CITY OF STOUGHTON
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DATE: August 13, 2018
TO: CIP Ad-Hoc Committee
RE: 2019 CIP Approval

This letter provides a brief outline and summary of the following documents accompanying it. This information was requested at the July 31, 2018 CIP Ad-Hoc Committee meeting to allow the Committee to finalize its decision(s) at the upcoming August 23, 2018 meeting.

- 8.23.18 CIP Funding Sources 2019 - 2023 – This document provides a summary of 2019 – 2023 funding sources as requested by City Department Heads. The bottom section of this document includes the amount of debt forecasted to be incurred by the City and the Redevelopment Authority (RDA).
- 8.23.18 CIP Summary – This document summarizes the entire CIP budget for 2019 into one page by Department and funding source.
- 7.31.18 to 8.23.18 CIP Reconciliation – This document provides a reconciliation between the CIP Budget document discussed at the July 31, 2018 meeting and what is being presented this evening.
- 8.23.18 CIP by Department – Project Detail – This document provides each project submitted by the Department Heads regardless of funding source.
- 8.23.18 CIP by Department – Full Detail – This document provides each project submitted by the Department Heads and proposed funding sources. This is the document that is summarized in aforementioned "8.23.18 CIP Summary" document and is similar to what was presented at previous meetings.
- Forecasted Debt Ceiling and Tax Impact – This document provides an estimate of where the City would fall in terms of its internal debt management policy requirement of 4% and the State maximum of 5%. The analysis provides an estimate for years 2019 – 2021. This document also provides an estimate of the overall tax impact per year, per $100,000 of equalized value (using the 2018 preliminary equalized value) over the life of the associated borrowings. The overall assumptions used in these analysis are as follows:
    - 10 year payback periods
    - Interest only for the first two years of the Glacier Moraine borrowing
    - Interest rate of 3.30% on GO debt
    - Interest rate of 3.29% on State Trust Funding Borrowings
    - .75% discount rate
    - .60% debt issuance costs

Using the assumption that all projects proposed for 2019 – 2021 scheduled to be funded through general obligation debt or the general fund capital outlay do in fact come to fruition, the entire

amount required to be borrowed is estimated to be $20.8 million (including debt issuance and discount amounts). The total debt service is estimated to be $24.9 million over the life of the associated borrowings, including interest. Utilizing this information and the existing debt service schedules, we are estimating the debt burden and remaining amounts to the maximum debt ceilings to be as follows:

- 2019 Debt Burden – 3.32%
- 12/31/19 Estimated Amount to 4% - $7.9 million
- 12/31/19 Estimated Amount to 5% - 19.5 million
- 2020 Debt Burden – 3.70%
- 12/31/20 Estimated Amount to 4% - $3.5 million
- 12/31/20 Estimated Amount to 5% - $15.1 million
- 2021 Debt Burden – 3.73%
- 12/31/21 Estimated Amount to 4% - $3.1 million
- 12/31/21 Estimated Amount to 5% - $14.7 million

The estimated tax impact per $100,000 of equalized value over the life of the debt issues ranges from $63 in 2019 to $231 in 2029. This represents an approximate increase of 23% in the amount taxed per $100,000 equalized values over the life of the debt issues.

Respectfully submitted,

Jamin Friedl, CPA
Director of Finance/Comptroller