



DEBT SERVICE FUND





2009 – 2010 Proposed Budget --- Budget Summary

Debt Service Fund

2009 – 2010 Debt Service Fund Budget Highlights

➤ Debt Service Current Property Taxes

- The amount of the debt service property tax levy is increased by ~\$55,000 for 2009 - 2010 to fund the Designated Ending Fund Balance – Public Safety. This reserve is to pay the August 1 principal and interest payment for the 2006 Public Safety and Court/Civic Hall general obligation bond that is due prior to the receipt of current year property taxes.
- Due to the estimated 5.00% increase in assessed value, the debt service property tax levy rate is projected to drop by one cent per thousand from \$0.8253 in 2008 – 2009 to \$0.8155 in 2009 – 2010.

➤ Transfers From Other Funds --- System development charges (SDCs) can be transferred to the Debt Service Fund to offset the related 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. This dollar amount is the total amount of SDCs that can be transferred into the Debt Service Fund to offset the related debt service property tax levy. Each bond issue and the associated SDC require a separate calculation.

- Transfer from the Transportation Fund --- \$300,000
- Transfer from the Park Development Fund --- The 2009 – 2010 budget transfers \$40,000 in SDC revenue to the Debt Service Fund. Although \$100,000 in SDC revenue would be allowed by the SDC qualify calculation, only \$40,000 in Park SDC revenue is projected to be received in 2009 – 2010.

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

- **DEFB Park Improvement Bonds** – due August 1, 2009
 - Principal - \$410,000
 - Interest - \$170,730
- **DEFB – Public Safety and Courtroom/Civic Building Bonds** – due August 1, 2009
 - Principal - \$460,000
 - Interest – a partial reserve of \$168,000 for the 2010 – 2011 interest payment will be funded at June 30, 2010.

Short- and Long-Term Issues

➤ Short Term Issues --- addressed by 2008 – 2009 Proposed Budget.

- Continue to levy property taxes adequate to 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



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.

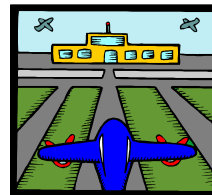


1980 February 1980, voters approve 20-year \$1,715,000 library renovation general obligation bond issue.

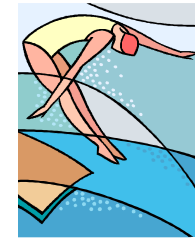


1982 May 1982, voters approve a seven-year property tax serial levy to construct airport office building.

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.



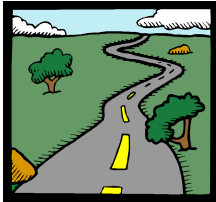
1989 1989 advance refunding bonds issued to refund library renovation and swimming pool renovation bond issues, saving future debt service tax dollars.

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.



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60 - DEBT SERVICE FUND

2007 ACTUAL	2008 ACTUAL	2009 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2010 PROPOSED BUDGET	2010 APPROVED BUDGET	2010 ADOPTED BUDGET
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RESOURCES

BEGINNING FUND BALANCE

0	0	0	4060 Designated Begin FB-Debt Svc Fd	0	0	0
4,210	0	0	4060-05 Designated Begin FB-Debt Svc Fd - 1997 Bond Refund Int Pmt Sept 1	0	0	0
355,000	375,000	390,000	4060-10 Designated Begin FB-Debt Svc Fd - 2001 Park Bond Prin Pmt Aug 1 July 1, 2009 designated cash carryover from the 2008-2009 fiscal year to pay 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	4060-15 Designated Begin FB-Debt Svc Fd - 2001 Park Bond Int Pmt Aug 1 July 1, 2009 designated cash carryover from the 2008-2009 fiscal year to pay 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	245,000	4060-20 Designated Begin FB-Debt Svc Fd - Pub Safe Bld Bond Prin Pmt Aug 1 July 1, 2009 designated cash carryover from the 2008-2009 fiscal year to pay Public Safety Bond principal due August 1, 2009 which is prior to 2009-2010 property tax receipts.	460,000	460,000	460,000
0	0	0	4060-25 Designated Begin FB-Debt Svc Fd - Pub Safe Bld Bond Int Pmt Aug 1	0	0	0
30,334	49,507	0	4090 Beginning Fund Balance Estimated July 1, 2009 undesignated cash carryover from the 2008-2009 fiscal year.	1,994	1,994	11,000
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.						
585,474	657,447	814,505	TOTAL BEGINNING FUND BALANCE	1,042,724	1,042,724	1,051,730

PROPERTY TAXES

0	0	0	4100 Property Taxes	0	0	0
1,423,364	1,433,266	1,472,000	4100-05 Property Taxes - Current \$1,660,000 2009-2010 Debt Service Fund debt service property tax levy (\$132,800) Less: Uncollectible taxes at 8% \$1,527,200 2009-2010 Current Property Taxes	1,527,200	1,527,200	1,527,200
Budget Note: Debt Service property tax rate estimated at \$.8155 per thousand of assessed value compared to \$.8253 in 2008-2009. Debt service property tax rate decreased due to estimated increase in assessed value.						
65,844	38,552	35,000	4100-10 Property Taxes - Prior Collections on delinquent property taxes due from prior year Debt Service Fund property tax levies.	35,000	35,000	35,000

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2007 ACTUAL	2008 ACTUAL	2009 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A		2010 PROPOSED BUDGET	2010 APPROVED BUDGET	2010 ADOPTED BUDGET
1,489,208	1,471,819	1,507,000	TOTAL PROPERTY TAXES		1,562,200	1,562,200	1,562,200
<u>MISCELLANEOUS</u>							
27,671	16,297	10,700	6310	Interest	5,700	5,700	5,700
27,671	16,297	10,700	TOTAL MISCELLANEOUS		5,700	5,700	5,700
<u>TRANSFERS IN</u>							
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
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 transportation bond projects.							
100,000	100,000	100,000	6900-50	Transfers In - Park Development Transfer from Park Development Fund of system development charges (SDC) to off-set property taxes levied to pay park improvement bond debt service.	40,000	40,000	40,000
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 park improvement SDC projects.							
400,000	400,000	400,000	TOTAL TRANSFERS IN		340,000	340,000	340,000
2,502,352	2,545,563	2,732,205	TOTAL RESOURCES		2,950,624	2,950,624	2,959,630

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2007 ACTUAL	2008 ACTUAL	2009 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2010 PROPOSED BUDGET	2010 APPROVED BUDGET	2010 ADOPTED BUDGET
REQUIREMENTS						
DEBT SERVICE						
0	0	0	9460 2006 PS & Court/Civic Bldg Bond	0	0	0
0	310,000	445,000	9460-05 2006 PS & Court/Civic Bldg Bond - Principal - Aug 1 2006 Public Safety and Courtroom/Civic Building princial payment due August 1, 2009; 3rd year of 20-year bond.	460,000	460,000	460,000
0	267,406	258,510	9460-10 2006 PS & Court/Civic Bldg Bond - Interest - Feb 1 2006 Public Safety and Courtroom/Civic Building Bond interest payment due February 1, 2010.	249,310	249,310	249,310
0	390,649	267,410	9460-15 2006 PS & Court/Civic Bldg Bond - Interest - Aug 1 2006 Public Safety and Courtroom/Civic Building Bond interest payment due August 1, 2009.	258,510	258,510	258,510
0	0	0	9470 1996 Transportation Bond	0	0	0
905,000	0	0	9470-05 1996 Transportation Bond - Principal - Dec 1	0	0	0
22,625	0	0	9470-15 1996 Transportation Bond - Interest - Dec 1	0	0	0
0	0	0	9480 2001 Park Improvements Bond	0	0	0
355,000	375,000	390,000	9480-05 2001 Park Improvements Bond - Principal - Aug 1 2001 Park Improvement Bond principal payment due August 1, 2009; 8th year of 20-year bond.	410,000	410,000	410,000
187,939	179,501	170,730	9480-10 2001 Park Improvements Bond - Interest - Feb 1 2001 Park Improvement Bond interest payment due February 1, 2010.	161,505	161,505	161,505
195,926	187,939	179,505	9480-15 2001 Park Improvements Bond - Interest - Aug 1 2001 Park Improvement Bond interest payment due August 1, 2009.	170,730	170,730	170,730
0	0	0	9490 1997 Bond Refunding	0	0	0
170,000	0	0	9490-05 1997 Bond Refunding - Principal - March 1	0	0	0
4,208	0	0	9490-10 1997 Bond Refunding - Interest - March 1	0	0	0
4,208	0	0	9490-15 1997 Bond Refunding - Interest - Sept 1	0	0	0
1,844,905	1,710,495	1,711,155	TOTAL DEBT SERVICE	1,710,055	1,710,055	1,710,055
ENDING FUND BALANCE						
0	0	0	9960 Designated End FB - Debt Svc Fd	0	0	0
375,000	390,000	410,000	9960-10 Designated End FB - Debt Svc Fd - 2001 Park Bond Prin Pmt Aug 1 June 30, 2010 designated cash carryover for payment of the 2001 Park Improvement Bond principal due August 1, 2010 which is prior to 2010-2011 property tax receipts.	430,000	430,000	430,000

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187,940	179,505	170,730	9960-15 Designated End FB - Debt Svc Fd - 2001 Park Bond Int Pmt Aug 1 June 30, 2010 designated cash carryover for payment of the 2001 Park Improvement Bond interest due August 1, 2010 which is prior to 2010-2011 property tax receipts.	161,505	161,505	161,505
45,000	265,000	440,000	9960-20 Designated End FB - Debt Svc Fd - Pub Safe Bld Bond Prin Pmt Aug 1 June 30, 2010 designated cash carryover for payment of the Public Safety and Courtroom/Civic Buildings Bond principal due August 1, 2010 which is prior to 2010-2011 property tax receipts.	480,000	480,000	480,000
0	0	0	9960-25 Designated End FB - Debt Svc Fd - Pub Safe Bld Bond Int 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, 2010 interest payment.	168,000	168,000	168,000
49,507	563	320	9999 Unappropriated Ending Fd Balance Budgeted undesignated cash carryover for July 1, 2010. Actual cash carryover will also include all remaining money from the excess (deficit) of revenues over (under) expenditures from 2009-2010 operations.	1,064	1,064	10,070
657,447	835,068	1,021,050	TOTAL ENDING FUND BALANCE	1,240,569	1,240,569	1,249,575
2,502,352	2,545,563	2,732,205	TOTAL REQUIREMENTS	2,950,624	2,950,624	2,959,630

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2,502,352	2,545,563	2,732,205	<i>TOTAL RESOURCES</i>	2,950,624	2,950,624	2,959,630
2,502,352	2,545,563	2,732,205	<i>TOTAL REQUIREMENTS</i>	2,950,624	2,950,624	2,959,630