



## **DEBT SERVICE FUND**



- **Statement of Bonds and Loans Outstanding**



## **2010 – 2011 Proposed Budget --- Budget Summary**

### **Debt Service Fund**

#### **2010 – 2011 Debt Service Fund**

##### **Budget Highlights**

##### **↻ Debt Service Current Property Taxes**

- The amount of the debt service property tax levy is decreased by \$138,000 for the 2010-11 budget compared to the 2009-10 budget. In the last four years, taxes have been levied to pay GO Bond debt service but also to build a reserve for the August 1 principal and interest payment on the 2006 Public Safety and Court/Civic Hall general obligation bonds. This reserve funds the August payments which are due prior to the receipt of the 2010-11 property taxes in November. This payment reserve was fully funded in 2009-10 and it is no longer necessary to levy the additional taxes. This results in a decrease in the amount and rate of the debt service tax levy.
- Due to the estimated 4% increase in assessed value and the payment reserve being fully funded, the debt service property tax levy rate is projected to drop by \$0.1059 per thousand from \$0.8252 in 2009-10 to \$0.7193 in 2010-11.

**↻ Transfers From Other Funds** --- System development charges (SDCs) can be transferred to the Debt Service Fund to offset the related debt service 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 to 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 tax levy. Each bond issue and the associated SDC require a separate calculation.

##### **Transfer from the Transportation Fund --- \$300,000**

- Since 1996 when the \$7,415,000 General Obligation Bonds for Transportation Projects were issued, transportation SDC revenues have been transferred from the Transportation Fund to the Debt Service Fund to reduce the related debt service tax levy. As determined by the SDC qualifying calculation, transportation SDC revenues cannot be transferred after fiscal year 2011-12. In 2012-13, the debt service tax levy will need to be increased to replace the previous \$300,000 annual SDC revenue transfer. The 1996 Transportation Bonds were retired in 2006.

##### **Transfer from the Park Development Fund --- \$100,000**

- Since 2001 when the \$9,500,000 General Obligations Bonds for Park System Improvements were issued, park SDC revenues have been transferred to the Debt Service Fund to reduce the related debt service tax levy. After all Park Development bond proceeds and interest are spent, a calculation will be completed to determine the *total* amount of park SDC revenues that can be used to reduce the related debt service tax levy. It is projected that nearly all bond proceeds and interest will be spent in 2010-11. \$100,000 in park SDC revenue will be transferred from the Park Development Fund to the Debt Service Fund in 2010-11.

## 2010 – 2011 Proposed Budget --- Budget Summary

### Debt Service Fund

➤ **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, 2011
  - Principal - \$450,000
  - Interest - \$151,830
- **DEFB – Public Safety and Courtroom/Civic Building Bonds** – due August 1, 2011
  - Principal - \$500,000
  - Interest – 239,710

### Short- and Long-Term Issues

➤ **Short Term Issues** --- Continue to monitor property tax collection rates. The estimated uncollectible rate of 8% has been sufficient in past years but collections rates may be affected by current economic conditions.

#### ➤ **Long-Term Issues:**

- The City is facing a variety of capital needs that will need to be addressed in the future as the City's population continues to grow. General Obligation bonds can be used to finance capital projects but must be approved by the voters. Current and future capital projects include:
  - Aerial ladder truck and other vehicles for the Fire Department
  - Transportation system improvements
  - Fire sub-stations
  - Downtown core infrastructure improvements
  - Library expansion



## 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.

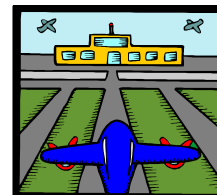


- 1980** February 1980, voters approve 20-year \$1,715,000 library renovation general obligation bond issue.

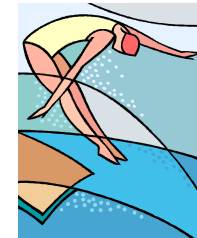


- 1982** May 1982, voters approve a seven-year property tax serial levy to construct airport office building.

- 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.



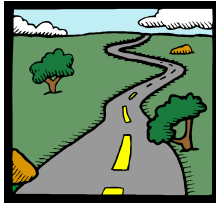
- 1989** 1989 advance refunding bonds issued to refund library renovation and swimming pool renovation bond issues, saving future debt service tax dollars.

- 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.



## 2010-2011 Proposed Budget --- Statement of Bonds and Loans Outstanding

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount of Issue</u>	<u>Rate of Interest</u>	<u>Outstanding 6/30/2009</u>	<u>Maturing 2010 - 2011 Principal</u>	<u>Maturing 2010 - 2011 Interest</u>
<b><u>GENERAL OBLIGATION BONDS</u></b>							
Property taxes are levied annually to pay principal and interest payments on General Obligation bonds. Property tax revenue and debt service payments are accounted for in the Debt Service Fund.							
<b>Public Safety Civic Buildings Construction Bonds</b> Bond proceeds used to construct Police Department Building at 2nd and Adams and Civic Hall Building at 2nd and Baker.	11/14/2006	11/14/2026	\$ 13,120,000	3.75 - 5.50%	\$ 12,365,000	\$ 480,000	\$ 489,013
<b>Park Improvement Bonds</b> Bond proceeds used for land acquisition and park improvements or construction, as identified by the Parks Master Plan.	8/1/2001	8/1/2021	<u>\$ 9,100,000</u>	4.50 - 5.00%	<u>\$ 7,125,000</u>	<u>\$ 430,000</u>	<u>\$ 313,328</u>
TOTAL - General Obligation Bonds			\$ 22,220,000		\$ 19,490,000	\$ 910,000	\$ 802,341
<b><u>SEWER BONDS</u></b>							
Sewer user fees are accounted for in the Wastewater Services Fund and transferred to the Wastewater Capital Fund. The Wastewater Capital Fund then pays the debt service payments.							
<b>Sewer Refunding Bonds</b> These bonds refunded the 1994 Sewer Revenue Bonds and 1993 Oregon Economic Community Development Department loan.	2/13/2004	2/13/2014	<u>\$ 23,690,000</u>	3.0 - 5.0%	<u>\$ 13,275,000</u>	<u>\$ 2,555,000</u>	<u>\$ 383,563</u>
TOTAL - Sewer Bonds			\$ 23,690,000		\$ 13,275,000	\$ 2,555,000	\$ 383,563
<b>TOTAL DEBT:</b>			<u>\$ 45,910,000</u>		<u>\$ 32,765,000</u>	<u>\$ 3,465,000</u>	<u>\$ 1,185,904</u>

## Budget Document Report

## 60 - DEBT SERVICE FUND

2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A		2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET	
RESOURCES								
BEGINNING FUND BALANCE								
375,000	390,000	410,000	4060-10	Designated Begin FB-Debt Svc Fd - 2001 Park Bond Prin Pmt Aug 1 July 1, 2010 designated cash carryover from the 2009-2010 fiscal year to pay Park Improvement Bond principal due August 1, 2010 which is prior to 2010-2011 property tax receipts.	430,000	430,000	430,000	
187,940	179,505	170,730	4060-15	Designated Begin FB-Debt Svc Fd - 2001 Park Bond Int Pmt Aug 1 July 1, 2010 designated cash carryover from the 2009-2010 fiscal year to pay 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	460,000	4060-20	Designated Begin FB-Debt Svc Fd - Pub Safe Bld Bond Prin Pmt Aug 1 July 1, 2010 designated cash carryover from the 2009-2010 fiscal year to pay Public Safety Bond principal due August 1, 2010 which is prior to 2010-2011 property tax receipts.	480,000	480,000	480,000	
0	0	0	4060-25	Designated Begin FB-Debt Svc Fd - Pub Safe Bld Bond Int Pmt Aug 1	168,000	168,000	168,000	
49,507	563	11,000	4090	Beginning Fund Balance Estimated July 1, 2010 undesignated cash carryover from the 2009-2010 fiscal year.	19,370	19,370	19,370	
657,447	835,068	1,051,730	TOTAL BEGINNING FUND BALANCE			1,258,875	1,258,875	1,258,875
PROPERTY TAXES								
1,433,266	1,494,693	1,527,200	4100-05	Property Taxes - Current \$1,522,000 2010-2011 Debt Service Fund debt service property tax levy (\$121,760) Less: Uncollectible taxes at 8% \$1,400,240 2010-2011 Current Property Taxes  Budget Note: Debt Service property tax rate estimated at \$0.7124 per thousand of assessed value compared to \$0.8253 in 2009-2010. Debt service rate decrease is due to projected increase in assessed values and fully funded reserves.	1,400,240	1,400,240	1,400,240	
38,552	43,006	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	
1,471,819	1,537,698	1,562,200	TOTAL PROPERTY TAXES			1,435,240	1,435,240	1,435,240
MISCELLANEOUS								
16,297	7,892	5,700	6310	Interest	4,500	4,500	4,500	
16,297	7,892	5,700	TOTAL MISCELLANEOUS			4,500	4,500	4,500

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<b><u>TRANSFERS IN</u></b>						
300,000	300,000	300,000	<b>6900-45 Transfers In - Transportation</b> Transfer from Transportation Fund of system development charges (SDC) allocated to off-set property tax levy. 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 transportation bond projects.	300,000	300,000	300,000
100,000	100,000	40,000	<b>6900-50 Transfers In - Park Development</b> Transfer from Park Development Fund of system development charges (SDC) to off-set property taxes levied to pay park improvement bond debt service.  Budget Note: Amount of park SDCs available for property tax debt service off-set proportionate to use of original bond money spent 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 spent on park improvement projects.	100,000	100,000	100,000
<b>400,000</b>	<b>400,000</b>	<b>340,000</b>	<b><u>TOTAL TRANSFERS IN</u></b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>
<b>2,545,563</b>	<b>2,780,658</b>	<b>2,959,630</b>	<b><u>TOTAL RESOURCES</u></b>	<b>3,098,615</b>	<b>3,098,615</b>	<b>3,098,615</b>



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2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET
<b>REQUIREMENTS</b>						
<b>DEBT SERVICE</b>						
310,000	445,000	460,000	<b>9460-05 2006 PS &amp; Court/Civic Bldg Bond - Principal - Aug 1</b> 2006 Public Safety and Courtroom/Civic Building principal payment due August 1, 2010; 4th year of 20-year bond.	480,000	480,000	480,000
267,406	258,506	249,310	<b>9460-10 2006 PS &amp; Court/Civic Bldg Bond - Interest - Feb 1</b> 2006 Public Safety and Courtroom/Civic Building Bond interest payment due February 1, 2011.	239,710	239,710	239,710
390,649	267,406	258,510	<b>9460-15 2006 PS &amp; Court/Civic Bldg Bond - Interest - Aug 1</b> 2006 Public Safety and Courtroom/Civic Building Bond interest payment due August 1, 2010.	249,310	249,310	249,310
375,000	390,000	410,000	<b>9480-05 2001 Park Improvements Bond - Principal - Aug 1</b> 2001 Park Improvement Bond principal payment due August 1, 2010; 9th year of 20-year bond.	430,000	430,000	430,000
179,501	170,726	161,505	<b>9480-10 2001 Park Improvements Bond - Interest - Feb 1</b> 2001 Park Improvement Bond interest payment due February 1, 2011.	151,830	151,830	151,830
187,939	179,501	170,730	<b>9480-15 2001 Park Improvements Bond - Interest - Aug 1</b> 2001 Park Improvement Bond interest payment due August 1, 2010.	161,505	161,505	161,505
<b>1,710,495</b>	<b>1,711,140</b>	<b>1,710,055</b>	<b>TOTAL DEBT SERVICE</b>	<b>1,712,355</b>	<b>1,712,355</b>	<b>1,712,355</b>
<b>ENDING FUND BALANCE</b>						
390,000	410,000	430,000	<b>9960-10 Designated End FB - Debt Svc Fd - 2001 Park Bond Prin Pmt Aug 1</b> June 30, 2011 designated cash carryover for payment of the 2001 Park Improvement Bond principal due August 1, 2011 which is prior to 2011-2012 property tax receipts.	450,000	450,000	450,000
179,505	170,730	161,505	<b>9960-15 Designated End FB - Debt Svc Fd - 2001 Park Bond Int Pmt Aug 1</b> June 30, 2011 designated cash carryover for payment of the 2001 Park Improvement Bond interest due August 1, 2011 which is prior to 2011-2012 property tax receipts.	151,830	151,830	151,830
265,000	440,000	480,000	<b>9960-20 Designated End FB - Debt Svc Fd - Pub Safe Bld Bond Prin Pmt Aug 1</b> June 30, 2011 designated cash carryover for payment of the Public Safety and Courtroom/Civic Buildings Bond principal due August 1, 2011 which is prior to 2011-2012 property tax receipts.	500,000	500,000	500,000
0	0	168,000	<b>9960-25 Designated End FB - Debt Svc Fd - Pub Safe Bld Bond Int Pmt Aug 1</b> June 30, 2011 designated cash carryover for payment of the Public Safety and Courtroom/Civic Buildings Bond interest due August 1, 2011 which is prior to 2011-2012 property tax receipts.	239,710	239,710	239,710
563	48,788	10,070	<b>9999 Unappropriated Ending Fd Balance</b> Budgeted undesignated cash carryover for July 1, 2011. Actual cash carryover will also include all remaining money from the excess (deficit) of revenues over (under) expenditures from 2010-2011 operations.	44,720	44,720	44,720

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2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET
835,068	1,069,518	1,249,575	<b><u>TOTAL ENDING FUND BALANCE</u></b>	1,386,260	1,386,260	1,386,260
2,545,563	2,780,658	2,959,630	<b><i>TOTAL REQUIREMENTS</i></b>	3,098,615	3,098,615	3,098,615

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2008 ACTUAL	2009 ACTUAL	2010 AMENDED BUDGET	Department :N/A Section :N/A Program :N/A	2011 PROPOSED BUDGET	2011 APPROVED BUDGET	2011 ADOPTED BUDGET
2,545,563	2,780,658	2,959,630	<b>TOTAL RESOURCES</b>	3,098,615	3,098,615	3,098,615
2,545,563	2,780,658	2,959,630	<b>TOTAL REQUIREMENTS</b>	3,098,615	3,098,615	3,098,615