

# Debt Service Fund

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The approved Debt Service Fund budget for FY16 includes revenue from one-half of one percent local option sales tax (\$1,725,000) which is approximately a 44% increase over the FY15 budget of \$1,200,000. This is a conservative projection since the FY15 sales tax earned year-end estimate is \$1,788,446. The approved property tax levy for FY16 is fourteen cents (.14) which is estimated to generate \$1,863,594 based on the valuation of \$1,331,138,549. This is more than double what was generated at the previous eight (.08) cents. The City's total tax levy of .55 will remain the same. It is estimated that principal and interest payments will exceed the revenue generated through property and sales tax until FY18.

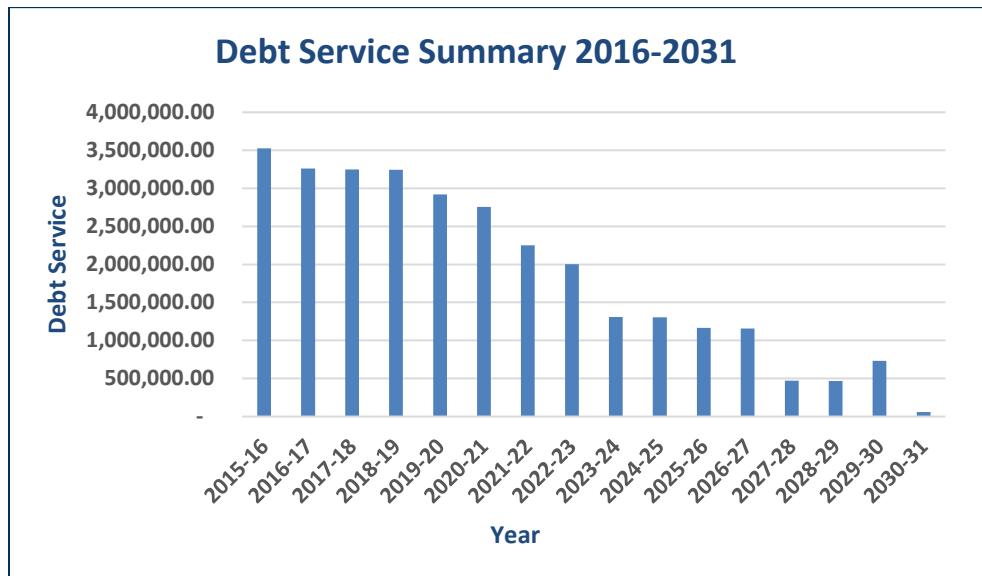
In December 2014, the city of refinanced some existing bond issues and developed strategies to ensure the sustainability of the fund as well as accommodate future projects, such as a bond issue to reimburse past expenditures related to the Public Works Facility. Staff will continue to monitor the financial situation and make recommendations as conditions warrant. The current forecast for the Debt Service Fund contemplates the following tax rates, sales tax revenue and annual bond payments:

Debt Service Revenue & Expenditure Projections					
Fiscal Year	Debt Service Tax Rate Projections	Projected Property Tax Revenue	Sales Tax	Total Property & Sales Tax Revenue	Principal & Interest Payments
FY15	0.06	\$761,451	\$1,788,446	\$2,549,897	\$3,443,531
<b>FY16</b>	<b>0.14</b>	<b>\$1,863,594</b>	<b>\$1,725,000</b>	<b>\$3,588,594</b>	<b>\$3,708,134</b>
FY17	0.14	\$1,900,327	\$2,009,500	\$3,909,827	\$4,102,922
FY18	0.14	\$1,938,333	\$2,049,690	\$3,988,023	\$3,757,455
FY19	0.14	\$1,977,100	\$2,090,639	\$4,067,739	\$4,063,424
FY20	0.14	\$2,016,642	\$2,132,497	\$4,149,139	\$3,747,464

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Included in this section is a complete list of the principal and interest payments due in FY16, along with a debt service schedule identifying requirements for the City's outstanding bonded indebtedness. The chart below highlights the trend and shows that current debt obligations peak in Fiscal Year 2016 (*Please note that this is a compilation of only the debt funded in the Debt Service Fund. For example, the debt associated with the Off-Street Parking Facility, the Golf Course and Economic Development Program is shown in its respective fund*).



The sustainability of the Lottery Fund as it relates to debt service transfers is an area that will continue to be monitored. Prior to FY11 lottery funds were traditionally transferred to the Debt Service Fund for principal and interest payments associated with the library, police station and the new fire station. The library debt service was paid off in FY13 and with the fire department merger in FY14, the police station and parks annex debt service are the only issues that will be funded from the Lottery Fund in FY16.

The City's bond rating was recently upgraded from A1 to Aa3 by Moody's Investors Service.

# Debt Service Fund

Debt Service Fund Summary				
	FY13 Actual	FY14 Actual	FY15 Budget	FY16 Approved
<b>REVENUES</b>				
Property Tax	600,554	727,124	762,451	1,864,594
Sales Tax	1,999,787	1,067,499	1,200,000	1,554,113
Special Assessments - Principal	140,472	11,294	250,000	250,000
Special Assessments - Interest	82,290	82,290	75,000	75,000
Bond Proceeds	0	0	0	11,500,000
Interest Income	9,328	8,403	10,000	7,002
Other	669,499	57,536	526,538	557,896
<b>Total Revenue</b>	<b>3,501,930</b>	<b>1,954,146</b>	<b>2,823,989</b>	<b>15,808,605</b>
<b>EXPENDITURES</b>				
<b>Operating</b>				
Debt Service - Bond Principal	2,810,175	2,795,000	2,710,000	2,947,400
Debt Service - Bond Interest	834,807	848,659	816,726	871,458
County Treasurer Fees	9,377	7,813	15,000	15,000
Debt Payment - PFD	0	25,998	298,476	298,677
Financial/Legal Fees	116,293	3,455	75,000	75,000
<b>Total Expenditures</b>	<b>3,661,353</b>	<b>3,680,925</b>	<b>3,915,202</b>	<b>4,207,535</b>
<b>Other Financing Sources (Uses)</b>				
Lottery Transfer	701,934	626,330	288,013	339,145
Trf From SID		11,581	0	0
CIP Transfer - Bond Proceeds	(530,752)	(280,989)	(941,589)	(11,500,000)
CIP Transfer - Sales Tax		0	0	(833,489)
EDP Transfer	0	(300,000)	0	0
<b>Total Other Sources/Uses of Funds</b>	<b>171,182</b>	<b>56,922</b>	<b>(653,576)</b>	<b>(11,994,344)</b>
<b>Operating Cash Annual Inc/(Dec)</b>	<b>11,759</b>	<b>(1,669,856)</b>	<b>(1,744,789)</b>	<b>(393,274)</b>
<b>Prior Year Cash</b>	<b>7,485,980</b>	<b>5,261,964</b>	<b>3,592,107</b>	<b>3,538,390</b>
<b>End of Year Cash Total</b>	<b>7,497,739</b>	<b>3,592,108</b>	<b>1,847,318</b>	<b>3,145,116</b>
<b>Target Reserve (25% Oper Exp)</b>	<b>732,271</b>	<b>920,231</b>	<b>978,801</b>	<b>1,051,884</b>
<b>Excess Cash Over Reserves</b>	<b>6,765,468</b>	<b>2,671,876</b>	<b>868,518</b>	<b>2,093,232</b>

# Debt Service Fund

DEBT SERVICE FUNDS						
\$835,000 Public Safety Bonds Dated December 2014				\$6.475M General Obligation Bonds Dated December 2014		
Date	PRINCIPAL	COUPON	INTEREST	PRINCIPAL	COUPON	INTEREST
FY 2016	100,000	2.00000	16,093	950,000	2.00000	127,263
FY 2017	100,000	2.00000	14,093	965,000	2.00000	108,263
FY 2018	100,000	2.00000	12,093	985,000	2.00000	88,963
FY 2019	105,000	2.00000	10,043	995,000	2.00000	69,263
FY 2020	105,000	2.00000	7,943	690,000	1.75000	49,363
FY 2021	105,000	1.85000	5,921	540,000	2.05000	37,288
FY 2022	110,000	2.15000	3,768	550,000	2.25000	26,218
FY 2023	110,000	2.35000	1,293	565,000	2.45000	13,843
	<u>835,000</u>	<u>71,244</u>		<u>6,240,000</u>		<u>520,460</u>
\$3.428M Facilities Corporation Bonds Dated December 2014				\$1.55M Refunding Bonds (SID195) Dated April 15, 2011		
Date	PRINCIPAL	COUPON	INTEREST	PRINCIPAL	COUPON	INTEREST
FY 2016	280,000	2.00000	59,145	105,000	2.75000	46,748
FY 2017	285,000	2.00000	53,495	105,000	3.05000	43,860
FY 2018	285,000	2.00000	47,795	105,000	3.35000	40,658
FY 2019	295,000	2.00000	41,995	110,000	3.60000	37,140
FY 2020	305,000	1.75000	36,376	115,000	3.85000	33,180
FY 2021	310,000	1.95000	30,685	115,000	4.05000	28,753
FY 2022	310,000	2.15000	24,330	125,000	4.25000	24,095
FY 2023	40000	2.60000	20,478	130,000	4.45000	18,783
FY 2024	40000	2.60000	19,438	135,000	4.65000	12,998
FY 2025	45000	2.60000	18,333	140,000	4.80000	6,720
FY 2026	45000	3.25000	17,016			
FY 2027	45000	3.25000	15,554			
FY 2028	45000	3.25000	14,091			
FY 2029	50000	3.25000	12,548			
FY 2030	50000	3.45000	10,873			
FY 2031	50000	3.45000	9,148			
FY 2032	55000	3.45000	7,336			
FY 2033	55000	3.65000	5,384			
FY 2034	60000	3.65000	3,285			
FY 2035	60000	3.65000	1,095			
	<u>2,710,000</u>	<u>448,398</u>		<u>1,185,000.00</u>		<u>292,935</u>

# Debt Service Fund

## DEBT SERVICE FUNDS

\$4.975M Fire Facility Refunding Bonds Dated July 15, 2011				\$3.645M Refunding Bonds Dated June 30, 2011			
Date	PRINCIPAL	COUPON	INTEREST	PRINCIPAL	COUPON	INTEREST	
FY 2016	275,000	2.45000	128,909	240,000	2.20000	87,345	
FY 2017	290,000	2.50000	121,915	205,000	2.30000	82,348	
FY 2018	295,000	2.40000	114,750	205,000	2.40000	77,530	
FY 2019	300,000	2.80000	107,010	210,000	2.70000	72,235	
FY 2020	310,000	3.05000	98,083	215,000	2.95000	66,229	
FY 2021	320,000	3.25000	88,155	225,000	3.15000	59,514	
FY 2022	330,000	3.45000	77,263	230,000	3.35000	52,118	
FY 2023	340,000	3.60000	65,450	235,000	3.50000	44,153	
FY 2024	355,000	3.75000	52,674	245,000	3.65000	35,569	
FY 2025	365,000	3.90000	38,900	255,000	3.80000	26,253	
FY 2026	380,000	4.05000	24,088	260,000	3.95000	16,273	
FY 2027	<u>395,000</u>	<u>4.15000</u>	<u>8,196</u>	<u>275,000</u>	<u>4.05000</u>	<u>5,569</u>	
	<u><b>3,955,000</b></u>	<u><b>925,391</b></u>		<u><b>2,800,000</b></u>	<u><b>625,133</b></u>		

\$790,000 Highway Allocation Bonds Dated December 2014				\$8.915M Refunding Bonds Dated June 30, 2012			
	PRINCIPAL	COUPON	INTEREST	PRINCIPAL	COUPON	INTEREST	
FY 2016	50,000	2.00000	19,143	900,000	0.00800	139,583	
FY 2017	50,000	2.00000	18,143	685,000	0.00900	132,900	
FY 2018	50,000	2.00000	17,143	700,000	0.01200	125,618	
FY 2019	50,000	2.00000	16,143	705,000	0.01450	116,306	
FY 2020	55,000	1.85000	15,134	715,000	0.01700	105,118	
FY 2021	55,000	1.85000	14,116	730,000	0.01900	92,105	
FY 2022	55,000	2.35000	12,961	740,000	0.02100	77,400	
FY 2023	55,000	2.35000	11,669	280,000	0.02250	66,480	
FY 2024	60,000	2.65000	10,228	285,000	0.02400	59,910	
FY 2025	55,000	2.65000	8,704	290,000	0.02550	52,793	
FY 2026	60,000	3.00000	7,075	305,000	0.02700	44,978	
FY 2027	65,000	3.00000	5,200	310,000	0.02800	36,520	
FY 2028	65,000	3.25000	3,169	320,000	0.02900	27,540	
FY 2029	65,000	3.25000	1,056	330,000	0.03000	17,950	
FY 2030				95,000	0.03250	11,456	
FY 2031				100,000	0.03250	8,288	
FY 2032				100,000	0.03250	5,038	
FY 2033				<u>105,000</u>	<u>0.03250</u>	<u>1,706</u>	
	<u><b>790,000</b></u>	<u><b>159,881</b></u>		<u><b>7,695,000</b></u>	<u><b>1,121,689</b></u>		