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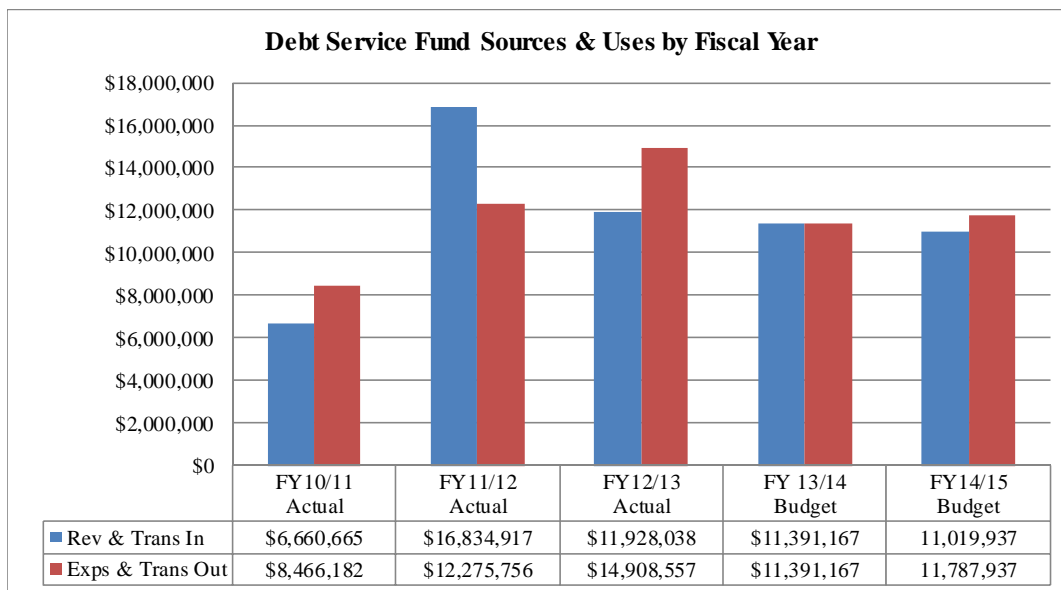
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DEBT SERVICE FUNDS OVERVIEW

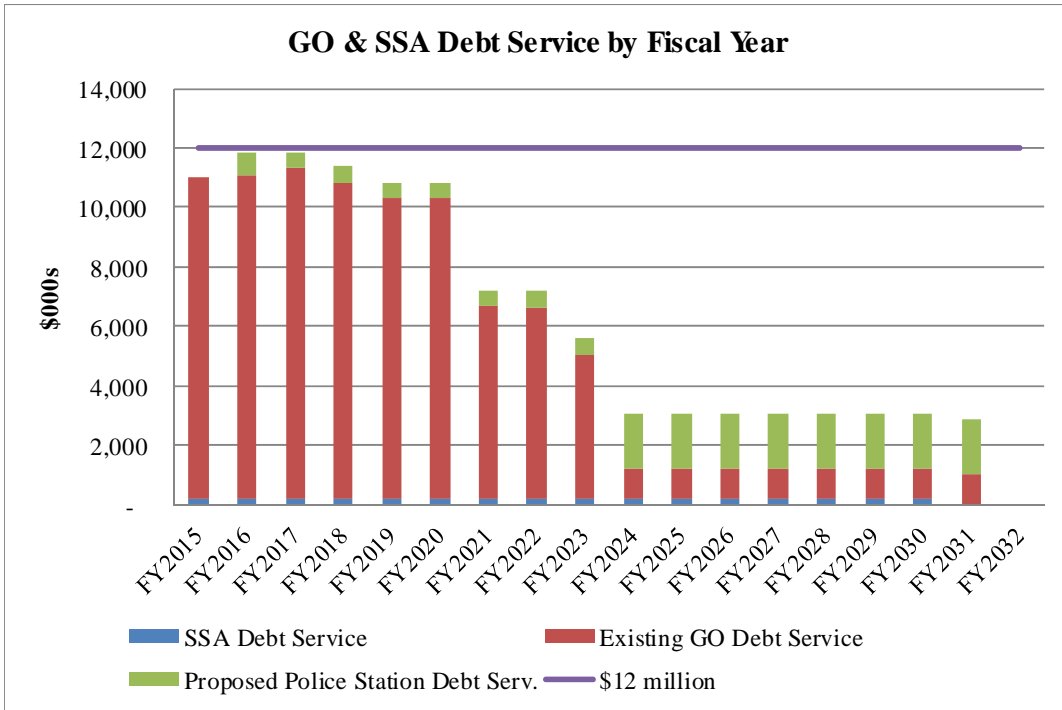
The City accounts for the repayment of long-term General Obligation (GO) and Special Service Assessment (SSA) debt in the Debt Service Funds. Debt service is the periodic repayments made by the City on the principal and interest on long-term loans. The City’s Revenue Bonds are accounted for in the related Enterprise Fund, detail for which may be found in the *Enterprise Funds* section of this report.

Revenues	\$10,953,107
Expenditures	(11,019,937)
Surplus / (Deficit) before transfers	(66,830)
Transfers-In	66,830
Transfers-Out	(768,000)
Surplus / (Deficit) after transfers	(768,000)

Property Taxes and Special Assessments make up the revenue earmarked for the purpose of debt retirement. In addition, increment generated in the Sunset Delany Tax Increment Financing (TIF) District allows for a transfer-in to the Debt Service Fund sufficient to pay the principal and interest due during the fiscal year relative to the Woodland Foods Project bonds. By monitoring the market, the City has been able to reduce the annual debt service payments through refinancing to lower interest rates. The debt service for FY14/15 reflects a -3%, or \$(397) thousand decline from the prior year. Due to refinancing old bonds, the City was able to tap into \$768 in surplus funds in debt service accounts. This funding will be used as a one-time transfer to support infrastructure improvements as detailed in the *Capital Funds* section of this budget proposal.



Annual debt service payments for the SSA and GO Bonds currently outstanding are shown below by fiscal year. The City plans to issue \$12 million GO Bonds to fund the rehabilitation and reconstruction of the Police Headquarters Facility, described more fully in the *Capital Funds* section of this document. By structuring the proposed bond issue around existing debt service, the City is able to stay under a total of \$12 million in annual general obligation debt service. The City is also considering issuing \$12 million in Sales Tax Revenue bonds to finance repair of the City’s roadways. This debt would not impact the City’s general obligation (tax levy supported) debt levels.



PURPOSE OF BONDS

As of May 1, 2014 total GO Bond principal outstanding is \$71.8 million and total SSA principal outstanding is \$2.1 million. If the Police Headquarter GO Bonds are approved and issued, the total GO Bond principal outstanding will be \$83.8 million.

The current outstanding bond issues include the following series: 2005 Fountain Square SSA, 2005A GO Bonds, 2009A GO Bonds, 2010A GO Bonds, 2010B GO Bonds, 2010C GO Bonds, 2012A GO Bonds, and 2012B GO TIF Bonds.

The Special Service Assessment Bonds were issued in 2005 to install water and sewer infrastructure in the Fountain Square (Lakehurst) area. The principal outstanding is \$2.1 million at May 1, 2014.

The 2005A GO Bonds refunded outstanding 2001 and 2004 Bonds to a lower interest rate. The original bonds issued in 2001 and 2004 were issued for Genesee Theatre renovations. The principal outstanding is \$17.3 million at May 1, 2014.

The 2009A Bonds were issued to retire a note borrowed for property purchased related to a potential Casino project and to obtain Working Cash. In the event the “Casino” property is sold, those proceeds will be used to partially retire this bond issue. Principal outstanding at May 1, 2014 is \$21.3 million.

The 2010A Bonds refunded bond issues from 1998 and 2001 to obtain a lower interest rate. The original series of those bonds were issued for City Hall, environmental remediation, and other infrastructure projects. Principal outstanding at May 1, 2014 is \$2.5 million.

The 2010B Bonds were used to make a payment regarding a wrongful imprisonment lawsuit. The City prevailed in its litigation with the insurance company that originally denied the City’s claim for coverage, and those settlement monies were used to partially retire this bond issue. The principal outstanding is \$820 thousand as of May 1, 2014.

The 2010C Bonds were issued to fund several capital projects which were started in FY09/10 and concluded during FY12/13. These projects included street renewal and replacement, city-owned facility improvements, and technology improvements. The principal outstanding is \$7.2 million at May 1, 2014.

The 2012A Bonds were used to refinance the 2003A GO Capital Appreciation Bonds. The original bonds were issued to pay for the costs of acquiring certain properties and making infrastructure improvements to the Fountain Square (Lakehurst) site. As of May 1, 2014, \$21.1 million in principal is outstanding on these bonds.

Lastly, the 2012B GO TIF Bonds were issued to reimburse a developer for improvements made in the Delany/Sunset Industrial Park related to the Woodland Foods Project, with \$1.7 million outstanding in principal as of May 1, 2014.

LINE ITEM DETAIL

DEBT SERVICE FUNDS PROPOSED BUDGET MAY 1, 2014 TO APRIL 30, 2015
REVENUES

		PROPOSED
Fnd 468	2012A G.O. BONDS - \$23,490,000	
Sub 3000	Tax Collection	
468 30000	Property Tax	2,960,700-

Sub 3000	Tax Collection	2,960,700-
Fnd 488	Series 2005 Special A Bonds	
Sub 4500	Special Assessment Revenue	
488 45510	Special Assessment Revenue	211,940-

Sub 4500	Special Assessment Revenue	211,940-
Fnd 489	2005A REFUND BOND 24,760,000	
Sub 3000	Tax Collection	
489 30000	Property Tax	2,389,839-

Sub 3000	Tax Collection	2,389,839-
Fnd 490	WORKING CASH BOND \$30,000,000	
Sub 3000	Tax Collection	
490 30000	Property Tax	4,172,315-

Sub 3000	Tax Collection	4,172,315-
Fnd 491	2010A GO REFUND BND \$7,650,000	
Sub 3000	Tax Collection	
491 30000	Property Tax	906,400-

Sub 3000	Tax Collection	906,400-
Fnd 492	2010B G. O. BONDS \$11,620,000	
Sub 3000	Tax Collection	
492 30000	Property Tax	26,750-

Sub 3000	Tax Collection	26,750-
Fnd 493	2010C G. O. BONDS \$7,180,000	
Sub 3000	Tax Collection	
493 30000	Property Tax	285,163-

Sub 3000	Tax Collection	285,163-

	Report Final Totals	10,953,107-
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DEBT SERVICE FUNDS PROPOSED BUDGET MAY 1, 2014 TO APRIL 30, 2015
EXPENDITURES

PROPOSED

Fnd 468	2012A G.O. BONDS - \$23,490,000		
Dpt 0100	CENTRAL SERVICES		
Sub 2400	Contractual Services		
468 146824075	Principal Retirement - Bonds	1,945,000	
468 146824404	Bond Interest Expense	1,015,100	
468 146824405	Bond Service Fees	600	

Sub 2400	Contractual Services	2,960,700	
Fnd 488	Series 2005 Special A Bonds		
Dpt 0100	CENTRAL SERVICES		
Sub 2400	Contractual Services		
488 148824075	Principal Retirement - Bonds	81,000	
488 148824404	Bond Interest Expense	130,340	
488 148824405	Bond Service Fees	600	

Sub 2400	Contractual Services	211,940	
Fnd 489	2005A REFDNG BOND 24,760,000		
Dpt 0100	CENTRAL SERVICES		
Sub 2400	Contractual Services		
489 148924075	Principal Retirement - Bonds	1,650,000	
489 148924404	Bond Interest Expense	739,239	
489 148924405	Bond Service Fees	600	

Sub 2400	Contractual Services	2,389,839	
Fnd 490	WORKING CASH BOND \$30,000,000		
Dpt 0100	CENTRAL SERVICES		
Sub 2400	Contractual Services		
490 149024075	Principal Retirement - Bonds	3,170,000	
490 149024404	Bond Interest Expense	1,001,715	
490 149024405	Bond Service Fees	600	

Sub 2400	Contractual Services	4,172,315	
Fnd 491	2010A GO REFUND BND \$7,650,000		
Dpt 0100	CENTRAL SERVICES		
Sub 2400	Contractual Services		
491 149124075	Principal Retirement - Bonds	805,000	
491 149124404	Bond Interest Expense	100,800	
491 149124405	Bond Service Fees	600	

Sub 2400	Contractual Services	906,400	

PROPOSED

Fnd 492	2010B G. O. BONDS \$11,620,000	
Dpt 0100	CENTRAL SERVICES	
Sub 2400	Contractual Services	
492 149224404	Bond Interest Expense	26,150
492 149224405	Bond Service Fees	600

Sub 2400	Contractual Services	26,750
Fnd 493	2010C G. O. BONDS \$7,180,000	
Dpt 0100	CENTRAL SERVICES	
Sub 2400	Contractual Services	
493 149324404	Bond Issuance Expenses-Variou	284,563
493 149324405	Bond Service Fees	600

Sub 2400	Contractual Services	285,163
Fnd 494	2012B G.O.TIF Bond (Woodland)	
Dpt 0100	CENTRAL SERVICES	
Sub 2400	Contractual Services	
494 149424404	Bond Interest Expense	66,230
494 149424405	Bond Service Fees	600

Sub 2400	Contractual Services	66,830

Report Final Totals		11,019,937
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DEBT SERVICE FUNDS PROPOSED BUDGET MAY 1, 2014 TO APRIL 30, 2015
 TRANSFERS IN / OUT

		PROPOSED
Sub 6300	Transfers - In	
494 63239	Transfer from Sunset/DelanyTIF	66,830.00-

Sub 6300	Transfers - In	66,830.00-
Sub 6800	Transfers To	
468 68312	Transfer to Street/Sidewalk Fd	19,000.00
483 68312	Transfer to Street/Sidewalk Fd	4,000.00
489 68312	Transfer to Street/Sidewalk Fd	15,000.00
491 68312	Transfer to Street/Sidewalk Fd	600,000.00
493 68312	Transfer to Street/Sidewalk Fd	130,000.00

Sub 6800	Transfers To	768,000.00

	Report Final Totals	701,170.00
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