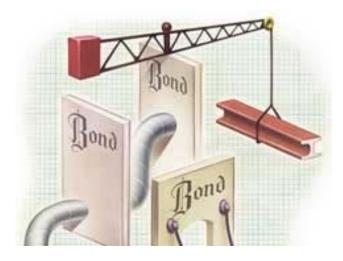
# Town Hall / Police Facility



## How do we finance the project?





School Bond, Issue of 1962

The Town of East Hampton, in the County of Middlesex and State of Connecticut, for value received, hereby promises to pay to bearer or, if this bond shall be registered, to the holder hereof registered according to the conditions endorsed hereon, the sum of

#### FIVE THOUSAND DOLLARS

on the first day of June, 1976, with interest thereon meanwhile from the date hereof at the rate of three and one-quarter per cent. (31/4%) per annum, payable semi-annually on the first days of June and December in each year, to the bearer of the respective coupons therefor hereto attached, upon presentation and surrender thereof as they severally mature, both principal and interest being payable at the office of The Connecticut Bank and Trust Company, of Hartford, Connecticut.

This bond is one of a series of three hundred and eighteen bonds of like tenor, except as to maturity, amounting in the aggregate to One Million Five Hundred and Ninety Thousand Dollars (\$1,590,000), numbered from 1 to 318, inclusive, sixteen of said bonds become due annually, commencing June 1, 1963 and ending June 1, 1981, and fourteen of said bonds become due on June 1, 1982; said bonds are issued under and in conformity with resolutions adopted by said town at special meetings duly warned and held March 14, 1961, April 9, 1962 and May 2, 1962, and referendum vote on April 16, 1962, under authority of Section 10-289 of the General Statutes of Connecticut, Revision of 1958.

It is hereby certified that this bond has in all respects been issued in compliance with and in conformity to law and that all acts, conditions and things required to exist, be performed or happen, precedent to or in the issuance of this bond, have existed, been performed and happened in regular due time, form and manner as required by law, and that the full faith and credit of the Town of East Hampton are irrevocably pledged to the prompt

This bond shall not be obligatory upon the Town of East Hampton until authenticated by the certificate of The Connecticut Bank and Trust Company, of Hartford, Connecticut, endorsed hereon.

In Witness Whereof the Town of East Hampton has caused this bon to be signe by Helge R. Palm, Forrest G. Thatcher, and William E. Hughes, Jr., its Selectmen, or a majority of them, to be authenticated by the signature of Paul S. Carrier, Jr., its Treasurer, a facsimile of its seal to be printed hereon and the coupons hereto attached to be authenticated by the engraved facsimile signature of said Treasurer as of the first day of June, 1962.



#### Bonds 101

#### What is a Municipal Bond?

A municipal bond is a debt security issued by a public entity to finance (new money) or refinance (refunding) capital expenditures. Similar to a mortgage. The Town takes money from a lender and agrees to pay it back over time with interest.

#### Who issues bonds?

\*States \*State Authorities \*Counties

\*Cities/Towns \*School Districts \*501-c-3 Organizations

#### Who regulates the bonds?

MSRB administers regulations by SEC in relations to Municipal Bonds.

# What Does Standard & Poor's Have To Say About East Hampton?

- Very strong economy;
- Strong management, with good financial policies and practices;
- Strong budgetary performance, with balanced operating results in the general fund and a slight operating surplus at the total governmental fund level;
- Strong budgetary flexibility, with an available fund balance in fiscal 2016 of 11.2% of operating expenditures;
- Very strong liquidity and access to external liquidity that we consider strong;
- Very strong debt and contingent liability profile as well as low overall net debt at less than 3% of market value; and
- Strong institutional framework score.

## Why does a AAA bond rating matter?

- Savings on the interest cost for the project
- The difference between a AAA and a AA will yield a total interest savings of approx. \$500K
- The difference between a AAA and a A will yield a total interest savings of approx. \$1.1M
- Current interest rates for bonds
  - AAA National 20 Year 2.55
  - AA National 20 Year 2.80
  - A National 20 Year 3.10

## High School Recap

December 2014 \$15,000,000 Notes

0.220% Int. rate

December 2016 \$7,000,000 Notes

1.120% Int. rate









December 2015 \$20,000,000 Bonds

2.55% Int. rate

\$5,000,000 Notes

0.620% Int. rate

September 2017

\$6,700,000 Bonds

\$1,200,000 Notes



## Looking Back at the High School Project

- Revised cost for the average taxpayer is \$362 less than originally estimated.
- Estimates are realistic
- We have already issued \$20M
- An additional \$6.7M will be sold August 30, 2017

	Original Estimate	Revised Estimate
Total Debt Issued	\$28,342,855	\$26,700,000
Total Average Cost	\$6,114	\$5,752
Annual Average	\$306	\$288

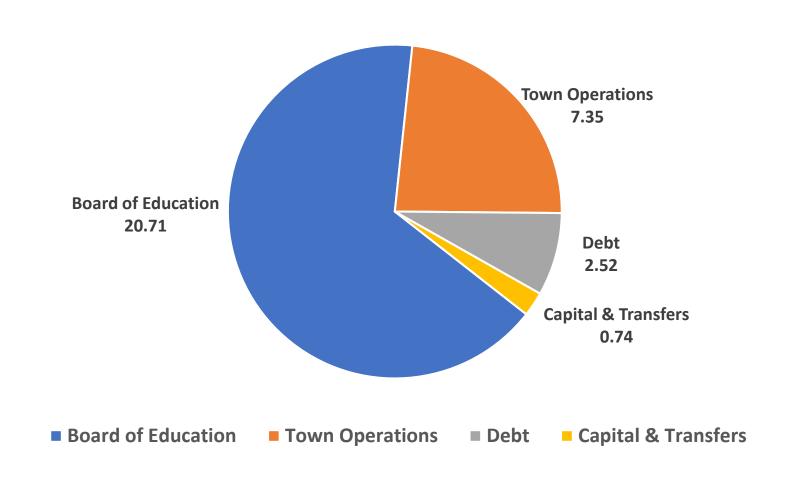
# Looking Ahead at the Town Hall / Police Project

- Assumptions
  - Interest rate of 3.5%
  - 0.50% Grand List Growth
- First principal payment in 2022
- Net mill increase Yr. 1 − 1.24

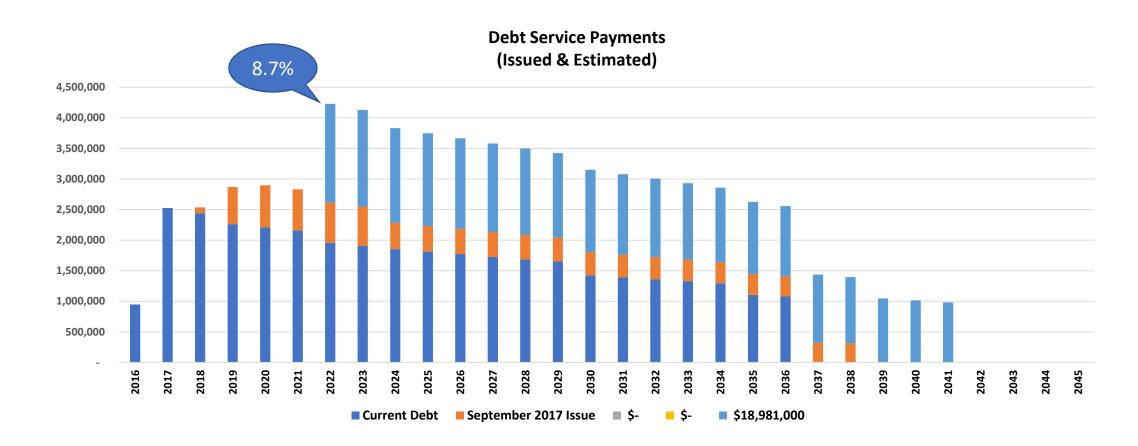


Assessed Value	Average Annual Cost	Average Monthly Cost
\$150,000	\$165	\$13.78
\$184,000	\$203	\$16.90
\$200,000	\$220	\$18.37
\$250,000	\$276	\$22.97
\$300,000	\$331	\$27.56
\$350,000	\$386	\$32.15
\$450,000	\$496	\$41.34
\$500,000	\$551	\$45.93

## Fiscal Year 2018 Budget (31.32 Mill Rate)



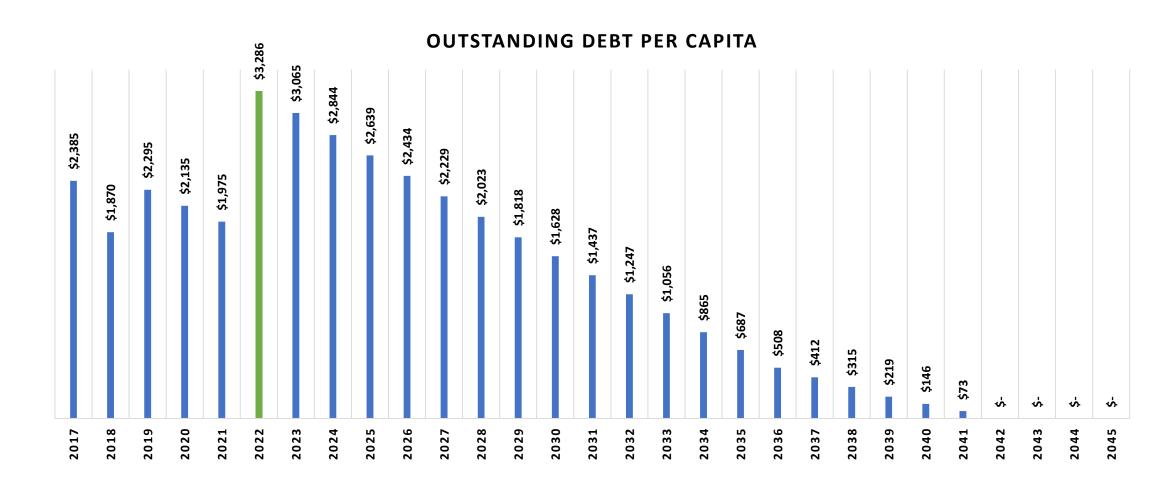
#### Current and Future Debt



In 2022 debt payments are estimated to be 8.7% of total general fund expenditures.

- Below 8% is considered low
- 8-15% is moderate

## Debt Per Capita



Low: \$1,000-\$2,000 Moderate: \$2,000-\$5,000

## Thank you

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