
DEBT SERVICE FUNDS

May 1, 2015 – April 30, 2016

PROPOSED BUDGET

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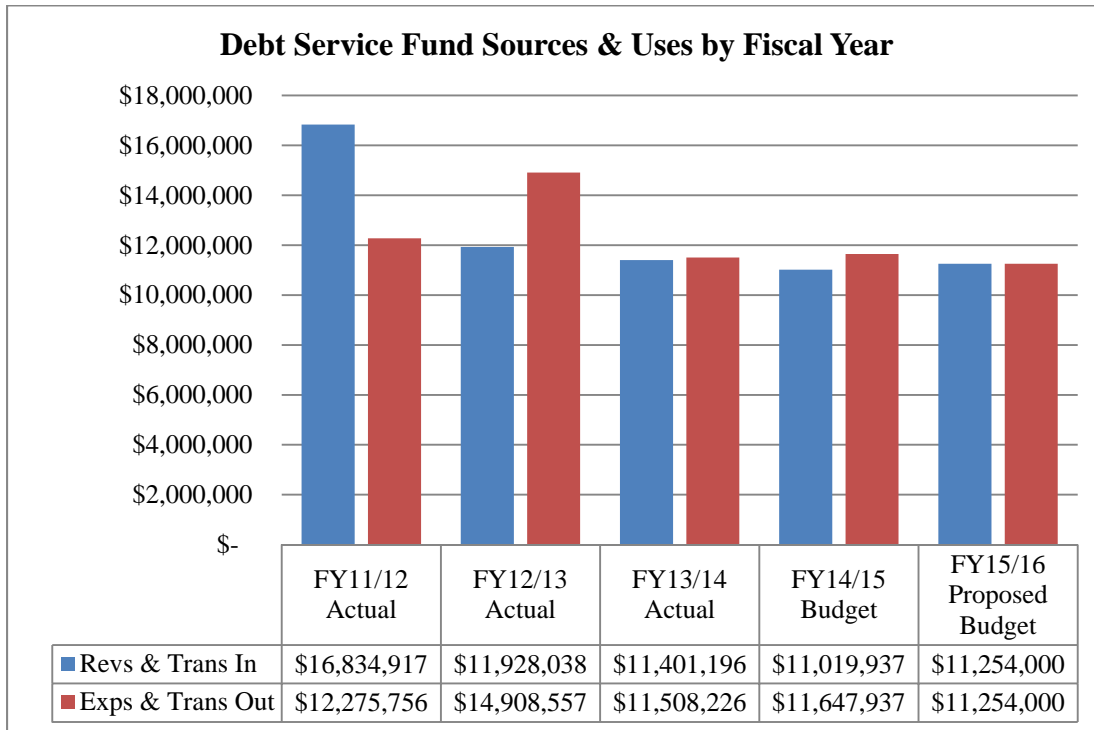
DEBT SERVICE FUNDS OVERVIEW

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.

SOURCES & USES OF FUNDS

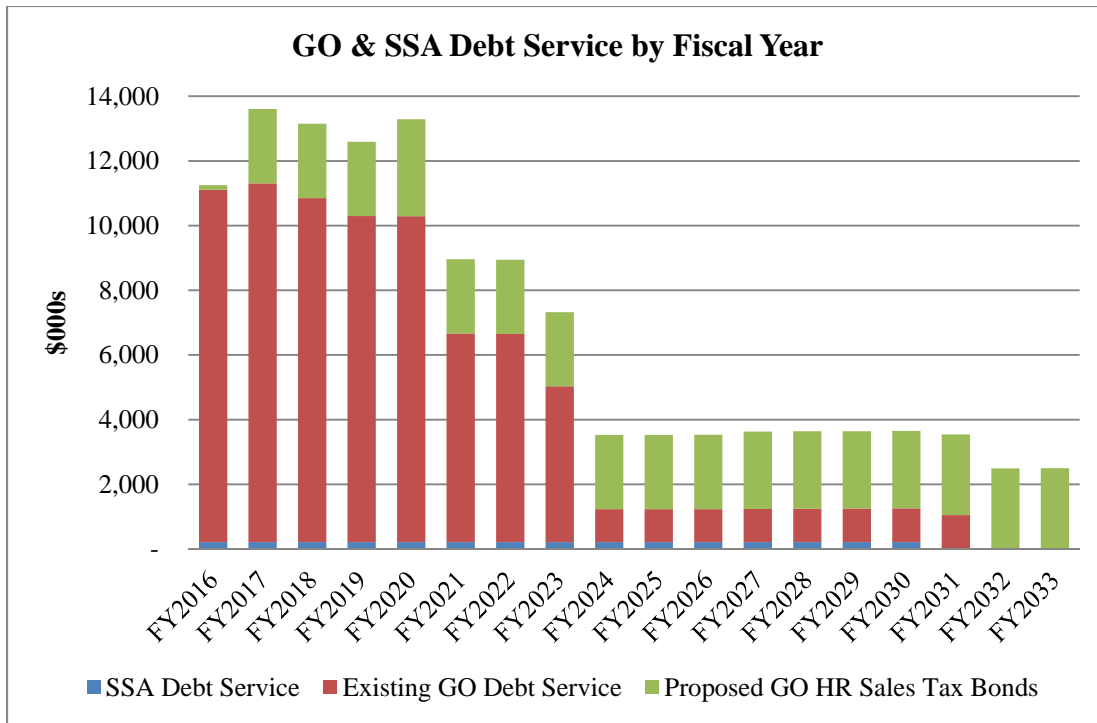
Property Taxes, Special Assessments, and Home Rule Sales Taxes make up the revenue earmarked for the purpose of debt retirement. The debt service for the 2015 / 2016 fiscal year reflects a -3%, or \$(394) thousand reduction from the prior year as no new bonds were issued during the 2014 / 2015 fiscal year.

Revenues	\$11,110,500
Expenditures	-11,254,000
Surplus / (Deficit) before transfers	-143,500
Transfers-In	143,500
Transfers-Out	0
Surplus / (Deficit) after transfers	0



OUTSTANDING AND PROJECTED BOND ISSUES

The City’s principal outstanding for GO bonds totals \$66.4 million as of May 1, 2015, principal outstanding for SSA bonds totals \$2.1 million as of May 1, 2015; and the City plans to add an additional \$30 to 32 million in GO bonds over the next 3-years. Annual debt service payments for the SSA and GO Bonds currently outstanding are shown below by fiscal year. Additionally, the City plans to issue GO Home Rule Sales Tax bond issues totaling \$30 to 32 million to fund the rehabilitation and reconstruction of 40% of the City’s roadways, described more fully in the *Capital Funds* section of this document. It is the City’s intention to abate the property tax levies associated with the newly issued GO Home Rules Sales Tax bonds with Sales Tax receipts if and when those revenue streams are sufficient to do so. However, as the primary pledge is the City’s property taxes, the projected debt service associated with the roadway bonds has been included in the chart below. It should be noted that the City has included the potential borrowing for up to \$4 million related to land acquisition in the *Capital Funds* section of this document; however, as those potential projects are not solidified at the drafting of this budget proposal the associated projected debt service is not included below.



PURPOSE OF BONDS

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, 2015.

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 \$15.6 million at May 1, 2015.

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 this property is sold, those proceeds will be used to partially retire this bond issue. Principal outstanding at May 1, 2015 is \$18.1 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 the construction of City Hall, environmental remediation, and other infrastructure projects. Principal outstanding at May 1, 2015 is \$1.7 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, 2015.

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, 2015.

The 2012A Bonds were used to refinance the 2003A GO Capital Appreciation Bonds. The original bonds were issued to pay for Fountain Square (Lakehurst) acquisition of certain properties and infrastructure improvements. As of May 1, 2015, \$19.2 million in principal is outstanding on these bonds.

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, 2015.

As aforementioned, the City plans to issue bonds totaling \$30 to \$32 million over a 3-year period. The first tranche of these bonds is currently planned to be issued in May 2015, with an estimated debt service of \$143 thousand payable in the 2015/2016 fiscal year. Thereafter the total debt service for all three bond issues combined is projected to total \$2.3 to \$2.4 million annually.

LINE ITEM DETAIL

Revenues

		FY 2016 PROPOSED
Fnd 468	2012A G.O. BONDS - \$23,490,000	
Sub 3000	Tax Collection	
468 30000	Property Tax	2,957,500-

Sub 3000	Tax Collection	2,957,500-
Fnd 488	Series 2005 Special A Bonds	
Sub 4500	Special Assessment Revenue	
488 45510	Special Assessment Revenue	212,500-

Sub 4500	Special Assessment Revenue	212,500-
Fnd 489	2005A REFDNG BOND 24,760,000	
Sub 3000	Tax Collection	
489 30000	Property Tax	2,380,500-

Sub 3000	Tax Collection	2,380,500-
Fnd 490	2009A WORKING CASH BOND \$30,000,000	
Sub 3000	Tax Collection	
490 30000	Property Tax	4,172,500-

Sub 3000	Tax Collection	4,172,500-
Fnd 491	2010A GO REFUND BND \$7,650,000	
Sub 3000	Tax Collection	
491 30000	Property Tax	907,500-

Sub 3000	Tax Collection	907,500-
Fnd 492	2010B G. O. BONDS \$11,620,000	
Sub 3000	Tax Collection	
492 30000	Property Tax	67,000-

Sub 3000	Tax Collection	67,000-
Fnd 493	2010C G. O. BONDS \$7,180,000	
Sub 3000	Tax Collection	
493 30000	Property Tax	285,500-

Sub 3000	Tax Collection	285,500-
Fnd 494	2012B G.O.TIF Bond (Woodland)\$1,675,000	
Sub 3000	Tax Collection	
494 30000	Property Tax	127,500-

Sub 3000	Tax Collection	127,500-

	Report Final Totals	11,110,500-
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Expenses

		FY 2016 PROPOSED
Fnd 468	2012A G.O. BONDS - \$23,490,000	
Sub 2400	Contractual Services	
468 146824075	Principal Retirement - Bonds	2,020,000
468 146824404	Bond Interest Expense	937,000
468 146824405	Bond Service Fees	500

Sub 2400	Contractual Services	2,957,500
Fnd 488	Series 2005 Special A Bonds	
Sub 2400	Contractual Services	
488 148824075	Principal Retirement - Bonds	81,000
488 148824404	Bond Interest Expense	131,000
488 148824405	Bond Service Fees	500

Sub 2400	Contractual Services	212,500
Fnd 489	2005A REFDNG BOND 24,760,000	
Sub 2400	Contractual Services	
489 148924075	Principal Retirement - Bonds	1,715,000
489 148924404	Bond Interest Expense	665,000
489 148924405	Bond Service Fees	500

Sub 2400	Contractual Services	2,380,500
Fnd 490	2009A WORKING CASH BOND \$30,000,000	
Sub 2400	Contractual Services	
490 149024075	Principal Retirement - Bonds	3,305,000
490 149024404	Bond Interest Expense	867,000
490 149024405	Bond Service Fees	500

Sub 2400	Contractual Services	4,172,500
Fnd 491	2010A GO REFUND BND \$7,650,000	
Sub 2400	Contractual Services	
491 149124075	Principal Retirement - Bonds	840,000
491 149124404	Bond Interest Expense	67,000
491 149124405	Bond Service Fees	500

Sub 2400	Contractual Services	907,500
Fnd 492	2010B G. O. BONDS \$11,620,000	
Sub 2400	Contractual Services	
492 149224404	Bond Interest Expense	40,000
492 149224405	Bond Service Fees	27,000

Sub 2400	Contractual Services	67,000

Fnd 493	2010C G. O. BONDS \$7,180,000	
Sub 2400	Contractual Services	
493 149324404	Bond Issuance Expenses-Variou	285,000
493 149324405	Bond Service Fees	500

Sub 2400	Contractual Services	285,500
Fnd 494	2012B G.O.TIF Bond (Woodland)\$1,675,000	
Sub 2400	Contractual Services	
494 149424075	Principal Retirement - Bonds	60,000
494 149424404	Bond Interest Expense	67,000
494 149424405	Bond Service Fees	500

Sub 2400	Contractual Services	127,500
Fnd 495	2015 GO SALES TX BONDS	
Sub 2400	Contractual Services	
495 149524404	Bond Issuance Expenses-Variou	143,000
495 149524405	Bond Service Fees	500

Sub 2400	Contractual Services	143,500

	Report Final Totals	11,254,000
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Transfers From

FY 2016
PROPOSED

Fnd 495	2015 GO SALES TX BONDS	
Sub 6300	Transfers - In	
495 63202	Transfers From HR Sales Tx Inf	143,500-

Sub 6300	Transfers - In	143,500-

	Report Final Totals	143,500-
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