

## DEBT MANAGEMENT

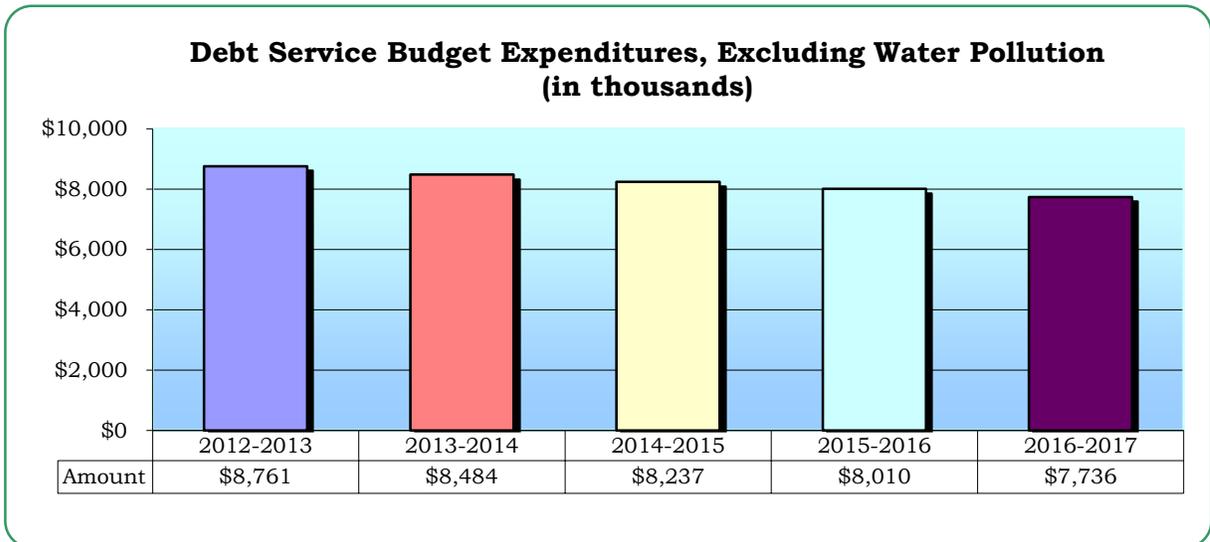
### CITY OF BRISTOL, CONNECTICUT 2016-2017 BUDGET EXPENDITURE SUMMARY FOR DEBT SERVICE

ORGCODE	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	JOINT BOARD 2016-2017
DEBT8010	LONG TERM DEBT PRINCIPAL PAYMENT	\$6,186,000	\$6,177,000	\$6,177,000	\$6,164,000	\$6,164,000
DEBT8020	LONG TERM DEBT INTEREST PAYMENT	2,400,019	2,170,404	2,170,404	1,897,978	1,897,978
DEBT8030	SHORT TERM DEBT PRINCIPAL PAYMENT	300,000	0	0	0	0
DEBT8040	SHORT TERM DEBT INTEREST PAYMENT	39,603	100,000	100,000	100,000	100,000
<b>TOTAL DEBT SERVICE</b>		<b>\$8,925,622</b>	<b>\$8,447,404</b>	<b>\$8,447,404</b>	<b>\$8,161,978</b>	<b>\$8,161,978</b>

### Program Summary

This series of line items reflects those expenditures made by the City for principal and interest payments for short and long-term debt. A debt service fund was created for the payments made to service this type of debt. The debt service fund is not a budgetary fund. Deposits to the debt service fund are in the form of operating transfers out from the general fund.

Shown below are the expenditures in the debt service fund during the past five fiscal years excluding Water Pollution Control.



**Debt Management (continued)**

**Program Commentary**

Capital infrastructure is essential to all municipalities large and small. The amounts budgeted and expended for debt service have a direct relationship to the City's strategies for financing capital improvements. It is important to prepare a short-term and a long-term plan for the replacement and/or addition of City fixed assets and to estimate the available funding sources. To implement both plans (short and long-term), the City prepares a Capital Improvement Program (CIP). The CIP is a multi-year plan that identifies capital projects to be funded during the planning period. This represents the City's long-term infrastructure plan. The City also approves a Capital Budget, which represents the first year of the CIP. The Capital Budget, described beginning on page 344, is the City's annual appropriation for capital spending and is legally adopted by the City.

The City uses a policy of providing a mix of current revenues, state and federal grants, intergovernmental contributions, and bond proceeds to fund its capital projects. However, given the advantageously low long-term debt rate environment during the past few years, the City has consciously chosen to issue long-term general obligation debt for its larger capital projects.

**Bond Rating**

The Government Finance Officers Association (GFOA) Elected Official's Guide to Rating Agency Presentations describes a **bond rating** as an independent assessment of the relative credit risk associated with purchasing and holding a particular bond, and the likelihood that the obligation will be repaid. The rating focuses on the City's ability and willingness to make full and timely payments. The City of Bristol uses the services of three rating agencies.

There are three primary agencies that rate debt issuances of private and for-profit entities. They are: Moody's Investors Service, Standard & Poor's Ratings Service, and Fitch Inc.

Bond ratings are public information, and the rating agencies use a number of means to distribute their ratings to a wide audience. Investors are the most common users of bond ratings. But because ratings are so accessible and easy to understand, the media, policy makers, and taxpayers also use them and often consider the rating an indication of a municipality's, like Bristol's, overall fiscal health.

A credit rating does affect the cost of borrowing. A high bond rating indicates low credit risk to the investor; low credit risk results in a higher sale price and lower coupon interest rates for the bond's issuer (the City). When all other factors are held constant, borrowing will be more costly for an issuer with a lower bond rating.

In assigning a credit rating, the rating agency's primary concern is the issuer's willingness and ability to repay the debt on time and in full. Different factors are then analyzed. The credit analyst will focus on four primary factors:

- ✓ **Debt management** – An assessment of the community's ability to support existing and planned debt obligations, using key financial ratios as indicators such as debt per capita and overall debt burden.
- ✓ **Administrative issues** – A review of the organization and authority of the government's administration and services for which it is directly responsible. Also included in this category is an assessment of the goals and philosophies of management and the type of budgeting used.
- ✓ **Financial performance** – An analysis of revenue and expenditure trends and the adequacy, dependability, and scope of revenues, including the issuer's ability to tap into additional revenue sources for debt service.

**Program Summaries-  
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**Debt Management (continued)**

This category also includes financial position and the size and composition of fund balance.

- ✓ **Economic base** – An evaluation of the jurisdiction’s economic outlook focusing on the tax base, income, population, employment, diversity and composition of employers, building permits, vacancy rates, and real estate values.

Of all the factors, the economic base tends to carry the most weight in rating, but it is also the category over which issuers have the least amount of control. Also of prime importance is financial performance. The other two factors – administrative factors and debt management – considered “lesser” factors in the past, have been brought to the forefront by the rating agencies. In fact, all three agencies have cited that: “Bristol’s experienced and capable fiscal management has contributed to its consistent financial performance.”

The City refunded \$7,310,000 of tax exempt general obligation bonds in November 2015. Taxable notes in the amount of \$5.3 million were issued on January 28, 2014. Taxable notes of \$4,700,000 were re-issued (rolled over) April 2016 with a \$200,000 pay down and will mature January 20, 2017.

Standard and Poor’s upgraded the City’s bond rating from AA to AA+, the Moody’s Investors Service rating remained at Aa3 and the Fitch ratings remained at AA.

Standard and Poor’s and Fitch assigned ratings of “SP-1+” and “F1+”, respectively to the taxable notes.

Bonds are issued to permanently finance various general purpose and school projects. The taxable notes were issued to provide temporary financing for general purpose projects (mall site and related expenses).

The City intends to have a debt issuance of approximately \$50,000,000 in the Spring of 2017.

**Rating Methodology: Recalibration of Moody’s U.S. Municipal Ratings to its Global Rating Scale.**

In April 2010, Moody’s recalibrated its long-term U.S. municipal ratings to its global rating scale. The benchmarking analysis of municipal credits against global scale ratings across the Moody’s rated universe will result in an upward shift for most state and local government long-term municipal ratings- Moody’s Investors Service. Due to the recalibration of the ratings, the City rating was raised from Aa3 to Aa2. Below is a chart showing the City of Bristol’s bond ratings for bonds issued since 1988.

CITY OF BRISTOL BOND ISSUE RATINGS				
Issue Date	Amount	Moody's Rating	Standard & Poor's Rating	Fitch
June 15, 2011	\$40,400,000	Aa2	AA+	AA+
February 4, 2009	\$8,900,000	Aa3	AA+	AA
December 1, 2006	\$25,000,000	Aa3	AA	AA
June 15, 2005	\$13,055,000	Aa3	AA	AA
October 15, 2004	\$22,965,000	Aa3	AA	AA
September 1, 2000	\$6,440,000	Aa3	AA-	
October 15, 1998	\$17,765,000	A1	AA-	
September 1, 1996	\$4,260,000	A1	AA-	
May 15, 1995	\$2,790,000	A1	AA-	
December 15, 1993	\$6,775,000	A1	AA-	
March 1, 1992	\$23,435,000	A1	AA-	
March 1, 1991	\$9,295,000	A1	AA	
December 15, 1988	\$17,970,000	A1	AA	
February 15, 1988	\$8,765,000	A1	AA	

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

The following is a Ratings Guide to the three public rating agencies.

<b>Rating</b>	<b>Description</b>
<b>Fitch IBCA</b>	
AAA	Highest credit quality
AA (+ or -)*	Very high credit quality
A (+ or -)	High credit quality
BBB (+ or -)	Good credit quality
BB (+ or -)	Speculative
B (+ or -)	Highly speculative
CCC,CC,C (+ or -)	High default risk
D	In default
<b>Moody's</b>	
Aaa	Best quality
Aa1, Aa2, Aa3	High quality by all standards
A1, A2, A3	Upper medium grade
Baa1, Baa2, Baa3	Medium grade
Ba1, Ba2, Ba3	Has speculative elements
B1, B2, B3	Generally lacks characteristics of a desirable investment
Caa	Poor standing; may be in default
Ca	Speculative in a high degree; often in default
C	Lowest rated class of bonds; extremely poor prospects
<b>Standard &amp; Poor's</b>	
AAA	Highest quality; extremely strong capacity to pay
AA (+ or -)	High quality; very strong capacity to pay
A (+ or -)	Strong capacity to pay principal and interest
BBB (+ or -)	Adequate capacity to pay principal and interest
BB (+ or -)	Low speculative
B (+ or -)	Speculative
CCC,CC (+ or -)	High speculation
C	Income bonds on which no interest is being paid
D	In default
* "+" or "-" may be added to Fitch IBCA and Standard & Poor's ratings to indicate the relative positions of a credit within a rating category. The digits 1-3 appended to Moody's ratings perform the same function.	

**The Past (Debt Issuances)**

The City's most recent long term debt issuances were November 17, 2015, with a total of \$7,310,000 issued and June 15, 2011, with a total of \$40,400,000 issued.

On April 15, 2016, the taxable notes of \$4,700,000 were rolled over for \$4,500,000, and will mature January 20, 2017. The chart below illustrates the projects covered by the taxable notes:

<b>Project</b>	<b>The Notes to Mature</b>
Mall Purchase/Legal.....	\$3,805,000
Mall Demolition/Abatement.....	<u>\$ 695,000</u>
	<u>\$4,500,000</u>

**Program Summaries-  
Debt Management**

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**Debt Management (continued)**

**Current Budget (Debt Service)**

The City has budgeted \$7,948,814 for existing debt service obligations in the 2016-2017 general fund budget. This amount fully funds the City of Bristol's debt service principal and interest payments on outstanding obligations. The Water Pollution Control budget found in the Special Revenue tab of this document contains the remaining funds of \$213,164 for its portion of debt service from the June 2011 issue. A listing of projects and outstanding bonds as of July 1, 2016 can be found on page 376.

**Capital Project Loan Obligations**

The City entered into Project Loan and Project Grant Agreements from 2002 and 2006 between the State of Connecticut and the City of Bristol at an annual rate of 2%. The purpose of the loans was for Water Pollution Control upgrades to existing sewer lines to reduce flow volume into the wastewater treatment plant.

These obligations are being repaid monthly through sewer user fees within the Water Pollution Control Capital Non-recurring fund.

Shown below are the Clean Water Loans that were received by the City of Bristol. A schedule of the remaining balances can be found on page 375.

<b>Contract #</b>	<b>Date of Issuance</b>	<b>Amount Issued</b>
415 D/C	6/30/2002	\$ 1,409,533.19
498 D/C	6/30/2002	\$ 1,483,380.00
504 C	12/31/2003	\$ 1,488,101.08
562 C	11/30/2004	\$ 693,527.00
464 C	5/31/2006	\$ 470,225.00
<b>Total Cleanwater</b>		<b>\$ 5,544,766.27</b>

**Capital Projects**

On page 376 of this document is a listing of bonding appropriations the City has made within the Capital Projects Funds.

**The Future (Debt Policy)**

In keeping with its debt policy and long-term goals, the City will strive not to issue bonds more frequently than once every two fiscal years. The City will also try to ensure its bonded debt per capita does not exceed \$1,000. The City adopted a debt policy on May 22, 2001 that can be found behind the Policy Initiatives tab of this document.

The City issues debt only for projects included in the Capital Improvement Program and approved in the capital improvement budget. Before doing so, the City reviews the status of previously approved projects, develops information for new projects, and examines capital project alternatives. Debt levels are carefully analyzed to assess how much borrowing capacity to allow. Taken into consideration are

**Program Summaries-  
Debt Management**

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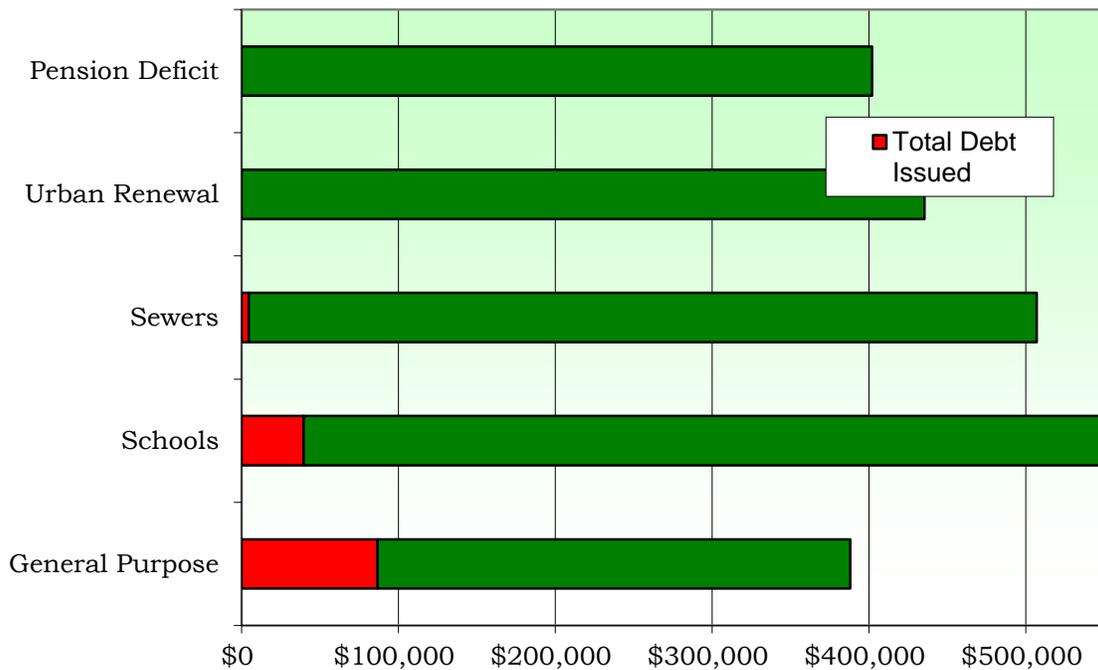
**Debt Management (continued)**

environmental factors such as community needs and resources, external economic conditions, financial factors, such as expected year-end operating position, financial condition, proposed debt structure, market conditions, fund balance levels, as well as statistical benchmarks known to be considered by rating agencies. Used in combination, these factors help aid the current debt service decision-making process and also keep debt within manageable bounds for future debt issuance considerations.

The City prefers its debt structure to be level and to have a relatively rapid payback period which keeps the bond year short. Again, this strategy is viewed positively by rating agencies and allows the community to take advantage of the year-to-year reduction of debt service for other purposes.

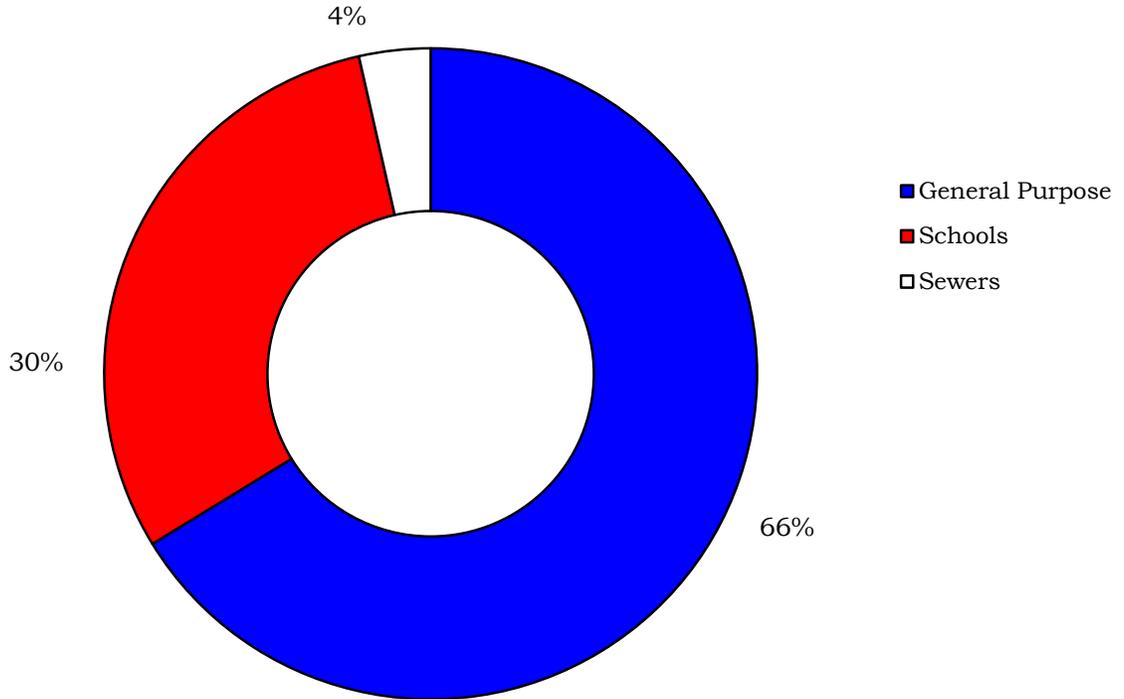
Finally, Connecticut municipalities fall under state laws to keep debt issuances within statute-provided limits. While these authorized versus issued limits are set reasonably high, the City of Bristol is conscious of these limits and the City's total debt outstanding is well below these limits. Shown below is a graphical representation of the debt limitation imposed by the State of Connecticut and the actual debt authorized by the City of Bristol.

**Debt Limitation vs. Actual Debt Issued  
(in thousands)**



**Debt Management (continued)**

**Debt Issued by Category**



**The chart above and on the preceding page are from the Schedule of Debt Limitation as of June 30, 2015 found on the next page.**

**SCHEDULE OF LEGAL DEBT LIMITATION**

State of Connecticut general statutes indicate that ***in no case shall total indebtedness exceed seven times annual receipts from taxation.***

The table on the following page shows the City of Bristol Debt Limitation and actual debt authorized in the five major categories: General Purpose, Schools, Sewers, Urban Renewal and Pension Deficit. The chart clearly indicates that Bristol is well below the statutory requirements for debt issuance.

**Program Summaries-  
Debt Management**

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**Debt Management (continued)**

**Schedule of Debt Limitation  
June 30, 2015  
(In Thousands)**

Total tax collections, including interest and lien fees \$ 133,703

Reimbursement for loss of revenues:

Tax relief for elderly - freeze 6

Base \$ 133,709

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 300,845	\$	\$	\$	\$
4-1/2 times base		601,691			
3-3/4 times base			501,409		
3-1/4 times base				434,554	
3 times base					401,127
Total	<u>300,845</u>	<u>601,691</u>	<u>501,409</u>	<u>434,554</u>	<u>401,127</u>
Indebtedness:					
Bonds and notes payable	28,495	31,124	4,545		
Bond anticipation notes	5,000				
Bonds authorized and unissued	8,033	103,186	510		
State grant commitments		(100,613)			
Total	<u>41,528</u>	<u>33,697</u>	<u>5,055</u>	<u></u>	<u></u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 259,317</u>	<u>\$ 567,994</u>	<u>\$ 496,354</u>	<u>\$ 434,554</u>	<u>\$ 401,127</u>

NOTE: In no event shall total debt exceed seven times annual receipts from taxation. The maximum permitted under this formula would be \$935,963.

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

**Budget Highlights**

**DEBT8010 LONG TERM DEBT- PRINCIPAL**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	BOF APPROVED 2016-2017	JOINT BOARD 2016-2017
<b>LONG TERM DEBT- PRINCIPAL</b>								
588111		SCHOOL DEBT	\$3,035,000	\$3,028,000	\$3,028,000	\$3,023,000	\$3,023,000	\$3,023,000
588112		GENERAL IMPROVEMENT	2,866,000	2,864,000	2,864,000	2,856,000	2,856,000	2,856,000
588115		SEWER OPERATING DEBT	285,000	285,000	285,000	285,000	285,000	285,000
<b>TOTAL LONG TERM DEBT PRINCIPAL</b>			<b>\$6,186,000</b>	<b>\$6,177,000</b>	<b>\$6,177,000</b>	<b>\$6,164,000</b>	<b>\$6,164,000</b>	<b>\$6,164,000</b>

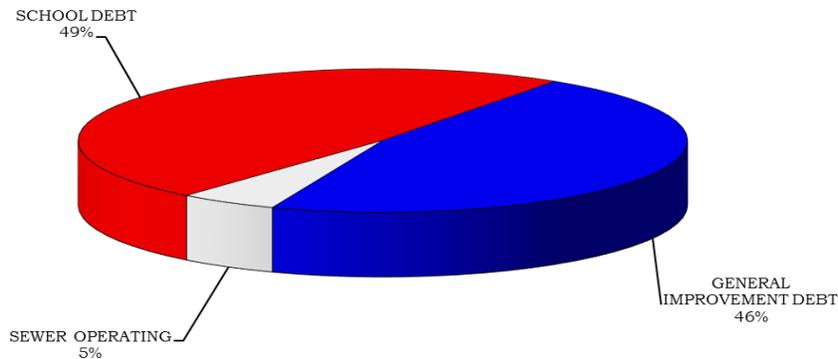
**DEBT8020 LONG TERM DEBT- INTEREST**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	BOF APPROVED 2016-2017	JOINT BOARD 2016-2017
<b>LONG TERM DEBT INTEREST</b>								
588121		SCHOOL DEBT	\$1,192,542	\$1,070,184	\$1,070,184	\$930,445	\$930,445	\$930,445
588122		GENERAL IMPROVEMENT	1,043,349	947,492	947,492	826,205	826,205	826,205
588125		SEWER OPERATING DEBT	164,128	152,728	152,728	141,328	141,328	141,328
<b>TOTAL LONG TERM DEBT INTEREST</b>			<b>\$2,400,019</b>	<b>\$2,170,404</b>	<b>\$2,170,404</b>	<b>\$1,897,978</b>	<b>\$1,897,978</b>	<b>\$1,897,978</b>

**DEBT8040 SHORT TERM DEBT INTEREST**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	BOF APPROVED 2016-2017	JOINT BOARD 2016-2017
<b>DEBT SERVICE TRANSFER OUT</b>								
588122		GENERAL IMPROVEMENT DEBT- INTEREST	\$39,603	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
<b>TOTAL DEBT SERVICE TRANSFER OUT</b>			<b>\$39,603</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>

**DEBT SUMMARY (PRINCIPAL AND INTEREST) 2016-2017**



The graph illustrates three categories for long-term debt service for FY 2016-2017. As shown above, long-term debt service for schools will account for 49% or \$3,953,445 of the long-term debt service payments; general improvement debt is 46% or \$3,782,205 and debt service relating to sewer system upgrades is 5% or \$426,328.

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

Shown below and on the following page are the debt service schedules provided by the Treasurer's Office. These schedules indicate each principal and interest payment by bond issuance year.

DEBT CITY OF BRISTOL, CONNECTICUT FISCAL YEAR 2016-17 BUDGET 8010 EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND FUNCTION:DEBT SERVICE							
LONG TERM DEBT PRINCIPAL PAYMENTS							
1 INT. RATE	2 PRINCIPAL PAYMENTS: DESCRIPTION	3 PMT/ #TTL 2016-17	4 PRIOR YEAR EXPENDED 2014-15	5 ADOPTED BUDGET 2015-16	6 REVISED ESTIMATE 2015-16	7 BUDGET REQUEST 2016-17	8 APPROVED BUDGET 2016-17
3.74	SCHOOL BONDS - '05	19/27	\$ 980,000	\$ 975,000	\$ 975,000	\$ -	\$ -
3.75	SCHOOL BONDS - '06	4/4	-	-	-	-	-
3.12	SCHOOL BONDS - '09	10/24	20,000	20,000	20,000	-	-
3.45	SCHOOL BONDS - '11	6/29	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000
3.00	SCHOOL REFUNDING '11	2/9	690,000	688,000	688,000	691,000	691,000
2.50	SCHOOL REFUNDING (09) '15	2/2	-	-	-	25,000	25,000
3.06	SCHOOL REFUNDING '15	1/15	-	-	-	962,000	962,000
588111	TOTAL SCHOOL BONDS		\$ 3,035,000	\$ 3,028,000	\$ 3,028,000	\$ 3,023,000	\$ 3,023,000
3.84	IMPROVEMENT - '04	5/5	\$ -	\$ -	-	\$ -	\$ -
3.93	IMPROVEMENT - '06	4/4	-	-	-	-	-
3.12	IMPROVEMENT - '09	12/24	535,000	535,000	535,000	-	-
3.45	IMPROVEMENT - '11	7/28	455,000	455,000	455,000	455,000	455,000
3.00	IMPROVEMENT REFUNDING '11	2/15	1,876,000	1,874,000	1,874,000	1,871,000	1,871,000
2.25	IMPROVEMENT REFUNDING '15	1/15	-	-	-	530,000	530,000
588112	TOTAL GEN'L IMPROVEMENT		\$ 2,866,000	\$ 2,864,000	\$ 2,864,000	\$ 2,856,000	\$ 2,856,000
588113	TOTAL URBAN RENEWAL		\$ -	\$ -	\$ -	\$ -	\$ -
588114	SEWER-ASSESSABLE PROJECTS		\$ -	\$ -	\$ -	\$ -	\$ -
5.05	SEWER REFUNDING - '93		\$ -	\$ -	\$ -	\$ -	\$ -
3.45	SEWER BONDS - '11	2/19	285,000	285,000	285,000	285,000	285,000
	SEWER REFUNDING - '11		-	-	-	-	-
588115	SEWER-OPERATING		\$ 285,000	\$ 285,000	\$ 285,000	\$ 285,000	\$ 285,000
8010	SUBTOTAL LONGTERM DEBT PRINCIPAL		\$ 6,186,000	\$ 6,177,000	\$ 6,177,000	\$ 6,164,000	\$ 6,164,000
588310	LEASE PURCHASE PRINCIPAL		\$ -	\$ -	\$ -	\$ -	\$ -
8010	LONG TERM DEBT PRINCIPAL TOTAL		\$ 6,186,000	\$ 6,177,000	\$ 6,177,000	\$ 6,164,000	\$ 6,164,000

DEBT CITY OF BRISTOL, CONNECTICUT FISCAL YEAR 2016-17 BUDGET 8020 EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND FUNCTION: DEBT SERVICE							
LONG TERM DEBT INTEREST PAYMENTS							
1 INT. RATE	2 INTEREST PAYMENTS: DESCRIPTION	3 PRIOR YEAR EXPENDED 2014-15	4 ADOPTED BUDGET 2015-16	5 REVISED ESTIMATE 2015-16	6 BUDGET REQUEST 2016-17	7 APPROVED BUDGET 2016-17	
3.74	SCHOOL BONDS - '05	\$ 170,633	\$ 126,634	\$ 126,634	\$ -	\$ -	
3.75	SCHOOL BONDS - '06	-	-	-	-	-	
3.12	SCHOOL BONDS - '09	8,600	8,150	8,150	625	625	
3.45	SCHOOL BONDS - '11	776,540	722,740	722,740	668,940	668,940	
3.00	SCHOOL REFUNDING '11	236,770	212,660	212,660	185,080	185,080	
2.50	SCHOOL REFUNDING (09) '15	-	-	-	-	-	
3.06	SCHOOL REFUNDING '15	-	-	-	75,800	75,800	
588121	TOTAL SCHOOL BONDS	\$ 1,192,543	\$ 1,070,184	\$ 1,070,184	\$ 930,445	\$ 930,445	
3.84	IMPROVEMENT - '04	\$ -	\$ -	\$ -	\$ -	\$ -	
3.93	IMPROVEMENT - '06	-	-	-	-	-	
3.12	IMPROVEMENT - '09	187,454	175,417	175,417	13,250	13,250	
3.45	IMPROVEMENT - '11	262,465	244,265	244,265	226,065	226,065	
3.00	IMPROVEMENT REFUNDING '11	593,430	527,810	527,810	452,910	452,910	
2.25	IMPROVEMENT REFUNDING '15	-	-	-	133,980	133,980	
588122	TOTAL GEN'L IMPROVEMENT	\$ 1,043,349	\$ 947,492	\$ 947,492	\$ 826,205	\$ 826,205	
588123	TOTAL URBAN RENEWAL	\$ -	\$ -	\$ -	\$ -	\$ -	
588124	SEWER-ASSESSABLE PROJ	\$ -	\$ -	\$ -	\$ -	\$ -	
5.05	SEWER REFUNDING - '93	\$ -	\$ -	\$ -	\$ -	\$ -	
3.45	SEWER BONDS - '11	164,127	152,728	152,728	141,328	141,328	
	SEWER REFUNDING - '11	-	-	-	-	-	
588125	SEWER-OPERATING	\$ 164,127	\$ 152,728	\$ 152,728	\$ 141,328	\$ 141,328	
8020	SUBTOTAL LONG TERM DEBT INTEREST	\$ 2,400,019	\$ 2,170,404	\$ 2,170,404	\$ 1,897,978	\$ 1,897,978	
588320	LEASE PURCHASE INT	\$ -	\$ -	\$ -	\$ -	\$ -	
8020	LONG TERM DEBT INTEREST	\$ 2,400,019	\$ 2,170,404	\$ 2,170,404	\$ 1,897,978	\$ 1,897,978	

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

Shown below is a chart summarizing the long-term obligations of the City of Bristol, including the self-supporting water (enterprise fund) debt. Displayed on the chart is the original issue amount of the long-term obligation as well as the present balance and maturity year.

<b>Debt Summary Long-Term Bonded Debt As of July 1, 2016 (Pro-Forma)</b>					
<b>Issue</b>	<b>Purpose</b>	<b>Rate</b>	<b>Original Issue</b>	<b>Balance Outstanding</b>	<b>Fiscal Year Maturity</b>
9/1/1996 Water		5.34	4,260,000	210,000	2017
	(6/15/05 PARTIAL REFUND 9/1/1996-Water)		(2,325,000)	(210,000)	2017
10/15/1998 School		4.34	17,440,000	2,890,000	2019
	(6/15/05 PARTIAL REFUND 10/15/1998-School)		(10,625,000)	(2,890,000)	2019
6/30/2002 Cleanwater Loan 415 D/C		2.00	1,409,533	403,033	2021
6/30/2002 Cleanwater Loan 498 D/C		2.00	1,483,380	424,148	2021
12/31/2003 Cleanwater Loan 504 C		2.00	1,488,101	545,076	2023
8/24/2011 Refunding of 2004 General Improvement Bonds		3.00	15,589,000	11,839,000	2023
11/30/2004 Cleanwater Loan 562 C		2.00	693,527	287,275	2024
6/15/2005 Refunding of 1996 Water Bonds		3.74	2,315,000	0	2019
6/15/2005 Refunding of 1998 School Bonds		3.74	10,635,000	0	2019
5/31/2006 Cleanwater 464 C		2.00	470,225	253,533	2026
8/24/2011 Refunding of 2006 School Bonds		3.00v	6,234,000	4,856,000	2023
8/24/2011 Refunding of 2006 Water Bonds		3.00v	2,112,000	1,640,000	2023
2/15/2009 Schools		2.50	385,000	25,000	2017
2/15/2009 General Improvement		2.23	8,515,000	530,000	2017
6/15/2011 Water		3.45	813,000	633,000	2031
6/15/2011 Schools		3.45	25,550,000	20,170,000	2031
6/15/2011 General Improvement		3.45	8,637,000	6,817,000	2031
6/15/2011 Sewer		3.45	5,400,000	4,260,000	2031
6/15/2011 Water 2014		2.00	501,000	444,590	2033
11/17/2015 Refunding of 2005, 2009 School Bonds		3.06	2,991,000	2,991,000	2025
11/17/2015 Refunding of 2005, 2009 General Improvement Bonds		3.36	4,126,000	4,126,000	2025
11/17/2015 Water Bond 2015 Refunding		3.00	193,000	193,000	2017
<b>Sub-total</b>			<b>\$100,479,766</b>	<b>\$60,437,656</b>	

Below is a chart showing the City of Bristol's bond ratings for bonds issued since 1988.

<b>CITY OF BRISTOL BOND ISSUE RATINGS</b>				
<b>Issue Date</b>	<b>Amount</b>	<b>Moody's Rating</b>	<b>Standard &amp; Poor's Rating</b>	<b>Fitch</b>
November 17, 2015	\$7,310,000		AA+	
June 15, 2011	\$40,400,000	Aa2	AA+	AA+
February 4, 2009	\$8,900,000	Aa3	AA+	AA
December 1, 2006	\$25,000,000	Aa3	AA	AA
June 15, 2005	\$13,055,000	Aa3	AA	AA
October 15, 2004	\$22,965,000	Aa3	AA	AA
September 1, 2000	\$6,440,000	Aa3	AA-	
October 15, 1998	\$17,765,000	A1	AA-	
September 1, 1996	\$4,260,000	A1	AA-	
May 15, 1995	\$2,790,000	A1	AA-	
December 15, 1993	\$6,775,000	A1	AA-	
March 1, 1992	\$23,435,000	A1	AA-	
March 1, 1991	\$9,295,000	A1	AA	
December 15, 1988	\$17,970,000	A1	AA	
February 15, 1988	\$8,765,000	A1	AA	

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

Below is a chart illustrating the City of Bristol's outstanding debt. The chart shows the beginning principal balance, principal payments, interest payments and the ending debt balance as well as the cumulative principal percent of debt retired. All debt types (general improvement, school, sewer and water (Enterprise Fund) and Cleanwater Loans are shown independently on the next few pages with the same information.

<b>All City Long-term Debt (including Water &amp; Cleanwater Loans)</b>						
<b>As of July 1, 2016</b>						
<b>(Pro-Forma)</b>						
<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Cumulative %</b>
<b>June 30</b>	<b>Beginning Balance</b>	<b>Payments</b>	<b>Payments</b>	<b>Payments</b>	<b>Ending Balance</b>	<b>Principal Retired</b>
2016					\$ 60,437,656	34.6
2017	\$ 60,437,656	\$ 6,959,669	\$ 2,028,682	\$ 8,988,351	\$ 53,477,987	42.0
2018	\$ 53,477,987	\$ 6,726,122	\$ 1,793,030	\$ 8,519,152	\$ 46,751,865	49.3
2019	\$ 46,751,865	\$ 6,712,705	\$ 1,577,321	\$ 8,290,026	\$ 40,039,160	56.6
2020	\$ 40,039,160	\$ 5,809,420	\$ 1,354,206	\$ 7,163,626	\$ 34,229,740	62.9
2021	\$ 34,229,740	\$ 5,826,271	\$ 1,130,381	\$ 6,956,652	\$ 28,403,469	69.2
2022	\$ 28,403,469	\$ 5,662,673	\$ 918,320	\$ 6,580,993	\$ 22,740,796	75.3
2023	\$ 22,740,796	\$ 4,291,325	\$ 751,219	\$ 5,042,544	\$ 18,449,471	80.0
2024	\$ 18,449,471	\$ 2,732,748	\$ 635,290	\$ 3,368,038	\$ 15,716,723	83.0
2025	\$ 15,716,723	\$ 2,713,063	\$ 543,657	\$ 3,256,720	\$ 13,003,660	85.9
2026	\$ 13,003,660	\$ 2,168,972	\$ 461,526	\$ 2,630,498	\$ 10,834,688	88.3
2027	\$ 10,834,688	\$ 2,151,176	\$ 383,800	\$ 2,534,976	\$ 8,683,512	90.6
2028	\$ 8,683,512	\$ 2,151,704	\$ 300,927	\$ 2,452,631	\$ 6,531,808	92.9
2029	\$ 6,531,808	\$ 2,152,243	\$ 215,388	\$ 2,367,631	\$ 4,379,565	95.3
2030	\$ 4,379,565	\$ 2,152,794	\$ 129,837	\$ 2,282,631	\$ 2,226,771	97.6
2031	\$ 2,226,771	\$ 2,153,354	\$ 44,277	\$ 2,197,631	\$ 73,417	99.9
2032	\$ 73,417	\$ 28,927	\$ 1,204	\$ 30,131	\$ 44,490	99.95
2033	\$ 44,490	\$ 29,512	\$ 619	\$ 30,131	\$ 14,978	99.98
2034	\$ 14,978	\$ 14,978	\$ 85	\$ 15,063	\$ -	100.0
<b>Totals :</b>		<b>\$ 60,437,656</b>	<b>\$ 12,269,768</b>	<b>\$ 72,707,424</b>		

<b>General Improvement Long-term Debt</b>						
<b>As of July 1, 2016</b>						
<b>(Pro-Forma)</b>						
<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Cumulative %</b>
<b>June 30</b>	<b>Beginning Balance</b>	<b>Payments</b>	<b>Payments</b>	<b>Payments</b>	<b>Ending Balance</b>	<b>Principal Retired</b>
2016					\$ 23,312,000	0.0
2017	\$ 23,312,000	\$ 2,856,000	\$ 826,205	\$ 3,682,205	\$ 20,456,000	12.3
2018	\$ 20,456,000	\$ 2,848,000	\$ 716,625	\$ 3,564,625	\$ 17,608,000	24.5
2019	\$ 17,608,000	\$ 2,848,000	\$ 614,730	\$ 3,462,730	\$ 14,760,000	36.7
2020	\$ 14,760,000	\$ 2,843,000	\$ 508,385	\$ 3,351,385	\$ 11,917,000	48.9
2021	\$ 11,917,000	\$ 2,850,000	\$ 392,625	\$ 3,242,625	\$ 9,067,000	61.1
2022	\$ 9,067,000	\$ 2,853,000	\$ 278,920	\$ 3,131,920	\$ 6,214,000	73.3
2023	\$ 6,214,000	\$ 1,562,000	\$ 201,290	\$ 1,763,290	\$ 4,652,000	80.0
2024	\$ 4,652,000	\$ 964,000	\$ 156,021	\$ 1,120,021	\$ 3,688,000	84.2
2025	\$ 3,688,000	\$ 964,000	\$ 120,866	\$ 1,084,866	\$ 2,724,000	88.3
2026	\$ 2,724,000	\$ 454,000	\$ 97,610	\$ 551,610	\$ 2,270,000	90.3
2027	\$ 2,270,000	\$ 454,000	\$ 81,153	\$ 535,153	\$ 1,816,000	92.2
2028	\$ 1,816,000	\$ 454,000	\$ 63,560	\$ 517,560	\$ 1,362,000	94.2
2029	\$ 1,362,000	\$ 454,000	\$ 45,400	\$ 499,400	\$ 908,000	96.1
2030	\$ 908,000	\$ 454,000	\$ 27,240	\$ 481,240	\$ 454,000	98.1
2031	\$ 454,000	\$ 454,000	\$ 9,080	\$ 463,080	\$ -	100.0
<b>Totals:</b>		<b>\$23,312,000</b>	<b>\$4,139,710</b>	<b>\$27,451,710</b>		

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

The following debt management charts display the City of Bristol's long-term school and sewer debt.

<b>School Long-term Debt As of July 1, 2016 (Pro-Forma)</b>						
<b>Fiscal Year Ended June 30</b>	<b>Principal Beginning Balance</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>	<b>Principal Ending Balance</b>	<b>Cumulative % Principal Retired</b>
2016					\$ 28,042,000	0.0
2017	\$ 28,042,000	\$ 3,023,000	\$ 930,445	\$ 3,953,445	\$ 25,019,000	10.8
2018	\$ 25,019,000	\$ 2,988,000	\$ 833,110	\$ 3,821,110	\$ 22,031,000	21.4
2019	\$ 22,031,000	\$ 2,968,000	\$ 743,565	\$ 3,711,565	\$ 19,063,000	32.0
2020	\$ 19,063,000	\$ 2,063,000	\$ 654,445	\$ 2,717,445	\$ 17,000,000	39.4
2021	\$ 17,000,000	\$ 2,065,000	\$ 575,385	\$ 2,640,385	\$ 14,935,000	46.7
2022	\$ 14,935,000	\$ 2,067,000	\$ 502,965	\$ 2,569,965	\$ 12,868,000	54.1
2023	\$ 12,868,000	\$ 2,063,000	\$ 435,205	\$ 2,498,205	\$ 10,805,000	61.5
2024	\$ 10,805,000	\$ 1,370,000	\$ 380,299	\$ 1,750,299	\$ 9,435,000	66.4
2025	\$ 9,435,000	\$ 1,370,000	\$ 335,587	\$ 1,705,587	\$ 8,065,000	71.2
2026	\$ 8,065,000	\$ 1,345,000	\$ 288,978	\$ 1,633,978	\$ 6,720,000	76.0
2027	\$ 6,720,000	\$ 1,344,000	\$ 240,240	\$ 1,584,240	\$ 5,376,000	80.8
2028	\$ 5,376,000	\$ 1,344,000	\$ 188,160	\$ 1,532,160	\$ 4,032,000	85.6
2029	\$ 4,032,000	\$ 1,344,000	\$ 134,400	\$ 1,478,400	\$ 2,688,000	90.4
2030	\$ 2,688,000	\$ 1,344,000	\$ 80,640	\$ 1,424,640	\$ 1,344,000	95.2
2031	\$ 1,344,000	\$ 1,344,000	\$ 26,880	\$ 1,370,880	\$ -	100.0
<b>Totals:</b>		<b>\$ 28,042,000</b>	<b>\$ 6,350,304</b>	<b>\$ 34,392,304</b>		

<b>Sewer Long-term Debt As of July 1, 2016 (Pro-Forma)</b>						
<b>Fiscal Year Ended June 30</b>	<b>Principal Beginning Balance</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>	<b>Principal Ending Balance</b>	<b>Cumulative % Principal Retired</b>
2016					\$ 4,260,000	21.1
2017	\$ 4,260,000	\$ 285,000	\$ 141,328	\$ 426,328	\$ 3,975,000	26.4
2018	\$ 3,975,000	\$ 283,000	\$ 132,798	\$ 415,798	\$ 3,692,000	31.6
2019	\$ 3,692,000	\$ 283,000	\$ 125,723	\$ 408,723	\$ 3,409,000	36.9
2020	\$ 3,409,000	\$ 283,000	\$ 115,818	\$ 398,818	\$ 3,126,000	42.1
2021	\$ 3,126,000	\$ 283,000	\$ 105,913	\$ 388,913	\$ 2,843,000	47.4
2022	\$ 2,843,000	\$ 283,000	\$ 97,423	\$ 380,423	\$ 2,560,000	52.6
2023	\$ 2,560,000	\$ 283,000	\$ 88,933	\$ 371,933	\$ 2,277,000	57.8
2024	\$ 2,277,000	\$ 284,000	\$ 80,250	\$ 364,250	\$ 1,993,000	63.1
2025	\$ 1,993,000	\$ 284,000	\$ 71,020	\$ 355,020	\$ 1,709,000	68.4
2026	\$ 1,709,000	\$ 284,000	\$ 61,258	\$ 345,258	\$ 1,425,000	73.6
2027	\$ 1,425,000	\$ 285,000	\$ 50,944	\$ 335,944	\$ 1,140,000	78.9
2028	\$ 1,140,000	\$ 285,000	\$ 39,900	\$ 324,900	\$ 855,000	84.2
2029	\$ 855,000	\$ 285,000	\$ 28,500	\$ 313,500	\$ 570,000	89.4
2030	\$ 570,000	\$ 285,000	\$ 17,100	\$ 302,100	\$ 285,000	94.7
2031	\$ 285,000	\$ 285,000	\$ 5,700	\$ 290,700	\$ -	100.0
<b>Totals:</b>		<b>\$ 4,260,000</b>	<b>\$1,162,608</b>	<b>\$ 842,126</b>		

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

<b>Self-Supporting Water Debt As of July 1, 2016 (Pro-Forma)</b>						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2016					\$ 2,910,590	51.0
2017	\$ 2,910,590	\$ 497,434	\$ 95,107	\$ 592,541	\$ 2,413,156	59.3
2018	\$ 2,413,156	\$ 302,867	\$ 80,919	\$ 383,786	\$ 2,110,289	64.4
2019	\$ 2,110,289	\$ 303,309	\$ 69,867	\$ 373,176	\$ 1,806,980	69.5
2020	\$ 1,806,980	\$ 303,759	\$ 58,387	\$ 362,146	\$ 1,503,221	74.7
2021	\$ 1,503,221	\$ 305,218	\$ 45,678	\$ 350,896	\$ 1,198,003	79.8
2022	\$ 1,198,003	\$ 305,687	\$ 33,149	\$ 338,836	\$ 892,316	85.0
2023	\$ 892,316	\$ 271,166	\$ 22,850	\$ 294,016	\$ 621,150	89.5
2024	\$ 621,150	\$ 66,653	\$ 17,317	\$ 83,970	\$ 554,497	90.7
2025	\$ 554,497	\$ 67,150	\$ 15,455	\$ 82,605	\$ 487,347	91.8
2026	\$ 487,347	\$ 67,659	\$ 13,502	\$ 81,161	\$ 419,688	92.9
2027	\$ 419,688	\$ 68,176	\$ 11,463	\$ 79,639	\$ 351,512	94.1
2028	\$ 351,512	\$ 68,704	\$ 9,307	\$ 78,011	\$ 282,808	95.2
2029	\$ 282,808	\$ 69,243	\$ 7,088	\$ 76,331	\$ 213,565	96.4
2030	\$ 213,565	\$ 69,794	\$ 4,857	\$ 74,651	\$ 143,771	97.6
2031	\$ 143,771	\$ 70,354	\$ 2,617	\$ 72,971	\$ 73,417	98.8
2032	\$ 73,417	\$ 28,927	\$ 1,204	\$ 30,131	\$ 44,490	99.3
2033	\$ 44,490	\$ 29,512	\$ 619	\$ 30,131	\$ 14,978	99.7
2034	\$ 14,978	\$ 14,978	\$ 85	\$ 15,063	\$ -	100.0
<b>Totals:</b>		<b>\$ 2,910,590</b>	<b>\$ 489,470</b>	<b>\$ 3,400,060</b>		

<b>Cleanwater (SEWER) Loans As of July 1, 2016 (Pro-Forma)</b>						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2016					\$ 1,913,066	65.5
2017	\$ 1,913,066	\$ 298,235	\$ 35,597	\$ 333,832	\$ 1,614,831	70.9
2018	\$ 1,614,831	\$ 304,255	\$ 29,578	\$ 333,833	\$ 1,310,576	76.4
2019	\$ 1,310,576	\$ 310,396	\$ 23,436	\$ 333,832	\$ 1,000,180	82.0
2020	\$ 1,000,180	\$ 316,661	\$ 17,171	\$ 333,832	\$ 683,519	87.7
2021	\$ 683,519	\$ 323,053	\$ 10,780	\$ 333,833	\$ 360,466	93.5
2022	\$ 360,466	\$ 153,986	\$ 5,863	\$ 159,849	\$ 206,480	96.3
2023	\$ 206,480	\$ 112,159	\$ 2,941	\$ 115,100	\$ 94,321	98.3
2024	\$ 94,321	\$ 48,095	\$ 1,403	\$ 49,498	\$ 46,226	99.2
2025	\$ 46,226	\$ 27,913	\$ 729	\$ 28,642	\$ 18,313	99.7
2026	\$ 18,313	\$ 18,313	\$ 178	\$ 18,491	\$ -	100.0
<b>Totals:</b>		<b>\$ 1,913,066</b>	<b>\$ 127,676</b>	<b>\$ 2,040,742</b>		

**Program Summaries-  
Debt Management**

**Debt Management (continued)**

The chart below shows all the Capital Projects that have been approved by the City of Bristol that have not had long-term obligations issued at this time. It is anticipated that the next long-term bond issuance will be taking place in the 2017-2018 fiscal year.

<b>CITY OF BRISTOL</b>		
<b>BONDING APPROPRIATIONS OUTSTANDING</b>		
<b>BONDING TYPE</b>	<b>PROJECT</b>	<b>7/1/2016 BONDING AMOUNT OUTSTANDING</b>
WATER	Clark, Terryville and Barlow Water Mains	\$ 250,000 (1)
SCHOOL	Bristol Eastern Roof	980,000
GENERAL	PW Garage Architectural	520,000
GENERAL	South Street Widening	80,000
GENERAL	Casey Field Improvements	208,000
GENERAL	Waterbury Road Reconstruction	2,597,314
GENERAL	Fire Department- Engine 4	6,000,000
GENERAL	Mall Demolition/Abatement	613,122
GENERAL	Mall Purchase/Legal (now streetscapes revenue see 02C14)	3,971,500
GENERAL	HJ Mills Parking Lot Construction	880,000
GENERAL	Senior Center Utility Upgrades	2,360,700
GENERAL	Frederick Street Bridge/ Channel Improvements	1,572,000
GENERAL	Stevens Street Bridge- Richard Court Berm	550,000
GENERAL	Willis Street Reconstruction- Phase 2	364,823
GENERAL	Single Stream Recycling Program	800,000
GENERAL	Pequabuck River Stabilization Wall	420,912
GENERAL	Hillside Place Intersection Improvements	540,000
SCHOOL	Roof Replacement- Administration Buildings	297,500
GENERAL	Muzzy Field Improvements	2,825,000
GENERAL	Dorset Horn & Great Pyrenees Way Reconstruction	400,000
GENERAL	Coppermine Brook- Removal of private bridge	380,000
GENERAL	Senior Center Roof Replacement	600,000
GENERAL	Mix Street Fire House Renovations	200,000
GENERAL	Fire Department- Engine 5	400,000
SCHOOL	Northeast Middle School Roof Replacement	1,196,650
GENERAL	Roadway Reclamation- Elizabeth, UCONN	420,428
GENERAL	Divinity Street Culvert Replacement	350,000
SCHOOL	Bristol Central High School Running Track	750,000
GENERAL	Purchase Street Lights	751,845
GENERAL	Fern Hill Road Reclamation (Nelson Farm-Oakridge)	690,000
GENERAL	Birch Sytreet-Roadway Reclamation (Redstone to Pine)	480,000
GENERAL	Munchausen & Bartholomew Street Reconstruction	310,000
GENERAL	Mountain Road Rock Face Stabilization	320,000
WATER	Water Storage Tank Replacement	8,000 (1)
GENERAL	Radio Communication System	10,000,000
SCHOOL	Hubbell School Roof	1,475,815
GENERAL	HVAC at DMAC	400,000
GENERAL	Down Street Bridge	320,000
GENERAL	MBS Restoration	400,000
GENERAL	Synthetic Fields	3,615,000
GENERAL	Curtiss, Zip, Twining Reconstruction	520,000
GENERAL	Railroad Bridge Rehabilitation	220,000
GENERAL	Sharon, Dover, Warren Reconstruction	380,000
GENERAL	Lexington Reconstruction	440,000
GENERAL	Streetlight Upgrade	1,820,000
GENERAL	North Main Street Parking Improvements	200,000
GENERAL	Heating , Hot Water DMAC	200,000
GENERAL	Replace Engine 7	550,000
SCHOOL	Chippens Hill Roof	2,909,560
SCHOOL	BCHS Tennis Courts	350,000
SCHOOL	BEHS Tennis Courts	405,000
GENERAL	Memorial Blvd Restoration Phase I	5,000,000
<b>Total</b>		<b>\$ 62,293,169</b>

(1) Self-supporting Water Debt

<b>BONDING APPROPRIATIONS BY TYPE</b>	
GENERAL IMPROVEMENT	\$ 53,670,644
SCHOOLS	8,364,525
SEWER	0
WATER (SELF-SUPPORTING)	258,000
<b>Total</b>	<b>\$ 62,293,169</b>

