

City of Holland 2018 City, Village and Township Revenue Sharing Debt Service Report

Attached please find the debt service report. The debt service report includes the following five items; 1. List of all debt service obligations, 2. Detail of all remaining debt requirements by individual debt obligation; 3. Debt service fund summary across all limited tax general obligations bond issues; 4. Debt service fund taxation and cash control and 5. Legal debt limitation and legal debt margin. The information on debt service can also be found in the City's annual budget under appendix C. The annual budget can be found on the City's website www.cityofholland.com on the Finance Department's home page.

DEBT SERVICE FUNDS - REMAINING ANNUAL REQUIREMENTS

NOTE: LONG-TERM DEBT REQUIREMENTS THAT ARE SUPPORTED FROM REVENUES OF SPECIFIC PROPRIETARY FUNDS ARE DISPLAYED WITH THAT FUND.

ACT 34 STREET CAPITAL IMPROVEMENT BOND ISSUE, Series 2010

**With Limited Tax General Obligation Pledge (Funding for Various Street Projects)
\$5,500,000 Non-Voted Bond Issue dated May 26, 2010**

**Total Original Bond Issue: 9 Annual Serial Maturities from August 1, 2011 to August 1, 2019
Principal and Interest maturities are financed 100% by Property Taxation**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	685,000	33,498	718,498
2019-20	715,000	11,440	726,440
Total	<u>1,400,000</u>	<u>44,938</u>	<u>1,444,938</u>

BUILDING AUTHORITY REFUNDING BOND ISSUE, Series 2010

**With Limited Tax General Obligation Pledge (Refunded the Series 2002 Police/Transp. Bond Issue)
\$7,425,000 Non-Voted Bond Issue dated September 9, 2010**

**Total Original Bond Issue: 8 Annual Serial Maturities from Oct. 1, 2011 to Oct. 1, 2018
Principal & Interest maturities are financed 100% by 'Rental Payments' to the Building Authority**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	150,000	2,250	152,250
Total	<u>150,000</u>	<u>2,250</u>	<u>152,250</u>

DEBT SERVICE FUNDS - REMAINING ANNUAL REQUIREMENTS (continued)

ACT 34 CAPITAL IMPROVEMENT BOND ISSUE, Series 2008

With Limited Tax General Obligation Pledge (Funding for the 7th Street Parking Deck)

\$4,000,000 Non-Voted Bond Issue dated July 31, 2008

Total Original Bond Issue: 24 Annual Serial Maturities from May 1, 2010 to May 1, 2033

Principal & Interest maturities are financed 100% by Brownfield Redevelopment Tax Capture

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	135,000	142,740	277,740
2019-20	120,000	137,340	257,340
2020-21	135,000	132,540	267,540
2021-22	150,000	126,802	276,802
2022-23	165,000	120,427	285,427
2023-24	180,000	113,415	293,415
2024-25	195,000	105,765	300,765
2025-26	215,000	97,478	312,478
2026-27	235,000	88,340	323,340
2027-28	255,000	78,118	333,118
2028-29	275,000	67,025	342,025
2029-30	285,000	54,650	339,650
2030-31	285,000	41,825	326,825
2031-32	290,000	29,000	319,000
2032-33	290,000	14,500	304,500
Total	<u>3,210,000</u>	<u>1,349,965</u>	<u>4,559,965</u>

DEBT SERVICE FUNDS - REMAINING ANNUAL REQUIREMENTS (continued)

PENSION OBLIGATION BOND ISSUE, Series 2015

With Limited Tax General Obligation Pledge

\$25,000,000 Non-Voted Bond Issue dated November 18, 2015

Total Original Bond Issue: 11 Annual Serial Maturities from June 1, 2016 to December 1, 2025

City Portion - Principal & Interest maturities are financed 100% by Property Taxation

HBPW Portion - Principal & Interest maturities are financed 100% by Utility Fund Revenue

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	2,335,000	540,280	2,875,280
2019-20	2,380,000	494,261	2,874,261
2020-21	2,435,000	439,459	2,874,459
2021-22	2,500,000	376,861	2,876,861
2022-23	2,570,000	305,967	2,875,967
2023-24	2,645,000	227,312	2,872,312
2024-25	2,735,000	141,332	2,876,332
2025-26	2,825,000	48,308	2,873,308
Total	<u>20,425,000</u>	<u>2,573,779</u>	<u>22,998,779</u>

Proceeds were utilized to pay down the unfunded accrued actuarial liability (UAL) of the 'closed' groups within the City of Holland Defined Benefit Pension Plan as administered by the Michigan Municipal Employee Retirement System (MERS).

Proceeds of bond issue were split between the City of Holland (43.64%) and Holland Board of Public Works (56.36%). Repayment will be made using the same allocation.

DEBT SERVICE FUNDS - REMAINING ANNUAL REQUIREMENTS (continued)

ACT 99 INSTALLMENT PURCHASE AGREEMENT

With Qualified Tax-Exempt Obligation Pledge

\$3,000,000 Non-Voted dated February 25, 2016

Total Original Issue: 10 Annual Serial Maturities from December 1, 2016 to June 1, 2026

Principal & Interest maturities are financed 100% by Property Taxation

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	283,546	52,135	335,681
2019-20	289,790	45,892	335,681
2020-21	296,171	39,510	335,681
2021-22	302,692	32,989	335,681
2022-23	309,358	26,324	335,681
2023-24	316,170	19,512	335,681
2024-25	323,132	12,549	335,681
2025-26	330,247	5,434	335,681
Total	<u>2,451,104</u>	<u>234,344</u>	<u>2,685,449</u>

To pay for numerous energy improvements on city facilities described in the scope of work in the Energy Services contract between Schneider Electric Buildings Americas, Inc. and the City of Holland, dated January 4, 2016.

DEBT SERVICE FUNDS - REMAINING ANNUAL REQUIREMENTS (continued)

2016 REFUNDING BOND ISSUE, Series 2016

With Limited Tax General Obligation Pledge

\$6,975,000 Non-Voted Bond Issue dated August 18, 2016

Total Original Issue: 6 Annual Serial Maturities from April 1, 2017 to April 1, 2022

Principal & Interest maturities are financed 100% by Property Taxation

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	1,510,000	89,060	1,599,060
2019-20	1,755,000	65,226	1,820,226
2020-21	1,785,000	39,384	1,824,384
2021-22	1,805,000	13,177	1,818,177
Total	<u>6,855,000</u>	<u>206,846</u>	<u>7,061,846</u>

CIVIC CENTER BOND ISSUE, Series 2016A

With Limited Tax General Obligation Pledge

\$3,475,000 Non-Voted Bond Issue dated December 21, 2016

Total Original Issue: 10 Annual Serial Maturities from August 1, 2017 to August 1, 2026

Principal & Interest maturities are financed 100% by Property Taxation

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	0	120,438	120,438
2019-20	0	120,438	120,438
2020-21	195,000	118,244	313,244
2021-22	200,000	113,550	313,550
2022-23	600,000	102,050	702,050
2023-24	615,000	83,825	698,825
2024-25	615,000	62,300	677,300
2025-26	615,000	37,700	652,700
2026-27	635,000	12,700	647,700
Total	<u>3,475,000</u>	<u>771,244</u>	<u>4,246,244</u>

DEBT SERVICE FUNDS - REMAINING ANNUAL REQUIREMENTS (continued)

CIVIC CENTER BOND ISSUE, Series 2016B

With Limited Tax General Obligation Pledge

\$9,835,000 Non-Voted Bond Issue dated December 21, 2016

Taxable - Qualified Energy Conservation Bonds

Total Original Issue: 20 Annual Serial Maturities from August 1, 2017 to February 1, 2037

Principal & Interest maturities are financed 74% by Property Taxation

Principal & Interest maturities are financed 26% by District Snowmelt Assessment

<u>Fiscal Year</u>	<u>Principal</u>	<u>Net Interest</u>	<u>Total</u>
2018-19	175,000	77,855	252,855
2019-20	175,000	77,649	252,649
2020-21	275,000	77,333	352,333
2021-22	275,000	76,904	351,904
2022-23	275,000	76,427	351,427
2023-24	275,000	75,898	350,898
2024-25	275,000	75,329	350,329
2025-26	285,000	74,717	359,717
2026-27	300,000	73,899	373,899
2027-28	725,000	71,573	796,573
2028-29	730,000	67,435	797,435
2029-30	730,000	62,190	792,190
2030-31	730,000	56,032	786,032
2031-32	735,000	48,825	783,825
2032-33	735,000	40,862	775,862
2033-34	735,000	32,530	767,530
2034-35	740,000	23,802	763,802
2035-36	740,000	14,600	754,600
2036-37	750,000	4,888	754,888
Total	<u>9,660,000</u>	<u>1,108,748</u>	<u>10,768,748</u>

DEBT SERVICE FUNDS - REMAINING ANNUAL REQUIREMENTS (continued)

PENSION OBLIGATION BOND ISSUE, Series 2018

With Limited Tax General Obligation Pledge

\$19,890,000 Non-Voted Bond Issue dated January 18, 2018

Total Original Bond Issue: 22 Annual Serial Maturities from December 1, 2018 to June 1, 2040

Principal & Interest maturities are financed 100% by Property Taxation

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018-19	640,000	683,433	1,323,433
2019-20	650,000	669,718	1,319,718
2020-21	670,000	654,035	1,324,035
2021-22	685,000	636,751	1,321,751
2022-23	705,000	617,629	1,322,629
2023-24	725,000	596,708	1,321,708
2024-25	745,000	574,285	1,319,285
2025-26	770,000	550,418	1,320,418
2026-27	795,000	524,980	1,319,980
2027-28	825,000	498,044	1,323,044
2028-29	850,000	469,350	1,319,350
2029-30	885,000	438,545	1,323,545
2030-31	915,000	405,688	1,320,688
2031-32	950,000	370,948	1,320,948
2032-33	985,000	334,420	1,319,420
2033-34	1,025,000	295,718	1,320,718
2034-35	1,065,000	254,963	1,319,963
2035-36	1,110,000	212,550	1,322,550
2036-37	1,155,000	168,383	1,323,383
2037-38	1,200,000	122,460	1,322,460
2038-39	1,245,000	74,783	1,319,783
2039-40	1,295,000	25,253	1,320,253
Total	<u>19,890,000</u>	<u>9,179,056</u>	<u>29,069,056</u>

Proceeds were utilized to pay down the unfunded accrued actuarial liability (UAL) of the 'closed' groups within the City of Holland Defined Benefit Pension Plan as administered by the Michigan Municipal Employee Retirement System (MERS).

WATER FUND
DETAIL OF ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS
FOR REMAINING MATURITIES

WATER SUPPLY REFUNDING BOND ISSUE, Series 2012-A

Without Limited Tax General Obligation Pledge
\$9,740,000 Non-Voted Bond Issue dated June 6, 2012 with 11 Annual Serial Maturities
from July 1, 2014 to July 1, 2024
Principal and Interest maturities are financed 100% by Water Utility Fund Revenues

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Refunding Discount Amortization</u>	<u>Total Requirements</u>
2018-19	1,145,000	275,831	(6,153)	1,414,678
2019-20	1,185,000	245,175	(5,321)	1,424,854
2020-21	1,235,000	208,875	(4,454)	1,439,421
2021-22	1,280,000	171,150	(3,556)	1,447,594
2022-23	1,325,000	132,075	(2,626)	1,454,449
2023-24	1,375,000	84,700	(1,339)	1,458,361
2024-25	1,430,000	28,600	0	1,458,600
Total	<u><u>8,975,000</u></u>	<u><u>1,146,406</u></u>	<u><u>(23,449)</u></u>	<u><u>10,097,957</u></u>

**WATER FUND
DETAIL OF ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS
FOR REMAINING MATURITIES**

WATER SUPPLY DRINKING BOND (with City of Wyoming)

**Without Limited Tax General Obligation Pledge
\$6,026,500 Non-Voted Bond Issue dated September 23, 2011 with 20 Annual Serial Maturities
from April 1, 2014 to April 1, 2032
Principal and Interest maturities are financed 100% by Water Utility Fund Revenues**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Refunding Discount Amortization</u>	<u>Total Requirements</u>
2018-19	275,000	110,312		385,312
2019-20	280,000	103,437		383,437
2020-21	290,000	96,437		386,437
2021-22	295,000	89,187		384,187
2022-23	300,000	81,812		381,812
2023-24	310,000	74,312		384,312
2024-25	315,000	66,562		381,562
2025-26	325,000	58,687		383,687
2026-27	335,000	50,562		385,562
2027-28	340,000	42,187		382,187
2028-29	350,000	33,687		383,687
2029-30	360,000	24,937		384,937
2030-31	370,000	15,937		385,937
2031-32	375,000	6,687		381,687
Total	<u>4,520,000</u>	<u>854,744</u>	<u>0</u>	<u>5,374,744</u>

Note - BPW makes entire debt payment and is reimbursed in part by the City of Wyoming.

**WASTEWATER FUND
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
FOR REMAINING MATURITIES**

HOLLAND AREA SEWAGE DISPOSAL SYSTEM 2015 IMPROVEMENTS

**The Wastewater Fund is responsible for 50% (indicated below) of this County of Ottawa Issue
\$19,000,000 Non-Voted Bond Issue dated April 15, 2015 with 20 Annual Serial Maturities
from December 1, 2015 to June 1, 2035**

Principal and Interest maturities are financed 100% by Wastewater Utility Fund Revenues

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Refunding Discount Amortization</u>	<u>Total Requirements</u>
2018-19	405,000	225,129		630,129
2019-20	417,500	220,066		637,566
2020-21	427,500	214,013		641,513
2021-22	437,500	206,959		644,459
2022-23	450,000	198,865		648,865
2023-24	462,500	189,640		652,140
2024-25	472,500	179,465		651,965
2025-26	485,000	168,598		653,598
2026-27	500,000	156,958		656,958
2027-28	512,500	144,208		656,708
2028-29	532,500	130,626		663,126
2029-30	550,000	115,716		665,716
2030-31	570,000	99,766		669,766
2031-32	590,000	82,096		672,096
2032-33	612,500	63,216		675,716
2033-34	635,000	43,310		678,310
2034-35	657,500	22,355		679,855
Total	<u>8,717,500</u>	<u>2,460,985</u>	<u>0</u>	<u>11,178,485</u>

DEBT SERVICE

LIMITED TAX GENERAL OBLIGATION (LTGO)

SUMMARY ACROSS ALL LTGO BOND ISSUES

Description	FY-2016 Final Actual	FY-2017 Final Actual	FY-2018 Amended Budget	FY-2018 Final Revised Est.	FY-2019 Adopted
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- - FUNDING SOURCES & USES - -

FUNDING SOURCES -

Taxes	\$ 2,444,655	\$ 4,381,174	\$ 5,090,417	\$ 5,048,051	\$ 5,566,794
Special Assessments	35,985	8,317	7,617	7,500	7,500
Interest & Rents					
* Building Authority Rental Receipts - from Herrick District Library	482,488	448,425	-	-	-
* Special Assessment Interest	3,466	1,710	1,257	1,238	825
* Investment Income	3,845	28,030	6,150	15,100	15,000
Other	-	8,594,758	1,935,394	1,935,391	1,901,243
Transfers In	268,097	278,690	421,047	428,549	429,097
TOTAL SOURCES	<u>\$ 3,238,535</u>	<u>\$ 13,741,104</u>	<u>\$ 7,461,882</u>	<u>\$ 7,435,829</u>	<u>\$ 7,920,459</u>

FUNDING USES -

Other Current Expenditures -					
* Other Miscellaneous	\$ 190	\$ 50,930	\$ 1,001	\$ 501	\$ 501
Debt Service Payments -					
* Principal	2,445,000	12,225,741	5,122,437	5,122,437	5,913,546
* Interest	696,683	1,000,692	1,737,824	1,720,710	2,029,893
Transfers Out	23,981	19,108	830,001	838,003	8,501
TOTAL USES	<u>\$ 3,165,854</u>	<u>\$ 13,296,471</u>	<u>\$ 7,691,263</u>	<u>\$ 7,681,651</u>	<u>\$ 7,952,441</u>

- - FUND EQUITY - -

INCREASE (DECREASE)	\$ 72,681	\$ 444,634	\$ (229,381)	\$ (245,822)	\$ (31,982)
ENDING BALANCE -					
- General Municipal Long-term Debt	\$ 257,577	\$ 683,441	\$ 445,136	\$ 436,883	\$ 405,076
- Special Assessment Long-term Debt	39,961	24	8,948	760	585
TOTAL FUND EQUITY	<u>\$ 297,538</u>	<u>\$ 683,465</u>	<u>\$ 454,084</u>	<u>\$ 437,643</u>	<u>\$ 405,661</u>

Note - The summary excludes Building Authority and Notes Payable Rental Receipts & Rental Payments of \$475,681 for two related bond issues as those Sources & Uses are already included in Taxes (Sources) and Principal/Interest Maturities (Uses).

DEBT SERVICE

LIMITED TAX GENERAL OBLIGATION (LTGO)

TAXATION & CASH CONTROL

Description	FY-2016 Final Actual	FY-2017 Final Actual	FY-2018 Amended Budget	FY-2018 Final Revised Est.	FY-2019 Adopted
FUNDING SOURCES -					
Taxes	\$ 2,444,655	\$ 4,381,174	\$ 5,090,417	\$ 5,048,051	\$ 5,566,794
Investment Income	3,447	8,923	6,000	15,000	15,000
Other	-	1,619,758	1,935,394	1,935,391	1,901,243
Transfers In	268,097	278,690	421,046	428,548	429,096
TOTAL SOURCES	\$ 2,716,199	\$ 6,288,545	\$ 7,452,857	\$ 7,426,990	\$ 7,912,133

FUNDING USES -

Other Current Expenditures -

* Other

- Miscellaneous	\$ 189	\$ 412	\$ 1,000	\$ 500	\$ 500
- Principal - 2015 Pension Bond	-	2,275,000	2,300,000	2,300,000	2,335,000
- Intr & Fees- 2015 Pension Bond	500	598,949	575,699	575,699	540,780
- Principal - Act 34 Cap Improvement	110,000	125,000	130,000	130,000	135,000
- Intr & Fees- Act 34 Cap Improve	157,815	153,690	148,690	148,690	143,490
- Principal - Act 34 Streets	605,000	630,000	660,000	660,000	685,000
- Intr & Fees - Act 34 Streets	89,374	72,998	54,600	54,600	34,248
- Principal - 2016A Civic Bond	-	-	-	-	-
- Intr & Fees - 2016A Civic Bond	-	500	134,569	134,319	120,938
- Principal - 2016B Civic Bond	-	-	175,000	175,000	175,000
- Intr & Fees - 2016B Civic Bond	-	500	404,150	403,890	361,309
- Principal - 2016 Refunding Bond	-	-	120,000	120,000	1,510,000
- Intr & Fees - 2016 Refunding Bond	-	57,707	101,709	101,709	89,810
- Principal - 2018 Pension Bond	-	-	-	-	640,000
- Intr & Fees - 2018 Pension Bond	-	-	235,750	219,146	684,183
- Building Auth. Rent Payments	1,683,344	1,595,606	1,484,413	1,484,413	140,000
- Energy Performance Payment	-	353,201	335,681	335,681	335,681
Transfers Out	1	1	830,001	830,001	1
TOTAL USES	\$ 2,646,223	\$ 5,863,564	\$ 7,691,262	\$ 7,673,648	\$ 7,930,940

- - FUND EQUITY - -

INCREASE (DECREASE)	\$ 69,976	\$ 424,982	\$ (238,405)	\$ (246,658)	\$ (18,807)
ENDING FUND EQUITY	\$ 244,538	\$ 669,520	\$ 431,115	\$ 422,862	\$ 404,055

CITY OF HOLLAND
DEBT LIMITATION AND LEGAL DEBT MARGIN
AT JULY 1, 2018

DEBT LIMITATION AT JULY 1, 2018

Total State Equalized Value Across All Property Classifications	\$ 1,393,378,400
Percentage Limit of Total Value (In Accordance with the City Charter)	10%
Debt Limitation	\$ 139,337,840

DEBT APPLICABLE TO LIMITATION AT JULY 1, 2018

Total Bonded Debt at July 1, 2018 (excludes Capital Leases)	\$ 243,968,604
Less the Following:	
- Debt Items Not Subject to Limitation :	
Revenue Bonded Debt (excludes Sewage Disposal Bond Issue)	(167,735,000)
- Amount Available for Repayment of G.O. and L.T.G.O. Bonds at July 1, 2018:	
Estimated Fund Balance in G.O. and L.T.G.O. Debt Service Funds	(405,076)
Debt Amount Applicable to Debt Limitation	\$ 75,828,528

AVAILABLE LEGAL DEBT MARGIN AT JULY 1, 2018

Debt Limitation Minus Debt Applicable to Limitation Equals Available Legal Debt Margin	\$ 63,509,312
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