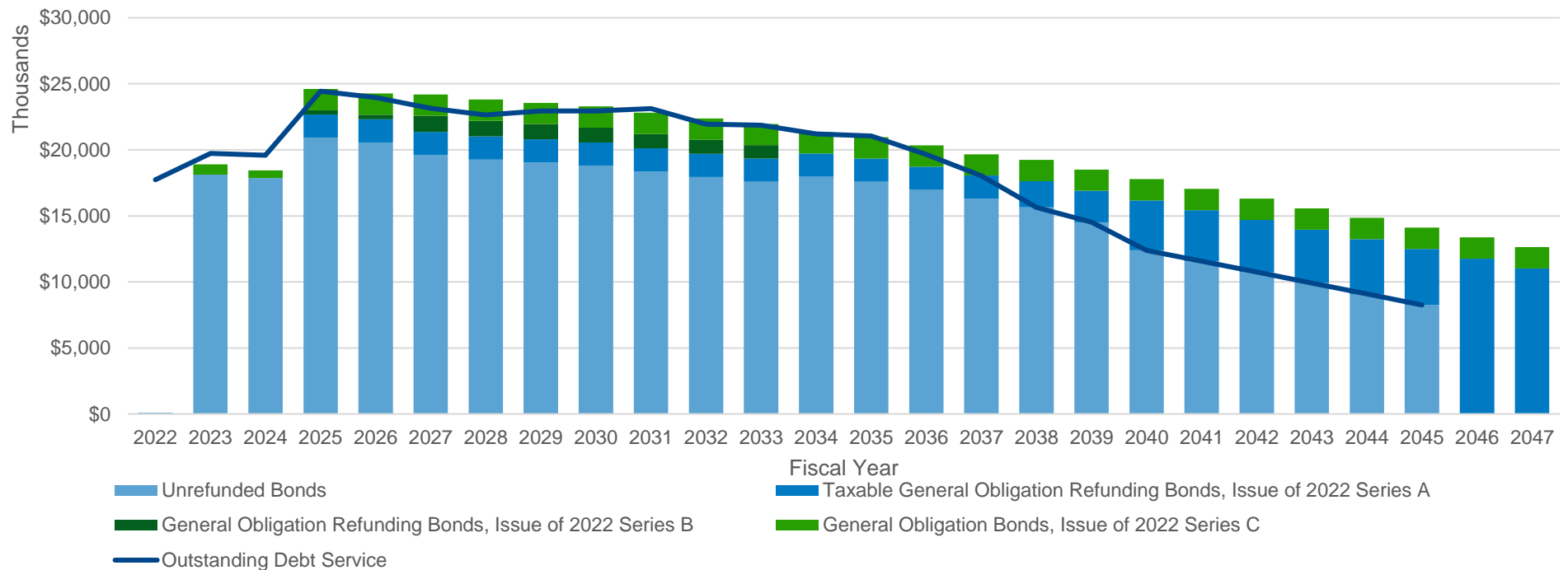
Combining Restructuring & New Money

Topic IV

Combining New Money With Restructuring

- Combining the New Money transaction with the restructuring described previously could allow the City to generate proceeds while reducing the debt service impact of the new money financing.
- The chart below shows what the City’s debt service profile would look like if the restructuring Option 1 were combined with the new money (2020 Series C, shown in light green). For the purposes of illustration, this shows the new money issued in conjunction with **Restructuring Option 1**.
- This combined scenario would result in a 10-year principal amortization rate of approximately **37.3%**

Projected Financing Results - Restructuring With New Money



Based on rates as of March 14, 2022
 Actual results may vary based on interest rates and other factors.
 New Issues shown net of Capitalized Interest.

Combined Financing Results

- The table below displays the projected results of the Restructuring Scenario combined with the new money.

New Britain - Restructuring Results

Restructuring	Taxable Series A	Tax-Exempt Series B	Tax-Exempt Series C	Total
Dated Date	5/25/2022	5/25/2022	5/25/2022	5/25/2022
Final Maturity	3/1/2047	3/1/2033	3/1/2047	3/1/2047
True Interest Cost	4.775%	2.859%	3.498%	4.264%

Refunded Bond Summary

Par amount of refunded bonds (\$)	29,225,000	6,745,000	--	35,970,000
Average coupon of refunded bonds	4.305%	3.452%	--	4.162%
Average life of refunded bonds (yrs)	8.971	7.809	--	8.753

Bond Statistics

Bond Par Amount (\$)	37,130,000	6,465,000	25,000,000	68,595,000
Escrow Fund Deposit (\$)	33,552,910	6,808,433	24,766,239	65,127,582
Average Coupon	4.735%	5.000%	4.131%	4.568%
Average Life	22.561	7.826	14.817	18.350
Net PV (Dis)savings (\$)	(7,013,130)	226,838	--	(6,786,291)
Net PV (Dis)savings (%)	-23.997%	3.363%	--	-18.867%
Total Debt Service (\$)	76,795,113	8,994,825	40,302,020	126,091,958

Based on rates as of March 14, 2022
 Actual results may vary based on interest rates and other factors.
 New Issues shown net of Capitalized Interest.

Combined Financing Results (cont.)

- The table below displays the projected debt service impact of combining the restructuring with the new money issuance.

Fiscal Year	Outstanding Debt Service	Taxable General Obligation Refunding Bonds,		General Obligation Refunding Bonds,		Debt Service After Refunding	New Money Debt Service	Total Debt Service After Restructuring + New Money
		Issue of 2022 Series A	Series A Refunded Debt Service	Issue of 2022 Series B	Series B Refunded Debt Service			
2022	17,745,383	--	--	--	--	17,745,383		17,745,383
2023	19,731,373	--	1,384,709	--	231,275	18,115,389	785,000	18,900,389
2024	19,595,518	--	1,492,961	--	231,275	17,871,282	570,000	18,441,282
2025	24,449,517	1,757,084	3,296,770	324,500	231,275	23,003,057	1,611,950	24,615,007
2026	23,964,192	1,757,084	3,164,969	324,500	231,275	22,649,532	1,611,950	24,261,482
2027	23,135,428	1,757,084	2,339,394	1,209,500	1,191,275	22,571,343	1,610,450	24,181,793
2028	22,637,578	1,757,084	2,218,381	1,175,250	1,160,075	22,191,456	1,612,450	23,803,906
2029	22,937,677	1,757,084	2,764,969	1,150,500	1,133,875	21,946,418	1,612,700	23,559,118
2030	22,940,861	1,757,084	3,040,331	1,119,750	1,100,100	21,677,264	1,611,200	23,288,464
2031	23,132,880	1,757,084	3,703,456	1,083,250	1,066,325	21,203,433	1,612,950	22,816,383
2032	21,945,295	1,757,084	2,965,250	1,051,250	1,032,550	20,755,829	1,612,700	22,368,529
2033	21,860,139	1,757,084	3,281,681	1,018,500	998,775	20,355,267	1,610,450	21,965,717
2034	21,213,764	1,757,084	3,242,438			19,728,411	1,611,200	21,339,611
2035	21,043,666	1,757,084	3,458,738			19,342,013	1,614,000	20,956,013
2036	19,658,170	1,757,084	2,689,581			18,725,673	1,610,200	20,335,873
2037	18,042,850	1,757,084	1,741,594			18,058,340	1,610,000	19,668,340
2038	15,646,674	1,987,084				17,633,758	1,613,200	19,246,958
2039	14,518,663	2,382,792				16,901,455	1,609,600	18,511,055
2040	12,394,938	3,772,138				16,167,076	1,614,400	17,781,476
2041	11,568,988	3,859,318				15,428,306	1,612,200	17,040,506
2042	10,744,088	3,949,630				14,693,718	1,613,200	16,306,918
2043	9,918,181	4,043,950				13,962,131	1,612,200	15,574,331
2044	9,089,925	4,138,148				13,228,073	1,614,200	14,842,273
2045	8,262,100	4,231,742				12,493,842	1,614,000	14,107,842
2046		11,759,250				11,759,250	1,611,600	13,370,850
2047		11,021,823				11,021,823	1,612,000	12,633,823
Total	436,177,849	73,987,967	40,785,222	8,457,000	8,608,075	469,229,519	38,433,800	489,917,936

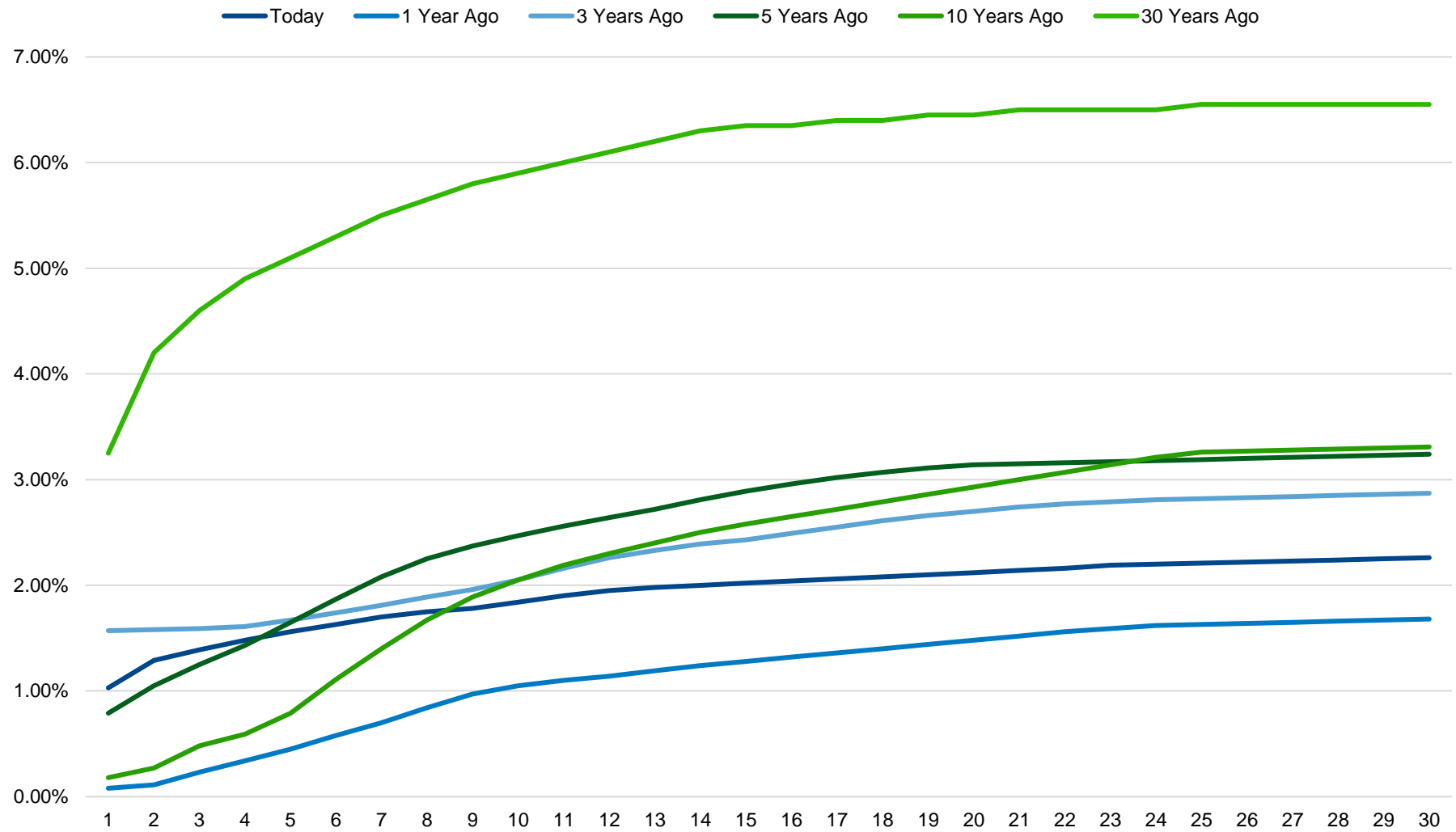
Based on rates as of January 13, 2022
Actual results may vary based on interest rates and other factors

Market Analytics

Topic V

Yield Curve: 30-Year Lookback

AAA MMD Yields



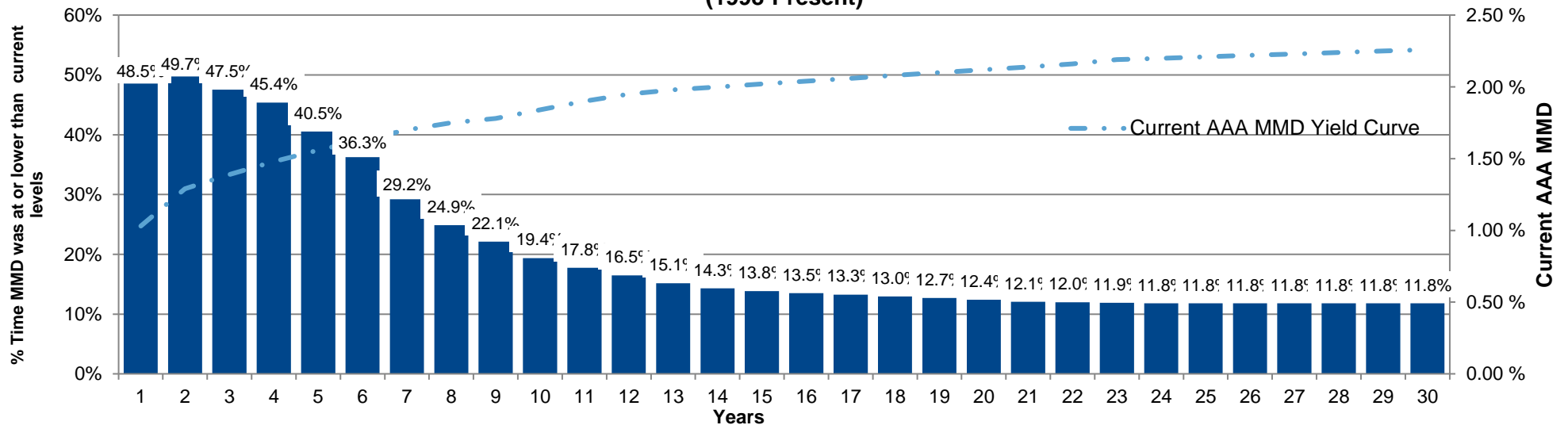
Data Sources: The Municipal Market Monitor (TM3)

AAA MMD

Movements in AAA MMD

Year	Current	1 Week Δ	1 Month Δ	3 Month Δ	1 Year Δ
5 YR	1.56	22	22	96	113
10 YR	1.84	23	23	81	82
20 YR	2.12	23	25	83	67
30 YR	2.26	23	23	78	61

% of Time MMD Has Been At or Lower than Current Levels (1998-Present)



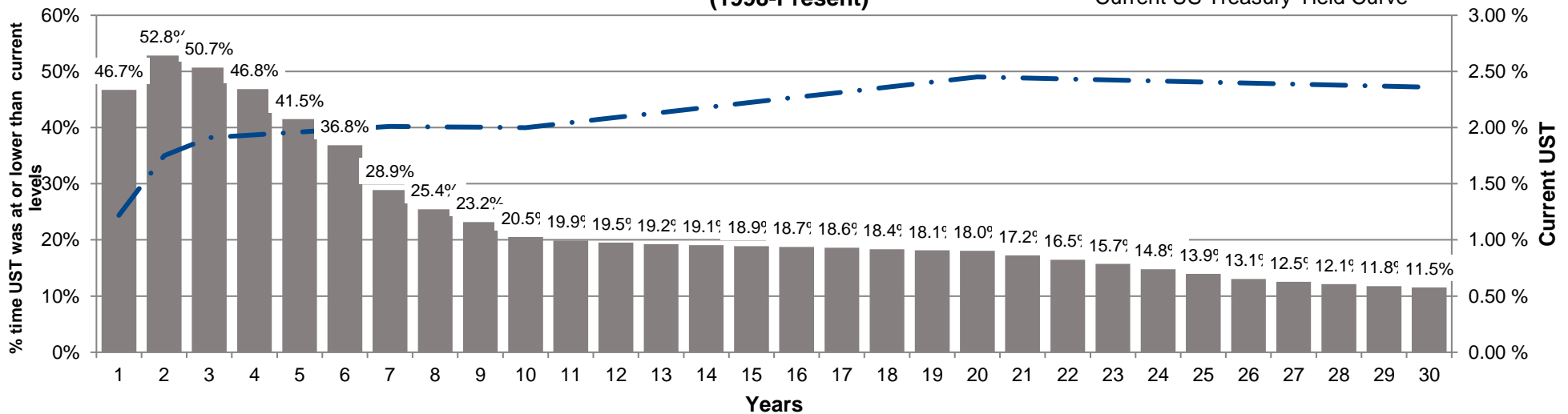
Data Sources: The Municipal Market Monitor (TM3) and the U.S. Department of Treasury - Daily Treasury Yield Curve Rates

UST Treasury

Movements in US Treasury

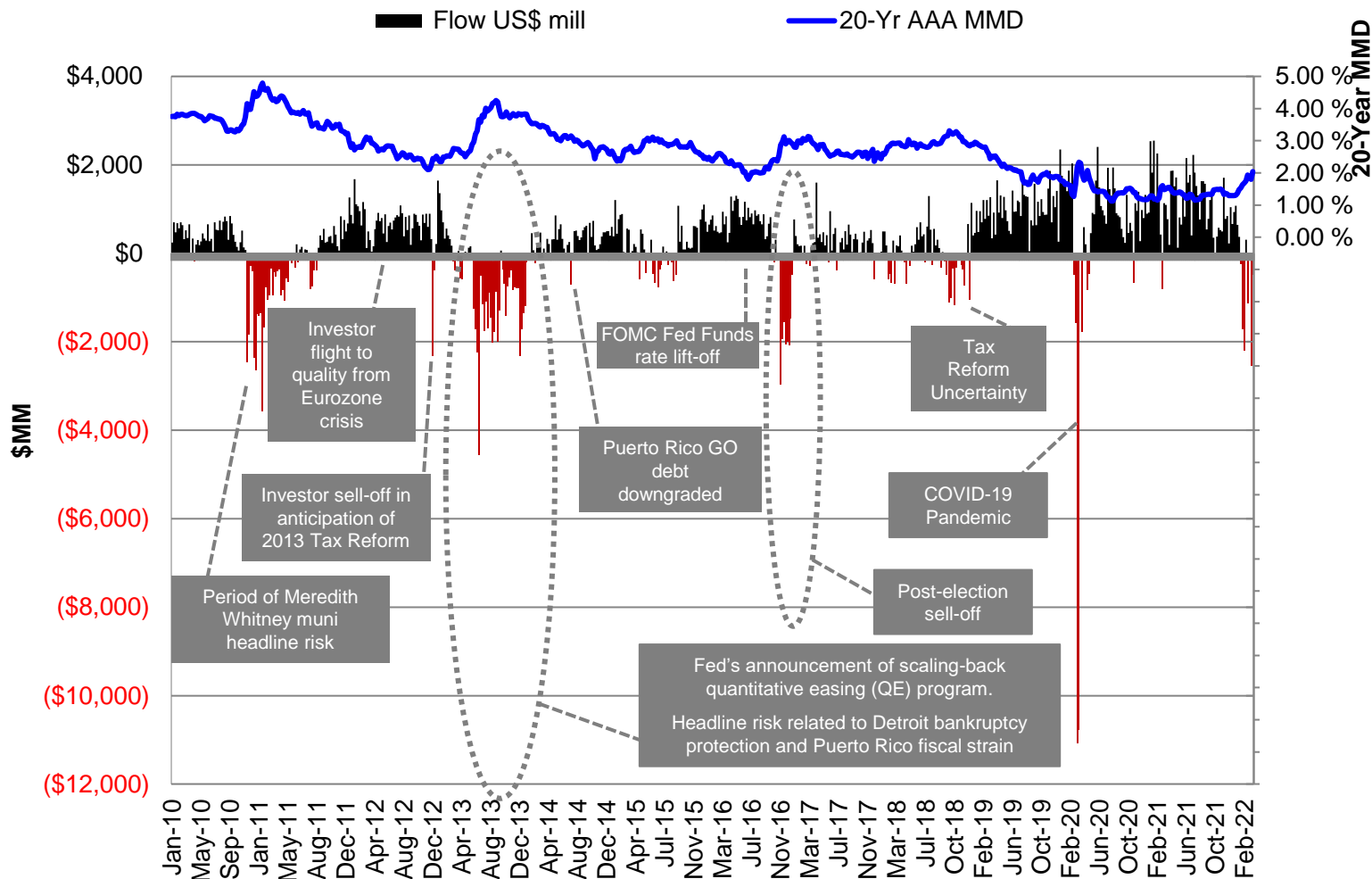
Year	Current	1 Week Δ	1 Month Δ	3 Month Δ	1 Year Δ
5 YR	1.96	31	12	71	118
10 YR	2.00	26	8	52	46
20 YR	2.45	22	15	54	27
30 YR	2.36	20	12	48	7

% of Time UST Has Been At or Lower than Current Levels (1998-Present)



Data Sources: The Municipal Market Monitor (TM3) and the U.S. Department of Treasury - Daily Treasury Yield Curve Rates

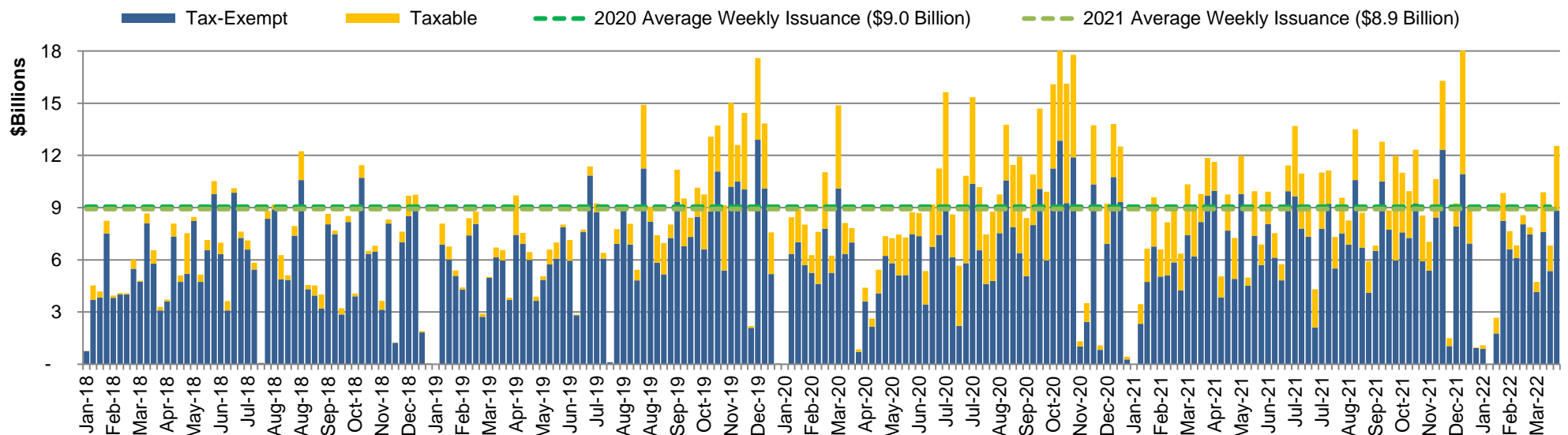
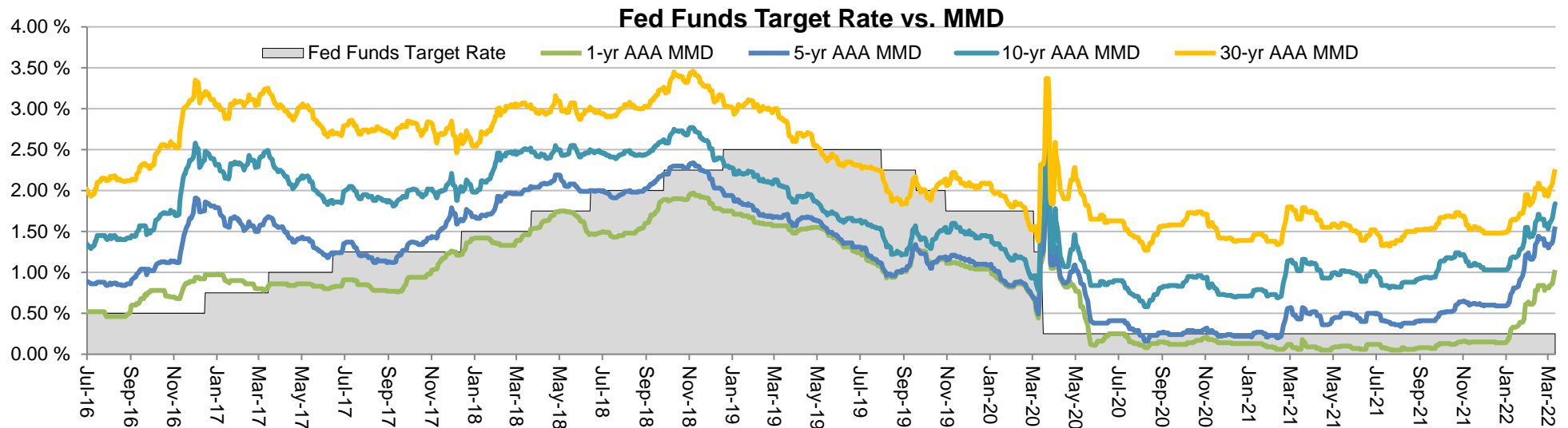
Municipal Bond Fund Flows and 20-Year MMD



Trailing 16-Week Data		
Reporting Date	Weekly Fund Flow (\$MM)	20-Year AAA MMM
11/24/2021	\$845.03	1.35%
12/1/2021	\$223.39	1.29%
12/8/2021	\$1,043.93	1.29%
12/15/2021	\$663.13	1.29%
12/22/2021	\$931.72	1.29%
12/29/2021	\$1,076.89	1.30%
1/5/2022	\$640.37	1.36%
1/12/2022	\$372.39	1.48%
1/19/2022	(\$238.31)	1.53%
1/26/2022	(\$1,704.89)	1.63%
2/2/2022	(\$2,195.85)	1.68%
2/9/2022	\$303.84	1.75%
2/16/2022	(\$1,133.39)	1.93%
2/23/2022	(\$164.00)	1.86%
3/2/2022	(\$2,533.43)	1.80%
3/9/2022	(\$489.54)	2.04%

As of the weekly reporting date 3/9/2022
 Data Source: EPFR Global Fund Flows and Allocations Data – All Muni Funds (Retail and Institutional Funds).

Fed Funds Rate and National Municipal Issuance



Data Sources: The Municipal Market Monitor (TM3) and the U.S. Department of Treasury - Daily Treasury Yield Curve Rates



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