

DEBT FUND

As of March 31, 2026, the Town had about \$119.3 million in debt outstanding.

The Town issued \$13.83 million in G.O. bonds in June 2025 for affordable housing, public facilities, streets & sidewalks, parks & recreation, and stormwater.

After the first issuance in June 2025, there is \$33.4 million remaining from the November 2024 referendum.

Major Revenue Sources

The chief revenue source for the Debt Fund is the dedicated property tax rate. The proposed tax rate for FY 2027 remains unchanged at 6.6 cents.

Total Debt Fund tax revenues are expected to be \$9,329,000.

The Debt Fund will receive a transfer from the General Fund of \$445,100 for the Ephesus Fordham District Tax Increment Financing (TIF). A TIF was used to fund public road improvements in the Ephesus Fordham (Blue Hill) District. The transfer represents the increase in the General Fund property taxes generated in the district over the FY2013-14 base assessment year.

As a result of favorable interest rates, interest income is estimated to be \$675,000.

The fund is balanced with a planned appropriation of fund balance of \$403,879.

		Long-Term Debt March 31, 2026
Governmental Debt		
General obligation debt	\$	46,726,000
Limited Obligation Bonds		8,272,000
Installment debt		2,572,000
Separation allowance		7,539,000
Compensated absences		<u>3,691,000</u>
Total	\$	<u>68,800,000</u>
Proprietary Fund Debt		
Enterprise Funds		
General obligation debt	\$	1,755,000
Limited Obligation Bonds		40,430,000
Installment debt		7,426,000
Compensated absences		<u>857,000</u>
Total	\$	<u>50,468,000</u>

DEBT FUND

Major Expenditures

Debt service payments due in FY 2027 total \$8,895,111, between principal, interest, and lease financing.

A transfer to the Parking Fund of \$1,957,868 in FY 2027 represents the portion of the 2021 and 2024 Limited Obligation Bonds (LOBs) used to pay for the debt service on the new East Rosemary Parking Deck during construction. The deck opened in fall 2024 and the plan is to return these funds once sufficient revenue is generated.

DEBT SERVICE FUND
BUDGET SUMMARY

The Debt Service Fund is used to account for debt payments on the Town's general obligation bonds issued for capital improvement projects and on the limited obligation bonds. In FY 2008-09, a portion of the property tax rate was allocated to debt service payments to pay the Town's debt service. Due to the revaluation, the FY 2026-27 budget sees the Debt Service Fund tax rate reduced to 6.6 cents.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Principal Payments	\$ 6,392,000	\$ 4,910,000	\$ 4,910,000	\$ 5,445,000	\$ 5,325,000	8.5%
Interest Expense	2,117,677	1,899,429	1,899,429	2,206,290	2,171,171	14.3%
Bond Issuance Costs	49,438	-	-	-	-	N/A
Lease Financing	-	-	797,442	797,442	1,398,940	N/A
Transfer to Parking Fund	431,121	1,957,868	1,957,868	1,957,868	1,957,868	0.0%
Contribution to Reserve	1,416,552	1,016,803	219,361	367,500	-	-100.0%
Total	\$ 10,406,788	\$ 9,784,100	\$ 9,784,100	\$ 10,774,100	\$ 10,852,979	10.9%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Property Taxes	\$ 8,643,506	\$ 8,739,000	\$ 8,739,000	\$ 9,229,000	\$ 9,329,000	6.8%
Transfer from General Fund	445,100	445,100	445,100	445,100	445,100	0.0%
Interest Income	1,318,182	600,000	600,000	1,100,000	675,000	12.5%
Appropriated Fund Balance	-	-	-	-	403,879	N/A
Total	\$ 10,406,788	\$ 9,784,100	\$ 9,784,100	\$ 10,774,100	\$ 10,852,979	10.9%