

PRECOUNCIL
BOND SUMMARY
FINANCE DEPARTMENT
JUNE 6, 2005

PRESENT: KEN SVOBODA, JONATHAN COOK, JON CAMP, PATTE NEWMAN,
ANNETTE McROY, ROBIN ESCHLIMAN, DAN MARVIN; DON HERZ,
PEGGY WATCHORN

Don Herz stated the purpose of this meeting was to brief the City Council (CC) on the City of Lincoln's outstanding debt obligations. Some of this information was provided to Patty Newman via response to her "Request for Information" on April 5, 2005. Herz distributed notebooks to CC members on the current City debt service outstanding. The longest debt issue is the Water Revenue Bonds, which is about \$9 million of annual debt service. In six years, this will drop off significantly, and will also conclude the Ashland project in 2012. Herz discussed other bond issues listed in the book. The total debt service was listed on the summary sheet. On miscellaneous debt service, the most significant is the Parking Revenue Bonds for approximately debt service of \$2 million for about 10 years, dropping off to around \$500,000.

The City received \$1 million appropriation from the State on Highway Revenue Bonds to be used to bond some of the projects in Antelope Valley. Debt service on that was about \$1 million. In a number of these, there is a spike in debt service the last year, as the City set aside a debt reserve fund. Due to the debt reserve fund maturing at the same time, the City was able to make level debt service payments.

Herz spoke on the TIF Bond issue and Golf Revenue Bonds. In the fall, the City will issue additional Wastewater Revenue Bonds, and eventually additional Water and Wastewater Bonds, which will depend upon rate increases for those particular enterprises. Herz said in the audited financial statements, the City discloses what the lease commitments are, and how they are classified.

Herz pointed out the comparison of the AAA rated communities in the U.S., rated by Standard & Poors. Lincoln is favorable, as 5% of our annual operating expenses goes toward debt service. There was some discussion about Omaha/Lincoln debt service. The City has refinanced all the debt they possibly can. The City tries to avoid restructuring debt payments, as there are always new garages, or GO bonds, driving up the debt service in the future.