

Town of Coventry, CT

Proposed Capital Projects

Debt / Mill / Tax Impact



July 14, 2020

Proposed Projects & Borrowing Amounts

Schools Roof Renovations & Fire Alarms	
Estimated Project Costs	\$2,680,000
Estimated Grant Reimbursement	(\$1,250,000)
Net Borrowing Amount	\$1,430,000

Booth & Dimock Library Renovations	
Estimated Project Costs	\$1,700,000
Estimated Grant Reimbursement	(\$850,000)
Transferred bond proceeds	(\$100,000)
Net Borrowing Amount	\$750,000

Bonding Costs	
Estimated Project Costs	\$100,000
Estimated Grant Reimbursement	\$0
Net Borrowing Amount	\$100,000

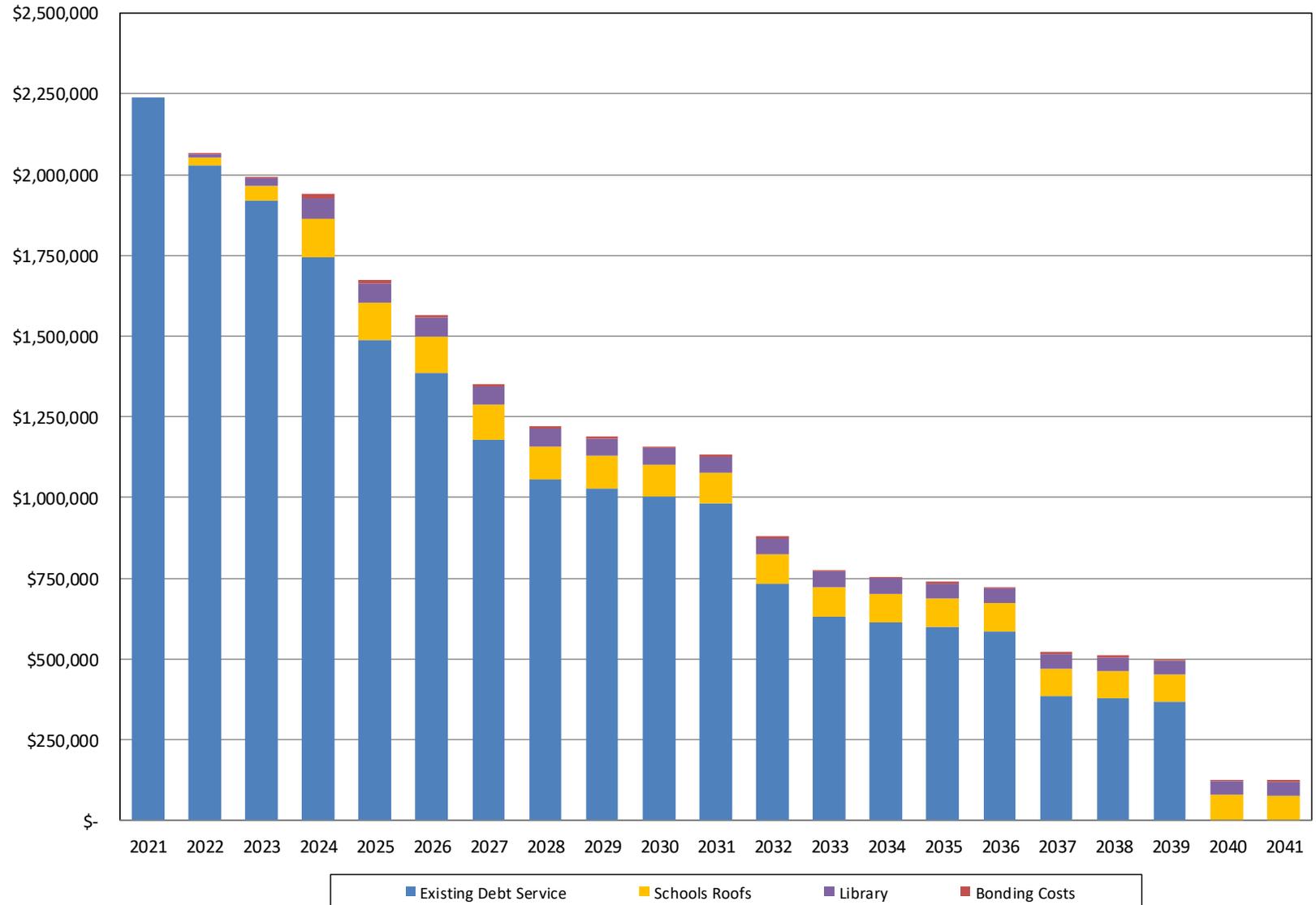
Assumptions

- 1) Existing Town debt represents all outstanding general fund bond debt, net of sewer assessment revenues.
- 2) Existing Town debt includes existing and proposed capital leases for FY 2020-21.
- 3) All interest rates are based on the Town's current bond rating (AA+) and does assume bank qualification.
- 4) Long-term interest rates are based on current market (7/7/20) plus the following spreads:
 - a) Bonds 2021 = Current mkt (1.75%) + 30 basis points (bps)
- 5) Value of one mill based on October 1, 2019 Grand List for FY 2020-21.
- 6) Median home Assessed Value = \$170,450.

Debt Impact – School Roofs / Library / Bonding Costs

FISCAL YEAR	(A)	(B)	(C)	(D)	(A+B+C+D)	FISCAL YEAR	
	General Fund Bonded Debt & Lease Payments	School Roofs	Library	Bonding Costs	Existing Debt + Proposed Projects		Year/Year Change in Debt Service (Dollars)
		\$1,430,000	\$750,000	\$100,000			
		Dtd: 7/1/21	Dtd: 7/1/21	Dtd: 7/1/21			
		Due: 7/1/22-41	Due: 7/1/22-41	Due: 7/1/22-41			
P & I	P & I	P & I	P & I	P&I			
2021	\$ 2,237,752	\$ -	\$ -	\$ -	\$ 2,237,752	2021	
2022	2,029,491	22,984	12,100	1,653	2,066,229	\$ (171,523) 2022	
2023	1,918,493	45,969	24,200	3,306	1,991,968	(74,261) 2023	
2024	1,744,615	119,094	63,200	13,056	1,939,965	(52,003) 2024	
2025	1,487,990	115,344	61,200	7,681	1,672,215	(267,750) 2025	
2026	1,385,544	111,594	59,200	7,431	1,563,769	(108,446) 2026	
2027	1,180,197	107,844	57,200	7,181	1,352,422	(211,347) 2027	
2028	1,054,646	104,094	55,200	6,931	1,220,871	(131,551) 2028	
2029	1,028,140	100,344	53,200	6,681	1,188,365	(32,506) 2029	
2030	1,004,946	96,594	51,200	6,431	1,159,171	(29,194) 2030	
2031	981,521	93,969	49,800	6,256	1,131,546	(27,625) 2031	
2032	731,963	92,469	49,000	6,156	879,587	(251,959) 2032	
2033	631,713	90,969	48,200	6,056	776,937	(102,650) 2033	
2034	612,950	89,469	47,400	5,956	755,775	(21,163) 2034	
2035	599,300	87,969	46,600	5,856	739,725	(16,050) 2035	
2036	585,650	86,469	45,800	5,756	723,675	(16,050) 2036	
2037	386,550	84,969	45,000	5,656	522,175	(201,500) 2037	
2038	378,000	83,422	44,175	5,553	511,150	(11,025) 2038	
2039	369,000	81,688	43,250	5,438	499,375	(11,775) 2039	
2040	-	79,813	42,250	5,313	127,375	(372,000) 2040	
2041	-	77,938	41,250	5,188	124,375	(3,000) 2041	
2042	-	81,000	30,375	5,063	116,438	(7,938) 2042	
	\$ 20,348,462	\$ 1,854,000	\$ 969,800	\$ 128,600	\$ 23,300,861		

Debt Service Impact Chart



Mill Rate / Tax Impact – School Roofs / Library / Bonding Costs

Fiscal Year	Debt Service					Mill Rate				Combined Mill Rate All debt	Tax Impact from Proposed Projects		Fiscal Year
	Existing Debt	Schools Roofs	Library	Bonding Costs	Combined	Existing Debt	Schools Roofs	Library	Bonding Costs		Median House/Yr	Median House/mth	
2021	\$ 2,237,752	\$ -	\$ -	\$ -	\$ 2,237,752	2.19	0.000	0.000	0.000	2.19	\$0.00	\$0.00	2021
2022	2,029,491	22,984	12,100	1,653	2,066,229	1.98	0.022	0.012	0.002	2.02	\$6.12	\$0.51	2022
2023	1,918,493	45,969	24,200	3,306	1,991,968	1.88	0.045	0.024	0.003	1.95	\$12.25	\$1.02	2023
2024	1,744,615	119,094	63,200	13,056	1,939,965	1.71	0.116	0.062	0.013	1.90	\$32.56	\$2.71	2024
2025	1,487,990	115,344	61,200	7,681	1,672,215	1.45	0.113	0.060	0.008	1.64	\$30.70	\$2.56	2025
2026	1,385,544	111,594	59,200	7,431	1,563,769	1.35	0.109	0.058	0.007	1.53	\$29.70	\$2.48	2026
2027	1,180,197	107,844	57,200	7,181	1,352,422	1.15	0.105	0.056	0.007	1.32	\$28.70	\$2.39	2027
2028	1,054,646	104,094	55,200	6,931	1,220,871	1.03	0.102	0.054	0.007	1.19	\$27.70	\$2.31	2028
2029	1,028,140	100,344	53,200	6,681	1,188,365	1.01	0.098	0.052	0.007	1.16	\$26.70	\$2.23	2029
2030	1,004,946	96,594	51,200	6,431	1,159,171	0.98	0.094	0.050	0.006	1.13	\$25.70	\$2.14	2030
2031	981,521	93,969	49,800	6,256	1,131,546	0.96	0.092	0.049	0.006	1.11	\$25.00	\$2.08	2031
2032	731,963	92,469	49,000	6,156	879,587	0.72	0.090	0.048	0.006	0.86	\$24.60	\$2.05	2032
2033	631,713	90,969	48,200	6,056	776,937	0.62	0.089	0.047	0.006	0.76	\$24.20	\$2.02	2033
2034	612,950	89,469	47,400	5,956	755,775	0.60	0.087	0.046	0.006	0.74	\$23.80	\$1.98	2034
2035	599,300	87,969	46,600	5,856	739,725	0.59	0.086	0.046	0.006	0.72	\$23.40	\$1.95	2035
2036	585,650	86,469	45,800	5,756	723,675	0.57	0.085	0.045	0.006	0.71	\$23.00	\$1.92	2036
2037	386,550	84,969	45,000	5,656	522,175	0.38	0.083	0.044	0.006	0.51	\$22.60	\$1.88	2037
2038	378,000	83,422	44,175	5,553	511,150	0.37	0.082	0.043	0.005	0.50	\$22.19	\$1.85	2038
2039	369,000	81,688	43,250	5,438	499,375	0.36	0.080	0.042	0.005	0.49	\$21.73	\$1.81	2039
2040	-	79,813	42,250	5,313	127,375	0.00	0.078	0.041	0.005	0.12	\$21.23	\$1.77	2040
2041	-	77,938	41,250	5,188	124,375	0.00	0.076	0.040	0.005	0.12	\$20.73	\$1.73	2041
2042		81,000	30,375	5,063	116,438	0.00	0.079	0.030	0.005	0.11	\$19.41	\$1.62	2042
Total	\$20,348,462	\$1,854,000	\$ 969,800	\$ 128,600	\$23,300,861								

Disclosure

Disclosure: Hilltop Securities Inc. is providing the information contained in this document for discussion purposes as municipal advisor to the Town of Coventry. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, supply, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of such changes in such assumptions may be material and could affect the projected results. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the market or no market may exist at all.