

# FY2026 and FY2027 Proposed Budget Capital Projects & Bond

Proposed Capital Projects Budget and Proposed \$98.5M Bond List

# CIP Discussion Introduction

- ▶ Review CIP projects funded by the FY2026 and FY2027 proposed budgets
- ▶ Review projections for use of \$98.5 million infrastructure bond
- ▶ Review debt service policy and impact of \$98.5 million infrastructure bond

# CIP Summary

	Proposed FY2026	Projected FY2027
<b><u>General Fund:</u></b>		
CIP Projects Identified	12,050,645	19,218,145
General Fund Proposed Funding	3,416,285	3,967,935
Unfunded Proposed Variance	(8,634,360)	(15,250,210)
<b><u>Water Pollution Control:</u></b>		
CIP Projects Identified (Rates/Grants)	15,270,411	4,909,227
Unfunded Projects	26,500,000	28,250,000
Total CIP Projects Identified	41,770,411	33,159,227
Projects Funded in Proposed Budget	4,909,227	4,200,000
Total Unfunded	(36,861,184)	(28,959,227)
<b><u>Water:</u></b>		
CIP Projects Identified (Rates/Grants)	3,129,136	4,617,364
Unfunded Projects	26,225,000	27,725,000
Total CIP Projects Identified	29,354,136	32,342,364
Projects Funded in Proposed Budget	3,129,136	4,617,364
Total Unfunded	(26,225,000)	(27,725,000)

# CIP General Fund Pay-Go

Project Title	CIP Identified FY2025-26	Removed Amounts	Proposed FY2025-26
<b><u>INFORMATION &amp; COMMUNICATION SYSTEMS</u></b>			
Information & Communication Systems	405,000	-	405,000
Fire Alarm & Radio System	66,000	-	66,000
Police Body-Worn Cameras	12,500	-	12,500
Police Investigative Technology	31,245	-	31,245
<b>Total Information &amp; Communication Systems</b>	<b>514,745</b>	<b>-</b>	<b>514,745</b>
<b><u>FACILITIES IMPROVEMENTS</u></b>			
Building Improvements, City Hall	1,250,000	(1,250,000)	-
Building Improvements, Roof Replacements	400,000	(400,000)	-
Building Improvements, Other Facilities	195,000	(195,000)	-
New Structures	1,000,000	(1,000,000)	-
Brick Market Facility Improvement	500,000	-	500,000
Edward King House - Match	500,000	(500,000)	-
School Capital Fund	676,400	(84,360)	592,040
NACTC Facility	1,000,000	(1,000,000)	-
Library, Roof	225,000	-	225,000
Police, Elevator Upgrades	30,000	-	30,000
Police Sewer Line Replacement	100,000	(100,000)	-
Fire, Station 1 Building Improvements	20,000	-	20,000
Fire, Station 2 Building Improvements	59,000	(28,000)	31,000
Fire, Station 5 Building Improvements	410,000	(410,000)	-
Recreation Improvements	125,000	(125,000)	-
Carousel	48,000	-	48,000
Public Restrooms	-	-	-
<b>Total Facilities Improvement</b>	<b>6,538,400</b>	<b>(5,092,360)</b>	<b>1,446,040</b>

# CIP General Fund Pay-Go (cont.)

Project Title	CIP Identified FY2025-26	Removed Amounts	Proposed FY2025-26
<b><u>ROAD IMPROVEMENTS</u></b>			
Roadway/Sidewalk Improvements	-	-	-
Bellevue Avenue Concrete	300,000	(300,000)	-
Decorative Lighting	30,000	(30,000)	-
Bellevue Ave Reconstruction	-	-	-
Pedestrian Safety Devices	48,000	(23,000)	25,000
<b>Total Roadway/Sidewalk Improvements</b>	<b>378,000</b>	<b>(353,000)</b>	<b>25,000</b>
<b><u>PUBLIC SERVICE PARKS, GROUNDS &amp; PLAYGROUNDS</u></b>			
Park Facility Upgrades	250,000	(250,000)	-
Playground Improvements	170,000	(170,000)	-
Historic Park Restoration	75,000	(75,000)	-
Cemetery Restoration	35,000	-	35,000
Cardines Field Improvements, Match	20,000	-	20,000
<b>Total Parks, Grounds &amp; Playgrounds</b>	<b>550,000</b>	<b>(495,000)</b>	<b>55,000</b>

# CIP General Fund Pay-Go (cont.)

Project Title	CIP Identified FY2025-26	Removed Amounts	Proposed FY2025-26
<b><u>OTHER MAJOR PROJECTS</u></b>			
Public Safety Drone First Responder	80,000	(80,000)	-
Police Laser Scanner/Traffic Investigation	29,000	(29,000)	-
2027 Comprehensive Plan Update	300,000	-	300,000
Keep Newport Moving, Implementation	500,000	(500,000)	-
Dynamic Parking Signs	300,000	(300,000)	-
Multimodal Parking	75,000	(75,000)	-
Signal Timing, Broadway	50,000	(50,000)	-
Capital Reserve	100,000	(50,000)	50,000
Fire Department SCBA and Fire Hoses S/B 'Other'	272,500	-	272,500
Emergency Fleet Repair Vehicle	175,000	(175,000)	-
Fuel System Repair and Maintenance	-	-	-
Municipal Composting Program	25,000	5,000	30,000
City Yard Relocation	-	-	-
Public Services - Shop Equipment	123,000	-	123,000
Splash Park RIDEM Grant	-	-	-
Pickleball Complex	-	-	-
Phase 2, Lead Hazard Abatement and Adaptation	40,000	(40,000)	-
<b>Total Other Projects</b>	<b>2,069,500</b>	<b>(1,294,000)</b>	<b>775,500</b>
<b>Sub-Total</b>	<b>10,050,645</b>	<b>(7,234,360)</b>	<b>2,816,285</b>
Concrete Slides and Parks	1,400,000	(1,400,000)	-
Public Restrooms (Cliff Walk)	600,000	-	600,000
<b>TOTAL</b>	<b><u>12,050,645</u></b>	<b><u>(8,634,360)</u></b>	<b><u>3,416,285</u></b>

# \$98.5 Million Infrastructure Bond

- ▶ In November 2024 voters approved the \$98.5 million infrastructure bond
- ▶ Bond funded projects have been identified prior to the November 2024 vote however all funded projects must be approved by Council
- ▶ Based on department planning it is projected to borrow in two tranches
  - ▶ \$50.4 million in January 2026 with first debt service payment in FY2027
    - ▶ FY2027 first debt service payment: GF \$2.9 million and Maritime \$863,000
  - ▶ \$48.1 million in January 2027 with first debt service payment in FY2028
    - ▶ FY2028 first debt service payment: GF \$2.8 million and Maritime \$850,000
- ▶ Bond proceeds and debt service will be split 77% General Fund and 23% Maritime Fund (enterprise fund)

# Proposed \$98.5M Infrastructure Bonds

		Projected Timing of Borrowing	
		January 2026 Borrowing	January 2027 Borrowing
	<b>Total Projects</b>		
Van Zandt Bridge Removal; Regrade & Lower Road:	12,000,000	-	12,000,000
Easton's Beach Nourishment Study & Program:	11,200,000	11,200,000	-
Rogers HS Landfill & Disp. Of Rem. Soil; Rogers Completion	10,000,000	8,428,247	1,571,753
Public Safety Facility Architectural Design and Engineering	8,000,000	-	8,000,000
FY2025 & FY2026 Road Improvement Program:	6,000,000	6,000,000	-
Elizabeth Brook Study & Prelim Design/Stormwater:	5,375,000	-	5,375,000
Easton's Pond Hardening Project - Stormwater Grant Match	5,375,000	-	5,375,000
Redesign & Renovation of Maher Center:	5,000,000	-	5,000,000
Public Safety Facility Acquisition of Land	5,000,000	5,000,000	-
Cliff Walk Repair Matching Funds	3,750,000	3,750,000	-
Seawall Repairs	2,500,000	2,500,000	-
Easton's Beach Demolition:	800,000	800,000	-
FY 2025 Final Allotment for Munis ERP Conversion:	777,260	777,260	-
Bond Issuance Costs:	467,960	233,980	233,980
Aquidneck Park Sidewalks:	115,000	115,000	-
<b>TOTAL GENERAL FUND</b>	<b>76,360,220</b>	<b>38,804,487</b>	<b>37,555,733</b>
		<b>77.0%</b>	<b>78.0%</b>



# Proposed \$98.5M Bonds - continued

		Projected Timing of Borrowing	
		January 2026 Borrowing	January 2027 Borrowing
	Total Projects		
Perrotti Park Bulkhead 2026/2026	12,000,000	6,000,000	6,000,000
Perotti Park Building (need for restrooms)	7,000,000	3,500,000	3,500,000
Perotti Park Improvements	1,000,000	-	1,000,000
Elm Street Pier Rebuild	1,500,000	1,500,000	-
Ann Street Pier Matching	500,000	500,000	-
Bond Issuance Costs:	139,780	69,890	69,890
	<b>TOTAL MARITIME FUND</b>	<b>11,569,890</b>	<b>10,569,890</b>
		23.0%	22.0%
	<b>TOTAL BORROWINGS</b>	<b>50,374,377</b>	<b>48,125,623</b>
		Debt-Service begins July 2026	Debt-Service begins July 2027

Note: Total estimated bond issuance cost = \$607,740 to \$746,995

# City Debt Policies - Highlights

1. The City prefers to fund capital improvements, equipment purchases and other major capital projects with current resources or in a “pay-as-you-go” manner. Debt should be limited to projects with significant costs.
2. The term of any bond issue shall not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended. Every effort shall be made to keep the amortization of debt as short as possible.
3. Annual general fund debt service expenditures shall be less than 9% of annual general fund expenditures.
4. The City shall manage its cash in a manner designed to prevent the necessity of utilizing short-term borrowing to meet working capital needs.



# City Debt Ratios – Impact of Housing Aid

Year	% of Debt To Assessed Value	Debt Service as a % of General Fund Expenditures City Policy Max 9.00%	Net Debt Service as a % of General Fund Expenditures Housing Aid Assumed at 50%
2026	1.01%	7.49%	7.49%
2027	1.32%	8.99%	8.99%
2028	1.62%	10.96%	5.03%
2029	1.56%	10.72%	7.48%
2030	1.48%	10.45%	7.33%
2031	1.41%	10.19%	7.16%
2032	1.33%	9.96%	7.00%
2033	1.25%	9.72%	6.84%
2034	1.19%	8.53%	6.21%

# City Debt Policy Revision

As we approach future borrowings we will need to discuss the possibility of revising the City existing internal policy of “Annual general fund debt service expenditures shall be less than 9% of annual general fund expenditures”.

- ▶ The following debt policy revisions may be available:
  1. No change
  2. No change, but clarified that projected annual RIDE Housing Aid reimbursements can be deducted from the total debt service figure for purposes of calculating the debt ratio.
  3. Change the limit to 10% or 11% straight up.
  4. Change the limit to 10% **\*and\*** clarify that projected annual RIDE Housing Aid reimbursements can be deducted from the total debt service figure for purposes of calculating the debt ratio.

# Questions