Debt Capacity Calculator

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Most municipalities, especially the small ones, avoid debt whenever possible and see it only as a necessary evil. But is it? There are times when debt makes a whole lot of sense and it can pencil out without overburdening your taxpayers.

In this spirit, VLCT created a **Debt Capacity Calculator*** to help local officials figure out how much they can afford to borrow and what a new project would mean for their yearly loan payments (debt service) and budget. It shows:

- how much of the budget is already going toward existing loans and whether taking on more debt is prudent.
- your legal debt limit, how much borrowing capacity you have left, and how your current and proposed debt compare to your property values and annual revenues.

Use this simple, easy tool to plan ahead for future projects, track existing debt, and explain financial decisions to your residents in clear, relatable terms.

It's a helpful resource for Selectboard meetings, capital planning discussions, bond votes, and public presentations.

Consider adding the **Municipal Tax Rate Calculator*** as a sheet on this tool and then you can toggle back and forth to also understand how your debt may impact your tax rate/budget!

Give it a try!

VLCT Debt Capacity Calculator (XLSX, 65.7 KB)

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**This tool is to be used for informational and general guidance purposes only. It is your responsibility to verify the results, adapt the tool to your specific circumstances, and ensure that any data entered is accurate and appropriate for your intended use. By using this tool, you acknowledge and agree that any reliance you place on its functionality or outputs is strictly at your own risk. Use at your own discretion.*

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