

Long-Term Debt

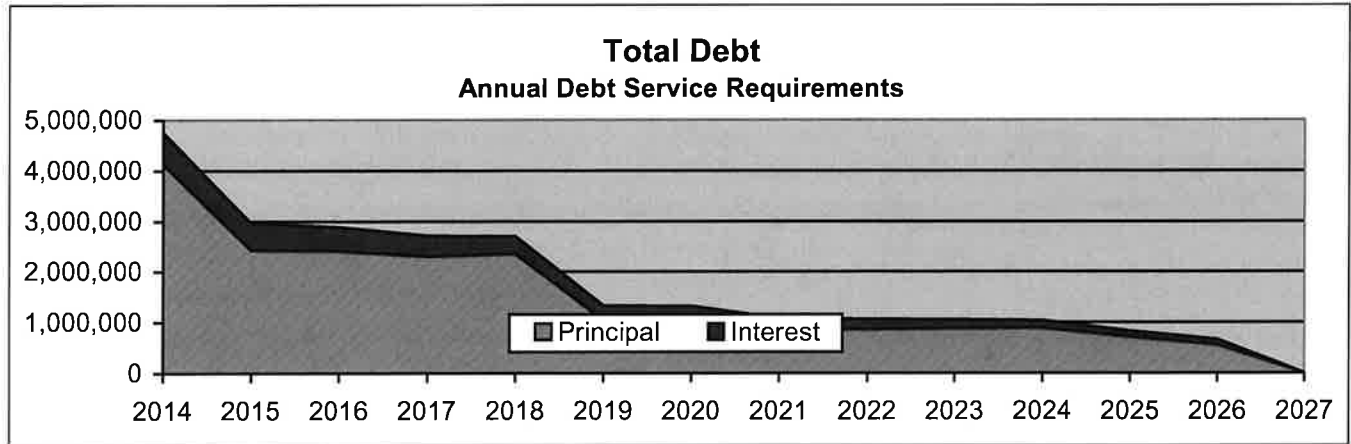
The Debt Service Fund is a legally required fund. The fund administers the payments for all of the City’s general obligation debt, including payments on Tax Increment Financing bonds. Revenue bonds are administered in the enterprise fund that is securing the debt. Currently the Sewer fund and the Storm 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 FY24 is \$0.64 compared to \$0.47 for FY23.

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

Year Ending	General Obligation Notes/Bonds	Total Interest	Total
2024	2,110,000	436,800	2,546,800
2025	2,175,000	368,650	2,543,650
2026	2,250,000	298,000	2,548,000
2027	2,020,000	231,250	2,251,250
2028	2,075,000	168,200	2,243,200
2029	700,000	103,300	803,300
2030	730,000	80,000	810,000
2031	340,000	55,650	395,650
2032	355,000	45,450	400,450
2033	370,000	34,800	404,800
2034	385,000	23,700	408,700
2035	405,000	12,150	417,150
	<u>\$ 13,915,000</u>	<u>\$ 1,857,950</u>	<u>\$ 15,772,950</u>

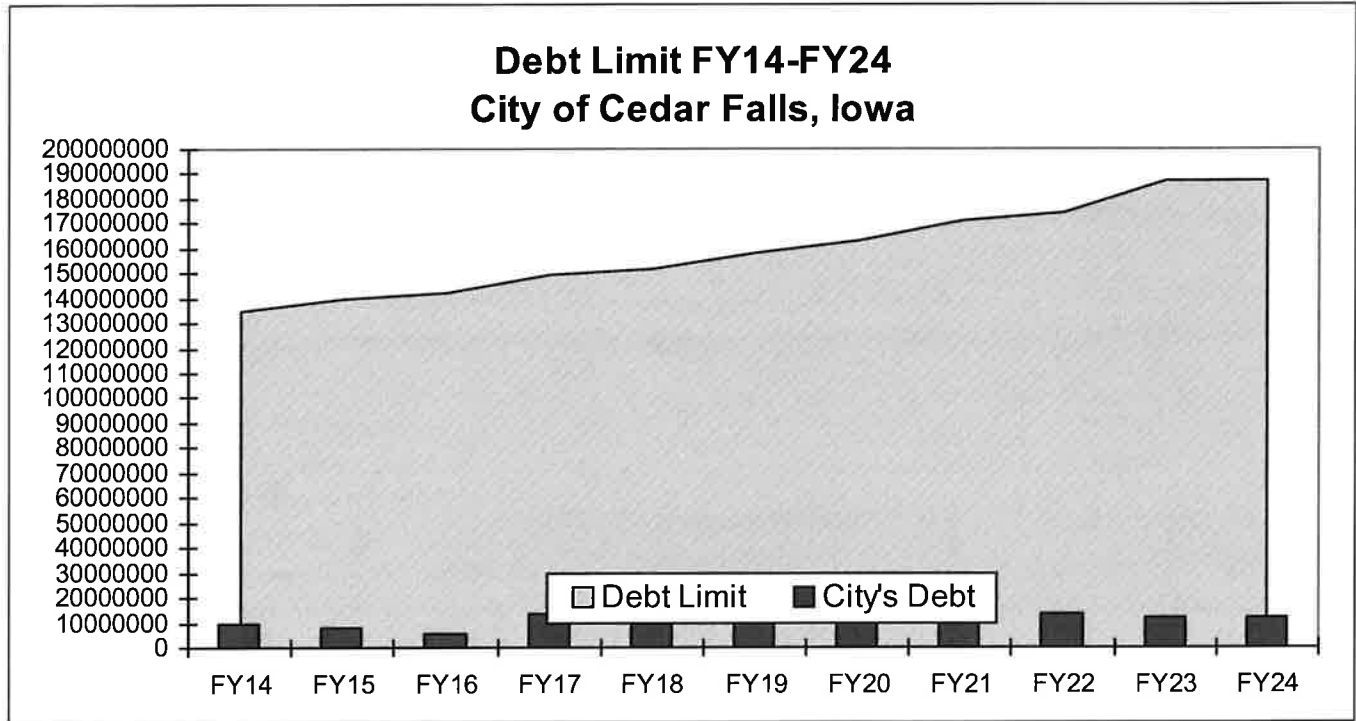
Table does not include the debt service to finance the sewer & water treatment facility upgrades through the State Revolving Fund and internal financing. The table also does not include the debt service on bonds expected to be sold in calendar year 2024.



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. This Aaa rating was maintained when the City sold the 2022 General Obligation Notes.

In 2022, the City issued \$3,860,000 in General Obligation Capital Loan Notes. These proceeds will be used for various citywide projects, including Slope Repairs, Cedar Heights Drive Reconstruction, River Improvements, Greenhill Road & S. Main, Intersection improvements, Main Street Reconstruction, and City’s new financial system.

During calendar year 2024, the City may sell approximately \$3,151,000 in General Obligation Bonds. These proceeds will be used for various citywide projects, including Aldrich Elementary School Connections, in Car and Body Cameras for Public Safety, and the City’s new financial system.



Year	Debt Limit	City's Debt
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	163,389,318	11,670,000
FY21	170,858,420	13,595,000
FY22	174,549,627	13,595,000
FY23	186,759,662	11,850,000
FY24	190,452,601	13,915,000 *

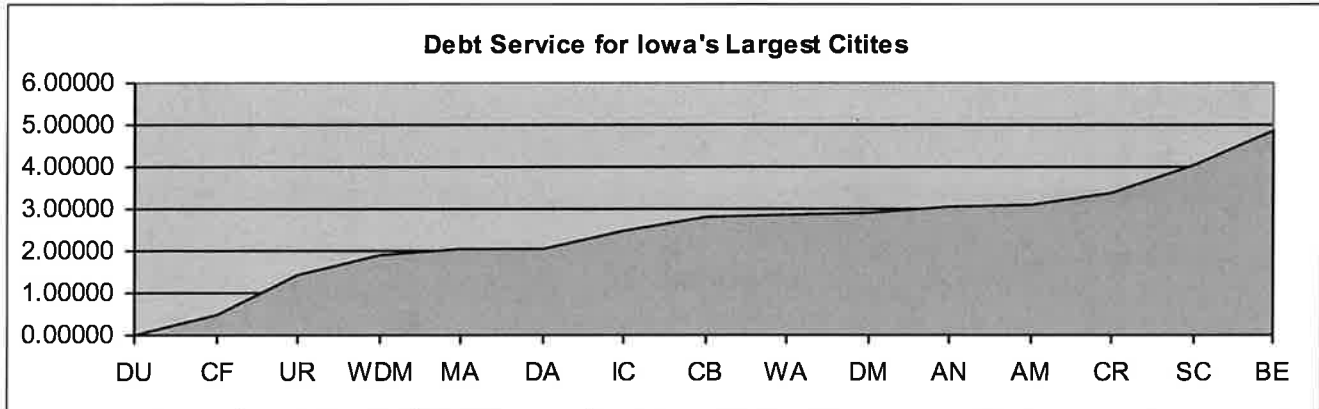
* estimate

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 may pay 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	FY23 Debt Service	2020 Population
Dubuque	0.02175	59,667
Cedar Falls	0.46789	40,713
Urbandale	1.44000	45,580
W. Des Moines	1.91000	68,723
Marion	2.03784	41,535
Davenport	2.05000	101,724
Iowa City	2.47846	74,828
Council Bluffs	2.82000	62,799
Waterloo	2.87924	67,314
Des Moines	2.91058	214,133
Ankeny	3.05000	67,877
Ames	3.07409	66,427
Cedar Rapids	3.40225	137,710
Sioux City	4.03220	85,797
Bettendorf	4.85000	39,102
Average:	2.43819	

Cedar Falls' debt service levy is approximately \$1.97 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 2024 is based upon actual property valuation at January 1, 2022.

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:

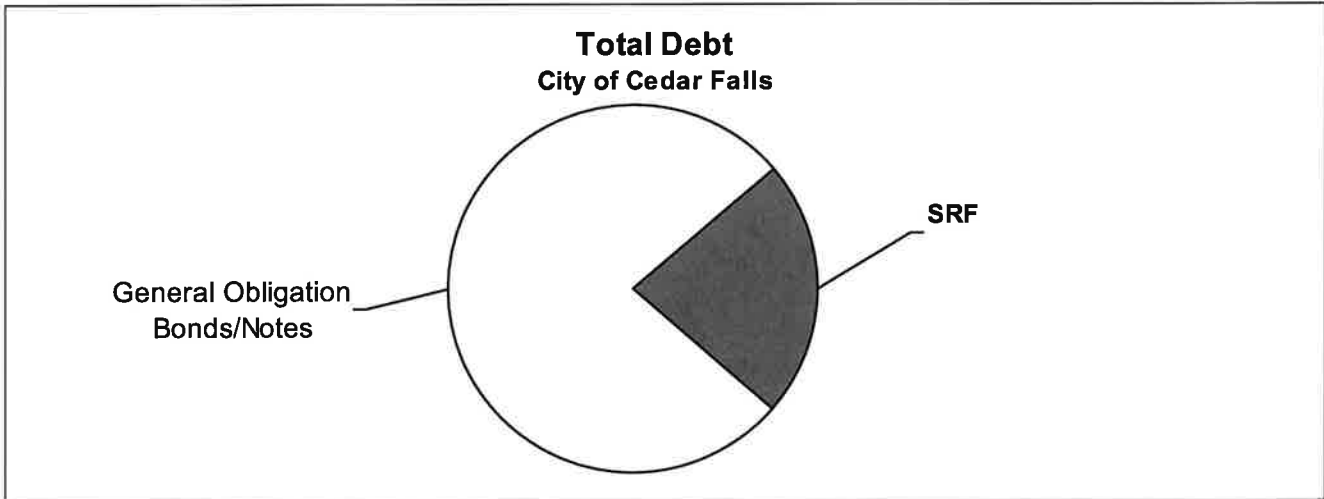
Estimated actual valuation of taxable property within the City - Jan 1, 2022	<u>\$ 3,809,052,018</u>
Debt limit - 5% of total actual valuation	\$ 190,452,601
Debt applicable to debt limit:	
General Obligation Bonds/Notes	13,915,000
General Obligation Bonds/Notes - CFU Communication Bonds	<u>0</u>
Legal Debt Margin	<u>\$ 176,537,601</u>
Total net debt applicable to the limit as a percentage of debt limit	7.31%

**Debt History
Legal Debt Margin**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 158,343,489	\$ 163,389,318	\$ 170,858,420	\$ 174,549,627	\$ 186,759,662
Total net debt applicable to limit	<u>14,085,000</u>	<u>11,670,000</u>	<u>13,595,000</u>	<u>11,850,000</u>	<u>11,850,000</u>
Legal debt margin	<u>\$ 144,258,489</u>	<u>\$ 151,719,318</u>	<u>\$ 157,263,420</u>	<u>\$ 162,699,627</u>	<u>\$ 174,909,662</u>
Total net debt applicable to the limit as a percentage of Debt Limit	8.90%	7.14%	7.96%	6.79%	6.35%

**Principal Annual Maturities
As of January 1, 2024**

Year	SRF Revenue	General Obligation Notes/Bonds
2024	350,000	2,110,000
2025	361,000	2,175,000
2026	373,000	2,250,000
2027	385,000	2,020,000
2028	397,000	2,075,000
2029-2035	2,187,000	3,285,000
Total	4,053,000	13,915,000



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
2024	431,060	2,546,800
2025	435,060	2,543,650
2026	439,840	2,548,000
2027	444,380	2,251,250
2028	448,680	2,243,200
2029-2035	2,321,020	3,640,050
Total	4,520,040	15,772,950

**City of Cedar Falls
Outstanding Bond Report
As of January 1, 2024**

Bonded Debt Description	Maturity Date	General Obligation Bonds/Notes	Utility Bonds	Revenue Bonds
Capital Loan Notes	06/01/30	2,625,000		
Capital Loan Notes	06/01/26	855,000		
Capital Loan Notes	06/01/35	3,860,000		
Capital Loan Notes - Sewer	06/01/28	3,215,000		
2012 Sewer Internal Financing*	06/01/35	8,110,000		
General Obligation Bonds	06/01/28	1,620,000		
GO Bonds - Sewer	06/01/28	1,220,000		
GO Bonds - Stormwater	06/01/28	520,000		
SRF	06/01/33			4,053,000
Total		\$22,025,000	\$0	\$4,053,000

*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 FY24

Bonds Due 06/30/24	Principal	Interest	Total
2020 Capital Loan Notes	350,000	52,500	402,500
Sewer SRF Loan	350,000	81,060	431,060
2016 GO Bonds	280,000	17,100	297,100
2018 GO Bonds	295,000	70,850	365,850
2024 Capital Loan Notes	250,000	155,900	405,900
2018 Sewer Bonds	225,000	53,400	278,400
2018 Stormwater Bonds	95,000	22,750	117,750
2016 Sewer Bonds	615,000	64,300	679,300
	\$ 2,460,000	\$ 517,860	\$ 2,977,860

If bonds are sold after the FY24 budget certification date, debt service in FY24 on those bonds will be budgeted in FY25.