

DEBT MANAGEMENT

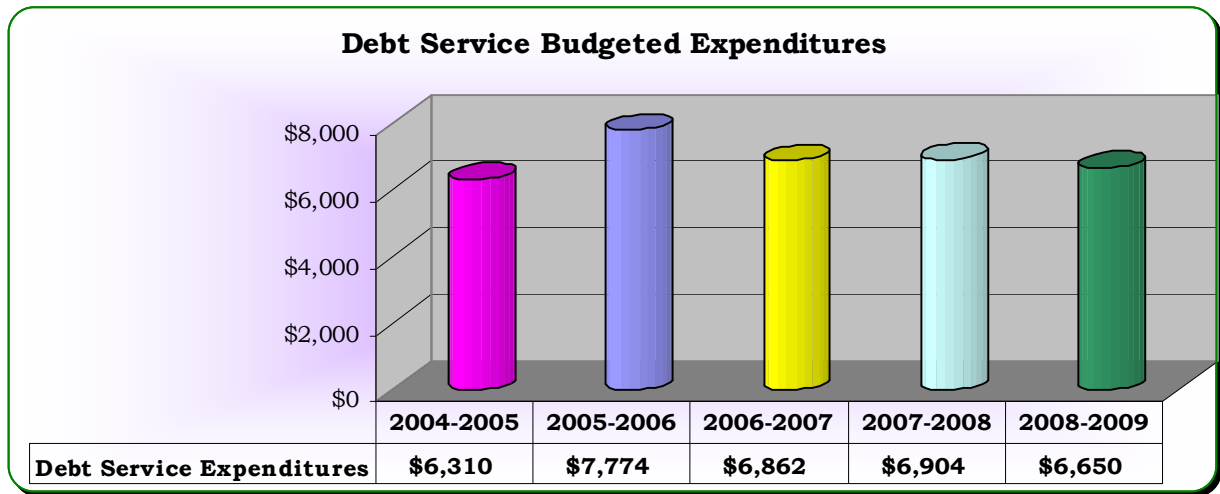
Program Summary

This series of line items reflects those expenditures made by the City for principal and interest payments for short and long-term debt. A debt service fund was created for the payments made to service this type of debt. The debt service fund is not a budgetary fund. Deposits to the debt service fund are in the form of operating transfers out of the general fund.

Shown below are the budgeted expenditures in the debt service fund during the past five fiscal years.

Debt Service Budget Appropriations- Last 5 Years

2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
\$6,310	\$7,774	\$6,862	\$6,904	\$6,650



Numbers in the above chart are in thousands.

Program Commentary

Capital infrastructure is essential to all municipalities large and small. The amounts budgeted and expended for debt service have a direct relationship to the City's strategies for financing capital improvements. It is important to prepare a short-term and a long-term plan for the replacement and/or addition of City fixed assets and to estimate the available funding sources. To implement both plans (short and long-term), the City prepares a Capital Improvement Program (CIP). A Capital Improvement Program is a multi-year plan spanning 5-years that identifies capital projects to be funded during the planning period. This represents the City's long-term infrastructure plan. The City also approves a Capital Budget, which represents the first year of the capital improvement program. The Capital Budget, starting on page 355, is the City's annual appropriation for capital spending and is legally adopted by the City.

Debt Management-Program Commentary (continued)

The City uses a policy of providing a mix of current revenues, state and federal grants, intergovernmental contributions, and bond proceeds to fund its capital projects.

However, given the advantageously low long-term debt rate environment during the past couple of years, the City has consciously chosen to issue long-term general obligation debt for its larger capital projects.

Bond Rating

The Government Finance Officers Association (GFOA) Elected Official's Guide to Rating Agency Presentations describes a **bond rating** as an independent assessment of the relative credit risk associated with purchasing and holding a particular bond, and the likelihood that the obligation will be repaid. The rating focuses on the city's ability and willingness to make full and timely payments. The City of Bristol uses the services of all three rating agencies.

There are three primary agencies that rate debt issuances of private and for-profit entities. They are: Moody's Investors Service, Standard & Poor's Ratings Service, and Fitch Inc.

Bond ratings are public information, and the rating agencies use a number of means to distribute their ratings to a wide audience. Investors are the most common users of bond ratings. But because ratings are so accessible and easy to understand, the media, policy makers, and taxpayers also use them and often consider the rating an indication of a municipality, like Bristol's, overall fiscal health.

A credit rating does affect the cost of borrowing. A high bond rating indicates low credit risk to the investor, low risk results in a higher sale price and lower coupon interest rates for the bond's issuer (the City). When all other factors are held constant, borrowing will be less costly for an issuer with a lower rating.

In assigning a credit rating, the rating agency's primary concern is the issuer's willingness and ability to repay the debt on time and in full. Different factors are then analyzed. The credit analyst will focus on four primary factors. They are:

- ✓ **Debt management** – An assessment of the community's ability to support existing and planned debt obligations, using key financial ratios as indicators, such as debt per capita and overall debt burden.
- ✓ **Administrative issues** – A review of the organization and authority of government's administration and the services for which it is directly responsible. Also included in this category is an assessment of the goals and philosophies of management and the type of budgeting used.
- ✓ **Financial performance** – An analysis of revenue and expenditure trends and the adequacy, dependability, and scope of revenues, including the issuer's ability to tap into additional revenue sources for debt service. This category also includes financial position and the size and composition of fund balance.
- ✓ **Economic base** – An evaluation of the jurisdiction's economic outlook focusing on the tax base, income, population, employment, diversity and composition of employers, building permits, vacancy rates, and real estate values.

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Debt Management - Bond Rating (continued)

Of all the factors, the economic base tends to carry the most weight in rating, but it is also the category over which issuers have the least amount of control. Also of prime importance is financial performance. The other two factors – administrative factors and debt management – were considered “lesser” factors in the past, have been placed to the forefront by the rating agencies. In fact, all three agencies have cited: “Bristol’s experienced and capable fiscal management has contributed to its consistent financial performance.”

The City of Bristol received upgrades to its credit rating given by Moody’s and Standard & Poor’s in August, 2000.

Moody’s rating went from A1 to Aa3. Standard & Poor’s rating went from A to AA.

The City applied for a first time Fitch rating, for its long-term debt issuance which occurred in September 2004. Fitch rated Bristol’s debt issuance AA, a very high credit quality rating.

The following is a Ratings Guide to the three public rating agencies:

Rating Guide

Rating	Description
Fitch IBCA	
AAA	Highest credit quality
AA (+ or -)*	Very high credit quality
A (+ or -)	High credit quality
BBB (+ or -)	Good credit quality
BB (+ or -)	Speculative
B (+ or -)	Highly speculative
CCC,CC,C (+ or -)	High default risk
D	In default
Moody’s	
Aaa	Best quality
Aa1, Aa2, Aa3	High quality by all standards
A1, A2, A3	Upper medium grade
Baa1, Baa2, Baa3	Medium grade
Ba1, Ba2, Ba3	Has speculative elements
B1, B2, B3	Generally lacks characteristics of a desirable investment
Caa	Poor standing; may be in default
Ca	Speculative in a high degree; often in default
C	Lowest rated class of bonds; extremely poor prospects
Standard & Poor’s	
AAA	Highest quality; extremely strong capacity to pay
AA (+ or -)	High quality; very strong capacity to pay
A (+ or -)	Strong capacity to pay principal and interest
BBB (+ or -)	Adequate capacity to pay principal and interest
BB (+ or -)	Low speculative
B (+ or -)	Speculative
CCC,CC (+ or -)	High speculation
C	Income bonds on which no interest is being paid
D	In default
* “+” or “-“ may be added to Fitch IBCA and Standard & Poor’s ratings to indicate the relative positions of a credit within a rating category. The digits 1-3 appended to Moody’s ratings perform the same function.	

**Program Summaries-
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Debt Management - (continued)

The Past (Debt Issuances)

The City's last debt issuance, was relatively recently. \$25,000,000 was issued in December 2006 for the following projects:

Mountain View School Renovations	\$5,700,300
Ivy Drive School Renovations	5,699,700
Perkins Street Reconstruction	2,200,000
Rockwell Pool Improvements	910,000
Mountain Road Water Pump Station	294,000
Witches Rock Water Storage Tank	1,600,000
Various Road Improvement Projects	1,765,000
North Main Street Culvert Replacement	340,000
Reservoir Bypass	1,500,000
Memorial and Jennings School Parapet Walls	200,000
Merrill Court Improvements	255,000
Stafford Avenue and Milton Road Sidewalks	500,000
North Creek Storm Drainage	300,000
Vincent Road Storm Drainage	180,000
Willis Street Storm Drainage	393,120
Cedar Lake Sediment Control Project	240,000
West Washington Street Bridge Improvements	797,880
Brackett Park Improvement	875,000
<u>E.G. Stocks Playground Improvements</u>	<u>1,250,000</u>

Total: \$25,000,000

Debt Categories for December 2006 Issue:

Schools:	\$11,600,000
General Purpose:	10,006,000
Water Department Self-Supporting:	3,394,000

Current Budget (Debt Service)

The City has budgeted \$6,650,000 for existing debt service obligations in the 2008-2009 fiscal budget. This amount fully funds the City of Bristol's debt service principal and interest payments on outstanding obligations.

This year, the City budgeted \$39,910 for short-term issuances that may take place this fiscal year. The City has recently approved many projects that may require a debt issuance in the spring or fall of 2009.

It is expected that in 2009-2010, the City will issue long-term bonds to finance the new projects in the Capital Budget as well as existing projects approved in 2007-2008. A listing of projects and outstanding bonds as of July 1, 2008 can be found on page 390.

**Program Summaries-
Debt Management**

Debt Management (continued)

Plan of Refunding

A refunding is a bond financing procedure in which the issuer, the City of Bristol, in this case, refinances an outstanding bond issue by issuing new bonds.

On June 21, 2005, the City issued \$13,055,000 in general obligation Refunding Bonds.

This was an “Advanced Refunding,” where the prior, refunded bonds are left outstanding until maturity or their first call date, which may be years in the future.

The City took advantage of what is called a “high-to-low” refunding for interest rate savings.

Capital Project Loan Obligation

The City entered into a Project Loan and Project Grant Agreements from 2002 and 2006 between the State of Connecticut and the City of Bristol at an annual rate of 2%. The purpose of the loan is for Water Pollution Control upgrades to existing sewer lines to reduce flow volume into the wastewater treatment plant.

These obligations are being repaid monthly through sewer user fees within the Capital Projects fund.

Shown below are the Clean Water Loan projects that were received by the City of Bristol. On page 389, a schedule of the remaining balances can be found.

Contract #	Date of Issuance	Amount Issued
415 D/C	6/30/2002	\$1,409,533.19
498 D/C	6/30/2002	\$1,483,380.00
504 C	12/31/2003	\$1,488,101.08
562 C	11/30/2004	\$693,527.00
464 C	5/31/2006	\$470,225.00
Total Cleanwater		\$5,544,766.27

Capital Projects

A detailed explanation of approved Capital Projects for the upcoming year to be funded, in part, by debt issuance may be found behind the ‘Capital Budget Summary’ located toward the back of this document. It is anticipated that the City will issue short-term notes or long-term bonds in the 2009-2010 fiscal year, depending on cash needs and economic conditions. A more comprehensive review of the Capital projects can be found behind the Capital Projects Tab in this document. Located on page 390 of this document is a listing of bonding appropriations the City has made within the Capital Projects Funds.

**Program Summaries-
Debt Management**

Debt Management - (continued)

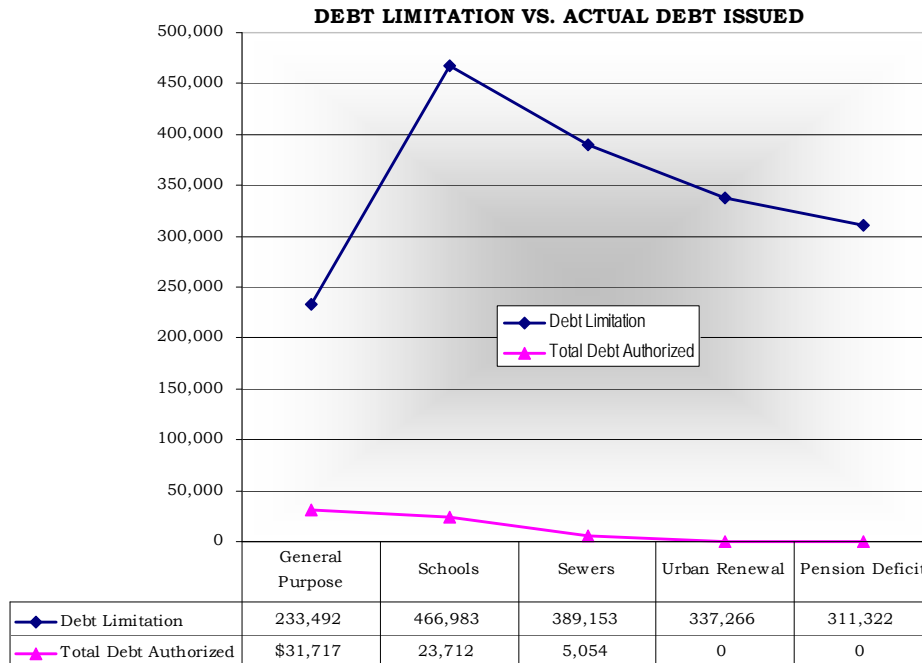
The Future (Debt Policy)

In keeping with its debt policy and long-term goals, the City will strive not to issue bonds more frequently than once every two fiscal years. The City will also try to ensure its bonded debt per capita does not exceed \$1,000. The City adopted a debt policy on May 22, 2001 that can be found behind the “Policy Initiatives” tab in this budget document.

The City issues debt only for projects included in the Capital Improvement Program and approved in the capital improvement budget. Before doing so, the City reviews the status of previously approved projects, develops information for new projects, and examines capital project alternatives. Debt levels are carefully analyzed to assess how much borrowing capacity to allow. Taken into consideration are environmental factors, such as community needs and resources, external economic conditions, and financial factors, such as expected year-end operating position, financial condition, proposed debt structure, market conditions, fund balance levels, as well as statistical benchmarks known to be considered by rating agencies. Used in combination, these factors help aid the current debt service decision making process and also keep debt within manageable bounds for future debt issuance considerations.

The City prefers its debt structure to be level and to have a relatively rapid payback period, which keeps the bond year short. Again, this strategy is viewed positively by rating agencies and allows the community to take advantage of the year-to-year reduction of debt service for other purposes.

Finally, Connecticut municipalities fall under laws of state statutes to keep debt issuance's within statute provided limits. While these authorized versus issued limits are set reasonably high, the City of Bristol is conscious of these limits and the City's total debt outstanding is well below these limits. Shown below is a graphical representation the debt limitation imposed by the State of Connecticut vs. the actual debt authorized by the City of Bristol.



The chart above is from the Schedule of Debt Limitation as of June 30, 2007 found on the next page.

**Program Summaries-
Debt Management**

Debt Management - Schedule of Debt Limitation (continued)

SCHEDULE OF LEGAL DEBT LIMITATION

State of Connecticut general statutes indicate that *in no case shall total indebtedness exceed seven times annual receipts from taxation.*

The chart on the next page shows the City of Bristol Debt Limitation and actual debt authorized in the five major categories; General Purpose, Schools, Sewers, Urban Renewal and Pension Deficit. The chart clearly indicates that Bristol is well below the statutory requirements for debt issuance. Amounts shown are in thousands.

**SCHEDULE OF DEBT LIMITATION
JUNE 30, 2007**

Total tax collections, including interest and lien fees -----					103,757
Reimbursement for loss of revenue:					
Tax relief for the elderly - freeze -----					17
BASE -----					<u>103,774</u>
	<u>GENERAL</u>	<u>SCHOOLS</u>	<u>SEWERS</u>	<u>URBAN RENEWAL</u>	<u>PENSION</u>
	<u>PURPOSE</u>				<u>DEFICIT</u>
Debt limitation:					
2-1/4 times base -----	\$233,492				
4-1/2 times base -----		466,983			
3-3/4 times base -----			389,153		
3-1/4 times base -----				337,266	
3 times base -----					311,322
Total -----	<u>\$233,492</u>	<u>\$466,983</u>	<u>\$389,153</u>	<u>\$337,266</u>	<u>\$311,322</u>
Indebtedness:					
Bonds payable -----	\$30,996	\$23,712	\$5,054		
Notes payable -----					
Bonds authorized, and unissued -----	2,920	22,986			
State Grant Commitments	(2,199)	(22,986)			
Total -----	<u>\$31,717</u>	<u>\$23,712</u>	<u>\$5,054</u>	<u>\$0</u>	<u>\$0</u>
Debt limitation in excess of outstanding and authorized debt -----	<u>\$201,775</u>	<u>\$443,271</u>	<u>\$384,099</u>	<u>\$337,266</u>	<u>\$311,322</u>

NOTE: In no event shall total debt exceed seven times annual receipts from taxation.
The maximum permitted under this formula would be : \$726,418

**Program Summaries-
Debt Management**

Debt Management (continued)

Budget Highlights

0018010 LONG TERM DEBT- PRINCIPAL

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2006-2007	ORIGINAL BUDGET 2007-2008	REVISED BUDGET 2007-2008	BUDGET REQUEST 2008-2009	JOINT BOARD 2008-2009
LONG TERM DEBT- PRINCIPAL							
588111		SCHOOL DEBT	\$2,770,000	\$ 1,985,000	1,985,000	\$ 1,975,000	\$1,975,000
588112		GENERAL IMPROVEMENT	1,955,000	2,570,375	2,570,375	2,575,375	2,575,375
588115		SEWER OPERATING DEBT	130,000	130,000	130,000	130,000	130,000
TOTAL LONG TERM DEBT PRINCIPAL			\$4,855,000	\$4,685,375	\$4,685,375	\$4,680,375	\$4,680,375
TOTAL LONG TERM DEBT PRINCIPAL			\$4,855,000	\$4,685,375	\$4,685,375	\$4,680,375	\$4,680,375

0018020 LONG TERM DEBT- INTEREST

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2006-2007	ORIGINAL BUDGET 2007-2008	REVISED BUDGET 2007-2008	BUDGET REQUEST 2008-2009	JOINT BOARD 2008-2009
LONG TERM DEBT INTEREST							
588121		SCHOOL DEBT	\$636,185	\$992,115	\$992,115	\$855,465	\$855,465
588122		GENERAL IMPROVEMENT	829,644	1,191,700	1,191,700	1,045,415	1,045,415
588125		SEWER OPERATING DEBT	41,382	35,090	35,090	28,835	28,835
TOTAL LONG TERM DEBT INTEREST			\$1,507,211	\$2,218,905	\$2,218,905	\$1,929,715	\$1,929,715
TOTAL LONG TERM DEBT INTEREST			\$1,507,211	\$2,218,905	\$2,218,905	\$1,929,715	\$1,929,715

0018040 SHORT TERM DEBT INTEREST

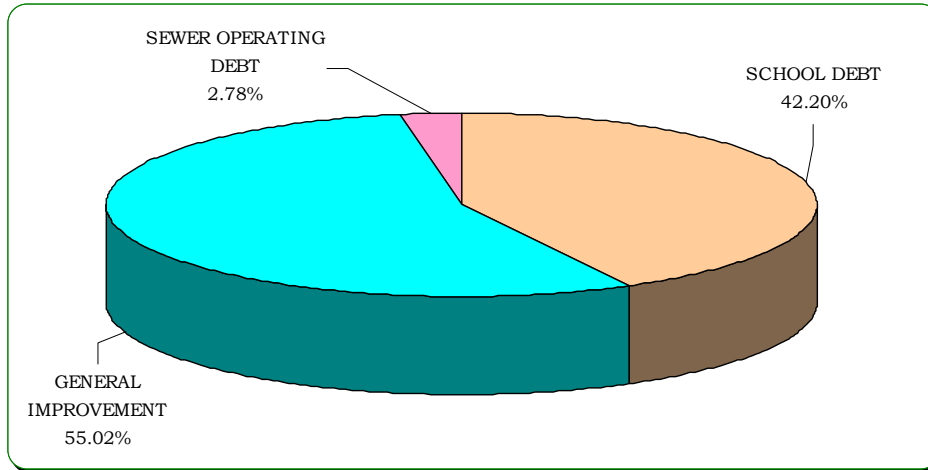
OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2006-2007	ORIGINAL BUDGET 2007-2008	REVISED BUDGET 2007-2008	BUDGET REQUEST 2008-2009	JOINT BOARD 2008-2009
DEBT SERVICE TRANSFER OUT							
588122		GENERAL IMPROVEMENT DEBT- INTEREST	\$258,003	\$0	\$0	\$339,910	\$39,910
TOTAL DEBT SERVICE TRANSFER OUT			\$258,003	\$0	\$0	\$339,910	\$39,910
TOTAL DEBT SERVICE TRANSFER OUT			\$258,003	\$0	\$0	\$339,910	\$39,910

0018050 DEBT SERVICE TRANSFER OUT

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2006-2007	ORIGINAL BUDGET 2007-2008	REVISED BUDGET 2007-2008	BUDGET REQUEST 2008-2009	JOINT BOARD 2008-2009
DEBT SERVICE TRANSFER OUT							
590000		DEBT SERVICE TRANSFERS OUT	(\$6,620,214)	(\$6,904,280)	(\$6,904,280)	(6,950,000)	(\$6,650,000)
TOTAL DEBT SERVICE TRANSFER OUT			(\$6,620,214)	(\$6,904,280)	(\$6,904,280)	(\$6,950,000)	(\$6,650,000)
TOTAL DEBT SERVICE TRANSFER OUT			(\$6,620,214)	(\$6,904,280)	(\$6,904,280)	(\$6,950,000)	(\$6,650,000)

**Program Summaries-
Debt Management**

Debt Management (continued)



The graph illustrates three categories for the long-term debt principal for FY 2008-2009. As shown to the left, long-term debt service principal for schools will account for 42.20% or

\$1,975,000 of the long-term debt service principal payments, while general improvement debt is 55.02% or \$2,575,375. The remaining 2.78% consists of debt relating to past sewer system upgrades.

Shown below and on the following page are the debt service schedules provided by the Treasurer's Office. These schedules indicate each principal and interest payment by bond issuance year.

FUND 001 CITY OF BRISTOL, CONNECTICUT FISCAL YEAR 2008-09 BUDGET 8010 EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND							
FUNCTION:DEBT SERVICE							
LONG TERM DEBT PRINCIPAL PAYMENTS							
1 INT. RATE	2 PRINCIPAL PAYMENTS: DESCRIPTION	3 PMT/ #TTL 2008-09	4 PRIOR YEAR EXPENDED 2006-07	5 AMENDED BUDGET 2007-08	6 REVISED ESTIMATE 2007-08	7 BUDGET REQUEST 2008-09	8 APPROVED BUDGET 2008-09
5.91	SCHOOL BONDS - '92		\$1,520,000	\$0	\$0	\$0	\$0
4.33	SCHOOL BONDS - '98		970,000	970,000	970,000	0	0
4.40	SCHOOL BONDS - '00	8/8	280,000	290,000	290,000	285,000	285,000
3.74	SCHOOL BONDS - '05	4/14	0	0	0	965,000	965,000
3.93	SCHOOL BONDS - '06	2/16	0	725,000	725,000	725,000	725,000
588111	TOTAL SCHOOL BONDS		\$2,770,000	\$1,985,000	\$1,985,000	\$1,975,000	\$1,975,000
6.24	IMPROVEMENT - '91	0	\$415,000	\$0	\$0	\$0	\$0
4.40	IMPROVEMENT - '00	8/8	640,000	630,000	630,000	635,000	635,000
3.84	IMPROVEMENT - '04	4/17	1,315,000	1,315,000	1,315,000	1,315,000	1,315,000
3.93	IMPROVEMENT - '06	2/16	0	625,375	625,375	625,375	625,375
588112	TOTAL GEN'L IMPROVEMENT		\$2,370,000	\$2,570,375	\$2,570,375	\$2,575,375	\$2,575,375
588113	TOTAL URBAN RENEWAL		\$0	\$0	\$0	\$0	\$0
588114	SEWER-ASSESSABLE PROJECTS		\$0	\$0	\$0	\$0	\$0
5.05	SEWER REFUNDING - '93	15/19	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
4.10	SEWER BONDS - '98		35,000	35,000	35,000	0	0
3.74	SEWER BONDS - '05	4/6	0	0	0	35,000	35,000
588115	SEWER-OPERATING		\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
8010	SUBTOTAL LONGTERM DEBT PRINCIPAL		\$5,270,000	\$4,685,375	\$4,685,375	\$4,680,375	\$4,680,375
588310	LEASE PURCHASE PRINCIPAL		\$0	\$0	\$0	\$0	\$0
8010	LONG TERM DEBT PRINCIPAL TOTAL		\$5,270,000	\$4,685,375	\$4,685,375	\$4,680,375	\$4,680,375

**Program Summaries-
Debt Management**

Debt Management (continued)

FUND 001		CITY OF BRISTOL, CONNECTICUT				FUNCTION: DEBT SERVICE	
8020		FISCAL YEAR 2008-09 BUDGET				EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND	
		LONG TERM DEBT INTEREST PAYMENTS					
1	2	3	4	5	6	7	
INT. RATE	DESCRIPTION	PRIOR YEAR EXPENDED 2006-07	AMENDED BUDGET 2007-08	REVISED ESTIMATE 2007-08	BUDGET REQUEST 2008-09	APPROVED BUDGET 2008-09	
5.91	SCHOOL BONDS - '92	\$92,720	\$0	\$0	\$0	\$0	
4.33	SCHOOL BONDS - '98	58,200	19,400	19,400	0	0	
4.40	SCHOOL BONDS - '00	35,400	21,500	21,500	7,125	7,125	
3.74	SCHOOL BONDS - '05	449,865	449,865	449,865	434,184	434,184	
3.93	SCHOOL BONDS - '06	0	501,348	501,348	414,156	414,156	
588121	TOTAL SCHOOL BONDS	\$636,185	\$992,113	\$992,113	\$855,465	\$855,465	
6.24	IMPROVEMENT - '91	\$26,975	\$0	\$0	\$0	\$0	
4.40	IMPROVEMENT - '00	78,450	47,500	47,500	15,875	15,875	
3.84	IMPROVEMENT - '04	751,194	711,744	711,744	672,294	672,294	
3.93	IMPROVEMENT - '06	0	432,455	432,455	357,245	357,245	
588122	TOTAL GEN'L IMPROVEMENT	\$856,619	\$1,191,699	\$1,191,699	\$1,045,414	\$1,045,414	
588123	TOTAL URBAN RENEWAL	\$0	\$0	\$0	\$0	\$0	
	none						
588124	SEWER-ASSESSABLE PROJ	\$0	\$0	\$0	\$0	\$0	
5.05	SEWER REFUNDING - '93	\$35,340	\$30,448	\$30,448	\$25,460	\$25,460	
4.10	SEWER BONDS - '98	2,100	700	700	0	0	
3.74	SEWER BONDS - '05	3,943	3,943	3,943	3,374	3,374	
588125	SEWER-OPERATING	\$41,383	\$35,090	\$35,090	\$28,834	\$28,834	
8020	SUBTOTAL LONG TERM DEBT INTERES	\$1,534,186	\$2,218,902	\$2,218,902	\$1,929,713	\$1,929,713	
588320	LEASE PURCHASE INT	\$0	\$0	\$0	\$0	\$0	
8020	LONG TERM DEBT INTEREST	\$1,534,186	\$2,218,902	\$2,218,902	\$1,929,713	\$1,929,713	

FUND 001		CITY OF BRISTOL, CONNECTICUT				SHORT TERM DEBT INTEREST	
		FISCAL YEAR 2008-09 BUDGET				EXPENDITURE ESTIMATE SUMMARY -- GENERAL FUND	
1	2	3	4	5	6	7	
COST CENTER	DESCRIPTION	PRIOR YEAR EXPENDED 2006-07	AMENDED BUDGET 2007-08	REVISED ESTIMATED 2007-08	BUDGET REQUEST 2008-09	APPROVED BUDGET 2008-09	
588121	SCHOOL DEBT INTEREST	\$0	\$0	\$0	\$0	\$0	
588122	GENERAL IMPROVEMENT	0	500,000	258,004	500,000	500,000	
588125	SEWER DEBT INTEREST	0	0	0	0	0	
8040	TOTAL SHORT TERM DEBT INTEREST PAYMENTS	\$0	\$500,000	\$258,004	\$500,000	\$500,000	

**Program Summaries-
Debt Management**

Debt Management (continued)

Shown below is a chart summarizing all the long-term obligations of the City of Bristol, including the self-supporting water (enterprise) debt. Displayed on the chart is the original issue amount of the long-term obligation as well as the present balance and maturity year.

Debt Summary Long-Term Bonded Debt As of July 1, 2008 (Pro-Forma)					
Issue	Purpose	Rate	Original Issue	Balance Outstanding	Fiscal Year Maturity
12/15/1993	Refunding Bonds- Sewer	5.05	1,490,000	475,000	2013
5/15/1995	Water	5.67	1,640,000	600,000	2014
9/1/1996	Water	5.35	4,260,000	2,110,000	2017
	(6/15/05 PARTIAL REFUND 9/1/1996-Water)		(2,325,000)	(2,110,000)	2017
10/15/1998	School	4.33	17,440,000	10,625,000	2019
	(6/15/05 PARTIAL REFUND 10/15/1998-School)		(10,625,000)	(10,625,000)	2019
10/15/1998	Sewer	4.10	325,000	105,000	2019
	(6/15/05 PARTIAL REFUND 10/15/1998-Sewer)		(105,000)	(105,000)	2019
9/1/2000	Schools	4.40	1,970,000	285,000	2009
9/1/2000	General Improvement	4.40	4,470,000	635,000	2009
6/30/2002	Cleanwater Loan 415 D/C	2.00	1,409,533	969,705	2021
6/30/2002	Cleanwater Loan 498 D/C	2.00	1,483,380	1,020,509	2021
12/31/2003	Cleanwater Loan 504 C	2.00	1,488,101	1,125,668	2023
10/15/2004	General Improvement	3.84	22,365,000	18,410,000	2022
10/15/2004	Water	3.84	600,000	490,000	2022
11/30/2004	Cleanwater Loan 562 C	2.00	693,527	552,947	2024
6/15/2005	Refunding of 1996 Water Bonds	3.74	2,315,000	1,835,000	2017
6/15/2005	Refunding of 1998 School Bonds	3.74	10,635,000	10,567,000	2019
6/15/2005	Refunding of 1998 Sewer Bonds	3.74	105,000	103,000	2011
5/31/2006	Cleanwater 464 C	2.00	470,225	427,662	2026
12/1/2006	General Improvement	3.93	10,006,000	9,380,625	2022
12/1/2006	Schools	3.93	11,600,000	10,875,000	2022
12/1/2006	Water	3.93	3,394,000	3,184,375	2022
Sub-total			\$85,104,766	\$60,936,491	

Below is a chart showing the City of Bristol's bond ratings for bonds issued since 1988.

CITY OF BRISTOL BOND ISSUE RATINGS				
Issue Date	Amount	Moody's Rating	Standard & Poor's Rating	Fitch
December 1, 2006	\$25,000,000	Aa3	AA	AA
June 15, 2005	\$13,055,000	Aa3	AA	AA
October 15, 2004	\$22,965,000	Aa3	AA	AA
September 1, 2000	\$6,440,000	Aa3	AA-	
October 15, 1998	\$17,765,000	A1	AA-	
September 1, 1996	\$4,260,000	A1	AA-	
May 15, 1995	\$2,790,000	A1	AA-	
December 15, 1993	\$6,775,000	A1	AA-	
March 1, 1992	\$23,435,000	A1	AA-	
March 1, 1991	\$9,295,000	A1	AA	
December 15, 1988	\$17,970,000	A1	AA	
February 15, 1988	\$8,765,000	A1	AA	

**Program Summaries-
Debt Management**

Debt Management (continued)

Below is a chart illustrating all the City of Bristol's outstanding debt. The chart shows the beginning principal balance, principal payments, interest payments and the ending debt balance as well as the cumulative principal percent of debt retired. All debt types (general improvement, education, sewer and water department (enterprise) and Cleanwater loans are shown independently on the next few pages with the same information.

All City Long-term Debt (including Water & Cleanwater Loans) As of July 1, 2008 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2008					\$60,936,491	28.4
2009	\$60,936,491	\$5,494,173	\$2,260,167	\$7,754,340	\$55,442,318	34.9
2010	\$55,442,318	\$4,559,304	\$2,079,190	\$6,638,494	\$50,883,014	40.2
2011	\$50,883,014	\$4,564,537	\$1,897,379	\$6,461,916	\$46,318,477	45.6
2012	\$46,318,477	\$4,534,877	\$1,707,782	\$6,242,659	\$41,783,600	50.9
2013	\$41,783,600	\$4,550,324	\$1,532,367	\$6,082,691	\$37,233,275	56.3
2014	\$37,233,275	\$4,465,882	\$1,339,392	\$5,805,274	\$32,767,394	61.5
2015	\$32,767,394	\$4,376,551	\$1,151,398	\$5,527,949	\$28,390,843	66.6
2016	\$28,390,843	\$4,382,335	\$987,302	\$5,369,636	\$24,008,508	71.8
2017	\$24,008,508	\$4,378,235	\$827,573	\$5,205,809	\$19,630,273	76.9
2018	\$19,630,273	\$4,164,255	\$672,529	\$4,836,784	\$15,466,018	81.8
2019	\$15,466,018	\$4,155,396	\$517,101	\$4,672,498	\$11,310,622	86.7
2020	\$11,310,622	\$3,231,661	\$376,334	\$3,607,995	\$8,078,960	90.5
2021	\$8,078,960	\$3,238,053	\$252,498	\$3,490,551	\$4,840,907	94.3
2022	\$4,840,907	\$3,068,986	\$128,450	\$3,197,436	\$1,771,921	97.9
2023	\$1,771,921	\$1,677,159	\$34,241	\$1,711,401	\$94,762	99.9
2024	\$94,762	\$48,095	\$1,403	\$49,497	\$46,667	99.9
2025	\$46,667	\$27,913	\$729	\$28,643	\$18,754	100.0
2026	\$18,754	\$18,754	\$178	\$18,932	\$0	100.0
Totals:		\$60,936,491	\$15,766,014	\$76,702,505		

**Program Summaries-
Debt Management**

Debt Management (continued)

The charts below illustrate all the City of Bristol's self-supporting water (enterprise fund) debt, along with the General Improvement Debt.

Self-Supporting Water Debt As of July 1, 2008 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2008					\$6,109,375	38.2
2009	\$6,109,375	\$559,625	\$250,795	\$810,420	\$5,549,750	43.9
2010	\$5,549,750	\$549,625	\$228,785	\$778,410	\$5,000,125	49.4
2011	\$5,000,125	\$549,625	\$204,743	\$754,368	\$4,450,500	55.0
2012	\$4,450,500	\$549,625	\$179,120	\$728,745	\$3,900,875	60.5
2013	\$3,900,875	\$549,625	\$154,016	\$703,641	\$3,351,250	66.1
2014	\$3,351,250	\$549,625	\$126,939	\$676,564	\$2,801,625	71.7
2015	\$2,801,625	\$444,625	\$100,156	\$544,781	\$2,357,000	76.2
2016	\$2,357,000	\$449,625	\$82,419	\$532,044	\$1,907,375	80.7
2017	\$1,907,375	\$444,625	\$65,900	\$510,525	\$1,462,750	85.2
2018	\$1,462,750	\$249,625	\$53,246	\$302,871	\$1,213,125	87.7
2019	\$1,213,125	\$249,625	\$43,664	\$293,289	\$963,500	90.3
2020	\$963,500	\$249,625	\$33,679	\$283,304	\$713,875	92.8
2021	\$713,875	\$249,625	\$23,672	\$273,297	\$464,250	95.3
2022	\$464,250	\$249,625	\$13,621	\$263,246	\$214,625	97.8
2023	\$214,625	\$214,625	\$4,293	\$218,918	\$0	100.0
Totals:		\$6,109,375	\$1,565,047	\$7,674,422		

General Improvement Long-term Debt As of July 1, 2008 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2008					\$28,425,625	22.8
2009	\$28,425,625	\$2,575,375	\$1,045,414	\$3,620,789	\$25,850,250	29.8
2010	\$25,850,250	\$1,940,375	\$965,074	\$2,905,449	\$23,909,875	35.1
2011	\$23,909,875	\$1,940,375	\$887,459	\$2,827,834	\$21,969,500	40.4
2012	\$21,969,500	\$1,940,375	\$810,626	\$2,751,001	\$20,029,125	45.6
2013	\$20,029,125	\$1,940,375	\$746,081	\$2,686,456	\$18,088,750	50.9
2014	\$18,088,750	\$1,940,375	\$672,776	\$2,613,151	\$16,148,375	56.2
2015	\$16,148,375	\$1,940,375	\$598,609	\$2,538,984	\$14,208,000	61.4
2016	\$14,208,000	\$1,940,375	\$527,408	\$2,467,783	\$12,267,625	66.7
2017	\$12,267,625	\$1,940,375	\$452,920	\$2,393,295	\$10,327,250	72.0
2018	\$10,327,250	\$1,940,375	\$378,041	\$2,318,416	\$8,386,875	77.2
2019	\$8,386,875	\$1,940,375	\$301,599	\$2,241,974	\$6,446,500	82.5
2020	\$6,446,500	\$1,940,375	\$223,984	\$2,164,359	\$4,506,125	87.8
2021	\$4,506,125	\$1,940,375	\$145,547	\$2,085,922	\$2,565,750	93.0
2022	\$2,565,750	\$1,940,375	\$65,466	\$2,005,841	\$625,375	98.3
2023	\$625,375	\$625,375	\$12,508	\$637,883	\$0	100.0
Totals:		\$28,425,625	\$7,833,512	\$36,259,137		

**Program Summaries-
Debt Management**

Debt Management (continued)

The following debt management charts below display the City of Bristol's long-term school and sewer debt.

School Long-term Debt As of July 1, 2008 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2008					\$21,727,000	30.0
2009	\$21,727,000	\$1,975,000	\$855,465	\$2,830,465	\$19,752,000	36.3
2010	\$19,752,000	\$1,681,000	\$788,124	\$2,469,124	\$18,071,000	41.7
2011	\$18,071,000	\$1,681,000	\$719,689	\$2,400,689	\$16,390,000	47.2
2012	\$16,390,000	\$1,680,000	\$643,820	\$2,323,820	\$14,710,000	52.6
2013	\$14,710,000	\$1,690,000	\$568,633	\$2,258,633	\$13,020,000	58.0
2014	\$13,020,000	\$1,695,000	\$486,726	\$2,181,726	\$11,325,000	63.5
2015	\$11,325,000	\$1,705,000	\$405,351	\$2,110,351	\$9,620,000	69.0
2016	\$9,620,000	\$1,700,000	\$335,976	\$2,035,976	\$7,920,000	74.5
2017	\$7,920,000	\$1,695,000	\$273,156	\$1,968,156	\$6,225,000	79.9
2018	\$6,225,000	\$1,670,000	\$211,664	\$1,881,664	\$4,555,000	85.3
2019	\$4,555,000	\$1,655,000	\$148,403	\$1,803,403	\$2,900,000	90.7
2020	\$2,900,000	\$725,000	\$101,500	\$826,500	\$2,175,000	93.0
2021	\$2,175,000	\$725,000	\$72,500	\$797,500	\$1,450,000	95.3
2022	\$1,450,000	\$725,000	\$43,500	\$768,500	\$725,000	97.7
2023	\$725,000	\$725,000	\$14,500	\$739,500	\$0	100.0
Totals:		\$21,727,000	\$5,669,007	\$25,888,007		

Sewer Long-term Debt As of July 1, 2008 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2008					\$578,000	88.0
2009	\$578,000	\$130,000	\$28,834	\$158,834	\$448,000	90.7
2010	\$448,000	\$129,000	\$22,678	\$151,678	\$319,000	93.4
2011	\$319,000	\$129,000	\$16,193	\$145,193	\$190,000	96.1
2012	\$190,000	\$95,000	\$10,260	\$105,260	\$95,000	98.0
2013	\$95,000	\$95,000	\$5,130	\$100,130	\$0	100.0
Totals:		\$578,000	\$83,094	\$661,094		

**Program Summaries-
Debt Management**

Debt Management (continued)

Cleanwater (SEWER) Loans As of July 1, 2008 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2008					\$4,096,491	26.1
2009	\$4,096,491	\$254,173	\$79,659	\$333,833	\$3,842,318	30.7
2010	\$3,842,318	\$259,304	\$74,530	\$333,834	\$3,583,014	35.4
2011	\$3,583,014	\$264,537	\$69,295	\$333,833	\$3,318,477	40.2
2012	\$3,318,477	\$269,877	\$63,956	\$333,833	\$3,048,600	45.0
2013	\$3,048,600	\$275,324	\$58,508	\$333,833	\$2,773,275	50.0
2014	\$2,773,275	\$280,882	\$52,951	\$333,833	\$2,492,394	55.0
2015	\$2,492,394	\$286,551	\$47,282	\$333,833	\$2,205,843	60.2
2016	\$2,205,843	\$292,335	\$41,498	\$333,833	\$1,913,508	65.5
2017	\$1,913,508	\$298,235	\$35,597	\$333,833	\$1,615,273	70.9
2018	\$1,615,273	\$304,255	\$29,578	\$333,833	\$1,311,018	76.4
2019	\$1,311,018	\$310,396	\$23,436	\$333,833	\$1,000,622	82.0
2020	\$1,000,622	\$316,661	\$17,171	\$333,833	\$683,960	87.7
2021	\$683,960	\$323,053	\$10,780	\$333,833	\$360,907	93.5
2022	\$360,907	\$153,986	\$5,863	\$159,849	\$206,921	96.3
2023	\$206,921	\$112,159	\$2,941	\$115,101	\$94,762	98.3
2024	\$94,762	\$48,095	\$1,403	\$49,497	\$46,667	99.2
2025	\$46,667	\$27,913	\$729	\$28,643	\$18,754	99.7
2026	\$18,754	\$18,754	\$178	\$18,932	\$0	100.0
Totals:		\$4,096,491	\$615,355	\$4,711,846		

The chart on the next page shows all the Capital Projects that have been approved by the City of Bristol that have not had long-term obligations issued at this time. It is anticipated that a long-term bond issuance will be taking place in the 2008-2009 fiscal year.

**Program Summaries-
Debt Management**

Debt Management (continued)

OUTSTANDING BONDING APPROPRIATIONS AS OF JULY 1, 2008			
BONDING TYPE	PROJECT	BONDING AMOUNT APPROPRIATED	
SCHOOL	Southside Roof Replacement	\$220,000	
SCHOOL	West Bristol K-8 School	52,000,000	
SCHOOL	Forestville K-8 School	53,000,000	
SCHOOL	Bristol Eastern Track Replacement	385,000	
GENERAL	Willis Street Storm Drainage	450,000	(6)
GENERAL	South Street Widening	80,000	
GENERAL	Main Street Culvert Replacement	800,000	
GENERAL	PW Garage Architectural	120,000	
GENERAL	North Main Street Streetscapes Project	515,000	(1)
GENERAL	Mall Purchase/Legal	5,800,000	
GENERAL	Birges and Hoppers Property Rehabilitation	300,000	
GENERAL	Revitalization of Public Parks Study	684,700	
GENERAL	Reconstruction of Waterbury Road- Design	60,000	
GENERAL	Reconstruction of Willis Street	350,000	
GENERAL	Matthews Street Culvert Replacement	480,000	
GENERAL	Reconstruction of North Main Street	476,000	(3)
GENERAL	Allentown Road Reconstruction	600,000	
GENERAL	Camp Street Reconstruction	102,000	
GENERAL	Sediment Control Structures- Pequabuck River	20,000	
GENERAL	Fire Department Architectural Study- E4	400,000	
GENERAL	Rockwell Park Rehabilitation	4,500,000	
GENERAL	Main Street Streetscapes	200,000	
GENERAL	Mall Demolition/Abatement	3,500,000	
GENERAL	Frederick Street/Coppermine Engineering Study	81,000	
GENERAL	North Creek and Pequabuck Conduit Repairs	400,000	(5)
SEWER/ GENERAL	Forestville SSO Reduction Relief- Force Main	5,460,000	(3)
WATER	Water Storage Tank Replacement	321,000	(2)
WATER	Dewitt Drive/Old Wolcott Road Tanks	500,000	(2)
Total		\$131,804,700	
(1)	Issued \$1,685,000 in 2004 towards this project		
(2)	Self-supporting Water Debt		
(3)	WPC User Fees will support 1/2 and 1/2 with tax funded		
(4)	Issued \$340,000 in 2006 towards this project		
(5)	Issued \$300,000 in 2006 towards this project		
(6)	Issued \$393,120 in 2006 towards this project		

BONDING APPROPRIATIONS BY TYPE	
GENERAL IMPROVEMENT	\$22,648,700
SCHOOLS	105,605,000
SEWER	2,730,000
WATER (SELF-SUPPORTING)	821,000
Total	\$131,804,700