
Debt Service Funds



City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group: Debt Service

Fund:

Overview of Debt Service Funds

The City of Grandview has an extensive capital improvement program for replacement of vehicles and equipment, maintenance and improvements to streets and bridges, and maintenance of other existing infrastructure such as sidewalks, curbs and gutters, storm sewers, and sanitary sewer. Much of this annual program is funded on a "pay as you go" basis through existing special revenue sources such as the Transportation Sales Tax, the Capital Improvement Sales Tax, special levies, tax increment financing, or one-time expenditures of unappropriated funds. However, from time to time the City may have a large scale project or several immediate projects that cannot be financed through the traditional "pay as you go" method. On these occasions the City may utilize long-term debt to finance the immediate, up-front costs for these projects.

The decision to utilize long-term debt is based on a number of factors including the long-term needs of the City and the amount of resources available to repay the loan. Debt can be obtained in different forms including general obligation bonds, revenue bonds, and lease/purchase agreements. Each form presents advantages and disadvantages that need to be considered and weighed when long-term financing is under consideration. The following policies are used as guidelines when considering debt. Each type of debt is described in greater detail in the subsequent pages.

- 1) Each debt issuance will be considered on an individual, case by case basis.
- 2) Issuance of debt will be for identifiable projects.
- 3) Debt will not be used to support immediate or on-going operational costs.
- 4) The city will maintain direct tax supported debt at a manageable level considering economic factors including population, assessed valuation, and other current and future tax supported essential services.
- 5) Whenever it is advantageous to do so, the City will pursue opportunities to reduce its overall debt by recalling or refunding existing outstanding debt.
- 6) The City will maintain a fund balance equal to at least a minimum of one year's total principal and interest, or in compliance with reserve funds as established in bond covenants, whichever is greater.

Currently, the City is utilizing two types of outstanding debt - general obligation bonds and certificates of participation (lease/purchase). Because of the various differences in these forms of debt, they are accounted in separate funds within this section of the budget. The following page presents summary information on the entire outstanding debt of the City.

City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

	Fund Group: Debt Service
	Fund:

Summary of All Outstanding Debt

Name of Bonds or Loans	Original Amount Of Issue	Issue Date	Final Payment Date	Interest Rate	Total Amount Due	Principal Payment	Interest Payment	Total
General Obligation Bonds								
2010 - G.O. (Parks)	4,250,000	1-Nov-10	1-Mar-18	1.00 - 2.25	4,621,464	325,000	10,969	335,969
2014 - G.O. (Parks/Pub Safety)	9,500,000	23-Dec-14	1-Mar-34	2.00 - 3.50	13,130,788	30,000	273,974	303,974
Total G.O. Debt	13,750,000				17,752,252	325,000	284,943	639,943
Certificates of Participation								
2003 - Community Center	10,270,000	1-Jan-03	1-Feb-27	3.00 - 4.20	19,850,809	445,000	241,085	686,085
Total C.O.P Debt	10,270,000				19,850,809	445,000	241,085	686,085
Revenue Bonds								
2003 - Infrastructure Fac.	5,665,000	1-Dec-03	1-Mar-26	3.05 - 5.375	10,124,589	280,000	111,935	391,935
Total C.O.P Debt	5,665,000				10,124,589	280,000	111,935	391,935
Total Debt Service	29,685,000				47,727,650	1,050,000	637,963	1,717,963

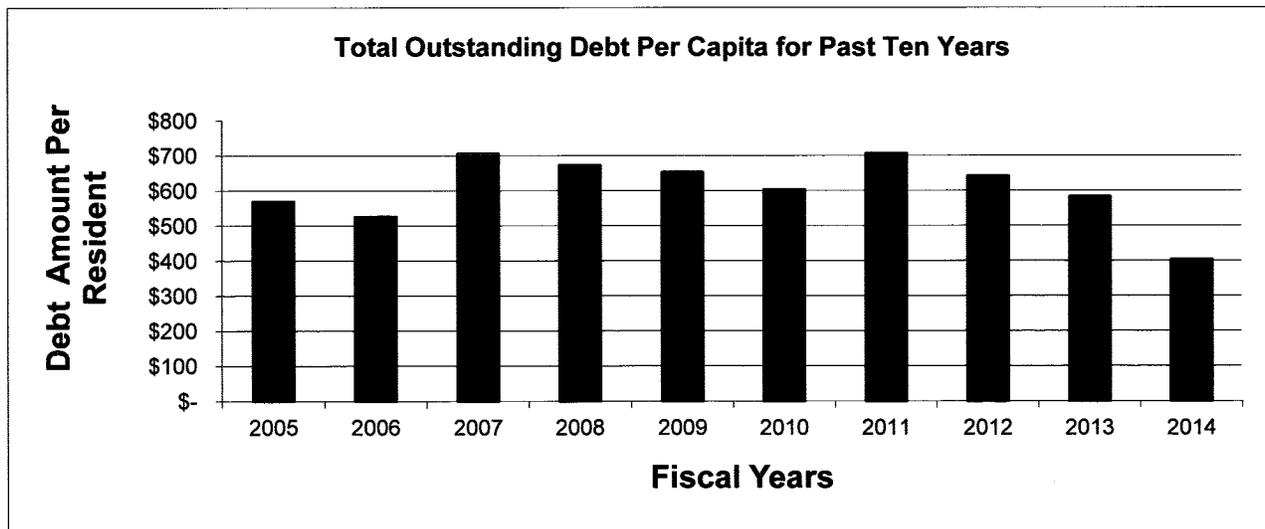
City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group: Debt Service
Fund:

Combining Debt Payment Schedule for All Debt

Due Date	Total Principal	Rates	Total Interest	Total Payment
2017	1,050,000	5.3%	363,989	1,413,989
2018	1,095,000	5.3%	331,732	1,426,732
2019	810,000	5.0%	301,850	1,111,850
2020	860,000	5.0%	273,990	1,133,990
2021	915,000	5.0%	243,133	1,158,133
2022	960,000	5.0%	211,185	1,171,185
2023	1,010,000	5.0%	176,091	1,186,091
2024	1,055,000	5.0%	138,544	1,193,544
2025	1,075,000	5.0%	98,741	1,173,741
2026	1,395,000	5.0%	52,918	1,447,918
2027	660,000	5.0%	13,860	673,860
	10,885,000		2,206,033	13,091,033



City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group: Debt Service
Fund: General Obligation Bond Debt Serv.

Fund Description

The Debt Service Fund accounts for money received from a 32 cent property tax levy used to pay down the general obligation indebtedness incurred from past capital projects. Bonds were issued, with voter approval, in 1992 for payment of costs associated with various street and road improvements, the construction of and renovation of public safety facilities, the purchase of public safety equipment, and for partial refunding of 1985 series bonds. Bonds were also issued in 1995, with voter approval, for payment of costs associated with improvements of various sidewalks, streets and roads. In 1998 approximately \$3.2 million of refinancing bonds were issued at a lower interest rate than the previous 1992 series bonds. Approximately another \$2.3 million in refinancing bonds were issued again in 2001 at various rates between 3% and 4% to repay the 1995 series. \$3.3M of General Obligation Bonds were issued in 2009 in conjunction with \$7.5M of park improvements approved by voters in 2007. When these bonds were issued in 2009, the remaining 1998 bonds were redeemed and paid in full to save interest costs. The remaining park improvement bonds were issued in 2010 in conjunction with construction of the Parks / Public Works Maintenance Facility. Additional GO Bonds were issued in 2014 for parks and public safety projects. These bonds total \$9.5 million with debt retired in 2034 and interest rates ranging from 3.05 to 3.75%.

Legal Debt Margin

The Missouri State Constitution permits a city, by a vote of either two-thirds or four-sevenths of the voting electorate, depending upon the data of the election, to incur general obligations indebtedness for "city purposes" not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring right-of-way, construction, extending and improving streets and avenues, and/or storm sewer systems, and purchasing or constructing waterworks, electric or other plants, provide the total general obligation indebtedness does not exceed 20% of the assessed valuation of taxable property.

As of September 30, 2014, the constitutional general obligation debt limit (based on the final assessed value in August 2014 of \$248,110,080) is \$49,662,016 which after a reduction for outstanding general obligation debt of \$2,748,202 (principal and interest) plus \$1,105,833 available in the Debt Service Fund, provides a general obligation debt margin of \$47,979,647.

City of Grandview Fiscal Year 2017 Annual Budget

Fund Group: Debt Service
Fund: General Obligation Bond Debt Serv.

Series 2010 General Obligation Bonds

<u>Due Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Fiscal Total</u>
3/1/2017	325,000.00	2.250%	7,313	332,313.00	
9/1/2017			3,656	3,656.00	335,969.00
3/1/2018	325,000.00	2.250%	3,656	328,656.00	
9/1/2018				-	328,656.00
	<u>650,000.00</u>		<u>14,625.00</u>	<u>664,625.00</u>	<u>664,625.00</u>

City of Grandview Fiscal Year 2017 Annual Budget

Fund Group: Debt Service

Fund: General Obligation Bond Debt Serv.

Series 2014 General Obligation Bonds

<u>Due Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Fiscal Total</u>
3/1/2017	30,000.00	2.000%	136,987.50	166,987.50	
9/1/2017			136,687.50	136,687.50	303,675.00
3/1/2018	45,000.00	2.000%	136,687.50	181,687.50	
9/1/2018			136,237.50	136,237.50	317,925.00
3/1/2019	390,000.00	2.000%	136,237.50	526,237.50	
9/1/2019			132,337.50	132,337.50	658,575.00
3/1/2020	410,000.00	3.000%	132,337.50	542,337.50	
9/1/2020			126,187.50	126,187.50	668,525.00
3/1/2021	435,000.00	3.000%	126,187.50	561,187.50	
9/1/2021			119,662.50	119,662.50	680,850.00
3/1/2022	455,000.00	3.000%	119,662.50	574,662.50	
9/1/2022			112,837.50	112,837.50	687,500.00
3/1/2023	480,000.00	2.000%	112,837.50	592,837.50	
9/1/2023			108,037.50	108,037.50	700,875.00
3/1/2024	505,000.00	2.000%	108,037.50	613,037.50	
9/1/2024			102,987.50	102,987.50	716,025.00
3/1/2025	530,000.00	2.500%	102,987.50	632,987.50	
9/1/2025			96,362.50	96,362.50	729,350.00
3/1/2026	560,000.00	2.500%	96,362.50	656,362.50	
9/1/2026			89,362.50	89,362.50	745,725.00
3/1/2027	585,000.00	2.750%	89,362.50	674,362.50	
9/1/2027			81,318.75	81,318.75	755,681.25
3/1/2028	615,000.00	2.750%	81,318.75	696,318.75	
9/1/2028			72,862.50	72,862.50	769,181.25
3/1/2029	650,000.00	3.000%	72,862.50	722,862.50	
9/1/2029			63,112.50	63,112.50	785,975.00
3/1/2030	685,000.00	3.000%	63,112.50	748,112.50	
9/1/2030			52,837.50	52,837.50	800,950.00
3/1/2031	720,000.00	3.250%	52,837.50	772,837.50	
9/1/2031			41,137.50	41,137.50	813,975.00
3/1/2032	760,000.00	3.250%	41,137.50	801,137.50	
9/1/2032			28,787.50	28,787.50	829,925.00
3/1/2033	800,000.00	3.500%	28,787.50	828,787.50	
9/1/2033			14,787.50	14,787.50	843,575.00
3/1/2034	845,000.00	3.500%	14,787.50	859,787.50	
9/1/2034					
	<u>9,500,000.00</u>		<u>3,168,075.00</u>	<u>12,668,075.00</u>	<u>11,808,287.50</u>

City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group: Debt Service

Fund: Certificate of Participation Debt Serv.

Fund Description

This fund accounts for the debt service on three separate certificates of participation (COP) that were issued in FY 03 for purchase of a new radio system, energy improvements, and construction of a community center respectively. The COP issues totaled \$10,270,000.

The Certificates of Participation are a lease/purchase arrangement, and thus do not require voter approval. Funds for the debt service come from the various special sales taxes and are allocated as a transfer in their respective funds to this fund.

City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group: Debt Service

Fund: Certificate of Participation Debt Serv.

Certificates of Participation
Series 2003 - Community Center

Due Date	Principal	Rate	Interest	Total Payment	Fiscal Total
2/1/2017	445,000.00	3.000%	123,880.00	568,880.00	
8/1/2017			117,205.00	117,205.00	686,085.00
2/1/2018	475,000.00	4.000%	117,205.00	592,205.00	
8/1/2018			107,705.00	107,705.00	699,910.00
2/1/2019	500,000.00	3.000%	107,705.00	607,705.00	
8/1/2019			100,205.00	100,205.00	707,910.00
2/1/2020	530,000.00	4.000%	100,205.00	630,205.00	
8/1/2020			89,605.00	89,605.00	719,810.00
2/1/2021	565,000.00	3.500%	89,605.00	654,605.00	
8/1/2021			79,717.50	79,717.50	734,322.50
2/1/2022	595,000.00	3.750%	79,717.50	674,717.50	
8/1/2022			68,561.25	68,561.25	743,278.75
2/1/2023	625,000.00	4.000%	68,561.25	693,561.25	
8/1/2023			56,061.25	56,061.25	749,622.50
2/1/2024	650,000.00	4.000%	56,061.25	706,061.25	
8/1/2024			43,061.25	43,061.25	749,122.50
2/1/2025	650,000.00	4.100%	43,061.25	693,061.25	
8/1/2025			28,916.25	28,916.25	721,977.50
2/1/2026	730,000.00	4.125%	28,916.25	758,916.25	
8/1/2026			13,860.00	13,860.00	772,776.25
2/1/2027	660,000.00	4.200%	13,860.00	673,860.00	673,860.00

City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group: Debt Service

Fund: Gateway Commons TIF Debt Service

Fund Description

This fund accounts for debt service associated with a loan from the Missouri Development Finance Board for infrastructure improvements in the Gateway Commons TIF project. Principal amount of the issue was \$5,665,000, with total debt service of \$10,124,589. This debt can be repaid earlier than the anticipated 23 year amortization, but that is dependent upon revenues raised from businesses within the TIF project area.

Summary of Outstanding TIF Debt

\$ 5,665,000 original issue of Missouri Development Finance Board Infrastructure Facilities Revenue Bonds, Gateway Commons Project, Series 2003; interest at 3.13% to 5.38%.

Outstanding Principal: \$ 3,810,000

Total Outstanding Principal: \$ 3,810,000

City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group: Debt Service

Fund: Gateway Commons TIF Debt Service

Revenue Bonds Series 2003 - Gateway Commons

<u>Due Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Fiscal Total</u>
3/1/2017	280,000.00	5.000%	58,102.50	338,102.50	
9/1/2017			53,832.50	53,832.50	391,935.00
3/1/2018	295,000.00	5.000%	53,832.50	348,832.50	
9/1/2018			49,333.75	49,333.75	398,166.25
3/1/2019	310,000.00	5.250%	49,333.75	359,333.75	
9/1/2019			44,606.25	44,606.25	403,940.00
3/1/2020	330,000.00	5.250%	44,606.25	374,606.25	
9/1/2020			39,573.75	39,573.75	414,180.00
3/1/2021	350,000.00	5.250%	39,573.75	389,573.75	
9/1/2021			34,236.25	34,236.25	423,810.00
3/1/2022	365,000.00	5.250%	34,236.25	399,236.25	
9/1/2022			28,670.00	28,670.00	427,906.25
3/1/2023	385,000.00	5.250%	28,670.00	413,670.00	
9/1/2023			22,798.75	22,798.75	436,468.75
3/1/2024	405,000.00	5.375%	22,798.75	427,798.75	
9/1/2024			16,622.50	16,622.50	444,421.25
3/1/2025	425,000.00	5.375%	16,622.50	441,622.50	
9/1/2025			10,141.25	10,141.25	451,763.75
3/1/2026	665,000.00	5.375%	10,141.25	675,141.25	675,141.25
	3,810,000.00		657,732.50	4,467,732.50	4,467,732.50

