

Debt Capacity Update

City of Annapolis, Maryland

April 2025



Debt Service Policy Compliance



Existing and Estimated New Debt Service:

- The chart below shows the City's existing debt and estimated new debt service based on the Proposed FY 2026-2031 CIP.
- Expenditures are based on the Proposed FY 2026 General Fund Expenditures amount of \$122,291,400 and increasing 1% annually thereafter.

Existing Debt Service And FY 2026-2031 Estimated Debt Service as a Percentage of Estimated General Fund Expenditures					
Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service	General Fund Expenditures	Debt Service as % of Exp.
2026	\$8,780,599	\$0	\$8,780,599	\$122,291,400	7.18%
2027	7,812,870	2,522,095	10,334,966	123,514,314	8.37%
2028	8,100,311	4,553,601	12,653,912	124,749,457	10.14%
2029	6,605,458	6,062,145	12,667,603	125,996,952	10.05%
2030	5,152,055	6,654,315	11,806,370	127,256,921	9.28%
2031	5,141,385	7,086,602	12,227,987	128,529,490	9.51%
2032	4,627,787	7,518,889	12,146,675	129,814,785	9.36%
2033	4,189,070	7,518,889	11,707,959	131,112,933	8.93%
2034	3,352,571	7,518,889	10,871,460	132,424,063	8.21%
2035	2,955,260	7,518,889	10,474,149	133,748,303	7.83%
2036	2,942,685	7,518,889	10,461,574	135,085,786	7.74%
2037	2,154,831	7,518,889	9,673,720	136,436,644	7.09%
2038	1,848,734	7,518,889	9,367,623	137,801,010	6.80%
2039	1,784,139	7,518,889	9,303,027	139,179,021	6.68%
2040	1,786,666	7,518,889	9,305,555	140,570,811	6.62%
2041	1,617,216	7,518,889	9,136,104	141,976,519	6.43%
2042	1,515,982	7,518,889	9,034,870	143,396,284	6.30%
2043	879,389	7,518,889	8,398,277	144,830,247	5.80%
2044	32,789	7,518,889	7,551,677	146,278,549	5.16%
2045	32,789	7,518,889	7,551,677	147,741,335	5.11%
2046	32,789	7,518,889	7,551,677	149,218,748	5.06%
2047	32,789	4,996,793	5,029,582	150,710,936	3.34%
2048	32,789	2,965,287	2,998,076	152,218,045	1.97%
2049	32,789	1,456,744	1,489,533	153,740,226	0.97%
2050	32,789	864,574	897,362	155,277,628	0.58%
2051	32,789	432,287	465,075	156,830,404	0.30%
Total	\$71,509,314	\$150,377,775	\$221,887,089		

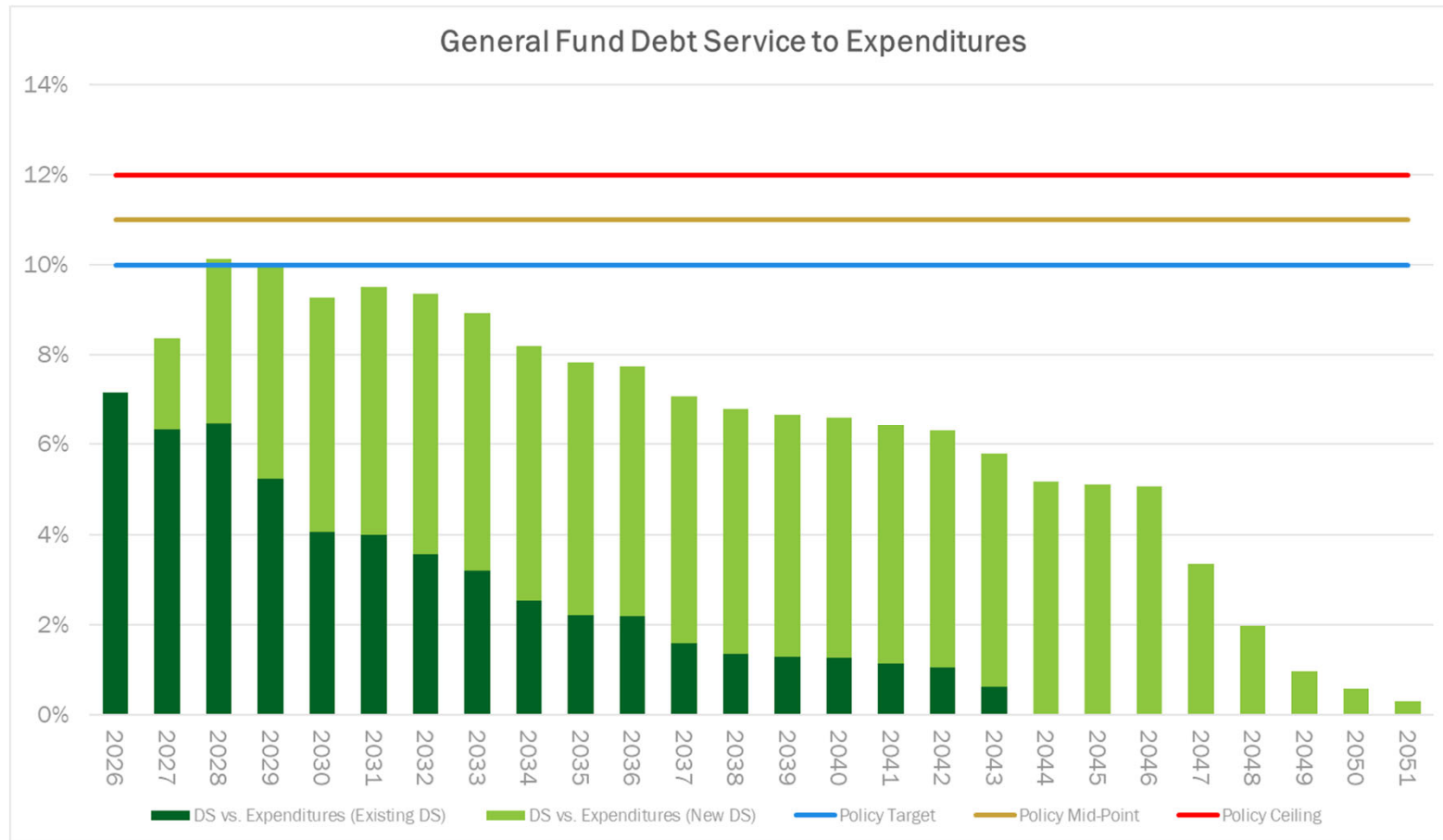
Note: Existing debt service includes the General Fund and Fleet. New Debt Service assumes an interest rate of 4.5% for bonds in fiscal 2026 and 5.0% thereafter.

Debt Service Policy Compliance (continued)



Existing and Estimated New Debt Service:

- The bar chart below shows how the City would comply with the target 10% General Fund Debt Service to Expenditures policy and the ceiling 12% General Fund Debt Service to Expenditures policy.



Debt Capacity



Current Debt Capacity Available (Without Planned FY 2026-2031 Borrowing)*

- Assuming a 20 year amortization with level payment structure issued at 5.00%, Annapolis could issue up to the amounts shown below without exceeding the respective policy limit:

Future Debt Capacity - 10.00% Policy Target							
	2026	2027	2028	2029	2030	2031	Total
Annual Debt Service vs. Expenditures	\$53,977,841	\$0	\$19,638,647	\$18,935,804	\$775,032	\$7,041,298	\$100,368,621

Future Debt Capacity - 11.00% Policy Midpoint							
	2026	2027	2028	2029	2030	2031	Total
Annual Debt Service vs. Expenditures	\$69,370,454	\$0	\$19,638,647	\$18,935,804	\$775,032	\$7,041,298	\$115,761,235

Future Debt Capacity - 12.00% Policy Ceiling							
	2026	2027	2028	2029	2030	2031	Total
Annual Debt Service vs. Expenditures	\$84,763,068	\$0	\$19,638,647	\$18,935,804	\$775,032	\$7,041,298	\$131,153,849

*Assumes Proposed FY 2026 General Fund Expenditure Budget and 1% annual growth thereafter.

Proposed Borrowing



Proposed Borrowing

- The Following is the City’s Proposed CIP and borrowing for fiscal years 2026-2031:

City Proposed CIP and Borrowing FY 2026-2031							
	2026	2027	2028	2029	2030	2031	Total**
Proposed CIP Amount	\$18,957,257	\$11,467,054	\$18,799,785	\$7,379,750	\$5,387,250	\$5,387,250	\$67,378,346
Borrowing Amount*	\$32,807,257	\$25,317,054	\$18,799,785	\$7,379,750	\$5,387,250	\$5,387,250	\$95,078,346

* The amount for fiscal year 2026 includes the \$18,957,257 from the 2026 CIP and an additional \$13,850,000 in prior approved but unissued bonds. Similarly, the amount for fiscal year 2027 includes the \$11,467,054 from the 2026 CIP and an additional \$13,850,000 in prior approved but unissued bonds.

** Totals may not add due to rounding.

Additional Debt Capacity Beyond 2026-2031 CIP



Additional Debt Capacity Available*

- The capacity levels below takes into account the City's existing debt and estimated new debt service based on the Proposed CIP for 2026-2031.
- Assuming a 20 year amortization with level payment structure issued at 5.00%, Annapolis could issue up to the amounts shown below without exceeding the respective policy limit:

Future Debt Capacity - 10.00% Policy Target							
	2026	2027	2028	2029	2030	2031	Total
Annual Debt Service vs. Expenditures	\$0	\$0	\$0	\$7,711,299	\$0	\$2,537,195	\$10,248,494

Future Debt Capacity - 11.00% Policy Midpoint							
	2026	2027	2028	2029	2030	2031	Total
Annual Debt Service vs. Expenditures	\$13,184,378	\$0	\$1,406,341	\$8,566,043	\$0	\$2,537,195	\$25,693,956

Future Debt Capacity - 12.00% Policy Ceiling							
	2026	2027	2028	2029	2030	2031	Total
Annual Debt Service vs. Expenditures	\$28,576,991	\$0	\$1,406,341	\$8,566,043	\$0	\$2,537,195	\$41,086,570

*Assumes Proposed FY 2026 General Fund Expenditure Budget and 1% annual growth thereafter.

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