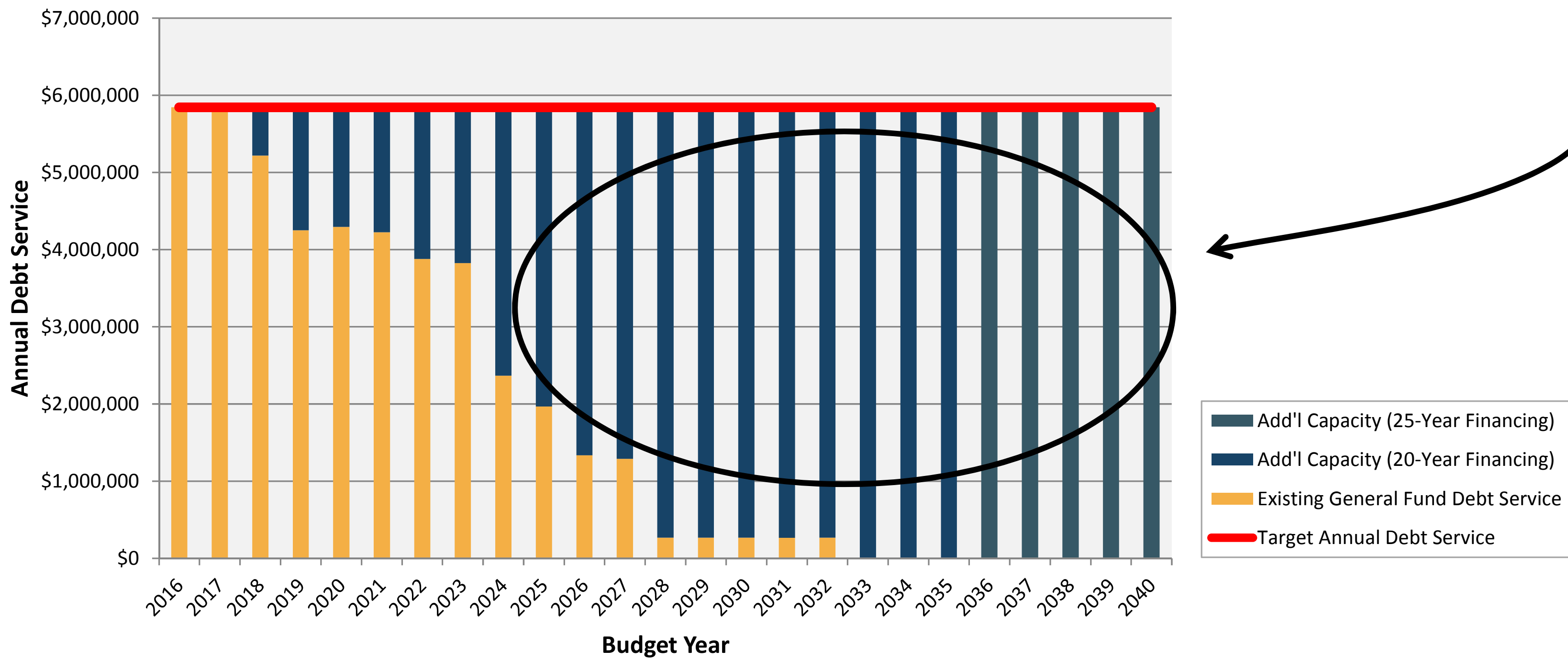
Bloomington Can Generate $39 to $50 Million of Bond Proceeds if the City Maintained General Fund Debt Service at Budget Year 2016 Levels

- Bloomington's existing debt service profile is "downward sloping", meaning the City can borrow for capital needs and still see relatively little budgetary impact as existing debt is paid down and "rolls off".
- If the City kept its debt service at 2016 Budget Year levels, it could generate up to **$39.6 million** with a 20-year financing; or **$50.2 million** with a 25-year financing.
- This bonding ability is calculated by discounting the available future capacity under the targeted debt service level by the expected borrowing rate – in this scenario we use an estimated of 4.5% based on current market conditions.
- The City's borrowing capacity under the 20-year scenario increases by approximately $2.5 million for each 0.5% *decrease* in the estimated borrowing yield (e.g. 4.0% versus 4.5%). See the following page for full numerical analysis.



Note: Results are preliminary and subject to change based on market conditions and other factors.

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