



2013 Debt Service Report

Presented by:
City Manager's Office

| | |
|--|---|
| Welcome | 2 |
| Summary of Debt Service Requirements..... | 3 |
| Debt Servicer Per Issue: | |
| Building Authority Bonds, Series 2000 | 4 |
| Building Authority Bonds, Series 2002 | 5 |
| Michigan Transportation Fund Bonds, Series 2003 | 5 |
| Fire Truck Installment Loan, 2005 | 6 |
| Public Works Equipment Installment Loan, 2000 | 6 |
| General Obligation Limited Tax Development Refunding Bonds, Series 2004 | 6 |
| 2011 Capital Improvement Bonds, Series 2011 | 7 |

Welcome

Greetings,

Michigan municipalities receive funding from the State known as revenue sharing. This source of funding has undergone some significant changes under Michigan Governor Rick Snyder. Governor Snyder created a program called the Economic Vitality Incentive Program. The program includes steps that Michigan municipalities must take in order to receive funding as part of this new incentive system.

For the State's Fiscal Year 2013-14, the City of Ishpeming can earn up to \$310,570 by complying with all three components of the EVIP system: (1) accountability and transparency, (2) service sharing and consolidation, and (3) unfunded accrued liability plan, a new category for 2014.

This Debt Service Report, a new requirement this year, is one part of the first component, accountability and transparency, the others being a Citizen's Guide reporting on recent local finances, a Performance Dashboard that illustrates various measures of community quality, and a Projected Budget Report including the current and upcoming fiscal years. All debt activity presented is as of December 31, 2012.

Sincerely,



Jon Kangas
Interim City Manager

SUMMARY OF DEBT SERVICE REQUIREMENTS:

The following is a summary of long-term obligations as of December 31, 2012, and transactions related thereto for the year then ended is as follows:

| | Balance January 1, 2012 | Additions | Reductions | Balance December 31, 2012 | Due Within One Year |
|---|-------------------------------|------------------|--------------------|---------------------------------|------------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | |
| Building Authority Bonds, Series 2000. Payable semi-annually including interest of 5.125% per annum. | \$727,000 | \$- | \$(23,000) | \$704,000 | \$25,000 |
| Building Authority Bonds, Series 2002. Payable semi-annually, including interest of 4.75% per annum. | 74,000 | - | (2,000) | 72,000 | 2,000 |
| Michigan Transportation Fund Bonds, Series 2003. Payable semi-annually including interest of 4.25%. | 317,000 | 125,000 | (55,000) | 387,000 | 58,000 |
| Installment payable for purchase of Fire Truck. Payable annually including interest of 4.375% per annum. Secured by equipment. | 175,000 | - | (20,000) | 155,000 | 20,000 |
| Installment payable for purchase of Public Works equipment. Payable annually including interest of 4.75% per annum. Secured by equipment. | 190,000 | - | (60,000) | 130,000 | 65,000 |
| Refunding Bonds, Series 2004. Payable semi-annually including interest of 3.00% to 3.9% per annum. | 300,000 | - | (125,000) | 175,000 | 120,000 |
| Capital Improvement Bonds, Series 2011. Payable semi-annually including interest of 3.00% to 5.0% per annum. | 2,975,000 | - | (95,000) | 2,880,000 | 95,000 |
| TOTAL | <u>\$4,737,431</u> | <u>\$125,000</u> | <u>\$(378,888)</u> | <u>\$4,483,543</u> | <u>\$385,000</u> |

SUMMARY OF DEBT SERVICE (CONTINUED):

The annual principal and interest requirements for the years ending December 31, 2012 and thereafter are as follows:

| | <u>Governmental Activities</u> | | <u>Totals</u> |
|---------------|--------------------------------|--------------------|--------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2013 | \$385,000 | \$187,507 | \$572,507 |
| 2014 | 333,000 | 178,577 | 511,577 |
| 2015 | 227,000 | 166,242 | 393,242 |
| 2016 | 238,000 | 157,636 | 395,636 |
| 2017 | 247,000 | 148,550 | 395,550 |
| 2018-2022 | 1,242,000 | 569,814 | 1,811,814 |
| 2023-2027 | 1,061,000 | 321,994 | 1,382,994 |
| 2028-2032 | 770,000 | 60,306 | 830,306 |
| Totals | \$4,503,000 | \$1,790,626 | \$6,293,626 |

DEBT SERVICE PER ISSUE:

**Building Authority Bonds
Series 2000
August 2, 2000
\$920,000
Repaid with General Fund Revenues**

| <u>Years Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|-------------------|-------------------|---------------------|
| 2013 | \$ 25,000 | \$ 35,439 | \$ 60,439 |
| 2014 | \$ 26,000 | \$ 34,132 | \$ 60,132 |
| 2015 | \$ 27,000 | \$ 32,774 | \$ 59,774 |
| 2016 | \$ 29,000 | \$ 31,339 | \$ 60,339 |
| 2017 | \$ 30,000 | \$ 29,827 | \$ 59,827 |
| 2018 | \$ 32,000 | \$ 28,238 | \$ 60,238 |
| 2019 | \$ 33,000 | \$ 26,573 | \$ 59,573 |
| 2020 | \$ 35,000 | \$ 24,831 | \$ 59,831 |
| 2021 | \$ 37,000 | \$ 22,986 | \$ 59,986 |
| 2022 | \$ 39,000 | \$ 21,038 | \$ 60,038 |
| 2023 | \$ 41,000 | \$ 18,988 | \$ 59,988 |
| 2024 | \$ 43,000 | \$ 16,836 | \$ 59,836 |
| 2025 | \$ 45,000 | \$ 14,581 | \$ 59,581 |
| 2026 | \$ 47,000 | \$ 12,223 | \$ 59,223 |
| 2027 | \$ 50,000 | \$ 9,737 | \$ 59,737 |
| 2028 | \$ 52,000 | \$ 7,124 | \$ 59,124 |
| 2029 | \$ 55,000 | \$ 4,382 | \$ 59,382 |
| 2030 | \$ 58,000 | \$ 1,486 | \$ 59,486 |
| Totals | \$ 704,000 | \$ 372,534 | \$ 1,076,534 |

DEBT SERVICE PER ISSUE (CONTINUED):

**Building Authority Bonds
Series 2002
September 17, 2002
\$90,000
Repaid with General Fund Revenues**

| Years Ending | Principal | Interest | Total |
|---------------------|------------------|------------------|-------------------|
| 2013 | \$ 2,000 | \$ 3,420 | \$ 5,420 |
| 2014 | \$ 2,000 | \$ 3,324 | \$ 5,324 |
| 2015 | \$ 2,000 | \$ 3,230 | \$ 5,230 |
| 2016 | \$ 3,000 | \$ 3,136 | \$ 6,136 |
| 2017 | \$ 3,000 | \$ 2,992 | \$ 5,992 |
| 2018 | \$ 3,000 | \$ 2,850 | \$ 5,850 |
| 2019 | \$ 3,000 | \$ 2,708 | \$ 5,708 |
| 2020 | \$ 3,000 | \$ 2,564 | \$ 5,564 |
| 2021 | \$ 3,000 | \$ 2,422 | \$ 5,422 |
| 2022 | \$ 3,000 | \$ 2,280 | \$ 5,280 |
| 2023 | \$ 4,000 | \$ 2,138 | \$ 6,138 |
| 2024 | \$ 4,000 | \$ 1,948 | \$ 5,948 |
| 2025 | \$ 4,000 | \$ 1,758 | \$ 5,758 |
| 2026 | \$ 4,000 | \$ 1,568 | \$ 5,568 |
| 2027 | \$ 4,000 | \$ 1,378 | \$ 5,378 |
| 2028 | \$ 5,000 | \$ 1,188 | \$ 6,188 |
| 2029 | \$ 5,000 | \$ 950 | \$ 5,950 |
| 2030 | \$ 5,000 | \$ 712 | \$ 5,712 |
| 2031 | \$ 5,000 | \$ 476 | \$ 5,476 |
| 2032 | \$ 5,000 | \$ 238 | \$ 5,238 |
| Totals | \$ 72,000 | \$ 41,280 | \$ 113,280 |

**Michigan Transportation Fund Bonds
Series 2003
September 11, 2003
\$810,000
Repaid with Major and Local Street Fund Revenues**

| Years Ending | Principal | Interest | Total |
|---------------------|-------------------|------------------|-------------------|
| 2013 | \$ 58,000 | \$ 11,722 | \$ 69,722 |
| 2014 | \$ 60,000 | \$ 14,512 | \$ 74,512 |
| 2015 | \$ 63,000 | \$ 11,962 | \$ 74,962 |
| 2016 | \$ 66,000 | \$ 9,286 | \$ 75,286 |
| 2017 | \$ 69,000 | \$ 6,480 | \$ 75,480 |
| 2018 | \$ 71,000 | \$ 3,548 | \$ 74,548 |
| Totals | \$ 387,000 | \$ 57,510 | \$ 444,510 |

DEBT SERVICE PER ISSUE (CONTINUED):

**Fire Truck Installment Loan
January 26, 2005
\$280,000
Repaid with Public Improvement Millage Revenues**

| Years Ending | Principal | Interest | Total |
|---------------------|-------------------|------------------|-------------------|
| 2013 | \$ 20,000 | \$ 6,782 | \$ 26,782 |
| 2014 | \$ 20,000 | \$ 5,906 | \$ 25,906 |
| 2015 | \$ 20,000 | \$ 5,032 | \$ 25,032 |
| 2016 | \$ 20,000 | \$ 4,156 | \$ 24,156 |
| 2017 | \$ 25,000 | \$ 3,282 | \$ 28,282 |
| 2018 | \$ 25,000 | \$ 2,188 | \$ 27,188 |
| 2019 | \$ 25,000 | \$ 1,094 | \$ 26,094 |
| Totals | \$ 155,000 | \$ 28,440 | \$ 183,440 |

**Public Works Equipment Installment Loan
November 3, 1999
\$730,000
Repaid with Public Improvement Millage Revenues**

| Years Ending | Principal | Interest | Total |
|---------------------|-------------------|-----------------|-------------------|
| 2013 | \$ 65,000 | \$ 6,175 | \$ 71,175 |
| 2014 | \$ 65,000 | \$ 3,087 | \$ 68,087 |
| Totals | \$ 130,000 | \$ 9,262 | \$ 139,262 |

**General Obligation Limited Tax Development Refunding Bonds
Series 2004
October 28, 2004
\$995,000
Repaid with DDA TIFA Revenues**

| Years Ending | Principal | Interest | Total |
|---------------------|-------------------|-----------------|-------------------|
| 2013 | \$ 120,000 | \$ 4,425 | \$ 124,425 |
| 2014 | \$ 55,000 | \$ 1,072 | \$ 56,072 |
| Totals | \$ 175,000 | \$ 5,497 | \$ 180,497 |

DEBT SERVICE PER ISSUE (CONTINUED):

**2011 Capital Improvement Bonds
Series 2011
May 11, 2011
\$2,975,000
Repaid with General Fund Revenues and DDA TIFA**

| Years Ending | Principal | Interest | Total |
|---------------------|---------------------|---------------------|---------------------|
| 2013 | \$ 95,000 | \$ 119,544 | \$ 214,544 |
| 2014 | \$ 105,000 | \$ 116,544 | \$ 221,544 |
| 2015 | \$ 115,000 | \$ 113,244 | \$ 228,244 |
| 2016 | \$ 120,000 | \$ 109,719 | \$ 229,719 |
| 2017 | \$ 120,000 | \$ 105,969 | \$ 225,969 |
| 2018 | \$ 130,000 | \$ 101,419 | \$ 231,419 |
| 2019 | \$ 210,000 | \$ 94,619 | \$ 304,619 |
| 2020 | \$ 220,000 | \$ 85,744 | \$ 305,744 |
| 2021 | \$ 225,000 | \$ 76,287 | \$ 301,287 |
| 2022 | \$ 145,000 | \$ 68,425 | \$ 213,425 |
| 2023 | \$ 150,000 | \$ 62,156 | \$ 212,156 |
| 2024 | \$ 155,000 | \$ 55,578 | \$ 210,578 |
| 2025 | \$ 160,000 | \$ 48,687 | \$ 208,687 |
| 2026 | \$ 170,000 | \$ 41,256 | \$ 211,256 |
| 2027 | \$ 180,000 | \$ 33,162 | \$ 213,162 |
| 2028 | \$ 190,000 | \$ 24,250 | \$ 214,250 |
| 2029 | \$ 195,000 | \$ 14,625 | \$ 209,625 |
| 2030 | \$ 195,000 | \$ 4,875 | \$ 199,875 |
| Totals | \$ 2,880,000 | \$ 1,276,103 | \$ 4,156,103 |