

CITY MANAGER'S RECOMMENDED BUDGET FY 2014
DEBT SERVICE

COUNCIL POLICY DEBT LIMIT CALCULATION¹

Computation of Legal Debt Margin	
Assessed Value of Taxable Real Estate	\$3,520,253,600
Assessed Value – Public Service Corporation	\$121,621,419
Assessed Value – Exempt Real Estate	\$800,979,200
Total Assessed Value	\$4,442,854,219
Debt Limit – 4.8% of total assessed value	\$213,257,003
Amount of Debt applicable to debt limit	(\$108,337,000)
Council Policy Limit Debt Margin	\$104,920,003

- ❖ The City Council policy debt limit is 4.8% of the value of the total assessed value of real estate for the City.
- ❖ The Constitution of Virginia includes a legal debt limit of 10% of the taxable value of real estate for the City. That limit is significantly higher than the City's policy limit – approximately \$364 million.
- ❖ The City's Net Bonded Debt Per Capita after FY 2012 is \$4,067. The Net Bonded Debt Per Capita forecast for FY 2014 is \$3,894.
- ❖ The forecast debt service as a percent of General Fund for FY 2014 is 8.7%.

¹ Updated after Board of Equalization appeals & New Construction through January 2013

DEBT SERVICE TABLES

The City of Fredericksburg debt service schedules have been altered by the issuance of General Obligation Bonds for the construction of the new court facility and the issuance of a General Obligation Note for the purchase of land along Sophia Street to join with the Riverfront Park.

In addition to this activity, but not shown in the debt service table, is the refinancing of the General Obligation Bonds for the construction of James Monroe High School and Lafayette Upper Elementary School. The Commonwealth restructured the note and provided the City with a one-time credit in July 2012. The City will use the one-time credit to reduce the current revenues required to service the school debt by \$47,400 per year until the retirement of the school bonds in FY 2030.

The debt service table below reflects the aggregate debt service schedules for the City's outstanding bonds and notes. The Wastewater Operating Fund will have significant debt service savings over FY 2014 – FY 2015 as the final two years of the

Debt Service Table – By Fund

Year	General	Education	Total General (Gen + Ed)	Water Fund	Sewer Fund	Parking Fund	Total
2013	3,067,314	3,480,493	6,547,806	298,089	2,282,282	320,609	9,448,786
2014	3,754,915	3,475,047	7,229,963	276,580	1,718,420	321,084	9,546,047
2015	4,439,319	3,469,881	7,909,200	274,023	1,167,527	319,304	9,670,055
2016	3,301,227	3,428,098	6,729,325	232,368	1,132,878	319,225	8,413,797
2017	3,297,764	3,427,404	6,725,168	233,159	1,132,746	320,767	8,411,840
2018	3,294,702	3,427,209	6,721,912	233,928	1,132,802	319,838	8,408,480
2019	2,996,365	3,391,080	6,387,445	51,588	1,130,998	318,306	7,888,337
2020	2,987,248	3,385,585	6,372,833	50,562	1,229,453	318,235	7,871,083
2021	2,978,463	3,385,395	6,363,857	49,749	1,129,993	319,615	7,854,057
2022	2,974,282	3,384,721	6,359,003	49,081	1,127,579	318,578	7,652,033
2023	2,817,165	3,366,623	6,183,788	33,190	1,116,477	318,245	7,657,202

Debt Service as a % of Total Fund FY 2013

	Total	Debt Service	% of Total
General	78,551,790	6,547,806	8.63%
Water	3,392,365	289,089	8.79%
Wastewater	7,366,425	2,282,282	30.98%
Parking	662,630	320,609	48.38%

Debt Service Table – Principal and Interest (FY 2014)

<i>Fiscal Year</i>	<i>General Obligation – Principal</i>	<i>General Obligation – Interest</i>	<i>Revenue – Principal</i>	<i>Revenue – Interest</i>	<i>EDA Note – Principal</i>	<i>EDA Note – Interest</i>
2013	3,696,000	4,614,021	1,064,107	45,763	-	21,750
2014	4,585,000	4,377,717	545,658	9,276	-	21,750
2015	4,744,000	4,183,535	-	-	725,000	10,875
2016	4,417,000	3,990,152	-	-	-	-
2017	4,605,000	3,800,195	-	-	-	-
2018	4,803,000	3,598,835	-	-	-	-
2019	4,495,000	3,386,692	-	-	-	-
2020	4,690,000	3,174,438	-	-	-	-
2021	4,910,000	2,946,570	-	-	-	-
2022	5,140,000	2,707,412	-	-	-	-
2023	5,175,000	2,470,388	-	-	-	-
2024	5,415,000	2,235,557	-	-	-	-
2025	5,655,000	1,983,733	-	-	-	-
2026	5,910,000	1,722,219	-	-	-	-
2027	5,355,000	1,467,842	-	-	-	-
2028	5,595,000	1,219,415	-	-	-	-
2029	4,990,000	979,887	-	-	-	-
2030	5,215,000	748,477	-	-	-	-
2031	1,550,000	588,350	-	-	-	-
2032	1,610,000	530,069	-	-	-	-
2033	1,670,000	468,569	-	-	-	-
2034	1,735,000	403,641	-	-	-	-
2035	1,810,000	327,037	-	-	-	-
2036	1,900,000	238,925	-	-	-	-
2037	1,990,000	146,538	-	-	-	-
2038	2,090,147	49,638	-	-	-	-
Total	100,054,147	47,745,831	545,658	9,276	725,000	32,625