

NYS Facility Funding Discussion

Committee on Budget and Finance

February 16, 2023

NYS Facility – Funding Status

- **5/9/2022: \$30,000 approved for schematic design**
- 11/1/2022: Presentation to City Council outlining three design
 - Option A: \$8.1 million, Option B: \$5.7 million, Option 3: \$3.0 million (no gym)
 - \$5.7 million loan order requested to fund design/construction (ORDR00388_11_01_2022)
- **2/13/2023: \$200,000 approved for full design/bidding**



Recommend that ORDR00388_11_01_2022 be received and filed while costs and funding needs are reviewed further during the design process.

Project Funding Sources

- Known:
 - General Fund Debt
 - Kelley School Sale Proceeds (balance: \$393,000)
- Potential/For Consideration:
 - Grants (very limited for brick & mortar, but potential for targeted elements)
 - CPA (recreation category)
 - Private donations (general or targeted)
 - Facility fee (added to recreation program registrations)
 - American Rescue Plan Funds
 - New local options available
 - Disposition of underutilized and/or vacant city properties
 - National opioid settlement payments

Can the City Afford New
Debt for this Project?

Borrowing Overview

- Annual Debt Payment
 - Borrowing Amount = Project Cost – Other Available Sources
 - Maturity (# of Years to Payoff): Maximum of 30 years
 - Interest Rate: Driven by market, tax exempt status, credit rating
(currently ~3.5% for 30 yr tax exempt AAA bond)

- For example:

- Borrowing Amount = \$5,000,000 →
(actual amount to be determined)
- Maturity = 30 Years
- Interest Rate = 4.0% (conservative)

"Option B"	\$5,700,000
Design Funds Approved	-\$200,000
Kelley School Funds	-\$393,000
Other Sources	-\$107,000
Remainder	\$5,000,000

- Annual Debt Payment of \$290,000 over 30 years
(approx. \$58,000 per every \$1 million borrowed)

Outstanding Debt - General Fund (excludes CPA, Enterprise Funds)

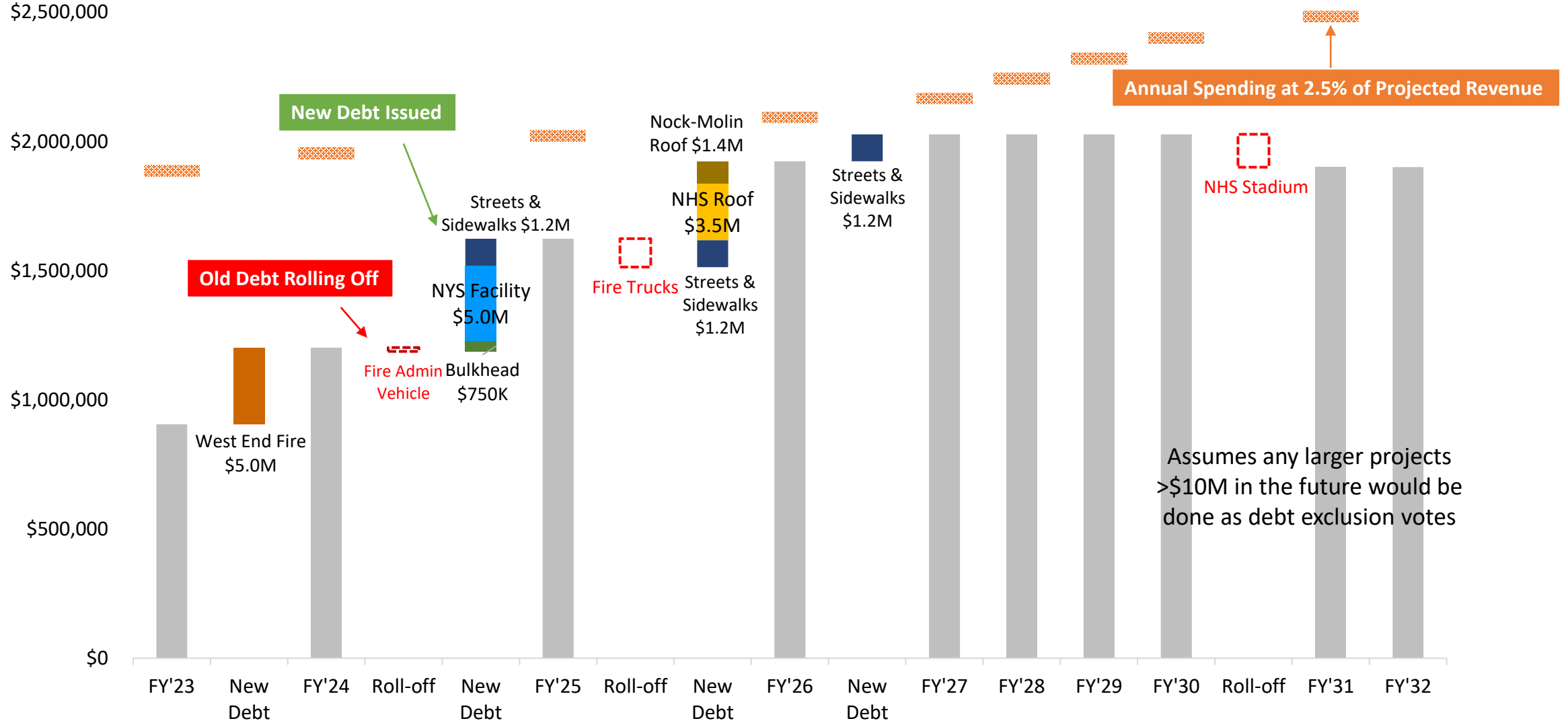
Project	Borrowing Amount	Annual Payment	Final Payment
Ordinary (Non-Excluded)			
Boardwalk	\$293,800	\$78,910	6/30/2017 *
School	\$218,700	\$38,482	6/30/2017 *
Equipment	\$576,000	\$70,780	6/30/2018 *
School Renovations	\$402,000	\$51,104	6/30/2018 *
School Demountables	\$150,500	\$34,431	6/30/2018 *
Drainage	\$425,000	\$48,313	6/30/2018 *
Land Acquisition	\$224,070	\$35,094	6/30/2018 *
Recreational Facility	\$75,000	\$8,859	6/30/2018 *
School Building Improvements	\$500,000	\$63,832	6/30/2019 *
Fire Truck	\$500,000	\$60,734	6/30/2019 *
Stormwater Management	\$420,000	\$51,969	6/30/2019 *
Paving State St. & Turkey Hill Rd.	\$500,000	\$60,734	6/30/2019 *
Inn Street Electrical	\$100,000	\$12,147	6/30/2019 *
Relocation of North Resv. Terrace	\$75,000	\$8,800	6/30/2019 *
City Hall	\$96,480	\$12,040	6/30/2020 *
Paid off	\$4,556,550	\$636,227	
Fire Trucks	\$908,000	\$109,900	6/30/2025
NHS Stadium	\$1,527,000	\$127,161	6/30/2030
Paying Off <10 Yrs	\$2,435,000	\$237,061	

Project	Borrowing Amount	Annual Payment	Final Payment
Ordinary (Non-Excluded) - Continued			
Firehouse Renovation	\$400,000	\$24,687	6/30/2037
Drainage	\$400,000	\$23,499	6/30/2037
Drainage	\$434,000	\$25,541	6/30/2044
Fire Admin Vehicle	\$45,000	\$15,342	6/30/2024
Roof Replacements	\$413,000	\$22,216	6/30/2046
Fire Trucks	\$1,402,500	\$95,708	6/30/2040
Phillips Drive Drainage	\$1,474,500	\$134,960	6/30/2037
West End Fire Station	\$9,190,000	\$496,198	6/30/2053
Paying Off >10 Yrs	\$13,759,000	\$838,151	
Self-Supported			
Parking Facility	\$6,344,500	\$370,013	6/30/2044
Excluded from Levy Limit			
Library	\$2,056,310	\$274,100	6/30/2020 *
High School	\$4,084,600	\$442,445	6/30/2025
Bresnahan School	\$19,752,000	\$1,220,261	6/30/2038
Nock/Molin School	\$13,235,398	\$790,579	6/30/2038
Senior/Community Center	\$6,238,000	\$420,451	6/30/2035
Nock/Molin Baseball Field	\$1,680,000	\$140,238	6/30/2030

*Bonds that have rolled-off over past six years

General Fund Non-Excluded Debt Service (10 Year Example)

For Illustrative/Discussion Purposes Only



Note: Excludes Parking Garage and Excluded Debt

Projected 10-Year Budget Impact

For Illustrative/Discussion Purposes Only

Year	<u>To Fund Projected New Debt*</u>			<u>To Fund 2.5% of Annual Revenue</u>		
	Budget	\$ Change	% Change	Budget	\$ Change	% Change
FY2023	\$1,472,544			\$1,472,544		
FY2024	\$1,546,347	\$73,803	5.01%	\$1,591,095	\$118,551	8.05%
FY2025	\$1,623,848	\$77,502	5.01%	\$1,719,191	\$128,096	8.05%
FY2026	\$1,705,234	\$81,386	5.01%	\$1,857,599	\$138,408	8.05%
FY2027	\$1,790,699	\$85,465	5.01%	\$2,007,150	\$149,551	8.05%
FY2028	\$1,880,447	\$89,748	5.01%	\$2,168,741	\$161,591	8.05%
FY2029	\$1,974,694	\$94,246	5.01%	\$2,343,342	\$174,601	8.05%
FY2030	\$2,073,664	\$98,970	5.01%	\$2,531,999	\$188,657	8.05%
FY2031	\$2,177,594	\$103,930	5.01%	\$2,735,845	\$203,846	8.05%
FY2032	\$2,286,733	\$109,139	5.01%	\$2,956,101	\$220,257	8.05%

*Based on example shown on previous slide

Bond anticipation notes would be used to stabilize increases from year to year

Impact of Borrowing on Annual Tax Bill

For Illustrative/Discussion Purposes Only

Project	Amount	Debt Service	Portion of Tax Bill	% of Tax Bill
West End Fire Station	\$9,190,000	\$496,198	\$67	0.8%
NYS Facility	\$5,000,000	\$289,150	\$39	0.4%
Bresnahan School	\$19,752,000	\$1,220,261	\$166	1.9%
Nock/Molin School	\$13,235,398	\$790,579	\$107	1.2%
Senior/Community Center	\$6,238,000	\$420,451	\$57	0.6%
Total Average Annual Single-Family Tax Bill			\$8,920	100.0%

(Based on Single-Family Home = \$830,500, FY'23 Tax Rate = \$10.74)