



# **Review of Outstanding Debt**

Town Council Work Session

September 13, 2022

# DEBT MANAGEMENT POLICY

Adopted by Council in  
September 2021 as part  
of the Comprehensive  
Financial Policies

- Long-term borrowing limited to capital improvements, projects or equipment that cannot be financed from current financial resources
- Repay debt within a period NTE the useful life of the project or equipment
- Tax-supported debt:
  - Debt service NTE 12% of general fund expenditures
  - Debt NTE 1.5% of the total assessed value of taxable property in the town
- Enterprise debt:
  - Debt service coverage ratio at least 1.15x

# Summary of Outstanding Debt

*All outstanding debt was refinanced in 2021 for NPV savings of \$1.6M*

<u>General Obligation Bonds:</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding Balance</u>	
			<u>Governmental</u>	<u>Water and Sewer</u>
Refunding Series 2021A	1/15/2038	\$ 6,935,000	\$ -	\$ 6,728,000
Refunding Series 2021B	10/1/2039	\$ 12,695,000	<u>\$ 8,165,000</u>	<u>\$ 3,855,000</u>
			<u>\$ 8,165,000</u>	<u>\$ 10,583,000</u>

# Annual Debt Service Requirements

