

# Town Capital Capacity

September-2023

*Lincoln Finance Committee*

# Estimated Tax Impact

FY23 Median Home Value	<b>\$1,259,900</b>
FY23 Median Tax Bill	<b>\$17,488</b>
Estimated tax impact per \$10 mil borrowed	<b>+\$291 - \$309/year</b>

Principal	Town Debt Service	Tax Impact (Median)	% Tax increase
\$10 mil	\$614,000	\$291 - \$309	1.7 - 1.8%
\$15 mil	\$921,000	\$437 - \$464	2.5 - 2.6%
\$20 mil	\$1,228,000	\$582 - \$618	3.3 - 3.5%
\$25 mil	\$1,535,000	\$728 - \$772	4.1 - 4.4%

Bond assumptions:

- 30 year term
- **4.0% to 4.5% rate** (current: ~3.94%)
- Level debt

Stabilization balance: **\$5.5 million**

# Town Debt Limits

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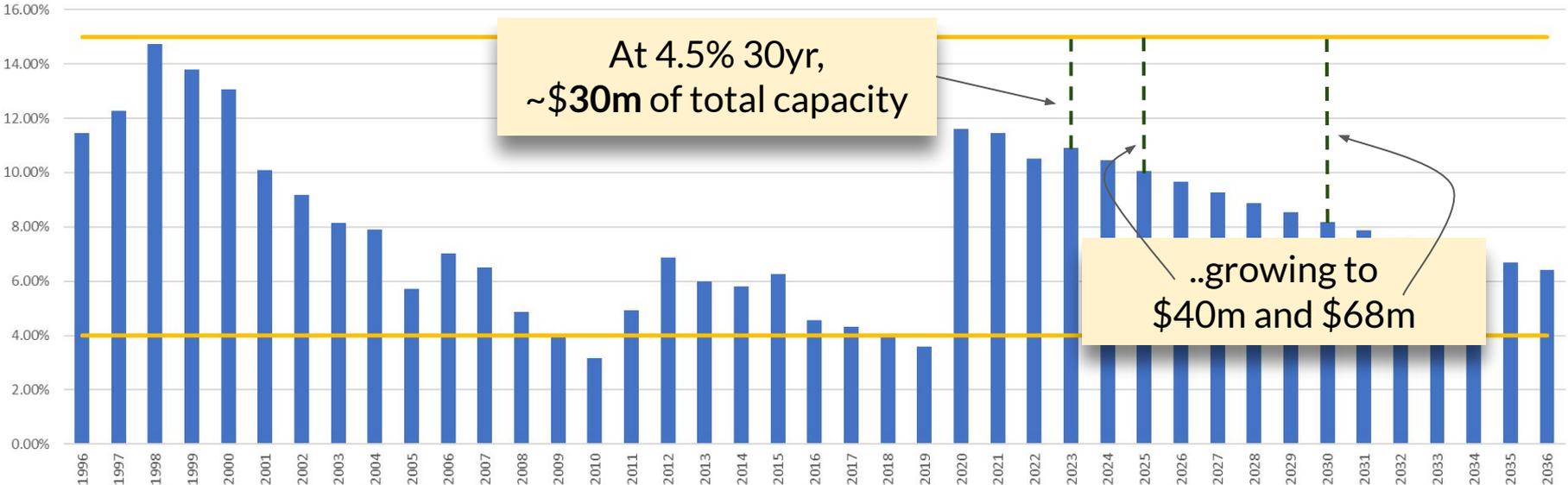
<b>Constraint #1: Debt Limit</b>	
Town Debt Limit*	<b>\$123.8 mil</b>
Current debt (>90% school building)	<b>\$83.1 mil</b>
Remaining debt capacity under limit	<b>\$40.7 mil</b>

*\*Estimated, based on preliminary EQV data.*

<b>Constraint #2: Debt Service Limit</b>	
Guideline maximum debt service %of OpEx	<b>~15%</b>
Current % of budget	<b>10.9%</b>
Debt service budget available	<b>\$1.8 mil</b>
Remaining debt capacity under service limit	<b>~\$30 mil (current)</b>

# Town of Lincoln Debt as a % of Operating Expenditures

(general fund budget projected to grow at 4%)



- Existing Debt Service as a % of General Fund Expenditures
- S&P's Minimum Recommended Range for Debt Service as a % of Expenditures (4%)
- S&P's Maximum Recommended Range for Debt Service as a % of Expenditures (15%)

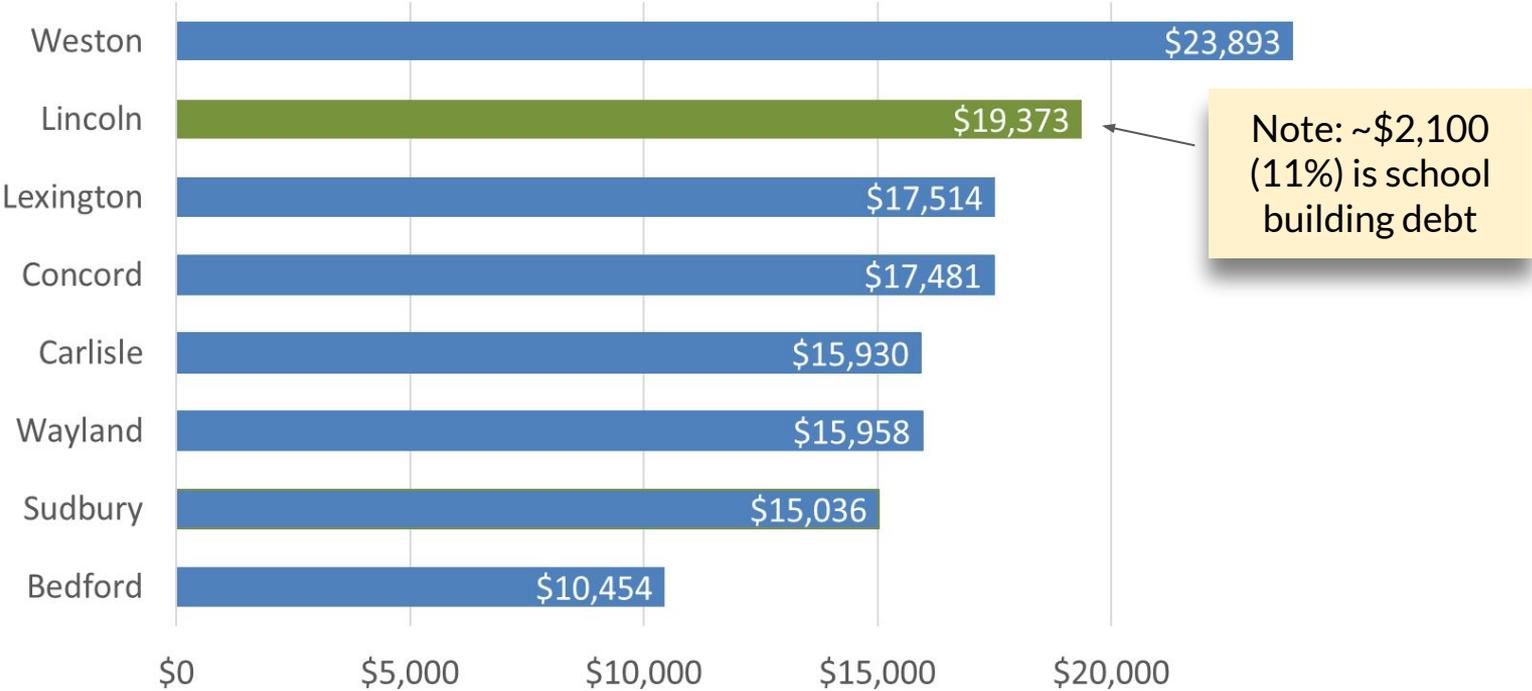
# Select *Possible* Capital Projects

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<b>Project</b>	<b>Est. Cost</b>	<b>Timeframe</b>
Roadway improvement	\$10 million	5-7 yrs
Cemetery land acquisition	"7 figures"	10 yrs
Replace fire ladder truck	\$1.5 million	~10 yrs
New DPW facility?	\$15-20 million	10-15 yrs
Conservation land acquisition?	"7 figures" CPA eligible	TBD

# Peer Towns

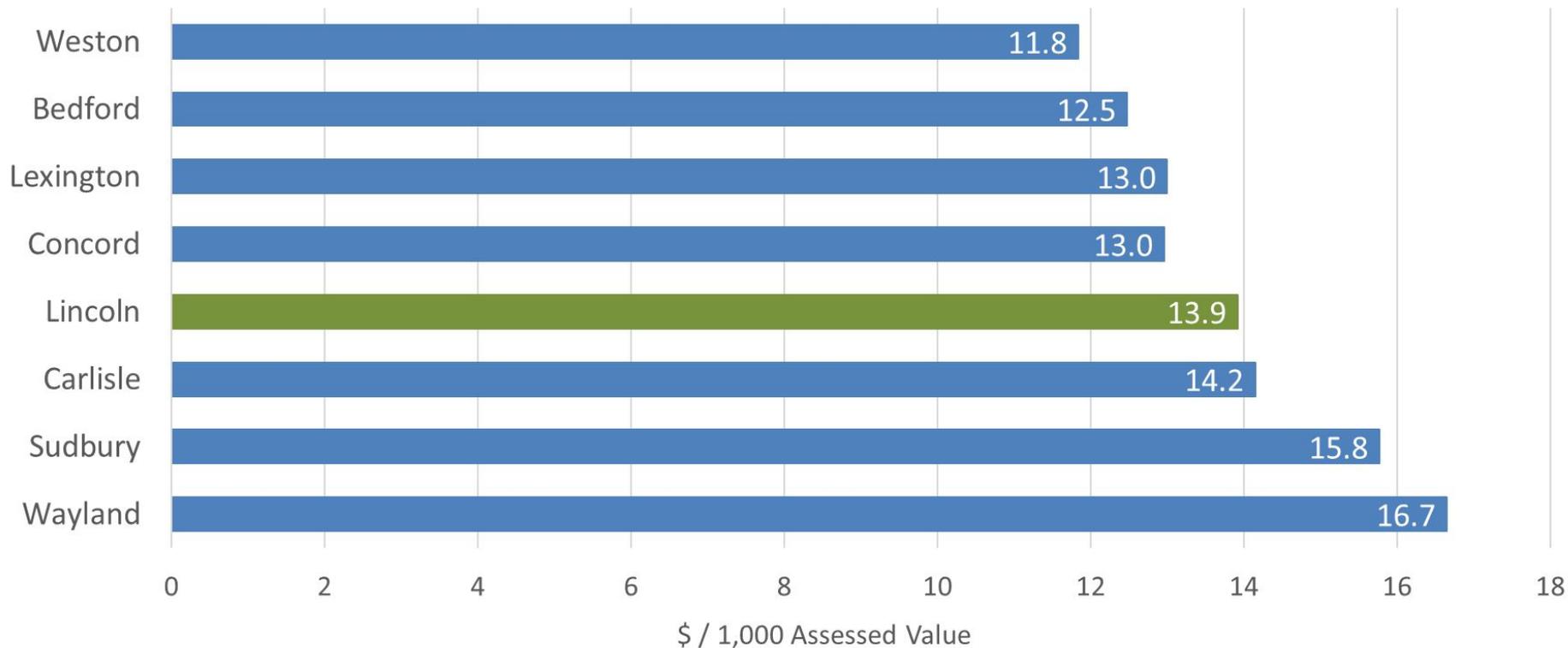
## Average Single Family Tax Bill - FY2023



# Peer Towns (con't)

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## Residential Tax Rate - FY2023



# Questions?

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