

**GENERAL FUND BONDED DEBT ANALYSIS**

**PAST TWENTY YEARS, PRESENT AND INTO THE FUTURE**

For Discussion Purposes

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## Capital Financing

- A Capital Financing Strategy is essential for any local government to effectively plan for major projects and expenditures.
- Debt Management is one of the key components of a financial strategy.
- Borrowing for capital projects is considered essential financial decision-making.
- Borrowing for capital projects requires effective debt management.
- Effective debt management can minimize interest costs and even stabilize local government financial positions.
- Periodic review of debt and re-financing when conditions are favorable are essential to effective debt management and capital planning

## Long – Term Debt

- As a long-term commitment, debt represents a leverage against the local economic base and the taxable resources that are ultimately responsible for the debt retirement.
- From an annual financial perspective, debt represents a fixed line-item expense that local governments must budget for with adequate supporting revenues or sufficient cash flow.
- Growing communities must manage the capital costs of expanding infrastructure demands, while mature communities must plan for deferred maintenance issues and redevelopment costs. Both require long-term planning for infrastructure costs coupled with affordability studies.

## Common Debt Ratios

- For a local government to analyze its debt capacity, it can look at debt ratios.
- Some commonly used ratios can provide guidance on debt affordability
- Ratios allow towns and cities to compare their situations to statewide averages or similar sized communities.
- Common debt ratios are:
  - Annual debt service on debt as a % of general fund revenues or expenditures.
  - Debt retirement rate.
  - Debt as a % of taxable or market valuation.
  - Debt per capita.
- See page 31 for more detail on debt ratios.

## Capital Improvement Program (CIP)

- Used to manage capital financing needs
- Identifies capital projects to be funded over the next five years
- First year of CIP can serve as Capital Budget
- Serves as a financial planning tool:
  1. Establishes priorities that balance capital needs with available resources
  2. Pairs projects with their intended funding sources
  3. Ensures orderly improvement or replacement of fixed assets
  4. Provides an estimate of the size and timing of future bond sales

**Long-Term Financial Planning**

**Five Year Capital Improvement Plan (CIP)**

- The Capital Improvement Plan (CIP) is a five-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A capital improvement is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeds 0.25% of the town budget for the year in which the request is made (\$280,000 for 2015/16).
- Capital project planning is an ongoing process. Each year the CIP document is updated. The need or idea for capital improvements can originate from the department heads, the First Selectman, the Superintendent of Schools, and boards and commissions. These items are compiled into this document and presented annually to the Board of Finance and Legislative Council. Once approved, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent years budgets.
- Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc., are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:
  - Reduces the need for "crash programs" to finance the construction of Town facilities.
  - Focuses attention on community goals, needs and capabilities.
  - Achieves optimum use of taxpayer dollars.
  - Guides future community growth and development.
  - Advance planning ensures that projects are well thought out in advance of construction.
  - Provides for the orderly replacement of capital expenditures.
  - Encourages a more efficient governmental administration as well as maintains a sound and stable financial program.

## Debt Policy

- A written debt policy establishes guidelines for the use of debt.
- Specifies:
  - Maximum amount of debt that can be issued
  - Purposes for which debt can be issued
  - Types of debt that can be issued
  - Debt maturity structure
    - Determined by:
      - Type of project being financed
      - Financial position of the issuer
      - Statutory constraints
    - A bond issue should not exceed the useful life of the project being financed
- Current Newtown Debt Management policy is attached (see page 50) with recommended changes.



## **LAST TWENTY <sub>(20)</sub> YEARS OF BONDING**

**TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS**

**TOWN OF NEWTOWN - BONDING - LAST TWENTY YEARS - SUMMARY BY DATE**

| <u>Date</u> | <u>Amount</u>      | <u>Fiscal Year</u> | <u>Yield</u>    | <u>Period</u> |  |
|-------------|--------------------|--------------------|-----------------|---------------|--|
| 12/15/1996  | 34,315,000         | 1995/96            | 3.350% - 5.400% | 20yr          |  |
| 6/15/2000   | 4,825,000          | 1999/00            | 4.594% - 5.700% | 20yr          |  |
| 8/1/2001    | 10,000,000         | 2001/02            | 2.500% - 4.720% | 15yr          |  |
| 6/15/2002   | 8,950,000          | 2001/02            | 1.500% - 4.870% | 20yr          |  |
| 12/15/2004  | 12,410,000         | 2003/04            | 2.000% - 4.430% | 20yr          |  |
| 12/15/2005  | 8,340,000          | 2004/05            | 3.280% - 4.180% | 20yr          |  |
| 1/15/2007   | 9,460,000          | 2006/07            | 3.500% - 4.080% | 20yr          |  |
| 11/15/2007  | 10,770,000         | 2007/08            | 3.080% - 4.250% | 20yr          |  |
| 2/1/2009    | 5,385,000          | 2008/09            | 0.600% - 3.000% | 10yr          |  |
| 2/15/2010   | 14,230,000         | 2009/10            | 0.300% - 3.850% | 18yr          |  |
| 2/15/2011   | 14,020,000         | 2010/11            | 0.500% - 4.600% | 20yr          |  |
| 2/15/2012   | 11,800,000         | 2011/12            | 0.250% - 3.100% | 20yr          |  |
| 3/15/2014   | 6,500,000          | 2013/14            | 0.200% - 3.550% | 20yr          |  |
|             | <u>151,005,000</u> |                    |                 |               |  |
|             |                    |                    |                 |               |  |

## TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS

Detail by Year:

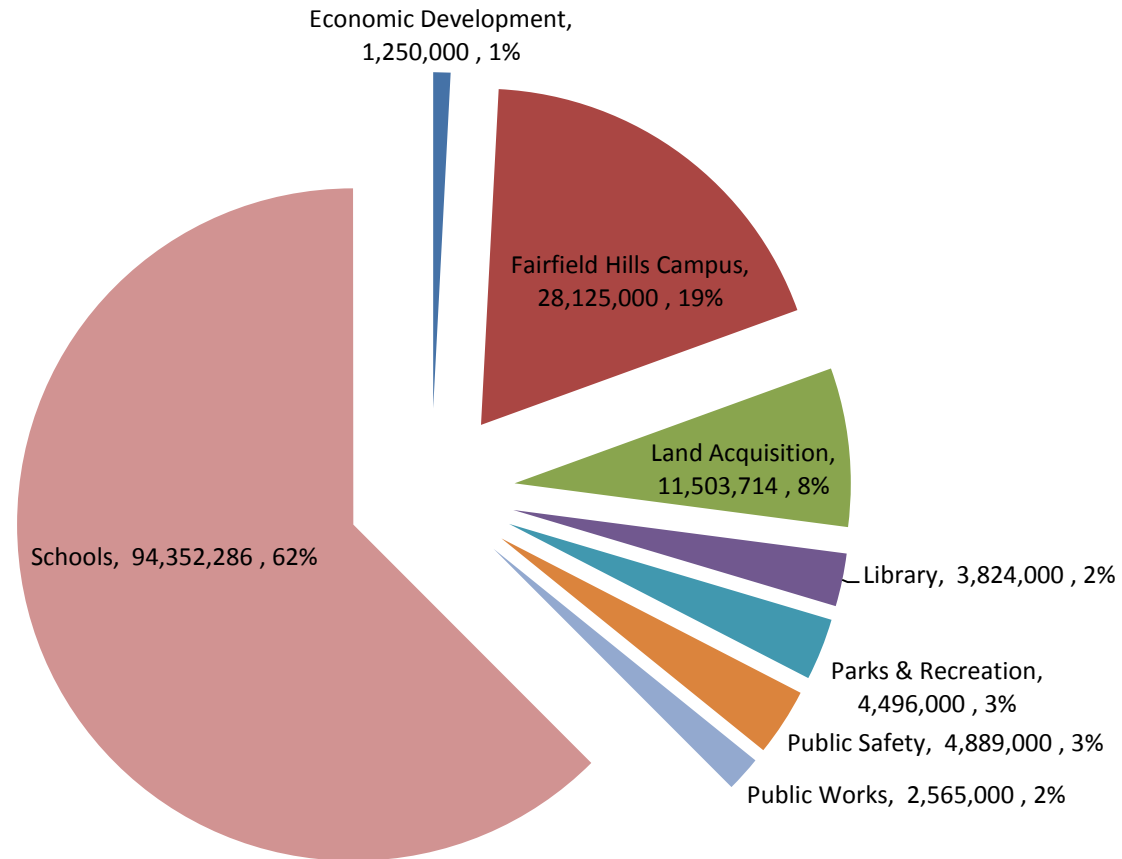
TOWN OF NEWTOWN - BONDING - LAST TWENTY YEARS - BY DATE

| Bond Date  | Function               | Description                                                   | Bond Amount | Total Bond Amt | FY      |
|------------|------------------------|---------------------------------------------------------------|-------------|----------------|---------|
| 12/15/1996 | Library                | Cyrenius H. Booth Library                                     | 3,750,000   |                |         |
| 12/15/1996 | Public Works           | Road Reconstruction                                           | 1,650,000   |                |         |
| 12/15/1996 | Schools                | Newtown High School                                           | 24,732,000  |                |         |
| 12/15/1996 | Schools                | Hawley Elementary School                                      | 4,183,000   | 34,315,000     | 1995/96 |
| 6/15/2000  | Fairfield Hills Campus | Land Acquisition - Queen Street                               | 1,250,000   |                |         |
| 6/15/2000  | Library                | Cyrenius H. Booth Library                                     | 74,000      |                |         |
| 6/15/2000  | Schools                | Newtown High School                                           | 190,000     |                |         |
| 6/15/2000  | Schools                | Head O'Meadow Elementary School                               | 526,000     |                |         |
| 6/15/2000  | Schools                | Read 5/6 School                                               | 1,085,000   |                |         |
| 6/15/2000  | Sewers                 | Sewer System - Hawleyville                                    | 1,700,000   | 4,825,000      | 1999/00 |
| 8/1/2001   | Schools                | Read 5/6 School                                               | 10,000,000  | 10,000,000     | 2001/02 |
| 6/15/2002  | Fairfield Hills Campus | Fairfield Hills Campus                                        | 800,000     |                |         |
| 6/15/2002  | Schools                | Read 5/6 School                                               | 8,000,000   |                |         |
| 6/15/2002  | Schools                | High School Playing Fields                                    | 150,000     | 8,950,000      | 2001/02 |
| 12/15/2004 | Fairfield Hills Campus | Fairfield Hills Campus                                        | 5,030,000   |                |         |
| 12/15/2004 | Public Safety          | Two-Way Communication Network                                 | 1,975,000   |                |         |
| 12/15/2004 | Public Safety          | Fire Pumper Truck                                             | 320,000     |                |         |
| 12/15/2004 | Schools                | Head O'Meadow Elementary School - HVAC                        | 4,395,000   |                |         |
| 12/15/2004 | Schools                | Newtown High School                                           | 400,000     |                |         |
| 12/15/2004 | Schools                | Hawley Elementary School - HVAC                               | 290,000     | 12,410,000     | 2003/04 |
| 12/15/2005 | Fairfield Hills Campus | Fairfield Hills Campus                                        | 3,000,000   |                |         |
| 12/15/2005 | Land Acquisition       | Open Space - Laurel Trail and Marina                          | 2,000,000   |                |         |
| 12/15/2005 | Land Acquisition       | Open Space - Fulton Property                                  | 2,000,000   |                |         |
| 12/15/2005 | Public Safety          | Fire Trucks                                                   | 340,000     |                |         |
| 12/15/2005 | Schools                | Read 5/6 School - Oil Spill Remediation                       | 1,000,000   | 8,340,000      | 2004/05 |
| 1/15/2007  | Fairfield Hills Campus | Fairfield Hills Campus                                        | 7,000,000   |                |         |
| 1/15/2007  | Land Acquisition       | Open Space - Fulton Property                                  | 2,000,000   |                |         |
| 1/15/2007  | Public Safety          | Triple Combination Fire Pumper Truck                          | 460,000     | 9,460,000      | 2006/07 |
| 11/15/2007 | Fairfield Hills Campus | Fairfield Hills Campus                                        | 6,020,000   |                |         |
| 11/15/2007 | Land Acquisition       | Open Space                                                    | 2,000,000   |                |         |
| 11/15/2007 | Schools                | Newtown High School                                           | 2,750,000   | 10,770,000     | 2007/08 |
| 2/1/2009   | Fairfield Hills Campus | Fairfield Hills Campus - New Baseball Field with Field Lights | 290,000     |                |         |
| 2/1/2009   | Land Acquisition       | Open Space                                                    | 2,000,000   |                |         |
| 2/1/2009   | Parks & Recreation     | P & R Maintenance Facility - Roof Replacement & Repairs       | 825,000     |                |         |
| 2/1/2009   | Parks & Recreation     | Tilson Soccer Field - Installation of Artificial Turf System  | 710,000     |                |         |
| 2/1/2009   | Parks & Recreation     | P & R - Demolition of Litchfield Hall / Community Ctr Design  | 1,000,000   |                |         |
| 2/1/2009   | Schools                | Newtown Middle School - Repair to Steam Leaks                 | 560,000     | 5,385,000      | 2008/09 |

## TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS

| Bond date        | Function               | Description                                                  | Bond Amount | Total       | FY      |
|------------------|------------------------|--------------------------------------------------------------|-------------|-------------|---------|
| <b>2/15/2010</b> | Fairfield Hills Campus | Fairfield Hills Campus - Parking Lot Lease Refunding         | 3,400,000   |             |         |
| 2/15/2010        | Land Acquisition       | Open Space                                                   | 1,503,714   |             |         |
| 2/15/2010        | Parks & Recreation     | Tilson Soccer Field - Installation of Artificial Turf System | 10,000      |             |         |
| 2/15/2010        | Parks & Recreation     | Treadwell Pool Renovations                                   | 405,000     |             |         |
| 2/15/2010        | Parks & Recreation     | P & R - Maintenance Facility Renovations                     | 350,000     |             |         |
| 2/15/2010        | Parks & Recreation     | Dickinson Park Infrastructure Renovations                    | 620,000     |             |         |
| 2/15/2010        | Public Safety          | Pumper Truck - Dodgingtown                                   | 550,000     |             |         |
| 2/15/2010        | Public Safety          | Police Radio Enhancements                                    | 494,000     |             |         |
| 2/15/2010        | Schools                | Newtown High School                                          | 6,000,000   |             |         |
| 2/15/2010        | Schools                | Modular Classrooms                                           | 897,286     | 14,230,000  | 2009/10 |
| <b>2/15/2011</b> | Economic Development   | Sandy Hook Streetscape                                       | 200,000     |             |         |
| 2/15/2011        | Parks & Recreation     | P & R - Maintenance Facility Renovations                     | 350,000     |             |         |
| 2/15/2011        | Parks & Recreation     | P & R - Demolition of Litchfield Hall / Community Ctr Design | 425,000     |             |         |
| 2/15/2011        | Public Safety          | Animal Shelter                                               | 750,000     |             |         |
| 2/15/2011        | Public Works           | Bridge Replacement - Old Mill Dam                            | 270,000     |             |         |
| 2/15/2011        | Schools                | Newtown High School                                          | 10,000,000  |             |         |
| 2/15/2011        | Schools                | Newtown Middle School - Roof                                 | 1,505,000   |             |         |
| 2/15/2011        | Schools                | Read 5/6 School                                              | 70,000      |             |         |
| 2/15/2011        | Economic Development   | Sandy Hook Water Main Extension                              | 450,000     | 14,020,000  | 2010/11 |
| <b>2/15/2012</b> | Economic Development   | Sandy Hook Streetscape                                       | 200,000     |             |         |
| 2/15/2012        | Public Works           | Bridge Replacement - Boggs Hill Road Culvert                 | 215,000     |             |         |
| 2/15/2012        | Schools                | Newtown High School                                          | 10,000,000  |             |         |
| 2/15/2012        | Schools                | Newtown Middle School - Roof                                 | 1,200,000   |             |         |
| 2/15/2012        | Schools                | Hawley Elementary School - Boiler / HVAC                     | 185,000     | 11,800,000  | 2011/12 |
| <b>3/15/2014</b> | Economic Development   | Sandy Hook Streetscape                                       | 400,000     |             |         |
| 3/15/2014        | Fairfield Hills Campus | Fairfield Hills Campus - Danbury Hall Demolition             | 200,000     |             |         |
| 3/15/2014        | Parks & Recreation     | P & R - Dickinson Playground                                 | 438,000     |             |         |
| 3/15/2014        | Parks & Recreation     | P & R - Treadwell Park Renovations                           | 498,000     |             |         |
| 3/15/2014        | Public Works           | Bridge Replacement Program                                   | 430,000     |             |         |
| 3/15/2014        | Schools                | Newtown High School                                          | 500,000     |             |         |
| 3/15/2014        | Schools                | Hawley Elementary School - Boiler / HVAC                     | 1,500,000   |             |         |
| 3/15/2014        | Schools                | Newtown Middle School - Roof                                 | 46,000      |             |         |
| 3/15/2014        | Sewers                 | Sewer Extension - Hawleyville                                | 2,488,000   | 6,500,000   | 2013/14 |
| GRAND TOTAL      |                        |                                                              | 151,005,000 | 151,005,000 |         |

## BONDED PROJECTS PAST 20 YRS



## TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS

### - SUMMARY BY FUNCTION -

| TOWN OF NEWTOWN - BONDED PROJECT CATEGORIES - PAST TWENTY YEARS                                                |                                                                                                           |                    |      |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------|------|
| <u>Function</u>                                                                                                | <u>Description</u>                                                                                        | <u>Bond Amount</u> |      |
| Economic Development                                                                                           | Sandy Hook Streetscape & Water Main Extension                                                             | 1,250,000          | (a.) |
| Fairfield Hills Campus                                                                                         | Fairfield Hills Campus - Land purchase; bldg renovation; bldg demolition; infrastructure improvements     | 28,125,000         |      |
| Land Acquisition                                                                                               | Open Space Purchase / Recreational Space Purchase                                                         | 11,503,714         |      |
| Library                                                                                                        | Cyrenius H. Booth Library - Addition                                                                      | 3,824,000          |      |
| Parks & Recreation                                                                                             | Dickinson & Treadwell Park Infrastructure Renovations & Dickinson Playground & Treadwell Pool Renovations | 1,961,000          |      |
| Parks & Recreation                                                                                             | Community Ctr Design                                                                                      | 290,000            | (b.) |
| Parks & Recreation                                                                                             | Maintenance Facility Renovations; Roof Replacement & Repairs                                              | 1,525,000          |      |
| Parks & Recreation                                                                                             | Tilson Soccer Field - Installation of Artificial Turf System                                              | 720,000            |      |
| Public Safety                                                                                                  | New Animal Shelter Building                                                                               | 750,000            |      |
| Public Safety                                                                                                  | New Fire Apparatus & Fire Apparatus Refurbishment                                                         | 1,670,000          |      |
| Public Safety                                                                                                  | Two-Way Communication Network & Police Radio Enhancements                                                 | 2,469,000          |      |
| Public Works                                                                                                   | Bridge Replacement                                                                                        | 915,000            |      |
| Public Works                                                                                                   | Road Reconstruction                                                                                       | 1,650,000          |      |
| Schools                                                                                                        | Hawley Elementary School - Additions and code compliance; Boiler / HVAC                                   | 6,158,000          |      |
| Schools                                                                                                        | Head O'Meadow Elementary School - HVAC system renovations; Renovations & improvements                     | 4,921,000          |      |
| Schools                                                                                                        | High School Playing Fields - Field expansion & improvements                                               | 150,000            |      |
| Schools                                                                                                        | Modular Classrooms                                                                                        | 897,286            |      |
| Schools                                                                                                        | Newtown High School - Additions, renovations & code compliance                                            | 24,922,000         |      |
| Schools                                                                                                        | Newtown High School - Renovations and addition                                                            | 29,650,000         |      |
| Schools                                                                                                        | Newtown Middle School - Repair to Steam Leaks                                                             | 560,000            |      |
| Schools                                                                                                        | Newtown Middle School - Roof                                                                              | 2,751,000          |      |
| Schools                                                                                                        | Read 5/6 School                                                                                           | 19,155,000         |      |
| Schools                                                                                                        | Read 5/6 School - Oil Spill Remediation                                                                   | 1,000,000          |      |
| Sewers                                                                                                         | Sewer System - Hawleyville; Sewer Extension - Hawleyville                                                 | 4,188,000          |      |
|                                                                                                                | GRAND TOTAL                                                                                               | 151,005,000        |      |
| (a.) Includes \$800,000 bonding for S.H. Streetscape. \$200,000 more will be bonded in February 2016.          |                                                                                                           |                    |      |
| (b.) Bonding for Demolition & Remediation of Litchfield for \$1,135,000 is in Fairfield Hills Campus function. |                                                                                                           |                    |      |

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

## - DETAIL BY FUNCTION -

| TOWN OF NEWTOWN - BONDING - LAST TWENTY YEARS - BY FUNCTION |                               |                                                               |             |
|-------------------------------------------------------------|-------------------------------|---------------------------------------------------------------|-------------|
| Bond Date                                                   | Function                      | Description                                                   | Bond Amount |
| 2/15/2011                                                   | <b>Economic Development</b>   | Sandy Hook Streetscape                                        | 200,000     |
| 2/15/2011                                                   | Economic Development          | Sandy Hook Water Main Extension                               | 450,000     |
| 2/15/2012                                                   | Economic Development          | Sandy Hook Streetscape                                        | 200,000     |
| 3/15/2014                                                   | Economic Development          | Sandy Hook Streetscape                                        | 400,000     |
| 6/15/2000                                                   | <b>Fairfield Hills Campus</b> | Land Acquisition (with houses) - Queen Street                 | 1,250,000   |
| 6/15/2002                                                   | Fairfield Hills Campus        | Fairfield Hills Campus                                        | 800,000     |
| 12/15/2004                                                  | Fairfield Hills Campus        | Fairfield Hills Campus                                        | 5,030,000   |
| 12/15/2005                                                  | Fairfield Hills Campus        | Fairfield Hills Campus                                        | 3,000,000   |
| 1/15/2007                                                   | Fairfield Hills Campus        | Fairfield Hills Campus                                        | 7,000,000   |
| 11/15/2007                                                  | Fairfield Hills Campus        | Fairfield Hills Campus                                        | 6,020,000   |
| 3/15/2014                                                   | Fairfield Hills Campus        | Fairfield Hills Campus - Danbury Hall Demolition              | 200,000     |
| 2/1/2009                                                    | Fairfield Hills Campus        | Fairfield Hills Campus - New Baseball Field with Field Lights | 290,000     |
| 2/15/2010                                                   | Fairfield Hills Campus        | Fairfield Hills Campus - Parking Lot Lease Refunding          | 3,400,000   |
| 11/15/2007                                                  | <b>Land Acquisition</b>       | Open Space                                                    | 2,000,000   |
| 2/1/2009                                                    | Land Acquisition              | Open Space                                                    | 2,000,000   |
| 2/15/2010                                                   | Land Acquisition              | Open Space                                                    | 1,503,714   |
| 12/15/2005                                                  | Land Acquisition              | Open Space - Fulton Property                                  | 2,000,000   |
| 1/15/2007                                                   | Land Acquisition              | Open Space - Fulton Property                                  | 2,000,000   |
| 12/15/2005                                                  | Land Acquisition              | Open Space - Laurel Trail and Marina (Eichler's Cove)         | 2,000,000   |
| 12/15/1996                                                  | <b>Library</b>                | Cyrenius H. Booth Library - Addition                          | 3,750,000   |
| 6/15/2000                                                   | Library                       | Cyrenius H. Booth Library - Addition                          | 74,000      |
| 2/15/2010                                                   | <b>Parks &amp; Recreation</b> | Dickinson Park Infrastructure Renovations                     | 620,000     |
| 2/1/2009                                                    | Parks & Recreation            | P & R - Demolition of Litchfield Hall / Community Ctr Design  | 1,000,000   |
| 2/15/2011                                                   | Parks & Recreation            | P & R - Demolition of Litchfield Hall / Community Ctr Design  | 425,000     |
| 3/15/2014                                                   | Parks & Recreation            | P & R - Dickinson Playground                                  | 438,000     |
| 2/15/2010                                                   | Parks & Recreation            | P & R - Maintenance Facility Renovations                      | 350,000     |
| 2/15/2011                                                   | Parks & Recreation            | P & R - Maintenance Facility Renovations                      | 350,000     |
| 3/15/2014                                                   | Parks & Recreation            | P & R - Treadwell Park Renovations                            | 498,000     |
| 2/1/2009                                                    | Parks & Recreation            | P & R Maintenance Facility - Roof Replacement & Repairs       | 825,000     |
| 2/1/2009                                                    | Parks & Recreation            | Tilson Soccer Field - Installation of Artificial Turf System  | 710,000     |
| 2/15/2010                                                   | Parks & Recreation            | Tilson Soccer Field - Installation of Artificial Turf System  | 10,000      |
| 2/15/2010                                                   | Parks & Recreation            | Treadwell Pool Renovations                                    | 405,000     |

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

| TOWN OF NEWTOWN - BONDING - LAST TWENTY YEARS - BY FUNCTION ----Continued---- |                      |                                                                                        |             |
|-------------------------------------------------------------------------------|----------------------|----------------------------------------------------------------------------------------|-------------|
| Bond Date                                                                     | Function             | Description                                                                            | Bond Amount |
| 2/15/2011                                                                     | <b>Public Safety</b> | New Animal Shelter                                                                     | 750,000     |
| 12/15/2004                                                                    | Public Safety        | New Fire Pumper Truck                                                                  | 320,000     |
| 12/15/2005                                                                    | Public Safety        | Fire Trucks: Engine 11 (H & L) & Tanker 9 (S.H.) Refurbishment (Adds 10 years to life) | 340,000     |
| 2/15/2010                                                                     | Public Safety        | Police Radio Enhancements                                                              | 494,000     |
| 2/15/2010                                                                     | Public Safety        | Pumper Truck - Dodgingtown                                                             | 550,000     |
| 1/15/2007                                                                     | Public Safety        | New Triple Combination Fire Pumper Truck                                               | 460,000     |
| 12/15/2004                                                                    | Public Safety        | Two-Way Communication Network (providing portable radio coverage for Town)             | 1,975,000   |
| 2/15/2012                                                                     | <b>Public Works</b>  | Bridge Replacement - Boggs Hill Road Culvert                                           | 215,000     |
| 2/15/2011                                                                     | Public Works         | Bridge Replacement - Old Mill Dam                                                      | 270,000     |
| 3/15/2014                                                                     | Public Works         | Bridge Replacement Program                                                             | 430,000     |
| 12/15/1996                                                                    | Public Works         | Road Reconstruction                                                                    | 1,650,000   |
| 12/15/1996                                                                    | <b>Schools</b>       | Hawley Elementary School - Additions and code compliance                               | 4,183,000   |
| 2/15/2012                                                                     | Schools              | Hawley Elementary School - Boiler / HVAC                                               | 185,000     |
| 3/15/2014                                                                     | Schools              | Hawley Elementary School - Boiler / HVAC                                               | 1,500,000   |
| 12/15/2004                                                                    | Schools              | Hawley Elementary School - HVAC                                                        | 290,000     |
| 6/15/2000                                                                     | Schools              | Head O'Meadow Elementary School - Renovations & improvements                           | 526,000     |
| 12/15/2004                                                                    | Schools              | Head O'Meadow Elementary School - HVAC system renovations                              | 4,395,000   |
| 6/15/2002                                                                     | Schools              | High School Playing Fields - Field expansion & improvements                            | 150,000     |
| 2/15/2010                                                                     | Schools              | Modular Classrooms                                                                     | 897,286     |
| 12/15/1996                                                                    | Schools              | Newtown High School - Additions, renovations & code compliance                         | 24,732,000  |
| 6/15/2000                                                                     | Schools              | Newtown High School - Additions, renovations & code compliance                         | 190,000     |
| 12/15/2004                                                                    | Schools              | Newtown High School - Renovations and addition                                         | 400,000     |
| 11/15/2007                                                                    | Schools              | Newtown High School - Renovations and addition                                         | 2,750,000   |
| 2/15/2010                                                                     | Schools              | Newtown High School - Renovations and addition                                         | 6,000,000   |
| 2/15/2011                                                                     | Schools              | Newtown High School - Renovations and addition                                         | 10,000,000  |
| 2/15/2012                                                                     | Schools              | Newtown High School - Renovations and addition                                         | 10,000,000  |
| 3/15/2014                                                                     | Schools              | Newtown High School - Renovations and addition                                         | 500,000     |
| 2/1/2009                                                                      | Schools              | Newtown Middle School - Repair to Steam Leaks                                          | 560,000     |
| 2/15/2011                                                                     | Schools              | Newtown Middle School - Roof                                                           | 1,505,000   |
| 2/15/2012                                                                     | Schools              | Newtown Middle School - Roof                                                           | 1,200,000   |
| 3/15/2014                                                                     | Schools              | Newtown Middle School - Roof                                                           | 46,000      |
| 6/15/2000                                                                     | Schools              | Read 5/6 School                                                                        | 1,085,000   |
| 8/1/2001                                                                      | Schools              | Read 5/6 School                                                                        | 10,000,000  |
| 6/15/2002                                                                     | Schools              | Read 5/6 School                                                                        | 8,000,000   |
| 2/15/2011                                                                     | Schools              | Read 5/6 School                                                                        | 70,000      |
| 12/15/2005                                                                    | Schools              | Read 5/6 School - Oil Spill Remediation                                                | 1,000,000   |
| 3/15/2014                                                                     | <b>Sewers</b>        | Sewer Extension - Hawleyville                                                          | 2,488,000   |
| 6/15/2000                                                                     | Sewers               | Sewer System - Hawleyville                                                             | 1,700,000   |
|                                                                               |                      | GRAND TOTAL                                                                            | 151,005,000 |



**Public Works Projects:**

Bridge Replacement – Boggs Hill Road Culvert

Bonding: 2/15/2012 for \$215,000



Bridge Replacement – Old Mill Dam

Bonding: 2/15/2011 for \$270,000





**Public Works Projects:**

Bridge Replacement – Poverty Hollow

Bonding: 3/15/2014 for \$430,000



Road Reconstruction

Bonding: 12/15/1996 for \$1,650,000



\*\* Not actual project

**Public Safety Projects:**

Two-Way Communication Network

Bonding: 12/15/2004 for \$1,975,000





**Land Acquisition Projects:**

Eichler's Cove

Bonding: 12/15/2005 for \$2,000,000



**Park & Recreation Projects:**

Treadwell Pool Renovations

Bonding: 2/15/2010 for \$405,000



Tilson Soccer Field – Artificial Turf System

Bonding: 2/01/2009 for \$720,000



**Parks & Recreation Projects:**

Parks & Recreation Maintenance Facility

Bonding: 2/01/2009 for \$825,000; 2/15/2010 for \$350,000; 2/15/2011 for \$350,000





**Park & Recreation Projects:**

Dickinson Playground

Bonding: 3/15/2014 for \$438,000





**Education Projects:**

Middle School Roof

Bonding: 2/15/2011 \$1,505,000; 2/15/2012 \$1,200,000





**Education Projects:**

High School Addition

Bonding: 11/15/2007 \$2,750,000; 2/15/2010 \$6,000,000; 2/15/2011 \$10,000,000; 2/15/2012 \$10,000,000  
3/15/2014 \$500,000



**Education Projects:**

Hawley Elementary School – Boiler

Bonding: 2/15/2012 - \$185,000; 3/15/2014 - \$1,500,000



**Fairfield Hills Campus Projects:**

Land Acquisition/Remediation/Town Hall/Playing Fields

Bonding: 2002 thru 2007 for \$21,850,000



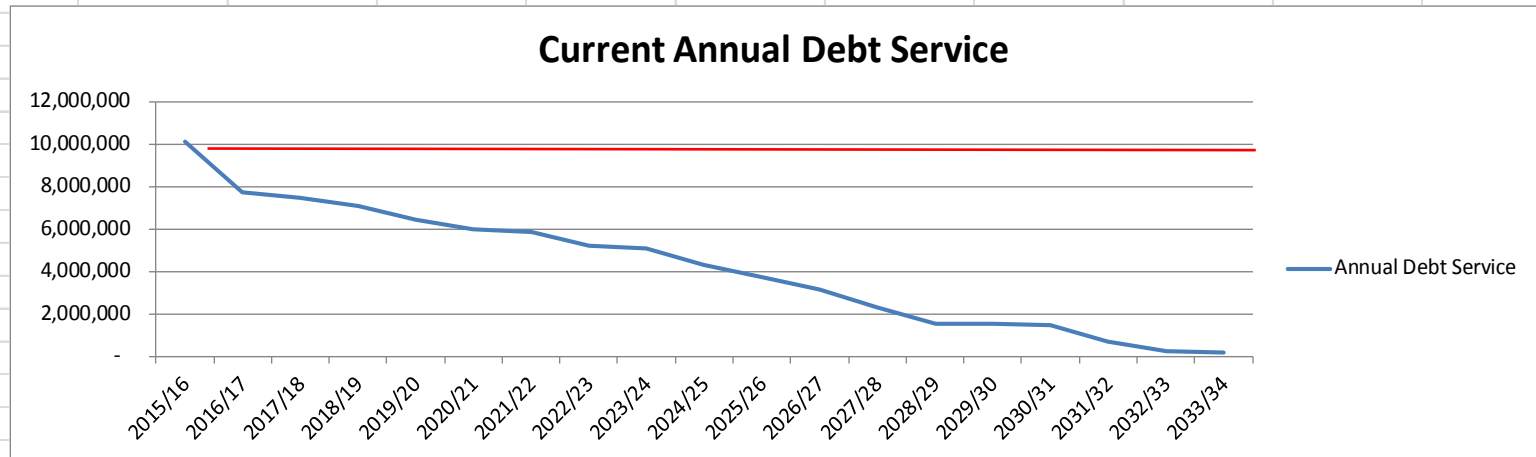
## **GENERAL FUND DEBT ANALYSIS – WHERE ARE WE TODAY?**

## TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

### TOWN OF NEWTOWN - CURRENT DEBT SERVICE SCHEDULE (06/30/2015):

|           | <u>2015/16</u> | <u>2016/17</u> | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> | <u>2024/25</u> |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Principal | 7,846,937      | 5,691,538      | 5,630,694      | 5,426,492      | 5,004,607      | 4,705,140      | 4,785,991      | 4,351,861      | 4,346,135      | 3,721,373      |
| Interest  | 2,259,422      | 2,042,051      | 1,848,602      | 1,646,055      | 1,430,610      | 1,246,740      | 1,064,479      | 882,662        | 710,156        | 560,687        |
| Total     | 10,106,359     | 7,733,589      | 7,479,296      | 7,072,547      | 6,435,217      | 5,951,880      | 5,850,470      | 5,234,523      | 5,056,291      | 4,282,060      |

|           | <u>2025/26</u> | <u>2026/27</u> | <u>2027/28</u> | <u>2028/29</u> | <u>2029/30</u> | <u>2030/31</u> | <u>2031/32</u> | <u>2032/33</u> | <u>2033/34</u> | <u>Grand Total</u> |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Principal | 3,301,278      | 2,825,000      | 2,080,000      | 1,390,000      | 1,390,000      | 1,385,000      | 675,000        | 200,000        | 200,000        | 64,957,046         |
| Interest  | 434,983        | 314,593        | 225,685        | 170,874        | 118,451        | 69,699         | 34,750         | 14,000         | 7,000          | 15,081,499         |
| Total     | 3,736,261      | 3,139,593      | 2,305,685      | 1,560,874      | 1,508,451      | 1,454,699      | 709,750        | 214,000        | 207,000        | 80,038,545         |

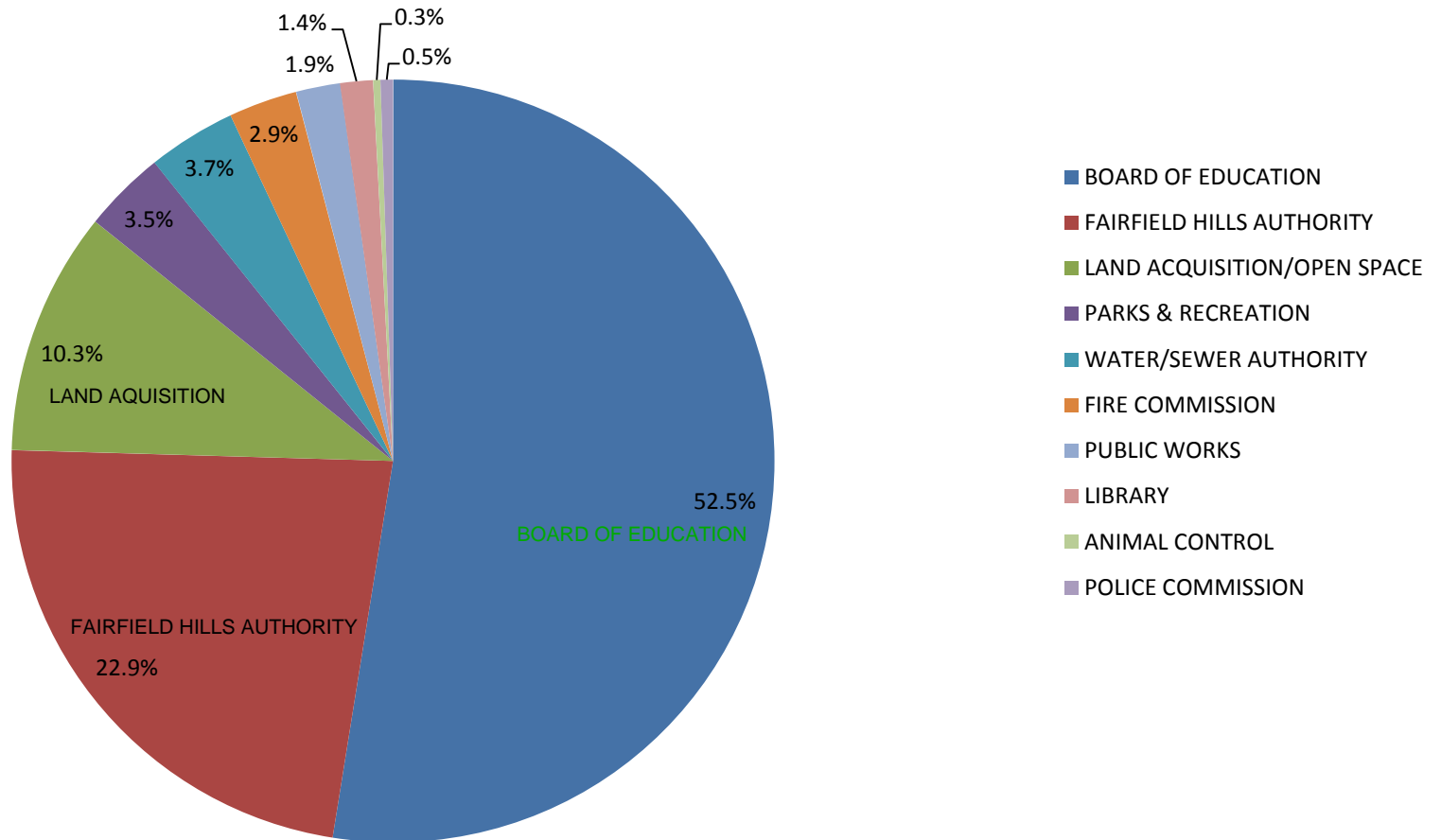


Note: Area between the red and blue lines represents the capacity for capital investment in Newtown.

**TOWN OF NEWTOWN  
GENERAL FUND ANNUAL DEBT SERVICE BY DEPARTMENT  
FISCAL YEAR 2015-2016**

| <u>DEPARTMENT</u>           | <u>PRINCIPAL &amp; INTEREST</u> |       |
|-----------------------------|---------------------------------|-------|
| BOARD OF EDUCATION          | 5,308,269                       | 52.5% |
| FAIRFIELD HILLS AUTHORITY   | 2,317,981                       | 22.9% |
| LAND ACQUISITION/OPEN SPACE | 1,042,906                       | 10.3% |
| PARKS & RECREATION          | 351,843                         | 3.5%  |
| WATER/SEWER AUTHORITY       | 378,839                         | 3.7%  |
| FIRE COMMISSION             | 292,835                         | 2.9%  |
| PUBLIC WORKS                | 189,963                         | 1.9%  |
| LIBRARY                     | 139,589                         | 1.4%  |
| ANIMAL CONTROL              | 30,935                          | 0.3%  |
| POLICE COMMISSION           | 53,206                          | 0.5%  |
|                             | <u>10,106,365</u>               |       |

## FISCAL YEAR 2015-2016 DEBT SERVICE



## **DEBT RATIOS AND DATA ANALYSIS**



**Debt Ratios (Fiscal Indicators):**

**1. General Fund Annual Debt Service as a Percent of Total Annual Budget**

Indicates the extent of Newtown's fixed costs for paying principal and interest on its local tax supported debt. Increasing debt service as a percentage of total budget reduces Newtown's expenditure flexibility and may suggest excessive debt and/or fiscal strain.

Debt service above 10% of total budget constitutes a level at which budgetary competition is a significant consideration. Current Newtown debt management policy states a percentage of no more than 10%. An informal policy or goal of 9% has existed for the last few years. A longer term goal of 8% has been discussed.

**2. General Fund Total Bonded Debt Rate of Retirement**

Prudent use of debt dictates that the debt's term matches the useful economic life of the financed capital items. A faster maturity schedule may be desired to avoid increased interest costs, however, it can place undue strain on the operating budget.

A schedule that retires 25% of principal in 5 years and 50% in 10 years is an adequate rate of amortization. Tax-backed debt retirement that falls below 40% in 10 years is considered a weak fiscal practice.

**Debt Ratios (Fiscal Indicators) continued:**

**3. Ratio of General Fund Total Bonded Debt to Taxable Net Grand List**

Indicates Newtown's ability to repay its long term (bonded) debt. Increasing bonded long term debt as a percentage of assessed valuation (taxable net grand list) is undesirable, as it suggests that debt is exceeding the government's ability to pay. Sustained growth in debt (well beyond tax base growth) may ultimately overburden a tax base and reduce economic viability by straining budget and tax resources and reducing flexibility.

A government near its debt limit has less flexibility to meet future capital needs. Debt reduction, on the other hand, generates tax and economic capacity to the extent that infrastructure necessary for economic growth isn't underfunded. A low debt profile may indicate underinvestment in capital facilities. Neglecting critical capital needs may impede economic growth and endanger future tax revenue generation.

S & P considers a debt to taxable net grant list (market value) of  $\leq 3\%$  to represent a low debt burden;  $3 - 6\%$  a moderate debt burden; and  $\geq 6\%$  a high debt burden.

**Debt Ratios (Fiscal Indicators) continued:**

**4. Total General Fund Bonded Debt Per Capita**

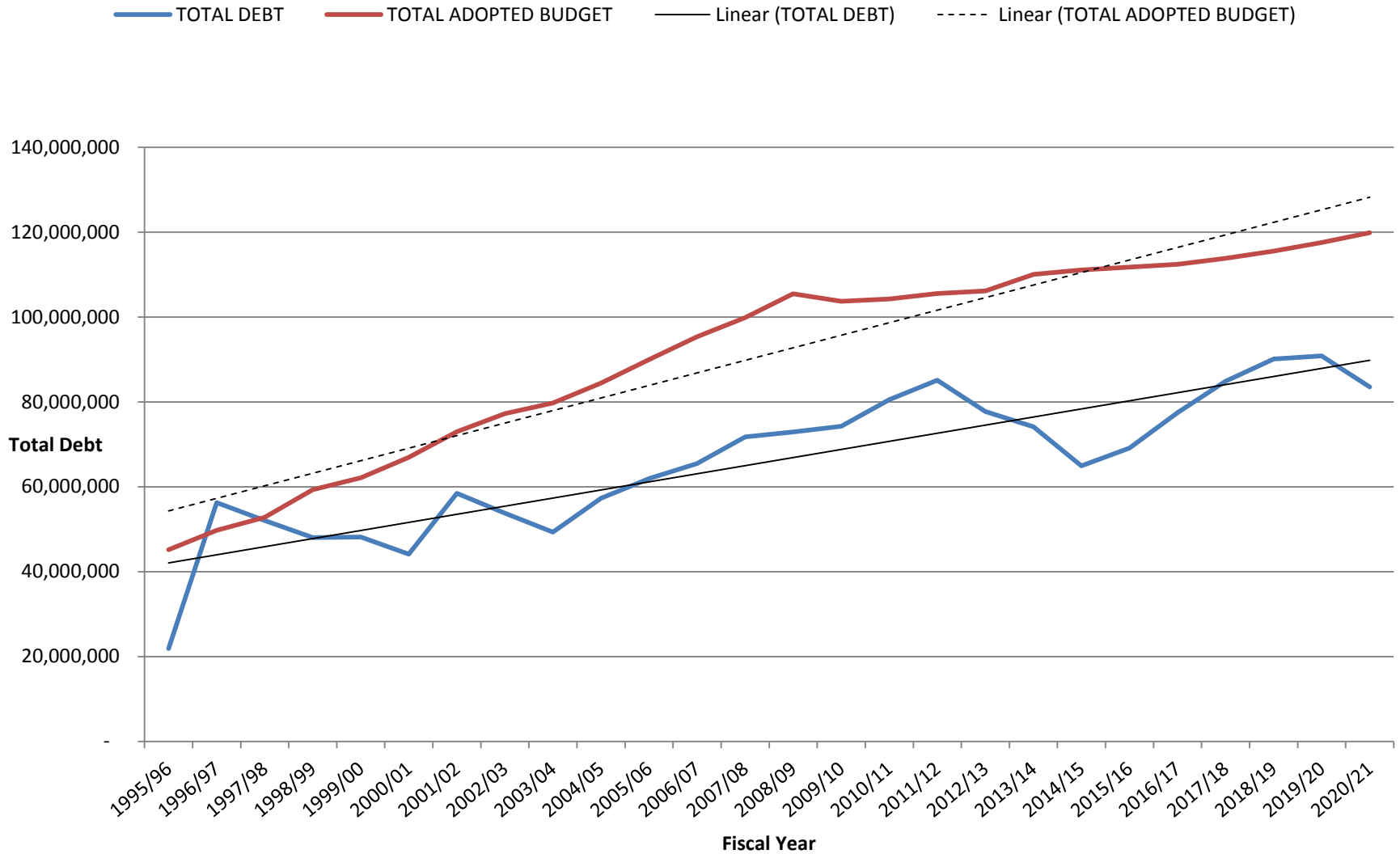
A low ratio suggests Newtown has the ability to repay its long-term debt. If long-term debt is increasing as population stabilizes or declines, debt levels may be reaching or exceeding the government's ability to pay (assuming that the ability to generate revenue and repay debt is directly related to population size).

A high ratio is not inherently bad, however, and must be considered in the local context.

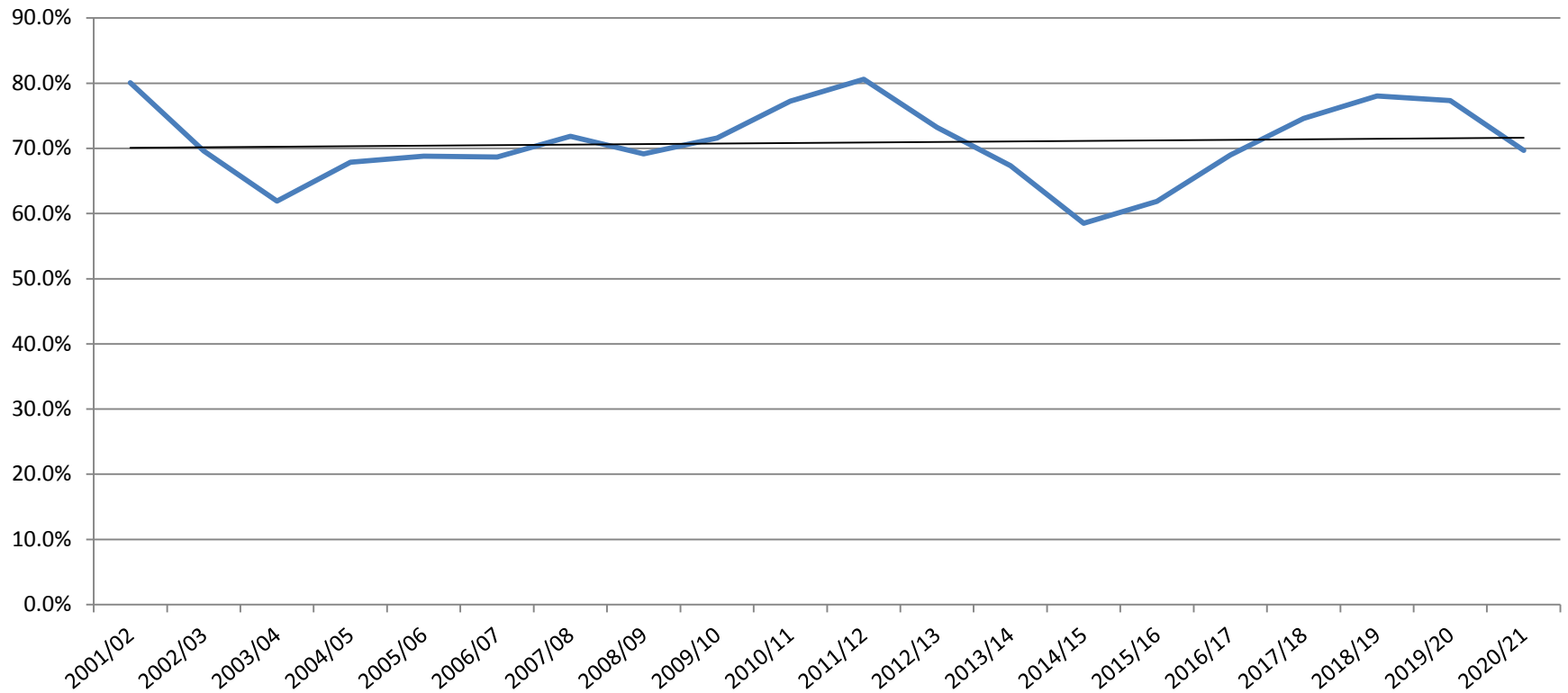
S & P indicates that overall debt per capita greater than \$2,500 is high. The average debt per capita in Connecticut in FYE 2013 was \$2,276. Newtown's was \$2,769 (ranking 34<sup>th</sup> highest). This corresponds to Newtown's 21<sup>st</sup> highest ranking in median household income.

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

## TOTAL BONDED DEBT TO TOTAL BUDGET

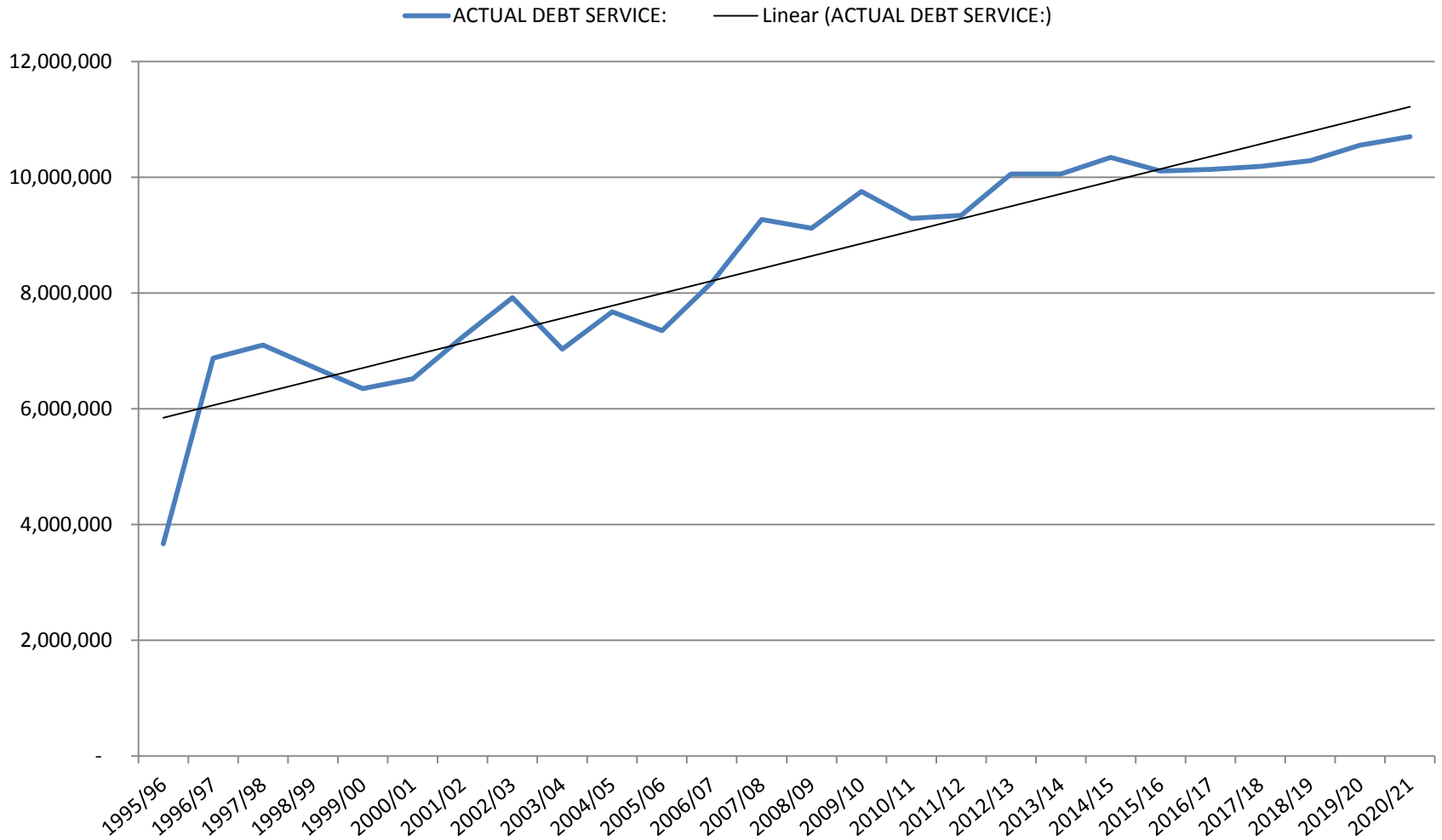


**TOTAL DEBT AS A PERCENT OF BUDGET**



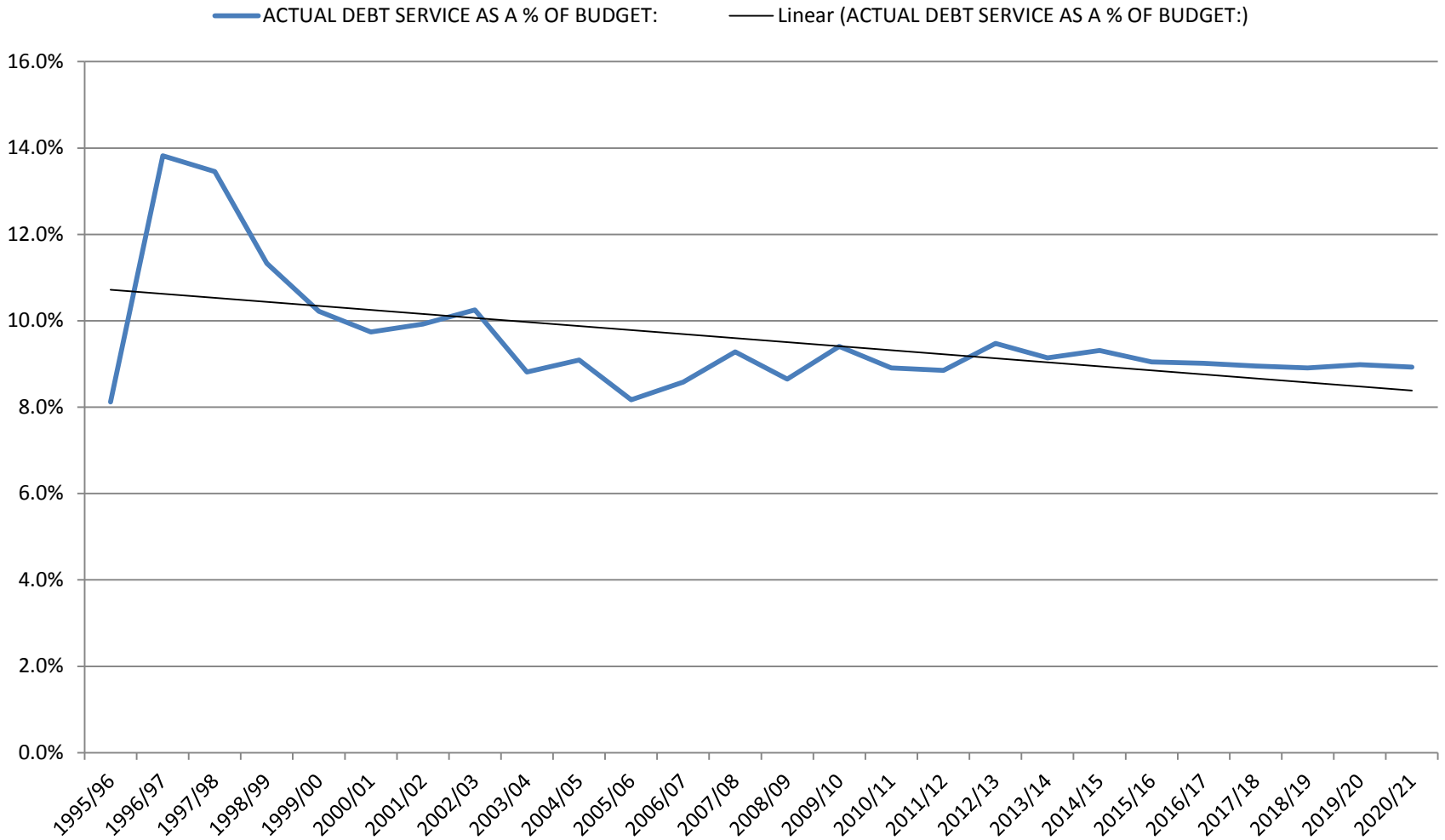
\*\* RELATIVELY FLAT OVER TWENTY YEARS

## ACTUAL DEBT SERVICE:



\*\* EVEN THOUGH THIS IS INCREASING; THE NEXT SLIDE SHOWS IT IS DECREASING AS A PERCENT OF BUDGET

## ACTUAL DEBT SERVICE AS A % OF BUDGET:



# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

## TOWN OF NEWTOWN - CURRENT DEBT RETIREMENT SCHEDULE (06/30/2015):

|           | <u>2015/16</u> | <u>2016/17</u> | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>2023/24</u> | <u>2024/25</u> |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Principal | 7,846,937      | 5,691,538      | 5,630,694      | 5,426,492      | 5,004,607      | 4,705,140      | 4,785,991      | 4,351,861      | 4,346,135      | 3,721,373      |

|           | <u>2025/26</u> | <u>2026/27</u> | <u>2027/28</u> | <u>2028/29</u> | <u>2029/30</u> | <u>2030/31</u> | <u>2031/32</u> | <u>2032/33</u> | <u>2033/34</u> | <u>Grand Total</u> |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Principal | 3,301,278      | 2,825,000      | 2,080,000      | 1,390,000      | 1,390,000      | 1,385,000      | 675,000        | 200,000        | 200,000        | 64,957,046         |

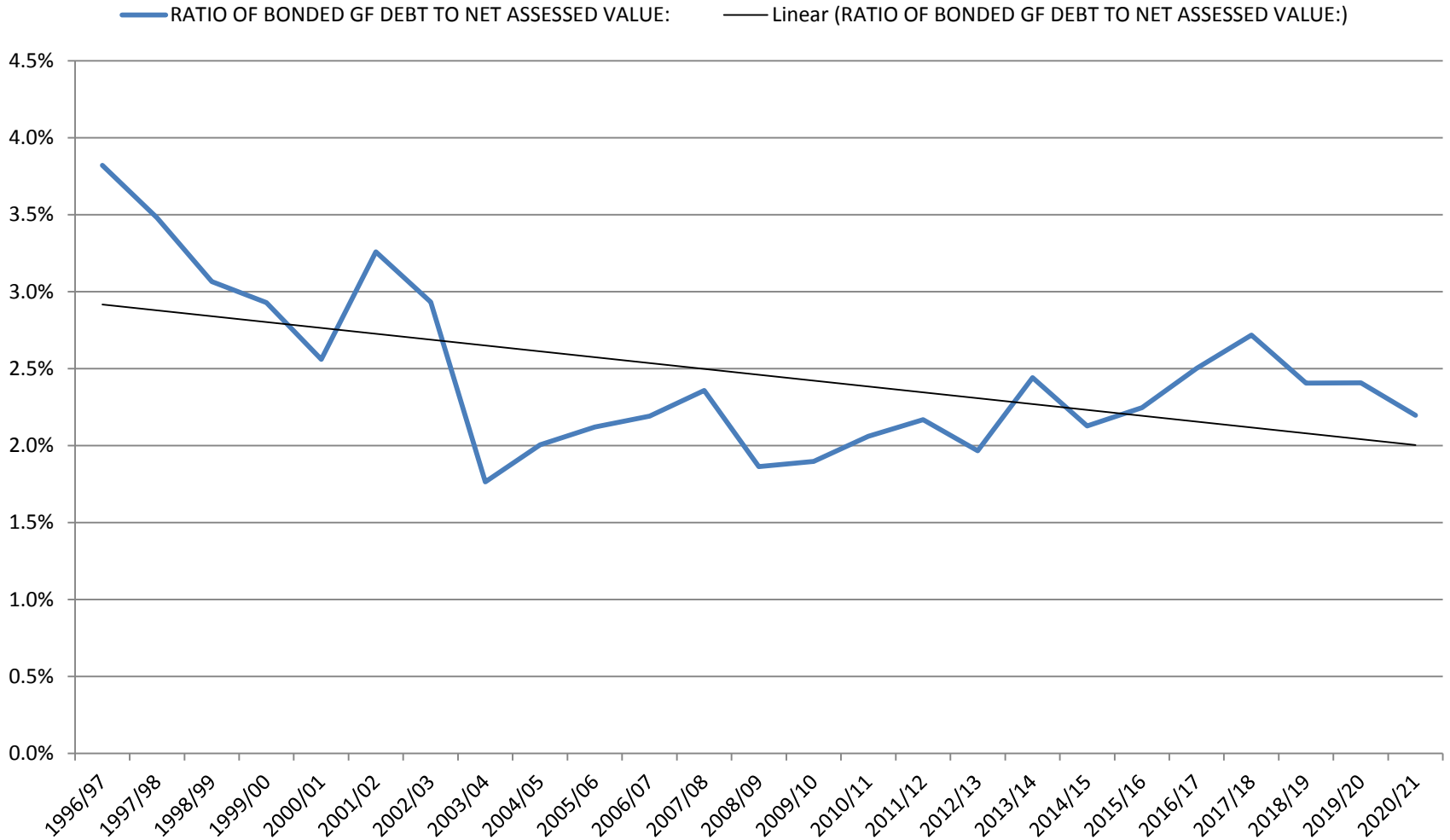
PERCENT RETIRED AFTER FIVE (5) YEARS 46%

\*\*\* A POSITIVE DEBT RATIO

PERCENT RETIRED AFTER TEN (10) YEARS 79%



## RATIO OF BONDED GF DEBT TO NET ASSESSED VALUE:



\*\*\* DO NOT WANT THIS DEBT RATIO TO BE INCREASING YEAR OVER YEAR

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

## Ratio of Debt to Equalized Net Grand List and Net Grand List\*

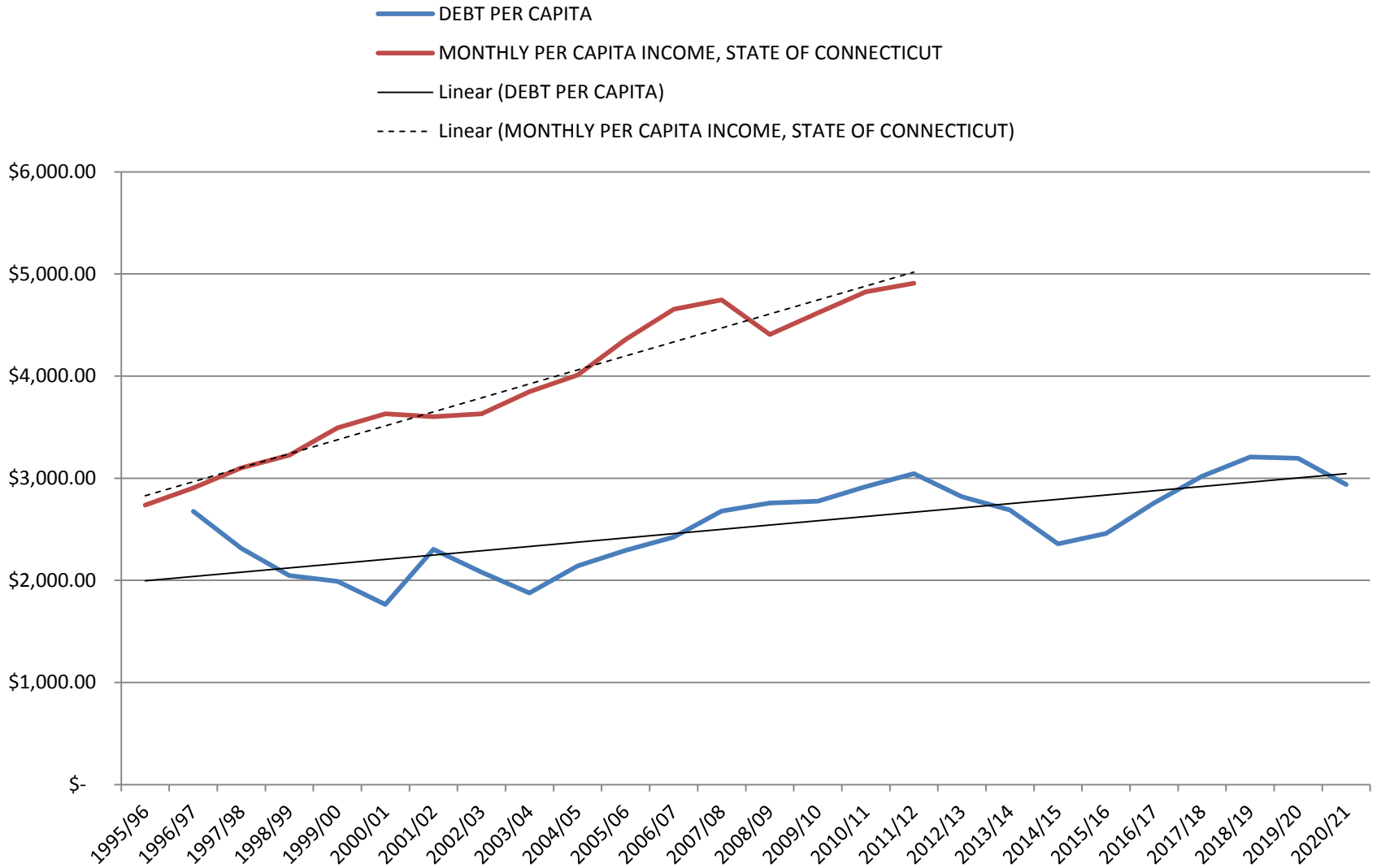
| Debt as a % of: ENGL Net GL |      |      | Debt as a % of: ENGL Net GL |      |       | Debt as a % of: ENGL Net GL |      |      | Debt as a % of: ENGL Net GL |      |      |
|-----------------------------|------|------|-----------------------------|------|-------|-----------------------------|------|------|-----------------------------|------|------|
| ANDOVER                     | 1.2% | 1.7% | DARIEN                      | 0.8% | 1.0%  | KILLINGLY                   | 2.2% | 2.4% | NORWICH                     | 1.2% | 1.4% |
| ANSONIA                     | 1.1% | 1.3% | DEEP RIVER                  | 0.6% | 0.9%  | KILLINGWORTH                | 0.9% | 1.3% | OLD LYME                    | 1.6% | 2.1% |
| ASHFORD                     | 1.1% | 1.6% | DERBY                       | 0.9% | 1.2%  | LEBANON                     | 1.0% | 1.3% | OLD SAYBROOK                | 0.7% | 0.8% |
| AVON                        | 0.9% | 1.2% | DURHAM                      | 0.8% | 1.2%  | LEDYARD                     | 1.1% | 1.5% | ORANGE                      | 1.9% | 2.2% |
| BARKHAMSTED                 | 0.6% | 0.8% | EAST GRANBY                 | 0.9% | 1.3%  | LISBON                      | 0.8% | 1.2% | OXFORD                      | 1.4% | 1.9% |
| BEACON FALLS                | 1.7% | 2.4% | EAST HADDAM                 | 1.4% | 1.7%  | LITCHFIELD                  | 2.1% | 2.7% | PLAINFIELD                  | 1.1% | 1.2% |
| BERLIN                      | 1.1% | 1.5% | EAST HAMPTON                | 0.6% | 0.8%  | LYME                        | 1.1% | 1.2% | PLAINVILLE                  | 3.0% | 4.3% |
| BETHANY                     | 1.9% | 2.5% | EAST HARTFORD               | 1.4% | 2.0%  | MADISON                     | 0.9% | 1.1% | PLYMOUTH                    | 2.2% | 3.2% |
| BETHEL                      | 1.1% | 1.3% | EAST HAVEN                  | 1.5% | 2.1%  | MANCHESTER                  | 1.4% | 2.0% | POMFRET                     | 1.0% | 1.3% |
| BETHLEHEM                   | 0.1% | 0.1% | EAST LYME                   | 1.6% | 2.3%  | MANSFIELD                   | 0.6% | 0.9% | PORTLAND                    | 1.6% | 2.3% |
| BLOOMFIELD                  | 2.3% | 3.0% | EAST WINDSOR                | 0.5% | 0.7%  | MARLBOROUGH                 | 3.1% | 4.4% | PRESTON                     | 0.9% | 1.1% |
| BOLTON                      | 2.3% | 2.8% | EASTFORD                    | 0.2% | 0.2%  | MERIDEN                     | 1.9% | 2.7% | PROSPECT                    | 1.4% | 2.0% |
| BOZRAH                      | 1.3% | 1.6% | EASTON                      | 1.8% | 2.6%  | MIDDLEBURY                  | 1.1% | 1.6% | PUTNAM                      | 0.0% | 0.0% |
| BRANFORD                    | 1.0% | 1.4% | ELLINGTON                   | 0.6% | 0.9%  | MIDDLEFIELD                 | 1.5% | 2.2% | REDDING                     | 1.2% | 1.4% |
| BRIDGEPORT                  | 8.6% | 9.5% | ENFIELD                     | 0.7% | 1.0%  | MIDDLETOWN                  | 1.6% | 2.2% | RIDGEFIELD                  | 1.3% | 1.6% |
| BRIDGEWATER                 | 0.1% | 0.2% | ESSEX                       | 1.1% | 1.4%  | MILFORD                     | 1.6% | 2.3% | ROCKY HILL                  | 0.5% | 0.6% |
| BRISTOL                     | 1.4% | 1.8% | FAIRFIELD                   | 1.4% | 2.0%  | MONROE                      | 1.4% | 1.9% | ROXBURY                     | 0.1% | 0.1% |
| BROOKFIELD                  | 1.3% | 1.9% | FARMINGTON                  | 1.0% | 1.3%  | MONTVILLE                   | 2.4% | 3.4% | SALEM                       | 0.8% | 1.2% |
| BROOKLYN                    | 0.8% | 1.0% | FRANKLIN                    | 0.7% | 0.9%  | MORRIS                      | 0.2% | 0.3% | SALISBURY                   | 0.3% | 0.4% |
| BURLINGTON                  | 1.4% | 1.9% | GLASTONBURY                 | 1.5% | 2.1%  | NAUGATUCK                   | 3.8% | 4.4% | SCOTLAND                    | 2.1% | 2.5% |
| CANAAN                      | 0.5% | 0.5% | GOSHEN                      | 0.2% | 0.2%  | NEW BRITAIN                 | 6.4% | 7.7% | SEYMOUR                     | 2.2% | 3.2% |
| CANTERBURY                  | 0.1% | 0.1% | GRANBY                      | 2.1% | 2.8%  | NEW CANAAN                  | 1.0% | 1.4% | SHARON                      | 0.9% | 1.0% |
| CANTON                      | 0.6% | 0.8% | GREENWICH                   | 0.2% | 0.3%  | NEW FAIRFIELD               | 1.3% | 1.7% | SHELTON                     | 0.9% | 1.3% |
| CHAPLIN                     | 0.1% | 0.1% | GRISWOLD                    | 1.9% | 2.7%  | NEW HARTFORD                | 1.0% | 1.3% | SHERMAN                     | 1.3% | 1.6% |
| CHESHIRE                    | 1.6% | 2.1% | GROTON                      | 0.9% | 1.4%  | NEW HAVEN                   | 5.9% | 8.5% | SIMSBURY                    | 1.3% | 1.7% |
| CHESTER                     | 0.9% | 1.1% | GUILFORD                    | 0.9% | 1.1%  | NEW LONDON                  | 2.1% | 2.6% | SOMERS                      | 1.1% | 1.6% |
| CLINTON                     | 1.0% | 1.5% | HADDAM                      | 0.9% | 1.2%  | NEW MILFORD                 | 0.6% | 0.8% | SOUTH WINDSOR               | 1.8% | 2.1% |
| COLCHESTER                  | 1.0% | 1.5% | HAMDEN                      | 2.4% | 3.2%  | NEWINGTON                   | 0.3% | 0.5% | SOUTHBURY                   | 0.9% | 0.9% |
| COLEBROOK                   | 0.4% | 0.6% | HAMPTON                     | 0.3% | 0.4%  | NEWTOWN                     | 1.8% | 2.0% | SOUTHINGTON                 | 1.2% | 1.7% |
| COLUMBIA                    | 0.3% | 0.4% | HARTFORD                    | 7.5% | 14.3% | NORFOLK                     | 0.6% | 0.8% | SPRAGUE                     | 2.4% | 3.6% |
| CORNWALL                    | 0.4% | 0.6% | HARTLAND                    | 0.3% | 0.4%  | NORTH BRANFORD              | 2.6% | 3.5% | STAFFORD                    | 1.8% | 2.6% |
| COVENTRY                    | 1.7% | 2.2% | HARWINTON                   | 0.9% | 1.3%  | NORTH CANAAN                | 0.6% | 0.7% | STAMFORD                    | 1.4% | 1.7% |
| CROMWELL                    | 1.6% | 2.0% | HEBRON                      | 1.8% | 2.6%  | NORTH HAVEN                 | 1.4% | 1.8% | STERLING                    | 2.7% | 2.9% |
| DANBURY                     | 1.7% | 1.9% | KENT                        | 0.8% | 0.8%  | NORTH STONINGTON            | 0.1% | 0.1% | STONINGTON                  | 1.0% | 1.1% |
|                             |      |      |                             |      |       | NORWALK                     | 1.3% | 1.7% | STRATFORD                   | 2.3% | 3.1% |
|                             |      |      |                             |      |       |                             |      |      |                             |      |      |
|                             |      |      |                             |      |       |                             |      |      | ** Average **               | 1.6% | 2.1% |
|                             |      |      |                             |      |       |                             |      |      | ** Median **                | 1.1% | 1.5% |

\* Based upon the 10/1/11 Grand list

B - 10

## TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

### DEBT PER CAPITA



\*\*\*LINES ARE DIVERGING (PER CAPITA INCOME IS INCREASING AT A FASTER RATE)

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

## Debt per Capita FYE 2013

|    |                |         |    |               |         |     |              |         |     |               |         |     |                  |       |
|----|----------------|---------|----|---------------|---------|-----|--------------|---------|-----|---------------|---------|-----|------------------|-------|
| 1  | NEW CANAAN     | \$5,802 | 36 | WOODBIDGE     | \$2,745 | 71  | SCOTLAND     | \$1,881 | 106 | HADDAM        | \$1,340 | 141 | COLEBROOK        | \$738 |
| 2  | WESTON         | \$5,041 | 37 | WEST HAVEN    | \$2,710 | 72  | BEACON FALLS | \$1,876 | 107 | HARWINTON     | \$1,338 | 142 | WINDHAM          | \$737 |
| 3  | WESTPORT       | \$4,931 | 38 | GRANBY        | \$2,667 | 73  | KILLINGLY    | \$1,869 | 108 | ANDOVER       | \$1,314 | 143 | DERBY            | \$726 |
| 4  | OLD LYME       | \$4,516 | 39 | STRATFORD     | \$2,661 | 74  | BURLINGTON   | \$1,859 | 109 | SUFFIELD      | \$1,298 | 144 | ELLINGTON        | \$682 |
| 5  | BRIDGEPORT     | \$4,506 | 40 | TOLLAND       | \$2,660 | 75  | OLD SAYBROOK | \$1,858 | 110 | CHESTER       | \$1,280 | 145 | WOODBURY         | \$676 |
| 6  | EASTON         | \$4,413 | 41 | TRUMBULL      | \$2,523 | 76  | AVON         | \$1,811 | 111 | BRISTOL       | \$1,274 | 146 | ROCKY HILL       | \$669 |
| 7  | UNION          | \$4,338 | 42 | GLASTONBURY   | \$2,490 | 77  | DANBURY      | \$1,808 | 112 | SALISBURY     | \$1,218 | 147 | EAST HAMPTON     | \$664 |
| 8  | DARIEN         | \$4,193 | 43 | EAST LYME     | \$2,483 | 78  | BRANFORD     | \$1,778 | 113 | SOUTHBURY     | \$1,183 | 148 | BROOKLYN         | \$657 |
| 9  | WATERFORD      | \$4,185 | 44 | NORWALK       | \$2,460 | 79  | COVENTRY     | \$1,772 | 114 | DURHAM        | \$1,178 | 149 | EAST WINDSOR     | \$623 |
| 10 | WATERBURY      | \$4,164 | 45 | STERLING      | \$2,452 | 80  | KENT         | \$1,771 | 115 | THOMPSON      | \$1,157 | 150 | ENFIELD          | \$615 |
| 11 | HARTFORD       | \$3,900 | 46 | ESSEX         | \$2,421 | 81  | GUILFORD     | \$1,726 | 116 | LEBANON       | \$1,157 | 151 | WOODSTOCK        | \$611 |
| 12 | NEW HAVEN      | \$3,880 | 47 | BROOKFIELD    | \$2,397 | 82  | CORNWALL     | \$1,714 | 117 | SOMERS        | \$1,145 | 152 | MORRIS           | \$457 |
| 13 | MARLBOROUGH    | \$3,853 | 48 | SOUTH WINDSOR | \$2,295 | 83  | BERLIN       | \$1,674 | 118 | LEDYARD       | \$1,128 | 153 | WINCHESTER       | \$442 |
| 14 | RIDGEFIELD     | \$3,603 | 49 | SEYMOUR       | \$2,273 | 84  | MIDDLETOWN   | \$1,665 | 119 | POMFRET       | \$1,122 | 154 | ROXBURY          | \$433 |
| 15 | LITCHFIELD     | \$3,551 | 50 | SPRAGUE       | \$2,262 | 85  | STAFFORD     | \$1,656 | 120 | ASHFORD       | \$1,115 | 155 | BRIDGEWATER      | \$418 |
| 16 | FAIRFIELD      | \$3,501 | 51 | MONTVILLE     | \$2,206 | 86  | CLINTON      | \$1,654 | 121 | COLCHESTER    | \$1,089 | 156 | GOSHEN           | \$413 |
| 17 | STAMFORD       | \$3,304 | 52 | WARREN        | \$2,146 | 87  | PROSPECT     | \$1,612 | 122 | EAST HARTFORD | \$1,045 | 157 | WASHINGTON       | \$407 |
| 18 | WILTON         | \$3,289 | 53 | MONROE        | \$2,144 | 88  | VERNON       | \$1,603 | 123 | PRESTON       | \$1,015 | 158 | HARTLAND         | \$390 |
| 19 | THOMASTON      | \$3,283 | 54 | NORTH HAVEN   | \$2,118 | 89  | BETHEL       | \$1,573 | 124 | FRANKLIN      | \$1,006 | 159 | NEWINGTON        | \$382 |
| 20 | SHERMAN        | \$3,202 | 55 | HAMDEN        | \$2,110 | 90  | GRISWOLD     | \$1,569 | 125 | LISBON        | \$999   | 160 | HAMPTON          | \$353 |
| 21 | SHARON         | \$3,200 | 56 | WEST HARTFORD | \$2,100 | 91  | WOLCOTT      | \$1,557 | 126 | WETHERSFIELD  | \$986   | 161 | MANSFIELD        | \$336 |
| 22 | PLAINVILLE     | \$3,191 | 57 | CHESHIRE      | \$2,088 | 92  | GREENWICH    | \$1,520 | 127 | SALEM         | \$983   | 162 | COLUMBIA         | \$327 |
| 23 | NEW BRITAIN    | \$3,118 | 58 | OXFORD        | \$2,082 | 93  | BOZRAH       | \$1,517 | 128 | WINDSOR LOCKS | \$961   | 163 | EASTFORD         | \$192 |
| 24 | NORTH BRANFORD | \$3,108 | 59 | NEW FAIRFIELD | \$2,057 | 94  | SOUTHINGTON  | \$1,487 | 129 | DEEP RIVER    | \$932   | 164 | BETHLEHEM        | \$133 |
| 25 | LYME           | \$3,095 | 60 | HEBRON        | \$2,047 | 95  | NEW LONDON   | \$1,451 | 130 | NEW MILFORD   | \$868   | 165 | NORTH STONINGTON | \$102 |
| 26 | REDDING        | \$2,960 | 61 | CROMWELL      | \$2,009 | 96  | EAST HAVEN   | \$1,440 | 131 | CANAAN        | \$863   | 166 | VOLUNTOWN        | \$100 |
| 27 | BLOOMFIELD     | \$2,871 | 62 | MADISON       | \$1,983 | 97  | MERIDEN      | \$1,440 | 132 | WILLINGTON    | \$853   | 167 | CANTERBURY       | \$97  |
| 28 | ORANGE         | \$2,866 | 63 | PLYMOUTH      | \$1,980 | 98  | NORFOLK      | \$1,418 | 133 | BARKHAMSTED   | \$848   | 168 | CHAPLIN          | \$71  |
| 29 | WATERTOWN      | \$2,828 | 64 | FARMINGTON    | \$1,973 | 99  | NEW HARTFORD | \$1,400 | 134 | PLAINFIELD    | \$843   | 169 | PUTNAM           | \$0   |
| 30 | WESTBROOK      | \$2,814 | 65 | MIDDLEFIELD   | \$1,971 | 100 | SHELTON      | \$1,389 | 135 | TORRINGTON    | \$842   |     |                  |       |
| 31 | BETHANY        | \$2,807 | 66 | STONINGTON    | \$1,957 | 101 | EAST GRANBY  | \$1,381 | 136 | NORWICH       | \$837   |     |                  |       |
| 32 | MILFORD        | \$2,805 | 67 | MIDDLEBURY    | \$1,939 | 102 | KILLINGWORTH | \$1,381 | 137 | CANTON        | \$826   |     |                  |       |
| 33 | NAUGATUCK      | \$2,793 | 68 | PORTLAND      | \$1,896 | 103 | MANCHESTER   | \$1,364 | 138 | ANSONIA       | \$793   |     |                  |       |
| 34 | NEWTOWN        | \$2,769 | 69 | SIMSBURY      | \$1,891 | 104 | WINDSOR      | \$1,343 | 139 | NORTH CANAAN  | \$781   |     |                  |       |
| 35 | BOLTON         | \$2,758 | 70 | EAST HADDAM   | \$1,888 | 105 | GROTON       | \$1,340 | 140 | WALLINGFORD   | \$760   |     |                  |       |

Average: \$2,276  
Median: \$1,656

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

## 2013 Median Household Income

|                 | Median Household Income | % of State |                  | Median Household Income | % of State |                     | Median Household Income | % of State |
|-----------------|-------------------------|------------|------------------|-------------------------|------------|---------------------|-------------------------|------------|
| 1 WESTON        | \$207,262               | 298.4%     | 29 NEW FAIRFIELD | \$103,100               | 148.4%     | 58 LEDYARD          | \$87,518                | 126.0%     |
| 2 DARIEN        | \$205,688               | 296.1%     | 30 OXFORD        | \$102,167               | 147.1%     | 59 BERLIN           | \$87,432                | 125.9%     |
| 3 WILTON        | \$167,094               | 240.6%     | 31 WARREN        | \$100,972               | 145.4%     | 60 OLD LYME         | \$87,416                | 125.8%     |
| 4 NEW CANAAN    | \$161,848               | 233.0%     | 32 SALEM         | \$100,625               | 144.9%     | 61 BOLTON           | \$86,890                | 125.1%     |
| 5 WESTPORT      | \$160,106               | 230.5%     | 33 BETHANY       | \$100,083               | 144.1%     | 62 LITCHFIELD       | \$86,801                | 125.0%     |
| 6 EASTON        | \$150,000               | 215.9%     | 34 SOMERS        | \$98,846                | 142.3%     | 63 NEW HARTFORD     | \$86,354                | 124.3%     |
| 7 RIDGEFIELD    | \$147,993               | 213.1%     | 35 PROSPECT      | \$98,151                | 141.3%     | 64 ESSEX            | \$86,298                | 124.2%     |
| 8 WOODBRIDGE    | \$138,082               | 198.8%     | 36 GRANBY        | \$97,894                | 140.9%     | 65 NORTH HAVEN      | \$86,250                | 124.2%     |
| 9 GREENWICH     | \$132,164               | 190.3%     | 37 COLCHESTER    | \$96,774                | 139.3%     | 66 SHELTON          | \$86,138                | 124.0%     |
| 10 DURHAM       | \$124,179               | 178.8%     | 38 MIDDLEFIELD   | \$96,765                | 139.3%     | 67 BETHEL           | \$85,589                | 123.2%     |
| 11 REDDING      | \$119,112               | 171.5%     | 39 MIDDLEBURY    | \$96,181                | 138.5%     | 68 BEACON FALLS     | \$85,280                | 122.8%     |
| 12 FAIRFIELD    | \$117,705               | 169.5%     | 40 GUILFORD      | \$96,151                | 138.4%     | 69 LYME             | \$85,263                | 122.7%     |
| 13 AVON         | \$115,571               | 166.4%     | 41 EAST HAMPTON  | \$94,747                | 136.4%     | 70 POMFRET          | \$84,918                | 122.3%     |
| 14 SIMSBURY     | \$115,000               | 165.6%     | 42 HADDAM        | \$93,824                | 135.1%     | 71 NORTH BRANFORD   | \$84,783                | 122.1%     |
| 15 KILLINGWORTH | \$112,761               | 162.3%     | 43 COVENTRY      | \$93,816                | 135.1%     | 72 ELLINGTON        | \$84,699                | 121.9%     |
| 16 SHERMAN      | \$112,344               | 161.7%     | 44 SUFFIELD      | \$92,737                | 133.5%     | 73 WOLCOTT          | \$83,993                | 120.9%     |
| 17 HEBRON       | \$111,792               | 160.9%     | 45 COLUMBIA      | \$90,725                | 130.6%     | 74 MORRIS           | \$83,958                | 120.9%     |
| 18 CHESHIRE     | \$111,638               | 160.7%     | 46 SOUTH WINDSOR | \$90,499                | 130.3%     | 75 BETHLEHEM        | \$83,871                | 120.7%     |
| 19 MADISON      | \$110,761               | 159.5%     | 47 ROXBURY       | \$90,250                | 129.9%     | 76 UNION            | \$83,850                | 120.7%     |
| 20 MARLBOROUGH  | \$110,694               | 159.4%     | 48 BARKHAMSTED   | \$89,911                | 129.4%     | 77 LEBANON          | \$83,651                | 120.4%     |
| 21 NEWTOWN      | \$109,159               | 157.2%     | 49 FRANKLIN      | \$89,643                | 129.1%     | 78 EASTFORD         | \$83,015                | 119.5%     |
| 22 TRUMBULL     | \$108,854               | 156.7%     | 50 EAST HADDAM   | \$89,615                | 129.0%     | 79 NORTH STONINGTON | \$82,900                | 119.3%     |
| 23 BROOKFIELD   | \$107,537               | 154.8%     | 51 HARWINTON     | \$89,102                | 128.3%     | 80 WEST HARTFORD    | \$82,322                | 118.5%     |
| 24 ORANGE       | \$106,942               | 154.0%     | 52 FARMINGTON    | \$88,935                | 128.0%     | 81 WOODBURY         | \$81,597                | 117.5%     |
| 25 GLASTONBURY  | \$106,678               | 153.6%     | 53 PORTLAND      | \$88,693                | 127.7%     | 82 STONINGTON       | \$81,026                | 116.6%     |
| 26 BURLINGTON   | \$105,422               | 151.8%     | 54 ANDOVER       | \$88,438                | 127.3%     | 83 NEW MILFORD      | \$80,792                | 116.3%     |
| 27 TOLLAND      | \$103,869               | 149.5%     | 55 HARTLAND      | \$88,362                | 127.2%     | 84 MILFORD          | \$80,460                | 115.8%     |
| 28 MONROE       | \$103,589               | 149.1%     | 56 CANTON        | \$87,891                | 126.5%     | 85 WASHINGTON       | \$80,160                | 115.4%     |
|                 |                         |            | 57 BRIDGEWATER   | \$87,875                | 126.5%     | 86 LISBON           | \$80,129                | 115.4%     |

\* Source: U.S. Census Bureau

2009-13 American Community Survey

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

| Comparison to AAA Communities                    |                                                  |                                  |                                    |                                                    |  |
|--------------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------------|----------------------------------------------------|--|
|                                                  | <u>Ratio of Debt to</u><br><u>Net Grand List</u> | <u>Debt Per</u><br><u>Capita</u> | <u>Per Capita</u><br><u>Income</u> | <u>Median</u><br><u>Household</u><br><u>Income</u> |  |
| Moody's AAA*                                     |                                                  |                                  |                                    |                                                    |  |
| AVON                                             | 1.2%                                             | \$ 1,811                         | \$ 64,364                          | \$ 115,571                                         |  |
| DARIEN                                           | 1.0%                                             | \$ 4,193                         | \$ 94,820                          | \$ 205,688                                         |  |
| EASTON                                           | 2.6%                                             | \$ 4,413                         | \$ 64,002                          | \$ 150,000                                         |  |
| FAIRFIELD                                        | 2.0%                                             | \$ 3,501                         | \$ 58,576                          | \$ 117,705                                         |  |
| FARMINGTON                                       | 1.3%                                             | \$ 1,973                         | \$ 52,634                          | \$ 88,935                                          |  |
| GLASTONBURY                                      | 2.1%                                             | \$ 2,490                         | \$ 52,928                          | \$ 106,678                                         |  |
| MADISON                                          | 1.1%                                             | \$ 1,983                         | \$ 53,943                          | \$ 110,761                                         |  |
| NEW CANAAN                                       | 1.4%                                             | \$ 5,802                         | \$ 97,498                          | \$ 161,848                                         |  |
| NORWALK                                          | 2.0%                                             | \$ 2,460                         | \$ 43,767                          | \$ 71,538                                          |  |
| RIDGEFIELD                                       | 1.6%                                             | \$ 3,603                         | \$ 77,027                          | \$ 147,993                                         |  |
| SIMSBURY                                         | 1.7%                                             | \$ 1,891                         | \$ 56,673                          | \$ 115,000                                         |  |
| WALLINGFORD                                      | 0.8%                                             | \$ 760                           | \$ 36,306                          | \$ 75,346                                          |  |
| WEST HARTFORD                                    | 2.3%                                             | \$ 2,100                         | \$ 47,485                          | \$ 82,322                                          |  |
| WESTON                                           | 2.0%                                             | \$ 5,041                         | \$ 90,552                          | \$ 207,262                                         |  |
| WESTPORT                                         | 1.4%                                             | \$ 4,931                         | \$ 91,226                          | \$ 160,106                                         |  |
| WILTON                                           | 1.2%                                             | \$ 3,289                         | \$ 77,526                          | \$ 167,094                                         |  |
| WOODBIDGE                                        | 2.1%                                             | \$ 2,745                         | \$ 63,756                          | \$ 138,082                                         |  |
| <b>NEWTOWN</b>                                   | <b>2.0%</b>                                      | <b>\$ 2,769</b>                  | <b>\$ 48,433</b>                   | <b>\$ 109,159</b>                                  |  |
| <b>Statistics (does not include Newtown):</b>    |                                                  |                                  |                                    |                                                    |  |
| Median =                                         | 1.6%                                             | \$ 2,745                         | \$ 63,756                          | \$ 117,705                                         |  |
| Average =                                        | 1.6%                                             | \$ 3,117                         | \$ 66,064                          | \$ 130,702                                         |  |
| >=                                               | 41% **                                           | 47% ***                          | 82%                                | 71%                                                |  |
| * Does not include Greenwich                     |                                                  |                                  |                                    |                                                    |  |
| ** 7 towns are greater than or equal to Newtown  |                                                  |                                  |                                    |                                                    |  |
| *** 8 towns are greater than or equal to Newtown |                                                  |                                  |                                    |                                                    |  |

## **DEBT FORECAST SCHEDULE – A LOOK INTO THE FUTURE**

# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

| TOWN OF NEWTOWN 2016-2017 CIP + NEXT FIVE YEARS - FORECASTED PROJECT AMOUNTS - DEBT LIMIT CALCULATION |            |              |                        |              |              |              |              |                 |              |              |              |              |              |            |                            |                  |
|-------------------------------------------------------------------------------------------------------|------------|--------------|------------------------|--------------|--------------|--------------|--------------|-----------------|--------------|--------------|--------------|--------------|--------------|------------|----------------------------|------------------|
|                                                                                                       |            |              |                        |              |              |              |              |                 |              |              |              |              |              |            |                            |                  |
|                                                                                                       |            | current yr   | 2016-17 TO 2020-21 CIP |              |              |              |              | NEXT FIVE YEARS |              |              |              |              |              |            |                            |                  |
|                                                                                                       | Current    | 2015-2016    | 2016 - 2017            | 2017- 2018   | 2018 - 2019  | 2019 - 2020  | 2020 - 2021  | 2021 - 2022     | 2022 - 2023  | 2023 - 2024  | 2024 - 2025  | 2025 - 2026  | Total Est.   |            |                            |                  |
| Fiscal                                                                                                | Debt       | Planned      | Forecasted             | Forecasted   | Forecasted   | Forecasted   | Forecasted   | Forecasted      | Forecasted   | Forecasted   | Forecasted   | Forecasted   | Debt Service |            |                            | Debt             |
| Years                                                                                                 | Service    | 2016 Bond    | 2017 Bond              | 2018 Bond    | 2019 Bond    | 2020 Bond    | 2021 Bond    | 2022 Bond       | 2023 Bond    | 2024 Bond    | 2025 Bond    | 2026 Bond    | Fiscal Year  | Forecasted | General Fund               | Service          |
| Ending                                                                                                | Schedule   | (02/15/2016) | (02/15/2017)           | (02/15/2018) | (02/15/2019) | (02/15/2020) | (02/15/2021) | (02/15/2022)    | (02/15/2023) | (02/15/2024) | (02/15/2025) | (02/15/2026) | Total        | Debt Total | Budget                     | as a % of Budget |
| PRINCIPAL AMOUNT>>>                                                                                   |            | 12,000,000   | 18,125,000             | 14,450,000   | 13,400,000   | 8,060,000    | -            | 6,000,000       | 6,000,000    | 10,000,000   | 10,000,000   | -            | 54,035,000   | ←          | FIVE YEAR BORROWING AMOUNT |                  |
| 06/30/2016                                                                                            | 10,106,360 |              |                        |              |              |              |              |                 |              |              |              |              | 10,106,360   | -          | 111,730,513                | 9.05%            |
| 06/30/2017                                                                                            | 7,733,590  | 2,372,000    |                        |              |              |              |              |                 |              |              |              |              | 10,105,590   | 2,372,000  | 112,400,896                | 8.99%            |
| 06/30/2018                                                                                            | 7,479,296  | 710,000      | 2,025,313              |              |              |              |              |                 |              |              |              |              | 10,214,609   | 2,735,313  | 113,805,907                | 8.98%            |
| 06/30/2019                                                                                            | 7,072,547  | 697,600      | 1,402,013              | 1,271,600    |              |              |              |                 |              |              |              |              | 10,443,760   | 3,371,213  | 115,512,996                | 9.04%            |
| 06/30/2020                                                                                            | 6,435,217  | 685,200      | 1,348,550              | 1,244,145    | 1,206,100    |              |              |                 |              |              |              |              | 10,919,212   | 4,483,995  | 117,534,473                | 9.29%            |
| 06/30/2021                                                                                            | 5,951,880  | 672,800      | 1,320,950              | 1,216,690    | 1,179,125    | 562,700      |              |                 |              |              |              |              | 10,904,145   | 4,952,265  | 119,885,163                | 9.10%            |
| 06/30/2022                                                                                            | 5,850,470  | 860,400      | 1,293,350              | 1,189,235    | 1,152,150    | 653,700      | -            |                 |              |              |              |              | 10,999,305   | 5,148,835  | 122,282,866                | 8.99%            |
| 06/30/2023                                                                                            | 5,234,523  | 841,800      | 1,365,750              | 1,161,780    | 1,175,175    | 840,200      | -            | 600,000         |              |              |              |              | 11,219,228   | 5,984,705  | 124,728,523                | 8.99%            |
| 06/30/2024                                                                                            | 5,056,292  | 823,200      | 1,334,700              | 1,134,325    | 1,146,125    | 817,700      | -            | 585,000         | 609,000      |              |              |              | 11,506,342   | 6,450,050  | 127,223,094                | 9.04%            |
| 06/30/2025                                                                                            | 4,282,060  | 804,600      | 1,303,650              | 1,106,870    | 1,167,075    | 795,200      | -            | 570,000         | 593,550      | 1,030,000    |              |              | 11,653,005   | 7,370,945  | 129,767,556                | 8.98%            |
| 06/30/2026                                                                                            | 3,736,260  | 786,000      | 1,272,600              | 1,079,415    | 1,085,950    | 677,700      | -            | 555,000         | 578,100      | 1,003,500    | 1,045,000    |              | 11,819,525   | 8,083,265  | 132,362,907                | 8.93%            |
| 06/30/2027                                                                                            | 3,139,593  | 767,400      | 1,241,550              | 1,051,960    | 1,056,900    | 659,475      | -            | 540,000         | 562,650      | 977,000      | 1,017,750    | -            | 11,014,278   | 7,874,685  | 135,010,165                | 8.16%            |
| 06/30/2028                                                                                            | 2,305,685  | 748,800      | 1,210,500              | 1,024,505    | 1,027,850    | 641,250      | -            | 525,000         | 547,200      | 950,500      | 990,500      | -            | 9,971,790    |            |                            |                  |

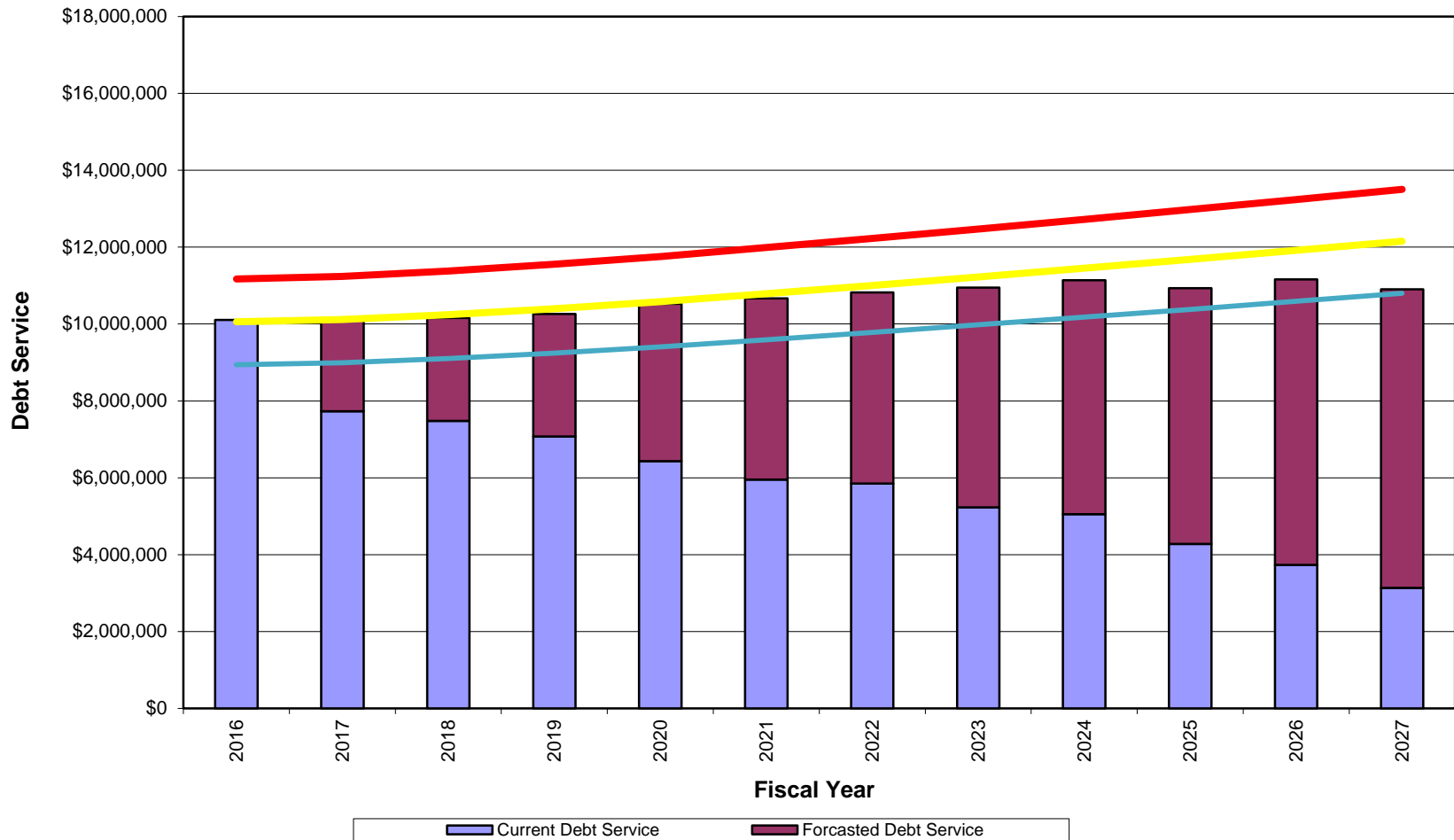
8% Goal

\*\*\* Second (5) year forecasted expenditures are 60% of the first (5) year forecasted expenditures



# TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

**TOWN OF NEWTOWN**  
**2014 - 15 TO 2018-19 CIP + NEXT FIVE YEARS EFFECT ON FUTURE DEBT SERVICE**



# **NEWTOWN DEBT MANAGEMENT POLICY**

# **TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE**

## **TOWN OF NEWTOWN, CT DEBT MANAGEMENT POLICY**

### **I. PURPOSE**

The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the Town of Newtown.

Debt obligations, which include general obligation bonds, special assessment bonds, revenue bonds, bond anticipation notes, lease/purchase agreements and any other debt obligations permitted to be issued under Connecticut law shall only be issued to purchase capital assets that cannot be acquired with current revenues.

### **II. POLICY STATEMENT**

Under the requirements of Federal and state laws and Town Charter provisions, ordinances and resolutions, the Town may periodically issue debt obligations to finance the construction or acquisition of infrastructure and other assets or to refinance existing debt. It is the Town's goal to assure that such debt obligations are issued and managed in such a manner as to obtain the best long-term financial advantage to the Town and its residents, while making every effort to maintain and improve the Town's bond ratings and reputation in the investment community.

### **III. RESPONSIBILITY FOR POLICY**

The Director of Finance shall be responsible for issuing and managing the Town's debt program. In carrying out this policy, the Director shall periodically:

1. Consider the need for debt financing based upon the approved Capital Improvement Plan.
2. Review the Town's adherence to this policy statement and compare the debt ratios established in this policy with where the Town actually is.
3. Review the Town's authorized but unissued debt to determine if any authorizations are no longer needed.
4. Determine if there are any opportunities for refinancing current debt.
5. Review every three years the services provided by the Town's financial advisor, bond counsel, paying agents and other debt financing service providers.

The Director of Finance shall report his/her findings to the Board of Selectmen, Board of Finance and Legislative Council in the September/October time period of each year, during the Town's review and formulation of the Capital Improvement Plan.

### **IV. GENERAL DEBT GOVERNING POLICIES**

The Town hereby establishes the following policies concerning the issuance and management of debt:

- A. The Town shall not issue debt obligations or use debt proceeds to finance current operations of the Town.

## TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

### DEBT MANAGEMENT POLICY Continued...

- B. The Town will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life.
- C. The Town will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten, and twenty-year periods.

### V. DEBT POLICIES, RATIOS AND MEASUREMENT

- A. Purposes of Issuance – the Town shall only issue debt obligations for acquiring, constructing or renovating Town owned fixed assets or for refinancing existing debt obligations.
- B. Maximum Maturity – All debt obligations shall have a maximum maturity of twenty years. The estimated useful life of the Capital Improvement being financed should be considered when determining the maturity of debt. In the event debt obligations are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced shall remain the same maturity.
- C. Direct Debt Per Capita – The Town shall adhere to a debt management strategy that achieves the goal of maintaining Direct Debt Per Capita at or below the median recommended by Moody's. The Direct Debt Per Capita shall be calculated by dividing the Town's direct debt by the most current population figure.
- D. Average Maturity of General Obligation Bonds – the Town shall have at least 50% of outstanding general obligation bonds mature in less than ten (10) years.
- E. Debt Service Levels – The Town shall adhere to a debt management strategy that achieves the goal of limiting annual general fund debt service to no more than 10% of the total General Fund budget.
- F. Net Present Value Savings – The Town must achieve a Net Present Value Savings of at least 2 percent over the life of an existing bond issue in order for it to be considered for refunding.
- G. Bond Covenants and Laws – The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.
- H. If the debt management indicators fall below the recommended levels the finance director shall recommend and submit to the Board of Finance for approval a plan to bring the debt management indicators to their appropriate levels within a specific time frame.

This policy shall be reviewed, at minimum, on a biennial basis during the month of January in each odd numbered year.

Approved by the Board of Finance: January 22, 2009

Newtown Debt Management Policy Review:

**Recommended Changes:**

**V. Debt Policies, Ratios and Measurement**

**C. Ratio of General Fund Total Bonded Debt to Taxable Net Grand List** - An analysis of this debt ratio should be made each year. It should not go beyond 3%. An increasing ratio of debt to net grand list (over several years) is not desirable.

**Total General Fund Bonded Debt Per Capita** – An analysis of this debt ratio should be made each year. It should be made in context with other related ratios. A comparison should be made with other similar rated Connecticut towns.

*Note: In section V. – E. leave percentage at 10% leaving flexibility for high priority large one time projects. Internal goal of BOF & LC of 9% or 8% can be achieved thru the CIP planning process.*

**NOTES:**

[illegible]