

## MEMORANDUM

TO: Richard C. Irvin, Mayor

FROM: Martin Lyons, Chief Financial Officer/City Treasurer

DATE: June 7, 2019

SUBJECT: Debt Status Summary 2019

Under separate cover/presentation the City Council will receive a review and analysis of the City of Aurora current debt situation. Below is a summary of this presentation for inclusion in the request to purchase properties on Bilter Road for approximately \$11.0 million. This summary includes multiple analyses dates and will also be updated in August after the 2018 Comprehensive Annual Financial Report (CAFR) is placed on file.

### **DEBT STATUS SUMMARY**

- Largest Component of City Debt is Police/Firefighter Pension unfunded liability:
  - Police Pension 52.7% funded, \$201.6 million unfunded liability\*
  - Firefighters Pension 52.4%, \$158.7 million unfunded liability\*
  - Unfunded Liability increased by \$33 million from 2017 to 2018.
- City Retiree Health Insurance Trust
  - Trust is 18.6% Funded
  - Unfunded liability of \$ \$177.8 million\*\*
  - Not state or federally mandated

- Continue to reduce benefits through lower benefit accrual and plan design reductions
- City changes to Retiree Health Care have reduced this debt in half over the last two years from \$357.0 million to \$177.8 million\*\*
- Fixed/Capital Debt
  - General Obligation Debt – \$131.6 million\*\*\*
    - 56% scheduled to be paid from Property taxes
    - Does not include any additional abatements done each year.
  - Revenue Bonds/Water - \$37 million
  - Total amount of this debt in 2008 was \$250.4 million
  - This debt represented 6.79% of personal income in 2008 and as of 2017 is 3.25% of personal income.
  - The G.O. portion of this debt represented 4.9% of the City equalized assessed valuation in 2008 and represents 3.4% as of 2017

• \*Source – 12/31/18 Actuarial Study \*\*Source – 12/31/18 OPEB Study \*\*\*Source – 12/31/18 DRAFT CAFR