

Town of Colchester, Connecticut

Debt Management Plan & Interest Rate & Credit Information

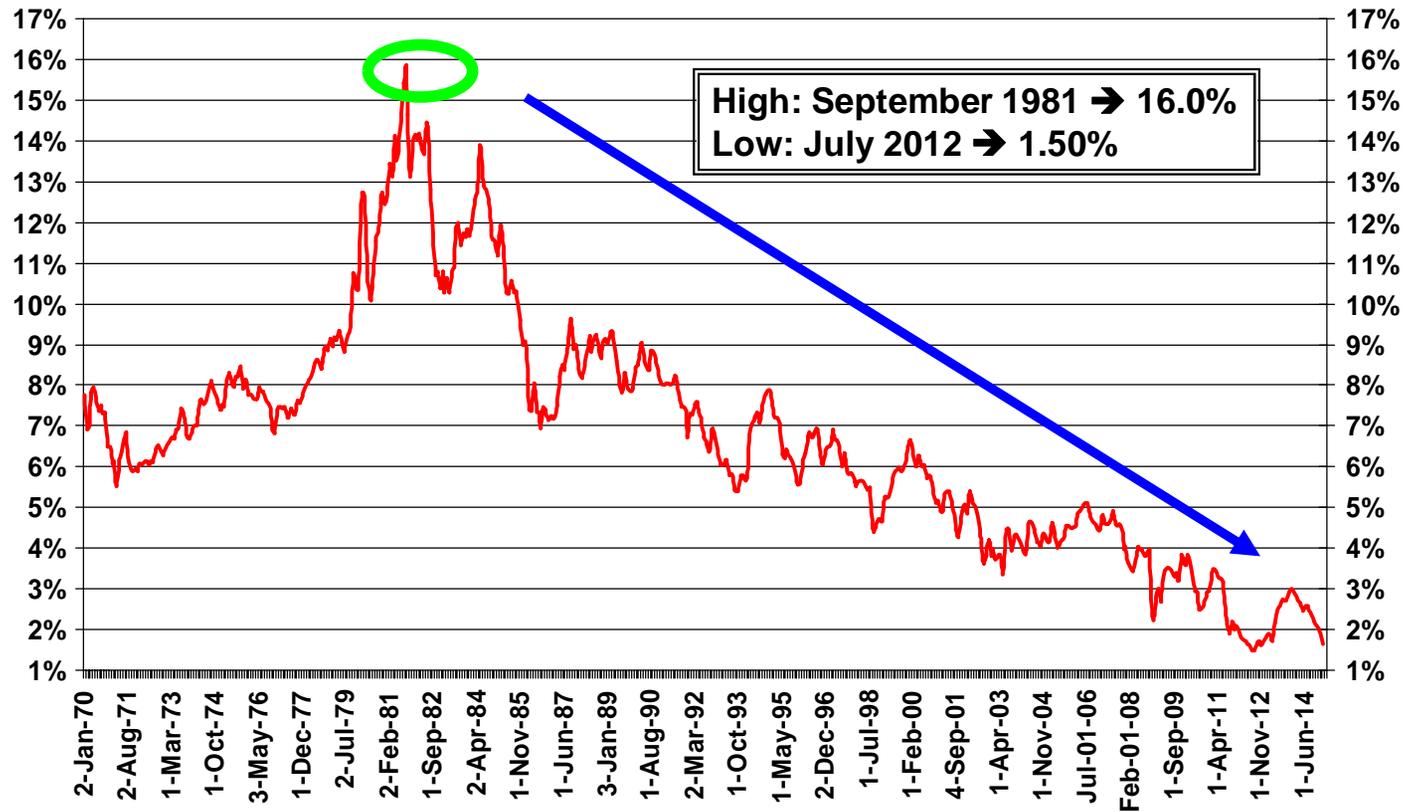
February 26, 2015

**Barry Bernabe
Managing Director**



Long-term Interest Rates

Ten Year U.S. Treasury Yield - January 1, 1970 to February 1, 2015



Bond Ratings

Standard & Poor's & Moody's Rating Categories



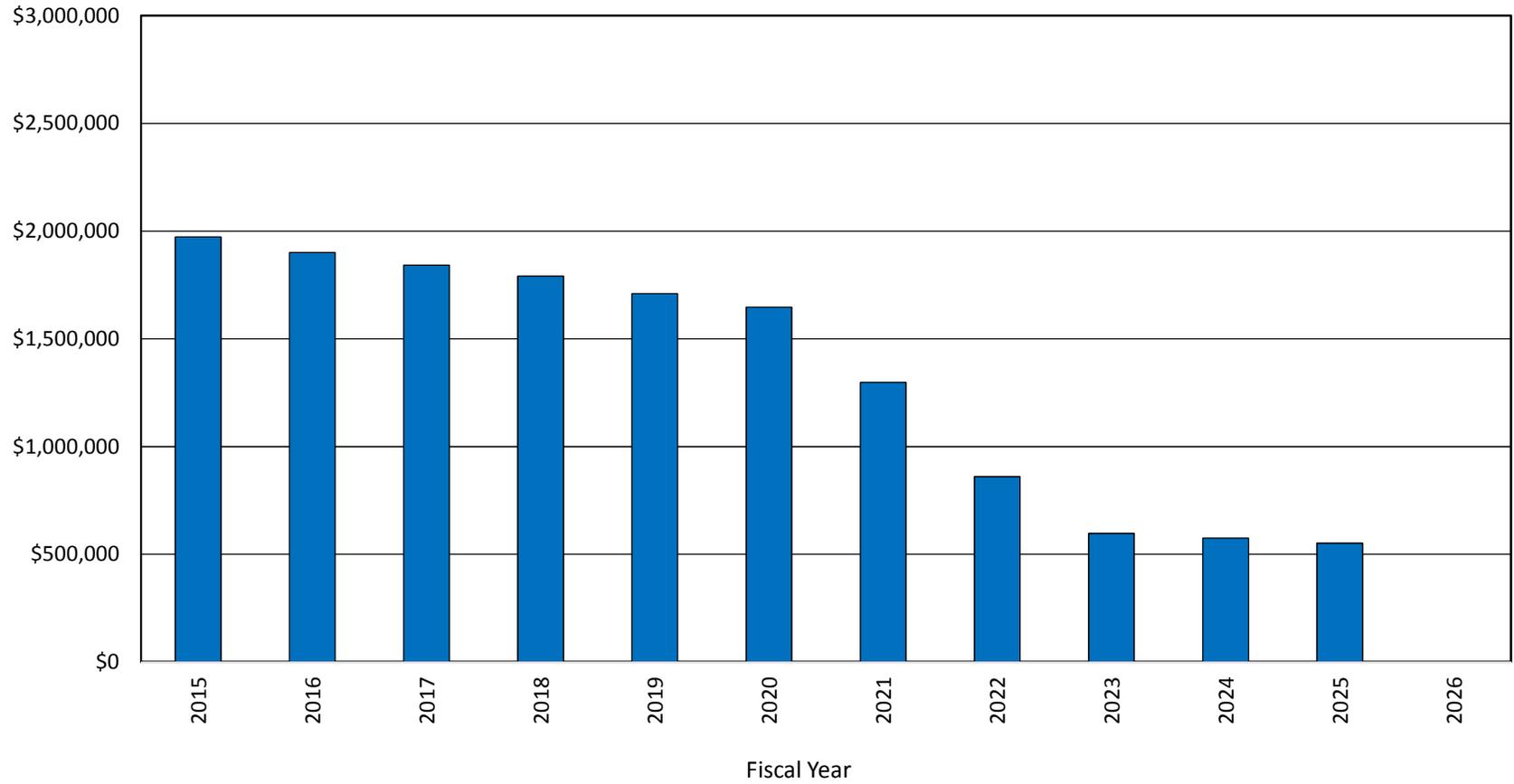
Highest	<u>AAA</u>	Aaa
	<u>AA+</u>	Aa1
	AA	Aa2
	<u>AA-</u>	Aa3
	<u>A+</u>	A1
	<u>A</u>	A2
	<u>A-</u>	A3
	<u>BBB+</u>	Baa1
	<u>BBB</u>	Baa2
Lowest	<u>BBB-</u>	Baa3

Major Rating Categories

Major Assessment Categories

- 1) Management Practices
- 2) Economic & Demographic Characteristics
 - Unemployment Rate, Housing Values
- 3) Financial Performance
 - Fund Balance (Amount & Consistency)
- 4) Debt Management
 - Debt as % of Budget, Debt to Market Value
- 5) Long-term Liabilities (Pension & OPEB)

Existing Debt Service



Proposed Debt Issuance for Middle School

SELECTED OPTION - TOTAL PROJECT COSTS

<u>WJJ Middle School</u>	<u>Project Costs</u>
Anticipated Total Project Costs (construction + soft costs)	\$42,623,060
Inflation (2016-17)	\$2,131,153
Project Cost Subtotal	\$44,754,213
State Reimbursement (61.43%)	\$27,492,513
Cost to Town – WJJ Middle School	\$17,261,700
<u>Pupil Services</u>	<u>Project Costs</u>
Renovations	\$1,627,500
State Reimbursement (30.72%)	\$499,968
Cost to Town – Pupil Services	\$1,127,532
<u>2nd Gymnasium</u>	<u>Project Costs</u>
Renovations	\$2,275,000
State Reimbursement (0%)	\$0
Cost to Town – Second Gym	\$2,275,000

<u>ALL THREE PROJECTS – TOTAL COSTS</u>	<u>Project Costs</u>
Middle School, Pupil Services, 2 nd Gym	\$48,656,713
State Reimbursement	\$27,992,481
ANTICIPATED COST TO TOWN =	\$20,664,232