The background of the slide is a dense, overlapping pattern of US dollar bills, primarily \$100 bills, rendered in a light, semi-transparent green color. The bills are scattered across the entire frame, creating a textured, financial backdrop.

Town of Andover

DEBT PRESENTATION

Reginald Stapczynski, Town Manager

April 13, 2009

DEBT CATEGORIES

- **General Fund (non-exempt)**

- Building Renovation & Repair
- Bridge & Road Maintenance
- Sidewalks, Culverts, & Drainage
- Land Acquisition
- Large Vehicles & Misc. Equipment
- Planning & Design

- **Water Enterprise**

- **Sewer Enterprise**

- **Exempt (from Prop. 2 ½)**

- Schools
- Public Safety Center

- **Temporary (BANs)**

PRIMARY DEBT POLICIES

- **Projects proposed to be funded through long-term debt should identify the impact to the average tax bill.**
- **Proposed debt funded projects should identify the impact to the annual operating budget.**
- **Large building projects should be funded with exempted debt outside Proposition 2 ½ levy limits.**
- **General Fund debt service should not exceed 10% of General Fund revenues. [Approx. \$12 Million / Current \$3.8 Million]**
- **Water and sewer debt service should not exceed 40% of those operating revenues. [Approx. \$5.4 Million / Current \$4.7 Million]**
- **50% of outstanding debt principal should be paid off within 10 years.**

TAX BILL IMPACT OF NEW EXEMPT DEBT

First Year on Average Single Family Property

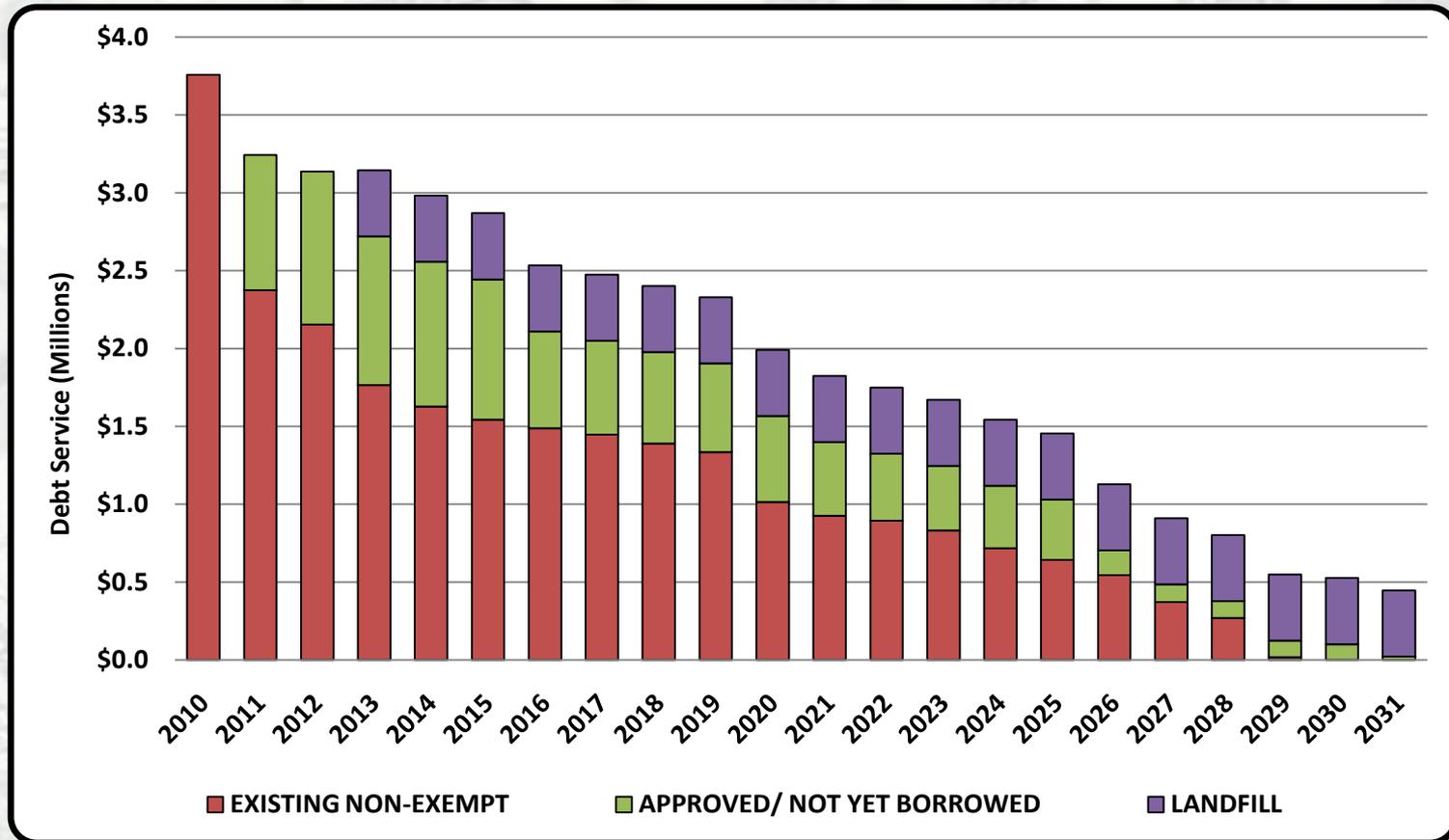
\$10 Million	\$77
\$20 Million	\$154
\$30 Million	\$231
\$40 Million	\$308
\$50 Million	\$385
\$60 Million	\$462

GENERAL FUND DEBT (NON-EXEMPT)

Total Outstanding Debt Service = \$48.2 Million

(Existing = \$25.1 M + ANYB Landfill = \$12.8 M + ANYB Other = \$10.3 M)

New Proposed Debt (2009 ATM) = \$3.8 M



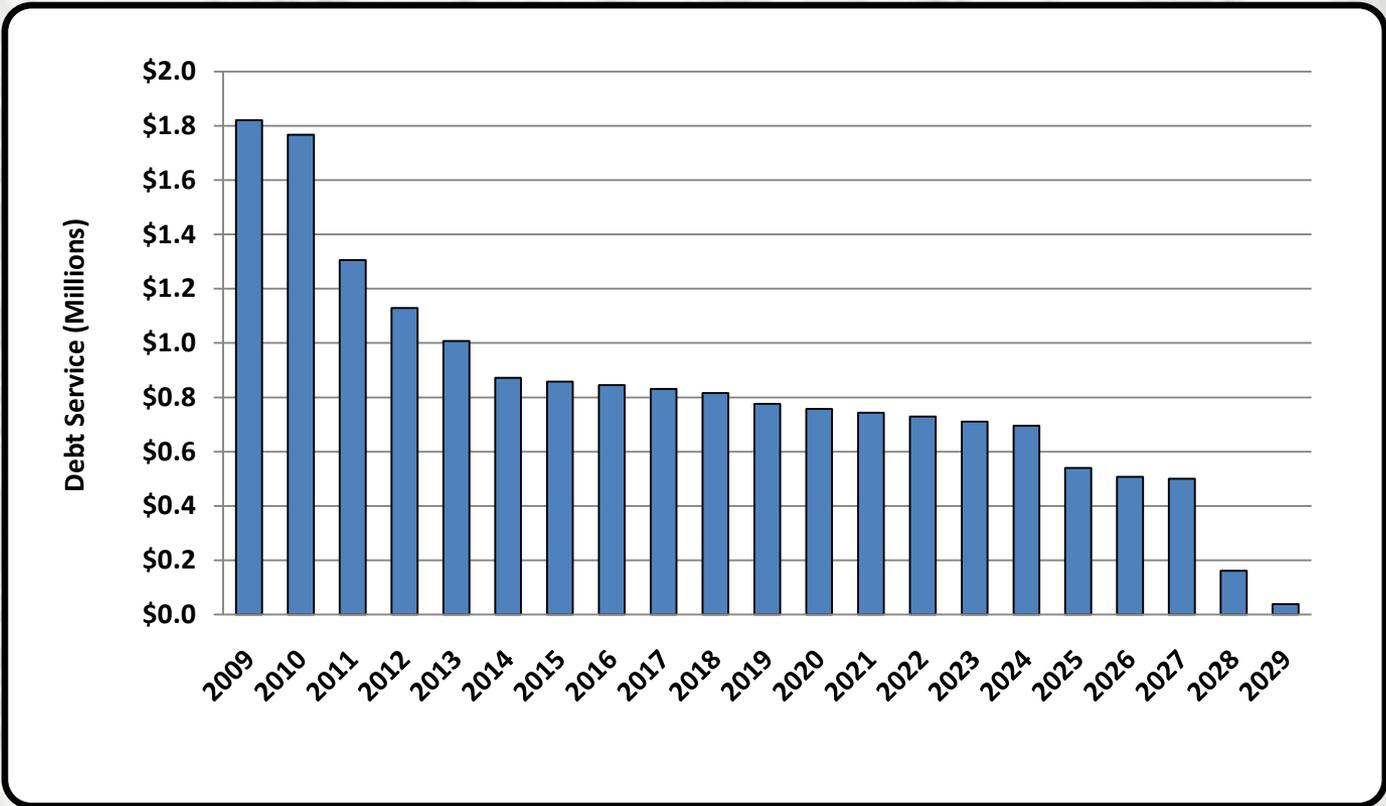
GENERAL FUND BOND AUTHORIZATIONS PROPOSED FOR 2009 ATM

A-33	Fire Rescue Ambulance	\$225,000
A-34	Ballardvale Fire Station Replacement	\$200,000
A-55	Town Building Maint. & Renovation	\$650,000
A-56	School Building Maint. & Renovation	\$850,000
A-57	New Ball Fields – Blanchard Street	\$425,000
A-58	Veterans Memorial Auditorium Repairs	\$650,000
A6-62	Open Space AcQisition	<u>\$800,000</u>
		\$3,800,000

WATER ENTERPRISE DEBT

Total Outstanding Debt Service = \$17.4 Million

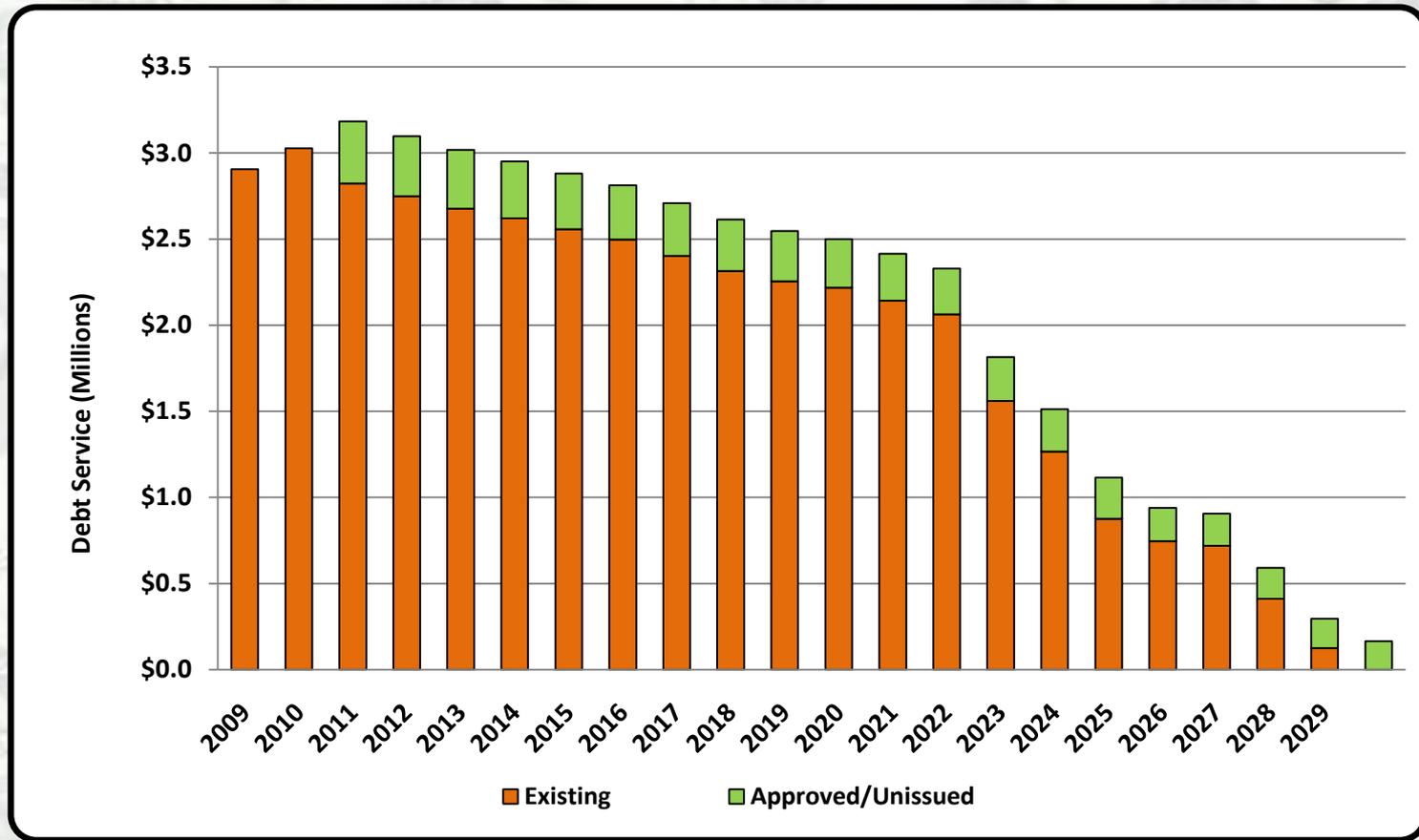
New Proposed Debt (2009 ATM) = \$1.6 Million



SEWER ENTERPRISE DEBT

Total Outstanding Debt Service = \$46.3 Million

Existing = \$41 Million + ANYB = \$5.3 Million

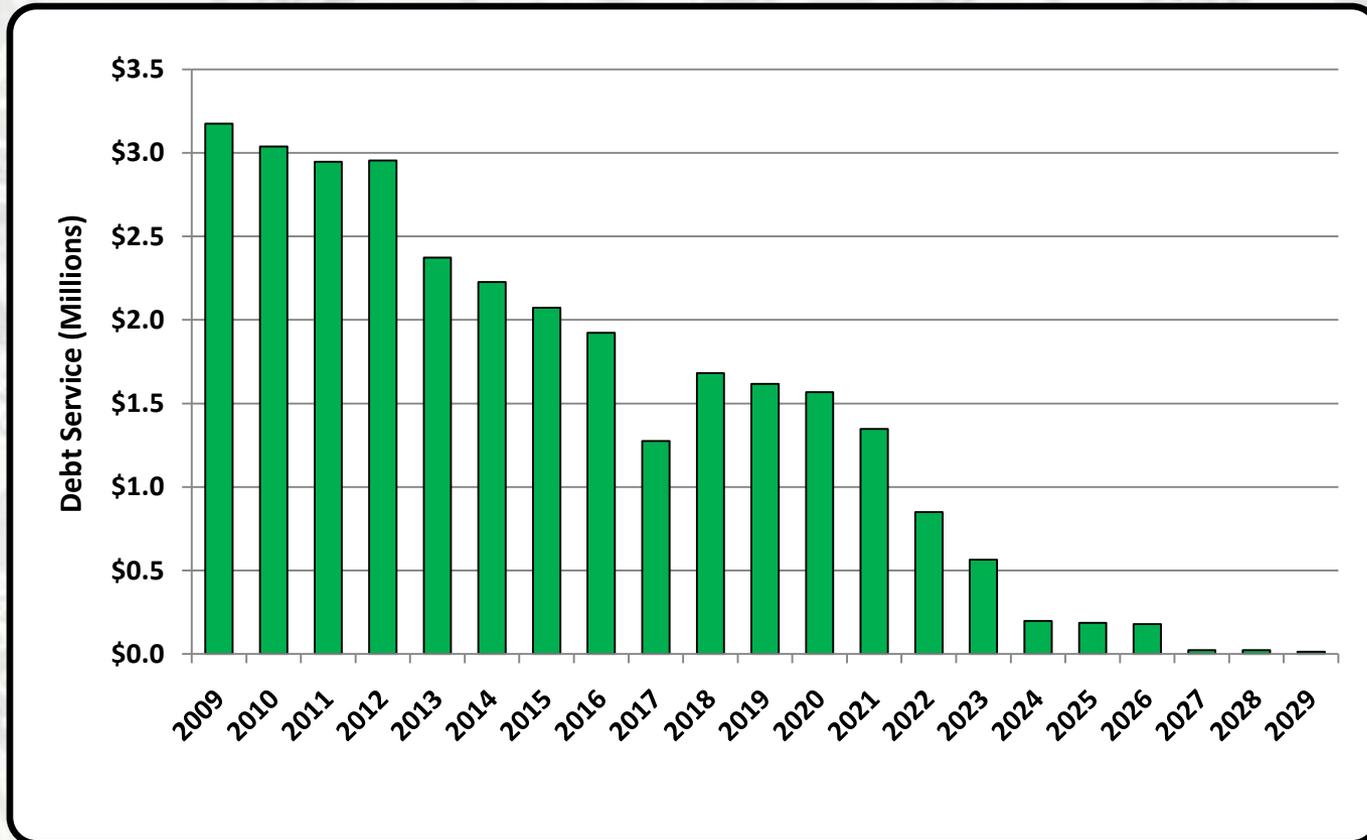


PROP. 2 ½ EXEMPT DEBT (NET)

Total Outstanding Debt Service = \$43.8 Million

State Reimbursed = \$13.6 Million

Net Outstanding Debt Service = \$30.2 Million



EXISTING EXEMPT DEBT

High School Renovations ('94)	\$40.5 Million
New Middle & Elem. Schools ('09-'00)	\$34.5 Million
Public Safety Center ('01-'02)	<u>\$14.0 Million</u>
Total Authorized	\$89.0 Million
Paid Off/Reimbursed	(\$45.2) Million
Outstanding	\$43.8 Million
State Reimbursed	<u>(\$13.6) Million</u>
Net Remaining Exempt Debt	\$30.2 Million

YEARLY TAX BILL IMPACT

Remaining \$30.2 Million of Exempt Debt

<u>If your property is valued at</u>	<u>And your tax bill is</u>	<u>The debt service cost to the Town will add the following estimated amount to your tax bill</u>			
		<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>
\$300,000	\$3,648	\$136	\$132	\$132	\$106
\$500,000	\$6,080	\$226	\$219	\$220	\$177
\$580,000	\$7,053	\$262	\$254	\$255	\$205
\$700,000	\$8,512	\$317	\$307	\$308	\$247
\$900,000	\$10,944	\$407	\$395	\$396	\$318
Debt Service		\$3,038,492	\$2,946,971	\$2,955,040	\$2,373,785

POTENTIAL NEW EXEMPT DEBT

Major Projects in Planning

Bancroft School	\$28 – \$30 Million
New Town Yard	\$20 – \$25 Million
Ballardvale Fire Station	<u>\$3 – \$5 Million</u>
Total Potential New Exempt	\$51 – \$60 Million

YEARLY TAX BILL IMPACT

Each \$10 Million Worth of New Exempt Debt

If your
property
is valued at

And your
tax bill is

The debt service cost to the Town will add
the following estimated amount to your tax bill

		<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>
\$300,000	\$3,648	\$40	\$39	\$38	\$37
\$500,000	\$6,080	\$66	\$65	\$63	\$62
\$580,000	\$7,053	\$77	\$75	\$73	\$72
\$700,000	\$8,512	\$93	\$91	\$89	\$87
\$900,000	\$10,944	\$119	\$117	\$114	\$111
Debt Service		\$890,000	\$870,000	\$850,000	\$830,000