



Debt Service

"Hampton is a small town that has a certain character to it and that really makes it a wonderful place to live."

Bob Harper

BOB HARPER PHOTOGRAPHY



17. Debt Service

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This section includes information on the City of Hampton’s debt service requirements, bond rating and legal debt margin. Also included is the debt maturity schedule for the General Fund as well as debt obligations for all budgeted Funds.





Purpose

The purpose of Debt Service is to track the amount of money necessary to repay the principal and interest on outstanding bonds or other debt. This amount, known as the debt service requirement, refers to the total principal and interest (annual debt service) paid in a fiscal year.

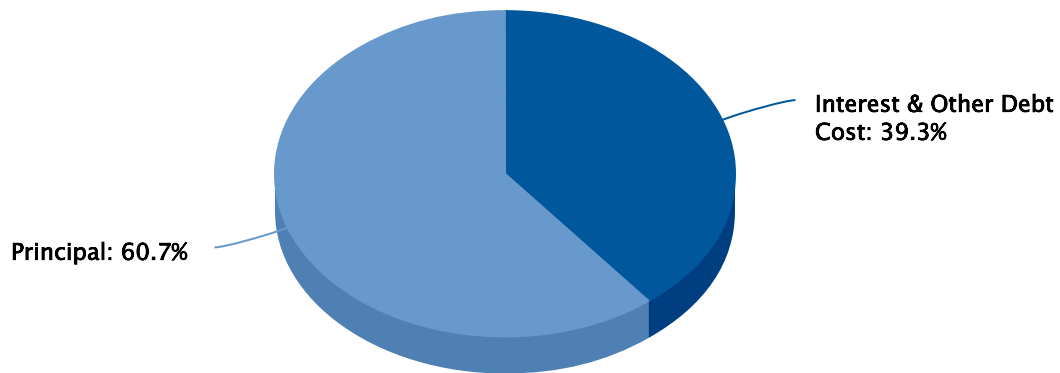
Departmental Breakdown

| Departments | 2021 Actual | 2022 Actual | 2023 Budget | 2023 Adjusted | 2024 Budget | Increase / (Decrease) |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|
| Interest & Other Debt Cost | 10,580,820 | 9,517,430 | 12,344,646 | 12,344,646 | 13,754,567 | 1,409,921 |
| Principal | 19,331,787 | 21,646,378 | 22,680,861 | 22,680,861 | 21,270,940 | (1,409,921) |
| Grand Total | 29,912,607 | 31,163,808 | 35,025,507 | 35,025,507 | 35,025,507 | 0 |

Budget Note

This is a maintenance level budget.

Percentage of Team's FY 2024 Budget





| | FY 2023 Budget | FY 2024 Budget | FY 2025 Budget | FY 2026 Budget | FY 2027 Budget |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Bonded Debt: | | | | | |
| Principal | 22,187,355 | 21,270,940 | 21,234,453 | 20,642,492 | 20,210,000 |
| Interest | 13,030,669 | 13,938,352 | 12,574,839 | 10,711,236 | 10,856,228 |
| Proposed FY24 Bond Issue ⁽¹⁾ | 0 | 0 | 1,400,000 | 1,380,000 | 1,360,000 |
| Proposed FY25 Bond Issue ⁽²⁾ | 0 | 0 | 0 | 2,475,564 | 2,783,064 |
| Proposed FY25 Bond Issue ⁽³⁾ | 0 | 0 | 0 | 0 | 0 |
| Proposed FY26 Bond Issue ⁽⁴⁾ | 0 | 0 | 0 | 0 | 0 |
| Subtotal – Bonded Debt | 35,218,024 | 35,209,292 | 35,209,292 | 35,209,292 | 35,209,292 |
| Less: | | | | | |
| Build America Bonds Subsidy | (73,772) | (64,684) | (64,684) | (64,684) | (64,684) |
| Recovery Zone Economic Development Bonds | (36,308) | (36,664) | (36,664) | (36,664) | (36,664) |
| Qualified School Construction Bonds | (127,437) | (127,437) | (127,437) | (127,437) | (127,437) |
| Subtotal | 34,980,507 | 34,980,507 | 34,980,507 | 34,980,507 | 34,980,507 |
| Net Debt Service-General Bonded Debt | 34,980,507 | 34,980,507 | 34,980,507 | 34,980,507 | 34,980,507 |
| Total Debt Service BEFORE Bank Charges | 34,980,507 | 34,980,507 | 34,980,507 | 34,980,507 | 34,980,507 |
| Bank Administrative Charges | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Letter of Credit Fees | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Total General Fund Debt Service | 35,025,507 | 35,025,507 | 35,025,507 | 35,025,507 | 35,025,507 |

Notes:

- 1) Proposed FY24 General Obligation Bond issue of \$16.7 million and School Literary Loans of \$20.0 million.
- 2) Proposed FY25 General Obligation Bond issue of \$15.7 million.
- 3) Proposed FY26 General Obligation Bond issue of \$17.7 million.
- 4) Proposed FY27 General Obligation Bond issue of \$14.5 million.