

City & County of Broomfield

Debt Overview



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Sales Tax Revenue Bonds



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Sales Tax Revenue Bonds – Summary of Issuances

Overview of Outstanding Issuances

	Sales and Use Tax Bonds	
Issuance	Series 2017	Series 2012
Original Par Amount (\$MM)	\$74.04	\$108.565
Ratings (M/F/S&P)	▪ Aa3	▪ Aa3
Tax Status	▪ Tax Exempt	▪ Tax Exempt & Taxable
Purpose	▪ Dillon Road / Community Center	▪ Refunding
Final Maturity	▪ 2037	▪ 2031

Sources of Repayment

- Established under 2012 ordinance of the City. One-third of the 3.5% Sales and Use Tax is pledged with Two-thirds of the remaining Sales and Use Tax, reduced by payments under various individual redevelopment and reimbursement agreements and certain administrative expenses.

Credit Ratings – Moody's Investor Services

- Sales Tax ratings are primarily based upon the liquidity and debt service coverage of the sales tax revenue stream
- **Sales Tax Bonds are rated Aa3**
 - This is highly rated in comparison to other sales and use tax issuers

Sales Tax Revenue Bonds, Series 2017

Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,685,000	3,124,700	5,809,700	64,180,000
2022	2,765,000	3,044,150	5,809,150	61,415,000
2023	2,850,000	2,961,200	5,811,200	58,565,000
2024	2,990,000	2,818,700	5,808,700	55,575,000
2025	3,140,000	2,669,200	5,809,200	52,435,000
2026	3,300,000	2,512,200	5,812,200	49,135,000
2027	3,465,000	2,347,200	5,812,200	45,670,000
2028 *	3,635,000	2,173,950	5,808,950	42,035,000
2029 *	3,815,000	1,992,200	5,807,200	38,220,000
2030 *	4,010,000	1,801,450	5,811,450	34,210,000
2031 *	4,210,000	1,600,950	5,810,950	30,000,000
2032 *	4,420,000	1,390,450	5,810,450	25,580,000
2033 *	4,640,000	1,169,450	5,809,450	20,940,000
2034 *	4,870,000	937,450	5,807,450	16,070,000
2035 *	5,115,000	693,950	5,808,950	10,955,000
2036 *	5,370,000	438,200	5,808,200	5,585,000
2037 *	5,585,000	223,400	5,808,400	-
Total	66,865,000	31,898,800	98,763,800	

* Callable 12/01/2027 @ 100

Reserve Fund

5,718,545

Sales Tax Revenue Bonds, Series 2012A

Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	5,140,000	2,654,625	7,794,625	65,370,000
2022	5,395,000	2,397,625	7,792,625	59,975,000
2023 *	5,640,000	2,154,850	7,794,850	54,335,000
2024 *	5,925,000	1,872,850	7,797,850	48,410,000
2025 *	6,215,000	1,576,600	7,791,600	42,195,000
2026 *	6,525,000	1,265,850	7,790,850	35,670,000
2027 *	6,720,000	1,070,100	7,790,100	28,950,000
2028	6,925,000	868,500	7,793,500	22,025,000
2029	7,125,000	660,750	7,785,750	14,900,000
2030	7,345,000	447,000	7,792,000	7,555,000
2031	7,555,000	226,650	7,781,650	-
Total	70,510,000	70,510,000	70,510,000	

* Callable 12/01/2022 @ 100

Reserve Fund

7,888,130

Annual Appropriation Credit



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Annual Appropriation – Summary of Issuances

Overview of Outstanding Issuances

Issuance	Annual Appropriation Credits		
	Series 2017	Series 2016	Series 2005
Original Par Amount (\$MM)	\$46.425	\$2.24	\$59.785
Ratings (M/F/S&P)	▪ Aa3	▪ NR	▪ Aa2
Tax Status	▪ Tax Exempt	▪ Tax Exempt	▪ Tax Exempt
Purpose	▪ Detention Facility / Rec Center	▪ Open Space	▪ Broomfield Events Center
Final Maturity	▪ 2027	▪ 2025	▪ 2030

Sources of Repayment

- In lieu using another form of long-term debt, Broomfield has used annual appropriation debt typically issued through certificates of participation (COPs) to finance the construction of its new facilities. This type of debt gives Broomfield the flexibility to build capital facilities even when funds are not available on a pay-as-you-go basis. Annual Appropriation debt is paid from any legally available source of revenue. Typically initially from the general fund.

Credit Ratings – Moody’s Investor Services

- Annual Appropriation debt is typically notched one or two levels below and issuer’s General Obligation rating. Broomfield currently carries a ‘Aa1’ general obligation credit rating. **Annual Appropriation debt ratings range from Aa2 – Aa3**
 - The median credit rating for general obligation issuers nationally is Aa3. Broomfield is two notches above that rating.

Broomfield Urban Renewal Authority, Series 2005
(Broomfield Event Center Project)
(BNP Letter of Credit Backing)

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,675,000	1,190,100	3,865,100	36,995,000
2022	2,810,000	1,109,850	3,919,850	34,185,000
2023	2,950,000	1,025,550	3,975,550	31,235,000
2024	3,100,000	937,050	4,037,050	28,135,000
2025	3,255,000	844,050	4,099,050	24,880,000
2026	3,420,000	746,400	4,166,400	21,460,000
2027	3,590,000	643,800	4,233,800	17,870,000
2028	3,770,000	536,100	4,306,100	14,100,000
2029	3,960,000	423,000	4,383,000	10,140,000
2030 *	10,140,000	304,200	10,444,200	-
Total	39,670,000	7,760,100	47,430,100	

Certificates of Participation, Series 2016
(Broomfield-Westminster Open Space Foundation)
No Rating - Vectra Bank Direct Placement

Year End	Principal	Interest	Debt Service	Ending Balance
2021	245,000	26,389	271,389	1,035,000
2022	255,000	22,102	277,102	780,000
2023	255,000	17,333	272,333	525,000
2024	260,000	12,131	272,131	265,000
2025	265,000	6,307	271,307	-
Total	1,280,000	84,262	1,364,262	

Certificates of Participation, Series 2017
(Detention Facility, Recreation Center)
Rating - Moody's Aa2

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,845,000	1,158,500	4,003,500	20,325,000
2022	2,995,000	1,016,250	4,011,250	17,330,000
2023	3,145,000	866,500	4,011,500	14,185,000
2024	3,295,000	709,250	4,004,250	10,890,000
2025	3,460,000	544,500	4,004,500	7,430,000
2026	3,635,000	371,500	4,006,500	3,795,000
2027	3,795,000	189,750	3,984,750	-
Total	23,170,000	4,856,250	28,026,250	

Water Revenue Bonds



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Water Revenue Bonds – Summary of Issuances

Overview of Outstanding Issuances

City and County of Broomfield

Water Enterprise

Cash Flows

	2019	2020
Revenues		
Charges for Services	16,325,469	18,174,825
Development Fees (Tap Fees)	20,346,207	15,230,607
Other Services	236,221	252,211
Water Leases and Royalties	442,924	279,543
Miscellaneous	198,855	125,231
Total Revenues	37,549,676	34,062,417
Expenses		
Personnel Services	3,316,433	3,299,169
Supplies and Materials	987,018	887,253
Contractual Services	5,540,673	6,993,235
Utilities	600,472	670,723
Services Provided by General Fund (CCOB Services)	2,467,528	2,390,895
Water Purchases	6,589,603	6,445,695
Total Expenses	19,501,727	20,686,970
Net Revenue Available for Debt Service	18,047,949	13,375,447
Debt Service	5,724,450	5,714,250
Net Cash Flow	12,323,499	7,661,197
D/S Coverage (with Tap Fees)	3.15	2.34
D/S Coverage (without Tap Fees)	(0.40)	(0.32)
Beginning Cash on Hand	57,648,357	69,971,856
Plus: Net Cash Flow	12,323,499	7,661,197
Less: Windy Gap Project	-	-
Ending Cash on Hand	69,971,856	77,633,053
Days of Cash on Hand for Operating Expenses & D/S	1,417 3.9 Years	1,471 4.0 Years

Sources of Repayment

- The Water Revenue bonds are payable from the Water Enterprise revenues.
- The revenue pledge is based upon net revenues of the system after the payment of operations & maintenance expenses.

Credit Ratings – Moody's Investor Services

- Water revenue bonds are rated based primarily upon the system size, liquidity, debt service coverage and overall economy within Broomfield
- **Water Revenue bonds are rated Aa3**
 - The Aa3 rating matches the median rating for other Water Revenue issuances nationally

Broomfield Water Enterprise Water Revenue Bonds, Series 2012

Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	5,185,000	532,500	5,717,500	5,465,000
2022	5,465,000	273,250	5,738,250	-
Total	10,650,000	805,750	11,455,750	

Reserve Fund

4,975,000

Sewer Revenue Bonds



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Sewer Revenue Bonds – Summary of Issuances

Overview of Outstanding Issuances

City and County of Broomfield

Sewer Enterprise

Cash Flows

	2019	2020
Revenues		
Charges for Services	9,445,248	10,017,838
Development Fees (Tap Fees)	14,792,165	12,950,245
Intergovernmental		14,754
Transfers In	1,403,177	1,404,591
Miscellaneous	694,969	612,403
Total Revenues	26,335,559	24,999,831
Expenses		
Sewer System Operations and Maintenance	1,184,678	1,014,786
Sewer Treatment	2,650,155	2,847,267
Industrial Pretreatment	189,440	186,735
Laboratory Operations	537,270	578,430
Storm Water	427,298	470,042
Administration and Billing	406,867	403,365
Other Expenses	1,600,864	1,107,245
Services Provided by General Fund	1,725,062	1,598,744
Total Expenses	8,721,634	8,206,614
Net Revenue Available for Debt Service	17,613,925	16,793,217
Debt Service	3,852,413	3,858,013
Net Cash Flow	13,761,513	12,935,205
D/S Coverage (with Tap Fees)	4.57	4.35
D/S Coverage (without Tap Fees)	0.73	1.00
Beginning Cash on Hand	42,780,673	56,542,185
Less: Restricted Debt Service Reserve Fund	(3,869,013)	
Less: Capital Projects		
Plus: Net Cash Flow	13,761,513	12,935,205
Ending Cash on Hand	56,542,185	69,477,390

Sources of Repayment

- The Sewer Revenue bonds are payable from the Sewer Enterprise revenues.
- The revenue pledge is based upon net revenues of the system after the payment of operations & maintenance expenses.

Credit Ratings – Moody's Investor Services

- Sewer revenue bonds are rated based primarily upon the system size, liquidity, debt service coverage and overall economy within Broomfield.
- **Sewer Revenue bonds are rated Aa3**
 - The Aa3 rating matches the median rating for other Wastewater Revenue issuances nationally

Broomfield Sewer Enterprise
Sewer and Wastewater Revenue Bonds, Series 2012
 Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,975,000	894,013	3,869,013	20,555,000
2022	1,655,000	775,013	2,430,013	18,900,000
2023 *	1,745,000	692,263	2,437,263	17,155,000
2024 *	1,840,000	605,013	2,445,013	15,315,000
2025 *	1,940,000	513,013	2,453,013	13,375,000
2026 *	2,040,000	416,013	2,456,013	11,335,000
2027 *	2,115,000	354,813	2,469,813	9,220,000
2028 *	2,185,000	291,363	2,476,363	7,035,000
2029 *	2,260,000	225,813	2,485,813	4,775,000
2030 *	2,345,000	155,188	2,500,188	2,430,000
2031 *	2,430,000	78,975	2,508,975	-
Total	23,530,000	5,001,475	28,531,475	

* Callable 12/01/2022 @ 100

Reserve Fund

3,869,013

Debt Policy Considerations



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Debt Policy

- The purpose of establishing a debt policy is to establish general guidelines for debt issuances. There are multiple types and forms of issuances that could be considered by the City and County of Broomfield in the future. The considerations should be consistent with applicable State and Local law as well as achieve the City's policy objectives. The document should be reviewed on a regular basis and updated as necessary. Some of the items to consider in a debt policy:
 - Legal & Regulatory Requirements
 - Factors relevant to evaluation a future in Debt Issuance
 - Capital Planning
 - Asset Life & Financing Term
 - Fixed versus Variable Interest Rates
 - Refinancing Savings Thresholds
 - Types of Obligations & security features
 - Credit Ratings
 - Sources of Repayment
 - Post Issuance Compliance
 - Derivatives
 - Debt Service Amortization (Level versus wrapped)

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