

**Long-Term Debt**

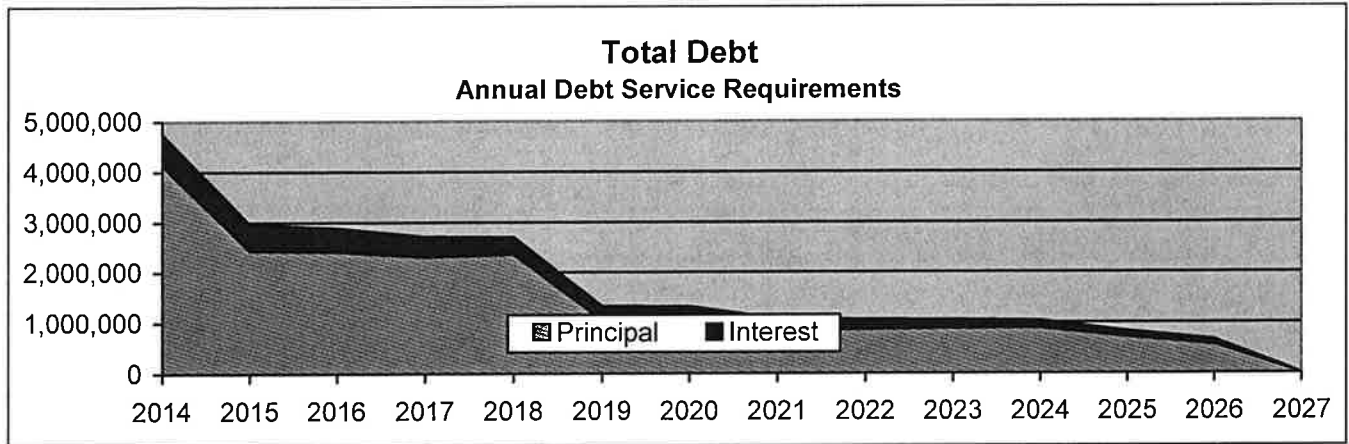
The Debt Service Fund is a legally required fund. The fund administers the payments for all of the City's general obligation debt, including payments on Tax Increment Financing bonds. Revenue bonds are administered in the enterprise fund that is securing the debt. Currently the Sewer fund and the Storm Water fund are the enterprise funds with debt outstanding.

The debt service property tax levy finances the bond and interest payments that are not being secured from other revenue sources. The levy rate for debt service for FY21 is \$0.32 compared to \$0.43 for FY20.

The total debt service requirements for debt currently held by the city are as follows:

Year Ending	Tax Increment Financing Bonds	General Obligation Notes/Bonds	Total Interest	Total
2021	165,000	1,375,000	388,673	1,928,673
2022	170,000	1,410,000	339,415	1,919,415
2023	180,000	1,455,000	288,680	1,923,680
2024	185,000	1,510,000	235,430	1,930,430
2025	--	1,560,000	179,750	1,739,750
2026	--	1,610,000	129,200	1,739,200
2027	--	1,360,000	83,500	1,443,500
2028	--	1,390,000	42,200	1,432,200
2029	--	--	--	--
2030	--	--	--	--
2031	--	--	--	--
2032	--	--	--	--
	\$ 700,000	\$ 11,670,000	\$ 1,686,848	\$ 14,056,848

Table does not include the debt service to finance the sewer & water treatment facility upgrades through the State Revolving Fund and internal financing. The table also does not include the debt service on bonds expected to be sold in calendar year 2020.



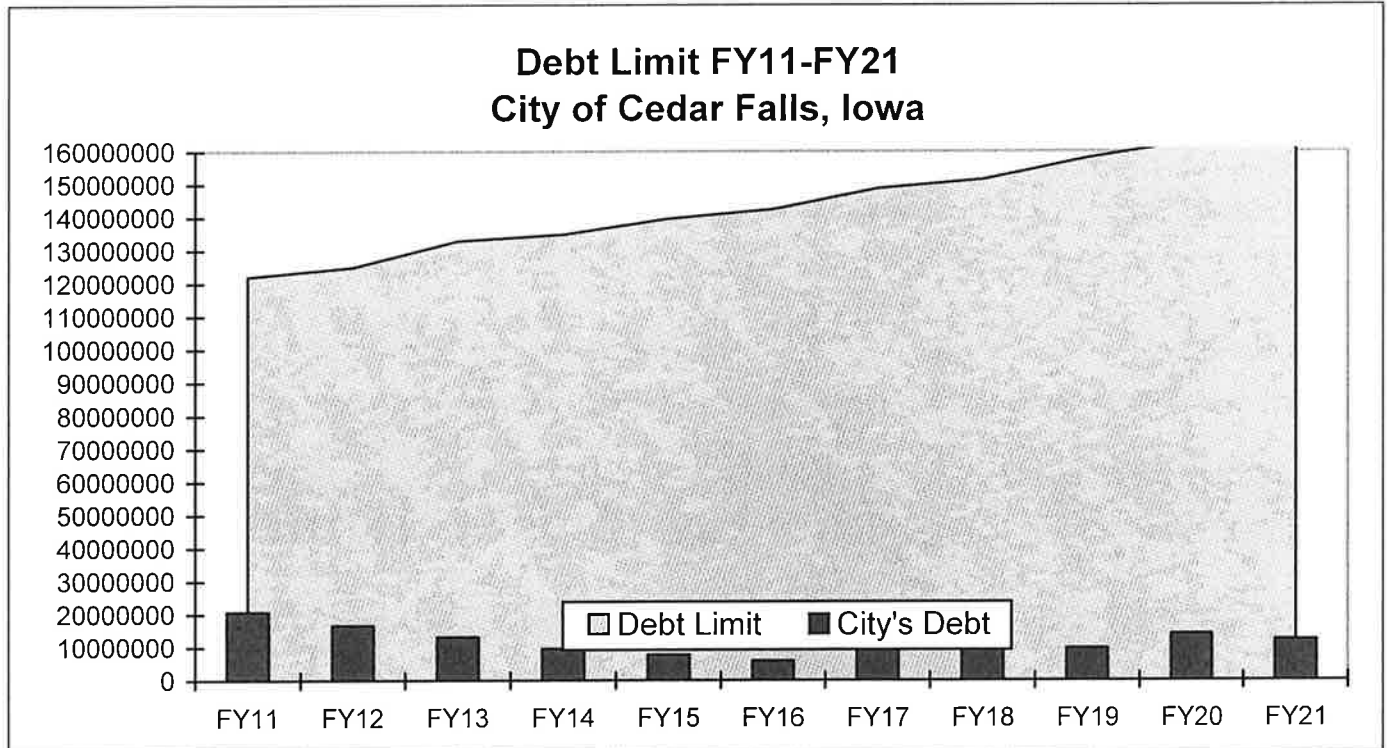
The City of Cedar Falls was upgraded to a Aa1 rating from Moody’s Investor Services for all general obligation issuances. This was a result of Moody’s recalibrating their U.S. municipal rating scale.

In 2018, the City issued \$5,940,000 in General Obligation Bonds. \$2,860,000 of the proceeds were for various capital projects, including Greenhill Road extension, Center Street Trail, and a new fire truck. These proceeds will be repaid through the debt service levy. The remaining \$3,080,000 in proceeds were for sewer and storm water projects. These proceeds will be repaid by sewer and storm water revenues. The City maintained its Aa1 rating from Moody’s.

**Impact on Property Taxes**

During calendar year 2020, the City may sell approximately \$3,363,000 in General Obligation Bonds. These proceeds will be used for various citywide projects, including Main Street Reconstruction, Cedar Heights Drive Reconstruction, Riverbank improvements, and South Main Intersection improvements.

During calendar year 2020, the city may sell revenue bonds to finance the Plant Digester Rehab project.



Year	Debt Limit	City's Debt
FY11	122,094,381	20,770,000
FY12	125,016,901	16,660,000
FY13	132,967,751	13,205,000
FY14	134,876,517	9,640,000
FY15	139,586,122	7,770,000
FY16	142,421,126	5,920,000
FY17	149,224,259	13,270,000
FY18	151,911,983	9,740,000
FY19	158,343,489	14,085,000
FY20	163,006,221	14,085,000
FY21	170,636,243	12,370,000 *

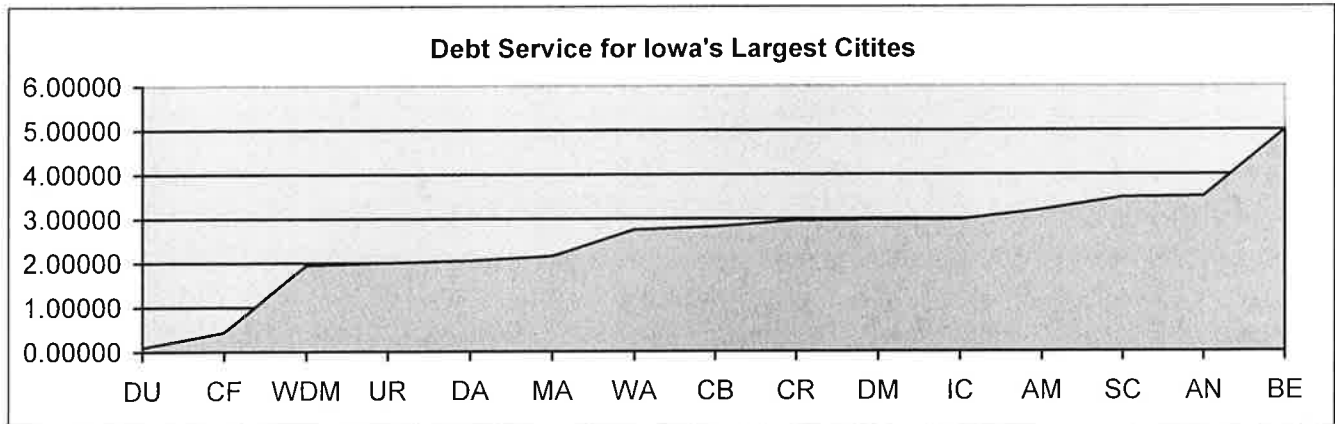
\* estimate

### Debt Service Levy

The City of Cedar Falls' debt levy is very low compared to similar sized cities in Iowa. This is caused by two reasons:

1. The City of Cedar Falls tries to maintain its outstanding debt relatively stable by only issuing replacement debt.
2. The City currently pays some of its debt service out of the \$8.10 levy, while maximizing the trust and agency levy.

By maintaining the debt service rate at low levels, taxpayers avoid fluctuations year to year from debt service. The City utilizes its Capital Improvements Program to project how projects will affect the debt service levy over the next 3-5 years.



City	FY20 Debt Service	2010 Population
Dubuque	0.09371	57,637
<b>Cedar Falls</b>	<b>0.43147</b>	<b>39,260</b>
W. Des Moines	1.95000	56,609
Urbandale	2.00000	39,463
Davenport	2.05000	99,685
Marion	2.15216	34,768
Waterloo	2.75595	68,406
Council Bluffs	2.82000	62,230
Cedar Rapids	2.95605	126,326
Des Moines	2.97000	203,433
Iowa City	2.97846	67,862
Ames	3.19314	58,965
Sioux City	3.47477	82,684
Ankeny	3.50000	45,582
Bettendorf	5.00000	33,217
Average:	2.55505	

Cedar Falls' debt service levy is approximately \$2.12 below the average of the State's fifteen largest cities.

**Debt Limitation**

The debt limit for Iowa cities is 5% of the actual value of taxable property within the City. Debt subject to the debt limit includes general obligation debt, bond anticipation notes, and revenue bonds issued pursuant to Iowa Code Chapter 403 (tax increment). Revenue and special assessment bonds, except for bonds issued pursuant to Iowa Code Chapter 403, are not subject to the City’s debt limit. The City’s debt limit for the fiscal year 2021 is based upon actual property valuation at January 1, 2019.

The Constitution of the State of Iowa, Article XI, Section 3, provides as follows:

*“Indebtedness of political or municipal corporations. No county, or other political or municipal corporation shall be allowed to become indebted in any manner, or for any purpose, to an amount, in the aggregate, exceeding five per centum on the value of taxable property within such county or corporation to be ascertained by the last State or County tax lists, previous to the incurring of such indebtedness.”*

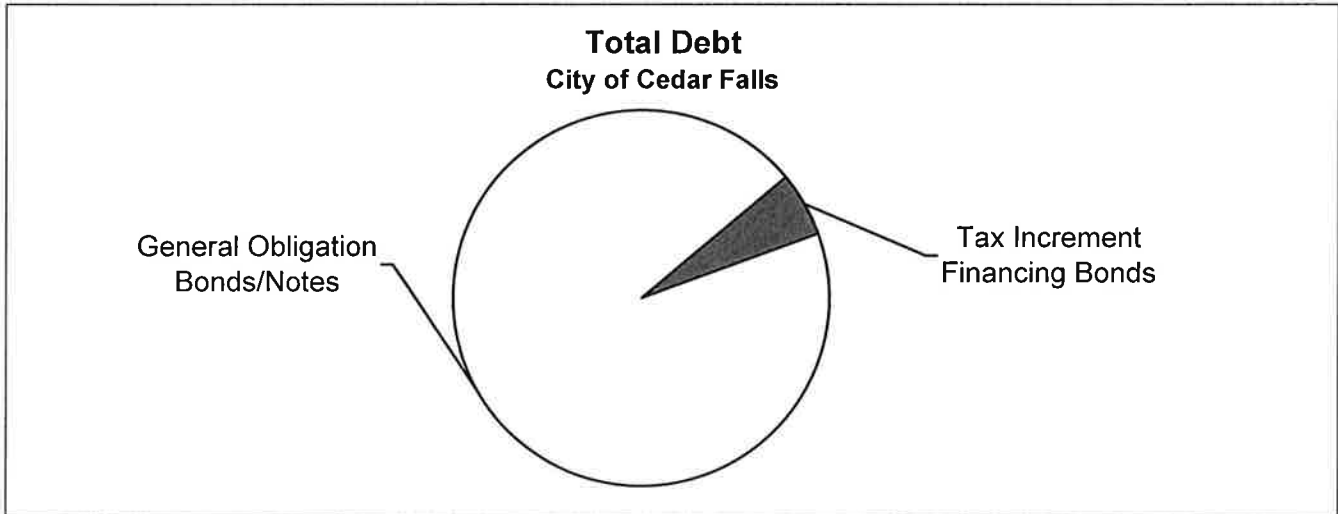
The outstanding obligation debt of the City does not exceed its legal debt margin computed as follows:

Estimated actual valuation of taxable property within the City - Jan 1, 2019	\$ 3,412,724,868
Debt limit - 5% of total actual valuation	\$ 170,636,243
Debt applicable to debt limit:	
General Obligation Bonds/Notes	12,370,000
General Obligation Bonds/Notes - CFU Communication Bonds	<u>0</u>
Legal Debt Margin	\$ 158,266,243
Total net debt applicable to the limit as a percentage of debt limit	7.25%

	<b>Debt History</b>				
	<b>Legal Debt Margin</b>				
	2016	2017	2018	2019	2020
Debt Limit	\$ 142,421,126	\$ 149,224,259	\$ 151,911,983	\$ 158,343,489	\$ 163,006,221
Total net debt applicable to limit	<u>5,920,000</u>	<u>13,270,000</u>	<u>9,740,000</u>	<u>14,085,000</u>	<u>14,085,000</u>
Legal debt margin	\$ 136,501,126	\$ 135,954,259	\$ 142,171,983	\$ 144,258,489	\$ 148,921,221
Total net debt applicable to the limit as a percentage of Debt Limit	4.16%	8.89%	6.41%	8.90%	8.64%

**Principal Annual Maturities  
As of January 1, 2021**

Year	Tax Increment Financing Bonds	General Obligation Notes/Bonds
2021	165,000	1,375,000
2022	170,000	1,410,000
2023	180,000	1,455,000
2024	185,000	1,510,000
2025	0	1,560,000
2026-2028	0	4,360,000
<b>Total</b>	<b>700,000</b>	<b>11,670,000</b>



**Annual Service Requirements**

The annual debt service requirements to service the outstanding indebtedness of the City's are as follows:

Year	Tax Increment Financing Bonds	General Obligation Notes/Bonds
2021	190,673	1,738,000
2022	189,815	1,729,600
2023	193,780	1,729,900
2024	192,030	1,738,400
2025	0	1,739,750
2026-2028	0	4,614,900
<b>Total</b>	<b>766,298</b>	<b>13,290,550</b>

**City of Cedar Falls  
Outstanding Bond Report  
As of January 1, 2021**

<b>Bonded Debt Description</b>	<b>Maturity Date</b>	<b>General Obligation Bonds/Notes</b>	<b>Utility Bonds</b>	<b>Revenue Bonds</b>
Capital Loan Notes	06/01/24	700,000		
Capital Loan Notes	06/01/26	1,665,000		
Capital Loan Notes - Sewer	06/01/28	4,985,000		
2012 Sewer Internal Financing*	06/01/35	10,675,000		
General Obligation Bonds	06/01/28	2,420,000		
GO Bonds - Sewer	06/01/28	1,825,000		
GO Bonds - Stormwater	06/01/28	775,000		
SRF	06/01/33			5,038,000
<b>Total</b>		<b>\$23,045,000</b>	<b>\$0</b>	<b>\$5,038,000</b>

\*This represents the amounts the health trust fund and capital project fund have loaned to the sewer fund.

City of Cedar Falls

**Debt Service for FY21**

<b>Bonds Due 06/30/21</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009A Capital Loan Notes - TIF	165,000	25,670	190,670
Sewer SRF Loan	318,000	163,740	481,740
2016 GO Bonds	265,000	33,300	298,300
2018 GO Bonds	255,000	110,850	365,850
2018 Sewer Bonds	195,000	83,650	278,650
2018 Stormwater Bonds	80,000	35,500	115,500
2016 Sewer Bonds	580,000	99,700	679,700
	<b>\$ 1,858,000</b>	<b>\$ 552,410</b>	<b>\$ 2,410,410</b>

If bonds are sold after the FY21 budget certification date, debt service in FY21 on those bonds are budgeted out of the general fund for FY21.