City of Torrington

Proposed New Torrington High School Debt & Mill Rate Impact

May 20, 2020

HilltopSecurities
A Hilltop Holdings Company.

Assumptions

EXISITING DEBT SERVICE

- Existing debt service includes debt service from May 2020 bond issue

WPCF UPGRADE PROJECT DEBT

- Assumes $66.1M total project costs, $15.5M project grant and $270K local share
- Assumes City net share of $50.3M to be funded 50% from user fees / 50% from general taxation
- Assumes that City net share is financed by three (3) Clean Water Fund Loans (PLOs)

PROPOSED REFERENDUM PROJECT BOND STRUCTURE

- Maximum 20 year amortization term per City Charter
- Straight-line amortization of principal (equal amounts annually)
- First coupon payment at 6 months for all bond issues
- First principal payment at 36 months after issuance

INTEREST RATES

- Interest rates assume the Town's current bond rating (Aa3/AA-)
- Interest rates are based on market as of 5/18/20 projected forward to issuance date based on recent Bloomberg Survey of Economists

OFF SETTING REVENUES

- Assumes all original issue bond & note premium is applied to off-set debt service
- Assumes approximately $85M in State of CT grants for New High School Project
- Assumes $1M in municipal contributions / grants to offset cost of Animal Control Facility

MILL RATE / TAX IMPACT

- Mill rate and tax impact based on October 2019 Grand List projected forward at 0.5% growth annually

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Existing G.F. Bonded Debt + WPCF Project (G.F. Portion)

				Water Pollution Control Facility Upgrade - General Fund Supported Portion ($25M)												
				Existing CWF PLO #1 (GF Portion only)			Projected CWF PLO #2 (GF Portion only)			Projected CWF PLO #3 (GF Portion only)						
	Existing Bonded Debt Service			Dated: 1/31/20			Dated: 1/31/21			Dated: 1/31/22			**Existing + Proposed GF Debt Service**			
				Due: Monthly			Due: Monthly			Due: Monthly						
Fiscal				Interest @ 2.00%			Interest @ 2.00%			Interest @ 2.00%						Fiscal
Year	Principal	Interest	P&I	Principal	Interest	P&I	Principal	Interest	P&I	Principal	Interest	P&I	Principal	Interest	P&I	Year
2020-21	$ 1,725,000	$ 974,392	$ 2,699,392	$ 424,021	$ 197,362	$ 621,383	$ 163,794	$ 240,663	$ 404,457	$ -	$ -	$ -	$ 2,312,815	$ 1,412,417	$ 3,725,232	2020-21
2021-22	2,380,000	914,921	3,294,921	432,579	188,804	621,383	372,634	174,011	546,645	100,482	49,316	149,799	3,285,695	1,327,053	4,612,748	2021-22
2022-23	2,390,000	809,896	3,199,896	441,311	180,072	621,383	380,176	166,469	546,645	245,073	114,443	359,516	3,456,560	1,270,881	4,727,441	2022-23
2023-24	2,410,000	702,096	3,112,096	450,218	171,165	621,383	387,869	158,776	546,645	250,032	109,485	359,516	3,498,119	1,141,522	4,639,641	2023-24
2024-25	2,430,000	598,796	3,028,796	459,306	162,077	621,383	395,722	150,923	546,645	255,094	104,422	359,516	3,540,122	1,016,219	4,556,341	2024-25
2025-26	2,450,000	497,346	2,947,346	468,576	152,807	621,383	403,732	142,913	546,645	260,258	99,259	359,516	3,582,566	892,325	4,474,891	2025-26
2026-27	2,460,000	399,096	2,859,096	478,034	143,349	621,383	411,904	134,741	546,645	265,526	93,991	359,516	3,615,464	771,177	4,386,641	2026-27
2027-28	1,900,000	315,893	2,215,893	487,683	133,700	621,383	420,238	126,407	546,645	270,898	88,618	359,516	3,078,820	664,618	3,743,438	2027-28
2028-29	1,885,000	247,753	2,132,753	497,527	123,856	621,383	428,747	117,898	546,645	276,383	83,133	359,516	3,087,657	572,640	3,660,297	2028-29
2029-30	1,865,000	207,390	2,072,390	507,569	113,814	621,383	437,425	109,220	546,645	281,977	77,539	359,516	3,091,972	507,963	3,599,934	2029-30
2030-31	1,855,000	165,215	2,020,215	517,814	103,569	621,383	446,279	100,366	546,645	287,685	71,831	359,516	3,106,778	440,981	3,547,759	2030-31
2031-32	1,180,000	127,678	1,307,678	528,266	93,117	621,383	455,310	91,335	546,645	293,506	66,010	359,516	2,457,082	378,140	2,835,222	2031-32
2032-33	1,180,000	98,578	1,278,578	538,928	82,455	621,383	464,528	82,117	546,645	299,449	60,068	359,516	2,482,905	323,217	2,806,122	2032-33
2033-34	1,180,000	69,478	1,249,478	549,806	71,577	621,383	473,931	72,714	546,645	305,510	54,006	359,516	2,509,247	267,775	2,777,022	2033-34
2034-35	670,000	39,748	709,748	560,904	60,479	621,383	483,523	63,122	546,645	311,694	47,823	359,516	2,026,121	211,171	2,237,292	2034-35
2035-36	210,000	24,688	234,688	572,225	49,158	621,383	493,308	53,337	546,645	318,001	41,515	359,516	1,593,534	168,698	1,762,232	2035-36
2036-37	210,000	19,663	229,663	583,775	37,608	621,383	503,295	43,350	546,645	324,439	35,077	359,516	1,621,510	135,697	1,757,207	2036-37
2037-38	205,000	14,425	219,425	595,558	25,825	621,383	513,483	33,163	546,645	331,006	28,510	359,516	1,645,047	101,922	1,746,969	2037-38
2038-39	205,000	9,338	214,338	607,579	13,804	621,383	523,876	22,769	546,645	337,706	21,810	359,516	1,674,161	67,721	1,741,882	2038-39
2039-40	170,000	4,250	174,250	360,069	2,404	362,473	534,477	12,168	546,645	344,540	14,976	359,516	1,409,086	33,799	1,442,885	2039-40
2040-41	-	-	-	-	-	-	316,761	2,115	318,876	351,515	8,001	359,516	668,276	10,116	678,393	2040-41
2041-42	-	-	-	-	-	-	-	-	-	208,327	1,391	209,718	208,327	1,391	209,718	2041-42
	$28,960,000	$6,240,638	$35,200,638	$10,061,750	$ 2,107,000	$12,168,750	$ 9,011,011	$ 2,098,578	$11,109,589	$ 5,919,102	$ 1,271,226	$ 7,190,328	$53,951,863	$11,717,442	$65,669,305	

Existing G.F. Debt + WPCF + Balance 2018 Projects

Fiscal Year	Existing + WPCF Upgrade GF Debt Service Principal	Existing + WPCF Upgrade GF Debt Service Interest	Existing + WPCF Upgrade GF Debt Service P & I	FY 2021 Issue: Animal Control Facility $945,000 Dated: 5/1/21 Due: 5/1/22-41 Prm: $69,085 Interest: 2.33% P & I	FY 2021 Issue: Roads, Sidewalk, Drainage $6,650,000 Dated: 5/1/21 Due: 5/1/22-36 Prm: $585,101 Interest: 2.27% P & I	FY 2022 Issue: Roads, Sidewalk, Drainage $6,675,000 Dated: 2/1/22 Due: 2/1/23-37 Prm: $452,240 Interest: 2.67% P & I	FY 2023 Issue: Roads, Sidewalk, Drainage $6,840,000 Dated: 2/1/23 Due: 2/1/24-38 Prm: $286,380 Interest: 3.11% P & I	Sub-total Proposed Debt Service P & I	Combined General Fund Debt Service P & I	Annual Change in Debt Service P & I	Fiscal Year
2020-21	$ 2,312,815	$ 1,412,417	$ 3,725,232	$ -	$ -	$ -	$ -	$ -	$ 3,725,232		2020-21
2021-22	3,285,695	1,327,053	4,612,748	85,275	670,738	-	-	756,013	5,368,760	$ 1,643,528	2021-22
2022-23	3,456,560	1,270,881	4,727,441	82,775	650,238	716,450	-	1,449,463	6,176,903	808,143	2022-23
2023-24	3,498,119	1,141,522	4,639,641	80,275	629,738	694,200	741,713	2,145,925	6,785,566	608,663	2023-24
2024-25	3,540,122	1,016,219	4,556,341	77,775	609,238	671,950	718,713	2,077,675	6,634,016	(151,550)	2024-25
2025-26	3,582,566	892,325	4,474,891	75,275	588,738	649,700	695,713	2,009,425	6,484,316	(149,700)	2025-26
2026-27	3,615,464	771,177	4,386,641	72,775	568,238	627,450	667,713	1,936,175	6,322,816	(161,500)	2026-27
2027-28	3,078,820	664,618	3,743,438	70,275	547,738	605,200	644,963	1,868,175	5,611,613	(711,203)	2027-28
2028-29	3,087,657	572,640	3,660,297	67,775	527,238	582,950	622,213	1,800,175	5,460,472	(151,141)	2028-29
2029-30	3,091,972	507,963	3,599,934	65,275	506,738	560,700	599,463	1,732,175	5,332,109	(128,362)	2029-30
2030-31	3,106,778	440,981	3,547,759	58,275	490,338	542,900	576,713	1,668,225	5,215,984	(116,125)	2030-31
2031-32	2,457,082	378,140	2,835,222	56,475	473,938	525,100	553,963	1,609,475	4,444,697	(771,287)	2031-32
2032-33	2,482,905	323,217	2,806,122	55,125	456,638	511,750	540,313	1,563,825	4,369,947	(74,750)	2032-33
2033-34	2,509,247	267,775	2,777,022	53,775	444,488	498,400	526,663	1,523,325	4,300,347	(69,600)	2033-34
2034-35	2,026,121	211,171	2,237,292	52,425	432,338	485,050	513,013	1,482,825	3,720,117	(580,230)	2034-35
2035-36	1,593,534	168,698	1,762,232	51,413	423,225	471,700	498,794	1,445,131	3,207,363	(512,754)	2035-36
2036-37	1,621,510	135,697	1,757,207	50,400	414,113	458,350	484,575	1,407,438	3,164,644	(42,719)	2036-37
2037-38	1,645,047	101,922	1,746,969	49,388	-	-	469,788	519,175	2,266,144	(898,500)	2037-38
2038-39	1,674,161	67,721	1,741,882	48,319	-	-		48,319	1,790,201	(475,944)	2038-39
2039-40	1,409,086	33,799	1,442,885	47,250	-	-		47,250	1,490,135	(300,066)	2039-40
2040-41	668,276	10,116	678,393	46,125	-	-		46,125	724,518	(765,617)	2040-41
2041-42	208,327	1,391	209,718	-	-	-	-	-	209,718	(514,800)	2041-42
	$53,951,863	$11,717,442	$65,669,305	$ 1,246,444	$ 8,433,713	$ 8,601,850	$ 8,854,306	$ 27,136,313	$ 92,805,617		

Note: Bond premium applied to reduce borrowing / debt service

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New Torrington High School Financing Plan

	FY 2021 Issue	FY 2022 Issue		FY 2023 Issue		FY 2024 Issue		FY 2025 Issue		FY 2026 Issue	FY 2027 Issue		
	Notes	Bonds	Notes	Bonds	Notes	Bonds	Notes	Bonds	Notes	Notes	Notes	Proposed New THS Debt Service	
	$14,045,000	$17,555,000	$31,251,000	$18,085,000	$43,262,000	$18,775,000	$26,981,000	$19,295,000	$9,501,000	$9,551,000	$9,601,000		
	Dated: 5/1/21	Dated: 5/1/22	Dated: 5/1/22	Dated: 5/1/23	Dated: 5/1/23	Dated: 5/1/24	Dated: 5/1/24	Dated: 5/1/25	Dated: 5/1/25	Dated: 5/1/26	Dated: 5/1/27		
	Due: 5/1/22	Due: 5/1/25-42	Due: 5/1/23	Due: 5/1/26-43	Due: 5/1/24	Due: 5/1/27-44	Due: 5/1/25	Due: 5/1/28-45	Due: 5/1/26	Due: 5/1/27	Due: 5/1/28		
	Prm: $67,556	Prm: $926,756	Prm: $72,815	Prm: $611,407	Prm: $205,495	Prm: $460,516	Prm: $126,811	Prm: $270,269	Prm: $44,560	Prm: $44,794	Prm: $14,401		
Fiscal	Interest: 1.52%	Interest: 2.80%	Interest: 1.77%	Interest: 3.20%	Interest: 2.50%	Interest: 3.83%	Interest: 3.28%	Interest: 4.30%	Interest: 3.48%	Interest: 3.53%	Interest: 3.48%		Fiscal
Year	Interest [1]	P & I	Interest [1]	P & I	Interest [1]	P & I	Interest [1]	P & I	Interest [1]	Interest [1]	Interest [1]	P & I	Year
2020-21	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	2020-21
2021-22	213,344	-	-	-	-	-	-	-	-	-	-	-	2021-22
2022-23	-	643,750	552,205	-	-	-	-	-	-	-	-	643,750	2022-23
2023-24	-	643,750	-	690,763	1,092,365	-	-	-	-	-	-	1,334,513	2023-24
2024-25	-	1,623,750	-	690,763	-	798,025	884,977	-	-	-	-	3,112,538	2024-25
2025-26	-	1,569,750	-	1,695,763	-	798,025	-	877,763	335,480	-	-	4,941,300	2025-26
2026-27	-	1,521,000	-	1,645,513	-	1,843,025	-	877,763	-	337,246	-	5,887,300	2026-27
2027-28	-	1,472,250	-	1,595,263	-	1,790,775	-	1,952,763	-	-	367,639	6,811,050	2027-28
2028-29	-	1,423,500	-	1,545,013	-	1,738,525	-	1,899,013	-	-	-	6,606,050	2028-29
2029-30	-	1,374,750	-	1,494,763	-	1,686,275	-	1,845,263	-	-	-	6,401,050	2029-30
2030-31	-	1,335,750	-	1,444,513	-	1,634,025	-	1,791,513	-	-	-	6,205,800	2030-31
2031-32	-	1,296,750	-	1,394,263	-	1,581,775	-	1,737,763	-	-	-	6,010,550	2031-32
2032-33	-	1,267,500	-	1,364,113	-	1,529,525	-	1,684,013	-	-	-	5,845,150	2032-33
2033-34	-	1,238,250	-	1,333,963	-	1,492,950	-	1,630,263	-	-	-	5,695,425	2033-34
2034-35	-	1,209,000	-	1,303,813	-	1,456,375	-	1,582,263	-	-	-	5,551,450	2034-35
2035-36	-	1,179,750	-	1,272,406	-	1,417,188	-	1,538,125	-	-	-	5,407,469	2035-36
2036-37	-	1,150,500	-	1,241,000	-	1,378,000	-	1,492,650	-	-	-	5,262,150	2036-37
2037-38	-	1,121,250	-	1,208,338	-	1,331,200	-	1,447,175	-	-	-	5,107,963	2037-38
2038-39	-	1,092,000	-	1,175,675	-	1,289,600	-	1,401,700	-	-	-	4,958,975	2038-39
2039-40	-	1,062,750	-	1,143,013	-	1,248,000	-	1,356,225	-	-	-	4,809,988	2039-40
2040-41	-	1,033,500	-	1,109,094	-	1,206,400	-	1,309,413	-	-	-	4,658,406	2040-41
2041-42	-	1,004,250	-	1,075,175	-	1,164,800	-	1,262,600	-	-	-	4,506,825	2041-42
2042-43	-	-	-	1,035,000	-	1,123,200	-	1,214,450	-	-	-	3,372,650	2042-43
2043-44	-	-	-	-	-	1,081,600	-	1,166,300	-	-	-	2,247,900	2043-44
2044-45	-	-	-	-	-	-	-	1,118,150	-	-	-	1,118,150	2044-45
	$ 213,344	$ 24,263,750	$ 552,205	$ 25,458,200	$ 1,092,365	$ 27,589,288	$ 884,977	$ 29,185,163	$ 335,480	$ 337,246	$ 367,639	$ 106,496,400	

[1] Short-term note interest reflected above is for illustration purposes only. Short-term note interest will not be paid from the General Fund but will be charged to the project and will capitalized into subsequent bond issues.

G.F. Debt Impact – Proposed New High School

Fiscal Year	Existing + WPCF+ Proposed GF Debt Service P & I	Proposed New THS Debt Service P & I	Combined Debt Service P & I	Annual Change in Debt Service P & I	Fiscal Year
2020-21	$ 3,725,232	$ -	$ 3,725,232		2020-21
2021-22	5,368,760	-	5,368,760	$ 1,643,528	2021-22
2022-23	6,176,903	643,750	6,820,653	1,451,893	2022-23
2023-24	6,785,566	1,334,513	8,120,078	1,299,425	2023-24
2024-25	6,634,016	3,112,538	9,746,553	1,626,475	2024-25
2025-26	6,484,316	4,941,300	11,425,616	1,679,062	2025-26
2026-27	6,322,816	5,887,300	12,210,116	784,500	2026-27
2027-28	5,611,613	6,811,050	12,422,663	212,547	2027-28
2028-29	5,460,472	6,606,050	12,066,522	(356,141)	2028-29
2029-30	5,332,109	6,401,050	11,733,159	(333,362)	2029-30
2030-31	5,215,984	6,205,800	11,421,784	(311,375)	2030-31
2031-32	4,444,697	6,010,550	10,455,247	(966,537)	2031-32
2032-33	4,369,947	5,845,150	10,215,097	(240,150)	2032-33
2033-34	4,300,347	5,695,425	9,995,772	(219,325)	2033-34
2034-35	3,720,117	5,551,450	9,271,567	(724,205)	2034-35
2035-36	3,207,363	5,407,469	8,614,832	(656,735)	2035-36
2036-37	3,164,644	5,262,150	8,426,794	(188,037)	2036-37
2037-38	2,266,144	5,107,963	7,374,107	(1,052,687)	2037-38
2038-39	1,790,201	4,958,975	6,749,176	(624,931)	2038-39
2039-40	1,490,135	4,809,988	6,300,122	(449,053)	2039-40
2040-41	724,518	4,658,406	5,382,924	(917,198)	2040-41
2041-42	209,718	4,506,825	4,716,543	(666,381)	2041-42
2042-43	-	3,372,650	3,372,650	(1,343,893)	2042-43
2043-44	-	2,247,900	2,247,900	(1,124,750)	2043-44
2044-45	-	1,118,150	1,118,150	(1,129,750)	2044-45
	$ 92,805,617	$ 106,496,400	$ 199,302,017		

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Mill Rate Impact – Proposed New High School

	Debt Service			Mill Rate			
Fiscal Year	Existing + WPCF Debt	New Torrington High School	Combined	Existing Debt	New Torrington High School	Combined Mill Rate All debt	Fiscal Year
2020-21	$ 3,725,232	$ -	$ 3,725,232	1.83	0.00	1.83	2020-21
2021-22	4,612,748	-	4,612,748	2.25	0.00	2.25	2021-22
2022-23	4,727,441	643,750	5,371,191	2.30	0.31	2.61	2022-23
2023-24	4,639,641	1,334,513	5,974,153	2.24	0.64	2.89	2023-24
2024-25	4,556,341	3,112,538	7,668,878	2.19	1.50	3.69	2024-25
2025-26	4,474,891	4,941,300	9,416,191	2.14	2.36	4.50	2025-26
2026-27	4,386,641	5,887,300	10,273,941	2.09	2.80	4.89	2026-27
2027-28	3,743,438	6,811,050	10,554,488	1.77	3.23	5.00	2027-28
2028-29	3,660,297	6,606,050	10,266,347	1.72	3.11	4.84	2028-29
2029-30	3,599,934	6,401,050	10,000,984	1.69	3.00	4.69	2029-30
2030-31	3,547,759	6,205,800	9,753,559	1.66	2.89	4.55	2030-31
2031-32	2,835,222	6,010,550	8,845,772	1.32	2.79	4.11	2031-32
2032-33	2,806,122	5,845,150	8,651,272	1.30	2.70	4.00	2032-33
2033-34	2,777,022	5,695,425	8,472,447	1.28	2.62	3.89	2033-34
2034-35	2,237,292	5,551,450	7,788,742	1.02	2.54	3.56	2034-35
2035-36	1,762,232	5,407,469	7,169,701	0.80	2.46	3.26	2035-36
2036-37	1,757,207	5,262,150	7,019,357	0.80	2.38	3.18	2036-37
2037-38	1,746,969	5,107,963	6,854,932	0.79	2.30	3.09	2037-38
2038-39	1,741,882	4,958,975	6,700,857	0.78	2.22	3.00	2038-39
2039-40	1,442,885	4,809,988	6,252,872	0.64	2.15	2.79	2039-40
2040-41	678,393	4,658,406	5,336,799	0.30	2.07	2.37	2040-41
2041-42	209,718	4,506,825	4,716,543	0.09	1.99	2.08	2041-42
2042-43	-	3,372,650	3,372,650	0.00	1.48	1.48	2042-43
2043-44	-	2,247,900	2,247,900	0.00	0.98	0.98	2043-44
2044-45	-	1,118,150	1,118,150	0.00	0.49	0.49	2044-45
Total	$ 65,669,305	$106,496,400	$172,165,705	1.47	2.04	3.20	**Average**

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Tax Impact (Annual Cost – Proposed New High School

	Tax Impact per $100,000 of Assessed Value (MV = $142,857)			Tax Impact from Proposed Projects for Median Home (MV = $162,300)	
Fiscal Year	Existing + WPCF Debt	New Torrington High School	Total All Debt	New Torrington High School	Fiscal Year
2020-21	$183	$0	$183	$0	2020-21
2021-22	$225	$0	$225	$0	2021-22
2022-23	$230	$31	$261	$36	2022-23
2023-24	$224	$64	$289	$73	2023-24
2024-25	$219	$150	$369	$170	2024-25
2025-26	$214	$236	$450	$268	2025-26
2026-27	$209	$280	$489	$318	2026-27
2027-28	$177	$323	$500	$366	2027-28
2028-29	$172	$311	$484	$354	2028-29
2029-30	$169	$300	$469	$341	2029-30
2030-31	$166	$289	$455	$329	2030-31
2031-32	$132	$279	$411	$317	2031-32
2032-33	$130	$270	$400	$307	2032-33
2033-34	$128	$262	$389	$297	2033-34
2034-35	$102	$254	$356	$288	2034-35
2035-36	$80	$246	$326	$280	2035-36
2036-37	$80	$238	$318	$271	2036-37
2037-38	$79	$230	$309	$261	2037-38
2038-39	$78	$222	$300	$253	2038-39
2039-40	$64	$215	$279	$244	2039-40
2040-41	$30	$207	$237	$235	2040-41
2041-42	$9	$199	$208	$226	2041-42
2042-43	$0	$148	$148	$168	2042-43
2043-44	$0	$98	$98	$112	2043-44
2044-45	$0	$49	$49	$55	2044-45
Average	$147	$204	$320	$ 232	

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Tax Impact (Average)

Average Annual Cost of the Proposed Project					
Market Value	$100,000	$125,000	$150,000	$175,000	$200,000
Assessed Value	**$70,000**	**$87,500**	**$105,000**	**$122,500**	**$140,000**
New Torrington High School	$143.00	$178.70	$214.50	$250.20	$285.90

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