

City Council Information Form



DATE: 08/05/2016

ASSIGNED STAFF: Conrad Lamb

DEPARTMENT: Finance Department

TYPE OF FORM: Presentation

Form No.: 5152

APPROVALS:

None

ISSUE/REQUEST:

Review of General Obligation No Tax Increase Debt Capacity.

KEY ISSUES:

Two Public Safety Capital Projects were recently presented to the City Council totaling approximately \$13 million. In addition to this, the Council has also reviewed a presentation on Stormwater needs.

The City's summary of existing debt and debt capacity has been revised to reflect the upcoming sale of \$14 million in authorized but unissued debt to determine what amount could be voted without an increase in the debt levy.

PROPOSED CITY COUNCIL MOTION:

BACKGROUND:*(including location, programs/departments affected, and process issues)*

The City has identified two Public Safety Capital Projects; replacement of Fire Station No. 3 (approximately \$5 million) and replacement of the city's radio communication system (\$8 million), which could be financed with the issuance of General Obligation bonds without increasing the city's tax levy.

IMPACT/ANALYSIS:

By scheduling the debt repayment for the radio system over ten years and the fire station over twenty years, the no tax increase capacity would be consumed through 2027.

TIMELINE

Start:

Finish:

OTHER INFORMATION/UNIQUE CHARACTERISTICS:

STAFF RECOMMENDATION

Staff recommends utilization of the No Tax Increase Bond question for an amount up to \$14 million.

OTHER BOARDS AND COMMISSIONS ASSIGNED: Not Applicable

DATE:

ACTION:

COUNCIL COMMITTEE ASSIGNED: Finance Committee

DATE: 02/01/2016

ACTION:

List of Reference Documents Attached

1. 2016 Debt Tax Capacity

**Principal and Interest Schedule
2016A General Obligation Bond**

Date	GO Bonds 2011, 2013A, 2013B, 2013C and 2015A		Current GO Bond Service	2016A Bond		2016A Debt Service	2016B G O Principal Police-Fire	2016B GO Interest	2016B Debt Service	2016C GO Bond Principal Stormwater	2016 C GO Bond Interest	2016C GO Bond Debt Service	Current Debt Service	Potential + Authorized but Unissued	Total Annual Debt Service	Additional Annual Capacity	Net Present Value 5%	Debt Levy * Assessed 0.004697 1.005
	Principal	Interest		Principal	Interest													
4/1/2016	5,140,000	1,354,975	6,494,975	2,600,000	58,976	2,658,976						-	9,153,951	-	9,153,951	(954,227)	(908,788)	8,199,723
4/1/2017	5,295,000	1,270,150	6,565,150	1,275,000	363,750	1,638,750						-	8,203,900	-	8,203,900	(4,177)	(912,576)	8,240,722
4/1/2018	3,545,000	1,087,300	4,632,300	1,800,000	300,000	2,100,000						-	6,732,300	-	6,732,300	1,467,423	355,039	8,281,926
4/1/2019	3,690,000	975,300	4,665,300	1,800,000	210,000	2,010,000						-	6,675,300	-	6,675,300	1,524,423	1,609,186	8,323,335
4/1/2020	3,040,000	821,200	3,861,200	900,000	138,000	1,038,000						-	4,899,200	-	4,899,200	3,300,523	4,195,232	8,364,952
4/1/2021	2,780,000	699,600	3,479,600	600,000	120,000	720,000						-	4,199,600	-	4,199,600	4,000,123	7,180,186	8,406,777
4/1/2022	2,380,000	592,200	2,972,200	600,000	108,000	708,000						-	3,680,200	-	3,680,200	4,519,523	10,392,127	8,448,810
4/1/2023	2,445,000	505,750	2,950,750	600,000	96,000	696,000						-	3,646,750	-	3,646,750	4,552,973	13,473,758	8,491,054
4/1/2024	2,645,000	417,000	3,062,000	600,000	85,500	685,500						-	3,747,500	-	3,747,500	4,452,223	16,343,701	8,533,510
4/1/2025	2,705,000	337,650	3,042,650	600,000	73,500	673,500						-	3,716,150	-	3,716,150	4,483,573	19,096,226	8,576,177
4/1/2026	2,775,000	256,500	3,031,500	600,000	61,500	661,500						-	3,693,000	-	3,693,000	4,506,723	21,731,214	8,619,058
4/1/2027	2,850,000	172,250	3,022,250	600,000	49,500	649,500						-	3,671,750	-	3,671,750	4,527,973	24,252,559	8,662,153
4/1/2028	2,925,000	87,750	3,012,750	600,000	37,500	637,500						-	3,650,250	-	3,650,250	4,549,473	26,665,241	8,705,464
4/1/2029				900,000	22,500	922,500							922,500	-	922,500	7,277,223	30,340,734	8,748,992
4/1/2030					-	-							-	-	-	8,199,723	34,284,941	8,792,737
4/1/2031					-	-							-	-	-	8,199,723	38,041,328	8,836,700
4/1/2032					-	-							-	-	-	8,199,723	41,618,841	8,880,884
4/1/2033					-	-							-	-	-	8,199,723	45,025,995	8,925,288
4/1/2034					-	-							-	-	-	8,199,723	48,270,904	8,969,915
4/1/2035					-	-							-	-	-	8,199,723	51,361,293	9,014,764
4/1/2036																		
	42,215,000	8,577,625	50,792,625	14,075,000	1,724,726	15,799,726	-	-	-	-	-	-	66,592,351	-	66,592,351	97,402,115		
	Debt Service Fund Taxes			8,200,000														

Note 1 Interest for new bonds figured at 3.0%