



2008 – 2009 Proposed Budget --- Budget Summary Debt Service Fund

2008 – 2009 Debt Service Fund Budget Highlights

➤ **Debt Service Current Property Taxes**

- The amount of the debt service property tax levy is increased by ~\$78,000 for 2008 – 2009, to begin developing a Designated Ending Fund Balance – Public Safety to pay the August 1 principal and interest payments due on the new 20-year public safety general obligation bond levy.
- Due to the estimated 5.62% increase in maximum assessed value, the debt service property tax levy cents per thousand is estimated to drop by one cent per thousand to \$0.84 per thousand, down from \$0.85 per thousand levied in 2007 – 2008.

➤ **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 \$245,000 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 2008 – 2009 Proposed Budget.

- Continue to levy property taxes adequate to slowly build the needed DEFB for the Public Safety Building and Civic Hall 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 system
 - Fire sub-stations
 - Downtown core infrastructure improvements
 - Library branch
 - Undesignated future capital projects

2008 – 2009 Proposed Budget --- Budget Summary

Debt Service Fund

Reasons to 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.



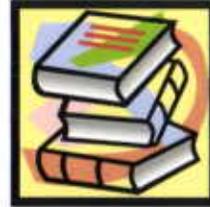
1975 City and Oregon National Guard sign agreements to exchange airport property for armory property with additional future payment by City to Oregon National Guard.

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.



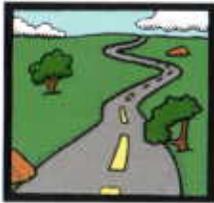
1989 1989 advance refunding bonds issued to refund library renovation and swimming pool renovation bond issues, saving future debt service tax dollars.

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.



Budget Document Report

60 - DEBT SERVICE FUND

2006 ACTUAL	2007 ACTUAL	2008 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2009 PROPOSED BUDGET	2009 APPROVED BUDGET	2009 ADOPTED BUDGET
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RESOURCES

BEGINNING FUND BALANCE

0	0	0	4060 Designated Begin FB-Debt Svc Fd	0	0	0
8,250	4,210	0	4060-05 Designated Begin FB-Debt Svc Fd - 1997 Bond Refund Int Pmt Sept 1	0	0	0
340,000	355,000	375,000	4060-10 Designated Begin FB-Debt Svc Fd - 2001 Park Bond Prin Pmt Aug 1 July 1, 2008 designated cash carryover from the 2007-2008 fiscal year to pay Park Improvement Bond principal due August 1, 2008 which is prior to 2008-2009 property tax receipts.	390,000	390,000	390,000
203,580	195,930	260,000	4060-15 Designated Begin FB-Debt Svc Fd - 2001 Park Bond Int Pmt Aug 1 July 1, 2008 designated cash carryover from the 2007-2008 fiscal year to pay Park Improvement Bond interest due August 1, 2008 which is prior to 2008-2009 property tax receipts.	179,505	179,505	179,505
0	0	0	4060-20 Designated Begin FB-Debt Svc Fd - Pub Safe Bld Bond Prin Pmt Aug 1 The beginning of "savings" toward a fully funded Designated Fund Balance-Public Safety Building Bond Principal for the August 1 principal payment of \$445,000. Interest, ~\$265,000, is also due August 1 which will begin to be "saved" after the principal savings is completed.	245,000	245,000	245,000
0	0	0	4060-25 Designated Begin FB-Debt Svc Fd - Pub Safe Bld Bond Int Pmt Aug 1	0	0	0
135,577	30,334	7,500	4090 Beginning Fund Balance Estimated July 1, 2008 undesignated cash carryover from the 2007-2008 fiscal year. Budget Note: All fund balance will be designated toward the Designated Beginning Fund Balance - Public Safety Building August debt service payments until those accounts are fully funded.	0	0	0
687,407	585,474	642,500	TOTAL BEGINNING FUND BALANCE	814,505	814,505	814,505

PROPERTY TAXES

0	0	0	4100 Property Taxes	0	0	0
1,295,102	1,423,364	1,400,000	4100-05 Property Taxes - Current \$1,600,000 2008-2009 Debt Service Fund debt service property tax levy (\$128,000) Less: Uncollectible taxes at 8% \$1,472,000 2008-2009 Current Property Taxes	1,472,000	1,472,000	1,472,000

Budget Note: Debt Service property tax rate estimated at \$.84 per thousand of assessed value, the same as in 2007-2008. Estimated debt service property tax dollar increase due to estimated assessed value increase.

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2006 ACTUAL	2007 ACTUAL	2008 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2009 PROPOSED BUDGET	2009 APPROVED BUDGET	2009 ADOPTED BUDGET
34,448	65,844	50,000	4100-10 Property Taxes - Prior Collections on delinquent property taxes due from prior year Debt Service Fund property tax levies.	50,000	50,000	35,000
1,329,550	1,489,208	1,450,000	TOTAL PROPERTY TAXES	1,522,000	1,522,000	1,507,000
MISCELLANEOUS						
20,962	27,671	30,000	6310 Interest	10,700	10,700	10,700
20,962	27,671	30,000	TOTAL MISCELLANEOUS	10,700	10,700	10,700
TRANSFERS IN						
0	0	0	6900 Transfers In	0	0	0
300,000	300,000	300,000	6900-45 Transfers In - Transportation Transfer from Transportation Fund of system development charges (SDC) allocated to off-set property taxes levied. Transfer will occur through ~2011-2012 fiscal year.	300,000	300,000	300,000
100,000	100,000	100,000	6900-50 Transfers In - Park Development Transfer from Park Development Fund of system development charges (SDC) collected to off-set property taxes levied to pay 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 available for property tax off-set will be finalized after park improvement bond dollars completely utilized on planned park improvement SDC projects.	100,000	100,000	100,000
400,000	400,000	400,000	TOTAL TRANSFERS IN	400,000	400,000	400,000
2,437,919	2,502,352	2,522,500	TOTAL RESOURCES	2,747,205	2,747,205	2,732,205

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2006 ACTUAL	2007 ACTUAL	2008 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2009 PROPOSED BUDGET	2009 APPROVED BUDGET	2009 ADOPTED BUDGET
REQUIREMENTS						
DEBT SERVICE						
0	0	0	9460 2006 PS & Court/Civic Bldg Bond	0	0	0
0	0	310,000	9460-05 2006 PS & Court/Civic Bldg Bond - Principal - Aug 1 2006 Public Safety and Courtroom/Civic Building payment; 2nd year of 20-year bond due August 1, 2008.	445,000	445,000	445,000
0	0	267,410	9460-10 2006 PS & Court/Civic Bldg Bond - Interest - Feb 1 2006 Public Safety and Courtroom/Civic Building Bond interest payment due February 1, 2009.	258,510	258,510	258,510
0	0	390,650	9460-15 2006 PS & Court/Civic Bldg Bond - Interest - Aug 1 2006 Public Safety and Courtroom/Civic Building Bond interest payment due August 1, 2008.	267,410	267,410	267,410
0	0	0	9470 1996 Transportation Bond	0	0	0
865,000	905,000	0	9470-05 1996 Transportation Bond - Principal - Dec 1 1996 Transportation Bond retired December 1, 2006.	0	0	0
22,625	0	0	9470-10 1996 Transportation Bond - Interest - June 1 1996 Transportation Bonds retired December 1, 2006.	0	0	0
43,818	22,625	0	9470-15 1996 Transportation Bond - Interest - Dec 1 1996 Transportation Bonds retired December 1, 2006.	0	0	0
0	0	0	9480 2001 Park Improvements Bond	0	0	0
340,000	355,000	375,000	9480-05 2001 Park Improvements Bond - Principal - Aug 1 2001 Park Improvement Bond principal payment; 7th year of 20-year bond due August 1, 2008.	390,000	390,000	390,000
195,926	187,939	179,505	9480-10 2001 Park Improvements Bond - Interest - Feb 1 2001 Park Improvement Bond interest payment due February 1, 2009.	170,730	170,730	170,730
203,576	195,926	187,940	9480-15 2001 Park Improvements Bond - Interest - Aug 1 2001 Park Improvement Bond interest payment due August 1, 2008.	179,505	179,505	179,505
0	0	0	9490 1997 Bond Refunding	0	0	0
165,000	170,000	0	9490-05 1997 Bond Refunding - Principal - March 1 1997 Refunding Bonds retired March 1, 2007.	0	0	0
8,250	4,208	0	9490-10 1997 Bond Refunding - Interest - March 1 1997 Bond Refunding Bonds retired March 1, 2007.	0	0	0
8,250	4,208	0	9490-15 1997 Bond Refunding - Interest - Sept 1 1997 Bond Refunding Bonds retired March 1, 2007.	0	0	0
1,852,445	1,844,905	1,710,505	TOTAL DEBT SERVICE	1,711,155	1,711,155	1,711,155
ENDING FUND BALANCE						
0	0	0	9960 Designated End FB - Debt Svc Fd	0	0	0

Budget Document Report

60 - DEBT SERVICE FUND

2006 ACTUAL	2007 ACTUAL	2008 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2009 PROPOSED BUDGET	2009 APPROVED BUDGET	2009 ADOPTED BUDGET
4,210	0	0	9960-05 Designated End FB - Debt Svc Fd - 1997 Bond Refund Int Pmt Sept 1 1997 Refunding Bonds retired March 1, 2007.	0	0	0
355,000	375,000	390,000	9960-10 Designated End FB - Debt Svc Fd - 2001 Park Bond Prin Pmt Aug 1 June 30, 2009 designated cash carryover for payment of the 2001 Park Improvement Bond principal due August 1, 2009 which is prior to 2009-2010 property tax receipts.	410,000	410,000	410,000
195,930	187,940	179,505	9960-15 Designated End FB - Debt Svc Fd - 2001 Park Bond Int Pmt Aug 1 June 30, 2009 designated cash carryover for payment of the 2001 Park Improvement Bond interest due August 1, 2009 which is prior to 2009-2010 property tax receipts.	170,730	170,730	170,730
0	45,000	240,000	9960-20 Designated End FB - Debt Svc Fd - Pub Safe Bid Bond Prin Pmt Aug 1 The beginning of "savings" toward a fully funded Designated Fund Balance-Public Safety and Courtroom/Civic Buildings Bond for the August 1 principal payment, -\$460,000. Budget Note: Since property tax collections for 2009-2010 are not collected and distributed until October/November 2009 the Debt Service Fund will slowly "save" toward accumulating a Designated Fund Balance adequate to fund the August principal payment.	450,000	450,000	440,000
0	0	0	9960-25 Designated End FB - Debt Svc Fd - Pub Safe Bid Bond Int Pmt Aug 1 Budget Note: Designated Fund Balance for the August interest payment on the Public Safety Bonds will begin to be funded as soon as the principal payment is fully funded.	0	0	0
30,334	49,507	2,490	9999 Unappropriated Ending Fd Balance Budgeted undesignated cash carryover for July 1, 2009. Actual cash carryover will also include all remaining money from the excess (deficit) of revenues over (under) expenditures from 2008-2009 operations.	5,320	5,320	320
585,474	657,447	811,995	TOTAL ENDING FUND BALANCE	1,036,050	1,036,050	1,021,050
2,437,919	2,502,352	2,522,500	TOTAL REQUIREMENTS	2,747,205	2,747,205	2,732,205

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2,437,919	2,502,352	2,522,500	TOTAL RESOURCES	2,747,205	2,747,205	2,732,205
2,437,919	2,502,352	2,522,500	TOTAL REQUIREMENTS	2,747,205	2,747,205	2,732,205