

Capital Improvement and Strategic Planning Committee
Debt Service Projections
FY 2023-2024

The City currently has approximately \$84 million in net authorized unissued debt (net of anticipated grants) which includes the \$9,163,417 in progress for projects noted on the FY2024 Proposed Capital Improvement Program (CIP).

Below summarizes the CIP requests over the next 6 years by department and funding source. Note the proposed bonding totals for future authorization.

<i>Proposed Projects</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>2027-2028</i>	<i>2028-2029</i>	<i>Total</i>
Board of Education	\$ 18,458,800	\$ 62,950,000	\$ 49,951,700	\$ 6,800,000	\$ 3,000,000	\$ 43,416,200	\$ 184,576,700
Public Safety	3,230,000	1,000,000	-	-	-	10,000,000	14,230,000
General Government	436,000	-	-	-	-	-	436,000
Parks & Recreation	5,195,000	3,750,000	2,725,000	1,150,000	400,000	515,000	13,735,000
Public Works	16,435,000	19,940,000	8,995,000	11,380,000	8,700,000	-	65,450,000
Water Pollution Control.....	1,500,000	-	-	-	-	-	1,500,000
Total	\$ 45,254,800	\$ 87,640,000	\$ 61,671,700	\$ 19,330,000	\$ 12,100,000	\$ 53,931,200	\$ 279,927,700
<i>Funding Sources</i>							
General Fund Cash.....	\$ -	\$ -	\$ -	\$ -	-	-	\$ -
State & Federal Aid	21,179,800	48,660,000	33,870,000	14,120,000	7,450,000	27,352,206	152,632,006
WPC CNR Fund.....	1,500,000	-	-	-	-	-	1,500,000
Other Funds.....	450,000	-	-	-	-	-	450,000
Bonds	22,125,000	38,980,000	27,801,700	5,210,000	4,650,000	26,578,994	125,345,694
Total	\$ 45,254,800	\$ 87,640,000	\$ 61,671,700	\$ 19,330,000	\$ 12,100,000	\$ 53,931,200	\$ 279,927,700

The 2024-2028 are proposed projects by Departments, not approved by the CIP Committee, Board of Finance or City Council.

The attached analysis projects City debt issuances over the next few years, including an estimate for the bonds dated 4/1/23. Assumptions are as follows:

	Date of Issue	Amount	Assumed Rate
Financing #1	Bonds 4/1/2023	\$30,000,000	3.5%
Financing #2	BANS 3/1/24	\$20,000,000	3.0%
	BANS 3/1/25	\$35,000,000	3.0%
	Bonds 11/1/25	\$45,000,000	3.5%
Financing #3	BANS 11/1/26	\$15,000,000	3.0%
	BANS 11/1/27	\$20,000,000	3.0%
	Bonds 11/1/28	\$35,000,000	3.5%

Note the following with regard to these projections:

- The total issued **after** Financing #1 is only **\$80 million**. This will essentially fund the majority of what is **currently authorized and unissued**. It **does not include** projections for any future CIP authorizations for FY2024 or later that total \$125 million as outlined above.
- Increases of approximately \$500,000 in debt service have been incorporated in the General Fund budget over the last few fiscal years. This was achieved by phasing in use of bond premium from prior issues to offset interest costs. It is unknown at this time if there will be a premium on the 2023 bonds that may be used to mitigate future short term increases in debt service interest costs.
- General Fund debt service is projected to increase from the current year (FY2023) level of \$11 million to \$13.3 million in FY2025; \$16.2 million in FY2026; and reach a high of \$18.2 million in 2031.

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(continued)

- FY2032 shows a \$2.4 million decrease in debt service due to the maturity of the following issues:
 - 2015 Refunding 10/15/24 final principal payment = \$ 535,000
 - 2017 Refunding 8/1/2030 final principal payment = \$2,120,000
- Assumptions used for budget and mill rate projections are as follows:
 - Estimated FY2024 budget based on requests/changes to date of \$224 million
 - Average 2.5% increase in expenditures (aligned with 2.5% statutory cap)
 - 10/1/22 Revaluation Grand List – Adjustment in FY23 mill rate accordingly
- ***Debt Service as a % of Budget*** gradually increases from 5.1% to a high that occurs in FY2032 of 6.9%. This is still below the 10% level the rating agencies use as a guide.
- The ***mill rate impact*** is the highest in FY2027 at 1.59%.

**CITY OF BRISTOL
LONG TERM FINANCIAL PROJECTIONS**

CURRENT DEBT SERVICE G/F		FINANCING #1: \$30M BONDS dated 3/1/23	FINANCING #2: BANS \$20M 3/1/24; BANS \$35M 3/1/25; BONDS \$45M 11/1/25	FINANCING #3: BANS \$15M 11/1/26; BANS \$20M 11/1/27; \$35M BONDS 11/1/28	TOTALS			BUDGET IMPACT/RATIOS			
FISCAL YEAR					Debt Service Premium	NET G/F BUDGET	NET G/F INCREASE/ (DECREASE)	w/MRSRF Mill Inc/(Dec)	% Mill Inc/-- Dec	General projected increase FY28+	Debt Service as % of budget (7)
										1 mill = 5,354,954	2.50%
										Rate @ REVAL 29.35	
										Projected Budget	
2022	11,722,176				(1,222,176)	10,500,000				209,594,190	5.01%
2023	11,348,325				(348,325)	11,000,000	500,000	0.09	0.25%	215,183,250	5.11%
2024	11,338,000	1,050,000			(600,000)	11,788,000	788,000	0.15	0.50%	223,988,000	5.26%
2025	11,140,432	2,150,000	600,000		(600,432)	13,290,000	1,502,001	0.28	0.96%	230,282,001	5.77%
2026	10,367,666	2,511,500	805,479	-		13,684,645	394,645	0.07	0.25%	234,894,145	5.83%
2027	10,092,140	2,459,000	3,175,000	450,000		16,176,140	2,491,494	0.47	1.59%	242,853,482	6.66%
2028	9,813,894	2,406,500	3,119,000	1,256,250		16,595,644	419,504	0.08	0.27%	248,924,819	6.67%
2029	9,531,878	2,354,000	3,063,000	2,562,500		17,511,378	915,735	0.17	0.58%	255,147,939	6.86%
2030	9,301,003	2,401,500	3,207,000	3,140,625		18,050,128	538,750	0.10	0.34%	261,526,638	6.90%
2031	9,021,758	2,345,500	3,744,000	3,070,313		18,181,570	131,442	0.02	0.08%	268,064,803	6.78%
2032	6,874,353	2,289,500	3,660,000	3,000,000		15,823,853	(2,357,717)	(0.44)	-1.50%	274,766,424	5.76%
2033	6,698,267	2,233,500	3,576,000	2,929,688		15,437,454	(386,399)	(0.07)	-0.25%	281,635,584	5.48%
2034	6,543,272	2,227,500	3,492,000	2,859,375		15,122,147	(315,307)	(0.06)	-0.20%	288,676,474	5.24%
2035	6,379,996	2,169,750	3,408,000	2,789,063		14,746,809	(375,339)	(0.07)	-0.24%	295,893,386	4.98%
2036	4,973,698	2,112,000	3,324,000	2,718,750		13,128,448	(1,618,361)	(0.30)	-1.03%	303,290,720	4.33%
2037	4,841,448	2,054,250	3,240,000	2,648,438		12,784,136	(344,312)	(0.06)	-0.22%	310,872,988	4.11%
2038	4,707,562	1,996,500	3,156,000	2,578,125		12,438,187	(345,949)	(0.06)	-0.22%	318,644,813	3.90%
2039	4,570,669	1,938,750	3,072,000	2,507,813		12,089,231	(348,956)	(0.07)	-0.22%	326,610,933	3.70%
2040	2,869,732	1,881,000	2,988,000	2,437,500		10,176,232	(1,912,999)	(0.36)	-1.22%	334,776,207	3.04%
2041	1,429,063	1,823,250	2,904,000	2,367,188		8,523,501	(1,652,732)	(0.31)	-1.05%	343,145,612	2.48%
2042	1,387,368	1,765,500	2,820,000	2,296,875		8,269,743	(253,758)	(0.05)	-0.16%	351,724,252	2.35%
2043	-	1,707,750	2,736,000	2,226,563		6,670,313	(1,599,431)	(0.30)	-1.02%	360,517,358	1.85%
2044	-	-	2,652,000	2,156,250		4,808,250	(1,862,063)	(0.35)	-1.18%	369,530,292	1.30%
2045	-	-	2,568,000	2,085,938		4,653,938	(154,313)	(0.03)	-0.10%	378,768,550	1.23%
2046	-	-	2,484,000	2,015,625		4,499,625	(154,313)	(0.03)	-0.10%	388,237,763	1.16%
2047	-	-	-	1,945,313		-	-	-	-	-	-
	154,952,696	41,877,250	63,793,479	50,042,188	(2,770,933)	305,949,367	(6,000,375)				