
City of Newton Capital Financing Plan

Presented BOA/Public Facilities Committee
Sanford Pooler, CAO
January 10, 2007

Capital Plan Fundamentals

- The Capital Plan is citywide, for all projects.
 - Save Money a Debt Reserve that will protect the Operating Budget from the impact of capital spending.
 - Started saving in FY2001
 - State School Building Assistance Payments go to reserve.
 - Payoff of old debt (e.g., Police H.Q., Angier School), but keep budgeting money to go into debt reserve.
 - Sell Bonds to finance school construction.
 - In years when the cost of the bond payments is more than 3% of budget, use debt reserve to cover the difference and protect the operating budget.
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Key Highlights

- The cost of Newton North High School will be \$141 million.
 - Return to allocating 3% of General Fund revenue to debt service by FY09.
 - No other additional new growth will be added after FY09.
 - Minimum of \$3.5 million annually bonded for other capital projects.
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Assumptions

Newton North High School

- 20 Year bonds for NNHS.
 - 4.5% interest rate on bonds for NNHS.
 - School Building Assistance reimbursement for NNHS will be \$46.5 million.
 - School Building Assistance loan of \$15 million for a term of 25 years at 2%.
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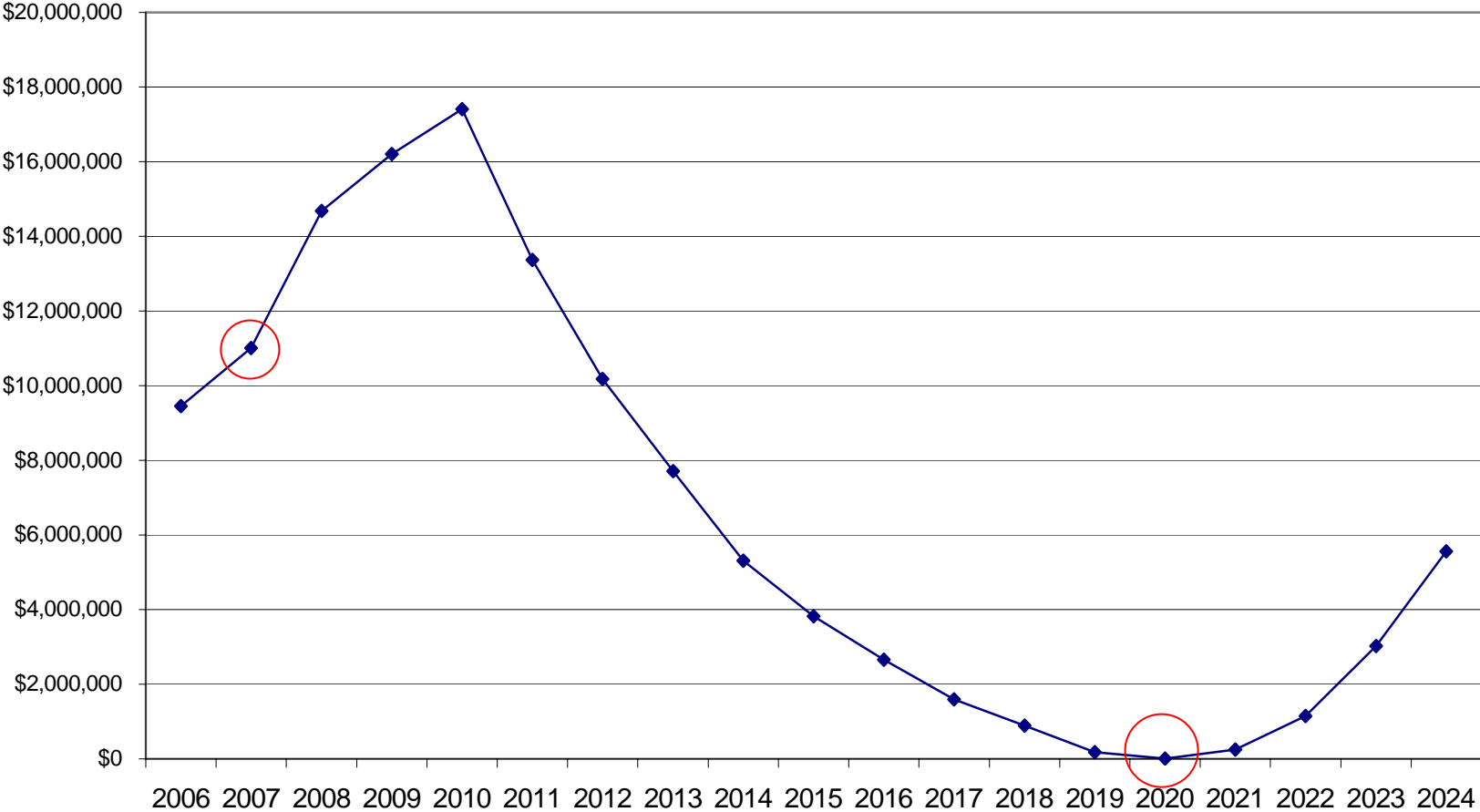
Other Assumptions

- Revenue growth rate of 3.8%,
 - Based on long-term average revenue growth since 1996, excluding the override.
 - Other capital projects of \$3.5 million funded with 15 year bonds at 5% interest.
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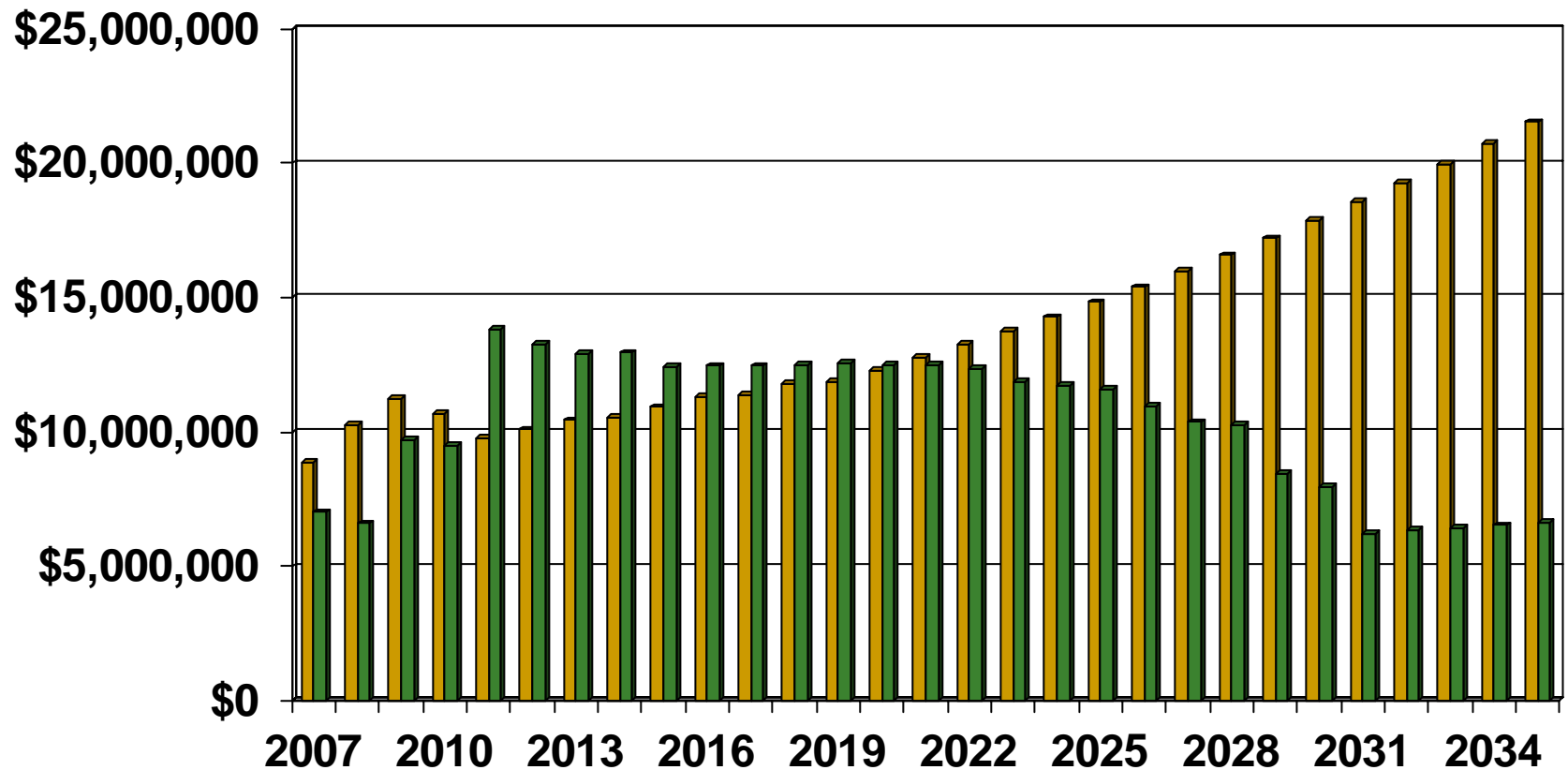
NNHS Financing Sources

SBA Loan	\$15 million
SBA Grants	\$46.5 million
Newton Bonds	\$79.5 million
Total	\$141 million

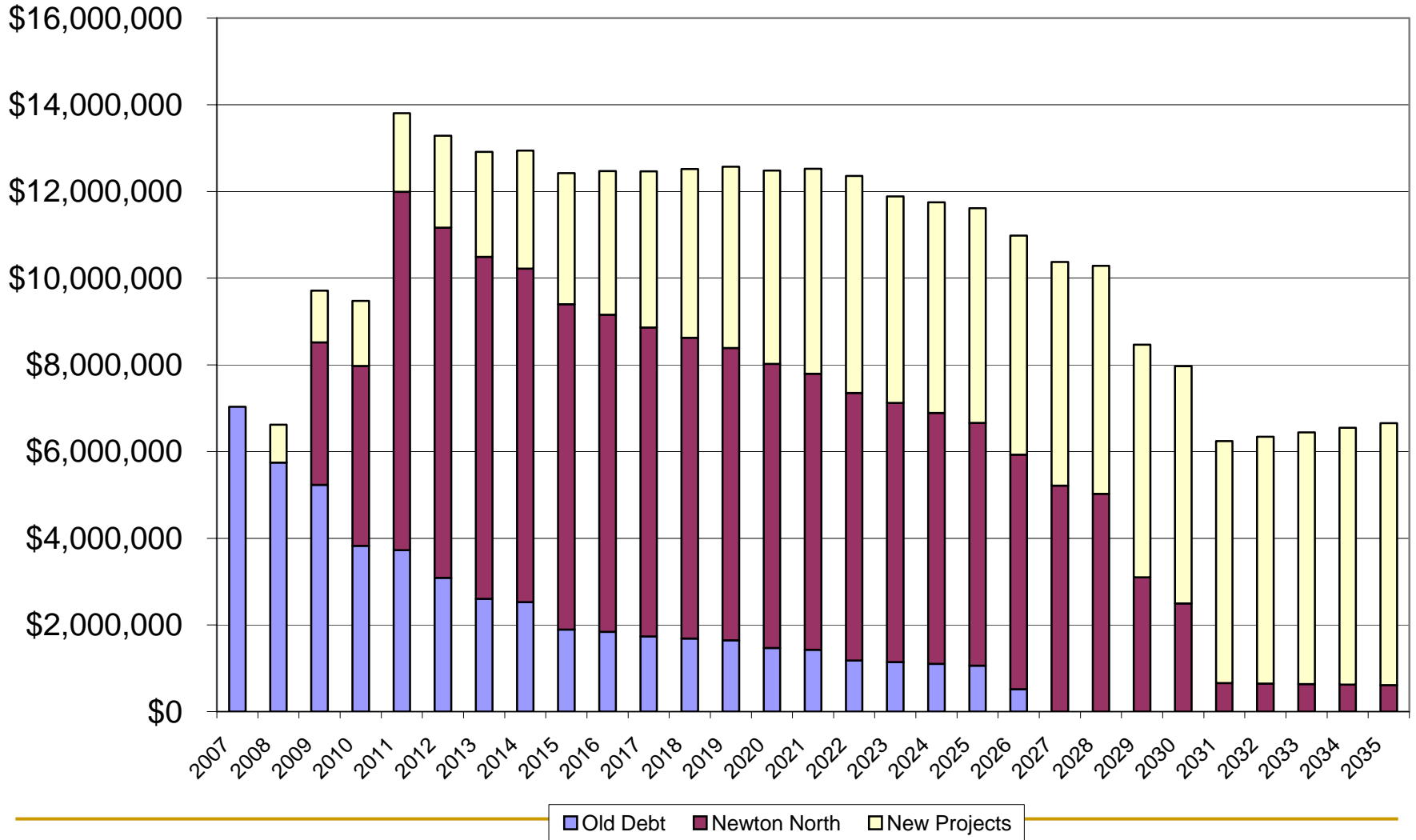
Debt Reserve Balance



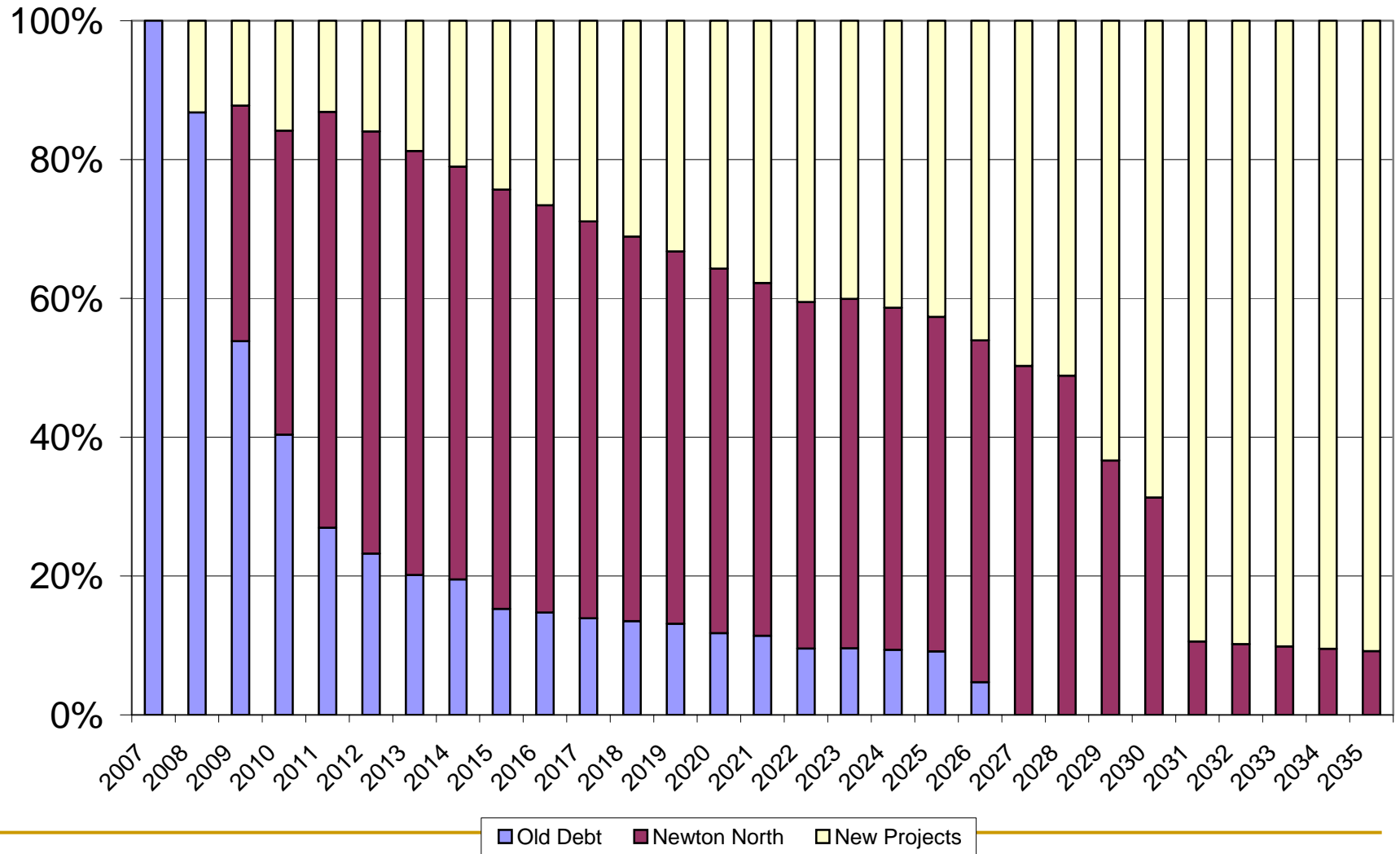
Compare Available Funds with Actual Annual Debt Payments



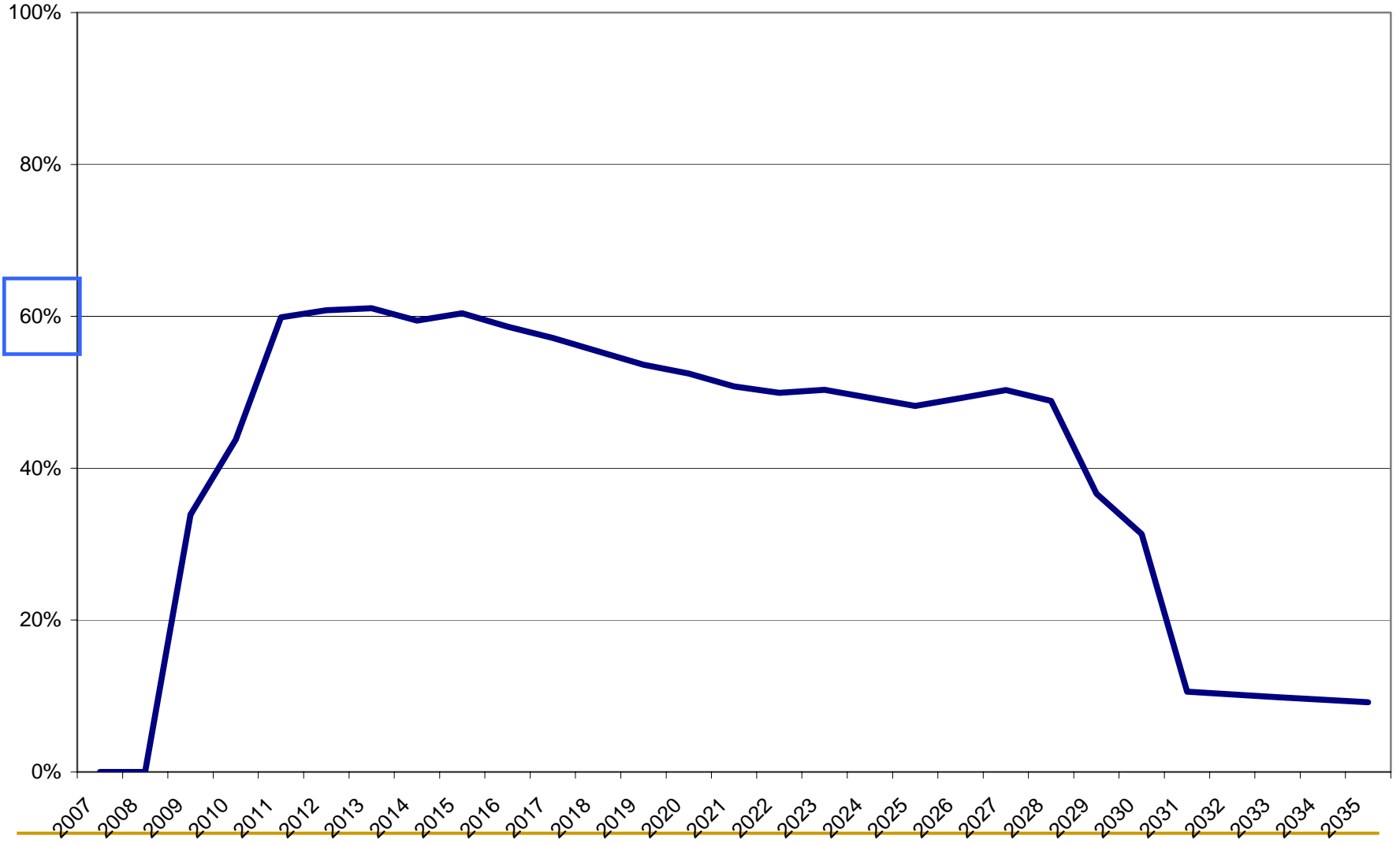
Debt Payments for all Projects



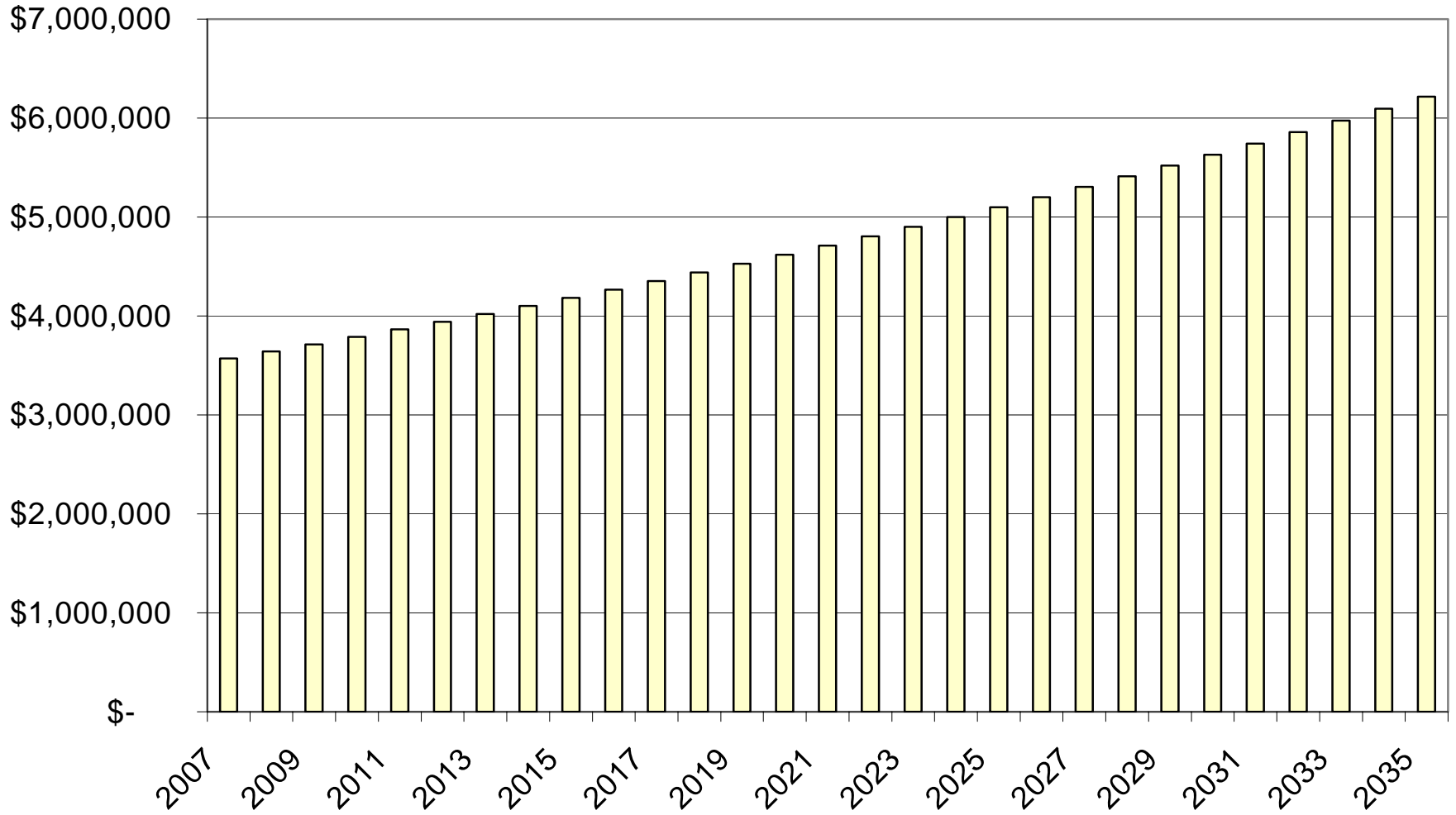
Debt Payments for all Projects



Newton North Percent of Annual Debt Service



Funds Available for New Capital Projects



The End

Or the Beginning?