

Debt Service

General Obligation Debt Service Funds Budget

Debt Service Spending (By Major Object)			
Object	2008 Actual	2009 Adopted Budget	2010 Adopted Budget
Salaries	148,177	225,187	250,477
Services	33,799	88,418	91,069
Fringe Benefits	51,938	71,076	83,456
Other	1,934,786	297,641	527,175
Debt Service	36,693,127	58,594,825	59,365,868
Equipment, Land, and Buildings	<u>0</u>	<u>0</u>	<u>0</u>
Total	38,861,827	59,277,147	60,318,045

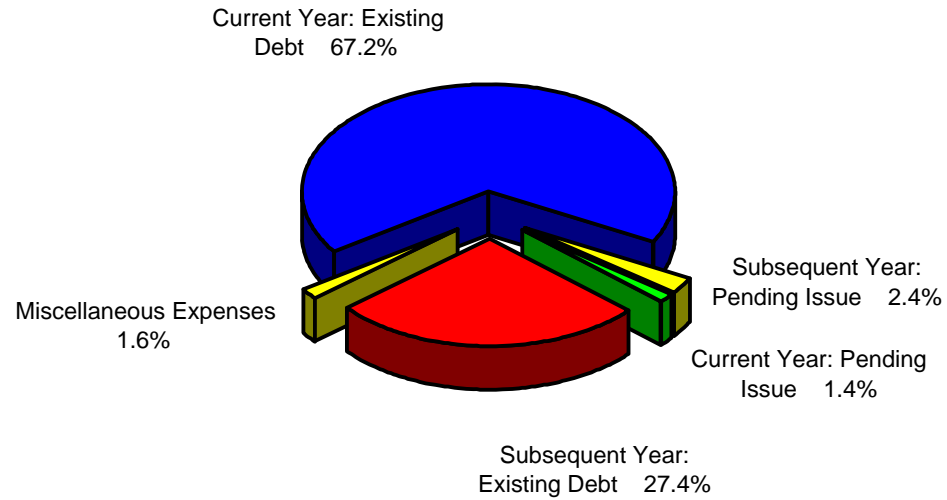
Debt Service Financing (Revenue By Source)			
Source	2008 Actual	2009 Adopted Budget	2010 Adopted Budget
Use of (Contribution to) Fund Balance	1,965,167	21,566,241	18,552,512
Transfers	16,771,235	13,833,000	19,487,242
Taxes	7,770,829	10,378,222	9,290,873
Licenses and Permits	0	0	0
Intergovernmental Revenue	299,257	374,054	379,164
Fees, Sales and Services	0	0	0
Enterprise and Utility Revenue	0	80,000	0
Other Revenue Sources	<u>12,055,339</u>	<u>13,045,630</u>	<u>12,608,254</u>
Total	38,861,827	59,277,147	60,318,045

The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) an amount needed to meet the obligations of the first half of the following year. Therefore, the amount appropriated for general debt service exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. The city receives state aids and property taxes mid-year and at the end of the year. If the city did not budget for subsequent year debt service payments, it would lack the cash to make the debt service payments due before the city receives its major cash infusions each year.

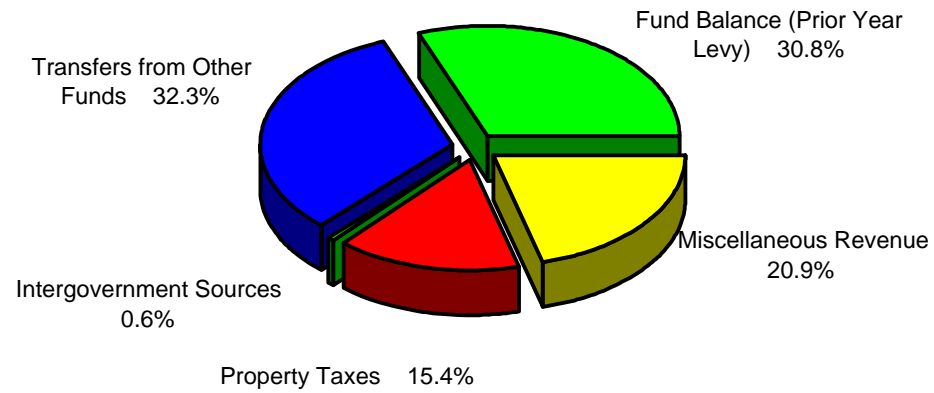
The total 2010 debt service budget is \$60,318,045. \$42,409,395 is for debt service obligations in 2010 (the budget year), and \$17,908,650 is debt service obligations in the first half of 2011 (the subsequent year).

Debt Service Funds

2010 Spending by Major Category



2010 Financing by Major Source



General Obligation Debt

Allocation of Revenue to Type of Debt							
as of December 31, 2008							
	Property Tax Levy	Water and Sewer Charges	Assessments	Tax Increments	Parking Revenue	Self Supporting Total	Total
Capital Improvements	72,120,000					-	72,120,000
Library Bonds	11,680,000					-	11,680,000
Street Improvements	33,657,110		24,612,890			24,612,890	58,270,000
Public Safety Bonds	25,360,000						25,360,000
DSI GO Note	1,500,000						1,500,000
Tax Increment:							
Riverfront Development				3,660,000		3,660,000	3,660,000
Midway Marketplace				3,675,000		3,675,000	3,675,000
Block 39 Project				8,735,000	21,255,000	29,990,000	29,990,000
Koch Mobil				3,895,000		3,895,000	3,895,000
Water Pollution Abatement						-	-
Sewer Bonds		2,840,000				2,840,000	2,840,000
Sewer Loan (PFA *)		12,811,457				12,811,457	12,811,457
Water Loan (PFA*)		2,044,597				2,044,597	2,044,597
TOTAL	144,317,110	17,696,054	24,612,890	19,965,000	21,255,000	83,528,944	227,846,054
Percent of Total	63.3%	7.8%	10.8%	8.8%	9.3%	36.7%	100.0%

* PFA is the Public Facilities Authority.

General Obligation Debt Service

To prepare financing plans and pay the annual principal and interest on the City's general obligation debt.

2010 Adopted Budget

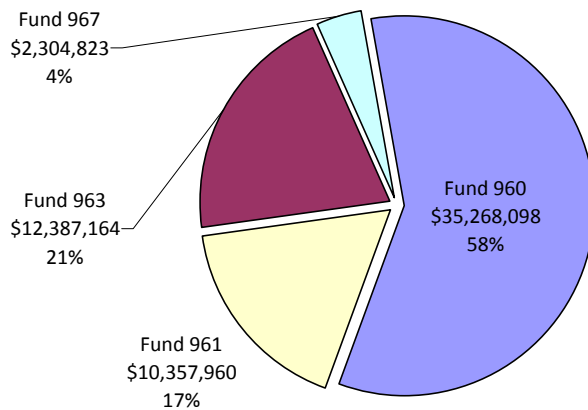
Debt Service

Department Description:

The Debt Section of Treasury Division of the Office of Financial Services sells City debt instruments at the lowest possible cost, manages existing City's debt, researches and implements alternative financing scenarios to ensure savings and manages all facets of the bond sale process. Staff also periodically reviews financing alternatives for major capital projects and works with other City staff to make sure elected officials are aware of all options for financing various projects, including the costs and benefits associated with each.

Department Facts

Debt Composition



Department Goals

- Develop and implement financing alternatives for the City
- Sell City debt instruments at the lowest borrowing cost
- Ensure accurate and timely post-sale debt portfolio management
- Identify and utilize new public finance tools created by the American Recovery and Reinvestment Act

Recent Accomplishments

- Maintained the City's AAA (Standard & Poor's) and Aa2 (Moody's) bond ratings.
- Successfully sold 2009 General Obligation Capital Improvement, Street Improvement, Special Assessment, Public Safety and Sewer Revenue bonds.
- Refinanced taxable Sales Tax Revenue bonds and RiverCentre Parking Ramp Improvement bonds.
- Among the first in the state to take advantage of the municipal bond provisions of the American Recovery and Reinvestment Tax Act of 2009 - resulting savings of approximately one million dollars over the life of the 2009 Public Safety bonds.
- Worked with the state legislature to extend STAR financing for debt service and received authorization to issue CIB bonds for up to 30 years (previous authority limited the City to 10 years).
- Timely and accurately paid existing debt and complied with arbitrage regulations and disclosure requirements.

- Total Debt Budget: \$60,318,045
- Total FTEs: 3.1
- AAA bond rating from Standard & Poor's
- Aa2 bond rating from Moody's
- 80% of general obligation debt is retired in 10 years; nearly 100% in 20 years.
- "Strong" financial management rating from Standard & Poor's.

Debt Service

Department/Office Director: **TODD P HURLEY**

		2007	2008	2009	2010	2010	Change from	
		2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2009
		Exp. & Enc.	Exp. & Enc.		Proposed	Adopted	Proposed	Adopted
Spending By Unit								
960	GENERAL DEBT SERVICE FUND	21,961,447	21,282,574	37,291,304	34,871,539	35,268,098	396,559	-2,023,206
961	CITY REV BONDS, LONG TERM DEBT	10,398,694	12,283,019	9,366,237	10,357,960	10,357,960		991,723
963	G.O. SPEC ASSM DEBT SERV FUND	5,208,219	5,876,189	11,028,908	12,387,164	12,387,164		1,358,256
967	CITY REVENUE NOTES DEBT SERVICE	1,016,339	933,535	1,590,698	2,304,823	2,304,823		714,125
Total Spending by Uni		38,584,699	40,375,318	59,277,147	59,921,486	60,318,045	396,559	1,040,898
Spending By Major Object								
	SALARIES	146,445	148,177	225,187	250,477	250,477		25,290
	SERVICES	58,978	33,799	88,418	91,069	91,069		2,651
	MATERIALS AND SUPPLIES	11,470	18,989	17,641	18,170	18,170		529
	EMPLOYER FRINGE BENEFITS	46,796	51,938	71,076	83,456	83,456		12,380
	MISC TRANSFER CONTINGENCY ETC	1,192,795	1,906,770	280,000	332,025	509,005	176,980	229,005
	DEBT	35,591,554	36,702,156	58,594,825	59,146,289	59,365,868	219,579	771,043
	STREET SEWER BRIDGE ETC IMPROVEMENT	1,536,661	1,513,489					
	EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object		38,584,699	40,375,318	59,277,147	59,921,486	60,318,045	396,559	1,040,898
Percent Change from Previous Year			4.6%	46.8%	1.1%	0.7%	0.7%	1.8%
Financing By Major Object								
GENERAL FUND								
SPECIAL FUND								
	TAXES	8,799,304	7,770,830	10,378,222	9,290,873	9,290,873		-1,087,349
	LICENSES AND PERMITS							
	INTERGOVERNMENTAL REVENUE	385,983	299,257	374,054	379,164	379,164		5,110
	FEES, SALES AND SERVICES	15,371	72,234	80,000	80,000	80,000		
	ENTERPRISE AND UTILITY REVENUES							
	MISCELLANEOUS REVENUE	12,311,630	11,836,865	13,045,630	12,741,996	12,528,254	-213,742	-517,376
	TRANSFERS	15,649,433	18,404,502	13,833,000	19,008,095	19,487,242	479,147	5,654,242
	FUND BALANCES			21,566,241	18,421,358	18,552,512	131,154	-3,013,729
Total Financing by Object		37,161,721	38,383,688	59,277,147	59,921,486	60,318,045	396,559	1,040,898
Percent Change from Previous Year			3.3%	54.4%	1.1%	0.7%	0.7%	1.8%

