

GENERAL FUND BONDED DEBT ANALYSIS
PAST TWENTY YEARS, PRESENT AND INTO THE FUTURE

For Discussion Purposes

INDEX

PAGES 3 - 8

GENERAL DISCUSSION - CAPITAL FINANCING; LONG-TERM DEBT; COMMON DEBT RATIOS;
CAPITAL IMPROVEMENT PROGRAM (CIP); DEBT POLICY.

PAGES 9 - 27

LAST 20 YEARS OF BONDING.

PAGES 28 - 31

BONDING/DEBT SERVICE - WHERE ARE WE TODAY.

PAGES 32 - 46

DEBT RATIOS AND DATA ANALYSIS.

PAGES 47 - 49

DEBT FORECAST SCHEDULE.

PAGES 50 - 53

NEWTOWN DEBT MANAGEMENT POLICY.

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 ⁽²⁰⁾ 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:

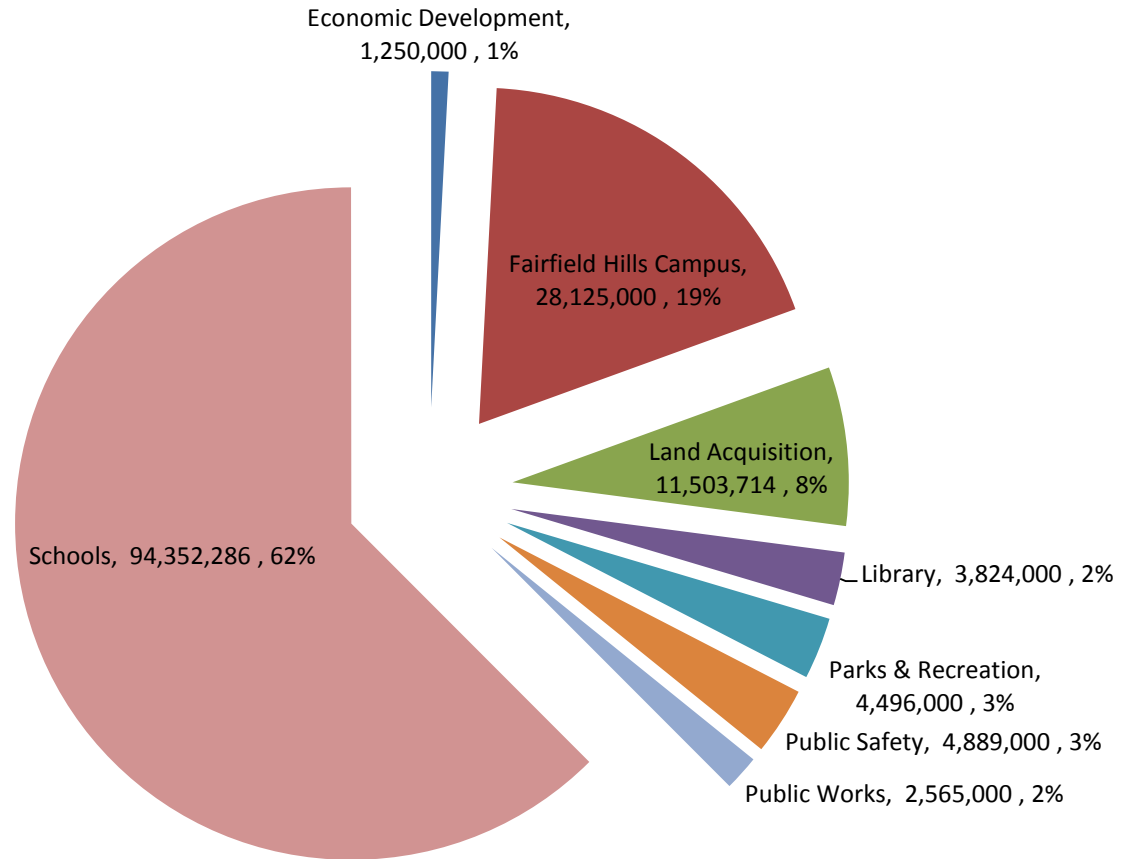
TOWN OF NEWTOWN - BONDING - LAST TWENTY YEARS - BY DATE

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
2/15/2010	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
2/15/2011	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
2/15/2012	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
3/15/2014	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	Economic Development	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	Fairfield Hills Campus	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	Land Acquisition	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	Library	Cyrenius H. Booth Library - Addition	3,750,000
6/15/2000	Library	Cyrenius H. Booth Library - Addition	74,000
2/15/2010	Parks & Recreation	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	Public Safety	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	Public Works	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	Schools	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	Sewers	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



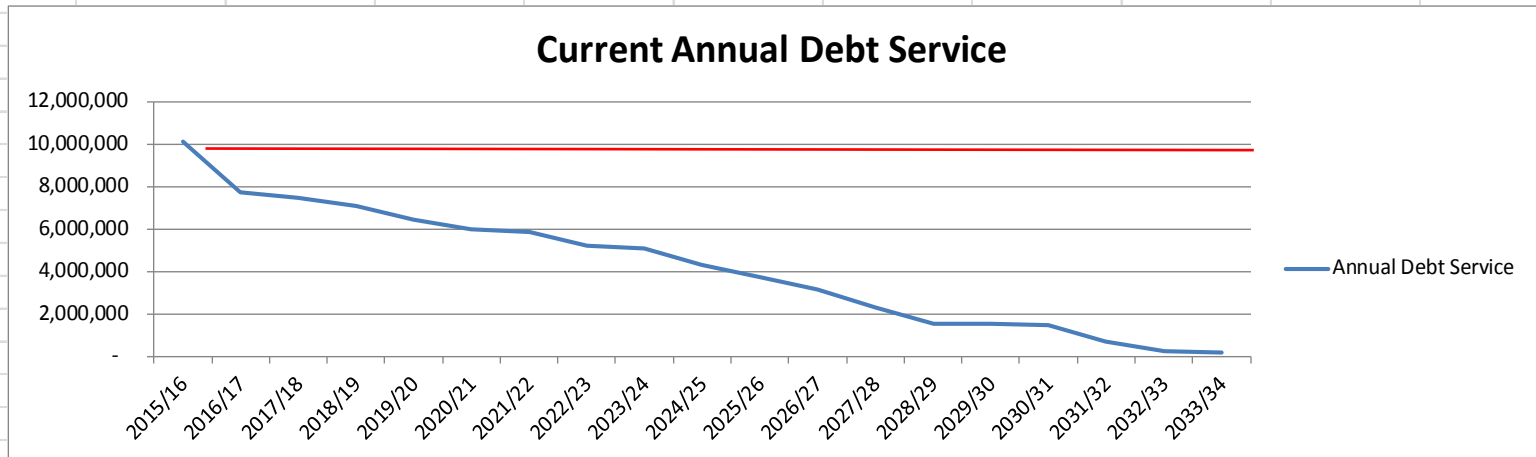
GENERAL FUND DEBT ANALYSIS – WHERE ARE WE TODAY?

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

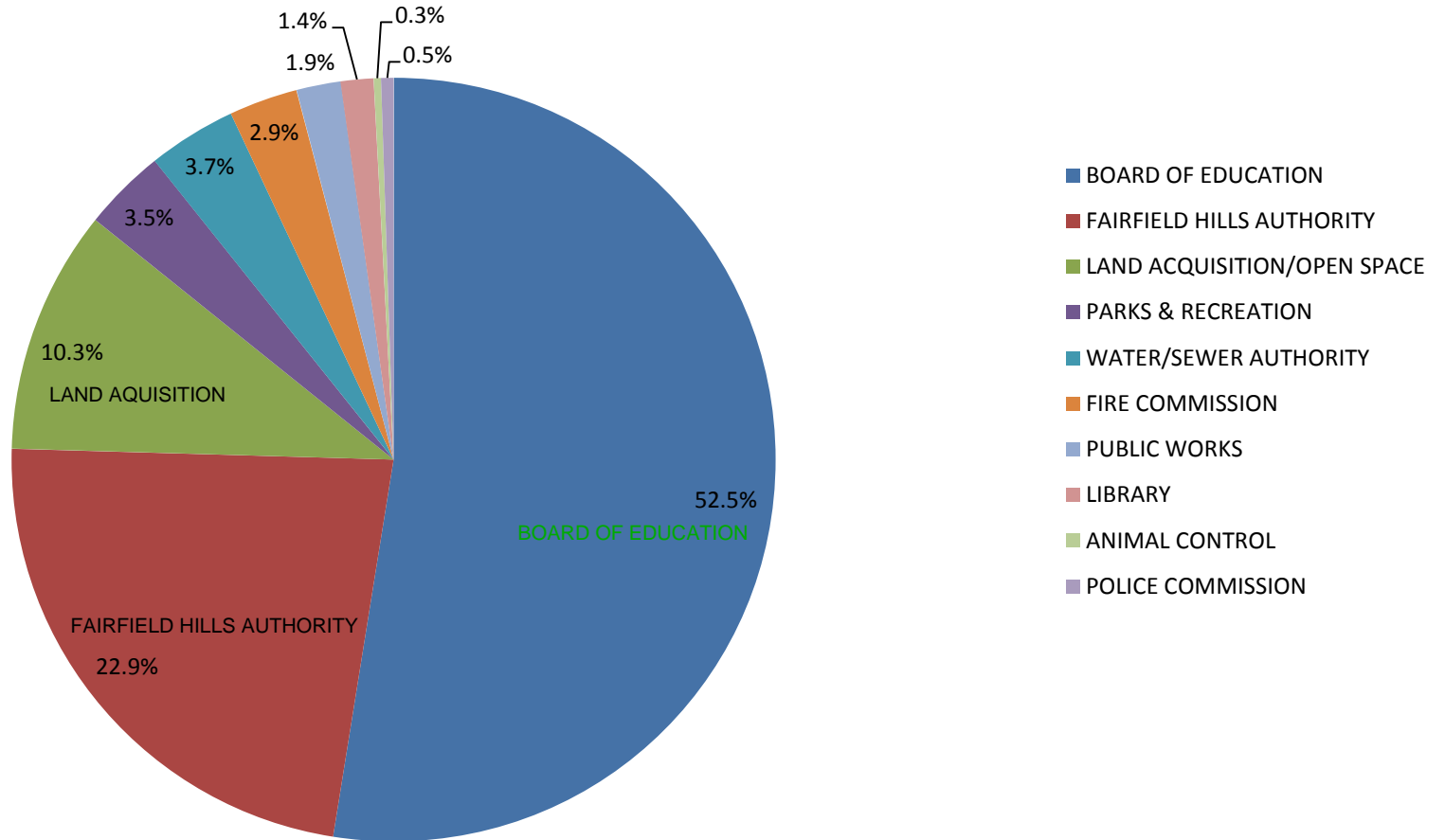


Note: Area between the red and blue lines represents the capacity for capital investment in Newtown.

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

<u>DEPARTMENT</u>	<u>PRINCIPAL & 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%
	10,106,365	

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 34th highest). This corresponds to Newtown's 21st highest ranking in median household income.

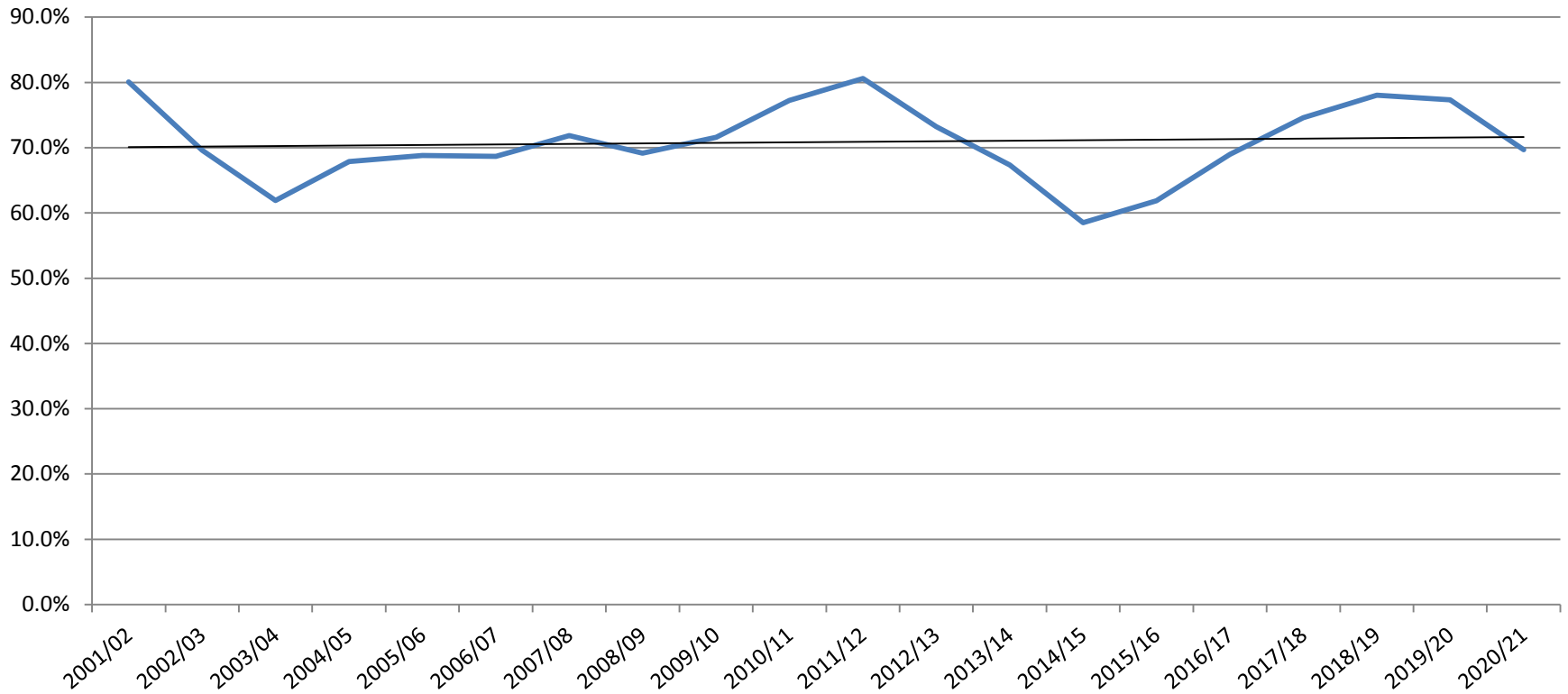
TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

TOTAL BONDED DEBT TO TOTAL BUDGET

— TOTAL DEBT
 — TOTAL ADOPTED BUDGET
 — Linear (TOTAL DEBT)
 - - - - Linear (TOTAL ADOPTED BUDGET)

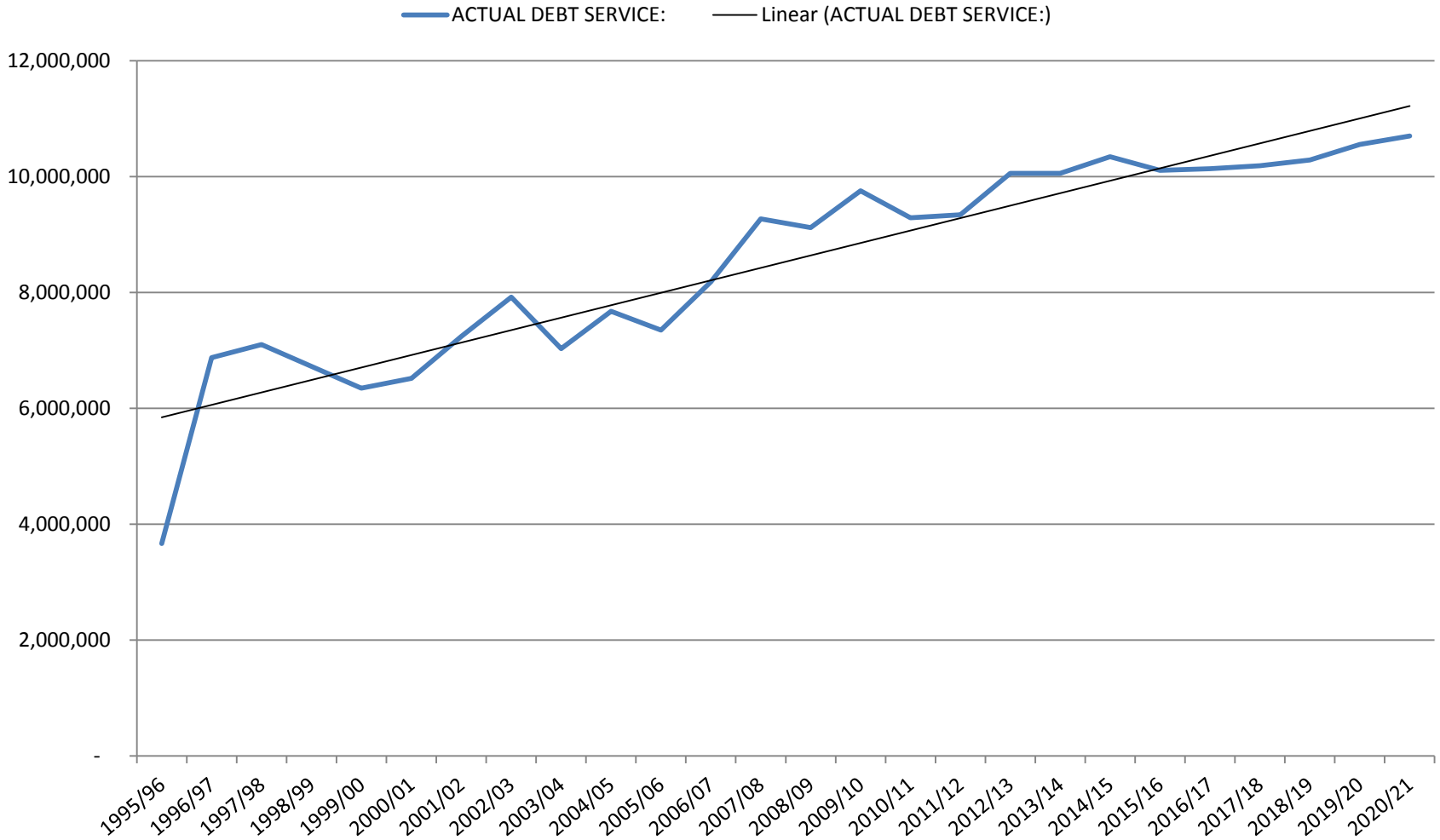


TOTAL DEBT AS A PERCENT OF BUDGET



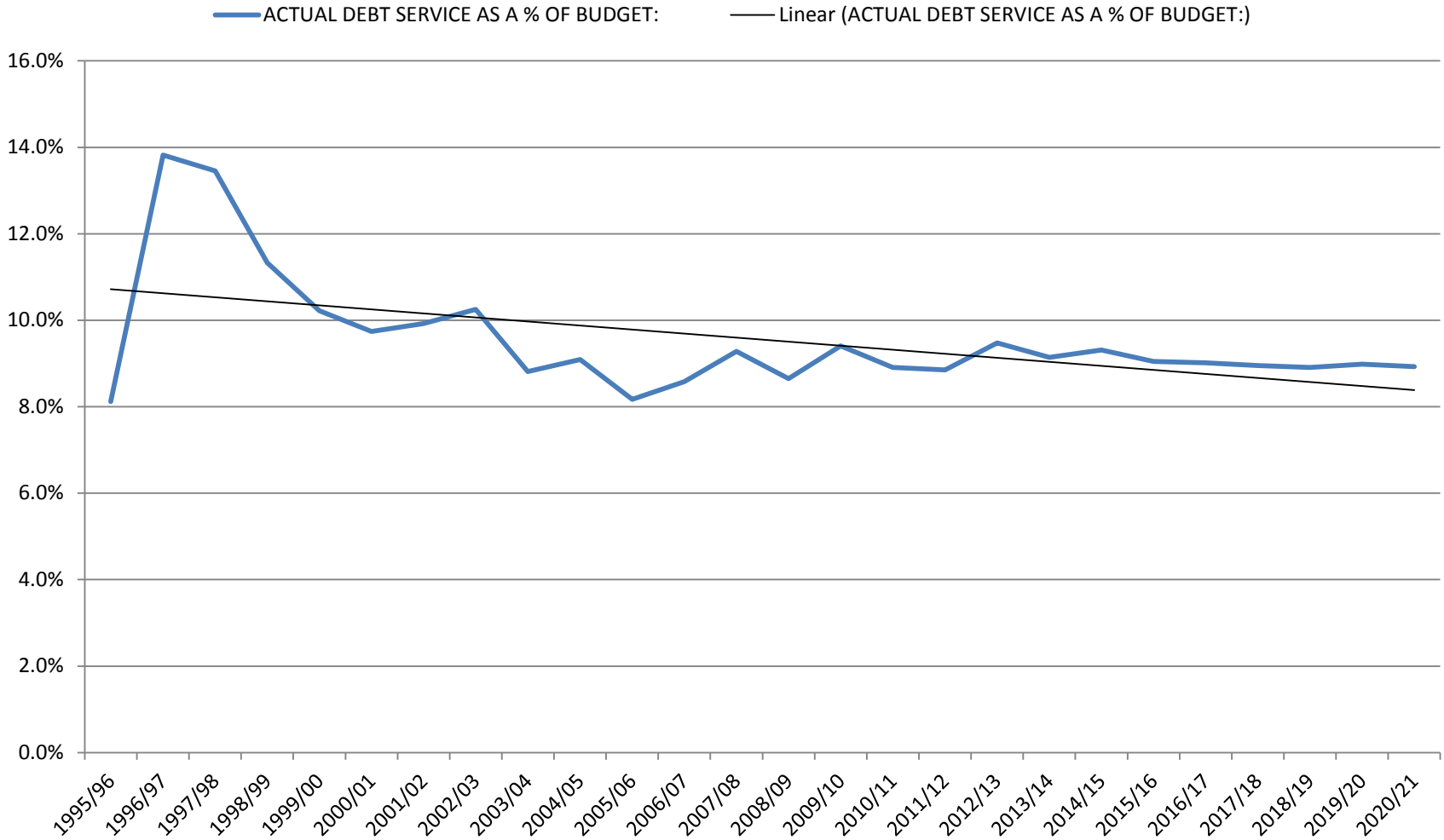
** RELATIVELY FLAT OVER TWENTY YEARS

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):

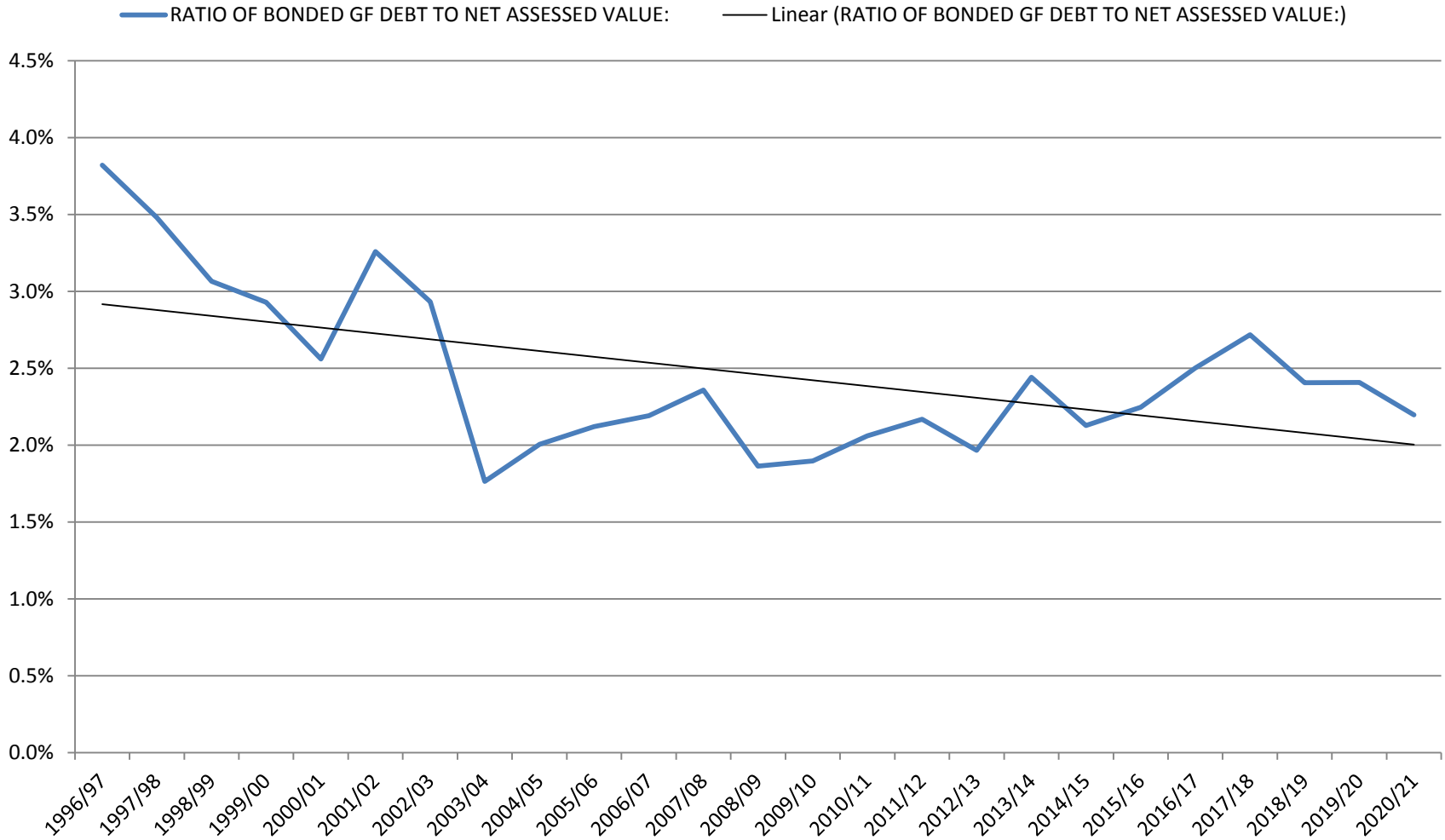
	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
Principal	7,846,937	5,691,538	5,630,694	5,426,492	5,004,607	4,705,140	4,785,991	4,351,861	4,346,135	3,721,373
	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</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%

PERCENT RETIRED AFTER TEN (10) YEARS 79%

*** A POSITIVE DEBT RATIO

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

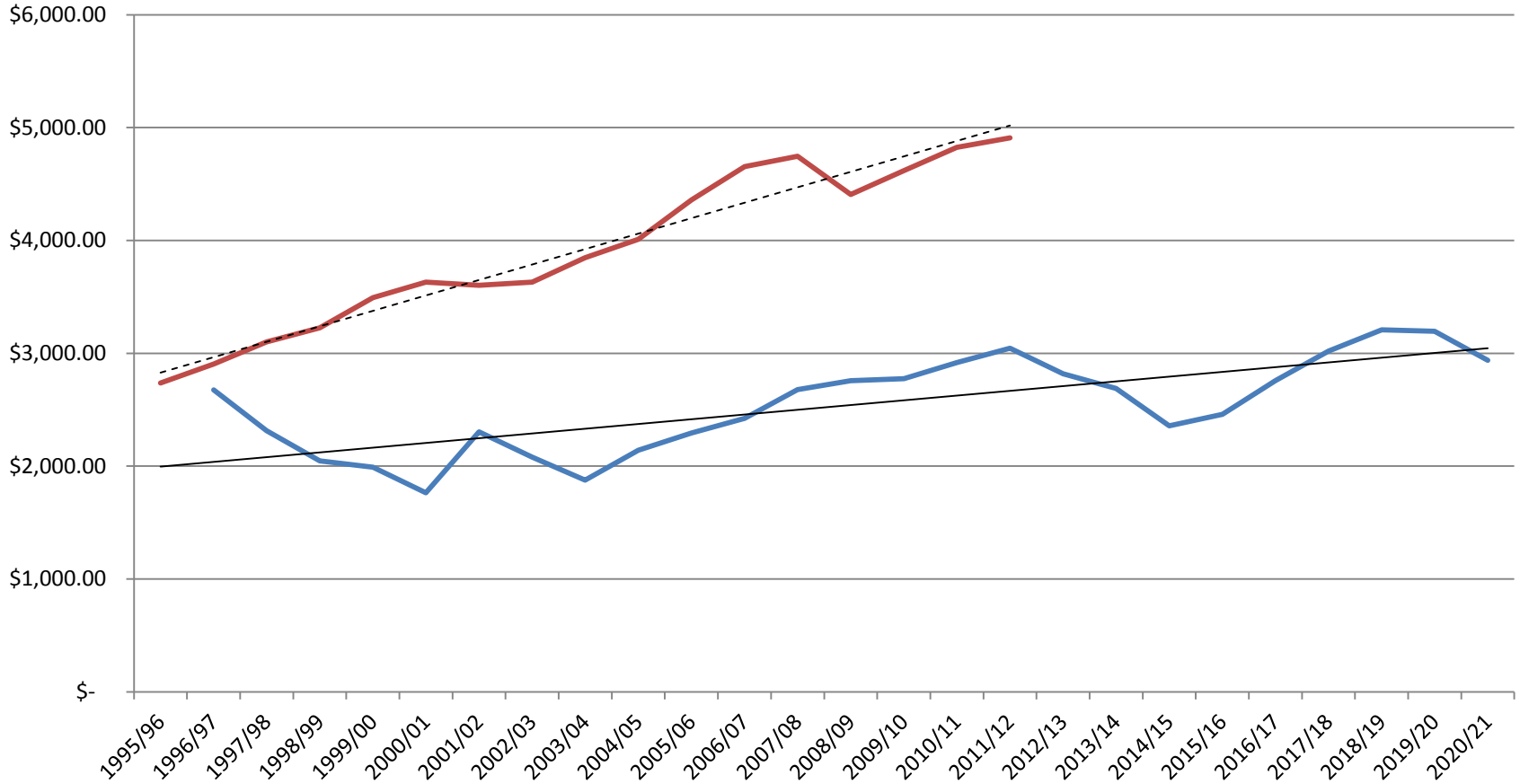
**Ratio of Debt to Equalized Net
Grand List and Net Grand List***

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%	SUFFIELD	1.1%	1.5%
ANSONIA	1.1%	1.3%	DEEP RIVER	0.6%	0.9%	KILLINGWORTH	0.9%	1.3%	OLD LYME	1.6%	2.1%	THOMASTON	3.4%	4.8%
ASHFORD	1.1%	1.6%	DERBY	0.9%	1.2%	LEBANON	1.0%	1.3%	OLD SAYBROOK	0.7%	0.8%	THOMPSON	1.3%	1.8%
AVON	0.9%	1.2%	DURHAM	0.8%	1.2%	LEDYARD	1.1%	1.5%	ORANGE	1.9%	2.2%	TOLLAND	2.2%	3.1%
BARKHAMSTED	0.6%	0.8%	EAST GRANBY	0.9%	1.3%	LISBON	0.8%	1.2%	OXFORD	1.4%	1.9%	TORRINGTON	0.9%	1.3%
BEACON FALLS	1.7%	2.4%	EAST HADDAM	1.4%	1.7%	LITCHFIELD	2.1%	2.7%	PLAINFIELD	1.1%	1.2%	TRUMBULL	1.5%	2.1%
BERLIN	1.1%	1.5%	EAST HAMPTON	0.6%	0.8%	LYME	1.1%	1.2%	PLAINVILLE	3.0%	4.3%	UNION	2.9%	3.8%
BETHANY	1.9%	2.5%	EAST HARTFORD	1.4%	2.0%	MADISON	0.9%	1.1%	PLYMOUTH	2.2%	3.2%	VERNON	1.9%	2.7%
BETHEL	1.1%	1.3%	EAST HAVEN	1.5%	2.1%	MANCHESTER	1.4%	2.0%	POMFRET	1.0%	1.3%	VOLUNTOWN	0.1%	0.1%
BETHLEHEM	0.1%	0.1%	EAST LYME	1.6%	2.3%	MANSFIELD	0.6%	0.9%	PORTLAND	1.6%	2.3%	WALLINGFORD	0.6%	0.8%
BLOOMFIELD	2.3%	3.0%	EAST WINDSOR	0.5%	0.7%	MARLBOROUGH	3.1%	4.4%	PRESTON	0.9%	1.1%	WARREN	0.7%	0.9%
BOLTON	2.3%	2.8%	EASTFORD	0.2%	0.2%	MERIDEN	1.9%	2.7%	PROSPECT	1.4%	2.0%	WASHINGTON	0.1%	0.1%
BOZRAH	1.3%	1.6%	EASTON	1.8%	2.6%	MIDDLEBURY	1.1%	1.6%	PUTNAM	0.0%	0.0%	WATERBURY	8.3%	8.6%
BRANFORD	1.0%	1.4%	ELLINGTON	0.6%	0.9%	MIDDLEFIELD	1.5%	2.2%	REDDING	1.2%	1.4%	WATERFORD	1.8%	2.2%
BRIDGEPORT	8.6%	9.5%	ENFIELD	0.7%	1.0%	MIDDLETOWN	1.6%	2.2%	RIDGEFIELD	1.3%	1.6%	WATERTOWN	2.6%	3.2%
BRIDGEWATER	0.1%	0.2%	ESSEX	1.1%	1.4%	MILFORD	1.6%	2.3%	ROCKY HILL	0.5%	0.6%	WEST HARTFORD	1.6%	2.3%
BRISTOL	1.4%	1.8%	FAIRFIELD	1.4%	2.0%	MONROE	1.4%	1.9%	ROXBURY	0.1%	0.1%	WEST HAVEN	3.9%	5.3%
BROOKFIELD	1.3%	1.9%	FARMINGTON	1.0%	1.3%	MONTVILLE	2.4%	3.4%	SALEM	0.8%	1.2%	WESTBROOK	1.2%	1.7%
BROOKLYN	0.8%	1.0%	FRANKLIN	0.7%	0.9%	MORRIS	0.2%	0.3%	SALISBURY	0.3%	0.4%	WESTON	1.5%	2.0%
BURLINGTON	1.4%	1.9%	GLASTONBURY	1.5%	2.1%	NAUGATUCK	3.8%	4.4%	SCOTLAND	2.1%	2.5%	WESTPORT	0.9%	1.4%
CANAAN	0.5%	0.5%	GOSHEN	0.2%	0.2%	NEW BRITAIN	6.4%	7.7%	SEYMOUR	2.2%	3.2%	WETHERSFIELD	0.8%	1.1%
CANTERBURY	0.1%	0.1%	GRANBY	2.1%	2.8%	NEW CANAAN	1.0%	1.4%	SHARON	0.9%	1.0%	WILLINGTON	0.8%	1.1%
CANTON	0.6%	0.8%	GREENWICH	0.2%	0.3%	NEW FAIRFIELD	1.3%	1.7%	SHELTON	0.9%	1.3%	WILTON	1.0%	1.2%
CHAPLIN	0.1%	0.1%	GRISWOLD	1.9%	2.7%	NEW HARTFORD	1.0%	1.3%	SHERMAN	1.3%	1.6%	WINCHESTER	0.5%	0.6%
CHESHIRE	1.6%	2.1%	GROTON	0.9%	1.4%	NEW HAVEN	5.9%	8.5%	SIMSBURY	1.3%	1.7%	WINDHAM	1.5%	2.0%
CHESTER	0.9%	1.1%	GUILFORD	0.9%	1.1%	NEW LONDON	2.1%	2.6%	SOMERS	1.1%	1.6%	WINDSOR	1.0%	1.3%
CLINTON	1.0%	1.5%	HADDAM	0.9%	1.2%	NEW MILFORD	0.6%	0.8%	SOUTH WINDSOR	1.8%	2.1%	WINDSOR LOCKS	0.8%	1.0%
COLCHESTER	1.0%	1.5%	HAMDEN	2.4%	3.2%	NEWINGTON	0.3%	0.5%	SOUTHBURY	0.9%	0.9%	WOLCOTT	1.5%	2.1%
COLEBROOK	0.4%	0.6%	HAMPTON	0.3%	0.4%	NEWTOWN	1.8%	2.0%	SOUTHINGTON	1.2%	1.7%	WOODBIDGE	1.5%	2.1%
COLUMBIA	0.3%	0.4%	HARTFORD	7.5%	14.3%	NORFOLK	0.6%	0.8%	SPRAGUE	2.4%	3.6%	WOODBURY	0.4%	0.5%
CORNWALL	0.4%	0.6%	HARTLAND	0.3%	0.4%	NORTH BRANFORD	2.6%	3.5%	STAFFORD	1.8%	2.6%	WOODSTOCK	0.5%	0.7%
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%	** Average **	1.6%	2.1%
DANBURY	1.7%	1.9%	KENT	0.8%	0.8%	NORTH STONINGTON	0.1%	0.1%	STONINGTON	1.0%	1.1%	** Median **	1.1%	1.5%
						NORWALK	1.3%	1.7%	STRATFORD	2.3%	3.1%			

* Based upon the 10/1/11 Grand list

DEBT PER CAPITA

- DEBT PER CAPITA
- MONTHLY PER CAPITA INCOME, STATE OF CONNECTICUT
- Linear (DEBT PER CAPITA)
- - - Linear (MONTHLY PER CAPITA INCOME, STATE OF CONNECTICUT)



***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 RIDGFIELD	\$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>	<u>Debt Per</u>	<u>Per Capita</u>	<u>Median</u>
	<u>Net Grand List</u>	<u>Capita</u>	<u>Income</u>	<u>Household</u>
				<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
NEWTOWN	2.0%	\$ 2,769	\$ 48,433	\$ 109,159
Statistics (does not include Newtown):				
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

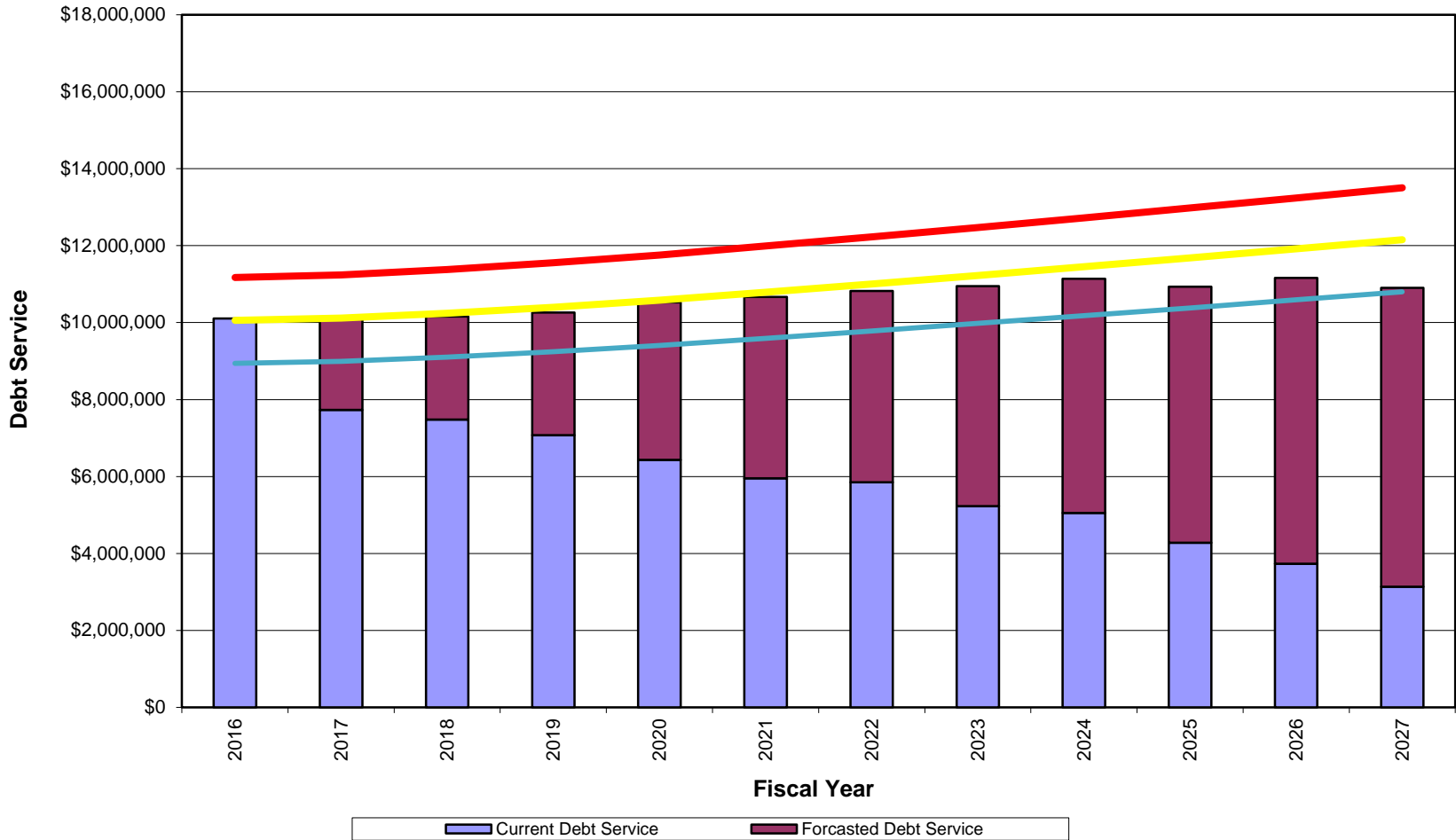
TOWN OF NEWTOWN 2016-2017 CIP + NEXT FIVE YEARS - FORECASTED PROJECT AMOUNTS - DEBT LIMIT CALCULATION																	
	current yr	2016-17 TO 2020-21 CIP						NEXT FIVE YEARS									
Fiscal Year Ending	Current Debt Service Schedule	2015-2016 Planned 2016 Bond Issue (02/15/2016)	2016 - 2017 Forecasted 2017 Bond Issue (02/15/2017)	2017- 2018 Forecasted 2018 Bond Issue (02/15/2018)	2018 - 2019 Forecasted 2019 Bond Issue (02/15/2019)	2019 - 2020 Forecasted 2020 Bond Issue (02/15/2020)	2020 - 2021 Forecasted 2021 Bond Issue (02/15/2021)	2021 - 2022 Forecasted 2022 Bond Issue (02/15/2022)	2022 - 2023 Forecasted 2023 Bond Issue (02/15/2023)	2023 - 2024 Forecasted 2024 Bond Issue (02/15/2024)	2024 - 2025 Forecasted 2025 Bond Issue (02/15/2025)	2025 - 2026 Forecasted 2026 Bond Issue (02/15/2026)	Total Est. Debt Service Fiscal Year Total	Forecasted Debt Total	General Fund Budget	Debt Service 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		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:
