



HISTORIC
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TENNESSEE

Debt Capacity Model Update

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Capacity Model Overview

The Capacity Model includes:

- Actual, Audited Revenues and Expenditures for FY 2013
- Budgeted FY 2014 Revenues and Expenditures
- Revenue and Expenditure Growth Rate Assumptions
- \$2 Million Budget Reduction to Expenditures per the Comptroller's Request
- FY 2014 (Series 2013) Bonds are included at \$7.405 million for Series 2013A and \$10 million for Series 2013B (Pension)
- Committed Project Number 2 (Consolidated Public Works) project amount has been updated to \$7.369 million.
- Committed Project Number 12 (Residual Balance from Recovery Zone Projects) is included for Project contingency at \$3 million. Actual amount is to be determined.

Debt Capacity Model Scenarios

Committed Projects funded with General Obligation Bond (balance that was not funded by the Series 2013A Bonds) plus an additional CIP based on the following:

Scenario 1

- \$ 3 million additional CIP needs distributed among the next 2 years (2015-2016)

Scenario 2

- \$ 5 million additional CIP needs distributed among the next 2 years (2015-2016)

Scenario 3

- \$ 7 million additional CIP needs distributed among the next 2 years (2015-2016)

Fiscal Year	Scenario 1 – \$3 Million CIP	Scenario 2 – \$5 Million CIP	Scenario 3 – \$7 Million CIP
2015	\$13,000,000	\$14,000,000	\$15,000,000
2017	\$13,000,000	\$14,000,000	\$15,000,000
2019	\$5,870,565	\$5,870,565	\$5,870,565
Total	\$31,870,565	\$33,870,565	\$35,870,565

Scenario 1 – \$3 Million Priority CIP

	Project Description	Previous Payments	2014	2015	2016	2017	2018	2019	5 Year Total (15-19)	Project Total
Committed Projects										
1	Hillsboro Road- Del Rio to Mack Hatcher	-	-	6,000,000	6,000,000	-	-	-	12,000,000	12,000,000
	Net Funding Needs	-	-	3,750,000	4,500,000	-	-	-	8,250,000	8,250,000
2	Consolidated Public Works Facility	2,300,000	3,200,000	1,869,222	-	-	-	-	1,869,222	7,369,222
	Net Funding Needs	2,300,000	2,700,000	1,869,222	-	-	-	-	1,869,222	6,869,222
3	Eastern Flank Battlefield Access Road	207,020	1,026,378	515,000	-	-	-	-	515,000	1,748,398
	Net Funding Needs	-	-	-	-	-	-	-	-	-
4	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-	-	-	-	131,300
	Net Funding Needs	-	-	-	-	-	-	-	-	-
5	McEwen Drive, Wilson Pike to City Limit	-	345,400	-	-	-	-	-	-	345,400
	Net Funding Needs	-	345,400	-	-	-	-	-	-	345,400
6	McEwen Drive @ Wilson Pike Intersection	162,096	3,053,628	-	-	-	-	-	-	3,215,724
	Net Funding Needs	-	-	-	-	-	-	-	-	-
7	McEwen Dr. Cool Springs to Wilson Pike- Additional Preliminary Design	-	150,000	-	-	-	-	-	-	150,000
	Net Funding Needs	-	150,000	-	-	-	-	-	-	150,000
8	Carothers Parkway S. (Both segments/2 lanes)	262,970	5,500,000	4,699,217	1,912,849	-	-	-	6,612,066	12,375,036
	Net Funding Needs	262,970	5,500,000	4,699,217	1,912,849	-	-	-	6,612,066	12,375,036
9	Century Court/Beasley Drive Connector	-	235,000	360,000	-	-	-	-	360,000	595,000
	Net Funding Needs	-	235,000	360,000	-	-	-	-	360,000	595,000
10	McEwen Drive Connector	-	3,328,937	-	-	-	-	-	-	3,328,937
	Net Funding Needs	-	3,328,937	-	-	-	-	-	-	3,328,937
11	Carlisle Lane Signalization	-	2,356,970	-	-	-	-	-	-	2,356,970
	Net Funding Needs	-	2,356,970	-	-	-	-	-	-	2,356,970
12	Residual Balance from Recovery Zone Projects	-	3,000,000	-	-	-	-	-	-	3,000,000
	Committed Project Subtotal	3,063,386	22,196,313	13,443,439	7,912,849	-	-	-	21,356,288	46,615,987
	Net Funding Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	17,091,288	36,270,565
Priority Projects										
13	Fire Station Design #7 & #8 (Design/Construction)*	225,000	-	2,775,000	3,100,000	-	-	-	5,875,000	6,100,000
	Net Funding Needs	-	-	-	-	-	-	-	-	-
14	To Be Determined CIP Starting 2015 & Beyond	-	-	1,500,000	1,500,000	-	-	-	3,000,000	3,000,000
	Priority Project Subtotal	225,000	-	4,275,000	4,600,000	-	-	-	8,875,000	9,100,000
	Net Funding Needs	-	-	1,500,000	1,500,000	-	-	-	3,000,000	3,000,000
Summary										
	Total Committed Net Project Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	17,091,288	36,270,565
	Total Priority Net Project Needs	-	-	1,500,000	1,500,000	-	-	-	3,000,000	3,000,000
	Total Project Net Needs	2,562,970	16,616,307	12,178,439	7,912,849	-	-	-	20,091,288	39,270,565
	Bond Funding - Bonds Previously Issued		7,400,000	-	-	-	-	-	-	-
	Bonds Issued	-	-	13,000,000	-	13,000,000	-	5,870,565	31,870,565	
	Additional Bonding Needs	-	11,779,277	10,957,716	18,870,565	5,870,565	5,870,565	-		



Scenario 2 – \$5 Million Priority CIP

	Project Description	Previous Payments	2014	2015	2016	2017	2018	2019	5 Year Total (15-19)	Project Total
Committed Projects										
1	Hillsboro Road- Del Rio to Mack Hatcher	-	-	6,000,000	6,000,000	-	-	-	12,000,000	12,000,000
	Net Funding Needs	-	-	3,750,000	4,500,000	-	-	-	8,250,000	8,250,000
2	Consolidated Public Works Facility	2,300,000	3,200,000	1,869,222	-	-	-	-	1,869,222	7,369,222
	Net Funding Needs	2,300,000	2,700,000	1,869,222	-	-	-	-	1,869,222	6,869,222
3	Eastern Flank Battlefield Access Road	207,020	1,026,378	515,000	-	-	-	-	515,000	1,748,398
	Net Funding Needs	-	-	-	-	-	-	-	-	-
4	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-	-	-	-	131,300
	Net Funding Needs	-	-	-	-	-	-	-	-	-
5	McEwen Drive, Wilson Pike to City Limit	-	345,400	-	-	-	-	-	-	345,400
	Net Funding Needs	-	345,400	-	-	-	-	-	-	345,400
6	McEwen Drive @ Wilson Pike Intersection	162,096	3,053,628	-	-	-	-	-	-	3,215,724
	Net Funding Needs	-	-	-	-	-	-	-	-	-
7	McEwen Dr. Cool Springs to Wilson Pike- Additional Preliminary Design	-	150,000	-	-	-	-	-	-	150,000
	Net Funding Needs	-	150,000	-	-	-	-	-	-	150,000
8	Carothers Parkway S. (Both segments/2 lanes)	262,970	5,500,000	4,699,217	1,912,849	-	-	-	6,612,066	12,375,036
	Net Funding Needs	262,970	5,500,000	4,699,217	1,912,849	-	-	-	6,612,066	12,375,036
9	Century Court/Beasley Drive Connector	-	235,000	360,000	-	-	-	-	360,000	595,000
	Net Funding Needs	-	235,000	360,000	-	-	-	-	360,000	595,000
10	McEwen Drive Connector	-	3,328,937	-	-	-	-	-	-	3,328,937
	Net Funding Needs	-	2,328,937	-	-	-	-	-	-	2,328,937
11	Carlisle Lane Signalization	-	2,356,970	-	-	-	-	-	-	2,356,970
	Net Funding Needs	-	2,356,970	-	-	-	-	-	-	2,356,970
12	Residual Balance from Recovery Zone Projects	-	3,000,000	-	-	-	-	-	-	3,000,000
	Committed Project Subtotal	3,063,386	22,196,313	13,443,439	7,912,849	-	-	-	21,356,288	46,615,987
	Net Funding Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	17,091,288	36,270,565
Priority Projects										
13	Fire Station Design #7 & #8 (Design/Construction)*	225,000	-	2,775,000	3,100,000	-	-	-	5,875,000	6,100,000
	Net Funding Needs	-	-	-	-	-	-	-	-	-
14	To Be Determined CIP Starting 2015 & Beyond	-	-	2,500,000	2,500,000	-	-	-	5,000,000	5,000,000
	Priority Project Subtotal	225,000	-	5,275,000	5,600,000	-	-	-	10,875,000	11,100,000
	Net Funding Needs	-	-	2,500,000	2,500,000	-	-	-	5,000,000	5,000,000
Summary										
	Total Committed Net Project Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	17,091,288	36,270,565
	Total Priority Net Project Needs	-	-	2,500,000	2,500,000	-	-	-	5,000,000	5,000,000
	Total Project Net Needs	2,562,970	16,616,307	13,178,439	8,912,849	-	-	-	22,091,288	41,270,565
	Bond Funding - Bonds Previously Issued		7,400,000	-	-	-	-	-	-	-
	Bonds Issued	-	-	14,000,000	-	14,000,000	-	5,870,565	33,870,565	
	Additional Bonding Needs	-	11,779,277	10,957,716	19,870,565	5,870,565	5,870,565	-		



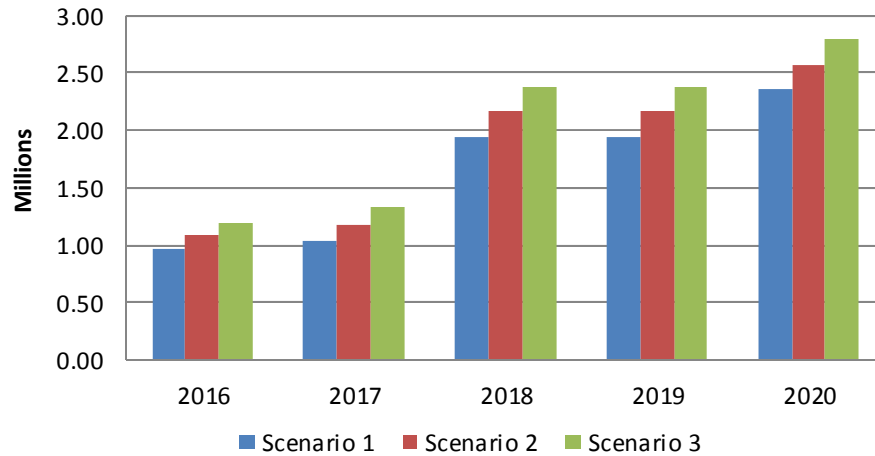
Scenario 3 – \$7 Million Priority CIP

Project Description		Previous Payments	2014	2015	2016	2017	2018	2019	5 Year Total (15-19)	Project Total
Committed Projects										
1	Hillsboro Road- Del Rio to Mack Hatcher	-	-	6,000,000	6,000,000	-	-	-	12,000,000	12,000,000
	Net Funding Needs	-	-	3,750,000	4,500,000	-	-	-	8,250,000	8,250,000
2	Consolidated Public Works Facility	2,300,000	3,200,000	1,869,222	-	-	-	-	1,869,222	7,369,222
	Net Funding Needs	2,300,000	2,700,000	1,869,222	-	-	-	-	1,869,222	6,869,222
3	Eastern Flank Battlefield Access Road	207,020	1,026,378	515,000	-	-	-	-	515,000	1,748,398
	Net Funding Needs	-	-	-	-	-	-	-	-	-
4	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-	-	-	-	131,300
	Net Funding Needs	-	-	-	-	-	-	-	-	-
5	McEwen Drive, Wilson Pike to City Limit	-	345,400	-	-	-	-	-	-	345,400
	Net Funding Needs	-	345,400	-	-	-	-	-	-	345,400
6	McEwen Drive @ Wilson Pike Intersection	162,096	3,053,628	-	-	-	-	-	-	3,215,724
	Net Funding Needs	-	-	-	-	-	-	-	-	-
7	McEwen Dr. Cool Springs to Wilson Pike- Additional Preliminary Design	-	150,000	-	-	-	-	-	-	150,000
	Net Funding Needs	-	150,000	-	-	-	-	-	-	150,000
8	Carothers Parkway S. (Both segments/2 lanes)	262,970	5,500,000	4,699,217	1,912,849	-	-	-	6,612,066	12,375,036
	Net Funding Needs	262,970	5,500,000	4,699,217	1,912,849	-	-	-	6,612,066	12,375,036
9	Century Court/Beasley Drive Connector	-	235,000	360,000	-	-	-	-	360,000	595,000
	Net Funding Needs	-	235,000	360,000	-	-	-	-	360,000	595,000
10	McEwen Drive Connector	-	3,328,937	-	-	-	-	-	-	3,328,937
	Net Funding Needs	-	2,328,937	-	-	-	-	-	-	2,328,937
11	Carlisle Lane Signalization	-	2,356,970	-	-	-	-	-	-	2,356,970
	Net Funding Needs	-	2,356,970	-	-	-	-	-	-	2,356,970
12	Residual Balance from Recovery Zone Projects	-	3,000,000	-	-	-	-	-	-	3,000,000
	Committed Project Subtotal	3,063,386	22,196,313	13,443,439	7,912,849	-	-	-	21,356,288	46,615,987
	Net Funding Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	17,091,288	36,270,565
Priority Projects										
13	Fire Station Design #7 & #8 (Design/Construction)*	225,000	-	2,775,000	3,100,000	-	-	-	5,875,000	6,100,000
	Net Funding Needs	-	-	-	-	-	-	-	-	-
14	To Be Determined CIP Starting 2015 & Beyond	-	-	3,500,000	3,500,000	-	-	-	7,000,000	7,000,000
	Priority Project Subtotal	225,000	-	6,275,000	6,600,000	-	-	-	12,875,000	13,100,000
	Net Funding Needs	-	-	3,500,000	3,500,000	-	-	-	7,000,000	7,000,000
Summary										
	Total Committed Net Project Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	17,091,288	36,270,565
	Total Priority Net Project Needs	-	-	3,500,000	3,500,000	-	-	-	7,000,000	7,000,000
	Total Project Net Needs	2,562,970	16,616,307	14,178,439	9,912,849	-	-	-	24,091,288	43,270,565
	Bond Funding - Bonds Previously Issued	-	7,400,000	-	-	-	-	-	-	-
	Bonds Issued	-	-	15,000,000	-	15,000,000	-	5,870,565	35,870,565	-
	Additional Bonding Needs	-	11,779,277	10,957,716	20,870,565	5,870,565	5,870,565	-	-	-

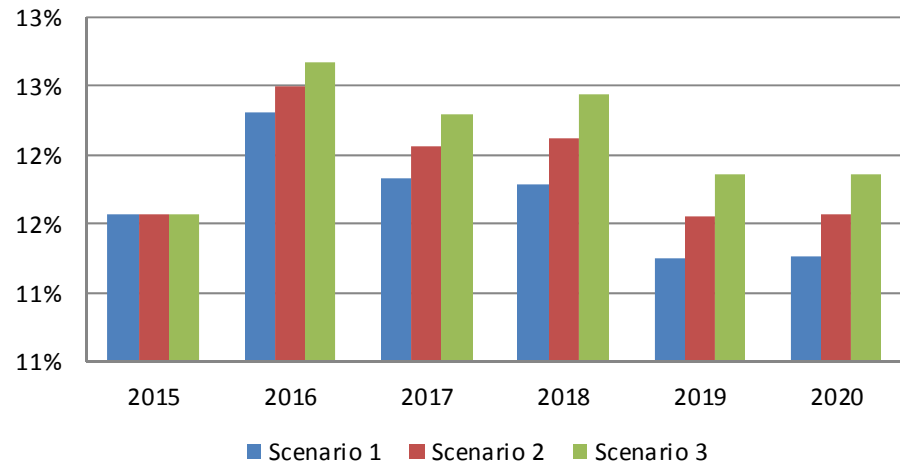


Scenario Comparisons - Metrics

Cumulative New Debt Service (\$)


















All Debt Service/Budget (%)



Scenario Comparisons – Debt Service

Scenario 1	Previous	2014	2015	2016	2017	2018	2019	2020
Committed Project Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	n/a
Priority Project Needs	-	-	1,500,000	1,500,000	-	-	-	n/a
Cumulative Project Needs	2,562,970	16,616,307	12,178,439	7,912,849	-	-	-	n/a
Bonds Issued		-	13,000,000	-	13,000,000	-	5,870,565	n/a
<i>METRICS</i>								
additional debt service(committed) =		-	-	805,000		910,000	-	410,940
additional debt service(priority) =		-	-	165,000	165,000	-	-	-
additional debt service(total) =		-	-	970,000	60,000	910,000	-	410,940
cumulative new debt service =		-	-	970,000	1,030,000	1,940,000	1,940,000	2,350,940
estimated Gen Fund budget =		55,901,958	58,585,915	61,401,629	64,367,645	67,492,154	70,783,801	74,251,709
additional debt service/ Budget =				1.58%	1.60%	2.87%	2.74%	3.17%
existing debt service		5,326,264	6,772,016	6,589,685	6,584,900	6,013,906	6,016,029	6,014,480
existing debt service/Budget =		9.53%	11.56%	10.73%	10.23%	8.91%	8.50%	8.10%
all debt service/Budget =		9.53%	11.56%	12.31%	11.83%	11.78%	11.24%	11.27%
Scenario 2	Previous	2014	2015	2016	2017	2018	2019	2020
Committed Project Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	n/a
Priority Project Needs	-	-	2,500,000	2,500,000	-	-	-	n/a
Cumulative Project Needs	2,562,970	16,616,307	13,178,439	8,912,849	-	-	-	n/a
Bonds Issued		-	14,000,000	-	14,000,000	-	5,870,565	n/a
<i>METRICS</i>								
additional debt service(committed) =		-	-	805,000		980,000	-	410,940
additional debt service(priority) =		-	-	275,000	275,000	-	-	-
additional debt service(total) =		-	-	1,080,000	100,000	980,000	-	410,940
cumulative new debt service =		-	-	1,080,000	1,180,000	2,160,000	2,160,000	2,570,940
estimated Gen Fund budget =		55,901,958	58,585,915	61,401,629	64,367,645	67,492,154	70,783,801	74,251,709
additional debt service/ Budget =				1.76%	1.83%	3.20%	3.05%	3.46%
existing debt service		5,326,264	6,772,016	6,589,685	6,584,900	6,013,906	6,016,029	6,014,480
existing debt service/Budget =		9.53%	11.56%	10.73%	10.23%	8.91%	8.50%	8.10%
all debt service/Budget =		9.53%	11.56%	12.49%	12.06%	12.11%	11.55%	11.56%
Scenario 3	Previous	2014	2015	2016	2017	2018	2019	2020
Committed Project Needs	2,562,970	16,616,307	10,678,439	6,412,849	-	-	-	n/a
Priority Project Needs	-	-	3,500,000	3,500,000	-	-	-	n/a
Cumulative Project Needs	2,562,970	16,616,307	14,178,439	9,912,849	-	-	-	n/a
Bonds Issued		-	15,000,000	-	15,000,000	-	5,870,565	n/a
<i>METRICS</i>								
additional debt service(committed) =		-	-	805,000		1,050,000	-	410,940
additional debt service(priority) =		-	-	385,000	385,000	-	-	-
additional debt service(total) =		-	-	1,190,000	140,000	1,050,000	-	410,940
cumulative new debt service =		-	-	1,190,000	1,330,000	2,380,000	2,380,000	2,790,940
estimated Gen Fund budget =		55,901,958	58,585,915	61,401,629	64,367,645	67,492,154	70,783,801	74,251,709
additional debt service/ Budget =				1.94%	2.07%	3.53%	3.36%	3.76%
existing debt service		5,326,264	6,772,016	6,589,685	6,584,900	6,013,906	6,016,029	6,014,480
existing debt service/Budget =		9.53%	11.56%	10.73%	10.23%	8.91%	8.50%	8.10%
all debt service/Budget =		9.53%	11.56%	12.67%	12.30%	12.44%	11.86%	11.86%

Scenario Comparison – Debt Ratios

Affordability Matrix						
	General Fund Balance as a % of Operating Revenues	Debt Service as a % of Operating Expenditures	Net Debt per Capita	Per Capita Debt/Per Capita Income	Net Direct Debt as a % of Market Value	
Scenario 1 - \$3 Million CIP		 Yrs 2014-2023: Ratio is above policy				Yr 2017: Ratio is at policy
Scenario 2 - \$5 Million CIP		 Yrs 2014-2023: Ratio is above policy				Yrs 2015 & 2017: Ratio is at policy
Scenario 3- \$7 Million CIP		 Yrs 2014-2023: Ratio is above policy				Yrs 2015, 2017, 2018: Ratio is at policy