

## **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. There is an agreement that the City will cover the next debt service payment, while the Gold Ridge Fire District will be responsible for the third payment. This assumes successful completion of Fire Department consolidation.

### 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.

Debt Service							
Budget Expenditures							
Account Number	2023-24 Actual	2024-25 Adopted Budget	2024-25 Adjusted Budget	2024-25 Estimated Actual	2025-26 Proposed Budget	\$ Inc/(Dec)	% Change
<b>71 - Infrastructure Lease</b>							
<b>6100 - Principal</b>							
100 - General Fund	55,422	56,199	56,199	56,033	54,895	(1,304)	-2.3%
212 - Park Development Fund	26,684	26,979	26,979	26,979	26,430	(549)	-2.0%
500 - Water Enterprise Fund	63,632	64,853	64,853	64,853	65,059	206	0.3%
510 - WasteWater Enterprise Fund	59,527	57,652	57,652	60,184	56,927	(725)	-1.3%
<b>Total 6100 - Principal</b>	<b>205,265</b>	<b>205,683</b>	<b>205,683</b>	<b>208,049</b>	<b>203,311</b>	<b>(2,372)</b>	<b>-1.2%</b>
<b>6200 - Interest</b>							
100 - General Fund	1,697	1,089	1,089	1,240	2,155	1,066	97.9%
212 - Park Development Fund	817	558	558	597	1,038	480	86.0%
500 - Water Enterprise Fund	1,948	1,256	1,256	1,423	2,555	1,299	103.4%
510 - WasteWater Enterprise Fund	1,822	1,117	1,117	1,331	2,235	1,118	100.1%
<b>Total 6200 - Interest</b>	<b>6,284</b>	<b>4,020</b>	<b>4,020</b>	<b>4,591</b>	<b>7,983</b>	<b>3,963</b>	<b>98.6%</b>
<b>Total 71 - Infrastructure Lease</b>	<b>211,549</b>	<b>209,703</b>	<b>209,703</b>	<b>212,640</b>	<b>211,294</b>	<b>1,591</b>	<b>0.8%</b>
<b>72 - VMHP (Park Village) Lease</b>							
<b>6100 - Principal</b>							
100 - General Fund	52,579	55,187	55,187	52,610	57,924	2,737	5.0%
<b>Total 6100 - Principal</b>	<b>52,579</b>	<b>55,187</b>	<b>55,187</b>	<b>52,610</b>	<b>57,924</b>	<b>2,737</b>	<b>5.0%</b>
<b>6200 - Interest</b>							
100 - General Fund	12,006	9,398	9,398	11,975	6,661	(2,737)	-29.1%
<b>Total 6200 - Interest</b>	<b>12,006</b>	<b>9,398</b>	<b>9,398</b>	<b>11,975</b>	<b>6,661</b>	<b>(2,737)</b>	<b>-29.1%</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	92,534	-	-	-	-	-	0.0%
402 - CREBS DS Fund	40,596	-	-	-	-	-	0.0%
500 - Water Enterprise Fund	62,048	-	-	-	-	-	0.0%
<b>Total 6100 - Principal</b>	<b>195,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total 73 - CREBS Lease</b>	<b>195,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>74 - Fire Truck Lease</b>							
<b>6100 - Principal</b>							
248 - Measure H	-	201,042	201,042	201,042	201,042	-	0.0%
<b>Total 6100 - Principal</b>	<b>-</b>	<b>201,042</b>	<b>201,042</b>	<b>201,042</b>	<b>201,042</b>	<b>-</b>	<b>0.0%</b>
<b>6200 - Interest</b>							
248 - Measure H	-	37,009	37,009	37,008	37,009	-	0.0%
<b>Total 6200 - Interest</b>	<b>-</b>	<b>37,009</b>	<b>37,009</b>	<b>37,008</b>	<b>37,009</b>	<b>-</b>	<b>0.0%</b>
<b>Total 74 - Fire Truck Lease</b>	<b>-</b>	<b>238,051</b>	<b>238,051</b>	<b>238,050</b>	<b>238,051</b>	<b>-</b>	<b>0.0%</b>

<b>Debt Service</b>							
<b>Budget Expenditures</b>							
<b>Account Number</b>	<b>2023-24 Actual</b>	<b>2024-25 Adopted Budget</b>	<b>2024-25 Adjusted Budget</b>	<b>2024-25 Estimated Actual</b>	<b>2025-26 Proposed Budget</b>	<b>\$ Inc/(Dec)</b>	<b>% Change</b>
<b>77 - Well 7 Loan</b>							
<b>6100 - Principal</b>							
500 - Water Enterprise Fund	141,354	67,415	67,415	67,415	62,049	(5,366)	-8.0%
<b>Total 6100 - Principal</b>	<b>141,354</b>	<b>67,415</b>	<b>67,415</b>	<b>67,415</b>	<b>62,049</b>	<b>(5,366)</b>	<b>-8.0%</b>
<b>6200 - Interest</b>							
500 - Water Enterprise Fund	17,934	16,539	16,539	17,244	22,016	5,477	33.1%
<b>Total 6200 - Interest</b>	<b>17,934</b>	<b>16,539</b>	<b>16,539</b>	<b>17,244</b>	<b>22,016</b>	<b>5,477</b>	<b>33.1%</b>
<b>Total 77 - Well 7 Loan</b>	<b>159,287</b>	<b>83,954</b>	<b>83,954</b>	<b>84,659</b>	<b>84,065</b>	<b>111</b>	<b>0.1%</b>
<b>80 - Signature DS-Energy Project</b>							
<b>6100 - Principal</b>							
100 - General Fund	67,402	68,596	68,596	68,596	69,810	1,214	1.8%
500 - Water Enterprise Fund	131,875	134,209	134,209	134,209	136,584	2,375	1.8%
510 - WasteWater Enterprise Fund	93,778	95,437	95,437	95,437	97,127	1,690	1.8%
<b>Total 6100 - Principal</b>	<b>293,055</b>	<b>298,242</b>	<b>298,242</b>	<b>298,242</b>	<b>303,521</b>	<b>5,279</b>	<b>1.8%</b>
<b>6200 - Interest</b>							
100 - General Fund	18,767	17,574	17,574	17,574	16,360	(1,214)	-6.9%
500 - Water Enterprise Fund	36,717	34,384	34,384	34,384	32,008	(2,376)	-6.9%
510 - WasteWater Enterprise Fund	26,110	24,450	24,450	24,451	22,761	(1,689)	-6.9%
<b>Total 6200 - Interest</b>	<b>81,594</b>	<b>76,408</b>	<b>76,408</b>	<b>76,408</b>	<b>71,129</b>	<b>(5,279)</b>	<b>-6.9%</b>
<b>Total 80 - Signature DS-Energy Project</b>	<b>374,649</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>0</b>	<b>0.0%</b>
<b>Total Debt Service</b>	<b>1,005,249</b>	<b>970,943</b>	<b>970,943</b>	<b>974,583</b>	<b>972,645</b>	<b>1,702</b>	<b>0.2%</b>
<b>RECAP SUMMARY</b>							
100 - General Fund	300,407	208,043	208,043	208,027	207,805	(238)	-0.1%
248 - Measure H Fund	-	238,051	238,051	238,050	238,051	(69)	0.0%
500 - Water Fund	455,508	318,656	318,656	319,527	320,271	1,615	0.5%
510 - Sewer Fund	181,237	178,656	178,656	181,403	179,050	394	0.2%
212 - Park Development Fund	27,501	27,537	27,537	27,576	27,468	(69)	-0.3%
402 - CREBS Fund	40,596	-	-	-	-	-	0.0%
<b>Total</b>	<b>1,005,249</b>	<b>970,943</b>	<b>970,943</b>	<b>974,583</b>	<b>972,645</b>	<b>1,702</b>	<b>0.2%</b>

CITY OF SEBASTOPOL  
Maturity Schedule  
JULY 1, 2025

		FY 2024 2025	FY 2025 2026	FY 2026 2027	FY 2027 2028	FY 2028 2029	FY 2029 2030	FY 2030 2031	FY 2031 2032	FY 2032 2033	FY 2033 2034	FY 2034 2035	FY 2035 2036	FY 2036 2037	Total
2021 Comprehensive Energy Efficiency Project	P	298,242	303,521	308,893	314,360	319,924	325,587	331,350	337,215	343,184	349,258	355,440	361,731	368,134	<b>4,316,838</b>
<b>Fund 100/500/510</b>	I	76,408	71,129	65,757	60,289	54,725	49,063	43,300	37,435	31,466	25,392	19,210	12,919	6,516	<b>553,608</b>
23%   45%   32%															
<b>TOTAL</b>		<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>4,870,447</b>
2023 Type 1 Fire Engine	P	201,042	212,690	225,013											<b>638,745</b>
<b>Fund 100</b>	I	37,009	25,360	13,037											<b>75,406</b>
<b>TOTAL</b>		<b>238,051</b>	<b>238,050</b>	<b>238,050</b>											<b>714,151</b>
2007 Village Mobile Home Park Lease Financing	P	55,187	57,924	60,797	31,520										<b>205,429</b>
<b>Fund 100</b>	I	9,398	6,661	3,788	772										<b>20,619</b>
<b>TOTAL</b>		<b>64,585</b>	<b>64,585</b>	<b>64,585</b>	<b>32,292</b>										<b>226,047</b>
2006 Infrastructure Improvement Lease	P	193,082	203,310												<b>396,392</b>
<b>Fund 100/500/510/212</b>	I	18,211	7,983												<b>26,194</b>
27%   32%   28%   13%															
<b>TOTAL</b>		<b>211,293</b>	<b>211,293</b>												<b>422,586</b>
Well 7 Arsenic Treatment	P	59,605	62,049	64,593	67,241	69,998	72,868	75,855	76,457	79,695					<b>628,360</b>
<b>Fund 500</b>	I	24,460	22,016	19,472	16,824	14,067	11,197	8,209	7,608	4,171					<b>128,025</b>
<b>TOTAL</b>		<b>84,065</b>	<b>84,065</b>	<b>84,065</b>	<b>84,065</b>	<b>84,065</b>	<b>84,065</b>	<b>84,065</b>	<b>84,066</b>	<b>83,866</b>					<b>756,385</b>
<b>TOTAL CITYWIDE DEBT</b>	P	<b>807,158</b>	<b>839,493</b>	<b>659,296</b>	<b>413,122</b>	<b>389,922</b>	<b>398,455</b>	<b>407,205</b>	<b>413,672</b>	<b>422,879</b>	<b>349,258</b>	<b>355,440</b>	<b>361,731</b>	<b>368,134</b>	<b>5,100,460</b>
	I	<b>165,486</b>	<b>133,149</b>	<b>102,054</b>	<b>77,885</b>	<b>68,792</b>	<b>60,260</b>	<b>51,509</b>	<b>45,043</b>	<b>35,637</b>	<b>25,392</b>	<b>19,210</b>	<b>12,919</b>	<b>6,516</b>	<b>765,207</b>
		<b>972,643</b>	<b>972,642</b>	<b>761,349</b>	<b>491,007</b>	<b>458,714</b>	<b>458,714</b>	<b>458,714</b>	<b>458,715</b>	<b>458,515</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>374,650</b>	<b>5,865,666</b>