

Long-Term Debt

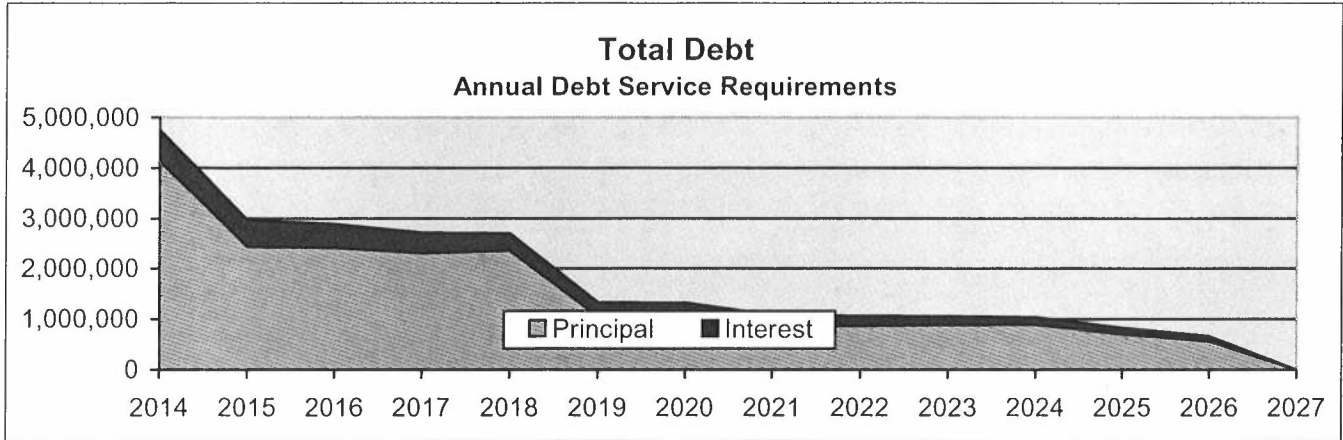
The Debt Service Fund is a legally required fund. The fund administers the payments for all of the City’s general obligation debt, including payments on Tax Increment Financing bonds. Revenue bonds are administered in the enterprise fund that is securing the debt. Currently the Sewer fund and the Storm 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 FY22 is \$0.30 compared to \$0.32 for FY21.

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
2022	--	1,745,000	385,600	2,130,600
2023	--	1,795,000	334,200	2,129,200
2024	--	1,860,000	280,900	2,140,900
2025	--	1,915,000	225,250	2,140,250
2026	--	1,975,000	167,600	2,142,600
2027	--	1,735,000	114,600	1,849,600
2028	--	1,775,000	65,800	1,840,800
2029	--	390,000	15,900	405,900
2030	--	405,000	8,100	413,100
	<u>\$ 0</u>	<u>\$ 13,595,000</u>	<u>\$ 1,597,950</u>	<u>\$ 15,192,950</u>

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 2022.

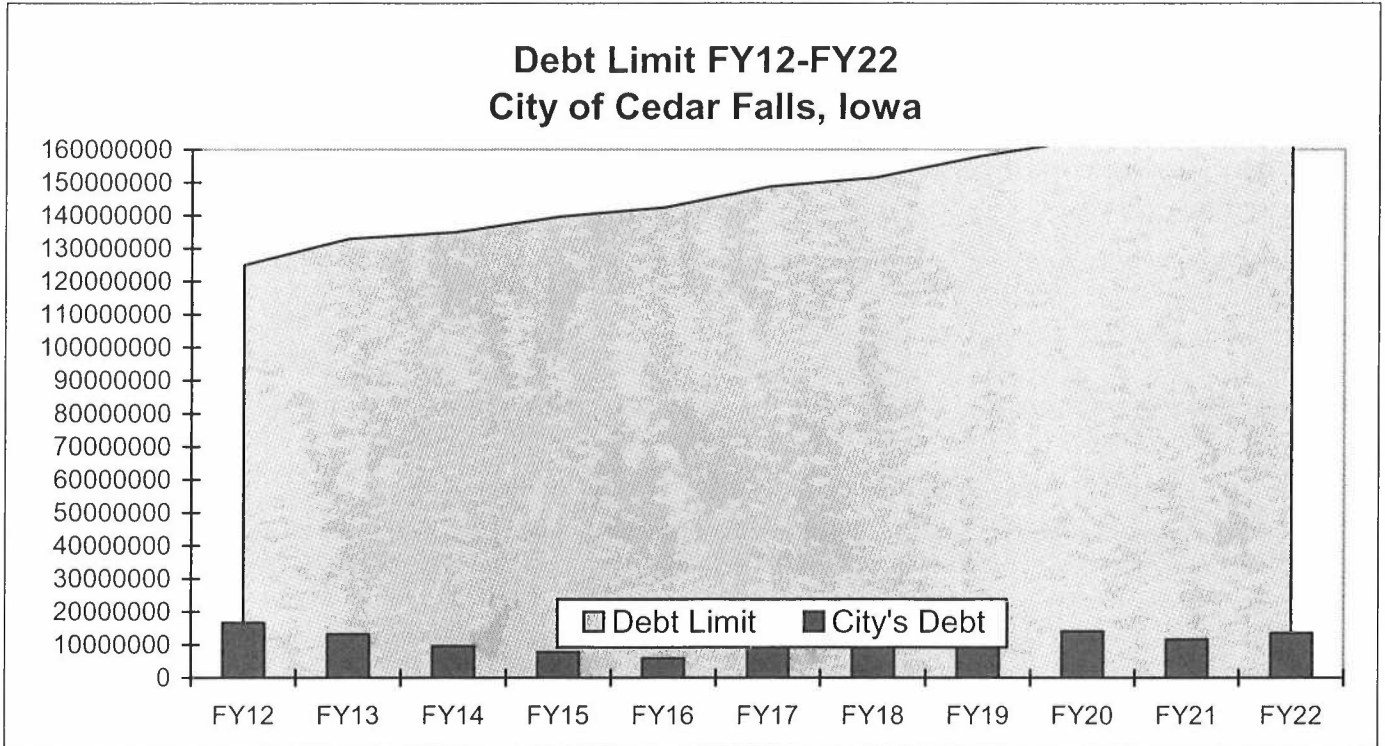


The City of Cedar Falls was upgraded to a Aaa rating from Moody’s Investor Services in June 2020 for all general obligation issuances. This was a major achievement by the City. The upgrade was a result of strong financial management evidenced by a long history of strong cash reserves and liquidity, modest debt burden, and low fixed costs.

In 2020, the City issued \$3,430,000 in General Obligation Capital Loan Notes. The proceeds were for various capital projects, including Olive Street Box Culvert, Union Road Trail, Cedar Heights Drive Reconstruction, Greenhill Road & S. Main Intersection, and a new fire truck.

Impact on Property Taxes

During calendar year 2022, the City may sell approximately \$3,618,000 in General Obligation Bonds. These proceeds will be used for various citywide projects, including Northern Cedar Falls Storm Sewer Extension, Cedar Heights Drive Reconstruction, Riverbank improvements, and South Main Intersection improvements.



Year	Debt Limit	City's Debt
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	11,670,000
FY22	174,307,414	13,595,000 *

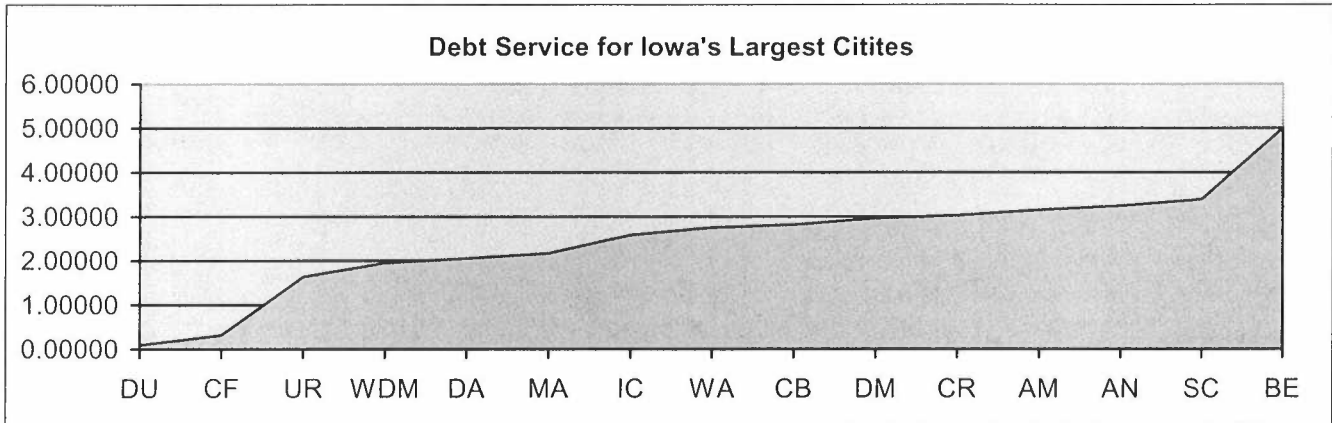
* estimate

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	FY21 Debt Service	2010 Population
Dubuque	0.09269	57,637
Cedar Falls	0.31523	39,260
Urbandale	1.64000	39,463
W. Des Moines	1.95000	56,609
Davenport	2.04999	99,685
Marion	2.16343	34,768
Iowa City	2.57846	67,862
Waterloo	2.75591	68,406
Council Bluffs	2.82000	62,230
Des Moines	2.96537	203,433
Cedar Rapids	3.03225	126,326
Ames	3.15027	58,965
Ankeny	3.25000	45,582
Sioux City	3.39473	82,684
Bettendorf	5.00000	33,217
Average:	2.14772	

Cedar Falls' debt service levy is approximately \$1.83 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 2022 is based upon actual property valuation at January 1, 2020.

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.”

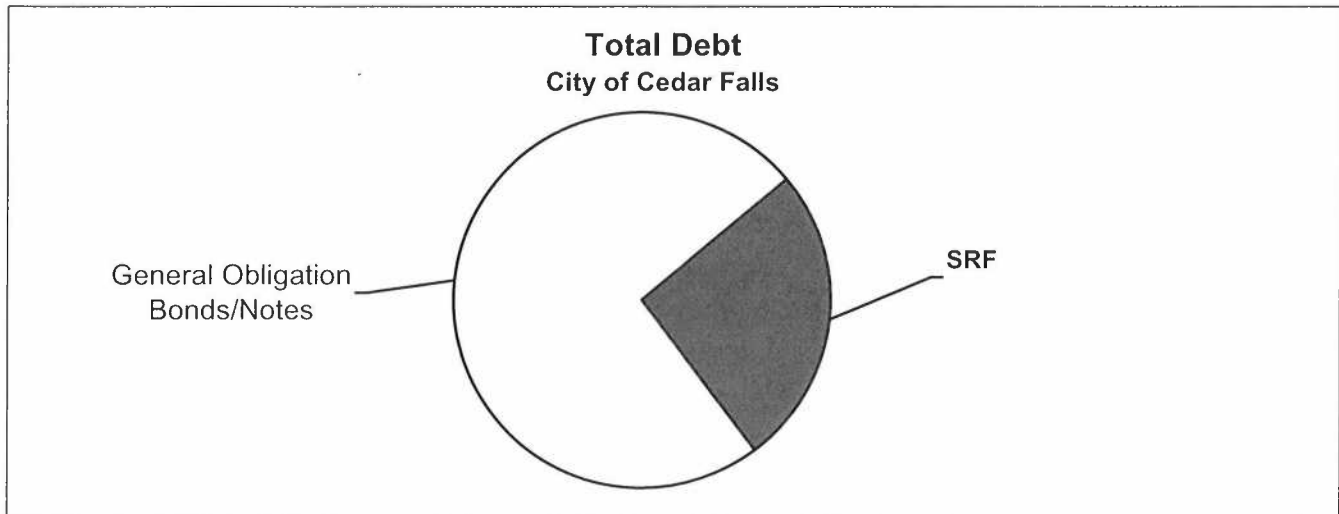
The outstanding obligation debt of the City does not exceed its legal debt margin computed as follows:

Estimated actual valuation of taxable property within the City - Jan 1, 2020	<u>\$ 3,486,148,270</u>
Debt limit - 5% of total actual valuation	\$ 174,307,414
Debt applicable to debt limit:	
General Obligation Bonds/Notes	13,595,000
General Obligation Bonds/Notes - CFU Communication Bonds	<u>0</u>
Legal Debt Margin	<u>\$ 160,712,414</u>
Total net debt applicable to the limit as a percentage of debt limit	7.80%

	Debt History				
	Legal Debt Margin				
	2017	2018	2019	2020	2021
Debt Limit	\$ 149,224,259	\$ 151,911,983	\$ 158,343,489	\$ 163,006,221	\$ 170,636,243
Total net debt applicable to limit	<u>13,270,000</u>	<u>9,740,000</u>	<u>14,085,000</u>	<u>14,085,000</u>	<u>11,670,000</u>
Legal debt margin	<u>\$ 135,954,259</u>	<u>\$ 142,171,983</u>	<u>\$ 144,258,489</u>	<u>\$ 148,921,221</u>	<u>\$ 158,966,243</u>
Total net debt applicable to the limit as a percentage of Debt Limit	8.89%	6.41%	8.90%	8.64%	6.84%

**Principal Annual Maturities
As of January 1, 2022**

Year	SRF Revenue	General Obligation Notes/Bonds
2022	328,000	1,745,000
2023	339,000	1,795,000
2024	350,000	1,860,000
2025	361,000	1,915,000
2026	373,000	1,975,000
2027-2033	2,969,000	4,305,000
Total	4,720,000	13,595,000



Annual Service Requirements

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

Year	Sewer Bonds	General Obligation Notes/Bonds
2022	481,400	2,130,600
2023	481,740	2,129,200
2024	481,723	2,140,900
2025	481,348	2,140,250
2026	481,615	2,142,600
2027-2033	3,367,256	4,509,400
Total	5,775,082	15,192,950

**City of Cedar Falls
Outstanding Bond Report
As of January 1, 2022**

Bonded Debt Description	Maturity Date	General Obligation Bonds/Notes	Utility Bonds	Revenue Bonds
Capital Loan Notes	06/01/30	3,300,000		
Capital Loan Notes	06/01/26	1,400,000		
Capital Loan Notes - Sewer	06/01/28	4,405,000		
2012 Sewer Internal Financing*	06/01/35	9,820,000		
General Obligation Bonds	06/01/28	2,165,000		
GO Bonds - Sewer	06/01/28	1,630,000		
GO Bonds - Stormwater	06/01/28	695,000		
SRF	06/01/33			4,720,000
Total		\$23,415,000	\$0	\$4,720,000

*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 FY22

Bonds Due 06/30/22	Principal	Interest	Total
2020 Capital Loan Notes	335,000	66,000	401,000
Sewer SRF Loan	328,000	153,400	481,400
2016 GO Bonds	270,000	28,000	298,000
2018 GO Bonds	265,000	98,100	363,100
2018 Sewer Bonds	200,000	73,900	273,900
2018 Stormwater Bonds	85,000	31,500	116,500
2016 Sewer Bonds	590,000	88,100	678,100
	\$ 2,073,000	\$ 539,000	\$ 2,612,000

If bonds are sold after the FY22 budget certification date, debt service in FY22 on those bonds are budgeted out of the general fund for FY22.