



2018 City of Plymouth

DEBT STUDY

Prepared by:
Finance Manager
Administrative Services Director
City Manager

Purpose of the Debt Study

1. Prepare Cash Flow Projections for Each Bond Issue
2. Ensure Projected Revenues are Sufficient to Pay Annual Principal and Interest Payments
3. Evaluate Opportunities for Use of Cash Available in Debt Service Funds to Retire Debt Early
4. Evaluate Current and Future Debt Levies to Determine Impacts on the Overall Tax Levy and on Issuing Future Debt
5. Identify Future Debt Management Strategies and Objectives
6. Strengthen the City's AAA Bond Ratings

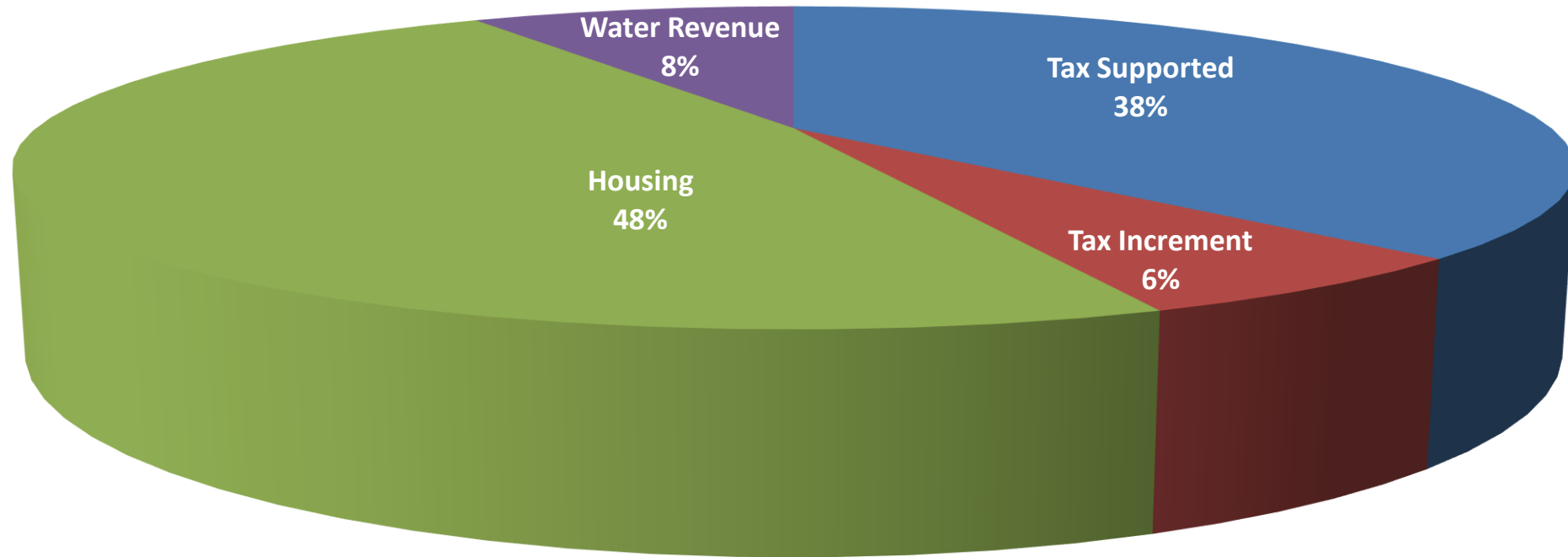
BONDS OUTSTANDING AT 12/31/2017

BOND ISSUE	PRINCIPAL BALANCE	INTEREST RATE	CALL DATE	MATURITY DATE
Open Space Bonds, Series 2010A - Northwest Greenway	1,965,000	2.00-3.25%	2/1/2020	2/1/2026
Refunding Bonds - 2012A (refunded 2004A) - Public Safety Expansion	3,825,000	2.00-3.00%	2/1/2022	2/1/2025
Open Space Bonds, Series 2015A - Northwest Greenway	3,045,000	2.00-3.00%	2/1/2023	2/1/2027
General Obligation Tax Supported Bonds	8,835,000			
Tax Increment Bonds, Series 2009A - Village at Basset Creek (TIF 7-5A)	1,485,000	3.00-3.50%	2/1/2018	2/1/2023
General Obligation Tax Increment Bonds	1,485,000			
Refunding Bonds - 2012A (refunded 2004B) - Water Treatment Plan	1,995,000	2.00-3.00%	non-callable	2/1/2025 (2019)*
General Obligation Revenue Bonds	1,995,000			
Governmental Housing Project Refunding Bonds 2012A (refunded 2005) - Vicksburg Crossing	9,320,000	2.00-3.25%	2/1/2022	2/1/2035
Governmental Housing Project Refunding Bonds 2011A - Plymouth Town Square	1,865,000	3.00-3.25%	10/1/2020	10/1/2023
General Obligation Housing Bonds	11,185,000			
Total Bonds Outstanding	23,500,000			

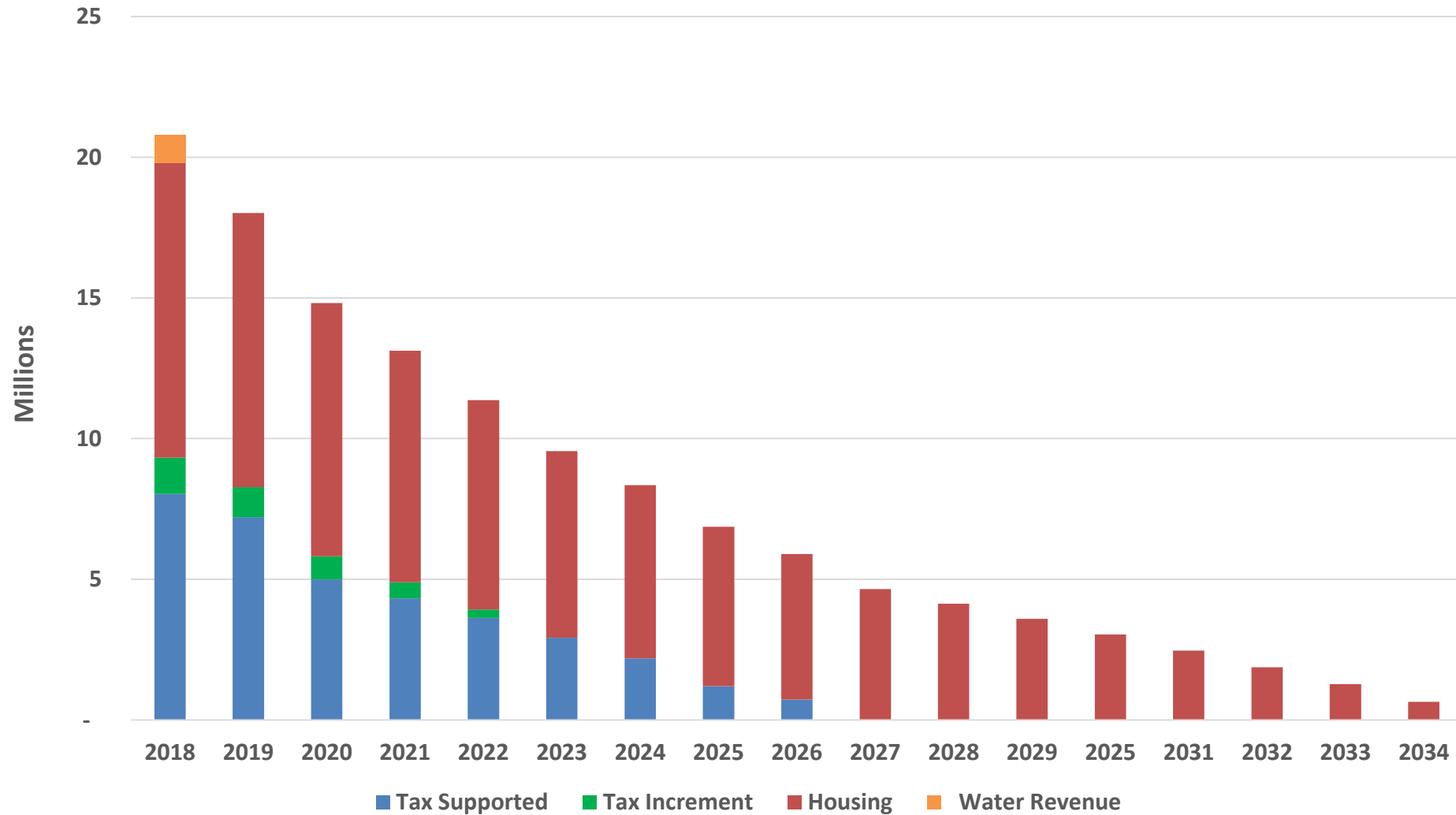
* The 2012A refunding of \$9,770,000 included refunding of 2004A & 2004B bonds. The 2004B bonds portion of these bonds are non-callable and mature in 2019.



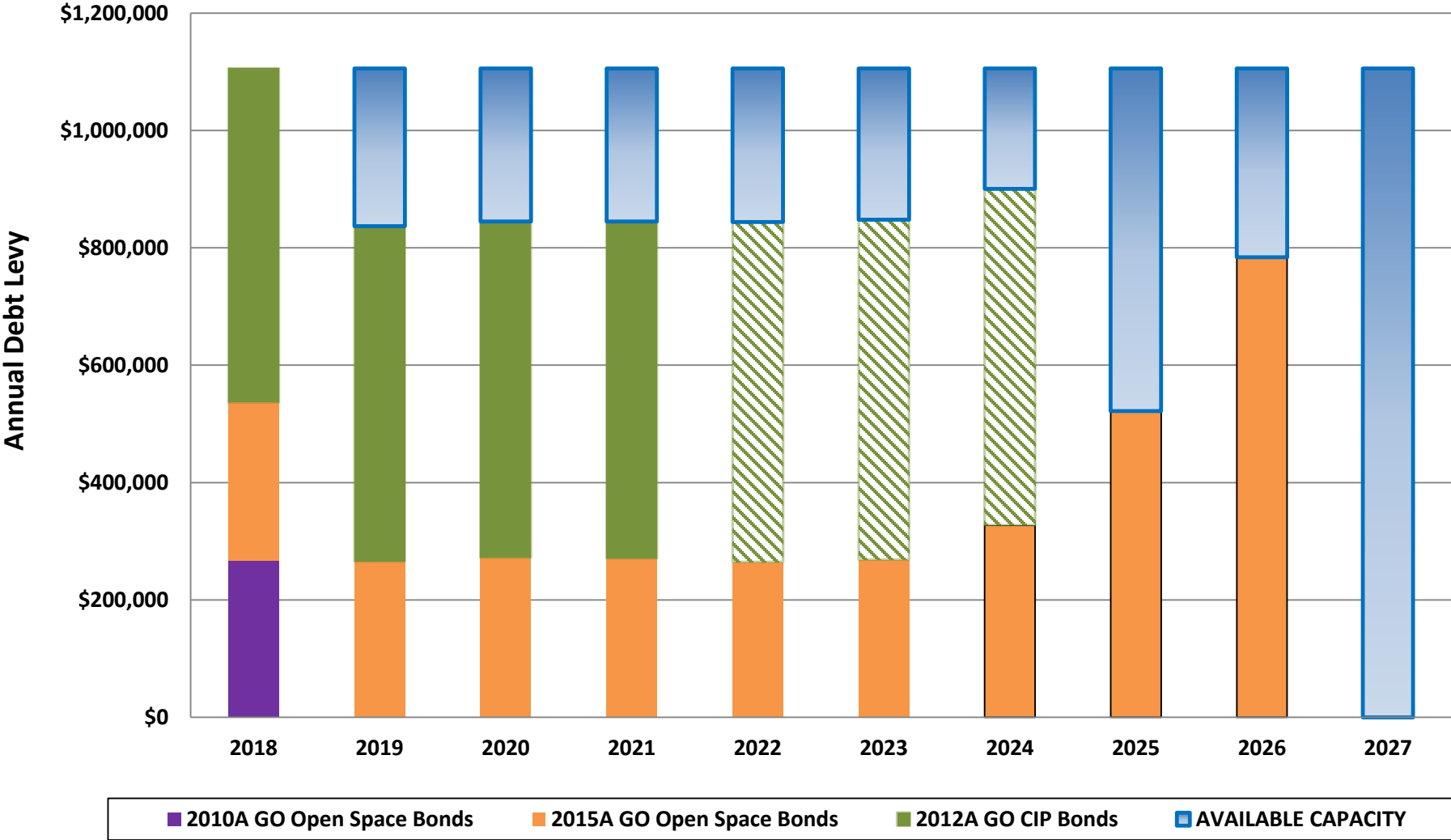
Outstanding Debt By Category (As of 12/31/2017)



Total Outstanding Debt



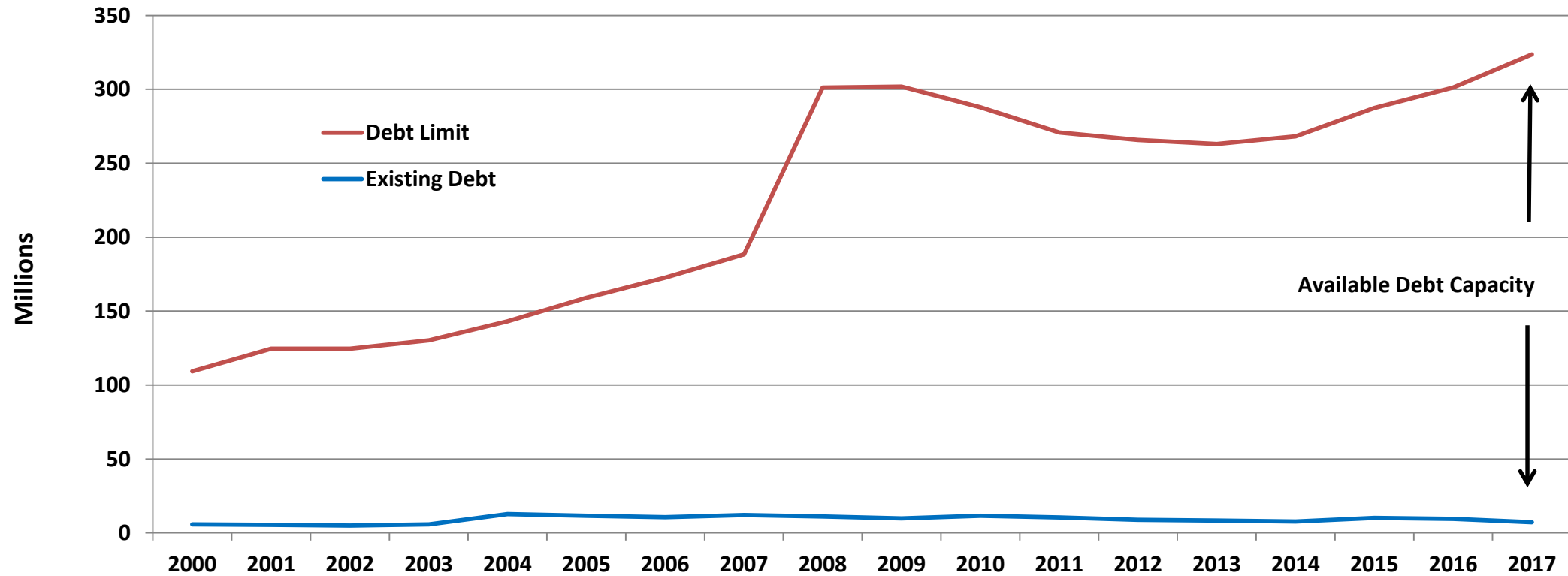
City of Plymouth Levies for Tax Supported Debt



Future Projects Currently Under Consideration

- Plymouth Creek Center Project
- Public Safety Facility Needs
- No other debt issuance needs on the horizon

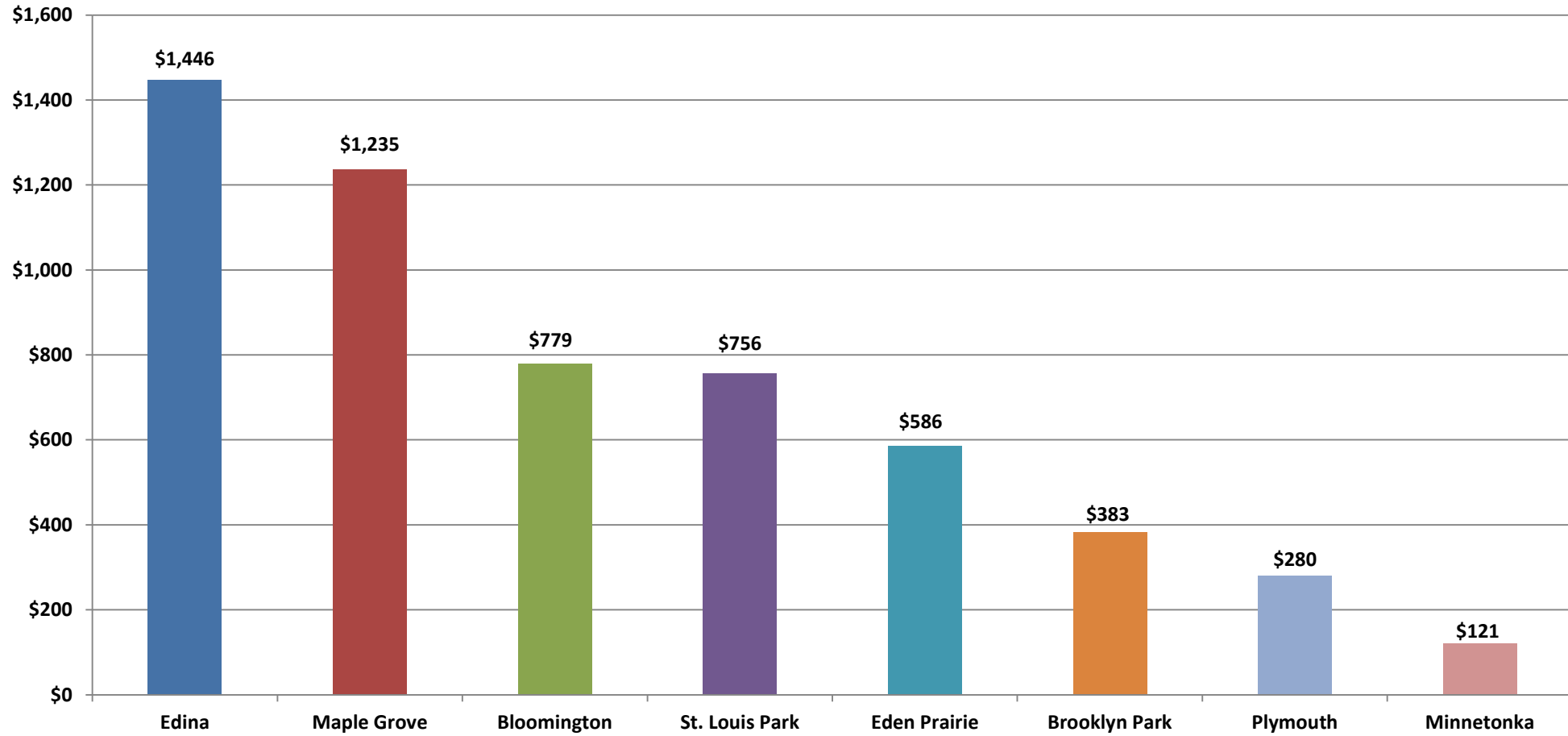
Statutory Debt Limit Versus Actual Debt



* In 2008, State Statute was changed from 2% to 3% of taxable market value



Direct Net Debt Per Capita City portion only



Source: Ehlers

Average = \$698



City of Plymouth

AAA/Aaa

General Obligation Bonds - \$20M

Rating Agency Classification

Rating:	<u>AAA/Aaa</u>	<u>AA/Aa2</u>	<u>A+/A1</u>
Interest Rate:	1.95% - 3.7%	2.05% - 3.8%	2.24% - 3.9%
Interest Cost:	\$8,297,163	\$8,572,743	\$8,909,523



Recommendations

- Continue to monitor market interest rates and consider refunding opportunities on outstanding debt when possible.
- Consider opportunities to set aside reserves to pay off the 2012A bonds (Public Safety Building Expansion) on the call date of 2/1/2022. The remaining principal to be paid off at that time would be \$1,555,000.
- Monitor levy capacity as a result of bond maturities and/or early payoff of debt that could be utilized to finance future project costs.
- Consider opportunities to set aside reserves for future facility repairs and refurbishing needs to reduce reliance on future debt issuance.
- Update the debt study bi-annually to monitor debt fund cashflows and debt levies. The next study will be completed in 2020.



2018 City of Plymouth

DEBT STUDY

Prepared by:
Finance Manager
Administrative Services Director
City Manager