



DEBT SERVICE FUNDS



Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of general obligation bonds. General obligation bonds are the most common type of bond issued by a city. They are often called “full faith and credit bonds” because the taxable valuation of all real property located in the city is pledged to pay them.

The advantage of general obligation bonds over other bonds is that the interest rate is usually lower than other types of bonds. The main disadvantage of general obligation bonds is that they are subject to debt limitation, while others are not.

There are two types of general obligation bonds: essential corporate purpose and general corporate purpose. **Bonds issued for a general corporate purpose require a public election with a 60 percent majority vote. Some examples of general corporate purpose bonds include bonds issued for swimming pools, libraries, city halls, fire stations, and police stations.** Bonds issued for an essential corporate purpose need only the approval of a resolution by a majority of the total city council at an official meeting, following a published notice and hearing. Examples of essential corporate purpose bonds include bonds issued for street and bridge construction; refinancing of debt; park improvements; and flood control.

Financial Summary

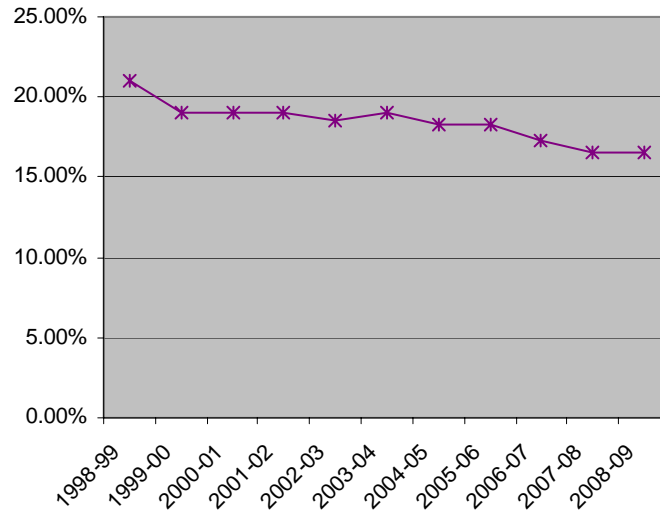
In FY 08-09 the Debt Service levy rate is projected to be \$2.00 per \$1,000 in valuation. This rate is approximately 16.60% of the City's total property tax rate. This is the lowest percentage since FY 1994-95, when the Debt Service rate equaled approximately 17% of the City's property tax rate. This means that the City is able to dedicate more of the property tax levy to general operations. The decrease in the Debt Service levy percentage is due to an increase in the total property tax rate. This increase is primarily the result of a voter approved 50 cents/\$1,000 increase for the aquatic facilities and park improvements bond referendum.

As part of this bond issue, Valley

View aquatic center was constructed and the existing Holiday Pool was reconstructed.

In FY 08-09 interest income is projected to be \$500,000. This projection is based on estimated cash reserves during the year and historical interest rates. These funds will be used to increase the ending fund balance, which is projected to be \$6,421,198 at June 30, 2009. Currently, the Debt Service fund balance is approximately 35% of operating expenditures; ideally, the City would like to see this percentage be in the range of 7% to 10%. The Debt Service fund balance is reserved for future debt service requirements.

Debt Service Levy as a % of Total Levy



Financial Summary

	ACTUAL FY 2005-06	ACTUAL FY 2006-07	REVISED BUDGET FY 2007-08	BUDGET FY 2008-09	INC(DEC) FY 2008-09 OVER FY 2007-08	% INC (DEC)
REVENUES						
Operating Revenues						
Property Taxes	\$6,191,269	\$6,745,356	\$7,086,410	\$7,541,765	\$455,355	6.43%
TIF Revenues						
Other City Taxes	100,699	97,659	93,181	95,098	1,917	2.06%
Licenses and Permits						
Use of Money and Property	822,628	780,993	550,000	500,000	(50,000)	(9.09%)
Intergovernmental						
Charges for Services						
Special Assessments						
Miscellaneous						
Sub-total Operating Revenues	\$7,114,597	\$7,624,009	\$7,729,591	\$8,136,863	\$407,272	5.27%
Other Financing Sources						
Proceeds of Long Term Debt	(\$52,133)					
Transfers In	8,317,345	9,354,140	10,617,140	10,582,024	(35,116)	(0.33%)
Sub-total Other Financing Sources	\$8,265,222	\$9,354,140	\$10,617,140	\$10,582,024	(\$35,116)	(0.33%)
TOTAL REVENUES & OTHER SOURCES	\$15,379,819	\$16,978,149	\$18,346,731	\$18,718,887	\$372,156	2.03%
EXPENDITURES						
Operating Expenditures						
Personal Services						
Supplies and Services						
Universal Commodities						
Non-Recurring/Non-Capital						
Capital						
Sub-total Operating Expenditures						
Debt Service Expenditures	\$16,190,771	\$16,198,106	\$17,918,638	\$18,218,887	\$300,249	1.68%
Capital Improvement Expenditures						
Total Expenditures	\$16,190,771	\$16,198,106	\$17,918,638	\$18,218,887	\$300,249	1.68%
Transfers Out	\$727,053	\$370				
TOTAL EXPENDITURES/TRANSFERS OUT	\$16,917,825	\$16,198,476	\$17,918,638	\$18,218,887	\$300,249	1.68%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$1,538,006)	\$779,673	\$428,093	\$500,000	\$71,907	16.80%
BEGINNING FUND BALANCE	\$6,251,438	\$4,713,432	\$5,493,105	\$5,921,198	\$428,093	n/a
ENDING FUND BALANCE	\$4,713,432	\$5,493,105	\$5,921,198	\$6,421,198	\$500,000	n/a
FUND BALANCE % OF EXPENDITURES	29.11%	33.91%	33.04%	35.24%		



Composition of Debt Service Levy

	Principal Payable in FY 2008-09	Interest Payable in FY 2008-09	Total FY 2008-09 Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
#103 - ECP	\$275,000	\$37,350	\$312,350		\$312,350
#106 - ECP	450,000	97,925	547,925		547,925
#109 - ECP	925,000	143,680	1,068,680		1,068,680
#109 - GCP		181,784	181,784		181,784
#109 - GCP		90,874	90,874		90,874
#110 - ECP	80,000	20,385	100,385		100,385
#110 - GCP	155,000	39,710	194,710		194,710
#111 - GCP	1,500,000	424,376	1,924,376	1,924,376	
#112 - GCP	307,693	209,205	516,898		516,898
#112 - GCP	143,590	97,629	241,219		241,219
#112 - GCP	48,718	33,125	81,843		81,843
2003A - ECP	2,560,000	1,395,528	3,955,528	3,955,528	
2003B - ECP	1,820,000	113,506	1,933,506	1,933,506	
2003C - ECP	340,000	76,960	416,960	416,960	
2003D - ECP		218,225	218,225		218,225
2003D - GCP		300,239	300,239		300,239
2003E - Capital Loan Notes	660,000	21,450	681,450		681,450
2003F - Mills abated	1,450,000	638,970	2,088,970	2,088,970	
2004 - ECP	165,000	269,534	434,534		434,534
2005 - GCP	185,000	69,813	254,813		254,813
2006 - ECP	700,000	194,338	894,338		894,338
2007A - ECP	175,000	87,684	262,684	262,684	
2008 - ECP pre-levy	1,155,000	351,596	1,506,596		1,506,596
Registration Costs					
Total General Obligation Bonds	\$13,095,001	\$5,113,886	\$18,218,887	\$10,582,024	\$7,636,863

FY 2008-09 General Obligation Bonds Outstanding

	Original Issue	Estimated Balance June 30, 2008	FY 2008-09 Additions	FY 2008-09 Reductions	Estimated Balance June 30, 2009
#103 - ECP	\$3,000,000	\$875,000		\$275,000	\$600,000
#106 - ECP	5,000,000	2,000,000		450,000	1,550,000
#109 - ECP	7,000,000	3,575,000		925,000	2,650,000
#109 - GCP	2,000,000	2,000,000			2,000,000
#109 - GCP	4,000,000	4,000,000			4,000,000
#110 - ECP	1,210,000	490,000		80,000	410,000
#110 - GCP	2,365,000	955,000		155,000	800,000
#111 - GCP	18,000,000	10,000,000		1,500,000	8,500,000
#112 - GCP	6,000,000	4,787,692		307,692	4,480,000
#112 - GCP	2,800,000	2,234,256		143,590	2,090,666
#112 - GCP	950,000	758,051		48,781	709,333
2003A - ECP	40,000,000	34,075,000		2,560,000	31,515,000
2003B - ECP	10,500,000	3,705,000		1,820,000	1,885,000
2003C - ECP	3,845,000	2,240,000		340,000	1,900,000
2003D - ECP	5,050,000	5,050,000			5,050,000
2003D - GCP	6,950,000	6,950,000			6,950,000
2003E - Capital Loan Notes	5,445,000	660,000		660,000	
2003F - Mills abated	19,250,000	17,150,000		1,450,000	15,700,000
2004 - ECP	6,000,000	5,700,000		165,000	5,535,000
2005 - GCP	2,290,000	1,925,000		185,000	1,740,000
2006A - ECP	6,000,000	4,755,000		700,000	4,055,000
2007A - ECP	2,550,000	2,550,000		175,000	2,375,000
2008 - ECP pre-levy			6,500,000		6,500,000
Total General Obligation Bonds	\$160,205,000	\$116,435,000	\$6,500,000	\$11,940,000	\$110,995,000



Future Debt Service Payments based on Existing Debt

Fiscal Years	Principal Payable	Interest Payable	Total Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
FY 2009-10	\$10,550,000	\$3,965,701	\$14,515,701	\$8,654,230	\$5,861,471
FY 2010-11	8,785,000	3,578,259	12,363,259	6,701,780	5,661,479
FY 2011-12	8,895,000	3,235,761	12,130,761	6,698,032	5,432,729
FY 2012-13	8,200,000	2,884,405	11,084,405	5,838,464	5,245,941
FY 2013-14	8,400,000	2,557,991	10,957,991	5,846,296	5,111,695
FY 2014-15	8,160,000	2,218,032	10,378,032	5,436,047	4,941,985
FY 2015-16	8,320,000	1,884,632	10,204,632	5,437,630	4,767,002
FY 2016-17	8,590,000	1,533,849	10,123,849	5,452,461	4,671,388
FY 2017-18	8,915,000	1,165,941	10,080,941	5,473,141	4,607,800
FY 2018-19	8,240,000	771,812	9,011,812	5,489,649	3,522,163
FY 2019-20	3,920,000	400,740	4,320,740	1,290,040	3,030,700
FY 2020-21	2,390,000	216,760	2,606,760	1,294,260	1,312,500
FY 2021-22	1,200,000	105,810	1,305,810	1,305,810	
FY 2022-23	1,260,000	54,810	1,314,810	1,314,810	
	\$95,825,000	\$24,574,503	\$120,399,503	\$66,232,650	\$54,166,853

