



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

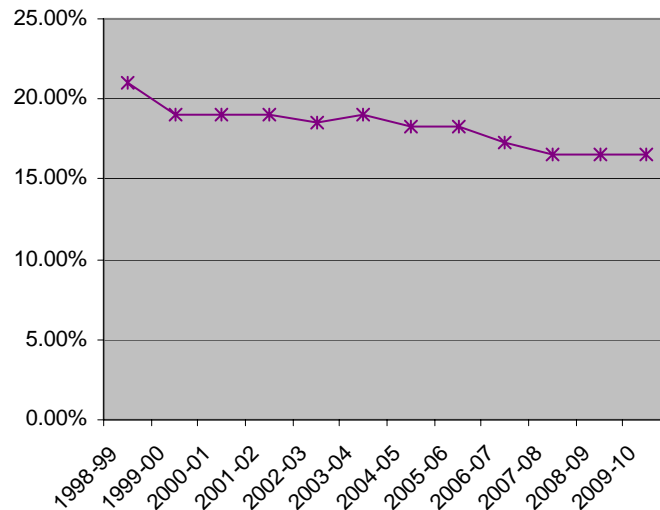
In FY 09-10 the Debt Service levy rate is projected to be \$2.00 per \$1,000 in valuation. This rate is approximately 16.60% of the City's total property tax rate. This maintains the lowest percentage since FY 1994-95, when the Debt Service rate equaled approximately 17% of the City's property tax rate. 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 09-10 interest income is projected to be \$100,000. 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 \$6,760,047 at June 30, 2010. Currently, the Debt Service fund balance is approximately 36% 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 2006-07	ACTUAL FY 2007-08	REVISED BUDGET FY 2008-09	BUDGET FY 2009-10	INC(DEC) FY 2009-10 OVER FY 2008-09	% INC (DEC)
REVENUES						
Operating Revenues						
Property Taxes	\$6,745,356	\$7,056,896	\$7,541,765	\$7,859,544	\$317,779	4.21%
TIF Revenues						
Other City Taxes	97,659	91,011	95,098	95,844	746	0.78%
Licenses and Permits						
Use of Money and Property	780,993	514,796	500,000	100,000	(400,000)	(80.00%)
Intergovernmental						
Charges for Services						
Special Assessments						
Miscellaneous						
Sub-total Operating Revenues	\$7,624,009	\$7,662,703	\$8,136,863	\$8,055,388	(\$81,475)	(1.00%)
Other Financing Sources						
Proceeds of Long Term Debt		\$171,657				
Transfers In	9,354,140	20,970,514	10,582,024	10,754,727	172,703	1.63%
Sub-total Other Financing Sources	\$9,354,140	\$21,142,170	\$10,582,024	\$10,754,727	\$172,703	1.63%
TOTAL REVENUES & OTHER SOURCES	\$16,978,149	\$28,804,873	\$18,718,887	\$18,810,115	\$91,228	0.49%
EXPENDITURES						
Operating Expenditures						
Personal Services						
Supplies and Services						
Universal Commodities						
Non-Recurring/Non-Capital						
Capital						
Sub-total Operating Expenditures						
Debt Service Expenditures	\$16,198,106	\$28,022,008	\$18,313,887	\$18,710,115	\$396,228	2.16%
Capital Improvement Expenditures						
Total Expenditures	\$16,198,106	\$28,022,008	\$18,313,887	\$18,710,115	\$396,228	2.16%
Transfers Out	\$370	\$20,923				
TOTAL EXPENDITURES/TRANSFERS OUT	\$16,198,476	\$28,042,931	\$18,313,887	\$18,710,115	\$396,228	2.16%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$779,673	\$761,942	\$405,000	\$100,000	(\$305,000)	(75.31%)
BEGINNING FUND BALANCE	\$4,713,432	\$5,493,105	\$6,255,047	\$6,660,047	\$405,000	n/a
ENDING FUND BALANCE	\$5,493,105	\$6,255,047	\$6,660,047	\$6,760,047	\$100,000	n/a
FUND BALANCE% OF EXPENDITURES	33.91%	22.32%	36.37%	36.13%		



Composition of Debt Service Levy

	Principal Payable in FY 2009-10	Interest Payable in FY 2009-10	Total FY 2009-10 Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
#103 - ECP	\$300,000	\$25,800	\$325,800		\$325,800
#106 - ECP	475,000	76,550	551,550		551,550
#109 - ECP	965,000	106,680	1,071,680		1,071,680
#109 - GCP		181,784	181,784		181,784
#109 - GCP		90,874	90,874		90,874
#110 - ECP	75,000	17,265	92,265		92,265
#110 - GCP	150,000	33,665	183,665		183,665
#112 - GCP	323,077	198,128	521,205		521,205
#112 - GCP	150,769	92,460	243,229		243,229
#112 - GCP	51,154	31,370	82,524		82,524
2003A - ECP	2,640,000	1,293,128	3,933,128	3,933,128	
2003B - ECP	1,885,000	58,906	1,943,906	1,943,906	
2003C - ECP	355,000	66,760	421,760	421,760	
2003D - ECP	325,500	218,224	543,724		543,724
2003D - GCP	449,500	300,238	749,738		749,738
2003F - Mills abated	1,490,000	599,096	2,089,096	2,089,096	
2004 - ECP	170,000	263,759	433,759		433,759
2005 - GCP	210,000	63,337	273,337		273,337
2006 - ECP	350,000	166,337	516,337		516,337
2007A - ECP JC abated	185,000	81,340	266,340	266,340	
2008A - ECP Mills abated	1,580,000	254,081	1,834,081	1,834,081	
2008B - ECP Mills abated		266,416	266,416	266,416	
2008 - ECP pre-levy	1,800,000	283,917	2,083,917		2,083,917
Registration Costs			10,000		10,000
Total General Obligation Bonds	\$13,930,000	\$4,770,115	\$18,710,115	\$10,754,727	\$7,955,388



FY 2009-10 General Obligation Bonds Outstanding

	Original Issue	Estimated Balance June 30, 2009	FY 2009-10 Additions	FY 2009-10 Reductions	Estimated Balance June 30, 2010
#103 - ECP	\$3,000,000	\$600,000		\$300,000	\$300,000
#106 - ECP	5,000,000	1,550,000		475,000	1,075,000
#109 - ECP	7,000,000	2,650,000		965,000	1,685,000
#109 - GCP	4,000,000	4,000,000			4,000,000
#109 - GCP	2,000,000	2,000,000			2,000,000
#110 - ECP	1,210,000	410,000		75,000	335,000
#110 - GCP	2,365,000	800,000		150,000	650,000
#112 - GCP	6,000,000	4,480,000		323,077	4,156,923
#112 - GCP	2,800,000	2,090,667		150,769	1,939,897
#112 - GCP	950,000	709,333		51,154	658,179
2003A -ECP JC abated	40,000,000	31,515,000		2,640,000	28,875,000
2003B - ECP VJ/RR abated	10,500,000	1,885,000		1,885,000	
2003C - ECP Mills abated	3,845,000	1,900,000		355,000	1,545,000
2003D - ECP	5,050,000	5,050,000		325,500	4,724,500
2003D - GCP	6,950,000	6,950,000		449,500	6,500,500
2003F - Mills abated	19,250,000	15,700,000		1,490,000	14,210,000
2004 - ECP	6,000,000	5,535,000		170,000	5,365,000
2005 - GCP	2,290,000	1,740,000		210,000	1,530,000
2006 - ECP	6,000,000	4,055,000		350,000	3,705,000
2007A - ECP JC abated	2,550,000	2,205,000		185,000	2,020,000
2008A - ECP Mills abated	9,860,000	8,395,000		1,580,000	6,815,000
2008B - ECP Mills abated	7,000,000	7,000,000			7,000,000
2008 - ECP pre-levy	6,500,000	6,500,000		1,800,000	4,700,000
Total General Obligation Bonds	\$160,120,000	\$117,720,000		\$13,930,000	\$103,790,000



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 2010-11	\$10,410,000	\$4,051,356	\$14,461,356	\$8,799,877	\$5,661,479
FY 2011-12	8,895,000	3,235,761	12,130,761	6,698,032	5,432,729
FY 2012-13	10,030,000	3,258,502	13,288,502	8,042,561	5,245,941
FY 2013-14	10,285,000	2,876,564	13,161,564	8,049,869	5,111,695
FY 2014-15	8,460,000	2,477,197	10,937,197	5,995,213	4,941,984
FY 2015-16	8,920,000	2,132,924	11,052,924	6,285,922	4,767,002
FY 2016-17	9,475,000	1,760,380	11,235,380	6,564,002	4,671,378
FY 2017-18	9,835,000	1,360,400	11,195,400	6,587,600	4,607,800
FY 2018-19	9,200,000	932,691	10,132,691	6,610,529	3,522,162
FY 2019-20	4,920,000	525,140	5,445,140	2,414,440	3,030,700
FY 2020-21	3,435,000	302,160	3,737,160	2,424,660	1,312,500
FY 2021-22	2,290,000	149,410	2,439,410	2,439,410	
FY 2022-23	1,260,000	54,810	1,314,810	1,314,810	
	\$97,415,000	\$23,117,295	\$120,532,295	\$72,226,925	\$48,305,370

