



# Current Debt Summary

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11/12/2020

# Town Debt – Utilized Favorable Borrowing Climate

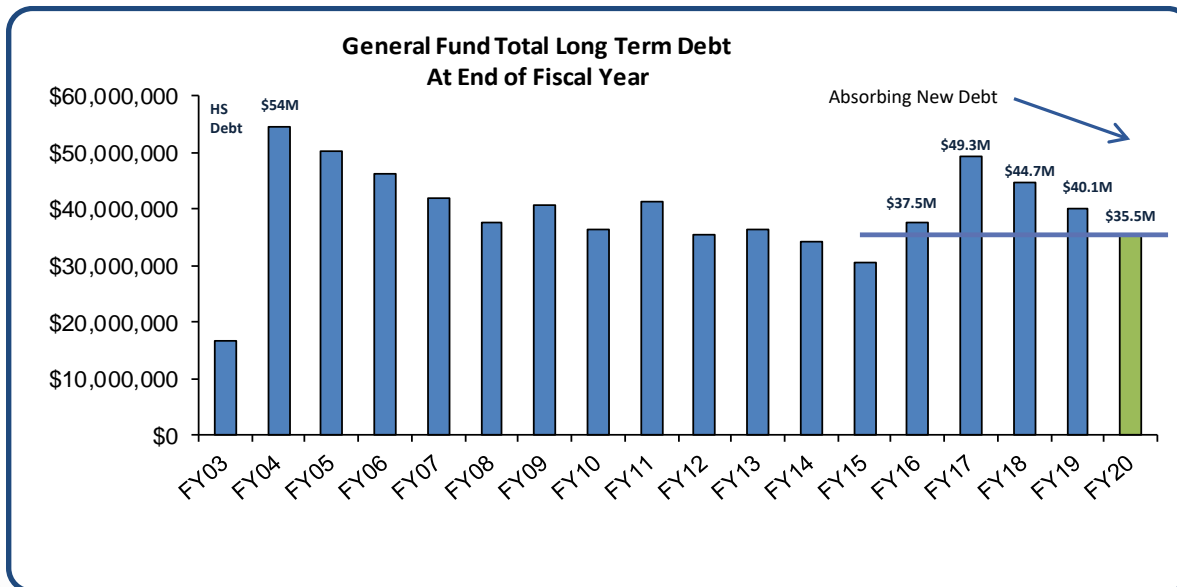
## Favorable Borrowing Climate

- Very strong credit ratings.
  - Standard & Poor’s AAA.
  - Moody’s AA1
- Excellent interest rate environment.
- Portion of recent bond sales replaced
  - Next debt drop off 2023.

## Recent Bond Sales

- Bond sold August, 2016:
  - \$16.64M, 10-30 year term, 2.4%.
- Bond sold August, 2015:
  - \$10.45M, 5-20 year term, 2.6%.
  - debt dropping off

| Debt Authorized, Not Yet Issued       |          |               |
|---------------------------------------|----------|---------------|
| School MSBA Initial Phase             | ATM 2018 | \$ 1,750,000  |
| Redevelop Islington/Wentworth Library | ATM 2018 | \$ 3,500,000  |
| Sidewalk Improvements Route 109       | ATM 2019 | \$ 900,000    |
| DPW Equipment                         | ATM 2020 | \$ 325,000    |
| Road Improvement Bond                 | ATM 2020 | \$ 4,650,000  |
|                                       | Total    | \$ 11,125,000 |



# Long Term Debt Outstanding – General Fund

| Description                     | Rate of Interest | Date Issued | Maturity Date | Amount Issued             | Total Outstanding 30-Jun-20 |
|---------------------------------|------------------|-------------|---------------|---------------------------|-----------------------------|
| Outside of Prop 2 1/2           |                  |             |               |                           |                             |
| High School Project             | 1.63             | 5/2012      | 06/01/2023    | \$39,262,300              | \$5,360,000                 |
| Library Construction            | 3.37             | 3/10/11     | 03/10/2031    | \$9,300,000               | \$5,115,000                 |
| Within Prop 2 1/2               |                  |             |               |                           |                             |
| High School Completion          | 3.48             | 8/01/08     | 02/01/2023    | \$1,950,000               | \$390,000                   |
| Middle Sch Modular Construction | 3.79             | 6/15/09     | 06/15/2029    | \$3,500,000               | \$1,575,000                 |
| School Roof                     | 1.43             | 12/20/12    | 06/01/2022    | \$935,000                 | \$183,000                   |
| DPW Roads/Equipment             | 1.43             | 12/20/12    | 06/01/2022    | \$3,700,000               | \$732,000                   |
| DPW Roads/Equipment             | 1.62             | 05/15/14    | 05/15/2024    | \$1,400,000               | \$560,000                   |
| Design Fire Station             | 2.66             | 9/1/2015    | 09/01/2035    | \$850,000                 | \$680,000                   |
| Construct Fire Station          | 2.66             | 9/1/2015    | 09/01/2035    | \$8,650,000               | \$6,920,000                 |
| LED Lights Upgrade              | 2.66             | 9/1/2015    | 09/01/2025    | \$500,000                 | \$300,000                   |
| Cemetery Expansion              | 2.66             | 9/1/2015    | 09/01/2020    | \$450,000                 | \$90,000                    |
| Deerfield Rd/Parking Imprvments | 2.42             | 9/1/2016    | 06/30/2026    | \$2,000,000               | \$1,200,000                 |
| Land Purchase                   | 2.42             | 9/1/2016    | 06/30/2026    | \$890,000                 | \$530,000                   |
| Police Station Design           | 2.42             | 9/1/2016    | 06/30/2045    | \$1,000,000               | \$860,000                   |
| Police Station Construction     | 2.42             | 9/1/2016    | 06/30/2046    | \$12,755,000              | \$11,050,000                |
|                                 |                  |             |               | <b>Total General Fund</b> | <b>\$35,545,000</b>         |

## General Fund Debt Authorized - Not Yet Issued Long Term

|  |              |                     |
|--|--------------|---------------------|
| School MSBA Eligibility Phase              | ATM 2018     | \$1,750,000         |
| Redevelopment Islington /Wentworth Library | ATM 2018     | \$3,500,000         |
| Road Improvement Project                   | ATM 2019     | \$900,000           |
| DPW Equipment                              | ATM 2020     | \$325,000           |
| Road Improvement Project                   | ATM 2020     | \$4,650,000         |
|  | <b>Total</b> | <b>\$11,125,000</b> |

Short term debt outstanding:  
\$3,150,000 one year Ban issued  
6/2/2020.

## Long Term Sewer Fund Debt Outstanding

| Description             | Rate of Interest | Date Issued | Maturity Date | Amount Issued           | Outstanding 30-Jun-20 |
|-------------------------|------------------|-------------|---------------|-------------------------|-----------------------|
| MWRA - no interest loan | 0.00             | 6/1/2016    | 6/2021        | \$234,000               | \$46,800              |
| Sewer Bond              | 2.50             | 5/1/2014    | 6/2024        | \$1,570,000             | \$620,000             |
|                         |                  |             |               | <b>Total Sewer Fund</b> | <b>\$666,800</b>      |

**Total General Fund and Sewer Debt Outstanding \$36,211,800**

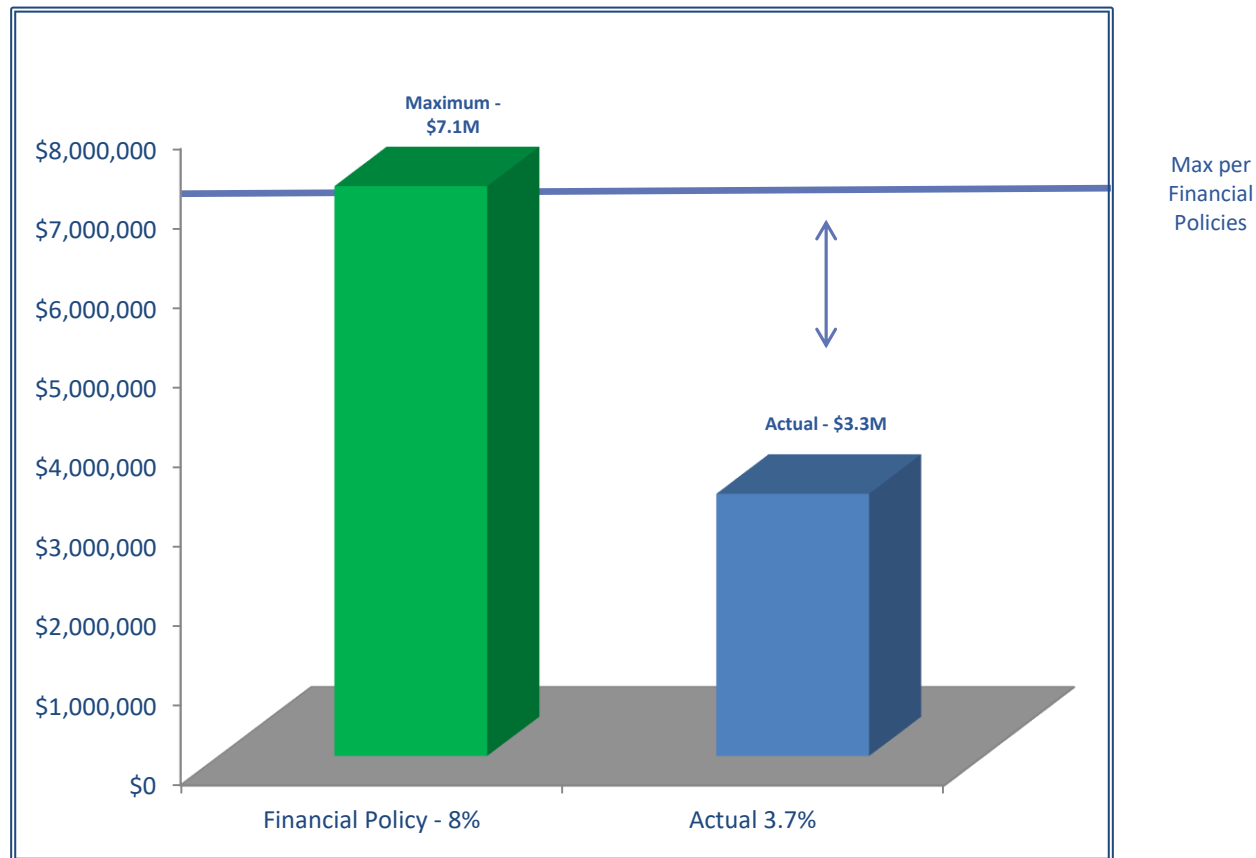
## Long Term Debt Outstanding – Sewer

### Long Term Sewer Fund Debt Outstanding

| Description             | Rate of Interest | Date Issued | Maturity Date | Amount Issued           | Outstanding 30-Jun-20 |
|-------------------------|------------------|-------------|---------------|-------------------------|-----------------------|
| MWRA - no interest loan | 0.00             | 6/1/2016    | 6/2021        | \$234,000               | \$46,800              |
| Sewer Bond              | 2.50             | 5/1/2014    | 6/2024        | \$1,570,000             | \$620,000             |
|                         |                  |             |               | <b>Total Sewer Fund</b> | <b>\$666,800</b>      |

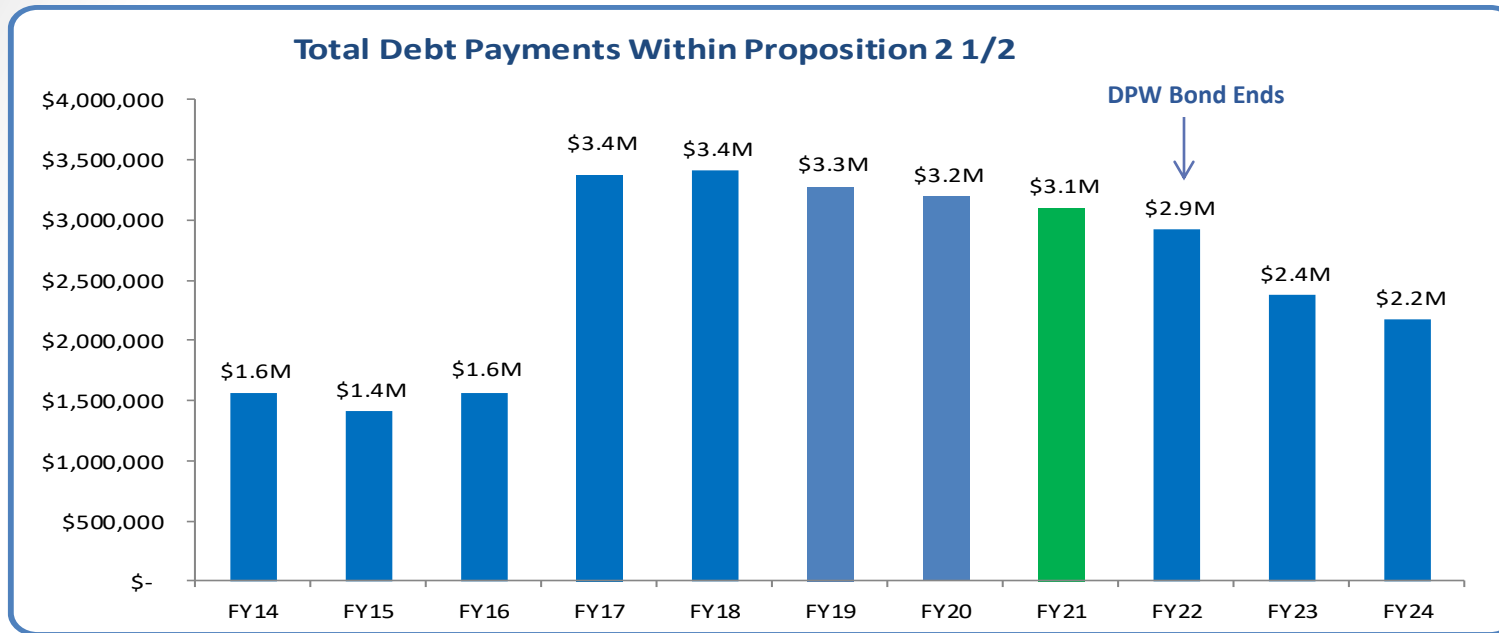
# Debt Level – Well Within Guidelines

- Financial Policies – annual debt payments should not exceed 8% of net general fund revenue.
- Debt levels are an important component of credit ratings. The Town holds a AAA rating.



Debt is well within guidelines

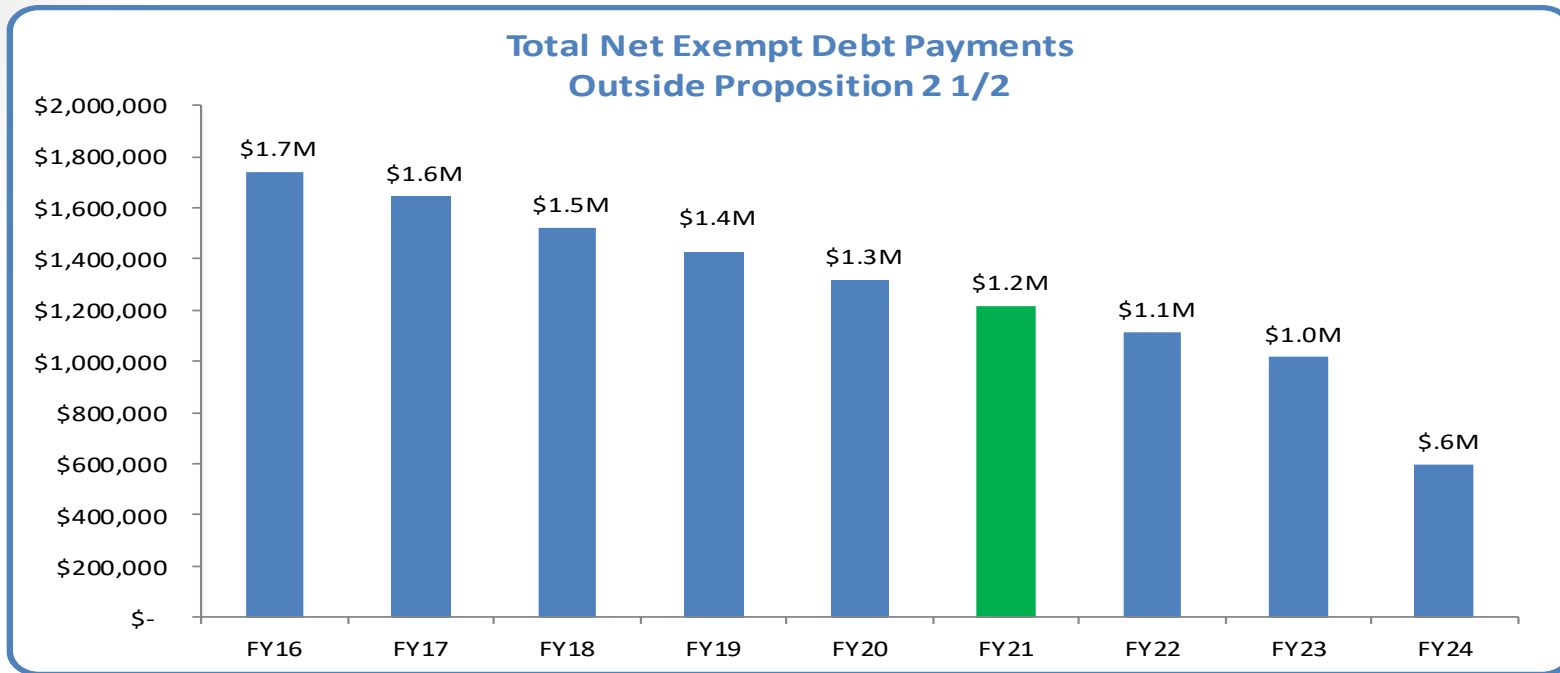
## Total Non Exempt Debt – Within Proposition 2 1/2



### Debt within Proposition 2 ½

- Debt drop off FY23:
  - \$4.6M, 10 year DPW bond for Roads, Equipment, and School Roofs, issued in 2012, is completed in 2022.
  - Provides space to issue new road bond within Proposition 2 ½ .

# Total Net Exempt Debt – Outside Proposition 2 1/2



## Debt outside of Proposition 2 ½

- High School and Library Bonds.
- Principal and interest payments for projects approved outside Proposition 2 ½.
- Exact amount of debt cost, net of state school reimbursement, is raised in taxes.
- When bond ends, exempt taxes end.
- FY21: High School \$567K, Library \$650K.
- High School bond ends FY2023, Library FY2031.
- Payments decline approximately \$100K per year.
  
- High School bond ends 2023
  - Debt rollover will help with Elementary School Project

# High School Debt Over Time

