



"SUBMARINE CAPITAL OF THE WORLD"

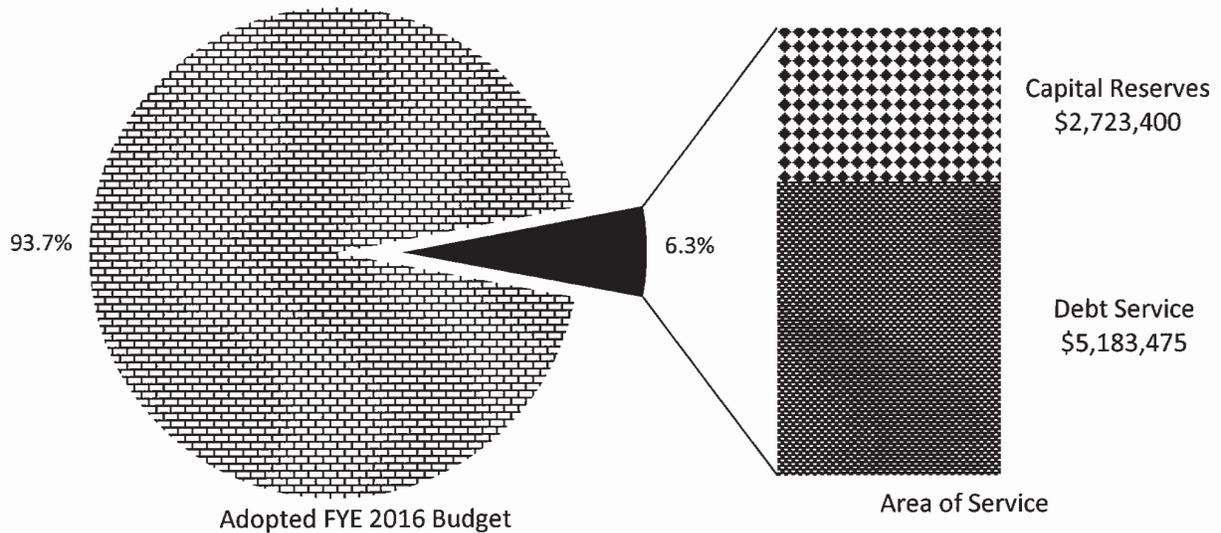
Capital/Debt Service

Functions 1075, 1076;

This area of service accounts for the General Fund's contribution to the Capital Reserve Fund as well as the debt service payments made on long term financing for bonded projects.

CAPITAL & DEBT SERVICE

As a % of the Total Budget





TOWN OF GROTON
FYE 2016 BUDGET
FUNCTION HIGHLIGHTS

DEPARTMENT: General Government

FUNCTION: Reserves/Contributions 1075

	ACTUAL FYE 2014	APPROVED ADJUSTED FYE 2015	ESTIMATED FYE 2015	RTM APPROVED FYE 2016	% Change FYE 2015 to FYE 2016
TOTAL	\$ 1,800,000	\$ 1,700,000	\$ 1,700,000	\$ 2,723,400	60.2%

HIGHLIGHTS:

- This function represents the General Fund contribution to the Capital Reserve Fund (5010).

The Groton Town Code Article I, Section 2.1(b) requires that: "The town manager shall include in the proposed budget to the town council an allocation of funds to the reserve fund based on the following formula: Calculate the amount of not less than four percent of the general fund budget, subtract the sum necessary to defray general fund obligated annual debt service, the remainder amount to be allocated to the reserve fund for capital and nonrecurring expenditures....
...No appropriation shall be made to such fund so that the total fund balance exceeds 50 percent of the total general fund budget, or the unappropriated portion of the fund exceeds 12 percent of the total general fund budget."

	General Fund	Capital Reserve (FYE 2014 CAFR)
Adopted Budget	\$ 125,738,680	
50% of General Fund	\$ 62,869,340	
Total Fund Balance	----->	\$ 5,834,191
12% of General Fund	\$ 15,088,642	
Unassigned Fund Balance	----->	\$ 2,380,609

During budget deliberations, the Town Council reduced this by \$2,076,600 and the RTM reduced it by another \$200,000.

PERSONNEL:

- No personnel charged to this function.

TOWN OF GROTON
SUMMARY COST CENTER
FYE 2016 ADOPTED BUDGET

2-Jun-2015

AREA OF SERVICE: CAPITAL/DEBT SERVICE
DEPARTMENT: CAPITAL RESERVE
FUNCTION: CAPITAL RESERVE 1075

	ACTUAL FYE 2014	ADJUSTED FYE 2015	ESTIMATE FYE 2015	REQUEST FYE 2016	MANAGER FYE 2016	COUNCIL FYE 2016	RTM FYE 2016
----- APPROPRIATION -----							
Operating Expenses	1,800,000	1,700,000	1,700,000	5,000,000	5,000,000	2,923,400	2,723,400
Total Appropriation	\$1,800,000	\$1,700,000	\$1,700,000	\$5,000,000	\$5,000,000	\$2,923,400	\$2,723,400
----- COST CENTERS -----							
10750 CAPITAL RESERVE FUND	1,800,000	1,700,000	1,700,000	5,000,000	5,000,000	2,923,400	2,723,400
Total Cost Centers	\$1,800,000	\$1,700,000	\$1,700,000	\$5,000,000	\$5,000,000	\$2,923,400	\$2,723,400
----- FINANCING PLAN -----							
GENERAL FUND	1,800,000	1,700,000	1,700,000	5,000,000	5,000,000	2,923,400	2,723,400
Total Financing Plan	\$1,800,000	\$1,700,000	\$1,700,000	\$5,000,000	\$5,000,000	\$2,923,400	\$2,723,400

TOWN OF GROTON
SUMMARY COST CENTER
FYE 2016 ADOPTED BUDGET

2-Jun-2015

AREA OF SERVICE: CAPITAL/DEBT SERVICE
DEPARTMENT: CAPITAL RESERVE
FUNCTION: CAPITAL RESERVE 1075

	ACTUAL FYE 2014	ADJUSTED FYE 2015	ESTIMATE FYE 2015	REQUEST FYE 2016	MANAGER FYE 2016	COUNCIL FYE 2016	RTM FYE 2016

OPERATING EXPENSES							

5230 PYMNTS/CONTRIBUTIONS	1,800,000	1,700,000	1,700,000	5,000,000	5,000,000	2,923,400	2,723,400

Total Operating Expenses	\$1,800,000	\$1,700,000	\$1,700,000	\$5,000,000	\$5,000,000	\$2,923,400	\$2,723,400

GRAND TOTAL	\$1,800,000	\$1,700,000	\$1,700,000	\$5,000,000	\$5,000,000	\$2,923,400	\$2,723,400



"SUBMARINE CAPITAL OF THE WORLD"

TOWN OF GROTON
FYE 2016 BUDGET
FUNCTION HIGHLIGHTS

DEPARTMENT: General Government			FUNCTION: Debt Service 1076		
	ACTUAL FYE 2014	APPROVED ADJUSTED FYE 2015	ESTIMATED FYE 2015	RTM APPROVED FYE 2016	% Change FYE 2015 to FYE 2016
TOTAL	\$ 4,442,288	\$ 5,251,300	\$ 5,251,300	\$ 5,183,475	(1.3%)

HIGHLIGHTS:

- This represents the debt payments including interest expense for long term financing (general obligation bonds).
- The decrease in Long Term Debt in FYE 2016 is associated with the maturity of previously issued bonds associated with Road Improvement, Schools, Animal Shelter and Senior Center Projects.

Town of Groton: General Fund Debt per Capita

Fiscal Year (FY)	2012	2013	2014	2015	2016
Long Term Debt	\$42,340,000	\$38,580,000	\$35,515,000	\$41,090,000	\$37,390,000
** Population	40,038	39,896	39,896	40,176	40,176
Debt per Capita	\$1,057	\$967	\$890	\$1,023	\$931
% change from Previous FY	135.5%	-8.6%	-7.9%	14.9%	-9.0%

** Population provided by State of Connecticut, Department of Public Health.

- As noted above the Town's General Fund's debt per capita for FYE 2016 is estimated to be \$931 per capita.
- The States most recent Municipal Fiscal Indicators (FYE 2013) lists Groton with a total debt (general fund, sewer district and sewer operating per capita) at \$1,340 and ranked Groton #105 out of the 169 municipalities; #1 (New Canaan) was at \$5,802 per capita and #169 (Putnam) was at \$0 per capita. The State average for total debt per capita is \$2,245.

Final Budget Result:

During budget deliberations, no changes were made.

PERSONNEL:

- No personnel charged to this function.

TOWN OF GROTON
SUMMARY COST CENTER
FYE 2016 ADOPTED BUDGET

2-Jun-2015

AREA OF SERVICE: CAPITAL/DEBT SERVICE
DEPARTMENT: DEBT SERVICE
FUNCTION: DEBT SERVICE 1076

	ACTUAL FYE 2014	ADJUSTED FYE 2015	ESTIMATE FYE 2015	REQUEST FYE 2016	MANAGER FYE 2016	COUNCIL FYE 2016	RTM FYE 2016
----- APPROPRIATION -----							
Operating Expenses	4,442,287	5,251,300	5,251,300	5,183,475	5,183,475	5,183,475	5,183,475
Total Appropriation	\$4,442,287	\$5,251,300	\$5,251,300	\$5,183,475	\$5,183,475	\$5,183,475	\$5,183,475
----- COST CENTERS -----							
10760 GENERAL GOVERNMENT	1,738,393	2,622,606	2,622,606	2,641,195	2,641,195	2,641,195	2,641,195
10761 EDUCATION	2,703,894	2,628,694	2,628,694	2,542,280	2,542,280	2,542,280	2,542,280
Total Cost Centers	\$4,442,287	\$5,251,300	\$5,251,300	\$5,183,475	\$5,183,475	\$5,183,475	\$5,183,475
----- FINANCING PLAN -----							
BOND PREMIUM	181,455	0	0	0	0	0	0
GENERAL FUND	4,260,832	5,251,300	5,251,300	5,183,475	5,183,475	5,183,475	5,183,475
Total Financing Plan	\$4,442,287	\$5,251,300	\$5,251,300	\$5,183,475	\$5,183,475	\$5,183,475	\$5,183,475

TOWN OF GROTON
SUMMARY COST CENTER
FYE 2016 ADOPTED BUDGET

2-Jun-2015

AREA OF SERVICE: CAPITAL/DEBT SERVICE
DEPARTMENT: DEBT SERVICE
FUNCTION: DEBT SERVICE 1076

	ACTUAL FYE 2014	ADJUSTED FYE 2015	ESTIMATE FYE 2015	REQUEST FYE 2016	MANAGER FYE 2016	COUNCIL FYE 2016	RTM FYE 2016

OPERATING EXPENSES							

5290 PROFESS/TECHNICAL SE	14,650	50	49	50	50	50	50
5450 DEBT SERVICE	4,427,637	5,251,250	5,251,251	5,183,425	5,183,425	5,183,425	5,183,425
	-----	-----	-----	-----	-----	-----	-----
Total Operating Expenses	\$4,442,287	\$5,251,300	\$5,251,300	\$5,183,475	\$5,183,475	\$5,183,475	\$5,183,475
GRAND TOTAL	\$4,442,287	\$5,251,300	\$5,251,300	\$5,183,475	\$5,183,475	\$5,183,475	\$5,183,475

**TOWN OF GROTON
FYE 2016
Town Long Term Debt Payment Schedule**

FYE Maturity	Original Issue Amount	Date of Issue	Term of Issue (years)	Purpose of Issue	Principal Balance 07/01/14	FYE 2015 Principal Payment	FYE 2015 Interest Payment	FYE 2016 Principal Payment	FYE 2016 Interest Payment
2018	50,000.00	10/15/2007	10	SPV Rd (refunded Mar. 2013)	5,000.00	5,000.00	93.75	0.00	0.00
2030	9,030,000.00	10/15/2009	20	2013	464,500.00	464,500.00	9,870.63	0.00	0.00
2025	5,675,000.00	12/13/2011	14	General Purpose (Dec. 2011 refunding)	4,649,000.00	794,000.00	154,555.00	789,000.00	130,810.00
2030	6,752,000.00	3/12/2013	18	General Purpose (Mar. 2013 refunding)	6,752,000.00	0.00	243,850.00	455,000.00	237,025.00
2019	375,000.00	4/16/2014	5	General Purpose (B) Senior Center	375,000.00	75,000.00	7,546.88	75,000.00	6,375.00
2034	8,945,000.00	4/16/2014	20/10	General Purpose (A)	8,945,000.00	630,000.00	238,139.85	635,000.00	235,893.76
2035	5,370,000.00	6/1/2015	2	General Purpose	0.00	0.00	0.00	76,897.00	76,897.00
Totals					21,190,500.00	1,968,500.00	654,056.11	1,954,000.00	687,090.76

Debt Service Payment FYE 2016 through FYE 2036

Function #10760-General Government			
FYE	Principal	Interest	FYE Total
2016	1,954,000.00	687,090.00	2,641,090.00
2017	2,384,000.00	696,281.25	3,080,281.25
2018	2,037,000.00	625,621.25	2,662,621.25
2019	2,032,000.00	558,030.00	2,590,030.00
2020	1,833,000.00	491,846.25	2,324,846.25
2021	1,817,000.00	438,460.00	2,255,460.00
2022	1,822,000.00	384,147.50	2,206,147.50
2023	1,825,000.00	328,747.50	2,153,747.50
2024	1,821,000.00	273,873.75	2,094,873.75
2025	1,439,000.00	218,452.50	1,657,452.50
2026	1,256,000.00	174,581.25	1,430,581.25
2027	816,000.00	139,450.00	955,450.00
2028	737,000.00	113,475.00	850,475.00
2029	742,000.00	90,490.00	832,490.00
2030	737,000.00	67,180.00	804,180.00
2031	310,000.00	50,025.00	360,025.00
2032	310,000.00	38,625.00	348,625.00
2033	310,000.00	26,575.00	336,575.00
2034	310,000.00	14,525.00	324,525.00
2035	50,000.00	2,475.00	52,475.00
2036	50,000.00	825.00	50,825.00

TOWN OF GROTON
FYE 2016
Education Long Term Debt Payment Schedule

FYE Maturity	Original Issue Amount	Date of Issue	Term of Issue (years)	Purpose of Issue	Principal Balance 07/01/14	FYE 2015 Principal Payment	FYE 2015 Interest Payment	FYE 2016 Principal Payment	FYE 2016 Interest Payment
2028	15,450,000.00	10/15/2007	20	Schools refunded Mar 13	770,000.00	770,000.00	14,437.50	0.00	0.00
2030	645,000.00	10/15/2009	20	Schools refunded Mar 13	30,500.00	30,500.00	648.13	0.00	0.00
2029	10,630,000.00	12/31/2011	18	Schools (refunding)	10,536,000.00	976,000.00	376,407.50	971,000.00	347,202.50
2030	12,308,000.00	3/12/2013	18	Schools (refunding)	12,308,000.00	0.00	460,700.00	775,000.00	449,075.00
Totals					22,644,500.00	1,776,500.00	852,193.13	1,746,000.00	796,277.50

Debt Service Payment FYE 2016 through FYE 2030

Function #10810-Board of Education FYE 2004 10761			
FYE	Principal	Interest	FYE Total
2016	1,746,000.00	796,277.50	2,542,277.50
2017	1,756,000.00	738,907.50	2,494,907.50
2018	1,743,000.00	676,742.50	2,419,742.50
2019	1,743,000.00	606,032.50	2,349,032.50
2020	1,747,000.00	532,433.75	2,279,433.75
2021	1,743,000.00	463,700.00	2,206,700.00
2022	1,738,000.00	394,080.00	2,132,080.00
2023	1,725,000.00	327,222.50	2,052,222.50
2024	1,719,000.00	265,520.00	1,984,520.00
2025	1,731,000.00	202,108.75	1,933,108.75
2026	1,709,000.00	134,853.75	1,843,853.75
2027	1,659,000.00	68,406.25	1,727,406.25
2028	903,000.00	21,318.75	924,318.75
2029	173,000.00	4,110.00	177,110.00
2030	33,000.00	495.00	33,495.00

TOWN OF GROTON, CT

STATUTORY DEBT LIMITS & TOWN INDEBTEDNESS

Purpose: To describe the Town's current indebtedness level and to demonstrate its relationship to statutory limits and Town Council Policy.

Total Tax Collections (including interest & lien fees)	\$82,071,257
Total Tax Collections (including interest and lien fees) of coterminous municipalities	\$13,622,572
Reimbursement for Revenue Loss from Tax Relief for the elderly	<u>\$2,000</u>
Base for Establishing Debt Limit (per State Statute)	<u>\$95,695,830</u>

Debt Limits (per State Statute):	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension	Total Debt
General Purpose (2.25 times base)	\$215,315,617					
Schools (4.50 times base)		\$430,631,233				
Sewers (3.75 times base)			\$358,859,361			
Urban Renewal (3.25 times base)				\$311,011,446		
Unfunded Pension (3.00 times base)					\$287,087,489	
Total Debt (7.0 times base)						\$669,870,807
Less Indebtedness:						
Bonds	\$21,190,500	\$23,644,500	\$4,880,000	\$0	\$0	\$49,715,000
Serial Notes	\$0	\$0	\$0	\$0	\$0	\$0
Authorized & Unissued	\$10,752,595	\$0	\$0	\$0	\$0	\$10,752,595
Underlying Debt:						
Bonds & Serial Notes	\$6,152,311	\$0	\$655,000	\$0	\$0	\$6,807,311
Authorized & Unissued	\$250,000	\$0	\$0	\$0	\$0	\$250,000
School Buildings Grants		\$0			\$0	\$0
Total Indebtedness	\$38,345,406	\$23,644,500	\$5,535,000	\$0	\$0	\$67,524,906
Excess of State Limit Over Outstanding and Amortized Debt	\$176,970,211	\$406,986,733	\$353,324,361	\$311,011,446	\$287,087,489	\$602,345,901
	17.8%	5.5%	1.5%	0.0%	0.0%	10.1%

** Underlying debt is the debt of smaller municipal units within a government's jurisdiction. In the event of a default, the community may have a moral or political obligation to assume the debt and provide the special services of the defaulting unit.

Town Council Policy:

In September, 1993 the Town Council adopted a Debt Policy & Management/Fiscal Practices Policy, as revised in February 2014, that sets the limits on debt issuance which are more stringent than those imposed by the State of Connecticut.

The Council's policy provides the following guidelines, which excludes underlying debt:

- 1) The Town shall not exceed fifty (50) percent of its statutory debt limit. The Town is well below the statutory debt limits at its current 8.4% of Town debt to statutory debt limit.
- 2) Total debt service shall not exceed ten (10) percent of the Total General Fund expenditures. Based on the adopted budget, the Town's debt service payment for FYE 2016 will be at 4.0% of expenditures.

TOWN OF GROTON
FYE 2016

Calculation of Debt Payments, Capital and Contingency Reserves
(as a percent of the General Fund Budget)

As per the Town Council Policy adopted/revised on February 4, 2014 entitled:
"Debt Policy and Management/Fiscal Practices"

- 1) Calculation of Capital Reserve & Debt Reserve Allocation to be not less than 4% of General
- 2) Contingency Reserve is not to be more than 2% of the General Fund Operating Budget.

A) CALCULATION OF 4% AND 2% FIGURES		FYE 2016 Adopted
Total General Fund Budget (GFB)		\$125,738,680
Calculate 4% of GFB		\$5,029,547
B) DEBT & CAPITAL % CALCULATION		FYE 2016 Adopted
B1) Outstanding Debt Payments:		
Total Debt Payments (#1076)		\$5,183,475
Total Debt Payments		\$5,183,475
B2) Capital Reserve Contribution:		
Capital Reserve (#10750)		\$2,723,400
Total Capital Reserve		\$2,723,400
Total Debt & Capital		\$7,906,875
% of Debt Payments & Contribution to Capital Reserve to GFB		6.3%
		\$ Amount over 4% allocation
		\$2,877,328
C) CONTINGENCY & % CALCULATION		FYE 2016 Adopted
Contingency (#10741)		\$550,000
% of Contingency to GFB (= or < 2%)		0.4%