



CITY OF STAMFORD
OFFICE OF ADMINISTRATION
888 WASHINGTON BOULEVARD
P.O. BOX 10152
STAMFORD, CT 06904-2152

December 15, 2004

Dannel P. Malloy, Mayor
The Members of the Board of Finance

Ladies and Gentlemen:

Section 8-20-3 of the Charter of the City of Stamford requires me to report annually upon the amount and nature of expenditures that, in my opinion, the City may incur safely for capital projects during each of the next six succeeding years, and the effect of such expenditures upon the General Fund budgets for each of those years. I am pleased to transmit my report herewith.

INTRODUCTION

In analyzing the amount of debt that the City may safely incur, we must consider several distinct factors. Among the items that must be considered are the following:

- Capital Needs of the Community
- Legal Debt Limitations
- Impact of the Proposed Plan on Debt Position & Credit Rating
- Impact of the Plan on Future Operating Budgets
- Level of Authorized But Unissued Debt
- Projected Drawdown Schedule and Financing Strategy
- Alternative Funding Options

After considering each of the above factors, I am recommending a maximum six-year capital-spending plan, net of direct grants, self-sustaining debt and non-general obligation (GO) bond financing sources, of \$224 million. This is \$32 million (16.7%) more than was recommended last year. This increase is necessary to support capital expenditures that have been identified as critical to the long-term success of the Stamford community, including school, transportation, and other public improvements. The increase is supported by the conservative projections detailed later in this report. The underlying bases for this increased capacity are the City's long-term fiscal responsibility in the area of debt management, local economic strength, particularly with

respect to the City's grand list, and historically low interest rates achieved in recent borrowings and refundings – significantly lower than earlier projections had assumed.

To meet the significant capital needs of Stamford, I am recommending that up to \$40 million be authorized in the next two fiscal years, followed by four years with up to \$36 million within the safe debt limit. To the extent that projects are funded with current tax revenues (pay-as-you-go financing), with grants or with proceeds from the Capital Non-Recurring Fund, this will reduce the amount that must be bonded and provides additional financial capacity to assume higher levels of gross capital spending. This recommendation reflects a commitment to Stamford's future and an acknowledgment of the duty of stewardship that we share. It is a recommendation based on a fundamental confidence in Stamford as a government, an economy, and a vibrant community. It is also, in my opinion, sustainable within our current budget framework.

The City's outstanding General Obligation debt on July 1, 2004 was approximately \$294 million, including \$272 million attributable to General Fund projects and \$22 million attributable to projects in self-sustaining funds. During FY 2004-05, the City will have added \$39 million in debt intended for General Fund projects and \$15 million for self-sustaining projects. In addition, the City will amortize \$23 million of debt during the year. Based on the projections presented in this report, the recommendation will increase outstanding debt for general fund projects by \$66 million over 6 years, less than 4% per year.

The projections contained in this report assume that the average interest rate on future borrowings will be 5.0%. The current average interest cost paid by the City on its outstanding debt is 4.4%. Current bond rates are just over 4%, and most economists are predicting stable interest rates following a gradual rise over the coming year. There is no reason to predict that market conditions will adversely impact these recommendations in the next year.

I do caution, however, that some other trends may undermine our debt capacity in the future. We must recognize that future stagnation of the grand list or cuts in state aid, especially school construction reimbursements, will have a negative effect on our capacity to fund capital improvements by any method. Second, the rapid growth rate in education costs, if unchecked, will constrain our ability to support our capital program in the future without significant tax increases. Finally, the recent shift away from conservative assumptions in setting local tax rates will tend over time to erode any existing financial reserves, will preclude establishment of a meaningful rainy day fund despite voter-approved charter changes to create such a fund, and may prompt credit rating agencies to reconsider the City's triple-A ratings.

NEW ISSUES

A) Short-Term Debt

A significant change reflected in this recommendation is the addition of a short-term financing component. In the 2004-05 capital budget, there were three projects, amounting to a total of \$5.2 million, which were financed using general obligation

bonds with maturities up to seven years. These projects include vehicle replacement, equipment replacement, and technology replacement. They include items with an expected life of 5 to 10 years, and the intention of this program is to match the financing to that useful life. The remainder of the capital budget will be financed as in the past, using 20-year maturity general obligation bonds, grants, and, in the case of projects outside the City's General Fund, self-sustaining debt.

Moving this significant part of our capital plan into short-term debt will require that a larger portion of our debt service be principal repayments in the future, resulting in more rapid retirement of debt. The higher costs of the expedited repayment will be somewhat offset by lower interest costs available for shorter maturities, so the total increase in debt service payments in the future will remain manageable. The assumptions used in this report with respect to relative borrowing costs for the short-term debt are based on the actual yields of the City's August 18, 2004 competitive bond sale, which included short-term bonds.

B) Self-sustaining Debt for Projects outside of the General Fund

With this Safe Debt recommendation and the Capital plan that will follow it in the spring of 2005, the City will have more fully implemented the practice of budgeting and repaying the debt for capital projects outside of the General Fund using self-sustaining debt. This practice is intended to ensure that self-supporting activities not only pay for their operational expenses, but also the costs of borrowing for capital improvements.

There are two special revenue funds and three enterprise funds for which capital projects are undertaken and debt is issued by the City. The special revenue funds are the Marina Fund and the Parking Fund; the enterprise funds are the Smith House Fund, the E. Gaynor Brennan Fund, and the WPCA. In the case of enterprise funds, assets and liabilities, including long-term debt and capital improvements, are carried on the books of the fund under Generally Accepted Accounting Principles. Special revenue funds, while not required to carry capital improvements and related debt as assets and liabilities, may be required to pay the expenses related to debt acquired on their behalf.

In the past, the debt service for capital projects within these funds has been allocated to them, based on the share of each individual bond issue that was utilized for those projects. This will continue, and be supplemented by separate budgeting within the capital planning process for projects supported by each fund. Some self-sustaining projects are large enough to justify independent financing, such as the Block 9 Garage project financed in November 2004 with a stand-alone General Obligation issue.

C) Changes to State Law Regarding School Construction

As discussed in last year's recommendation, Public Act 02-6 of the May Special Session made a significant change to the State school construction program impacting the City's safe debt limit. Under this new law, the State Board of Education now *requires* that we demonstrate that at least the full local share of any project for which we will be seeking State reimbursement has been appropriated before the State will accept the school building grant application.

As a result, we have changed our appropriation practice with respect to school construction projects that are eligible for this partial State reimbursement. For instance, in the 2004-05 capital budget we appropriated \$34,213,000 for Stamford High School, but set a drawdown schedule within the budget that includes actual spending of \$12,820,000 in 2004-05, \$13,813,000 in 2005-06, and \$7,580,000 on 2006-07. These drawdown amounts will be counted toward compliance with the safe debt limit in those respective years. In essence, for Safe Debt Limit purposes, we now recognize appropriations for school projects over the expected term of capital outlay to support construction.

ANALYSIS OF DEBT LIMIT RECOMMENDATION

A) Capital Needs of the Community

The capital needs of the City are of primary importance in developing a recommended spending plan. Just as it is inappropriate to propose capital spending simply because of a perceived excess in capital capacity, so too is it inappropriate to establish a "safe debt limit" without consideration for the City's essential capital needs. Favorable debt ratios are meaningless, if they come at the expense of deferred maintenance, or if long-term investments are not made in projects that reduce operating costs, foster economic growth, or ensure the quality of life demanded by voters.

The capital needs of the City of Stamford are staggering, and cannot be adequately supported without an ambitious capital program:

- School construction projects are anticipated to comprise the largest single portion of the City's capital budget in the coming years, with \$50 million already committed to expansion and renovation projects at Stamford and Westhill High Schools alone.
- The City faces a costly but overdue replacement of its public safety radio system, anticipated to cost close to \$20 million.
- Several million more are needed to complete the local match portion of the financing for the Urban Transitway, including underpass rebuilding along the rail corridor. This project is mostly funded with federal money already in place.
- There is overwhelming public support for additional soccer and other athletic fields to accommodate growing leagues.
- The list of drainage, paving and sidewalk projects that have been deferred because of restraint in the capital plan will continue to grow until we commit to funding levels that will enable our infrastructure maintenance to keep up with time, age and wear.
- City vehicles and equipment need to be replaced in an orderly cycle or we jeopardize our ability to provide public services.

To address all of these capital needs of the City in a reasonable schedule could produce a capital budget over \$50 million per year. It is my hope that this safe debt recommendation of \$40 million for two years, followed by \$36 million for four more

years, will provide sufficient resources to make progress in priority areas while avoiding significant deferrals of critical projects throughout the City.

B) Legal Debt Limitations

The State of Connecticut imposes legal limits on the amount of debt that the City is authorized to issue. Under Connecticut General Statutes, municipalities are not permitted to incur indebtedness through the issuance of bonds that will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Pension Obligation Bonds	3.00 times annual receipts from taxation
Total - All Purposes:	7.00 times annual receipts from taxation

Under these statutory limits, the City is permitted to incur indebtedness in excess of \$1.8 billion. From a practical standpoint, however, the City could never approach this level of indebtedness. If the City were to incur this magnitude of debt we would surely find our credit rating in the junk bond category and we would be saddled with annual debt service payments of \$150 million per year. For this reason, the legal debt limit in Connecticut is of no practical consequence for the City of Stamford.

C) Impact of the Proposed Plan on Debt Position & Credit Rating

Stamford is in elite company with a triple A bond rating—the highest available—from both major rating agencies. Only one hundred thirty-four (134) municipal issuers in the country carry a Aaa general obligation bond rating from Moody's Investors Service, and only sixty-one (61) local governments carry a AAA rating from Standard & Poor's.

The importance of maintaining Stamford's triple-A rating is financial as well as symbolic. A reduction to a double-A rating (the next lower rating) would result in an increase in borrowing costs of approximately 1.4%. If our entire bond portfolio had been issued at that rating rather than as triple-A debt, we would pay hundreds of thousands of dollars more per year in interest costs.

In assigning credit ratings, the rating agencies analyze four broad rating factors in a community: Economic Factors (wealth levels, tax base, employment, regional economy, etc.); Financial Factors (operating results, financial reserves, contingent obligations, etc.); Administrative Factors (experience of the management team, financial management track record, etc.); and Debt Factors (debt as a % of full value, per capita debt, debt service as a % of budget, etc.) Both Moody's and Standard & Poor's have described Stamford's debt position as moderate in their most recent ratings. Both agencies viewed the segregation of sewer-related borrowing into revenue-backed debt as positive to our debt position.

The City's capital plan must recognize the importance of debt factors in the evaluation of the City's credit by the rating agencies. Provided below is a comparison of Stamford's ratios with selected cities in Connecticut and with selected other triple-A cities in the country.

Debt Ratio Benchmarks

City	S&P Rating	Population	Per Capita Debt	Debt to FMV	DS as % of Expenditures	Undesignated FB as a % of Expenditures
Stamford (As of 12/01/03)	AAA	119,850	2,239	1.12%	8.36%	0.0%

* The Charter of the City of Stamford prohibits the City from maintaining an undesignated fund balance

Connecticut Benchmarks - extracted from State of Connecticut, Office of Policy & Management, Fiscal Indicators Report, 1998-2002						
City	S&P Rating	Population	Per Capita Debt	Debt to FMV	DS as % of Expenditures	Undesignated FB as a % of Expenditures
Bridgeport	BBB+	140,104	4,585	12.0%	13.1%	7.9%
Hartford	A	124,558	1,305	2.8%	5.5%	5.0%
New Haven	A-	124,176	3,079	7.6%	9.1%	4.9%
Waterbury	BBB-	107,883	1,525	3.5%	3.4%	1.8%
Norwalk	AAA	84,127	1,657	11.3%	7.6%	5.6%
Danbury	AA	76,917	763	0.9%	4.7%	7.8%
Greenwich	AAA	61,784	653	0.2%	2.8%	2.6%
West Hartford	AAA	61,365	1,451	1.5%	7.6%	7.4%
Fairfield	AAA	57,715	1,733	9.6%	6.1%	5.4%
Average		93,181	1,861	5.5%	6.7%	5.4%

National Benchmarks - Information provided by Webster Bank - Source: Annual Review of AAA Rated Municipalities, Standard & Poor's Rating Service, September 2003

City	S&P Rating	Population	Per Capita Debt	Debt to FMV	DS as % of Expenditures	Undesignated FB as a % of Expenditures
Alexandria, VA	AAA	128,283	1,319	1.2%	3.0%	34.0%
Cambridge, MA	AAA	101,355	705	0.4%	4.0%	11.0%
Charlotte, NC	AAA	604,676	2,679	2.7%	23.0%	16.0%
Greensboro, NC	AAA	223,891	1,120	1.5%	9.0%	23.0%
Irving, TX	AAA	194,407	4,942	6.6%	12.0%	16.0%
Minneapolis, MN	AAA	382,618	2,701	4.0%	24.0%	7.8%
Naperville, IL	AAA	128,358	2,922	3.1%	9.0%	32.0%
Omaha, NE	AAA	390,007	1,984	4.1%	22.0%	5.0%
Average		239,288	2,041	2.6%	11.8%	16.1%

While Stamford's per capita debt is above the average for medium sized cities in the State of Connecticut, it is lower than a number of the AAA-rated national benchmarks. It should also be noted that Stamford's population is lower than the average population of the other AAA rated communities. As noted in Exhibit A, the recommended capital plan will cause Stamford's per capita debt to increase to just \$2,773 by FY 2010-11. However, wealth levels that are significantly higher than the state and national averages mitigate Stamford's per capita debt levels. Additionally, Stamford's per capita income of \$34,987 is 22% higher than the \$28,766 level for the State of Connecticut. All of

these benchmarks are a reflection of Stamford's unique characteristics as an important regional business center with a relatively small population, above average wealth levels, and high property values.

The single most important debt ratio for rating agencies is debt as a percentage of full market value of all taxable property in the municipality. By this measure, Stamford compares very well. The City's large and diverse tax base results in an extremely favorable 1.06% ratio. This is significantly lower than the average of 2.6% for the triple-A rated cities illustrated in the chart. Over the life of the recommended capital plan, this ratio is expected to remain relatively constant, in the range of 1.2 percent or below. Projected changes in this ratio are outlined in Exhibit A. Although no one single ratio determines a credit rating, the City should seek to maintain this ratio at this level.

The third ratio listed above is debt service as a percent of expenditures. The City is currently below 10%, and the recommended capital plan projects this to peak at approximately 10.37%. Ratios between 5 - 10% are generally considered moderate and anything over 15% is considered high. Although Stamford's ratios are in the high end of the moderate range, they are lower than a number of the other individual triple A-rated cities including Charlotte, NC (23.0%), Irving, TX (12.0%) and Minneapolis, MN (24.0%). Stamford should seek to keep this ratio at or near the 10% range. Projected debt service as a percent of budget for the next six years is outlined in Exhibit B.

The final ratio noted above is undesignated fund balance (accumulated surplus) as a percent of operating expenses. Although this is not a debt ratio, it is a critical financial measure that the rating agencies use to gauge the ability of a municipality to deal with unexpected financial emergencies and unfavorable operating events (natural disasters, economic slowdowns, etc). Until the passage of a charter revision this year, the City was not allowed to maintain an undesignated fund balance, and this prohibition was a perennial concern of rating analysts.

In general, the rating agencies anticipate that triple-A credits will maintain an undesignated fund balance in the range of 5-10% of annual operations, and many of our benchmarks have fund balances well in excess of this range. At the City's most recent ratings review just before the charter revision was put before voters, Moody's indicated that their concern over Stamford's lack of fund balance had grown in importance based on their developing assessment of credit risk. Indeed, they indicated in their review that "successful passage of this (charter revision) initiative would be a positive development and would factor into our removal of the negative outlook." Of course, the positive impact of a rainy-day fund on the City's creditworthiness requires that the fund be supported with modest operating surpluses in coming years.

D. Impact of the Plan on Future Operating Budgets

When approving capital spending plans it is important to realize that this spending results in a direct impact on the City's future operating budgets and tax rates. The recommended plan will result in the City's annual debt service payable from the City's general fund increasing from approximately \$34.8 million in FY 2004-05 to \$45.4

million in FY 2010-11. Based on the City's current grand list, this \$10.6 million increase equals less than a one-mill increase spread over 6 years.

E. Authorized But Unissued Debt

The City currently has approximately \$126.5 million of Authorized but Unissued Debt (prior capital authorizations which have not yet been financed). We anticipate that approximately \$68.5 million of this amount will ultimately need to be bonded by the City, with the remaining portion funded through various grants. We project that the City will spend most of this authorization in the next twenty-four (24) months, with a significant portion funded by the proceeds of our August, 2004 issue and the remainder financed next summer or fall.

F. Projected Drawdown Schedule and Financing Strategy

Determining the likely drawdown schedule for any new authorizations plays a significant role in the development of a financing strategy, and ultimately determines when the City budget will be affected by new capital projects. For analysis purposes, we have made some general assumptions concerning the speed with which new authorizations will be expended. We have assumed that the City will require 70% of the locally-financed portion within one year of authorization, an additional 20% within two years of authorization, and the final 10% within three years of authorization.

Exhibit C presents a Proposed Financing Schedule for both the Authorized But Unissued Debt, and the proposed new debt contained in the recommended capital plan. The financing plan is consistent with the anticipated drawdown schedules. The plan makes use of level principal serial bonds issued with a twenty-year maturity.

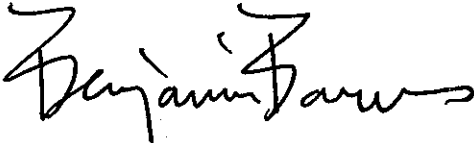
Grant-Funded Projects- It is obviously preferable for the City to finance needed capital projects from grants, when grant funding is available for this purpose. Projects, which are funded from grants or from current revenue generally, should not be counted when considering the funding recommendations contained in this report. Many major school construction projects are eligible for a school building subsidy in the range of 25%. The state-financed portion of these projects is excluded from the City's safe debt limit calculation.

Pay-as-you-go Financing - Financing a portion of the City's capital projects with current revenue is a financially prudent and conservative financing practice. Most triple-A credits finance at least a portion of their capital plan through a pay-as-you-go mechanism. However, it should be noted that a transition to significant pay-as-you-go financing would be extremely expensive. To fund a \$30 million capital budget with current tax revenues while funding current debt service would add approximately 3 mills to the tax rate, roughly a 10% increase. It should also be noted that the benefits of capital expenditures are enjoyed both by taxpayers today and by taxpayers decades into the future. Provided that the City's debt program is prudently managed, using bonds to finance capital improvements is as sound a practice as taking a mortgage to purchase a home.

CONCLUSION

I hope that the observations made in this report are helpful to the various bodies responsible for the approval of the City's capital budget and six year capital plan. The recommended funding level of \$224.0 million over the next six years is a conservative plan that balances the City's significant capital needs within our financial capability to assume new debt. While this plan will increase the City's outstanding indebtedness modestly and will result in an additional debt service burden, I believe the City can accommodate this additional debt without jeopardizing its financial position or excellent credit rating.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Benjamin Barnes". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Benjamin Barnes
Director of Administration

Exhibit A

**Total Projected General Obligation Debt
FY 2004-05 through 2010-11**

<u>Description</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Gross Debt: Beginning of FY*	286,487,366	317,575,019	330,834,491	343,330,193	353,278,110	361,010,809	366,396,139
Plus: Debt Issued FY 2004-05	54,390,000						
<u>Less: Amortization - Existing Debt</u>							
Long Term Bonded Debt	(22,965,000)	(22,855,000)	(22,425,000)	(21,405,000)	(21,390,000)	(21,380,000)	(21,380,000)
Clean Water Fund Debt (GO)	(337,347)	(340,528)	(343,772)	(347,083)	(350,459)	(350,459)	(350,459)
<u>Plus: Proposed New Debt</u>							
Long Term Debt -- General Fund		35,700,000	35,300,000	36,200,000	36,400,000	36,800,000	36,400,000
Long Term Debt -- Other Funds		755,000	2,475,000	500,000	610,000	400,000	650,000
<u>Less: Amortization - Proposed Debt</u>							
Long Term Debt -- General Fund	0	0	(2,510,526)	(5,000,000)	(7,536,842)	(10,084,211)	(12,652,632)
Long Term Debt -- Other Funds			(39,737)	(170,000)	(196,316)	(228,421)	(249,474)
Projected Gross Debt: End of FY	<u>317,575,019</u>	<u>330,834,491</u>	<u>343,330,193</u>	<u>353,278,110</u>	<u>361,010,809</u>	<u>366,396,139</u>	<u>369,063,048</u>
<i>Debt Allocated to Other Funds</i>							
WPCA	20,872,899	18,923,004	16,743,119	14,828,244	12,911,924	11,058,982	9,641,023
Smith House Fund	2,385,926	2,452,816	2,363,421	2,398,344	2,449,032	2,764,099	2,784,218
E.G. Brennan Fund	593,305	642,127	632,542	575,716	656,198	515,164	518,914
Marina Fund	533,360	796,567	2,592,181	504,199	505,299	506,726	504,094
Parking Fund	<u>15,190,000</u>	<u>15,668,421</u>	<u>16,044,474</u>	<u>15,816,842</u>	<u>15,044,737</u>	<u>13,404,211</u>	<u>11,474,211</u>
Projected Net General Fund Debt: End of FY	277,999,529	292,351,556	304,954,456	319,154,765	329,443,619	338,146,957	344,140,588
Projected Per Capita Net Debt	2,308	2,415	2,507	2,610	2,681	2,738	2,773
Gross Debt as a % of Fair Market Value	1.06%	1.15%	1.17%	1.19%	1.20%	1.21%	1.20%
* Includes outstanding GO bonded debt for schools, public improvements, and for sewers (\$17.9 million financed prior to 2003), plus \$4.9 million in Permanent Loan Obligations to Population estimated at 120,449 in 2004-05, and projected to increase by 0.5% annually thereafter. FMV estimated at \$27 billion in 2004-05, and projected to increase by 2% annually thereafter							

Exhibit B

Projected Annual General Obligation Debt Service Payments FY 2004-05 through 2010-11

<u>Debt Service Payments</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Current GO Bond Debt Service	38,209,545	39,919,590	38,999,463	36,881,593	35,734,959	34,583,878	31,687,171
Clean Water Fund Obligations (GO)	432,410	428,815	425,219	421,624	418,028	413,447	413,447
Proposed Capital Program	0	0	3,646,312	7,166,737	10,686,468	14,278,440	17,878,020
TOTAL DEBT SERVICE	<u>38,641,955</u>	<u>40,348,405</u>	<u>43,070,983</u>	<u>44,469,954</u>	<u>46,839,454</u>	<u>49,275,764</u>	<u>49,978,638</u>
<i>principal</i>	23,302,347	23,195,528	25,279,298	26,752,083	29,277,301	31,814,670	34,383,091
<i>interest</i>	15,339,608	17,152,877	17,791,685	17,717,871	17,562,153	17,461,095	15,595,548
Debt Service Allocated to Other Funds							
<i>Smith House Fund</i>	290,315	299,144	296,493	301,899	317,750	371,737	377,040
<i>E.G. Brennan Fund</i>	72,192	78,314	79,353	72,470	85,139	69,283	70,271
<i>Marina Fund</i>	64,898	69,442	95,992	269,254	266,730	282,738	291,716
<i>Parking Fund</i>	224,967	674,900	1,321,662	1,355,625	1,388,179	1,434,837	1,463,154
<i>WPCA</i>	3,209,951	3,082,952	3,055,997	2,835,414	2,777,812	2,563,188	2,413,447
TOTAL Other Funds	3,862,323	4,204,751	4,849,496	4,834,662	4,835,610	4,721,783	4,615,628
Net Debt Service to General Fund	<u>\$34,779,632</u>	<u>\$36,143,654</u>	<u>\$38,221,487</u>	<u>\$39,635,293</u>	<u>\$42,003,844</u>	<u>\$44,553,982</u>	<u>\$45,363,011</u>
Net Debt Service as % of General Fund Expenditures	9.61%	9.65%	9.86%	9.88%	10.11%	10.37%	10.20%

Exhibit C

**Proposed Bond Financing Schedule
FY 2004-05 through 2010-11**

DESCRIPTION	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Recommended Capital Budget	30,000,000	40,000,000	40,000,000	36,000,000	36,000,000	36,000,000	36,000,000
<u>Authorized But Unissued Debt:</u>							
BONDS - 9/2004, 10/2005, 10/2006	39,200,000	8,000,000	2,000,000				
<u>Proposed Capital Program:</u>							
BONDS - 10/2005		27,700,000					
BONDS - 10/2006			33,300,000				
BONDS - 10/2007				36,200,000			
BONDS - 10/2008					36,400,000		
BONDS - 10/2009						36,800,000	
BONDS - 10/2010							36,400,000
TOTAL BONDS BY FISCAL YEAR	39,200,000	35,700,000	35,300,000	36,200,000	36,400,000	36,800,000	36,400,000
<p>Note: Schedule assumes steady project financing requirements. If these requirements fluctuate, or if favorable market conditions arise, the City may opt to issue Bond Anticipation Notes in advance of bond issues, or in order to postpone bond issues. The City Charter limits BANs to one year maturity.</p>							