

## **DEBT SERVICE**

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The City record and disbursement of monies used to repay of annual principal and interest, fees, anticipated new debt, and administrative fees on city issued debt. Transaction Sales Tax Fund accounts for the payment of debt service on the City's General Obligation. The Utility Fund accounts for all debt associated with the Water utilities activity. These debts account for the accumulation of resources and payment of general long-term debt principal.

### Infrastructure Lease (99-71)

On May 16, 2006 the City adopted a resolution authorizing the lease financing in the amount of \$2,880,000 for various public improvements. The lease cost of issuance was \$20,000, with an interest rate of 4.85% for 20 years. The semi-annual payments are \$113,284 and the lease will be paid in full on June 8, 2026. The projects included replacing the sewer force main; construction of the Skate Park; installation of a Water Booster Pump which will interconnect the low and high water zones; drilling a new Well No. 2 on the existing site of the old well; Street improvements; and install solar ponds on the roof of the Sewer pump station, City Hall and Library, and the Police Station.

On May 18, 2021 the City adopted a resolution authorizing the City 2006 Lease refinancing in the amount of \$1,109,000. The lease cost of issuance was \$31,000, with an interest rate of 1.1%, with annual payment of \$211,293 and the lease will be paid in full on June 30, 2026.

### Village Mobile Home Park (99-72)

On September 18, 2007 the City entered into a purchase agreement in the amount of \$1,611,594 for the Village Mobile Home Park purchase. The lease financing was in the amount of \$817,500 with an interest rate of 4.90% per annum for 20 years, and a \$17,500 cost of issuance. The semi-annual payments are \$32,293 and the debt will be paid in full on July 1, 2027.

### Fire Truck Lease (99-74)

On August 3, 2023, the City entered into a master equipment lease purchase agreement with Community First National Bank for financing a new Pierce Enforcer Type 1 Engine in the amount of \$638,745 and the annual debt service payment is \$238,050 with an interest rate of 1.84%. The lease will be paid in full on August 4, 2026.

### Well 7 Arsenic Treatment System Construction Loan (99-77)

The City of Sebastopol needs to lower the arsenic level in Well 7, and construction plans and specifications for the Well 7 Water Treatment System has been completed by the consultant, and approved by the City Engineer. The City entered into 20 year loan from Muni Financing for the arsenic treatment system construction. The \$1,235,000 loan at 4.10% is for 20 years ending on June 30, 2035.

On May 18, 2021 the City adopted a resolution authorizing the refinancing of Well 7 Loan in the amount of \$1,177,000. The lease cost of issuance was \$30,000, with an interest rate of 2.09%, with annual payment of \$84,065 and the lease will be paid in full on June 30, 2033.

### Energy Conservation Measure Tax Exempt Lease Purchase (99-80)

The City of Sebastopol selected Syserco Energy Solution, Inc. to develop and implement a "Comprehensive Energy Efficiency, Water Conservation, and Solar PV Project" at City-owned facilities and water meter connections. The Project received unanimous approval from the City Council on October 19, 2021, and approval of the Tax-Exempt Lease Financing. The City entered into 15 year Equipment Lease Purchase Agreement with Signature Public Funding Corporation. The \$4,938,891 tax exempt lease purchase at 1.77% is for 15 years ending on July 1, 2036.

<b>Debt Service</b>							
<b>Budget Expenditures</b>							
<b>Account Number</b>	<b>2022-23 Actual</b>	<b>2023-24 Adopted Budget</b>	<b>2023-24 Adjusted Budget</b>	<b>2023-24 Estimated Actual</b>	<b>2024-25 Proposed Budget</b>	<b>\$ Inc/(Dec)</b>	<b>% Change</b>
<b>70 - Woodstone Ctr Bond</b>							
<b>6100 - Principal</b>							
401 - Woodstone Ctr Assess District DS	35,000	-	-	-	-	-	0.0%
<b>Total 6100 - Principal</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>6200 - Interest</b>							
401 - Woodstone Ctr Assess District DS	1,173	-	-	-	-	-	0.0%
<b>Total 6200 - Interest</b>	<b>1,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total 70 - Woodstone Ctr Bond</b>	<b>36,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>71 - Infrastructure Lease</b>							
<b>6100 - Principal</b>							
100 - General Fund	54,818	53,785	53,785	55,586	56,199	2,414	4.5%
212 - Park Development Fund	26,394	27,586	27,586	26,685	26,979	(607)	-2.2%
500 - Water Enterprise Fund	-	62,065	62,065	64,145	64,853	2,788	4.5%
510 - WasteWater Enterprise Fund	-	55,173	55,173	57,023	57,652	2,479	4.5%
<b>Total 6100 - Principal</b>	<b>81,211</b>	<b>198,609</b>	<b>198,609</b>	<b>203,439</b>	<b>205,683</b>	<b>7,074</b>	<b>3.6%</b>
<b>6200 - Interest</b>							
100 - General Fund	2,301	7,570	7,570	1,702	1,089	(6,481)	-85.6%
212 - Park Development Fund	1,108	3,884	3,884	873	558	(3,326)	-85.6%
500 - Water Enterprise Fund	2,734	8,737	8,737	1,964	1,256	(7,481)	-85.6%
510 - WasteWater Enterprise Fund	2,381	7,767	7,767	1,745	1,117	(6,650)	-85.6%
<b>Total 6200 - Interest</b>	<b>8,524</b>	<b>27,958</b>	<b>27,958</b>	<b>6,284</b>	<b>4,020</b>	<b>(23,938)</b>	<b>-85.6%</b>
<b>Total 71 - Infrastructure Lease</b>	<b>89,735</b>	<b>226,567</b>	<b>226,567</b>	<b>209,723</b>	<b>209,703</b>	<b>(16,864)</b>	<b>-7.4%</b>
<b>72 - VMHP (Park Village) Lease</b>							
<b>6100 - Principal</b>							
100 - General Fund	50,094	52,579	52,579	52,579	55,187	2,608	5.0%
<b>Total 6100 - Principal</b>	<b>50,094</b>	<b>52,579</b>	<b>52,579</b>	<b>52,579</b>	<b>55,187</b>	<b>2,608</b>	<b>5.0%</b>
<b>6200 - Interest</b>							
100 - General Fund	14,491	12,006	12,006	12,006	9,398	(2,608)	-21.7%
<b>Total 6200 - Interest</b>	<b>14,491</b>	<b>12,006</b>	<b>12,006</b>	<b>12,006</b>	<b>9,398</b>	<b>(2,608)</b>	<b>-21.7%</b>
<b>Total 72 - VMHP (Park Village) Lease</b>	<b>64,585</b>	<b>64,585</b>	<b>64,585</b>	<b>64,585</b>	<b>64,585</b>	<b>-</b>	<b>0.0%</b>
<b>73 - CREBS Lease</b>							
<b>6100 - Principal</b>							
100 - General Fund	46,267	46,300	46,300	-	-	(46,300)	-100.0%
402 - CREBS DS Fund	20,298	40,597	40,597	-	-	(40,597)	-100.0%
500 - Water Enterprise Fund	31,024	62,047	62,047	62,047	-	(62,047)	-100.0%
<b>Total 6100 - Principal</b>	<b>97,589</b>	<b>148,944</b>	<b>148,944</b>	<b>62,047</b>	<b>-</b>	<b>(148,944)</b>	<b>-100.0%</b>
<b>Total 73 - CREBS Lease</b>	<b>97,589</b>	<b>148,944</b>	<b>148,944</b>	<b>62,047</b>	<b>-</b>	<b>(148,944)</b>	<b>-100.0%</b>
<b>74 - Fire Truck Lease</b>							
<b>6100 - Principal</b>							
100 - General Fund	-	-	-	-	201,042	201,042	0.0%
<b>Total 6100 - Principal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,042</b>	<b>201,042</b>	<b>0.0%</b>
<b>6200 - Interest</b>							
100 - General Fund	-	-	-	-	37,009	37,009	0.0%
<b>Total 6200 - Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,009</b>	<b>37,009</b>	<b>0.0%</b>
<b>Total 74 - Fire Truck Lease</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238,051</b>	<b>238,051</b>	<b>0.0%</b>

<b>Debt Service</b>							
<b>Budget Expenditures</b>							
Account Number	2022-23 Actual	2023-24 Adopted Budget	2023-24 Adjusted Budget	2023-24 Estimated Actual	2024-25 Proposed Budget	\$ Inc/(Dec)	% Change
<b>77 - Well 7 Loan</b>							
<b>6100 - Principal</b>							
500 - Water Enterprise Fund	-	66,021	66,021	66,021	67,415	1,394	2.1%
<b>Total 6100 - Principal</b>	<b>-</b>	<b>66,021</b>	<b>66,021</b>	<b>66,021</b>	<b>67,415</b>	<b>1,394</b>	<b>2.1%</b>
<b>6200 - Interest</b>							
500 - Water Enterprise Fund	19,299	17,934	17,934	17,934	16,539	(1,395)	-7.8%
<b>Total 6200 - Interest</b>	<b>19,299</b>	<b>17,934</b>	<b>17,934</b>	<b>17,934</b>	<b>16,539</b>	<b>(1,395)</b>	<b>-7.8%</b>
<b>Total 77 - Well 7 Loan</b>	<b>19,299</b>	<b>83,955</b>	<b>83,955</b>	<b>83,955</b>	<b>83,954</b>	<b>(1)</b>	<b>0.0%</b>
<b>80 - Signature DS-Energy Project</b>							
<b>6100 - Principal</b>							
100 - General Fund	75,670	73,264	73,264	67,403	68,596	(4,668)	-6.4%
500 - Water Enterprise Fund	-	109,895	109,895	131,875	134,209	24,314	22.1%
510 - WasteWater Enterprise Fund	-	109,895	109,895	93,777	95,437	(14,458)	-13.2%
<b>Total 6100 - Principal</b>	<b>75,670</b>	<b>293,054</b>	<b>293,054</b>	<b>293,055</b>	<b>298,242</b>	<b>5,188</b>	<b>1.8%</b>
<b>6200 - Interest</b>							
100 - General Fund	10,500	20,399	20,399	18,767	17,574	(2,825)	-13.8%
500 - Water Enterprise Fund	20,543	30,599	30,599	36,718	34,384	3,785	12.4%
510 - WasteWater Enterprise Fund	14,609	30,599	30,599	26,110	24,450	(6,149)	-20.1%
<b>Total 6200 - Interest</b>	<b>45,652</b>	<b>81,597</b>	<b>81,597</b>	<b>81,595</b>	<b>76,408</b>	<b>(5,189)</b>	<b>-6.4%</b>
<b>Total 80 - Signature DS-Energy Project</b>	<b>121,321</b>	<b>374,651</b>	<b>374,651</b>	<b>374,650</b>	<b>374,650</b>	<b>(1)</b>	<b>0.0%</b>
<b>Total Debt Service</b>	<b>428,702</b>	<b>898,702</b>	<b>898,702</b>	<b>794,960</b>	<b>970,943</b>	<b>72,241</b>	<b>8.0%</b>
<b>RECAP SUMMARY</b>							
100 - General Fund	254,140	265,903	265,903	208,043	446,094	180,191	67.8%
500 - Water Fund	73,600	357,298	357,298	380,704	318,656	(38,642)	-10.8%
510 - Sewer Fund	16,990	203,434	203,434	178,655	178,656	(24,778)	-12.2%
212 - Park Development Fund	27,501	31,470	31,470	27,558	27,537	(3,933)	-12.5%
401 - Woodstone Assessment	36,173	-	-	-	-	-	0.0%
402 - CREBS Fund	20,298	40,597	40,597	-	-	(40,597)	-100.0%
<b>Total</b>	<b>428,702</b>	<b>898,702</b>	<b>898,702</b>	<b>794,960</b>	<b>970,943</b>	<b>72,241</b>	<b>8.0%</b>