

CITY HALL



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 other types of bonds are not.

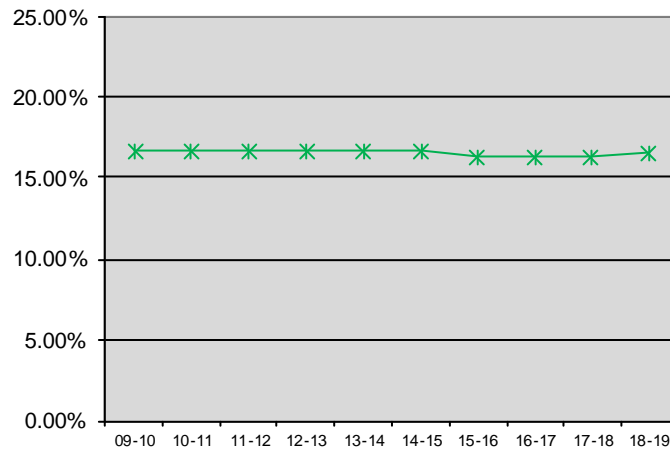
There are two types of general obligation bonds: essential corporate purpose and general corporate purpose. **Bonds issued for a general corporate purpose require a public election with a 60 percent majority vote. Some examples of general corporate purpose bonds include bonds issued for swimming pools, 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 2018-2019 the Debt Service levy rate is projected to be \$1.95 per \$1,000 of taxable valuation. This rate is 16.54% of the City’s total property tax rate. This is a higher percentage than FY 2017-2018, when the debt service rate was 16.25% of the total. This higher percentage means the City is able to dedicate less of the property tax levy to general operations. The higher percentage is due to the decrease of the overall tax levy from \$12.00 to \$11.79.

In FY 2018-2019, interest income is projected to be minimal. This projection is based on estimated cash reserves during the year and historical interest rates. Any interest earned will be used to increase the ending fund balance, which is projected to be \$3,143,212 at June 30, 2019. Currently, the Debt Service fund balance is approximately 13% 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



DEBT SERVICE FUNDS

FY 2018-19 BUDGET

Financial Summary

	ACTUAL FY 2015-16	ACTUAL FY 2016-17	REVISED BUDGET FY 2017-18	BUDGET FY 2018-19	INC (DEC) FY 2018-19 OVER FY 2017-18	% INC (DEC)
REVENUES						
Operating Revenues						
Property Taxes	\$8,496,974	\$9,189,564	\$9,585,103	\$10,463,274	\$878,171	9.16%
TIF Revenues						
Other City Taxes	91,772	106,874	101,547	101,469	(78)	(0.74%)
Licenses and Permits						
Use of Money and Property	64,223	357,262	506,500		(506,500)	(100.00%)
Intergovernmental	467,577	454,090	451,267	484,603	33,336	7.39%
Charges for Services						
Special Assessments						
Miscellaneous						
Sub-total Operating Revenues	\$9,120,546	\$10,107,790	\$10,644,417	\$11,049,346	\$404,929	3.80%
Other Financing Sources						
Proceeds of Long Term Debt						
Capitalized Interest						
Transfers In	9,511,068	10,828,537	18,210,500	14,605,281	(\$3,605,219)	(19.80%)
Sub-total Other Financing Sources	\$9,511,068	\$10,828,537	\$18,210,500	\$14,605,281	(\$3,605,219)	(19.80%)
TOTAL REVENUES & OTHER SOURCES	\$18,631,614	\$20,936,327	\$28,854,917	\$25,654,627	(\$3,200,290)	(11.09%)
EXPENDITURES						
Operating Expenditures						
Personal Services						
Supplies and Services	7,250	8,500	30,000	10,000	(20,000)	(66.67%)
Universal Commodities						
Non-Recurring/Non-Capital						
Capital						
Sub-total Operating Expenditures	\$7,250	\$8,500	\$30,000	\$10,000	(\$20,000)	(66.67%)
Debt Service Expenditures	\$21,957,575	\$21,900,286	\$27,545,812	\$24,360,024	(\$3,185,788)	(11.57%)
Capital Improvement Expenditures						
Total Expenditures	\$21,964,825	\$21,908,786	\$27,575,812	\$24,370,024	(\$3,205,788)	(11.63%)
Transfers Out			\$671,160	\$740,650	\$69,490	10.35%
TOTAL EXPENDITURES/TRANSFERS OUT	\$21,964,825	\$21,908,786	\$28,246,972	\$25,110,674	(\$3,136,298)	(11.10%)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$3,333,211)	(\$972,459)	\$607,945	\$543,953	(\$63,992)	n/a
BEGINNING FUND BALANCE	\$6,296,984	\$2,963,773	\$1,991,314	\$2,599,259	\$607,945	n/a
ENDING FUND BALANCE	\$2,963,773	\$1,991,314	\$2,599,259	\$3,143,212	\$543,953	n/a
FUND BALANCE% OF EXPENDITURES	13.49%	9.09%	9.43%	12.90%		



Composition of Debt Service Levy

	Principal Payable in FY 2018-19	Interest Payable in FY 2018-19	Total FY 2018-19 Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
FY 2018-19 Commercial/Industrial Replacement				\$484,603	(\$484,603)
2010A - ECP Advance Refunding	750,000	65,025	815,025		815,025
2010A - ECP Jordan Creek Abated	3,390,000	144,075	3,534,075	3,049,472	484,603
2010C - ECP	815,000	49,800	864,800		864,800
2011A - ECP	415,000	102,369	517,369		517,369
2012B - ECP Advance Refunding	1,445,000	143,750	1,588,750		1,588,750
2012D - ECP	535,000	141,750	676,750		676,750
2013A - ECP	270,000	52,360	322,360		322,360
2014A - ECP	805,000	246,638	1,051,638		1,051,638
2014A - ECP Jordan Creek Abated	250,000	5,000	255,000	255,000	
2015A - ECP Alluvion Abated	1,680,000	583,613	2,263,613	2,263,613	
2015B - ECP Alluvion	1,445,000	257,948	1,702,948	1,702,948	
2015C - ECP Advance Refunding	955,000	31,400	986,400	986,400	
2016A - ECP	675,000	145,200	820,200		820,200
2016B - ECP Mills/Microsoft Abated	1,170,000	502,975	1,672,975	1,672,975	
2016C - ECP	755,000	174,350	929,350		929,350
2016D - ECP Alluvion	735,000	321,850	1,056,850	1,056,850	
2017A - ECP	435,000	118,738	553,738		553,738
2017B - ECP Mills	615,000	140,700	755,700	755,700	
2017C - ECP Alluvion		337,844	337,844	337,844	
2017D - ECP Osmium		866,013	866,013	866,013	
2017E - ECP Advance Refunding	240,000	133,863	373,863	373,863	
2018 - ECP (Pre-Levy)		2,414,763	2,414,763	2,414,763	
Registration Costs			10,000		10,000
Total General Obligation Bonds	\$17,380,000	\$7,464,627	\$24,370,024	\$13,805,281	\$10,564,743



FY 2018-19 General Obligation Bonds Outstanding

	Original Issue	Estimated Balance June 30, 2018	FY 2019-19 Additions	FY 2018-19 Reductions	Estimated Balance June 30, 2019
2010A - ECP Advance Refunding	\$6,050,000	\$1,530,000		\$750,000	\$780,000
2010A - ECP Jordan Creek Abated	25,400,000	3,390,000		3,390,000	
2010C - ECP	7,000,000	1,660,000		815,000	845,000
2011A - ECP	6,900,000	3,190,000		415,000	2,775,000
2012B - ECP Advance Refunding	11,355,000	2,875,000		1,445,000	1,430,000
2012D - ECP	7,520,000	4,725,000		535,000	4,190,000
2013A - ECP	4,385,000	1,735,000		270,000	1,465,000
2014A - ECP	12,250,000	7,335,000		805,000	6,530,000
2014A - ECP Jordan Creek Abated	1,125,000	250,000		250,000	
2015A - ECP Alluvion Abated	21,755,000	21,080,000		1,680,000	19,400,000
2015B - ECP Alluvion	12,715,000	10,815,000		1,445,000	9,370,000
2015C - ECP Advance Refunding	3,410,000	1,570,000		955,000	615,000
2016A - ECP	9,225,000	5,295,000		675,000	4,620,000
2016B - ECP Mills/Microsoft Abated	13,855,000	12,185,000		1,170,000	11,015,000
2016C - ECP	7,200,000	6,350,000		755,000	5,595,000
2016D - ECP Alluvion	10,700,000	10,500,000		735,000	9,765,000
2017A - ECP	7,650,000	5,330,000		435,000	4,895,000
2017B - ECP Mills	4,665,000	4,020,000		615,000	3,405,000
2017C - ECP Alluvion	9,130,000	9,130,000			9,130,000
2017D - ECP Osmium	25,555,000	25,555,000			25,555,000
2017E - ECP Advance Refunding	3,470,000	3,470,000		240,000	3,230,000
2018 - ECP (Pre-Levy)			8,600,000		8,600,000
Total General Obligation Bonds	\$211,315,000	\$141,990,000	\$8,600,000	\$17,380,000	\$133,210,000



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 2019-20	\$13,875,000	\$3,974,758	\$17,849,758	\$10,395,204	\$7,454,554
FY 2020-21	11,500,000	3,495,172	14,995,172	9,670,304	5,324,868
FY 2021-22	12,370,000	3,111,423	15,481,423	10,760,519	4,720,904
FY 2022-23	12,965,000	2,669,814	15,634,814	10,928,579	4,706,235
FY 2023-24	13,355,000	2,211,489	15,566,489	10,881,829	4,684,660
FY 2024-25	11,685,000	1,746,312	13,431,312	9,079,224	4,352,088
FY 2025-26	9,800,000	1,369,832	11,169,832	7,328,794	3,841,038
FY 2026-27	6,785,000	1,102,182	7,887,182	7,328,044	559,138
FY 2027-28	6,975,000	930,300	7,905,300	7,337,750	567,550
FY 2028-29	7,180,000	736,538	7,916,538	7,350,038	566,500
FY 2029-30	4,165,000	534,075	4,699,075	4,699,075	
FY 2030-31	3,235,000	413,850	3,648,850	3,648,850	
FY 2031-32	2,680,000	321,600	3,001,600	3,001,600	
FY 2032-33	1,900,000	241,200	2,141,200	2,141,200	
FY 2033-34	1,970,000	184,200	2,154,200	2,154,200	
FY 2034-35	2,045,000	125,100	2,170,100	2,170,100	
FY 2035-36	2,125,000	63,750	2,188,750	2,188,750	
	\$124,610,000	\$23,231,595	\$147,841,595	\$111,064,060	\$36,777,535



