



## 2007 – 2008 Proposed Budget --- Budget Summary

### Debt Service Fund

#### **2007 – 2008 Debt Service Fund** **Budget Highlights**

##### **➤ Debt Service Current Property Taxes**

- The debt service property tax levy remains at the same level as 2006 – 2007, even though the Public Safety Bonds are levied for the first year of the new 20-year general obligation bond levy.
- Due to the estimated 5% increase in maximum assessed value, the debt service property tax levy cents per thousand is estimated to be \$.86.5 per thousand, down from \$.90.5 per thousand levied in 2006 – 2007.

**➤ Transfers From Other Funds** --- System development charges (SDCs) can be transferred into the Debt Service Fund to offset the associated debt service property tax levy up to the percentage of the bond proceeds that paid for constructing SDC qualifying projects. The SDC percentage is calculated after all bond proceeds and interest earned on the bond proceeds are spent. The percentage of SDC qualifying and non-qualifying construction expenditures are calculated and the SDC qualifying percentage is applied against the total bond principal and interest payments over the life of the particular bond issue. This dollar amount is the total amount of SDCs that can be transferred into the Debt Service Fund to offset the associated debt service property tax levy. Each bond issue and its associated SDC requires a separate calculation.

- Transportation Fund --- \$300,000
- Park Development Fund --- \$100,000

**➤ Designated Ending Fund Balance (DEFB)** --- DEFB's are used to meet debt service payments paid prior to the collection of property taxes in November of each fiscal year; consequently, the prior year's debt service levy actually pays for the debt service payments from July 1 through October 1 of any fiscal year.

- **DEFB Park Improvement Bonds** – due August 1, 2008
  - Principal - \$390,000
  - Interest - \$179,505
- **DEFB – Public Safety and Courtroom/Civic Building Bonds** – due August 1, 2008 --- A DEFB for this bond issue will need to be saved over the next several years. An estimated \$135,000 is estimated to be saved in 2007 – 2008 toward the following debt service payments that will be due August 1, 2008
  - Principal - \$445,000
  - Interest - \$267,410

#### **Short- and Long-Term Issues**

**➤ Short Term Issues** --- addressed by 2007 – 2008 Proposed Budget.

- Continue to levy property taxes adequate to slowly build the needed DEFB for the Public Safety and Courtroom/Civic Building Bonds due August 1 of each fiscal year.

##### **➤ Long-Term Issues:**

- The City is facing a variety of large capital needs that will need to be addressed in the future as debt service bonds are retired. For example:
  - Fire engines
  - Transportation
  - Fire sub-stations
  - Downtown core infrastructure improvements
  - Library branch
  - Undesignated future capital projects

# 2007 – 2008 Proposed Budget --- Budget Summary

## Debt Service Fund

Should we celebrate ?

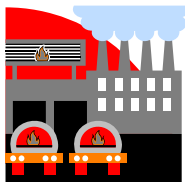


**Bonds Retired !!!** --- The last payment on the 1996 Transportation Bonds was paid December 2006.



**10-year Transportation Bonds**  
paid off December 1, 2006!

**Bonds Retired !!!** --- The last payment on the 1987 Fire Station Construction Bonds, which was rolled into the 1997 Bond Refunding, was paid in March 2007.



**20-year Fire Station**  
**Construction Bonds**  
paid off March 1, 2007!

### **Debt Service Bond Levy Facts:**

- State law requires bond financed capital purchases to meet very specific requirements, primarily related to the length of useful lives of the assets purchased or built.
- Bond levy elections presently require a double majority vote unless held at November general elections in even numbered years.



## Debt Service Fund --- Historical Highlights

**1969** Voters approve \$710,000 six-year sewage disposal general obligation bond issue.



**1975** City and Oregon National Guard sign agreements to exchange airport property for armory property with additional future payment by City to Oregon National Guard.

**1978** March 1978, voters approve five-year \$190,000 armory purchase general obligation bond issue.

**1978** November 1978, voters approve 20-year \$2,622,000 community center renovation general obligation bond issue.

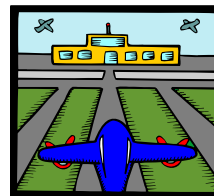


**1980** February 1980, voters approve 20-year \$1,715,000 library renovation general obligation bond issue.

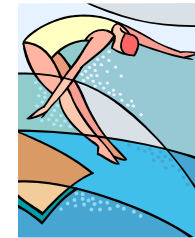


**1982** May 1982, voters approve a seven-year property tax serial levy to construct airport office building.

**1982** August 1982, voters approve a seven-year general obligation bond to replace the seven-year serial levy to construct airport office building.



**1984** August 1984, voters approve 20-year \$1,885,000 swimming pool renovation bond issue.



**1986** September 1986, voters approve 20-year \$1,995,000 fire station construction general obligation bond issue.



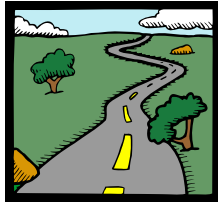
**1989** 1989 advance refunding bonds issued to refund library renovation and swimming pool renovation bond issues, saving future debt service tax dollars.

**1995** May 1995, voters fail 10-year transportation general obligation bond issue by 5 votes - \$5,995,000.

## Debt Service Fund --- Historical Highlights

**1996** 1996 refunding bonds issued to refund 1989 advance refunding bonds, saving future debt service tax dollars.

**1996** May 1996, voters approve 10-year \$7,415,000 general obligation bond issue for transportation system improvements.



**1997** 1997 refunding bonds issued to refund 1979 community center bonds and 1987 fire station bonds, saving future debt service tax dollars.

**2002** November 2002, voters approve 20-year \$9,500,000 general obligation park system improvement bond issue.



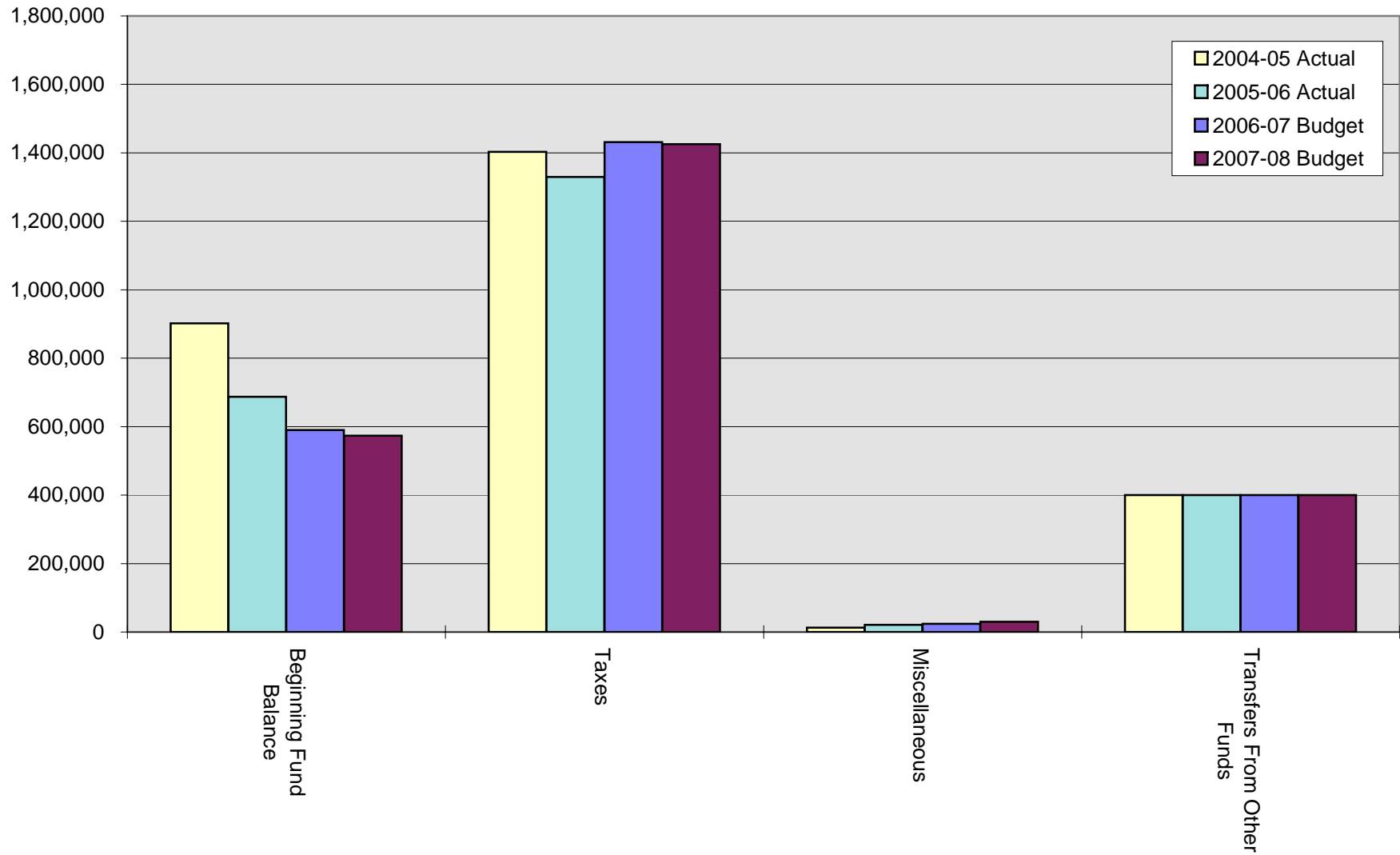
**2006** May 2006, voters approve 20-year \$13,120,000 general obligation public safety and courtroom/civic building bond issue. Bonds sold November 2006.

**2006** Transportation 10-year bonds paid, December 1, 2006.

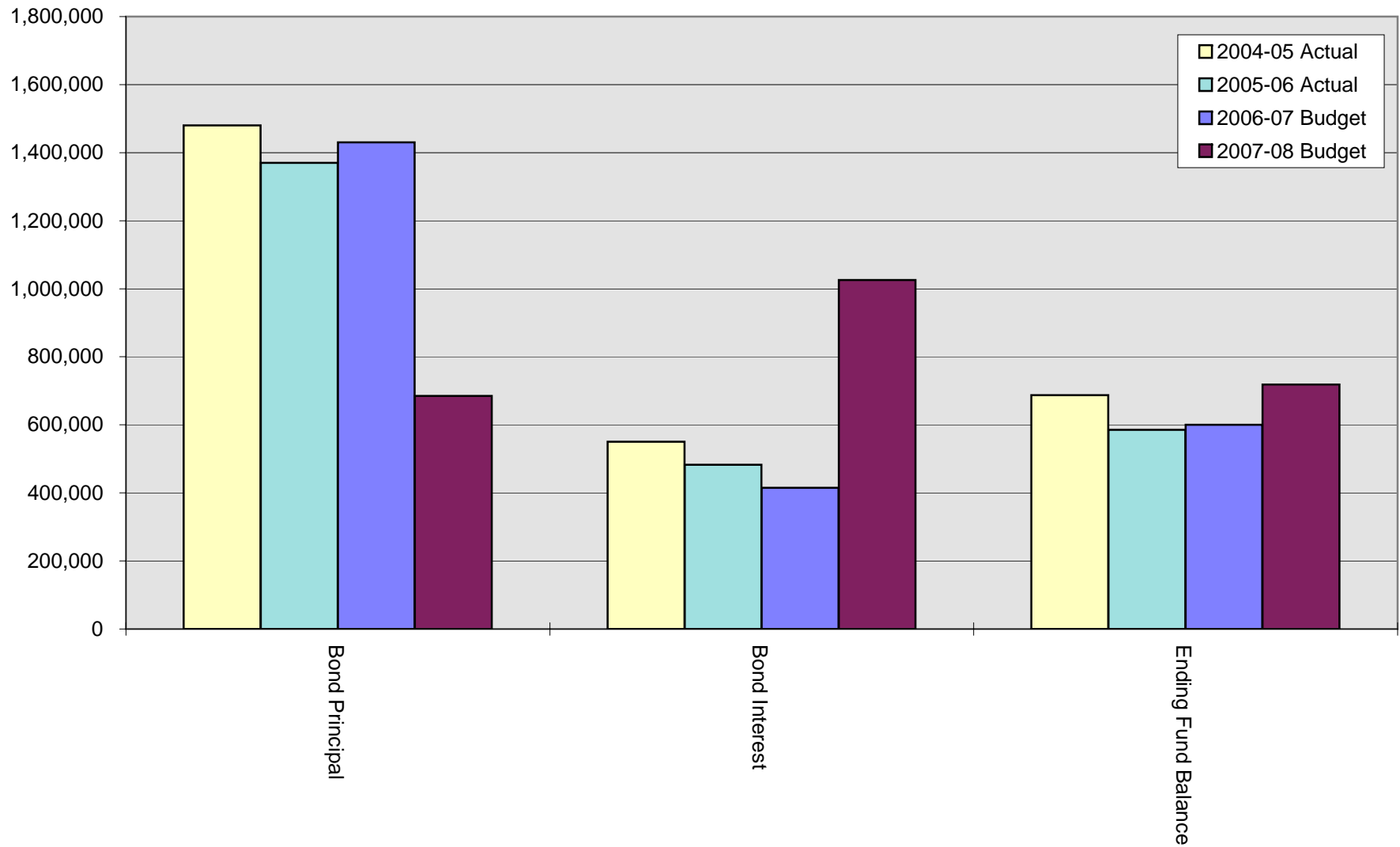
**2007** Fire Station 20-year bonds paid, March 1, 2007.



## Debt Service Fund Resources



## Debt Service Fund Requirements



# DEBT SERVICE FUND

41 00

2007-08

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
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## RESOURCES

### BEGINNING FUND BALANCE

0	0	0	60000-02	DESIGNATED BEGIN FUND BALANCE:	0.00	0	0	0
190,000	0	0	60000-16	DBFB - '96 REFUNDING BDS-PD	0.00	0	0	0
4,800	0	0	60000-17	DBFB - '96 REFUNDING BDS-PD	0.00	0	0	0
11,850	8,250	4,210	60000-18	DBFB - '97 REFUNDING BDS-PD	0.00	0	0	0
320,000	340,000	355,000	60000-19	DBFB - PRN PMT 8-1-07'01 PK	0.00	375,000	375,000	375,000
July 1, 2007 designated cash carryover from the 2006-2007 fiscal year to pay Park Improvement Bond principal due August 1, 2007 which is prior to 2007-2008 property tax receipts.								
211,180	203,580	195,930	60000-20	DBFB - INT PMT 8-1-07'01 PK	0.00	187,940	187,940	260,000
July 1, 2007 designated cash carryover from the 2006-2007 fiscal year to pay Park Improvement Bond interest due August 1, 2007 which is prior to 2007-2008 property tax receipts.								
0	0	0	60000-21	DBFB - PRN PMT 8-1-07'06 PS	0.00	0	0	0
0	0	0	60000-22	DBFB - INT PMT 8-1-07'06 PS	0.00	0	0	0
164,337	135,577	35,000	60001-00	BEGINNING FUND BALANCE	0.00	11,000	11,000	7,500
Estimated July 1, 2007 undesignated cash carryover from the 2006-2007 fiscal year.								
902,167	687,407	590,140	TOTAL BEGINNING FUND BALANCE		0.00	573,940	573,940	642,500

### TAXES

1,332,205	1,295,102	1,400,000	60005-00	PROPERTY TAXES - CURRENT	0.00	1,400,000	1,400,000	1,400,000
1,521,739 2007-2008 Debt Service Fd debt service property tax levy allocation --- 100%								
(121,739) Less: Uncollectible taxes - 8%								
1,400,000 2007-2008 Current Property Taxes								
70,578	34,448	31,000	60006-00	PROPERTY TAXES - PRIOR	0.00	25,000	25,000	50,000
Collections on delinquent property taxes due from prior year Debt Service Fund property tax levies.								
1,402,783	1,329,550	1,431,000	TOTAL TAXES		0.00	1,425,000	1,425,000	1,450,000

### MISCELLANEOUS

13,022	20,962	24,300	60151-00	INTEREST	0.00	30,000	30,000	30,000
13,022	20,962	24,300	TOTAL MISCELLANEOUS		0.00	30,000	30,000	30,000

### TRANSFERS FROM OTHER FUNDS

# DEBT SERVICE FUND

41 00

2007-08

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
300,000	300,000	300,000	<b>60181-00      TRANSPORTATION FUND - SDC</b>	0.00	300,000	300,000	300,000
			Transfer from Transportation Fund of system development (SDC) charges collected to off-set property taxes levied to pay the transportation bonds. Transfer will occur through 2011-2012 fiscal year.				
			Budget Note: Amount available of transportation SDCs for property tax debt service off-set proportionate to use of original bond money on SDC percentage of bond projects.				
100,000	100,000	100,000	<b>60191-00      PARK DEVELOPMENT FD - SDC</b>	0.00	100,000	100,000	100,000
			Transfer from Park Development Fund of system development charges (SDC) collected to off-set property taxes on the park improvement bonds.				
			Budget Note: Amount available of park SDCs for property tax debt service off-set proportionate to use of original bond money on SDC percentage of bond projects. Final SDC percentage and dollar amount will be finalized after park improvement bond dollars completely utilized on planned park improvement projects.				
400,000	400,000	400,000	<b>TOTAL TRANSFERS FROM OTHER FUNDS</b>	0.00	400,000	400,000	400,000
<b>2,717,972</b>	<b>2,437,919</b>	<b>2,445,440</b>	<b>TOTAL RESOURCES</b>	0.00	<b>2,428,940</b>	<b>2,428,940</b>	<b>2,522,500</b>



# DEBT SERVICE FUND

41 00

2007-08

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
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## REQUIREMENTS

### BOND PRINCIPAL

820,000	865,000	905,000	<b>80811-00</b>	<b>'96 TRANSPORTATION BOND - PAID</b> 1996 Transportation Bond retired December 1, 2006.	0.00	0	0	0
190,000	0	0	<b>80814-00</b>	<b>'96 REFUNDING BONDS - PAID</b> 1996 Refunding Bonds retired October 1, 2004.	0.00	0	0	0
150,000	165,000	170,000	<b>80816-00</b>	<b>'97 REFUNDING BOND - PAID</b> 1997 Refunding Bonds retired March 1, 2007.	0.00	0	0	0
320,000	340,000	355,000	<b>80818-00</b>	<b>PYMT DATE 8-1-07 I/DATE'01 PK</b> 2001 Park Improvement Bond principal payment; 6th year of 20-year bond due August 1, 2007.	0.00	375,000	375,000	375,000
0	0	0	<b>80819-00</b>	<b>PYMT DATE 8-1-07 I/DATE'06 PS</b> 2006 Public Safety and Courtroom/Civic Building payment; first year of 20-year bond due August 1, 2007.	0.00	310,000	310,000	310,000

Budget Note: Since property tax collections for 2007-2008 are not collected and distributed until October/November 2007, the Debt Service Fund will slowly save toward accumulating a Designated Fund Balance for the August principal payment on this bond issue. Up until that time, the Debt Service Fund will run a negative cash balance between August and October/November, when the Debt Service Fund will payback interest to the other operating funds for covering this negative fund balance.

1,480,000	1,370,000	1,430,000	<b>TOTAL BOND PRINCIPAL</b>		0.00	685,000	685,000	685,000
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### BOND INTEREST

63,498	43,818	22,625	<b>80831-11</b>	<b>'96 TRANSPORTATION BOND - PAID</b> 1996 Transportation Bonds retired December 1, 2006.	0.00	0	0	0
43,818	22,625	0	<b>80831-12</b>	<b>'96 TRANSPORTATION BOND - PAID</b> 1996 Transportation Bonds retired December 1, 2006.	0.00	0	0	0
4,798	0	0	<b>80834-11</b>	<b>'96 REFUNDING BONDS - PAID</b> 1996 Refunding Bonds retired October 1, 2004.	0.00	0	0	0
11,850	8,250	4,210	<b>80836-11</b>	<b>'97 REFUNDING BONDS - PAID</b> 1997 Bond Refunding Bonds retired March 1, 2007.	0.00	0	0	0
11,850	8,250	4,210	<b>80836-12</b>	<b>'97 REFUNDING BONDS - PAID</b> 1997 Bond Refunding Bonds retired March 1, 2007.	0.00	0	0	0
211,175	203,576	195,930	<b>80837-11</b>	<b>PYMT DATE 8-1-07 I/DATE'01 PK</b> 2001 Park Improvement Bond interest payment due August 1, 2007.	0.00	187,940	187,940	187,940
203,576	195,926	187,940	<b>80837-12</b>	<b>PYMT DATE 2-1-08 I/DATE'01 PK</b> 2001 Park Improvement Bond interest payment due February 1, 2008.	0.00	179,505	179,505	179,505

# DEBT SERVICE FUND

41 00

2007-08

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
0	0	0	<b>80838-01 PYMT DATE 8-1-07 I/DATE'06 PS</b>	0.00	390,650	390,650	390,650
			2006 Public Safety and Courtroom/Civic Building Bond interest payment due August 1, 2007.				
			Budget Note: Since property tax collections for 2007-2008 are not collected and distributed until October/November 2007, the Debt Service Fund will slowly save toward accumulating a Designated Fund Balance for the August interest payment for this bond issue. Up until that time, the Debt Service Fund will run a negative cash balance between August and October/November, when the Debt Service Fund will payback interest to the other operating funds for covering this negative fund balance.				
0	0	0	<b>80838-02 PYMT DATE 2-1-08 I/DATE'06 PS</b>	0.00	267,410	267,410	267,410
			2006 Public Safety and Courtroom/Civic Building Bond interest payment due February 1, 2008.				
550,565	482,445	414,915	<b>TOTAL BOND INTEREST</b>	0.00	1,025,505	1,025,505	1,025,505
<b><u>UNAPPROPRIATED ENDING FUND BAL</u></b>							
0	0	0	<b>80996-02 DESIGNATED END FUND BALANCE:</b>	0.00	0	0	0
8,250	4,210	0	<b>80996-18 DEFB - '97 REFUNDING BDS-PD</b>	0.00	0	0	0
			1997 Refunding Bonds retired March 1, 2007.				
340,000	355,000	375,000	<b>80996-19 DEFB - PRN PMT 8-1-08'01 PK</b>	0.00	390,000	390,000	390,000
			June 30, 2008 designated cash carryover for payment of the 2001 Park Improvement Bond principal due August 1, 2008 which is prior to 2008-2009 property tax receipts.				
203,580	195,930	187,940	<b>80996-20 DEFB - INT PMT 8-1-08'01 PK</b>	0.00	179,505	179,505	179,505
			June 30, 2008 designated cash carryover for payment of the 2001 Park Improvement Bond interest due August 1, 2008 which is prior to 2008-2009 property tax receipts.				
0	0	0	<b>80996-21 DEFB - PRN PMT 8-1-08'06 PS</b>	0.00	135,000	135,000	240,000
			The beginning of savings toward a fully funded Designated Fund Balance - Public Safety and Courtroom/Civic Buildings Bond for the August 1 principal and interest payments, ~\$700,000.				
			Budget Note: Since property tax collections for 2008-2009 are not collected and distributed until October/November 2008, the Debt Service Fund will slowly save toward accumulating a Designated Fund Balance adequate to fund the August principal and interest payments. Up until that time, the Debt Service Fund will run a negative cash balance between August and October/November, when the Debt Service Fund will payback interest to the other operating funds for covering this negative fund balance.				
0	0	0	<b>80996-22 DEFB - INT PMT 8-1-08'06 PS</b>	0.00	0	0	0
135,577	30,334	37,585	<b>80997-00 UNAPPROPRIATED ENDING FUND BAL</b>	0.00	13,930	13,930	2,490
			Budgeted undesignated cash carryover for July 1, 2008. Actual cash carryover will also include all remaining money from the the excess (deficit) of revenues over (under) expenditures from 2007-2008 operations.				
687,407	585,474	600,525	<b>TOTAL UNAPPROPRIATED ENDING FUND BAL</b>	0.00	718,435	718,435	811,995
<b>2,717,972</b>	<b>2,437,919</b>	<b>2,445,440</b>	<b>TOTAL REQUIREMENTS</b>	0.00	<b>2,428,940</b>	<b>2,428,940</b>	<b>2,522,500</b>

**DEBT SERVICE FUND**

41 00

**2007-08**

11-Jul-07

ACTUAL 2004-05	ACTUAL 2005-06	BUDGET 2006-07		NUMBER OF EMPLOYEES	PROPOSED 2007-08	APPROVED 2007-08	ADOPTED 2007-08
2,717,972	2,437,919	2,445,440	<b>DEBT SERVICE FUND TOTAL REQUIREMENTS</b>		2,428,940	2,428,940	2,522,500