

## **Debt Service or Interest and Sinking ( I&S ) Funds**

At the beginning of the 2006-07 fiscal year, the City of Kyle's bonded indebtedness will be \$7,830,000. In addition to this debt, the Texas Department of Transportation holds a 14 year note by the City in the amount of \$14,070,053. The City is also retiring \$2,700,000 in debt within its monthly payment to AquaSource Services and Technology as reimbursement for expansion and improvements made to the wastewater treatment plant.

Bonded debt of the City consists of three "Combination Tax and Revenue Certificates"(COs) that were issued to fund various improvements to the City's buildings and infrastructure. The oldest bonded debt is from a 1989A series Tax and Sewer System Refunding Bond. The Council is considering calling all outstanding bonds and paying the full amount due plus accrued interest to the date of payment, effective October 1, 2006.

Proceeds from the series 2000 issue was used for improvements to the wastewater collection system and treatment plant. The first CO series 2000 was used for Utility as well as General Government (Streets, Sidewalk, etc.) projects. Debt Service on this issue comes from *ad valorem* property taxes (50%) and Utility Fund Revenue (50%). The 2002 series CO was used primarily to construct a new City Hall swimming pool, and other general government purposes. The 2003 series Co's funded acquisition and installation of a system to automate meter reading for the City's Utility System.

The SIB Loan issue deferred payment of principal for the first three years so that the first payment will not be due until the 2007 budget year. Proceeds from the loan were given to the State for Road and Bridge improvements for the benefit of a TIF Zone. Funding for servicing the debt on this loan will come from *ad valorem* taxes on property within the TIF zone.

It is expected that the City Council will be asked to consider issuance of additional bonds in perhaps the spring of 2007 to finance additional utility system improvements; a new Library and various other general infrastructure improvements.

The following pages contain an Analysis of Indebtedness, Analysis of Principal and Interest Maturities, Payments Due by Fund, Debt Service Schedules and Proposed Budgets for the Interest and Sinking Funds for the General Fund Portion and Utility Portion of the C/O's.

**Analysis of Indebtedness****Debt Outstanding as of September 30, 2006**

<b><u>Name of Issue</u></b>	<b><u>Original Amount</u></b>	<b><u>Amount Retired</u></b>	<b><u>Amount Outstanding</u></b>
Tax And Sewer System Refunding Bonds Series 1989A	\$ 185,000	\$ 110,000	\$ 75,000
Combination Tax And Certificate of Obligation Series 2000	\$ 1,385,000	\$ 125,000	\$ 1,260,000
Combination Tax And Certificate of Obligation Series 2002	\$ 5,135,000	\$ 525,000	\$ 4,610,000
Combination Tax And Certificate of Obligation Series 2003	\$ 2,340,000	\$ 455,000	\$ 1,885,000
State (TxDot) Infrastructure Bond Loan	\$ 14,070,053	\$ -	\$ 14,070,053
Total	<b>\$ 23,115,053</b>	<b>\$ 1,215,000</b>	<b>\$ 21,900,053</b>

**Analysis of Principal & Interest Maturities****Fiscal Year Ending September 30, 2007**

<b><u>Name of Issue</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total P &amp; I</u></b>
Tax And Sewer System Refunding Bonds Series 1989A	\$ 20,000	\$ 9,933	\$ 29,933
Combination Tax And Certificate of Obligation Series 2000	\$ 40,000	\$ 74,970	\$ 114,970
Combination Tax And Certificate of Obligation Series 2002	\$ 185,000	\$ 195,440	\$ 380,440
Combination Tax And Certificate of Obligation Series 2003	\$ 240,000	\$ 69,368	\$ 309,368
State (TxDot) Infrastructure Bond Loan	\$ -	\$ -	\$ -
Total	<b>\$ 485,000</b>	<b>\$ 349,711</b>	<b>\$ 834,711</b>

# **Analysis of Principal & Interest Payments Due - By Fund** **Fiscal Year Ending September 30, 2007**

		<u>Principal</u>	<u>Interest</u>	<u>Total P &amp; I</u>
<b>General Fund:</b>				
Combination Tax And Certificate of Obligation Series 2002	100.00%	\$ 185,000	\$ 195,440	\$ 380,440
Combination Tax And Certificate of Obligation Series 2000	100.00%	\$ 40,000	\$ 74,970	\$ 114,970
<b>Total</b>		<b>\$ 225,000</b>	<b>\$ 270,410</b>	<b>\$ 495,410</b>
<b>Utility (Enterprise) Fund:</b>				
Tax And Sewer System Refunding Bonds Series 1989A	100.00%	\$ 20,000	\$ 9,933	\$ 29,933
Combination Tax And Certificate of Obligation Series 2003	100.00%	\$ 240,000	\$ 69,368	\$ 309,368
<b>Total</b>		<b>\$ 260,000</b>	<b>\$ 79,301</b>	<b>\$ 339,301</b>
<b>Tax Increment Financing Fund:</b>				
State (TxDot) Infrastructure Bond Loan		\$ -	\$ -	\$ -
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total</b>		<b>\$ 485,000</b>	<b>\$ 349,711</b>	<b>\$ 834,711</b>

**\$185,000**  
**CITY OF KYLE**  
**Tax & Sewer System Refunding Bonds**  
**SERIES 1989A**

**Dated September 1, 1989**

**Principal Due: August 1**

**Interest Due: Feb. 1 and Aug. 1**

**JP Morgan**

**YEAR ENDING  
SEPT. 30**

	<b><u>PRINCIPAL</u></b>	<b><u>RATE</u></b>	<b><u>INTEREST</u></b>	<b><u>TOTAL</u></b>
2005				
2006	\$ -	-	\$ -	\$ -
2007	\$ 20,000	10.45%	\$ 9,933.00	\$ 29,933.00
2008	\$ 25,000	10.45%	\$ 5,762.50	\$ 30,762.50
2009	\$ 30,000	10.50%	\$ 3,150.00	\$ 33,150.00
	\$ 75,000		\$ 18,845.50	\$ 93,845.50

**Percentage Breakdown:**

**Utility Fund                      100%**

FY 06-07 Operating Budget

Utility Fund -	Water Operating Rev. (Debt Service)	\$	29,933.00
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**\$1,385,000**  
**CITY OF KYLE**  
**Combination Tax & Rev Certificates of Obligation Bonds**  
**SERIES 2000**

**Dated October 15, 2000**

**Principal Due: August 15**

**Interest Due: Feb. 15 and Aug. 15**

**JP Morgan Chase**

<b><u>YEAR ENDING</u></b> <b><u>SEPT. 30</u></b>	<b><u>PRINCIPAL</u></b>	<b><u>RATE</u></b>	<b><u>INTEREST</u></b>	<b><u>TOTAL</u></b>
2006	\$ -		\$ -	\$ -
2007	\$ 40,000	6.75%	\$ 74,970.00	\$ 114,970.00
2008	\$ 40,000	6.75%	\$ 66,080.00	\$ 106,080.00
2009	\$ 40,000	6.75%	\$ 63,380.00	\$ 103,380.00
2010	\$ 75,000	6.00%	\$ 60,680.00	\$ 135,680.00
2011	\$ 80,000	4.85%	\$ 56,180.00	\$ 136,180.00
2012	\$ 85,000	4.90%	\$ 52,300.00	\$ 137,300.00
2013	\$ 90,000	5.00%	\$ 48,135.00	\$ 138,135.00
2014	\$ 95,000	5.10%	\$ 43,635.00	\$ 138,635.00
2015	\$ 105,000	5.20%	\$ 38,790.00	\$ 143,790.00
2016	\$ 110,000	5.30%	\$ 33,330.00	\$ 143,330.00
2017	\$ 115,000	5.50%	\$ 27,500.00	\$ 142,500.00
2018	\$ 120,000	5.50%	\$ 21,175.00	\$ 141,175.00
2019	\$ 130,000	5.50%	\$ 14,575.00	\$ 144,575.00
2020	\$ 135,000	5.50%	\$ 7,425.00	\$ 142,425.00
	<b>\$ 1,260,000</b>		<b>\$ 608,155.00</b>	<b>\$ 1,868,155.00</b>

**Percentage Breakdown:**

**General Fund                      100%**

FY 06-07 Operating Budget

General Fund -    Non-Departmental (Debt Service)                      \$    114,970.00



**\$5,135,000**  
**CITY OF KYLE**  
**Combination Tax & Rev Certificates of Obligation Bonds**  
**SERIES 2002**

**Dated October 1, 2002**

**Principal Due: August 15**

**Interest Due: Feb. 15 and Aug. 15**

**Wells Fargo Bank**

<b>YEAR ENDING SEPT. 30</b>	<b>PRINCIPAL</b>	<b>RATE</b>	<b>INTEREST</b>	<b>TOTAL</b>
2006	\$ -	0.00%	\$ -	\$ -
2007	\$ 185,000	3.00%	\$ 195,440.00	\$ 380,440.00
2008	\$ 190,000	3.00%	\$ 181,630.00	\$ 371,630.00
2009	\$ 195,000	3.15%	\$ 175,930.00	\$ 370,930.00
2010	\$ 205,000	3.35%	\$ 169,787.50	\$ 374,787.50
2011	\$ 210,000	3.40%	\$ 162,920.00	\$ 372,920.00
2012	\$ 220,000	3.50%	\$ 155,780.00	\$ 375,780.00
2013	\$ 225,000	3.65%	\$ 148,080.00	\$ 373,080.00
2014	\$ 235,000	3.85%	\$ 139,867.50	\$ 374,867.50
2015	\$ 245,000	3.90%	\$ 130,820.00	\$ 375,820.00
2016	\$ 250,000	4.10%	\$ 121,265.00	\$ 371,265.00
2017	\$ 260,000	4.20%	\$ 111,015.00	\$ 371,015.00
2018	\$ 275,000	4.30%	\$ 100,095.00	\$ 375,095.00
2019	\$ 285,000	4.40%	\$ 88,270.00	\$ 373,270.00
2020	\$ 300,000	4.50%	\$ 75,730.00	\$ 375,730.00
2021	\$ 310,000	4.55%	\$ 62,230.00	\$ 372,230.00
2022	\$ 325,000	4.65%	\$ 48,125.00	\$ 373,125.00
2023	\$ 340,000	4.75%	\$ 33,012.50	\$ 373,012.50
2024	\$ 355,000	4.75%	\$ 16,862.50	\$ 371,862.50
	\$ 4,610,000		\$ 2,116,860.00	\$ 6,726,860.00

**Percentage Breakdown:**

**General Fund**

**100%**

FY 06-07 Operating Budget

General Fund -	Public Safety (Debt Service)	\$ 95,728
General Fund -	Park & Rec Swimming Pool (Debt Service)	\$ 122,317
General Fund -	<b>Non-departmental (Debt Service)</b>	
	Administration Building	\$ 107,116
	Downtown Improvements	\$ 38,244
	City Hall Restoration	\$ 16,208
General Fund -	<b>Non-Departmental (Miscellaneous)</b>	\$ 828
		\$ 380,440

**\$2,340,000**  
**CITY OF KYLE**  
**Combination Tax & Rev Certificates of Obligation Bonds**  
**SERIES 2003**

**Dated April 15, 2004**

**Principal Due: August 15**

**Interest Due: Feb. 15 and Aug. 15**

**Bank of America**

**YEAR ENDING  
SEPT. 30**

	<u>PRINCIPAL</u>	<u>RATE</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$ -		\$ -	\$ -
2007	\$ 240,000	3.68%	\$ 69,368.00	\$ 309,368.00
2008	\$ 250,000	3.68%	\$ 60,536.00	\$ 310,536.00
2009	\$ 260,000	3.68%	\$ 51,336.00	\$ 311,336.00
2010	\$ 270,000	3.68%	\$ 41,768.00	\$ 311,768.00
2011	\$ 275,000	3.68%	\$ 31,832.00	\$ 306,832.00
2012	\$ 290,000	3.68%	\$ 21,712.00	\$ 311,712.00
2013	\$ 300,000	3.68%	\$ 11,040.00	\$ 311,040.00
	\$ 1,885,000		\$ 287,592	\$ 2,172,592

**Percentage Breakdown:**

**Utility Fund**

**100%**

FY 06-07 Operating Budget

Utility Fund -	Water Operating Rev. (Debt Service)	\$	309,368
	Automatic Meter Reading System		

**\$14,070,053****CITY OF KYLE****Principal And Interest Repayment Schedule  
State (TxDot) Infrastructure Bond Loan****Principal Due: March 17****Interest Due: March 17****YEAR ENDING****SEPT. 30****PRINCIPAL****RATE****INTEREST****TOTAL**

2006	\$ -		\$ 34,247.30	\$ -
2007	\$ -	4.50%	\$ 35,805.56	\$ -
2008	\$ 1,124,257.71	4.50%	\$ 37,434.71	\$ 1,161,692.42
2009	\$ 572,658.74	4.50%	\$ 589,033.68	\$ 1,161,692.42
2010	\$ 598,714.71	4.50%	\$ 562,977.71	\$ 1,161,692.42
2011	\$ 625,956.23	4.50%	\$ 535,736.19	\$ 1,161,692.42
2012	\$ 654,437.24	4.50%	\$ 507,255.18	\$ 1,161,692.42
2013	\$ 684,214.13	4.50%	\$ 477,478.29	\$ 1,161,692.42
2014	\$ 715,345.88	4.50%	\$ 446,346.54	\$ 1,161,692.42
2015	\$ 747,894.11	4.50%	\$ 413,798.31	\$ 1,161,692.42
2016	\$ 781,923.31	4.50%	\$ 379,769.11	\$ 1,161,692.42
2017	\$ 817,500.79	4.50%	\$ 344,191.63	\$ 1,161,692.42
2018	\$ 854,697.09	4.50%	\$ 306,995.33	\$ 1,161,692.42
2019	\$ 893,585.81	4.50%	\$ 268,106.61	\$ 1,161,692.42
2020	\$ 934,243.96	4.50%	\$ 227,448.46	\$ 1,161,692.42
2021	\$ 976,752.06	4.50%	\$ 184,940.35	\$ 1,161,692.41
2022	\$ 1,021,194.28	4.50%	\$ 140,498.14	\$ 1,161,692.42
2023	\$ 1,067,658.62	4.50%	\$ 94,033.80	\$ 1,161,692.42
2024	\$ 999,018.23	4.50%	\$ 45,455.33	\$ 1,161,692.42
	\$ 14,070,052.90		\$ 5,631,552.23	\$ 19,748,771.13

**Percentage Breakdown:****Tax Increment Financing Zone  
Ad Valorem Property Tax****100%**