

Debt Capacity and Affordability Analysis Update
City of Hampton's Multi-Year Capital
Improvement Program
FY 2017 – FY 2021



January 11, 2017

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Background



- In January 2016 and in anticipation of the FY 2017 Budget and CIP planning process, Davenport was tasked with developing an updated Debt Capacity and Debt Affordability Analysis taking into account the City's \$211.3 million⁽¹⁾ FY 2016 through FY 2020 CIP.
 - This CIP included \$77.7 million of G.O. Bond funding (average of \$15.5 million per year for five years).

- Subsequent to our January analysis, the City finalized its FY 2017 budget and adopted a new CIP totaling approximately \$210.1 million⁽²⁾ for FY 2017 through FY 2021.
 - The new CIP includes \$71.4 million of G.O. Bond funding (average of \$14.3 million per year for five years).

- As the City begins to enter the FY 2018 budget planning process, Davenport has been tasked with developing an updated Debt Capacity and Debt Affordability Analysis taking into account the City's most recent \$210.1 million⁽²⁾ FY 2017 – FY 2021 CIP.
 - Debt Capacity is the amount of planned debt that could be issued by the City without violating the City's Debt Management Policies.
 - Debt Affordability is an assessment of the projected cash flow impact of planned debt issuances taking into account the City's existing budget for debt service and any future decline in the City's existing debt service structure.

(1) Funded with approximately \$77.7 million of debt plus other sources of funds.

(2) Funded with approximately \$71.4 million of debt plus other sources of funds.



Goals & Objectives.

- Incorporate the City's most recent \$210.1 million FY 2017 – FY 2021 CIP which includes approximately \$71.4 million of G.O. Bond funding sources as follows:
 - The City's upcoming G.O. Bonds anticipated to fund approximately \$15.0 million of FY 2017 CIP Spending; and
 - Balance of planned future G.O. Bond issuances estimated to fund approximately \$56.4 million of CIP Spending;

- Deliver an updated **Debt Capacity** Analysis that:
 - Evaluates how much remaining Debt Capacity is available within the City's existing Debt Management Policies over:
 - The First Five Years through FY 2021; and
 - The Next Five Years from FY 2022 through FY 2026.

- Provide an updated **Debt Affordability** Analysis that estimates how much debt can be issued through FY 2021 and in the subsequent five year period through FY 2026 before new sources of revenues are needed.
 - In addition, provide sensitivity scenarios showing how much additional debt may be issued assuming potential new revenues could be allocated to debt service.



Debt Policy Guidelines

- The City of Hampton has conservative and sound Debt Management Policies that have served the City well and which have enabled the City to achieve and maintain its very strong “Aa1/AA+AA+” credit ratings.
- The Debt Management Policies govern the City’s **Debt Capacity** as it relates to G.O. Bond Financing of the City’s CIP Needs:
- Our analysis examines the impact of the City’s planned \$71.4 million of G.O. Bonds in the FY 2017 – FY 2021 CIP on the City’s Debt Management Policies outlined below:

Policy 1: G.O. Debt to Assessed Valuation of Real Estate (not to Exceed 3%).

Policy 2: Total Direct/Indirect/Overlapping Debt to Total Assessed Valuation (not to exceed 4.5%).

Policy 3: Overlapping (Special Purpose) Debt not to exceed 1% of Total Assessed Valuation.

Policy 4: Debt Service (Direct and Indirect) shall not exceed 10% of Total Expenditures (City and Schools).

Policy 5: The 10-Year Payout Ratio shall not be less than 60%.



Debt Capacity and Debt Affordability Scenarios Analyzed

- Davenport's Updated Debt Capacity and Debt Affordability Analysis, includes the following four scenarios for which we have projected debt capacity and affordability over the following time periods:
 - First five years: FY 2017 - FY 2021; and
 - Next five years: FY 2022 - FY 2026.

	Description
Base Case	Assumes the City's current level of debt service budgeted at \$33.4 million for FY 2017, remains constant.
Scenario 1	<p>Assumes <u>1/8 of 1% growth</u> in the City's General Property and Other Local Taxes (<u>or \$318,000+ of new revenues</u>) is allocated to General Fund Budget for debt service each year beginning in FY 2019 through FY 2026.</p> <ul style="list-style-type: none">• Each 1% growth in the City's General Property and Other Local Taxes translates into approximately \$2.6 million.• 1/8 of 1% growth in the City's General Property and Other Local Taxes equates to approximately \$318,000 per year beginning in FY 2019.
Scenario 2	Scenario 1 PLUS \$2 in room night fee is available and generates approximately \$1 million in new revenues per year (Based on FY 2017 budget) beginning in FY 2018.

Debt Capacity and Debt Affordability Scenarios Analyzed (cont.)



Description

Scenario 3

Assumes ¼ of 1% growth in the City's General Property and Other Local Taxes (or \$635,000+ of new revenues) is allocated to General Fund Budget for debt service each year beginning in FY 2019 through FY 2026.

- Each 1% growth in the City's General Property and Other Local Taxes translates into approximately \$2.6 million.
- ¼ of 1% growth in the City's General Property and Other Local Taxes equates to approximately \$635,000 per year beginning in FY 2019.

Scenario 4

Scenario 3 PLUS \$2 in room night fee is available and generates approximately \$1 million in new revenues per year (Based on FY 2017 budget) beginning in FY 2018.



Key CIP Assumptions

- Davenport’s Updated Debt Capacity and Debt Affordability Analysis is based on the City’s most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP.
 - Approximately \$71.4 million is anticipated to be funded with G.O. Bonds over this time period as follows:

Fiscal Year	January 2017 Update	
	Planned G.O. Bonds	
in \$thousands		
2016	\$25,753	• Funded with 2015 G.O. Bonds
2017	15,003	• Planned funding from next G.O. Bond issue
2018	14,545	• Future Bond issues (\$56.3 million) - Exact timing to be determined
2019	9,388	
2020	16,187	
2021	16,240	
Total (2017-21)	\$71,363	

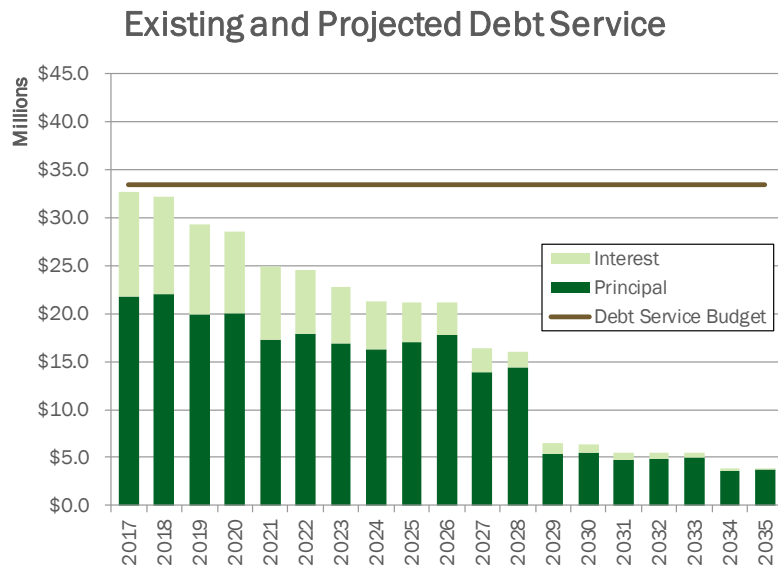
- The City’s budgeted FY 2017 needs are estimated at \$15.0 million and are planned to be funded from the upcoming G.O. Bond issue in early calendar year 2017; and
- The balance of G.O. Bond issuance for the Planned Years (FY 2018 through FY 2020 CIP Spending) approximates \$56.4 million.

(1) Funded with approximately \$71.4 million of debt plus other sources of funds.



Existing General Obligation Debt Service

- Shown below is the City’s Existing General Obligation (G.O.) Debt Service BEFORE the planned \$71.4 million of Bond Funded CIP Spending (FY 2017 through FY 2021 needs).
 - This debt service is related to the City’s G.O. Bonds which have been issued for general CIP needs and excludes G.O. Bonds related to the Steam Plant.
 - The City’s budget for this debt service approximates \$33.4 million as of FY 2017.



Fiscal Year	Principal	Interest	Total
2017	21,738,152	10,959,076	32,697,228
2018	21,973,166	10,181,521	32,154,687
2019	19,943,024	9,272,941	29,215,965
2020	19,976,064	8,537,844	28,513,908
2021	17,288,787	7,648,641	24,937,428
2022	17,909,378	6,668,492	24,577,870
2023	16,881,951	5,830,983	22,712,934
2024	16,275,940	4,983,316	21,259,256
2025	16,989,453	4,180,049	21,169,502
2026	17,742,492	3,339,701	21,082,193
2027	13,885,000	2,458,931	16,343,931
2028	14,330,000	1,634,964	15,964,964
2029	5,320,000	1,175,261	6,495,261
2030	5,450,000	955,780	6,405,780
2031	4,800,000	754,675	5,554,675
2032	4,920,000	588,113	5,508,113
2033	5,050,000	410,863	5,460,863
2034	3,635,000	224,100	3,859,100
2035	3,785,000	75,700	3,860,700

Note: Excludes Convention Center and Overlapping (Special Purpose) CDA Indebtedness.



Preliminary Results: Debt Capacity Compliance

- The Table below summarizes the Debt Capacity assumptions and preliminary results based on the following scenarios

	Base Case	Scenario 1	Scenario 2	Scenario 3	Scenario 4
CIP Assumption	Bond Funded FY 2017 – FY 2021 CIP Spending ⁽¹⁾ : \$71.4 million assumed for all scenarios.				
Preliminary Results	Compliance with All Debt Management Policies: Compliance with all policies occurs in all scenarios.				
	<u>Additional Debt Capacity:</u>		<u>Under all scenarios Additional Capacity approximates:</u>		
	FY 2017 – FY 2021		\$103.3 million		
	FY 2022 – FY 2026 ⁽²⁾		<u>\$116.5 million</u>		
	TOTAL		\$219.8 million		

Key Observations

- Additional Debt Capacity is governed by Policy 1 (G.O. Debt shall not exceed 3% of Assessed Valuation of Real Estate).
- There is no difference between the three scenarios in the City’s Additional Debt Capacity since the CIP and governing policy Assessed Valuation Assumptions are the same.
- Issuing additional debt up to the remaining Additional Debt Capacity would require new ongoing revenues for repayment and would result in the City being at or near its Debt Policy limits.

(1) Includes \$15.0 million budgeted G.O. Bonds for FY 2017 CIP needs and \$56.4 million of planned future G.O. Bond issues from FY 2018 through FY 2021.

(2) Does not include any borrowing beyond FY2017 – FY2021 CIP Spending.



Preliminary Results: Debt Affordability

- The Table below summarizes the preliminary **Debt Affordability** results based on the following scenarios

	Base Case	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Bond Funded FY 2017 – FY 2021 CIP Spending ⁽¹⁾ :	\$71.4 million	\$71.4 million	\$71.4 million	\$71.4 million	\$71.4 million
Additional Revenues Budgeted toward G.O. Debt Service	None Assumes no growth in \$33.4 million debt service budget.	¼ of 1% growth in the City’s General Property and Other Local Taxes (or \$318,000+ of new revenues) each year beginning in FY 2019 through FY 2026.	Scenario 1 PLUS \$2 in room night fee is available and generates approximately \$1 million in new revenues per year (Based on FY 2017 budget).	¼ of 1% growth in the City’s General Property and Other Local Taxes (or \$635,000+ of new revenues) each year beginning in FY 2019 through FY 2026.	Scenario 3 PLUS \$2 in room night fee is available and generates approximately \$1 million in new revenues per year (Based on FY 2017 budget).
Debt Service Budget:	\$33.4 million	Increases to \$36.0 million	Increases to \$37.0 million	Increases to \$38.8 million	Increases to \$39.8 million
Compliance with All Debt Management Policies:	Yes	Yes	Yes	Yes	Yes
Additional Debt Affordability					
FY 2019 – FY 2021	\$36.8 million	\$50.0 million	\$63.6 million	\$63.3 million	\$76.9 million
FY 2022 – FY 2026	\$52.4 million	\$75.1 million	\$75.1 million	\$100.0 million	\$99.8 million
TOTAL	\$89.2 million	\$125.1 million	\$138.6 million	\$163.3 million	\$176.8 million

- Key Observations

- **Additional Debt Affordability** is based on the City’s current budget for debt service in Scenario 1 and any additional revenues assumed to be available under Scenarios 1 through 4 above.

(1) Includes \$15.0 million budgeted G.O. Bonds for FY 2017 CIP needs and \$56.4 million of planned future G.O. Bond issues from FY 2018 through FY 2021.



Preliminary Results: Debt Affordability (cont.)

- The Table below summarizes the preliminary **Debt Affordability** results based on the following scenarios taking into account the use of approximately \$19 million of Literary Loan funding; assuming an average of \$15 million per year of general CIP needs over the Next Five Years (i.e. FY 2022 – FY 2026); and a 10% set aside for contingency purposes

	Base Case	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Additional Debt Affordability:					
FY 2019 – FY 2021	\$36.8 million	\$50.0 million	\$63.6 million	\$63.3 million	\$76.9 million
<u>FY 2022 – FY 2026</u>	<u>\$52.4 million</u>	<u>\$75.1 million</u>	<u>\$75.1 million</u>	<u>\$100.0 million</u>	<u>\$99.8 million</u>
TOTAL	\$89.2 million	\$125.1 million	\$138.6 million	\$163.3 million	\$176.8 million
Plus: Incremental Capacity by using Literary Loan Funding (Approx. \$4.5 million per year)	\$3.6 million	\$3.6 million	\$3.6 million	\$3.6 million	\$3.6 million
Less: Allocation to FY 2022 – FY 2026 CIP (Approx. \$15 million per year)	(\$75.0 million)	(\$75.0 million)	(\$75.0 million)	(\$75.0 million)	(\$75.0 million)
Less: 10% Capacity set aside for Contingency	(\$8.9 million)	(\$12.5 million)	(\$13.9 million)	(\$16.3 million)	(\$17.7 million)
Remaining Debt Affordability through FY 2026	\$8.9 million	\$41.2 million	\$53.3 million	\$75.6 million	\$87.7 million

■ Key Observations

- Even with the issuance of the additional amounts as shown in Scenarios 1 through 4 above, the City’s Debt Ratios would remain healthy and the City would be in compliance with all Debt Management Policies.



Preliminary Results: Debt Affordability (cont.)

- New revenues estimated to support Additional Debt Affordability for Scenarios 1 through 4.

Base Case Existing FY 2017 Debt Service Budget	Additional Revenues per Scenario			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
33,392,972	0	0	0	0
33,392,972	0	1,000,000	0	1,000,000
33,392,972	318,697	1,318,697	637,394	1,637,394
33,392,972	640,435	1,640,347	1,286,954	2,286,600
33,392,972	965,244	1,964,977	1,948,912	2,947,838
33,392,972	1,293,153	2,292,616	2,623,506	3,621,330
33,392,972	1,624,192	2,623,290	3,310,976	4,307,304
33,392,972	1,958,389	2,957,029	4,011,568	5,005,990
33,392,972	2,295,777	3,293,861	4,725,534	5,717,626
33,392,972	2,636,384	3,633,813	5,453,126	6,442,450

1/8 of 1% growth Approx. \$318,000+ per year over FY 2019 - FY2026	\$2 room night fee & 1/8 of 1% growth Approx. \$318,000+ per year over FY 2019 - FY2026	1/4 of 1% growth Approx. \$635,000+ per year over FY 2019 - FY2026	\$2 room night fee & 1/4 of 1% growth Approx. \$635,000+ per year over FY 2019 - FY2026
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+ Assumes growth from compounding effect in subsequent years.



Policy Compliance – Base Case

- Based on the City’s most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP which includes:
 - Approximately \$71.4 million of G.O. Bond funding sources for the existing CIP;
 - \$75 million additional CIP needs from FY 2022 through FY 2026; and
 - Borrowing related to remaining \$17.8 million of Additional Debt Affordability under the Base Case.

	Compliance After All Future CIP Debt	Current CIP + Base Case		
		Projected FY 2017 Ratio	Projected FY 2021 Ratio	Projected FY 2026 Ratio
Policy 1: G.O. Debt to Assessed Valuation of Real Estate (not to Exceed 3%).	Yes	2.5%	2.3%	1.7%
Policy 2: Total Direct/Indirect/Overlapping Debt to Total Assessed Valuation (not to exceed 4.5%).	Yes	3.8%	3.3%	2.5%
Policy 3: Overlapping (Special Purpose) Debt not to exceed 1% of Total Assessed Valuation.	Yes	0.9%	0.7%	0.6%
Policy 4: Debt Service (Direct and Indirect) shall not exceed 10% of Total Expenditures (City and Schools).	Yes	8.6%	8.1%	8.1%
Policy 5: The 10-Year Payout Ratio shall not be less than 60%.	Yes	75.3%	72.1%	75.0%

- The City is projected to remain in compliance with all of its Debt Management Policies through the five year CIP planning period; and.
- The City’s debt ratios are projected to remain strong

(1) Funded with approximately \$71.4 million of debt plus other sources of funds.



Policy Compliance – Scenario 4

- Based on the City’s most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP which includes:
 - Approximately \$71.4 million of G.O. Bond funding sources for the existing CIP;
 - \$75 million additional CIP needs from FY 2022 through FY 2026; and
 - Borrowing related to remaining \$105.4 million of Additional Debt Affordability under Scenario 4.

	Compliance After All Future CIP Debt	Current CIP + Scenario 4		
		Projected FY 2017 Ratio	Projected FY 2021 Ratio	Projected FY 2026 Ratio
Policy 1: G.O. Debt to Assessed Valuation of Real Estate (not to Exceed 3%).	Yes	2.5%	2.9%	2.4%
Policy 2: Total Direct/Indirect/Overlapping Debt to Total Assessed Valuation (not to exceed 4.5%).	Yes	3.8%	3.9%	3.1%
Policy 3: Overlapping (Special Purpose) Debt not to exceed 1% of Total Assessed Valuation.	Yes	0.9%	0.7%	0.6%
Policy 4: Debt Service (Direct and Indirect) shall not exceed 10% of Total Expenditures (City and Schools).	Yes	8.6%	9.0%	9.4%
Policy 5: The 10-Year Payout Ratio shall not be less than 60%.	Yes	75.3%	66.7%	72.1%

- The City is projected to remain in compliance with all of its Debt Management Policies through the five year CIP planning period; and.
- The City’s debt ratios are projected to remain healthy.

(1) Funded with approximately \$71.4 million of debt plus other sources of funds.

Conclusion



1. The City has managed its debt issuances in a fiscally conservative manner under sound Financial Policy Guidelines.
2. From a Debt Capacity perspective, the City has:
 - Upwards of \$103.3 million of Additional Debt Capacity over the First Five Years through FY 2021; and
 - Another \$116.5 million of Additional Debt Capacity over the Next Five Years from FY 2022 through FY 2026.
 - *HOWEVER, issuing debt at these levels would increase the City's debt ratios to at or near Debt Policy limits and require new revenues for debt service.*
3. From a Debt Affordability perspective and without any additional revenues the City can issue:
 - Approximately \$36.8 million over the FY 2019 through FY 2021; and
 - Another \$52.4 million over the FY 2022 through FY 2026 time frame
 - Depending on growth assumptions for potential New Revenues used in the enclosed analysis, the City's affordability may increase by upwards of \$87.6 million.
4. Move forward as soon as practical with the G.O. Bond financing process for the upcoming FY 2017 CIP needs.



Debt Capacity/Affordability Scenarios

Description

Base Case

Assumes the City's current level of debt service, currently budgeted at \$33.5 million, remains constant.



Base Case: Preliminary Results – Debt Capacity

Remaining Debt Capacity

- First Five Years (From FY 2017 through FY 2021): the City has projected Debt Capacity of \$103.4 million *AFTER all FY 2016-21 CIP Debt Issues.*

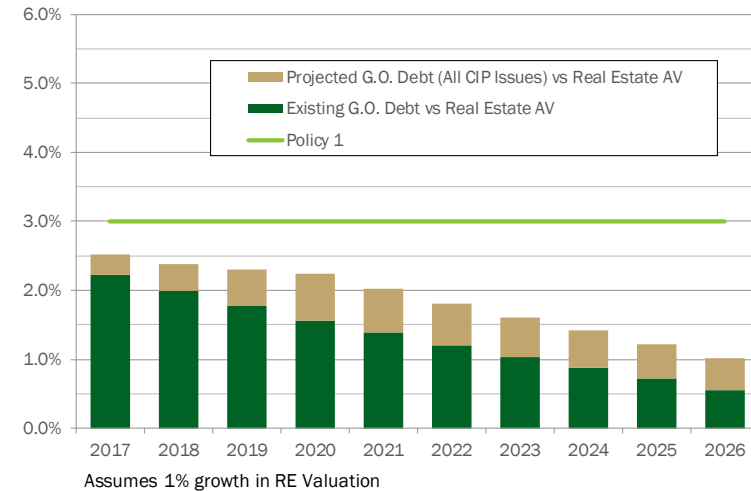
Fiscal Year	Incremental Additional Debt Capacity	Governing Policy
2017	48,985,000	Policy 1: which limits G.O. Debt to 3% of Assessed Valuation of Real Estate.
2018	15,390,000	
2019	7,965,000	
2020	8,035,000	
2021	22,965,000	
5 Yr Total	103,340,000	
2022-26	116,495,000	
10 Yr Total	219,835,000	

- Next Five Years (From FY 2022 through FY 2026): The City is projected to have another \$116.5 million in additional Debt Capacity.

- It is important to note that the if the City were to issue the above amounts of debt, the City would be near or at its governing policy limits.
 - In addition, issuing these levels of debt would exceed current Debt Affordability that is built into the City's existing Budget.

Governing Policy

Policy 1: G.O. Debt vs Real Estate AV



Fiscal Year	Existing G.O. Debt vs Real Estate AV	Projected G.O. Debt (All CIP Issues) vs Real Estate AV	Total Debt vs Real Estate AV	Policy 1	Incremental Additional Debt Capacity
2017	2.2%	0.3%	2.5%	3.0%	48,985,000
2018	2.0%	0.4%	2.4%	3.0%	15,390,000
2019	1.8%	0.5%	2.3%	3.0%	7,965,000
2020	1.6%	0.7%	2.2%	3.0%	8,035,000
2021	1.4%	0.6%	2.0%	3.0%	22,965,000
2022	1.2%	0.6%	1.8%	3.0%	23,735,000
2023	1.0%	0.6%	1.6%	3.0%	22,855,000
2024	0.9%	0.5%	1.4%	3.0%	22,410,000
2025	0.7%	0.5%	1.2%	3.0%	23,285,000
2026	0.5%	0.5%	1.0%	3.0%	24,210,000
TOTAL Through FY 2026					219,835,000



Base Case: Preliminary Results – Debt Affordability

Remaining Debt Affordability

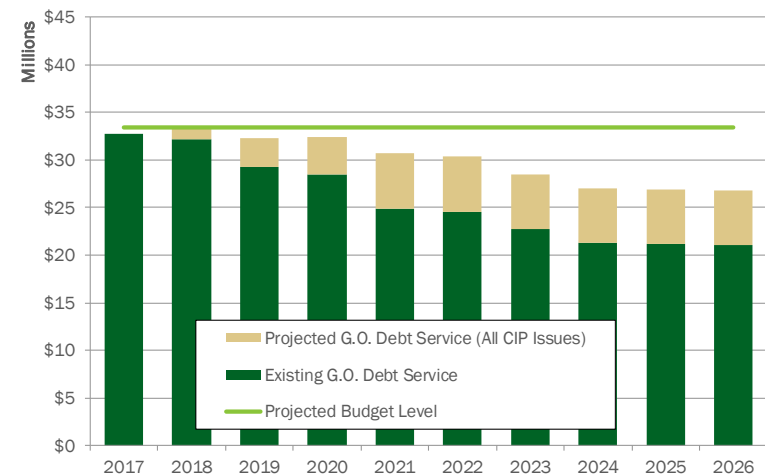
- First Five Years (from FY 2017 through FY 2021), the City has projected Debt Affordability of \$36.8 million based on the current \$33.4 million budget level for G.O. Debt Service.

Fiscal Year	Incremental Debt Affordability	Debt Service Budget Assumption	New Revenues Allocated to Debt Service Budget
2017	0	33,392,972	0
2018	0	33,392,972	0
2019	13,535,000	33,392,972	0
2020	0	33,392,972	0
2021	<u>23,310,000</u>	33,392,972	0
5 Yr Total	36,845,000		
<u>2022-26</u>	<u>52,395,000</u>	33,392,972 ⁽¹⁾	0
10 Yr Total	89,240,000		

(1) Debt Service budget per each year (FY 2022 - FY 2026) shown.

- Next Five Years (from FY 2022 through FY 2026), the City is projected to have another \$52.4 million in additional Debt Affordability based on current budget levels for G.O. Debt Service.
 - It is important to note that the above amounts assume that no additional new revenues are dedicated to debt service.

Existing & Projected Debt Service



Fiscal Year	Total Existing and Projected G.O. Debt Service	Projected Budget Level	Debt Service Freed up/(Revenue Shortfall) vs Budget Level	
			Debt Service Freed up/(Revenue Shortfall) vs Budget Level	Incremental Debt Affordability
2017	32,697,228	33,392,972	0	0
2018	33,356,606	33,392,972	36,366	0
2019	32,277,114	33,392,972	1,115,858	13,535,000
2020	32,396,889	33,392,972	996,083	0
2021	30,681,786	33,392,972	2,711,186	23,310,000
2022	30,322,228	33,392,972	3,070,744	4,885,000
2023	28,457,293	33,392,972	4,935,679	25,345,000
2024	27,003,615	33,392,972	6,389,357	19,760,000
2025	26,913,860	33,392,972	6,479,112	1,220,000
2026	26,826,551	33,392,972	6,566,421	1,185,000
TOTAL Through FY 2026				89,240,000



Debt Capacity/Affordability Scenarios

Description

Scenario 1

Assumes 1/8 of 1% growth in the City's General Property and Other Local Taxes (or \$318,000+ of new revenues) is allocated to General Fund Budget for debt service each year beginning in FY 2019 through FY 2026.

- Each 1% growth in the City's General Property and Other Local Taxes translates into approximately \$2.6 million.
- 1/8 of 1% growth in the City's General Property and Other Local Taxes equates to approximately \$318,000 per year beginning in FY 2019.



Scenario 1: Preliminary Results – Debt Capacity

Remaining Debt Capacity – No Change vs Base Case

- First Five Years (From FY 2017 through FY 2021): the City has projected Debt Capacity of \$103.4 million *AFTER all FY 2016-21 CIP Debt Issues.*

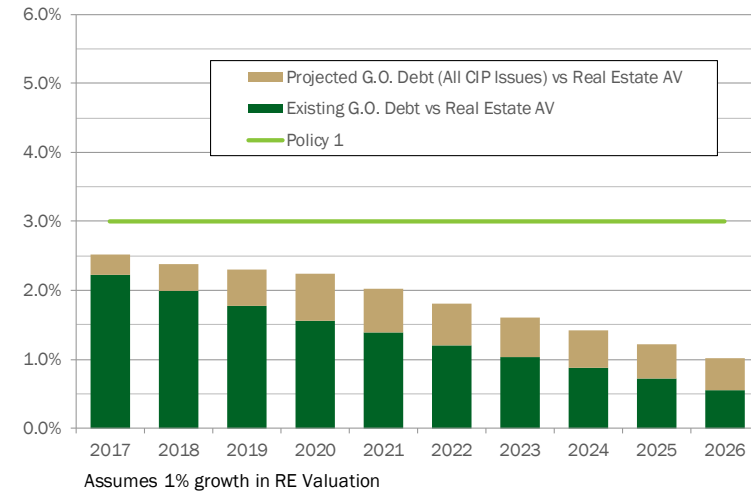
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2021	22,965,000	
5 Yr Total	103,340,000	
2022-26	116,495,000	
10 Yr Total	219,835,000	

- Next Five Years (From FY 2022 through FY 2026): The City is projected to have another \$116.5 million in additional Debt Capacity.

- It is important to note that the if the City were to issue the above amounts of debt, the City would be near or at its governing policy limits.
 - In addition, issuing these levels of debt would exceed current Debt Affordability that is built into the City's existing Budget.

Governing Policy

Policy 1: G.O. Debt vs Real Estate AV



Fiscal Year	Existing G.O. Debt vs Real Estate AV	Projected G.O. Debt (All CIP Issues) vs Real Estate AV	Total Debt vs Real Estate AV	Policy 1	Incremental Additional Debt Capacity
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2021	1.4%	0.6%	2.0%	3.0%	22,965,000
2022	1.2%	0.6%	1.8%	3.0%	23,735,000
2023	1.0%	0.6%	1.6%	3.0%	22,855,000
2024	0.9%	0.5%	1.4%	3.0%	22,410,000
2025	0.7%	0.5%	1.2%	3.0%	23,285,000
2026	0.5%	0.5%	1.0%	3.0%	24,210,000
TOTAL Through FY 2026					219,835,000



Scenario 1: Preliminary Results – Debt Affordability

Remaining Debt Affordability - \$35.9 million Increase vs Base Case

- First Five Years (from FY 2017 through FY 2021), the City has projected Debt Affordability of \$50.0 million based on New Revenues allocated toward G.O. Debt Service beginning in FY 2019.

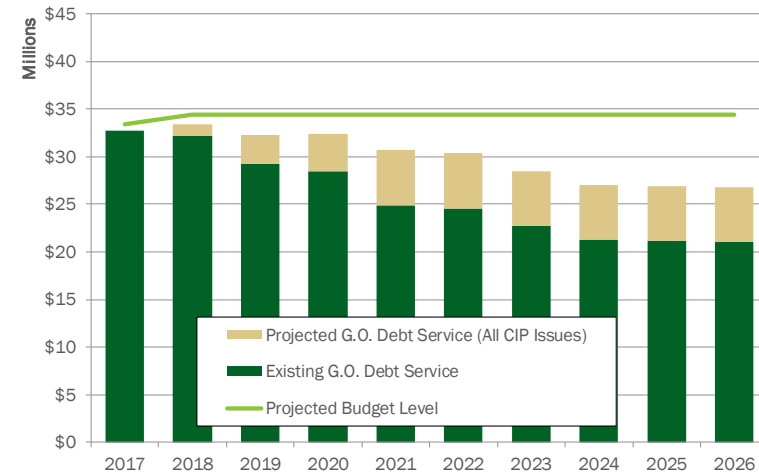
Fiscal Year	Incremental Debt Affordability	Debt Service Budget Assumption	New Revenues Allocated to Debt Service Budget
2017	0	33,392,972	0
2018	0	33,392,972	0
2019	20,310,000	33,711,669	318,697
2020	1,075,000	34,033,407	321,738
2021	<u>28,580,000</u>	34,358,216	324,809
5 Yr Total	49,965,000		
2022-26	75,105,000	36,029,356 ⁽¹⁾	1,671,140
10 Yr Total	125,070,000		

(1) Debt Service budget grows to \$36.0 million by FY 2026 (reflects 5 years of growth or \$1.7 million over FY 2022 through FY 2026).

- Next Five Years (from FY 2022 through FY 2026), the City is projected to have another \$75.1 million in additional Debt Affordability based on New Revenues allocated toward G.O. Debt Service.

- Additional Revenue Growth assumes 1/8 of 1% growth in the City's General Property and Other Local Taxes each year beginning in FY 2019.

Existing & Projected Debt Service



Fiscal Year	Total Existing and Projected G.O. Debt Service	Projected Budget Level	Debt Service Freed up/(Revenue Shortfall) vs Budget Level		Incremental Debt Affordability
			Debt Service Freed up/(Revenue Shortfall) vs Budget Level	Incremental Debt Affordability	
2017	32,697,228	33,392,972	0	0	
2018	33,356,606	33,392,972	36,366	0	
2019	32,217,114	33,711,669	1,494,555	20,310,000	
2020	32,459,889	34,033,407	1,573,519	1,075,000	
2021	30,681,786	34,358,216	3,676,430	28,580,000	
2022	30,322,228	34,686,125	4,363,897	9,340,000	
2023	28,457,293	35,017,164	6,559,871	29,845,000	
2024	27,003,615	35,351,361	8,347,747	24,300,000	
2025	26,913,860	35,688,749	8,774,889	5,805,000	
2026	26,826,551	36,029,356	9,202,805	5,815,000	

TOTAL Through FY 2026 **125,070,000**



Debt Capacity/Affordability Scenarios

Description

Scenario 2

Assumes \$2 in room night fee is available and generates approximately \$1 million in new revenues per year (Based on FY 2017 budget).

Assumes 1/8 of 1% growth in the City's General Property and Other Local Taxes (or \$318,000+ of new revenues) is allocated to **General Fund Budget for debt service each year beginning in FY 2019 through FY 2026.**

- Each 1% growth in the City's General Property and Other Local Taxes translates into approximately \$2.6 million.
- 1/8 of 1% growth in the City's General Property and Other Local Taxes equates to approximately \$318,000 per year beginning in FY 2019.



Scenario 2: Preliminary Results – Debt Capacity

Remaining Debt Capacity – No Change vs Base Case

- First Five Years (From FY 2017 through FY 2021): the City has projected Debt Capacity of \$103.4 million *AFTER all FY 2016-21 CIP Debt Issues.*

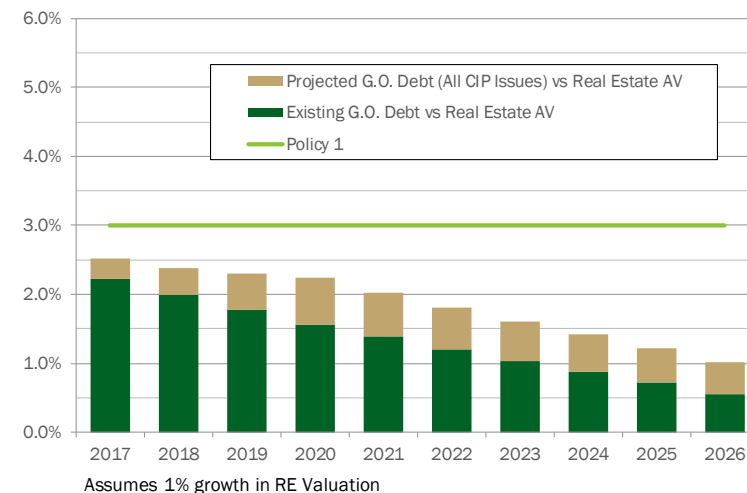
Fiscal Year	Incremental Additional Debt Capacity	Governing Policy
2017	48,985,000	Policy 1: which limits G.O. Debt to 3% of Assessed Valuation of Real Estate.
2018	15,390,000	
2019	7,965,000	
2020	8,035,000	
2021	22,965,000	
5 Yr Total	103,340,000	
2022-26	116,495,000	
10 Yr Total	219,835,000	

- Next Five Years (From FY 2022 through FY 2026): The City is projected to have another \$116.5 million in additional Debt Capacity.

- It is important to note that the if the City were to issue the above amounts of debt, the City would be near or at its governing policy limits.
 - In addition, issuing these levels of debt would exceed current Debt Affordability that is built into the City's existing Budget.

Governing Policy

Policy 1: G.O. Debt vs Real Estate AV



Fiscal Year	Existing G.O. Debt vs Real Estate AV	Projected G.O. Debt (All CIP Issues) vs Real Estate AV	Total Debt vs Real Estate AV	Policy 1	Incremental Additional Debt Capacity
2017	2.2%	0.3%	2.5%	3.0%	48,985,000
2018	2.0%	0.4%	2.4%	3.0%	15,390,000
2019	1.8%	0.5%	2.3%	3.0%	7,965,000
2020	1.6%	0.7%	2.2%	3.0%	8,035,000
2021	1.4%	0.6%	2.0%	3.0%	22,965,000
2022	1.2%	0.6%	1.8%	3.0%	23,735,000
2023	1.0%	0.6%	1.6%	3.0%	22,855,000
2024	0.9%	0.5%	1.4%	3.0%	22,410,000
2025	0.7%	0.5%	1.2%	3.0%	23,285,000
2026	0.5%	0.5%	1.0%	3.0%	24,210,000
TOTAL Through FY 2026					219,835,000



Scenario 2: Preliminary Results – Debt Affordability

Remaining Debt Affordability - \$49.4 million Increase vs Base Case

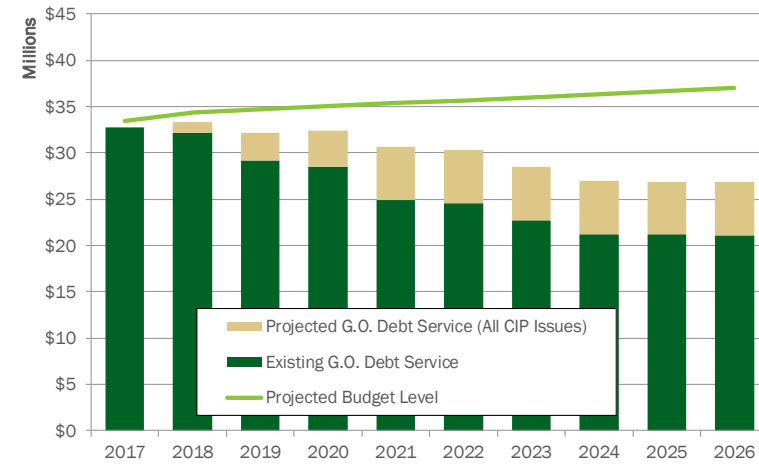
- First Five Years (from FY 2017 through FY 2021), the City has projected Debt Affordability of \$63.6 million based on New Revenues allocated toward G.O. Debt Service beginning in FY 2019.

Fiscal Year	Incremental Debt Affordability	Debt Service Budget Assumption	New Revenues Allocated to Debt Service Budget
2017	0	33,392,972	0
2018	0	34,392,972	1,000,000
2019	33,900,000	34,711,669	318,697
2020	1,075,000	35,033,319	321,650
2021	<u>28,575,000</u>	35,357,949	324,630
5 Yr Total	63,550,000		
2022-26	<u>75,075,000</u>	37,026,785 ⁽¹⁾	1,668,836
10 Yr Total	138,625,000		

(1) Debt Service budget grows to \$37.0 million by FY 2026 (reflects 5 years of growth or \$1.7 million over FY 2022 through FY 2026).

- Next Five Years (from FY 2022 through FY 2026), the City is projected to have another \$75.1 million in additional Debt Affordability based on New Revenues allocated toward G.O. Debt Service.
 - Additional Revenue Growth assumes 1/8 of 1% growth in the City's General Property and Other Local Taxes each year beginning in FY 2019.

Existing & Projected Debt Service



Fiscal Year	Total Existing and Projected G.O. Debt Service	Projected Budget Level	Debt Service Freed up/(Revenue Shortfall) vs Budget Level		Incremental Debt Affordability
			Debt Service Freed up/(Revenue Shortfall) vs Budget Level	Incremental Debt Affordability	
2017	32,697,228	33,392,972	0	0	
2018	33,356,606	34,392,972	1,036,366	0	
2019	32,217,114	34,711,669	2,494,555	33,900,000	
2020	32,459,889	35,033,319	2,573,430	1,075,000	
2021	30,681,786	35,357,949	4,676,163	28,575,000	
2022	30,322,228	35,685,588	5,363,360	9,340,000	
2023	28,457,293	36,016,262	7,558,970	29,840,000	
2024	27,003,615	36,350,001	9,346,387	24,290,000	
2025	26,913,860	36,686,833	9,772,972	5,800,000	
2026	26,826,551	37,026,785	10,200,234	5,805,000	

TOTAL Through FY 2026 **138,625,000**



Debt Capacity/Affordability Scenarios

Description

Scenario 3

Assumes ¼ of 1% growth in the City's General Property and Other Local Taxes (or \$635,000+ of new revenues) is allocated to General Fund Budget for debt service each year beginning in FY 2019 through FY 2026.

- Each 1% growth in the City's General Property and Other Local Taxes translates into approximately \$2.6 million.
- ¼ of 1% growth in the City's General Property and Other Local Taxes equates to approximately \$635,000 per year beginning in FY 2019.



Scenario 3: Preliminary Results – Debt Capacity

Remaining Debt Capacity – No Change vs Base Case

- First Five Years (From FY 2017 through FY 2021): the City has projected Debt Capacity of \$103.4 million *AFTER all FY 2016-21 CIP Debt Issues.*

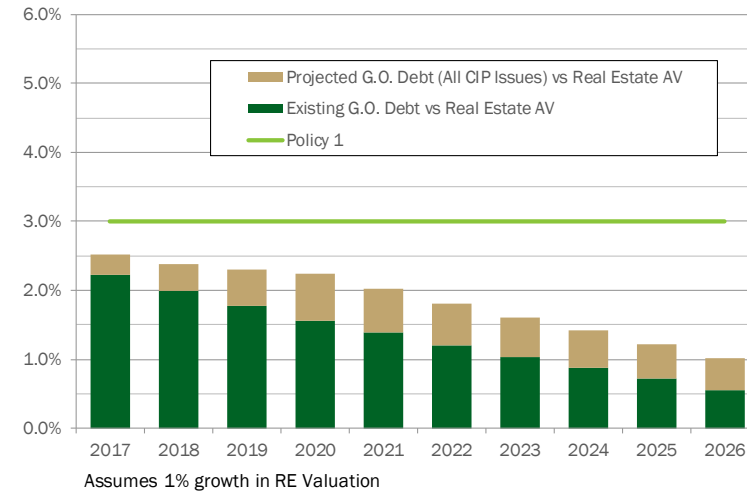
Fiscal Year	Incremental Additional Debt Capacity	Governing Policy
2017	48,985,000	Policy 1: which limits G.O. Debt to 3% of Assessed Valuation of Real Estate.
2018	15,390,000	
2019	7,965,000	
2020	8,035,000	
2021	22,965,000	
5 Yr Total	103,340,000	
2022-26	116,495,000	
10 Yr Total	219,835,000	

- Next Five Years (From FY 2022 through FY 2026): The City is projected to have another \$116.5 million in additional Debt Capacity.

- It is important to note that the if the City were to issue the above amounts of debt, the City would be near or at its governing policy limits.
 - In addition, issuing these levels of debt would exceed current Debt Affordability that is built into the City's existing Budget.

Governing Policy

Policy 1: G.O. Debt vs Real Estate AV



Fiscal Year	Existing G.O. Debt vs Real Estate AV	Projected G.O. Debt (All CIP Issues) vs Real Estate AV	Total Debt vs Real Estate AV	Policy 1	Incremental Additional Debt Capacity
2017	2.2%	0.3%	2.5%	3.0%	48,985,000
2018	2.0%	0.4%	2.4%	3.0%	15,390,000
2019	1.8%	0.5%	2.3%	3.0%	7,965,000
2020	1.6%	0.7%	2.2%	3.0%	8,035,000
2021	1.4%	0.6%	2.0%	3.0%	22,965,000
2022	1.2%	0.6%	1.8%	3.0%	23,735,000
2023	1.0%	0.6%	1.6%	3.0%	22,855,000
2024	0.9%	0.5%	1.4%	3.0%	22,410,000
2025	0.7%	0.5%	1.2%	3.0%	23,285,000
2026	0.5%	0.5%	1.0%	3.0%	24,210,000
TOTAL Through FY 2026					219,835,000



Scenario 3: Preliminary Results – Debt Affordability

Remaining Debt Affordability - \$74.1 million Increase vs Base Case

- First Five Years (from FY 2017 through FY 2021), the City has projected Debt Affordability of \$63.3 million based on New Revenues allocated toward G.O. Debt Service beginning in FY 2019.

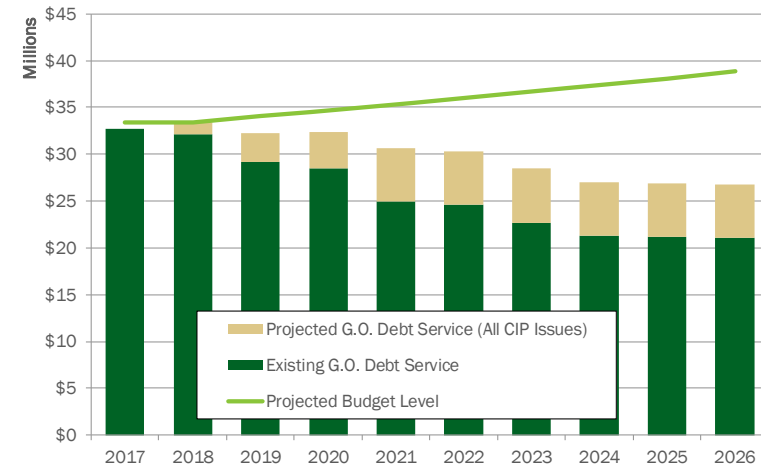
Fiscal Year	Incremental Debt Affordability	Debt Service Budget Assumption	New Revenues Allocated to Debt Service Budget
2017	0	33,392,972	0
2018	0	33,392,972	0
2019	23,825,000	34,030,366	637,394
2020	7,200,000	34,679,926	649,560
2021	<u>32,305,000</u>	35,341,884	661,959
5 Yr Total	63,330,000		
2022-26	<u>100,020,000</u>	38,846,098 ⁽¹⁾	3,504,214
10 Yr Total	163,350,000		

(1) Debt Service budget grows to \$38.8 million by FY 2026 (reflects 5 years of growth or \$3.5 million over FY 2022 through FY 2026).

- Next Five Years (from FY 2022 through FY 2026), the City is projected to have another \$100.0 million in additional Debt Affordability based on New Revenues allocated toward G.O. Debt Service.

- Additional Revenue Growth assumes ¼ of 1% growth in the City's General Property and Other Local Taxes each year beginning in FY 2019.

Existing & Projected Debt Service



Fiscal Year	Total Existing and Projected G.O. Debt Service	Projected Budget Level	Debt Service Freed up/(Revenue Shortfall) vs Budget Level	Incremental Debt Affordability
2017	32,697,228	33,392,972	0	0
2018	33,356,606	33,392,972	36,366	0
2019	32,277,114	34,030,366	1,753,251	23,825,000
2020	32,396,889	34,679,926	2,283,037	7,200,000
2021	30,681,786	35,341,884	4,660,098	32,305,000
2022	30,322,228	36,016,478	5,694,250	14,055,000
2023	28,457,293	36,703,948	8,246,655	34,690,000
2024	27,003,615	37,404,540	10,400,926	29,275,000
2025	26,913,860	38,118,506	11,204,645	10,925,000
2026	26,826,551	38,846,098	12,019,547	11,075,000

TOTAL Through FY 2026

163,350,000



Debt Capacity/Affordability Scenarios

Description

Scenario 4

Assumes \$2 in room night fee is available and generates approximately \$1 million in new revenues per year (Based on FY 2017 budget).

Assumes ¼ of 1% growth in the City's General Property and Other Local Taxes (or \$635,000+ of new revenues) is allocated to **General Fund Budget for debt service each year beginning in FY 2019 through FY 2026.**

- Each 1% growth in the City's General Property and Other Local Taxes translates into approximately \$2.6 million.
- ¼ of 1% growth in the City's General Property and Other Local Taxes equates to approximately \$635,000 per year beginning in FY 2019.



Scenario 4: Preliminary Results – Debt Capacity

Remaining Debt Capacity – No Change vs Base Case

- First Five Years (From FY 2017 through FY 2021): the City has projected Debt Capacity of \$103.4 million *AFTER all FY 2016-21 CIP Debt Issues.*

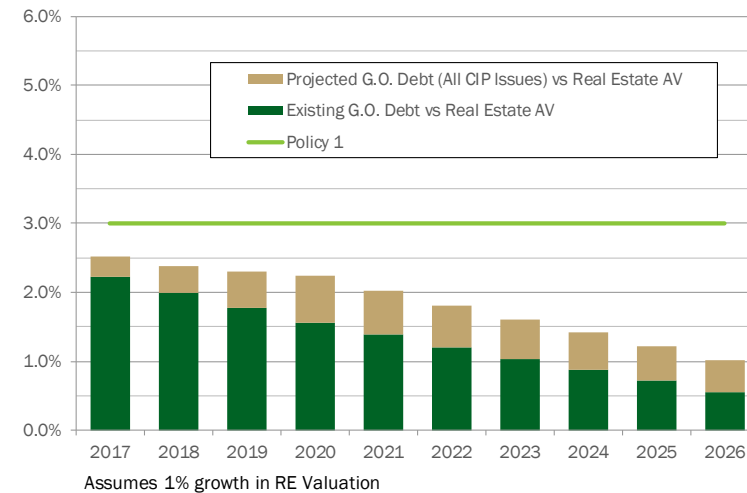
Fiscal Year	Incremental Additional Debt Capacity	Governing Policy
2017	48,985,000	Policy 1: which limits G.O. Debt to 3% of Assessed Valuation of Real Estate.
2018	15,390,000	
2019	7,965,000	
2020	8,035,000	
2021	22,965,000	
5 Yr Total	103,340,000	
2022-26	116,495,000	
10 Yr Total	219,835,000	

- Next Five Years (From FY 2022 through FY 2026): The City is projected to have another \$116.5 million in additional Debt Capacity.

- It is important to note that the if the City were to issue the above amounts of debt, the City would be near or at its governing policy limits.
 - In addition, issuing these levels of debt would exceed current Debt Affordability that is built into the City's existing Budget.

Governing Policy

Policy 1: G.O. Debt vs Real Estate AV



Fiscal Year	Existing G.O. Debt vs Real Estate AV	Projected G.O. Debt (All CIP Issues) vs Real Estate AV	Total Debt vs Real Estate AV	Policy 1	Incremental Additional Debt Capacity
2017	2.2%	0.3%	2.5%	3.0%	48,985,000
2018	2.0%	0.4%	2.4%	3.0%	15,390,000
2019	1.8%	0.5%	2.3%	3.0%	7,965,000
2020	1.6%	0.7%	2.2%	3.0%	8,035,000
2021	1.4%	0.6%	2.0%	3.0%	22,965,000
2022	1.2%	0.6%	1.8%	3.0%	23,735,000
2023	1.0%	0.6%	1.6%	3.0%	22,855,000
2024	0.9%	0.5%	1.4%	3.0%	22,410,000
2025	0.7%	0.5%	1.2%	3.0%	23,285,000
2026	0.5%	0.5%	1.0%	3.0%	24,210,000
TOTAL Through FY 2026					219,835,000



Scenario 4: Preliminary Results – Debt Affordability

Remaining Debt Affordability - \$87.6 million Increase vs Base Case

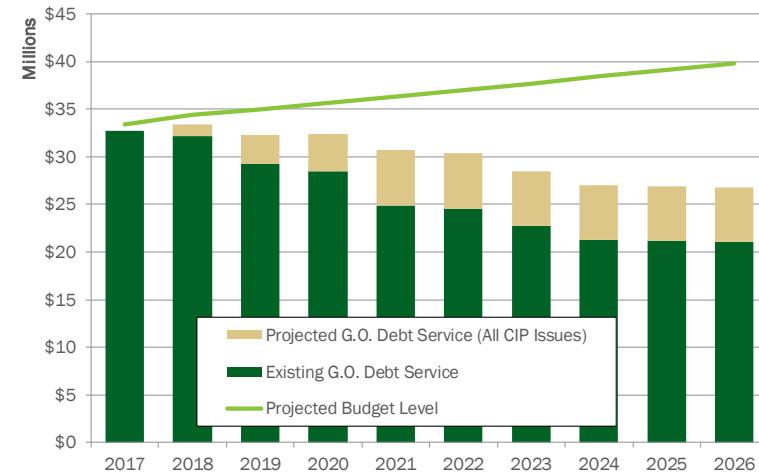
- First Five Years (from FY 2017 through FY 2021), the City has projected Debt Affordability of \$76.9 million based on New Revenues allocated toward G.O. Debt Service beginning in FY 2019.

Fiscal Year	Incremental Debt Affordability	Debt Service Budget Assumption	New Revenues Allocated to Debt Service Budget
2017	0	33,392,972	0
2018	0	34,392,972	1,000,000
2019	37,420,000	35,030,366	637,394
2020	7,195,000	35,679,572	649,206
2021	<u>32,295,000</u>	36,340,810	661,238
5 Yr Total	76,910,000		
2022-26	99,885,000	39,835,422 ⁽¹⁾	3,494,612
10 Yr Total	176,795,000		

(1) Debt Service budget grows to \$39.8 million by FY 2026 (reflects 5 years of growth or \$3.5 million over FY 2022 through FY 2026).

- Next Five Years (from FY 2022 through FY 2026), the City is projected to have another \$99.9 million in additional Debt Affordability based on New Revenues allocated toward G.O. Debt Service.
 - New Room Night Fee Revenues assume \$1 million per year allocated toward debt service beginning in FY 2018.
 - Additional Revenue Growth assumes ¼ of 1% growth in the City's General Property and Other Local Taxes each year beginning in FY 2019.

Existing & Projected Debt Service



Fiscal Year	Total Existing and Projected G.O. Debt Service	Projected Budget Level	Debt Service Freed up/(Revenue Shortfall) vs Budget Level		Incremental Debt Affordability
			Debt Service Freed up/(Revenue Shortfall) vs Budget Level	Incremental Debt Affordability	
2017	32,697,228	33,392,972	0	0	
2018	33,356,606	34,392,972	1,036,366	0	
2019	32,277,114	35,030,366	2,753,251	37,420,000	
2020	32,396,889	35,679,572	3,282,683	7,195,000	
2021	30,681,786	36,340,810	5,659,023	32,295,000	
2022	30,322,228	37,014,302	6,692,073	14,035,000	
2023	28,457,293	37,700,276	9,242,983	34,670,000	
2024	27,003,615	38,398,962	11,395,348	29,250,000	
2025	26,913,860	39,110,598	12,196,738	10,895,000	
2026	26,826,551	39,835,422	13,008,870	11,035,000	
TOTAL Through FY 2026				176,795,000	



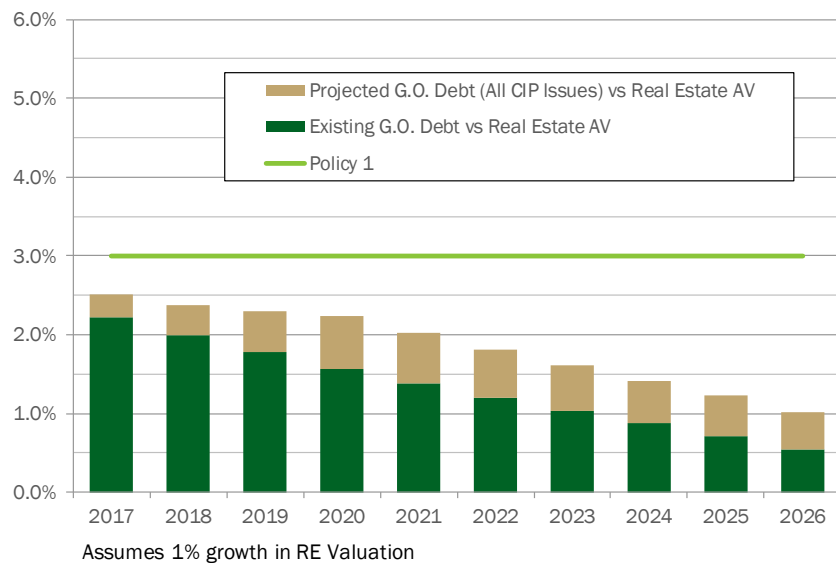
Debt Policy Projections



Policy 1: G.O. Debt vs. Real Estate

- G.O. Debt shall not exceed 3% of the Taxable Assessed Valuation of Real Estate.

Policy 1: G.O. Debt vs Real Estate AV



Fiscal Year	Existing G.O. Debt vs Real Estate AV	Projected G.O. Debt (All CIP Issues) vs Real Estate AV	Total Debt vs Real Estate AV	Policy 1
2017	2.2%	0.3%	2.5%	3.0%
2018	2.0%	0.4%	2.4%	3.0%
2019	1.8%	0.5%	2.3%	3.0%
2020	1.6%	0.7%	2.2%	3.0%
2021	1.4%	0.6%	2.0%	3.0%
2022	1.2%	0.6%	1.8%	3.0%
2023	1.0%	0.6%	1.6%	3.0%
2024	0.9%	0.5%	1.4%	3.0%
2025	0.7%	0.5%	1.2%	3.0%
2026	0.5%	0.5%	1.0%	3.0%

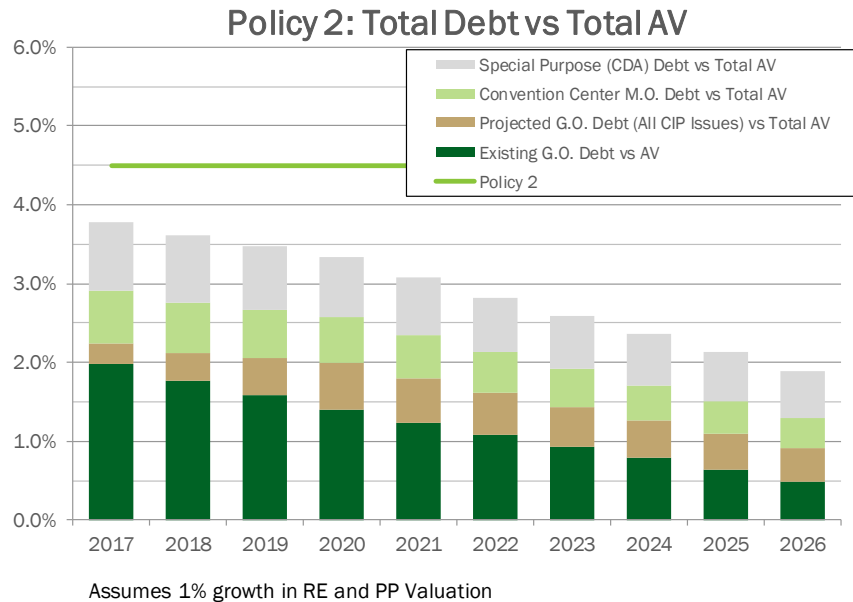
- Note: Calculations shown above incorporate the City’s most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP which includes approximately \$71.4 million of G.O. Bond funding sources. No additional debt beyond FY 2021 has been incorporated.

(1) Includes \$15.0 million budgeted G.O. Bonds for FY 2017 CIP needs and \$56.4 million of planned future G.O. Bond issues from FY 2018 through FY 2021.



Policy 2: Total Debt vs. Total Assessed Valuation

- Total Direct/Indirect/Overlapping Debt shall not exceed 4.5% of the Total Taxable Assessed Valuation.



Fiscal Year	Existing G.O. Debt vs AV	Convention Center M.O. Debt vs Total AV	Special Purpose (CDA) Debt vs Total AV	Projected G.O. Debt (All CIP Issues) vs Total AV	Total Debt vs AV	Policy 2
2017	2.0%	0.7%	0.9%	0.3%	3.8%	4.5%
2018	1.8%	0.6%	0.8%	0.3%	3.6%	4.5%
2019	1.6%	0.6%	0.8%	0.5%	3.5%	4.5%
2020	1.4%	0.6%	0.8%	0.6%	3.3%	4.5%
2021	1.2%	0.5%	0.7%	0.6%	3.1%	4.5%
2022	1.1%	0.5%	0.7%	0.5%	2.8%	4.5%
2023	0.9%	0.5%	0.7%	0.5%	2.6%	4.5%
2024	0.8%	0.4%	0.6%	0.5%	2.4%	4.5%
2025	0.6%	0.4%	0.6%	0.5%	2.1%	4.5%
2026	0.5%	0.4%	0.6%	0.4%	1.9%	4.5%

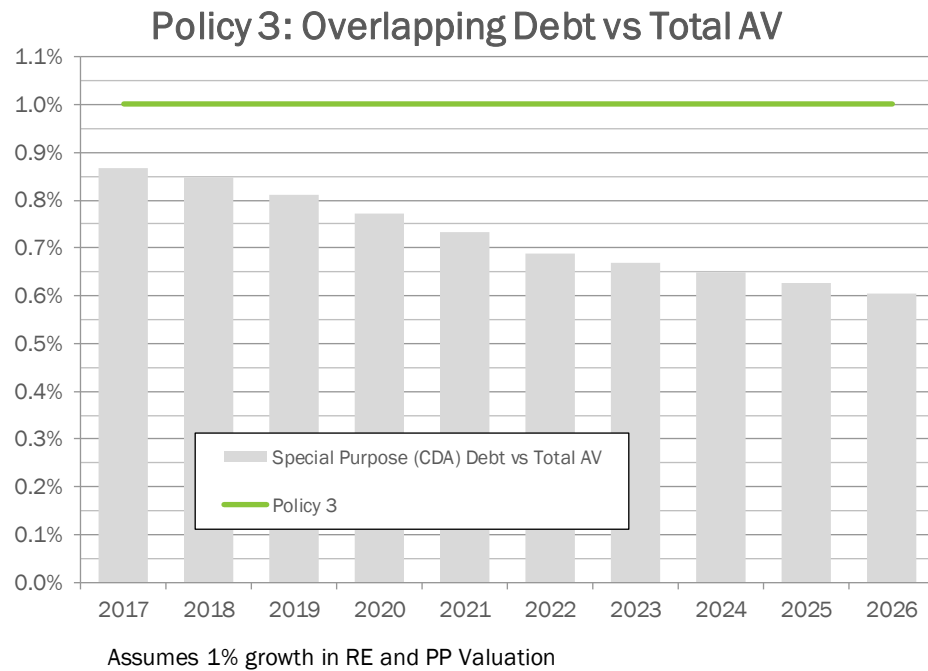
- Note: Calculations shown above incorporate the City's most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP which includes approximately \$71.4 million of G.O. Bond funding sources. No additional debt beyond FY 2021 has been incorporated.

(1) Includes \$15.0 million budgeted G.O. Bonds for FY 2017 CIP needs and \$56.4 million of planned future G.O. Bond issues from FY 2018 through FY 2021.



Policy 3: Overlapping Debt vs. Total Assessed Valuation

- Overlapping Debt shall not exceed 1.0% of the Total Taxable Assessed Valuation.



Fiscal Year	Special Purpose (CDA) Debt vs Total AV	
	Total AV	Policy 3
2017	0.9%	1.0%
2018	0.8%	1.0%
2019	0.8%	1.0%
2020	0.8%	1.0%
2021	0.7%	1.0%
2022	0.7%	1.0%
2023	0.7%	1.0%
2024	0.6%	1.0%
2025	0.6%	1.0%
2026	0.6%	1.0%

- Note: Calculations shown above incorporate the City's most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP which includes approximately \$71.4 million of G.O. Bond funding sources. No additional debt beyond FY 2021 has been incorporated.

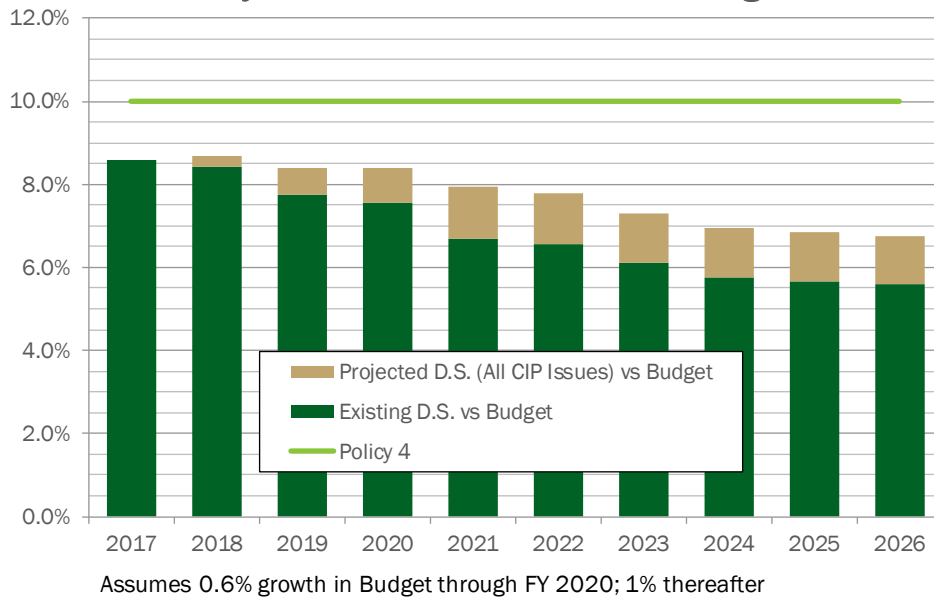
(1) Includes \$15.0 million budgeted G.O. Bonds for FY 2017 CIP needs and \$56.4 million of planned future G.O. Bond issues from FY 2018 through FY 2021.



Policy 4: Debt Service vs. Expenditures

- Debt Service shall not exceed 10% of Total Expenditures (City and Schools).

Policy 4: Debt Service vs Total Budget



Fiscal Year	Existing D.S. vs Budget	Projected D.S. (All CIP Issues) vs Budget	Total D.S. vs Budget	Policy 4
2017	8.6%	0.0%	8.6%	10.0%
2018	8.4%	0.3%	8.7%	10.0%
2019	7.7%	0.7%	8.4%	10.0%
2020	7.5%	0.8%	8.4%	10.0%
2021	6.7%	1.2%	7.9%	10.0%
2022	6.6%	1.2%	7.8%	10.0%
2023	6.1%	1.2%	7.3%	10.0%
2024	5.7%	1.2%	6.9%	10.0%
2025	5.7%	1.2%	6.8%	10.0%
2026	5.6%	1.2%	6.8%	10.0%

- Note: Calculations shown above incorporate the City’s most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP which includes approximately \$71.4 million of G.O. Bond funding sources. No additional debt beyond FY 2021 has been incorporated.

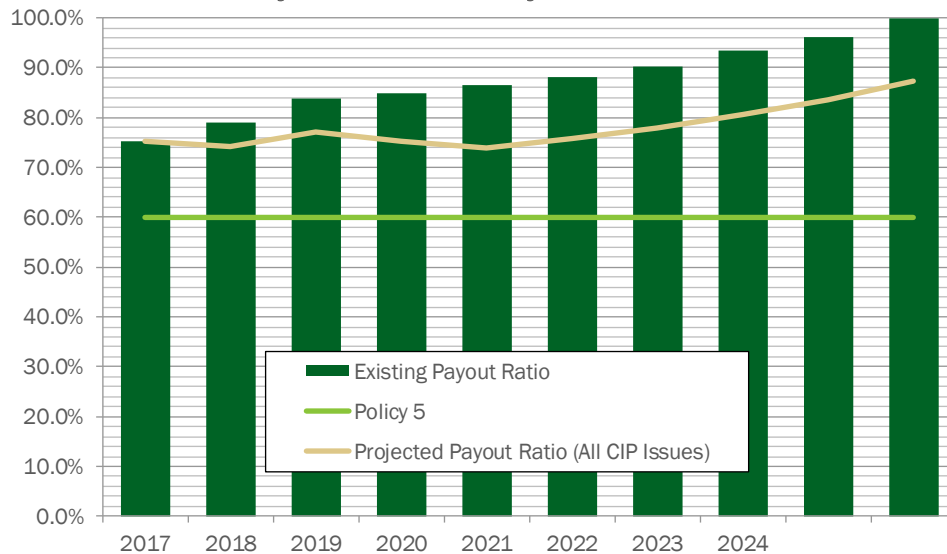
(1) Includes \$15.0 million budgeted G.O. Bonds for FY 2017 CIP needs and \$56.4 million of planned future G.O. Bond issues from FY 2018 through FY 2021.



Policy 5: 10-Year Payout Ratio

- The 10-year Payout Ratio shall not be less than 60%.

Policy 5: 10-Year Payout Ratio



Fiscal Year	Existing Payout Ratio	Projected Payout Ratio (All CIP Issues)	
		Ratio (All CIP Issues)	Policy 5
2017	75.3%	75.3%	60.0%
2018	79.1%	74.3%	60.0%
2019	83.9%	77.1%	60.0%
2020	85.0%	75.3%	60.0%
2021	86.5%	74.0%	60.0%
2022	88.2%	75.7%	60.0%
2023	90.3%	77.8%	60.0%
2024	93.4%	80.7%	60.0%
2025	96.1%	83.5%	60.0%
2026	100.0%	87.4%	60.0%

- Note: Calculations shown above incorporate the City’s most recent \$210.1 million⁽¹⁾ FY 2017 – FY 2021 CIP which includes approximately \$71.4 million of G.O. Bond funding sources. No additional debt beyond FY 2021 has been incorporated.

(1) Includes \$15.0 million budgeted G.O. Bonds for FY 2017 CIP needs and \$56.4 million of planned future G.O. Bond issues from FY 2018 through FY 2021.



Current FY 2016 – FY 2020 CIP



Capital Improvement Plan (CIP) Assumptions

- The City's most recent \$210.1 million (includes debt and other sources) FY 2017 – FY 2021 CIP.
 - Approximately \$71.4 million is anticipated to be funded with G.O. Bonds over this time period.

	Budget 2017	Planned Years				FY 2017- FY 2020 Total	% of Total
	2018	2019	2020	2021			
Amounts in \$000							
General Fund Revenues							
General Fund Revenue Projects (1)	\$9,209	\$8,284	\$9,374	\$7,974	\$7,974	\$42,816	20.4%
Committed Fund Balance	350	0	0	0	0	350	0.2%
Urban Maintenance/VDOT Match	6,355	6,310	6,498	6,687	6,881	32,730	15.6%
Subtotal General Fund Revenues	\$15,914	\$14,594	\$15,873	\$14,661	\$14,855	\$75,896	36.1%
Bond Funds							
G.O. Bonds - City Investment	9,715	9,258	4,100	10,899	10,952	44,924	21.4%
G.O. Bonds - School Investment	5,288	5,288	5,288	5,288	5,279	26,429	12.6%
Subtotal Bond Funds	\$15,003	\$14,545	\$9,388	\$16,187	\$16,231	\$71,353	34.0%
Other Revenues (2)	13,624	9,446	12,827	13,635	13,285	62,817	29.9%
Total Sources of Funds	\$44,541	\$38,585	\$38,087	\$44,483	\$44,371	\$210,066	100.0%
CIP Policy 1 - General Fund Revenue (% of Budget)							
Annual: 2% to 6% Target (3)	4.8%	4.4%	4.7%	4.4%	4.4%		
CIP Policy 2 - General Fund Revenue (% of Total CIP Sources)							
Rolling 5YR: 10% to 15% Target	36.1%	--	--	--	--		

Notes

- (1) Includes General Fund Balance (amounts over policy); Annual budgeted amounts; and dedicated tax increase (City/Schools)
- (2) Includes Capital Project Fund Balance, Commonwealth, Congestion Mitigation Air Quality, Economic Development, Stormwater, VDOT and Wastewater Funds.
- (3) Based on FY 2017 General Fund Budget (Excluding schools) of approximately \$334.2 million.

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