

2020-0669

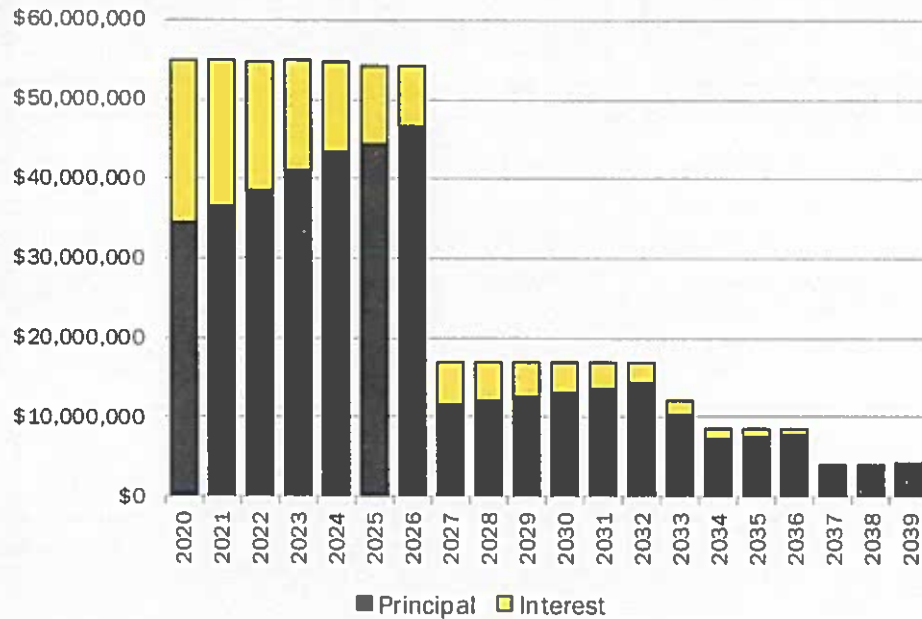
City of Pittsburgh, Pennsylvania Debt Capacity Update – February 4, 2020



**MAS Financial Advisory
Services LLC**

DAVENPORT & COMPANY
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Total Existing Debt Service

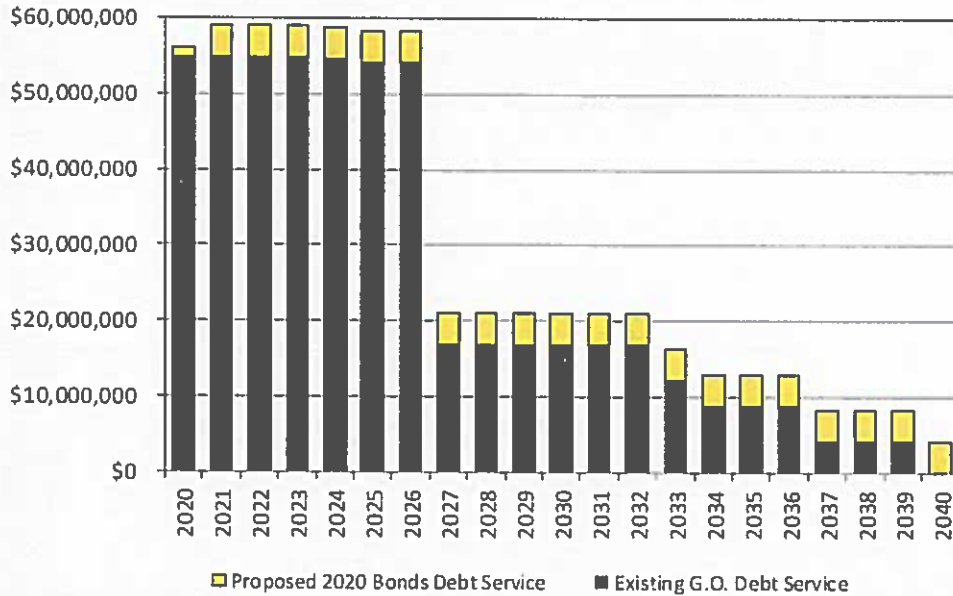


FY	Principal	Interest	Total	10-Year Payout Ratio
Total	\$407,075,000	\$126,488,063	\$533,563,063	
2020	34,550,000	20,279,739	54,829,739	78.9%
2021	36,580,000	18,254,071	54,834,071	80.5%
2022	38,655,000	16,159,845	54,814,845	82.5%
2023	41,005,000	13,822,489	54,827,489	85.0%
2024	43,340,000	11,328,448	54,668,448	86.6%
2025	44,430,000	9,668,957	54,098,957	87.3%
2026	46,625,000	7,482,323	54,107,323	88.4%
2027	11,535,000	5,238,073	16,773,073	90.5%
2028	12,015,000	4,768,524	16,783,524	92.9%
2029	12,570,000	4,206,545	16,776,545	95.9%
2030	13,100,000	3,682,486	16,782,486	100.0%
2031	13,715,000	3,069,134	16,784,134	100.0%
2032	14,325,000	2,461,339	16,786,339	100.0%
2033	10,330,000	1,856,669	12,186,669	100.0%
2034	7,230,000	1,455,975	8,685,975	100.0%
2035	7,555,000	1,127,625	8,682,625	100.0%
2036	7,900,000	784,325	8,684,325	100.0%
2037	3,730,000	425,175	4,155,175	100.0%
2038	3,875,000	275,975	4,150,975	100.0%
2039	4,010,000	140,350	4,150,350	100.0%

Existing Debt Service

Principal	\$407,075,000
Interest	126,488,063
Total Debt Service	\$533,563,063

Existing and Proposed 2020 Bonds Debt Service



FY	Existing G.O. Debt Service	Proposed 2020 Bonds Principal ⁽¹⁾	Proposed 2020 Bonds Interest ⁽¹⁾	Total Existing & Proposed Debt Service
Total	\$533,563,063	\$52,400,000	\$33,006,000	\$618,969,063
2020	54,829,739	-	1,310,000	56,139,739
2021	54,834,071	1,585,000	2,620,000	59,039,071
2022	54,814,845	1,665,000	2,540,750	59,020,595
2023	54,827,489	1,745,000	2,457,500	59,029,989
2024	54,668,448	1,835,000	2,370,250	58,873,698
2025	54,098,957	1,925,000	2,278,500	58,302,457
2026	54,107,323	2,020,000	2,182,250	58,309,573
2027	16,773,073	2,125,000	2,081,250	20,979,323
2028	16,783,524	2,230,000	1,975,000	20,988,524
2029	16,776,545	2,340,000	1,863,500	20,980,045
2030	16,782,486	2,460,000	1,746,500	20,988,986
2031	16,784,134	2,580,000	1,623,500	20,987,634
2032	16,786,339	2,710,000	1,494,500	20,990,839
2033	12,186,669	2,845,000	1,359,000	16,390,669
2034	8,685,975	2,990,000	1,216,750	12,892,725
2035	8,682,625	3,140,000	1,067,250	12,889,875
2036	8,684,325	3,295,000	910,250	12,889,575
2037	4,155,175	3,460,000	745,500	8,360,675
2038	4,150,975	3,630,000	572,500	8,353,475
2039	4,150,350	3,815,000	391,000	8,356,350
2040	-	4,005,000	200,250	4,205,250

Projected Debt Ratio – Debt vs. Full Value



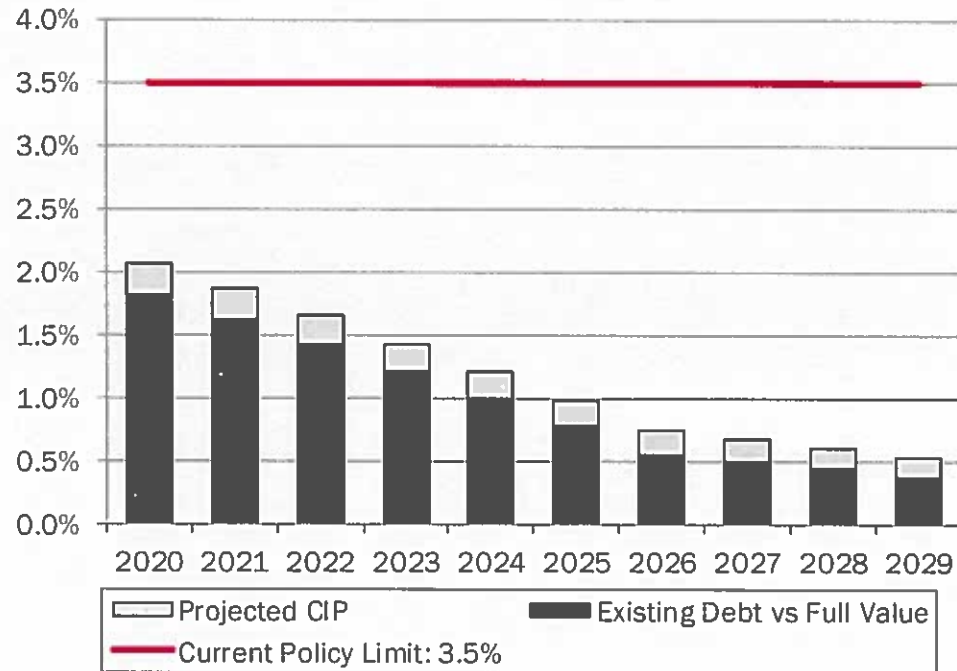
Updated Financial Policy

- The City will limit its tax supported debt burden principal amount to 3.5% of full taxable assessed value.

- Projected CIP funding assumes:
 - \$50 million in FY 2020 for Capital Improvement needs; and,

- The City is projected to maintain compliance with this policy on a going-forward basis.

Long-term Tax Supported Governmental Debt
as a % of Full Valuation



Peak – Fiscal Year 2020

Existing Debt vs. Full Value ⁽¹⁾	1.82%
CIP Debt vs. Full Value	0.25%
Debt vs. Full Value	2.07%

Notes:

1. Projection assumes Full Value growth rate of 1%.
2. Projected CIP assumes \$50 million project funding in FY 2020 at an estimated planning rate of 5%, amortized over a 20 year period.

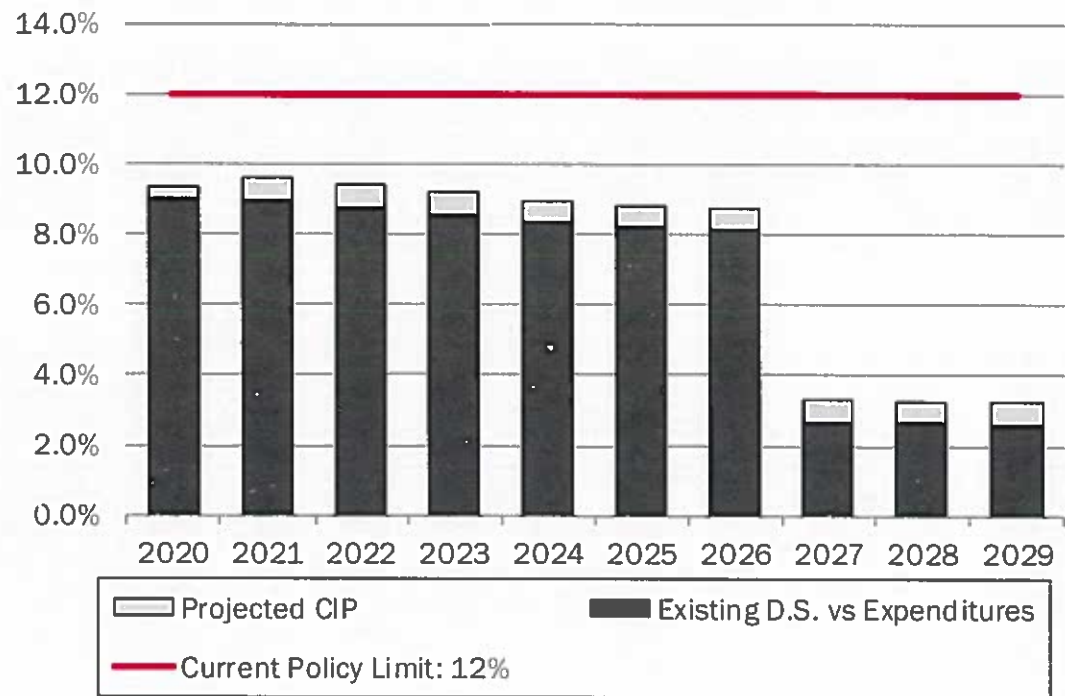
Projected Debt Ratio – Debt Service vs. Expenditures



Updated Financial Policy

- The City will limit its tax supported debt service as a percent of General Fund expenditures, including debt service expenditures, to 12%.
- Based on current projections, the City will be in compliance with the 12% policy target in FY 2020.
- The City is projected to maintain compliance with this policy on a going-forward basis.

Long-term Tax Supported Debt Service as a % of General Fund Expenditures



Projected Peak – Fiscal Year 2021

Existing Debt Service vs. Expenditures ^(1,2)	8.93%
CIP Debt Service vs. Expenditures ^(2,3)	0.67%
Debt Service vs. Expenditures	9.60%

Notes:

- Existing debt service consists of outstanding General Fund debt service.
- FY2020 – FY2024 expenditures from FY2020 Budget.
- Projected CIP assumes \$50 million project funding in FY 2020 at an estimated planning rate of 5%, amortized over a 20 year period.

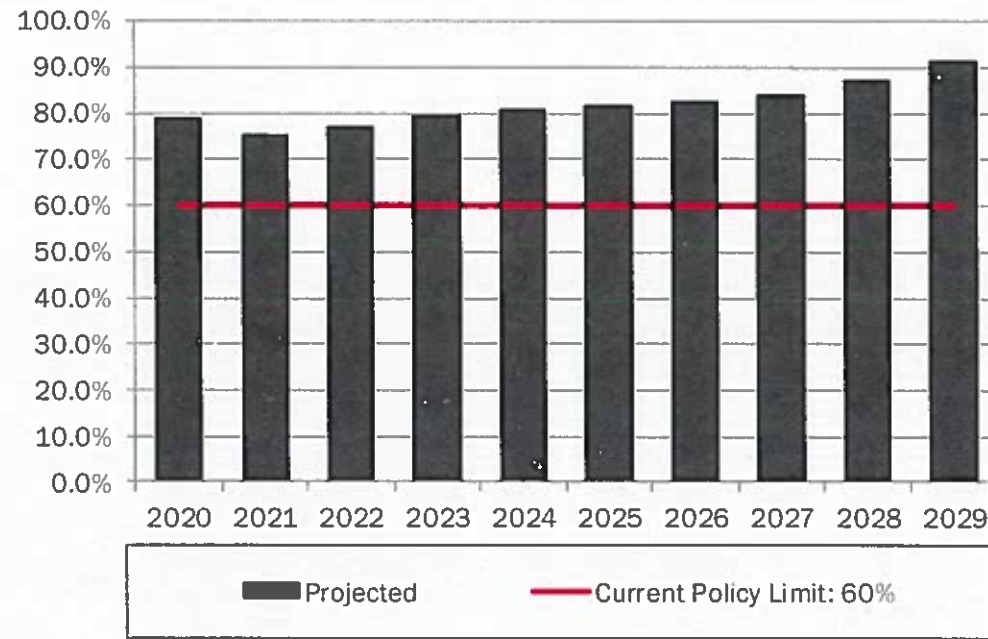
Projected Debt Ratio – 10 Year Payout Ratio



Updated Financial Policy

- Principal will generally be amortized in a manner such that not less than 60% of the aggregate outstanding tax-supported debt will be retired within ten years.
- The City is projected to maintain compliance with this policy on a going-forward basis.

10-Year Payout Ratio



<u>Minimum 10 Year Payout Ratio (FY 2021)^(1,2)</u>	
Principal Paid FY 2021-2030	\$319,254,789
<u>Outstanding Principal FY 2021</u>	<u>423,525,000</u>
10 Year Payout Ratio	75.4%

Notes:

- Projected Ratio calculation incorporates Existing General Fund Debt and CIP debt issuances in FY 2020.
- Projected CIP assumes \$50 million project in FY 2020 at an estimated planning rate of 5%, amortized over a 20 year period.

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