

# **Debt Presentation**

**July 31, 2018**

# Current Status

- As of June 30, 2018:
- GO Principal & Interest  
Outstanding \$38,010,507
- Clean Water Fund Debt  
Outstanding (P & I) \$41,165,728
- Total Long Term Debt  
\$79,176,23

# Debt Facts

- Town Debt Rated Aaa by Moody's
- Credit Strengths:
  - Stable historic operating performance
  - Formalized Fund Balance policy
  - High Resident wealth and income levels
  - Manageable long-term fixed costs
  - Strong property tax collections

# Debt Facts (cont.)

- Credit Challenges:

Below average reserve levels for  
the rating category

Fund Balance = 11.25% of  
Operating Revenues

Moody's Guidance: fund balance  
should equal 15% to 20% of  
operating revenues

# Existing Debt Service

			Existing		
			Debt		
<u>Fiscal Year</u>			<u>Service</u>	<u>Change</u>	
FY2018/2019			7,950,906	1,794,643	
FY2019/2020			7,974,904	23,998	
FY2020/2021			7,240,505	(734,399)	
FY2021/2022			6,283,367	(957,138)	
FY2022/2023			4,646,469	(1,636,898)	
FY2023/2024			4,615,828	(30,641)	
FY2024/2025			4,534,503	(81,325)	
FY2025/2026			4,457,894	(76,609)	
FY2026/2027			3,545,990	(911,904)	
FY2027/2028			3,510,828	(35,162)	
FY2028/2029			3,074,703	(436,125)	
FY2029/2030			3,041,040	(33,663)	
FY2030/2031			2,746,631	(294,409)	
FY2031/2032			2,591,628	(155,003)	
Fy2032/2033			2,227,234	(364,394)	
FY2033/2034			2,044,534	(182,700)	
FY2034/2035			2,044,534	-	
FY2035/2036			2,044,534	-	
FY2036/2037			2,044,534	-	
FY2037/2038			2,044,534	-	
FY2038/2039			511,134	(1,533,400)	
FY2039/2040					
Total			79,176,234		

# Existing Debt Service as Percent of Operating Budget

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Projected Operating Budgets *</u>	<u>Debt Service As Percent of Budget</u>
FY2018/2019	7,950,906	106,291,562	7.5%
FY2019/2020	7,974,904	109,480,309	7.3%
FY2020/2021	7,240,505	112,764,718	6.4%
FY2021/2022	6,283,367	116,147,660	5.4%
FY2022/2023	4,646,469	119,632,089	3.9%
FY2023/2024	4,615,828	123,221,052	3.7%
FY2024/2025	4,534,503	126,917,684	3.6%
FY2025/2026	4,457,894	130,725,214	3.4%
FY2026/2027	3,545,990	134,646,971	2.6%
FY2027/2028	3,510,828	138,686,380	2.5%
FY2028/2029	3,074,703	142,846,971	2.2%
FY2029/2030	3,041,040	147,132,380	2.1%
FY2030/2031	2,746,631	151,546,352	1.8%
FY2031/2032	2,591,628	156,092,742	1.7%
Fy2032/2033	2,227,234	160,775,525	1.4%
FY2033/2034	2,044,534	165,598,790	1.2%
FY2034/2035	2,044,534	170,566,754	1.2%
FY2035/2036	2,044,534	175,683,757	1.2%
FY2036/2037	2,044,534	180,954,269	1.1%
FY2037/2038	2,044,534	186,382,897	1.1%
FY2038/2039	511,134	191,974,384	0.3%
FY2039/2040			
Total	79,176,234		
* Assumes 3% Growth per year			

# Existing Debt Service vs. 10% Cap

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Projected Operating Budgets *</u>	<u>Debt Service at 10% Percent of Budget</u>	<u>\$ Amount Under 10% Cap</u>
FY2018/2019	7,950,906	106,291,562	10,629,156	2,678,250
FY2019/2020	7,974,904	109,480,309	10,948,031	2,973,127
FY2020/2021	7,240,505	112,764,718	11,276,472	4,035,967
FY2021/2022	6,283,367	116,147,660	11,614,766	5,331,399
FY2022/2023	4,646,469	119,632,089	11,963,209	7,316,740
FY2023/2024	4,615,828	123,221,052	12,322,105	7,706,277
FY2024/2025	4,534,503	126,917,684	12,691,768	8,157,265
FY2025/2026	4,457,894	130,725,214	13,072,521	8,614,627
FY2026/2027	3,545,990	134,646,971	13,464,697	9,918,707
FY2027/2028	3,510,828	138,686,380	13,868,638	10,357,810
FY2028/2029	3,074,703	142,846,971	14,284,697	11,209,994
FY2029/2030	3,041,040	147,132,380	14,713,238	11,672,198
FY2030/2031	2,746,631	151,546,352	15,154,635	12,408,004
FY2031/2032	2,591,628	156,092,742	15,609,274	13,017,646
Fy2032/2033	2,227,234	160,775,525	16,077,552	13,850,318
FY2033/2034	2,044,534	165,598,790	16,559,879	14,515,345
FY2034/2035	2,044,534	170,566,754	17,056,675	15,012,141
FY2035/2036	2,044,534	175,683,757	17,568,376	15,523,842
FY2036/2037	2,044,534	180,954,269	18,095,427	16,050,893
FY2037/2038	2,044,534	186,382,897	18,638,290	16,593,756
FY2038/2039	511,134	191,974,384	19,197,438	18,686,304
FY2039/2040				
Total	79,176,234			
* Assumes 3% Growth per year				

# FY2018/2019 New Debt

	3.25 %	Apr-19	
	Issue of	Clean Water	Total
	March 2019	Fund Loan 2	New
<u>Fiscal Year</u>	<u>\$2,550,000</u>	<u>\$7,319,981</u>	<u>Debt Service</u>
2018/2019			
2019/2020	212,875	406,475	619,350
2020/2021	208,650	444,367	653,017
2021/2022	204,425	444,367	648,792
2022/2023	200,200	444,367	644,567
2023/2024	195,975	444,367	640,342
2024/2025	191,750	444,367	636,117
2025/2026	187,525	444,367	631,892
2026/2027	183,300	444,367	627,667
2027/2028	179,075	444,367	623,442
2028/2029	174,850	444,367	619,217
2029/2030	165,625	444,367	609,992
2030/2031	161,562	444,367	605,929
2031/2032	157,500	444,367	601,867
2032/2033	153,438	444,367	597,805
2033/2034	149,375	444,367	593,742
2034/2035	145,313	444,367	589,680
2035/2036	141,250	444,367	585,617
2036/2037	137,188	444,367	581,555
2037/2038	133,125	444,367	577,492
2038/2039	129,063	444,367	573,430
2039/2040		111,092	111,092



# Projected Future Debt Service

	Issue of	Clean Water	Issue of
	March 2020	Fund	March 2021
<u>Fiscal Year</u>	3.50%	Loan # 3	3.75%
	<u>\$2,320,000</u>	<u>\$7,065,000</u>	<u>\$2,260,000</u>
FY2018/2019			
FY2019/2020			
FY2020/2021	201,200	499,538	
FY2021/2022	197,000	428,888	199,750
FY2022/2023	192,800	428,888	195,438
FY2023/2024	188,600	428,888	191,125
FY2024/2025	179,400	428,888	186,813
FY2025/2026	175,375	428,888	182,500
FY2026/2027	171,350	428,888	178,188
FY2027/2028	167,325	428,888	173,875
FY2028/2029	163,300	428,888	169,562
FY2029/2030	159,275	428,888	165,250
FY2030/2031	155,250	428,888	160,937
FY2031/2032	151,225	428,888	156,625
Fy2032/2033	147,200	428,888	152,312
FY2033/2034	143,175	428,888	143,000
FY2034/2035	139,150	428,888	138,875
FY2035/2036	135,125	428,888	134,750
FY2036/2037	131,100	428,888	130,625
FY2037/2038	127,075	428,888	126,500
FY2038/2039	123,050	428,888	122,375
FY2039/2040	119,025	428,888	118,250
FY2040/2041		428,888	114,125
Fy2041/2042			
Total	3,167,000	8,648,410	3,140,875

# Total Projected Future Debt

	Existing	Issue of	Clean Water	Issue of	Clean Water	Issue of	
	Debt	March 2019	Fund	March 2020	Fund	March 2021	
<u>Fiscal Year</u>	<u>Service</u>	<u>\$ 2,550,000</u>	<u>Loan # 2</u>	<u>\$ 2,320,000</u>	<u>Loan # 3</u>	<u>\$ 2,260,000</u>	<u>Total</u>
FY2018/2019	7,950,906						7,950,906
FY2019/2020	7,974,904	212,875	406,475				8,594,254
FY2020/2021	7,240,505	208,650	444,367	201,200	499,538		8,594,260
FY2021/2022	6,283,367	204,425	444,367	197,000	428,888	199,750	7,757,797
FY2022/2023	4,646,469	200,200	444,367	192,800	428,888	195,438	6,108,162
FY2023/2024	4,615,828	195,975	444,367	188,600	428,888	191,125	6,064,783
FY2024/2025	4,534,503	191,750	444,367	179,400	428,888	186,813	5,965,721
FY2025/2026	4,457,894	187,525	444,367	175,375	428,888	182,500	5,876,549
FY2026/2027	3,545,990	183,300	444,367	171,350	428,888	178,188	4,952,083
FY2027/2028	3,510,828	179,075	444,367	167,325	428,888	173,875	4,904,358
FY2028/2029	3,074,703	174,850	444,367	163,300	428,888	169,562	4,455,670
FY2029/2030	3,041,040	165,625	444,367	159,275	428,888	165,250	4,404,445
FY2030/2031	2,746,631	161,562	444,367	155,250	428,888	160,937	4,097,635
FY2031/2032	2,591,628	157,500	444,367	151,225	428,888	156,625	3,930,233
Fy2032/2033	2,227,234	153,438	444,367	147,200	428,888	152,312	3,553,439
FY2033/2034	2,044,534	149,375	444,367	143,175	428,888	143,000	3,353,339
FY2034/2035	2,044,534	145,313	444,367	139,150	428,888	138,875	3,341,127
FY2035/2036	2,044,534	141,250	444,367	135,125	428,888	134,750	3,328,914
FY2036/2037	2,044,534	137,188	444,367	131,100	428,888	130,625	3,316,702
FY2037/2038	2,044,534	133,125	444,367	127,075	428,888	126,500	3,304,489
FY2038/2039	511,134	129,063	444,367	123,050	428,888	122,375	1,758,877
FY2039/2040			111,092	119,025	428,888	118,250	777,255
FY2040/2041					428,888	114,125	543,013
Fy2041/2042							
<b>Total</b>	<b>79,176,234</b>	<b>3,412,064</b>	<b>8,960,540</b>	<b>3,167,000</b>	<b>8,648,410</b>	<b>3,140,875</b>	<b>106,505,123</b>

# Total Projected Future Debt vs. 10% Cap

(assumes 3% Budget Growth Per Year)

	Projected	Projected	Debt Service	Debt Service	\$ Amount
	Future	Operating	As Percent	at 10 Percent	Under
<u>Fiscal Year</u>	<u>Debt</u>	<u>Budgets</u>	<u>of Budget</u>	<u>of Budget</u>	<u>10% Cap</u>
FY2018/2019	7,950,906	106,291,562	7.5%	10,629,156	2,678,250
FY2019/2020	8,594,254	109,480,309	7.9%	10,948,031	2,353,777
FY2020/2021	8,594,260	112,764,718	7.6%	11,276,472	2,682,212
FY2021/2022	7,757,797	116,147,660	6.7%	11,614,766	3,856,969
FY2022/2023	6,108,162	119,632,089	5.1%	11,963,209	5,855,047
FY2023/2024	6,064,783	123,221,052	4.9%	12,322,105	6,257,322
FY2024/2025	5,965,721	126,917,684	4.7%	12,691,768	6,726,047
FY2025/2026	5,876,549	130,725,214	4.5%	13,072,521	7,195,972
FY2026/2027	4,952,083	134,646,971	3.7%	13,464,697	8,512,614
FY2027/2028	4,904,358	138,686,380	3.5%	13,868,638	8,964,280

# \$50.0 Million Bond Issue

(Assumes 3.25% Interest Rate)

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2018/2019		-	-	-
FY2019/2020		2,500,000	1,625,000	4,125,000
FY2020/2021		2,500,000	1,543,750	4,043,750
FY2021/2022		2,500,000	1,462,500	3,962,500
FY2022/2023		2,500,000	1,381,250	3,881,250
FY2023/2024		2,500,000	1,300,000	3,800,000
FY2024/2025		2,500,000	1,218,750	3,718,750
FY2025/2026		2,500,000	1,137,500	3,637,500
FY2026/2027		2,500,000	1,056,250	3,556,250
FY2027/2028		2,500,000	975,000	3,475,000
FY2028/2029		2,500,000	893,750	3,393,750
FY2029/2030		2,500,000	812,500	3,312,500
FY2030/2031		2,500,000	731,250	3,231,250
FY2031/2032		2,500,000	650,000	3,150,000
Fy2032/2033		2,500,000	568,750	3,068,750
FY2033/2034		2,500,000	487,500	2,987,500
FY2034/2035		2,500,000	406,250	2,906,250
FY2035/2036		2,500,000	325,000	2,825,000
FY2036/2037		2,500,000	243,750	2,743,750
FY2037/2038		2,500,000	162,500	2,662,500
FY2038/2039		2,500,000	81,250	2,581,250
FY2039/2040				
FY2040/2041				
Total		50,000,000	17,062,500	67,062,500

# \$75.0 Million Bond Issue

(assumes 3.25% Interest Rate)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2018/2019	-	-	-
FY2019/2020	3,750,000	2,437,500	6,187,500
FY2020/2021	3,750,000	2,315,625	6,065,625
FY2021/2022	3,750,000	2,193,750	5,943,750
FY2022/2023	3,750,000	2,071,875	5,821,875
FY2023/2024	3,750,000	1,950,000	5,700,000
FY2024/2025	3,750,000	1,828,125	5,578,125
FY2025/2026	3,750,000	1,706,250	5,456,250
FY2026/2027	3,750,000	1,584,375	5,334,375
FY2027/2028	3,750,000	1,462,500	5,212,500
FY2028/2029	3,750,000	1,340,625	5,090,625
FY2029/2030	3,750,000	1,218,750	4,968,750
FY2030/2031	3,750,000	1,096,875	4,846,875
FY2031/2032	3,750,000	975,000	4,725,000
Fy2032/2033	3,750,000	853,125	4,603,125
FY2033/2034	3,750,000	731,250	4,481,250
FY2034/2035	3,750,000	609,375	4,359,375
FY2035/2036	3,750,000	487,500	4,237,500
FY2036/2037	3,750,000	365,625	4,115,625
FY2037/2038	3,750,000	243,750	3,993,750
FY2038/2039	3,750,000	121,875	3,871,875
FY2039/2040			
FY2040/2041			
Total	75,000,000	25,593,750	100,593,750

# \$100.0 Million Bond Issue

(Assumes 3.25% Interest Rate)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2018/2019	-	-	-
FY2019/2020	5,000,000	3,250,000	8,250,000
FY2020/2021	5,000,000	3,087,500	8,087,500
FY2021/2022	5,000,000	2,925,000	7,925,000
FY2022/2023	5,000,000	2,762,500	7,762,500
FY2023/2024	5,000,000	2,600,000	7,600,000
FY2024/2025	5,000,000	2,437,500	7,437,500
FY2025/2026	5,000,000	2,275,000	7,275,000
FY2026/2027	5,000,000	2,112,500	7,112,500
FY2027/2028	5,000,000	1,950,000	6,950,000
FY2028/2029	5,000,000	1,787,500	6,787,500
FY2029/2030	5,000,000	1,625,000	6,625,000
FY2030/2031	5,000,000	1,462,500	6,462,500
FY2031/2032	5,000,000	1,300,000	6,300,000
Fy2032/2033	5,000,000	1,137,500	6,137,500
FY2033/2034	5,000,000	975,000	5,975,000
FY2034/2035	5,000,000	812,500	5,812,500
FY2035/2036	5,000,000	650,000	5,650,000
FY2036/2037	5,000,000	487,500	5,487,500
FY2037/2038	5,000,000	325,000	5,325,000
FY2038/2039	5,000,000	162,500	5,162,500
FY2039/2040			
FY2040/2041			
Total	100,000,000	34,125,000	134,125,000

# Large Project Bond Issuance Scenario

- **Project Cost \$93,750,000**
- **Grant Reimbursement Rate 20%**
- **Local Share \$75,000,000**
- **Project Duration 3.5 Years**
- **Average Interest rate 3.25%**
- **20 year bond term**
- **4 Bond Issues**

# Bonding Scenario (cont.)

		\$15.00	\$40.00	\$10.00	\$10.00	
		Million	Million	Million	Million	
<u>Fiscal Year</u>		<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Total</u>
Year 1		\$ 1,237,500				\$ 1,237,500
Year 2		1,213,125	3,300,000			4,513,125
Year 3		1,188,750	3,235,000	825,000		5,248,750
Year 4		1,164,375	3,170,000	808,750		5,143,125
Year 5		1,140,000	3,105,000	792,500	825,000	5,862,500
Year 6		1,115,625	3,040,000	776,250	808,750	5,740,625
Year 7		1,091,250	2,975,000	760,000	792,500	5,618,750
Year 8		1,066,875	2,910,000	743,750	776,250	5,496,875
Year 9		1,042,500	2,845,000	727,500	760,000	5,375,000
Year 10		1,018,125	2,780,000	711,250	743,750	5,253,125
Year 11		993,750	2,715,000	695,000	727,500	5,131,250
Year 12		969,375	2,650,000	678,750	711,250	5,009,375
Year 13		945,000	2,585,000	662,500	695,000	4,887,500
Year 14		920,625	2,520,000	646,250	678,750	4,765,625
Year 15		896,250	2,455,000	630,000	662,500	4,643,750
Year 16		871,875	2,390,000	613,750	646,250	4,521,875
Year 17		847,500	2,325,000	597,500	630,000	4,400,000
Year 18		823,125	2,260,000	581,250	613,750	4,278,125
Year 19		798,750	2,195,000	565,000	597,500	4,156,250
Year 20		774,375	2,130,000	548,750	581,250	4,034,375
Year 21			2,065,000	532,500	565,000	3,162,500
Year 22				516,250	548,750	1,065,000
					532,500	532,500
					516,250	516,250
<b>Total</b>		<b>\$ 20,118,750</b>	<b>\$ 53,650,000</b>	<b>\$ 13,412,500</b>	<b>\$ 13,412,500</b>	<b>\$ 100,593,750</b>



# Debt Impact

(Assumes 3% Budget Growth Per Year)

	Projected	\$75.00	Total	Projected	Debt Service	Debt Service	\$ Amount
	Future	Million	Debt	Operating	As Percent	at 10 Percent	Under/Over
Fiscal Year	Debt	Debt Service	Service	Budgets	of Budget	of Budget	10% Cap
FY2018/2019	7,950,906	-	7,950,906	106,291,562	7.5%	10,629,156	2,678,250
FY2019/2020	8,594,254	1,237,500	9,831,754	109,480,309	9.0%	10,948,031	1,116,277
FY2020/2021	8,594,260	4,513,125	13,107,385	112,764,718	11.6%	11,276,472	(1,830,913)
FY2021/2022	7,757,797	5,248,750	13,006,547	116,147,660	11.2%	11,614,766	(1,391,781)
FY2022/2023	6,108,162	5,143,125	11,251,287	119,632,089	9.4%	11,963,209	711,922
FY2023/2024	6,064,783	5,862,500	11,927,283	123,221,052	9.7%	12,322,105	394,822
FY2024/2025	5,965,721	5,740,625	11,706,346	126,917,684	9.2%	12,691,768	985,422
FY2025/2026	5,876,549	5,618,750	11,495,299	130,725,214	8.8%	13,072,521	1,577,222
FY2026/2027	4,952,083	5,496,875	10,448,958	134,646,971	7.8%	13,464,697	3,015,739
FY2027/2028	4,904,358	5,375,000	10,279,358	138,686,380	7.4%	13,868,638	3,589,280
FY2028/2029	4,455,670	5,253,125	9,708,795	142,846,971	6.8%	14,284,697	4,575,902
FY2029/2030	4,404,445	5,131,250	9,535,695	147,132,380	6.5%	14,713,238	5,177,543

# Debt Impact (cont.)

(Assumes Grand List of .85% Per Year)

	Projected	\$75.00	Total		
	Future	Million	Debt		
<u>Fiscal Year</u>	<u>Debt</u>	<u>Debt Service</u>	<u>Service</u>	<u>Mills</u>	<u>Change</u>
FY2018/2019	7,950,906	-	7,950,906	2.18	
FY2019/2020	8,594,254	1,237,500	9,831,754	2.68	0.49
FY2020/2021	8,594,260	4,513,125	13,107,385	3.54	0.86
FY2021/2022	7,757,797	5,248,750	13,006,547	3.48	(0.06)
FY2022/2023	6,108,162	5,143,125	11,251,287	2.99	(0.50)
FY2023/2024	6,064,783	5,862,500	11,927,283	3.14	0.15
FY2024/2025	5,965,721	5,740,625	11,706,346	3.06	(0.08)
FY2025/2026	5,876,549	5,618,750	11,495,299	2.98	(0.08)
FY2026/2027	4,952,083	5,496,875	10,448,958	2.68	(0.29)
FY2027/2028	4,904,358	5,375,000	10,279,358	2.62	(0.07)
FY2028/2029	4,455,670	5,253,125	9,708,795	2.45	(0.17)
FY2029/2030	4,404,445	5,131,250	9,535,695	2.39	(0.06)

# Conclusion

Current Debt Outstanding

\$79,176,237

Current Debt Program is designed to absorb small debt issues each year

Town has approximately \$20.0 million in authorized debt scheduled to be issued in next 3 years

Town has significant debt drop off in fiscal years 2020/2021 to 2022/2023