



DEBT SERVICE FUNDS
2022

General Obligation Debt Fund

Fund Description

The General Obligation Debt Funds account for the payment of general obligation bonds and improvement bonds. A separate debt service fund is established for each bond issue.

Background

General obligation bonds are secured by the full faith and credit of the City. The City has the authority to levy property taxes for repayment of these bonds.

For this plan, the amounts projected in the Capital Improvement Program (CIP) to be funded by General Obligation Improvement Bonds are assumed to be bonded. The proposed debt structure is consistent with the City's debt management policies. Interest rates are estimated conservatively.

Source of Funds

The principal sources of revenue are property taxes (debt service levies), special assessment and State Aid payments. Other sources of revenue include transfers from other funds. The chart below reflects the projected debt service levies for the next five years and takes into consideration any new debt that will be levied. Currently the City Council has directed staff to not levy for the 2018 Street project, but instead sources from the municipal state aid funds, local government aid, special assessment and transfers from the general fund. For future projects, Council will have to levy for any new debt issued.

Limitation of Levy Debt

Total net general obligation debt will not exceed the statutory limit as required by Minnesota Statute & 475.53, which is 3% of estimated market value. In 2021, the debt market calculation was 0.10% of the market value. The City also has a self-imposed debt limit, which is the net tax-supported outstanding debt as a percentage of the total estimated market value in the City will not exceed 3.50% in any given year, and the total debt levy will not exceed 50% of the total levy in any given year.

Use of Funds and Fund Balance

According to State Statute, proceeds from the debt service levies and fund balance can only be used for redemption of debt. Additional information is available in the existing and projected debt schedule presented in the Capital Improvement Plan.

Five-Year Financial Plan – Debt Service Funds

G O Debt Services Funds - (not including Enterprise fund Debt)

TOTAL DEBT PAYMENT O/S

REVENUES

Description	2020	2021	2022	2023	2024	2025	2026	2027-2034
	Budget	Budget	Adopted Budget	Concept Budget	Concept Budget	Concept Budget	Concept Budget	Concept Budget
Property Taxes	\$ 1,144,242	\$ 1,174,620	\$ 1,359,098	\$ 1,596,322	\$ 1,649,802	\$ 1,541,289	\$ 1,176,635	\$ 6,170,985
Tax Increment	42,000	42,000	42,000	42,000	42,000	42,000	42,000	126,000
Special Assessments	219,671	198,309	355,059	438,939	313,259	311,106	311,057	1,597,184
State Aid	151,913	151,669	151,391	151,078	151,722	151,323	151,880	434,556
Intergovernmental	43,659	47,984	47,206	46,357	45,427	49,392	48,249	92,700
Investment Interest	9,361	1,967	3,187	2,773	2,108	1,646	1,779	3,095
Total Revenues	1,610,846	1,616,549	1,957,941	2,277,469	2,204,318	2,096,756	1,731,600	8,424,520

EXPENDITURES

Debt Principal Payments	2,189,063	1,821,063	1,638,063	1,831,430	1,634,430	1,217,796	1,228,000	4,623,000
Debt Interest Payments	296,610	248,226	291,636	236,726	194,564	160,883	130,751	329,518
Other (Interfund Loans & Escrow payments)	43,863	41,968	41,641	40,116	38,963	37,913	36,733	166,135
2022A GO Improvement Bonds - Streets - Estimate		-	-	148,390	695,821	700,175	698,535	4,871,556
Total Expenditures	2,529,536	2,111,257	1,971,340	2,256,662	2,563,778	2,116,767	2,094,019	9,990,209

OTHER USES

Transfers In	287,239	289,213	113,063	330,579	-	-	-	-
Transfers Out	(50,927)	(5,944)	-	(21,413)	-	-	(3,454)	(448,922)
Total Other Uses	236,312	283,269	113,063	309,166	-	-	(3,454)	(448,922)

Net Change \$ (682,378) \$ (211,439) \$ 99,664 \$ 329,973 \$ (359,460) \$ (20,011) \$ (365,873) \$ (2,014,611)

Fund Equity, Beginning 3,587,515 2,905,137 2,693,698 2,793,362 3,123,335 2,763,875 2,743,864 2,377,991

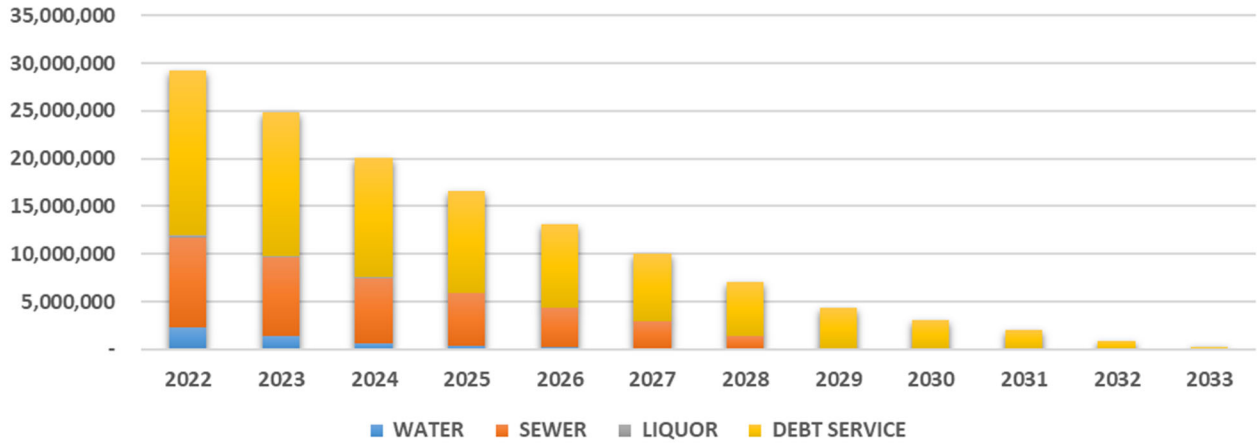
Fund Equity, Ending \$ 2,905,137 \$ 2,693,698 \$ 2,793,362 \$ 3,123,335 \$ 2,763,875 \$ 2,743,864 \$ 2,377,991 \$ 363,380

Debt Obligation – Including Enterprise Funds

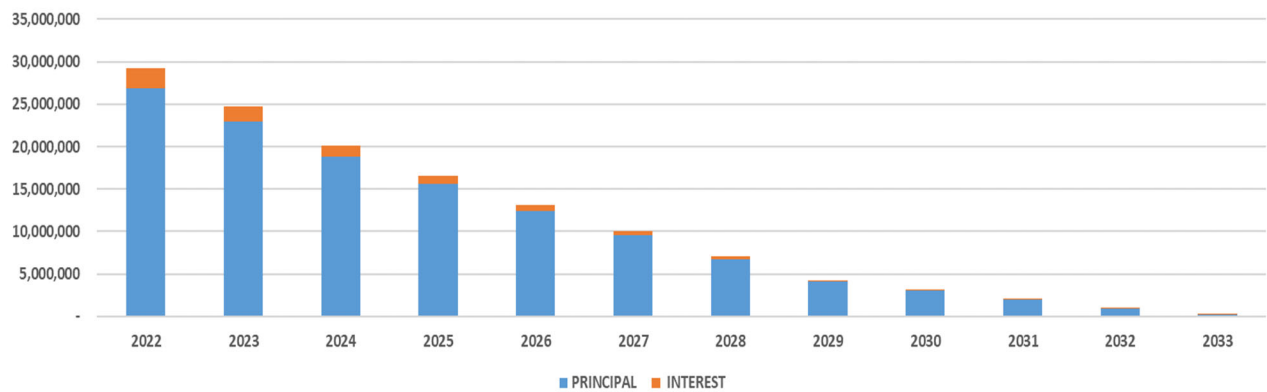
TOTAL DEBT PAYMENT OUTSTANDING									
Fund	Series	PROJECT	2022	2023	2024	2025	2026	2027 - 2041	Total O/S
301	2004 PFA Water MPFA Loan	Water Expansion	579,846	579,235	579,235	-	-	-	2,318,445
401	2009 MPFA Loan Wastewater E	Wastewater Expansion	980,380	980,827	980,791	980,272	981,270	2,942,560	8,826,575
211	2010 PFA Loan	10/25 Intersection	152,538	152,243	152,912	152,531	153,531	305,760	1,222,314
216	2011B G.O. Improvement Refund	Street Projects	223,080	-	-	-	-	-	664,830
217	2012A G.O. Refunding Bonds	Fire Hall/Street Projects	236,969	237,020	192,241	187,560	192,565	-	1,283,105
221	2014A GO Tax Abatement Bonds	Liquor Store	119,988	122,313	119,438	121,500	-	-	605,563
222	2015A GO Refunding Bonds	Street Projects	1,033,337	1,045,287	853,112	524,975	523,988	1,542,970	6,554,006
223	2016A Taxable G.O. Refunding E	TIF 1-3 & TIF 1-4 Industrial Park	311,720	315,940	309,500	193,930	199,200	577,871	2,225,079
224	2016B G.O. CIP BOND	790 Minnesota Ave	56,525	50,813	55,101	54,162	57,981	107,307	439,164
226	2016C GO Refunding Bond	Street Projects	232,350	327,250	326,100	329,800	333,300	-	1,785,250
227	2018A GO Improvement Bonds	2018 Streets Projects	197,325	198,200	194,000	194,725	195,300	1,952,182	3,128,032
228	2021A GO Improvement Bonds	2021 Street Projects	86,214	346,025	347,625	344,000	345,150	2,087,867	3,556,881
229	2022A GO Improvement Bonds	2022 Street Projects	-	106,315	549,888	550,543	550,423	3,835,925	5,593,094
SUBTOTAL DEBT SERVICE FUNDS			\$4,210,272	\$4,461,467	\$4,659,943	\$3,633,998	\$3,532,708	\$13,352,442	\$38,202,337
PORTION PAID BY ENTERPRISE FUNDS									
301	2004 PFA Water MPFA Loan	Water Expansion	579,846	579,235	579,235	-	-	-	2,318,445
401	2009 MPFA Loan Wastewater E	Wastewater Expansion	980,380	980,827	980,791	980,272	981,270	2,942,560	8,826,575
301	2012A G.O. Refunding Bonds	197/166 Utility	121,874	122,562	123,033	120,038	123,242	-	731,834
401	2012A G.O. Refunding Bonds	197/166 Utility	68,554	68,941	69,206	67,522	69,323	-	411,656
501	2014A GO Tax Abatement Bond	Liquor Store	87,195	88,885	86,796	88,294	-	-	440,064
301	2015A GO Refunding Bonds	CR43 Interceptor/Well 7,Tower #4	106,694	108,896	107,079	106,186	109,449	206,993	849,638
401	2015A GO Refunding Bonds	CR 8/Utility Expansion	336,032	337,654	334,921	342,464	339,833	1,177,039	3,207,127
SUBTOTAL ENTERPRISE FUNDS			\$2,280,575	\$2,286,999	\$2,281,061	\$1,704,776	\$1,623,117	\$ 4,326,592	\$16,785,339
TOTAL PAID BY DEBT SERVICE FUND (LEVY/ASSESSMENTS/TRANSFERS)			\$1,929,697	\$2,174,468	\$2,378,882	\$1,929,222	\$1,909,591	\$ 9,025,850	\$21,416,998

Debt Service Outstanding Balance – Including Enterprise Funds

Outstanding Debt - Principal and Interest

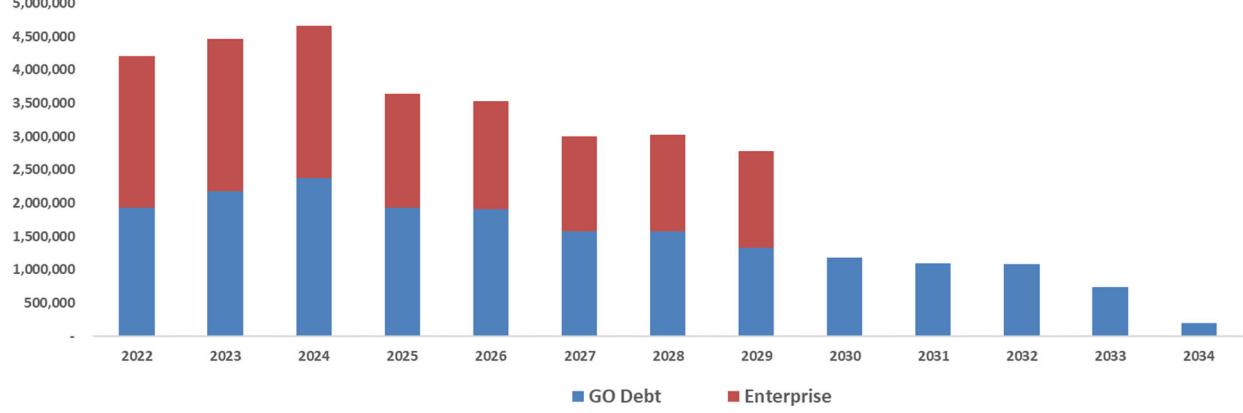


Total Outstanding Debt - Principal and Interest

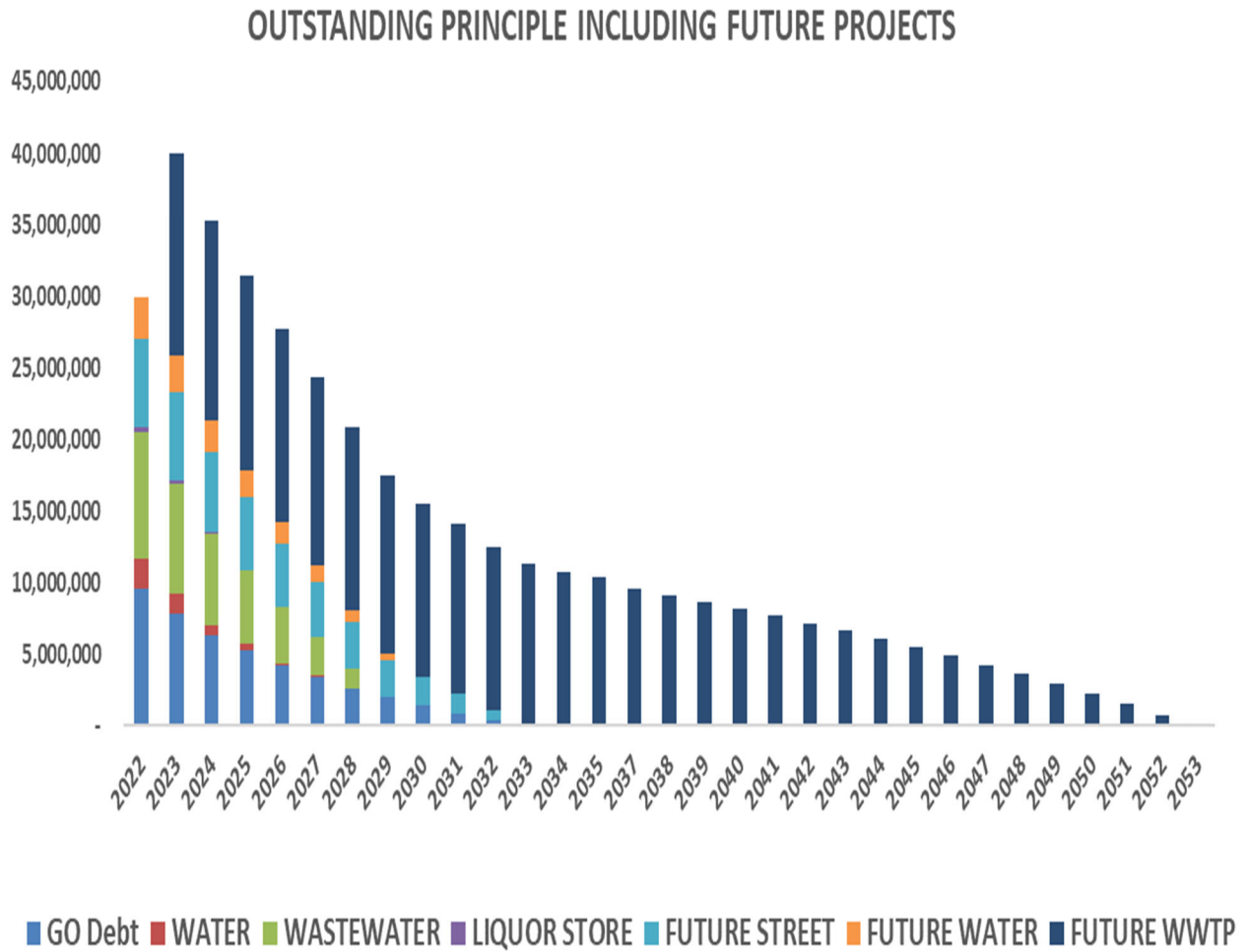


Debt Service Yearly Payments – Including Enterprise Funds

City of Big Lake Yearly Debt Payments



Debt Service Projections with Future Projects – Including Enterprise Funds



This chart indicates future projects that could be funded by debt. These are not guaranteed debt, just used for future financial planning.