

Debt Capacity Update

February 11 & 12, 2021



General Obligation Bonds 2/3 Debt Capacity

- City is permitted to issue non-voted debt within certain limitations
- Calculated at 2/3 of the “net change” in debt in the previous fiscal year
 - Captures principal payments made and any new debt issued
- \$16.3 Million in 2/3 Bonds could be issued in FY 2022
 - Prior to any other issuances that year

Debt Capacity Indicators

Greensboro Debt Policies

- “Net” Debt per Capita Goal is < \$1,000 (\$1,050 in FY 2020; \$940 in FY 2019)
- Debt Service Goal is < 10% of expenditures (10.72% in FY 2020; 7.96% in FY 2019)
 - LGC recommends 15% or less
 - Peers closer to threshold
- GO Debt Outstanding Goal is less than 2% of Assessed Property Value (1.1% in FY 2020; 1.0% in FY 2019)

Debt Capacity Indicators

Comparison to Peers and Moody's Medians

Debt Indicators (Moody's Investors Service 2020)

	<u>Median</u>	<u>Greensboro</u>	<u>Charlotte</u>	<u>Raleigh</u>	<u>Winston-Salem</u>
Population (2010 Census)		269,666	731,424	403,892	229,617
Bond Rating	Aaa	Aaa	Aaa	Aaa	Aaa
Direct Net Debt as % of Assessed Value	1.3%	1.3%	1.0%	1.3%	1.3%
Direct Net Debt Per Capita (\$)	\$1,469	\$1,326	\$1,612	\$1,770	\$1,222
Debt Burden (Overall Net Debt as % of Full Value)	2.5%	2.7%	1.7%	2.4%	2.9%
Overall Net Debt Per Capita (\$)	\$2,805	\$2,674	\$2,916	\$3,135	\$2,693
Debt Service as % of Operating Expenditures	12.9%	11.1%	19.4%	12.8%	13.1%
Payout, Over 10 Years, General Obligation Debt (%)	79.5%	65.8%	76.5%	82.5%	n/a

Remaining Bonds to Issue 2016 Bond Referendum

- \$126 Million GO Bonds Authorized in November 2016
- Plan to Issue \$36 Million in Spring 2022

Purpose (in Millions)	2016 Bonds Authorized	Issued to Date	Balance to Issue
Housing	\$25.0	\$18.4	\$6.6
Community & Econ. Development	\$38.5	\$27.1	\$11.4
Parks & Recreation	\$34.5	\$24.5	\$10.0
Transportation	\$28.0	\$20.0	\$8.0
Total	\$126.0	\$90.0	\$36.0

2016 Bond Referendum Spending Progress

	Bonds Authorized	Spent & Encumbered	% Used
Housing	\$25,000,000	\$11,319,077	45%
Community & Econ. Develop.	\$38,500,000	\$6,013,814	16%
Parks & Recreation	\$34,500,000	\$26,281,303	76%
Transportation	\$28,000,000	\$16,055,462	57%
	<u>\$126,000,000</u>	<u>\$59,669,656</u>	<u>47%</u>

2016 Bond Referendum Spending Progress

Major Projects

	<u>Bonds Authorized</u>	<u>Spent & Encumbered</u>	<u>% Used</u>
Multifamily Affordable Housing Development	\$3,000,000	\$2,392,765	80%
Workforce Housing Initiative	\$8,000,000	\$7,399,502	92%
Downtown Streetscapes/Enhancements	\$25,000,000	\$3,943,028	16%
East Greensboro Focus Area	\$2,000,000	\$1,450,000	73%
Barber Park/ Gateway Gardens	\$4,500,000	\$3,057,514	68%
Downtown Greenway, Phase 4	\$8,798,120	\$8,733,119	99%
Land Acquisition, Rec Centers & Parks	\$5,897,572	\$5,085,131	86%
Keeley Park Phase II	\$2,989,600	\$3,027,332	101%
Street Resurfacing	\$18,000,000	\$10,499,999	58%
GTA Bus Replacements (30)	\$5,368,856	\$5,227,855	97%