



February 22, 2024

VIA ELECTRONIC MAIL

Steve Webb, Finance Director
City of Covington, Kentucky
20 West Pike Street
Covington, KY 41011
E: steve.webb@covingtonky.gov

RE: General Obligation Bonding Capacity

Dear Mr. Webb:

Pursuant to your request we have calculated your current legal general obligation borrowing capacity. Please note that this is the legal borrowing capacity as determined by the Kentucky Constitution Section 158 and is not a calculation on the City's ability to service the debt on such amount.

Kentucky Constitution Section 158 provides that cities shall not incur indebtedness to an amount exceeding the following maximum percentages on the value of the taxable property therein, to be estimated by the last assessment previous to the incurring of the indebtedness:

- (a) Cities having a population of fifteen thousand (15,000) or more, ten percent (10%);
- (b) Cities having a population of less than fifteen thousand (15,000) but not less than three thousand, five percent (5%); and
- (c) Cities having a population of less than three thousand (3,000), three percent (3%).

Based upon the above parameters the current debt limit for the City of Covington calculated below:

Bonding Capacity	
2022 Estimated Population	40,956
2023 Total Assessed Value	\$3,202,233,444
Statutory Debt Limit	10.00%
Maximum Debt Capacity	\$320,223,344
Outstanding GO Debt Principal	\$67,406,984
Total Debt Capacity Available	\$252,816,360

If you have any questions or need further information in preparation for closing, please do not hesitate to contact our office at 800.255.0795.

Yours truly,

Bryan Skinner

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