



2022 Debt Summary and Capacity Analysis

Finance Committee Presentation

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Outstanding Debt and Refunding Opportunities



- Total outstanding debt currently totals \$21,389,646.

City of Sandusky - Debt Outstanding

Bond	Dated	Principal	Outstanding	Purpose	Call Date	Final Maturity
2021 Notes	10/1/21	\$7,290,000	\$7,290,000	Various Purpose - General Obligation	None	10/1/21
2020 URRB	7/30/20	\$7,700,000	\$7,390,000	Urban Renewal Revenue Bonds	9/1/28	12/1/35
2020 Bond	3/1/20	\$2,250,000	\$2,109,646	Cedar Fair Indoor Sports Park	Anytime	12/1/29
2015 Bond	12/2/15	\$7,730,000	\$1,570,000	Various Purpose - General Obligation	6/1/21	12/1/26
2014 Bond	7/29/14	\$2,045,000	\$1,080,000	Various Purpose - General Obligation	12/1/22	12/1/30
2011 Bond	5/19/11	\$4,090,000	\$805,000	Library Refunding - Unlimited Tax General Obligation	12/1/18	12/1/23
2008 Bond	10/15/08	\$2,625,000	\$1,145,000	Various Purpose - Special Assessment	6/1/16	12/1/28
Total Outstanding Debt:			<u>\$21,389,646</u>			

- Due to recent trends in interest rates for municipal bonds, refunding analysis did not present any savings opportunities for the City's current debt portfolio.



Current Annual Debt Service Requirements

- Annual debt service requirements drop by nearly \$800,000 after 2026.

City of Sandusky - Annual Debt Service Payments								
Maturity	2008 Bond	2011 Bond	2014 Bond	2015 Bond	2020 Cedar Point Bond	2020 URRB	2021 BANs (as bonds)	Annual Debt Service
12/01/2022	\$203,700	\$429,213	\$142,940	\$339,863	\$270,424	\$594,750	\$536,600	\$2,517,489
12/01/2023	\$205,600	<u>\$427,425</u>	\$144,585	\$342,488	\$270,424	\$599,500	\$536,800	\$2,526,821
12/01/2024	\$206,900		\$146,078	\$344,100	\$270,424	\$603,875	\$536,600	\$2,107,976
12/01/2025	\$207,600		\$147,418	\$344,650	\$270,424	\$612,875	\$536,000	\$2,118,966
12/01/2026	\$202,700		\$133,605	<u>\$339,900</u>	\$270,424	\$616,375	\$535,000	\$2,098,004
12/01/2027	\$202,500		\$130,098		\$270,424	\$624,500	\$538,600	\$1,766,121
12/01/2028	<u>\$206,700</u>		\$131,590		\$270,424	\$632,125	\$536,600	\$1,777,439
12/01/2029			\$132,930		\$270,424	\$639,250	\$534,200	\$1,576,804
12/01/2030			<u>\$139,118</u>		<u>\$270,424</u>	\$645,875	\$536,400	\$1,591,816
12/01/2031						\$652,000	\$538,000	\$1,190,000
12/01/2032						\$657,625	\$539,000	\$1,196,625
12/01/2033						\$662,750	\$534,400	\$1,197,150
12/01/2034						\$667,375	\$534,400	\$1,201,775
12/01/2035						<u>\$676,500</u>	\$538,800	\$1,215,300
12/01/2036							\$537,400	\$537,400
12/01/2037							\$535,400	\$535,400
12/01/2038							\$537,800	\$537,800
12/01/2039							\$534,400	\$534,400
12/01/2040							\$535,400	\$535,400
12/01/2041							\$535,600	\$535,600
Total:	\$1,435,700	\$856,638	\$1,248,360	\$1,711,000	\$2,433,812	\$8,885,375	\$10,727,400	\$27,298,284



Current Debt Service Principal Paydowns



- Outstanding principal drops by nearly \$12.7M by 2031.

City of Sandusky - Bond Principal Paydown									
Maturity	2008 Bond	2011 Bond	2014 Bond	2015 Bond	2020 Cedar Point Bond	2020 URRB	2021 BANs (bonded out)	Total Annual Principal Payment	Outstanding Balance
12/1/22	\$135,000	\$395,000	\$110,000	\$295,000	\$206,613	\$410,000	\$245,000	\$1,796,613	\$19,593,032
12/1/23	\$145,000	<u>\$410,000</u>	\$115,000	\$305,000	\$213,068	\$425,000	\$255,000	\$1,868,068	\$17,724,964
12/1/24	\$155,000		\$120,000	\$315,000	\$219,724	\$440,000	\$265,000	\$1,514,724	\$16,210,240
12/1/25	\$165,000		\$125,000	\$325,000	\$226,589	\$460,000	\$275,000	\$1,576,589	\$14,633,651
12/1/26	\$170,000		\$115,000	<u>\$330,000</u>	\$233,667	\$475,000	\$285,000	\$1,608,667	\$13,024,984
12/1/27	\$180,000		\$115,000		\$240,967	\$495,000	\$300,000	\$1,330,967	\$11,694,017
12/1/28	<u>\$195,000</u>		\$120,000		\$248,495	\$515,000	\$310,000	\$1,388,495	\$10,305,522
12/1/29			\$125,000		\$256,258	\$535,000	\$320,000	\$1,236,258	\$9,069,264
12/1/30			<u>\$135,000</u>		<u>\$264,264</u>	\$555,000	\$335,000	\$1,289,264	\$7,780,000
12/1/31						\$575,000	\$350,000	\$925,000	\$6,855,000
12/1/32						\$595,000	\$365,000	\$960,000	\$5,895,000
12/1/33						\$615,000	\$375,000	\$990,000	\$4,905,000
12/1/34						\$635,000	\$390,000	\$1,025,000	\$3,880,000
12/1/35						<u>\$660,000</u>	\$410,000	\$1,070,000	\$2,810,000
12/1/36							\$425,000	\$425,000	\$2,385,000
12/1/37							\$440,000	\$440,000	\$1,945,000
12/1/38							\$460,000	\$460,000	\$1,485,000
12/1/39							\$475,000	\$475,000	\$1,010,000
12/1/40							\$495,000	\$495,000	\$515,000
12/1/41							\$515,000	\$515,000	\$0
Total	\$1,145,000	\$805,000	\$1,080,000	\$1,570,000	\$2,109,646	\$7,390,000	\$7,290,000	\$21,389,646	



Direct and Indirect Debt Limits

- Direct debt measures outstanding debt based on principal balance
- Unvoted capacity currently stands at \$19.8M
- \$2.6M of the total \$21.4M is exempt based on revenue source or type of bond

City of Sandusky - Direct Debt Limits					
Total Debt:		\$21,389,646	Assessed Valuation 2022: \$515,758,120		
			Total	Unvoted (Limited)	Limited (Unvoted) & Unlimited (Voted)
Revenue Bonds			\$9,499,646	N/A	N/A
Limited Tax (Unvoted)			\$11,085,000	\$11,085,000	\$11,085,000
Unlimited Tax (Voted Library Bonds)			\$805,000	N/A	\$805,000
		Total Outstanding	<u>\$21,389,646</u>		
Total Subject to Limitation				\$11,085,000	\$11,890,000
G.O. Debt Exempt From Limitations					
	<i>Special Assessment 2008</i>		\$1,145,000		
	<i>Special Assessment 2015</i>		\$70,000		
	<i>Self-supporting 2014 Water</i>		\$90,000		
	<i>Self-supporting 2014 Sewer</i>		\$930,000		
	<i>2015 Accrued Pension Liability Bonds</i>		\$375,000		
	<i>Total Exempted from Limitations:</i>		<u>\$2,610,000</u>	(\$2,610,000)	(\$2,610,000)
Unvoted bonds and notes subject to 5 1/2% unvoted debt limitation				\$8,475,000	
Voted and unvoted bonds and notes subject to 10 1/2%					\$9,280,000
Maximum Allowable 5.5%/10.5%				\$28,366,697	\$54,154,603
Balance of Limitation				\$19,891,697	\$44,874,603



Direct and Indirect Debt Limits

- Indirect Capacity is a measure of annual debt service converted to mills (property tax levy). Referred to as “10-mill” limitation.
- Shared amongst taxing authorities in your community
- Levied 4.09 mills towards debt service
- Remaining millage would allow up to a \$33M bond to be used (20-yr / 4.5%)

City of Sandusky - Indirect 10 Mill Debt Limit (2022 Projection)

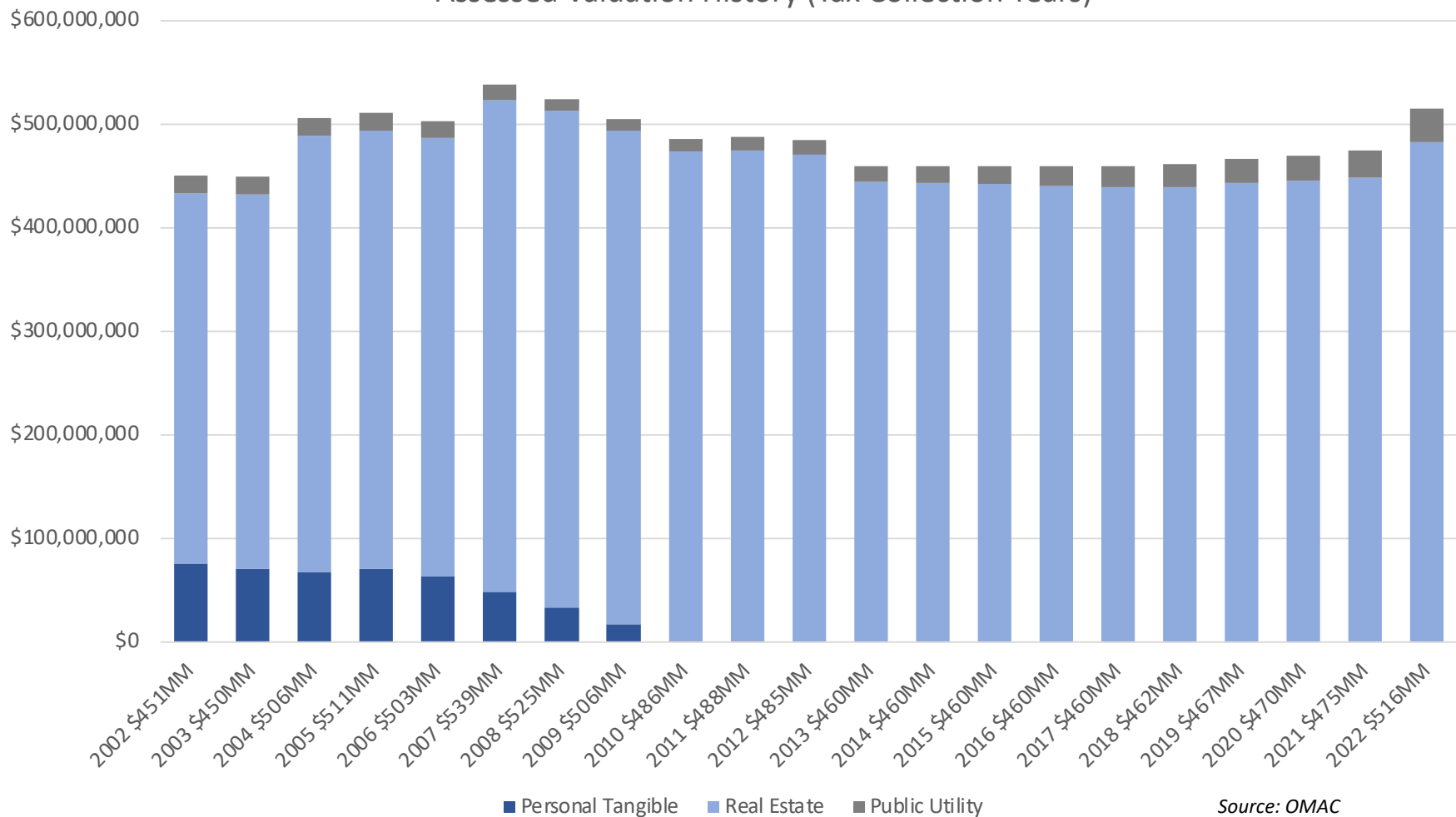
Subdivision	Tax Valuation	Principal	Interest	Total Debt Service (2023)	Required Millage	Remaining Maximum Annual Debt Service
Erie County	\$2,593,681,540	\$1,711,572	\$245,344	\$1,956,916	0.7545	
Sandusky City	\$515,758,120	\$1,230,000	\$490,015	\$1,720,015	3.3349	
Sandusky City Schools	\$515,758,120	\$0	\$0	\$0	0.0000	
			Total		4.0894	
			Remaining Millage		5.9106	\$3,048,431
			1 Mill Remaining		4.9106	\$2,532,672
Assuming 20-year 4.5%, sufficient millage remaining to support a bond up to \$33M, leaving 1-mill reserve for emergencies						



Assessed Valuation History

- Assessed valuation increased by 9% in 2022 – nearly matching pre-recession levels (which exclude tangible personal property).
- Real estate levels are at highest in history

Assessed Valuation History (Tax Collection Years)



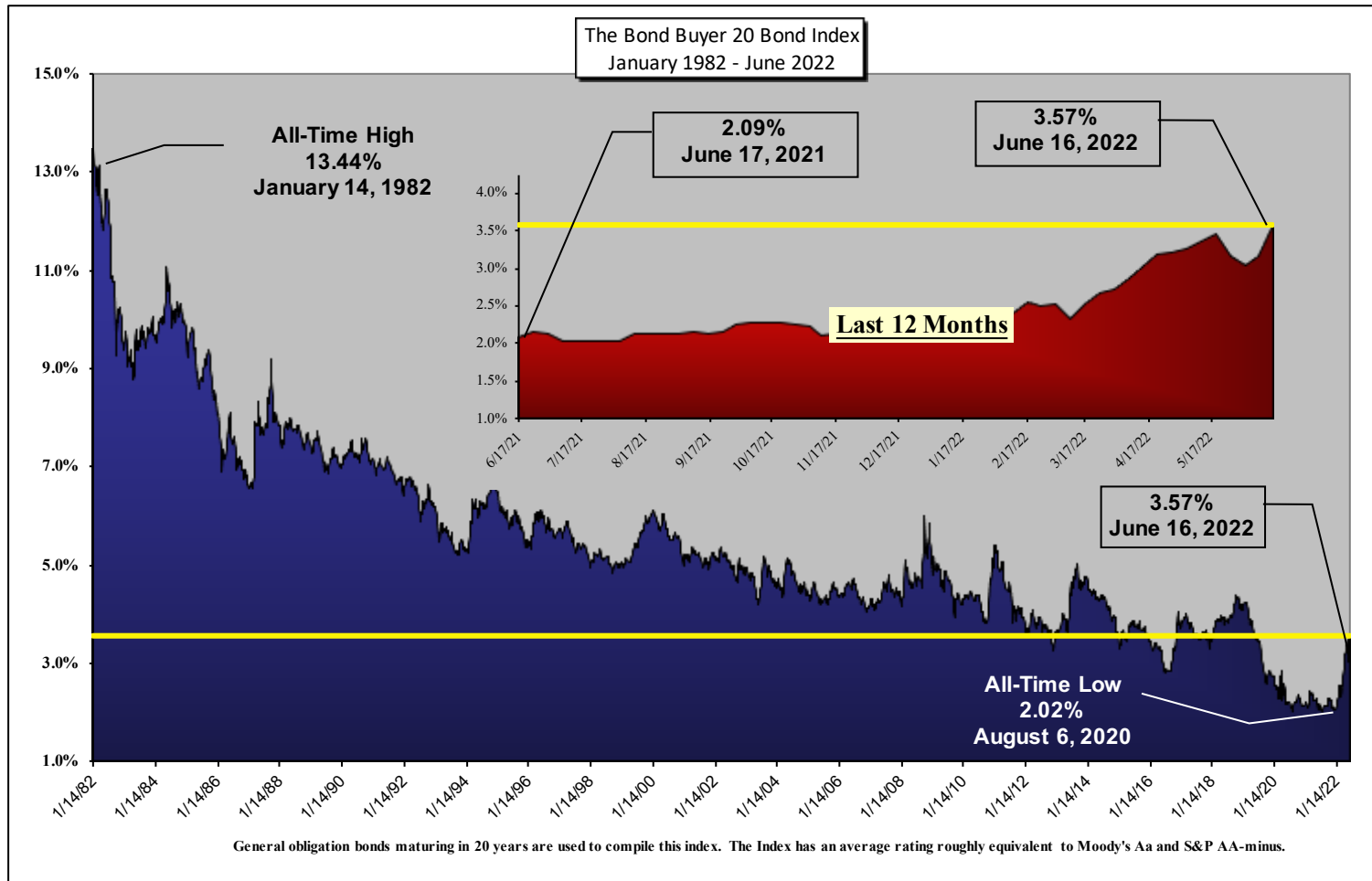
Source: OMAC



Historical Interest Rates



- Interest rates remain at historically low levels but are expected to increase during 2022 through 2023.



Average since January 1980	5.72%	Highest since January 1980 (1/14/82)	13.44%	Past 12 Months High	3.570%
10-year average	3.42%	Lowest since January 1980 (8/6/20)	2.02%	Past 12 Months Low	2.030%
5-year average	3.01%				



General obligation bonds maturing in 20 years are used to compile this index. The Index has an average rating roughly equivalent to Moody's Aa2 and S&P AA.

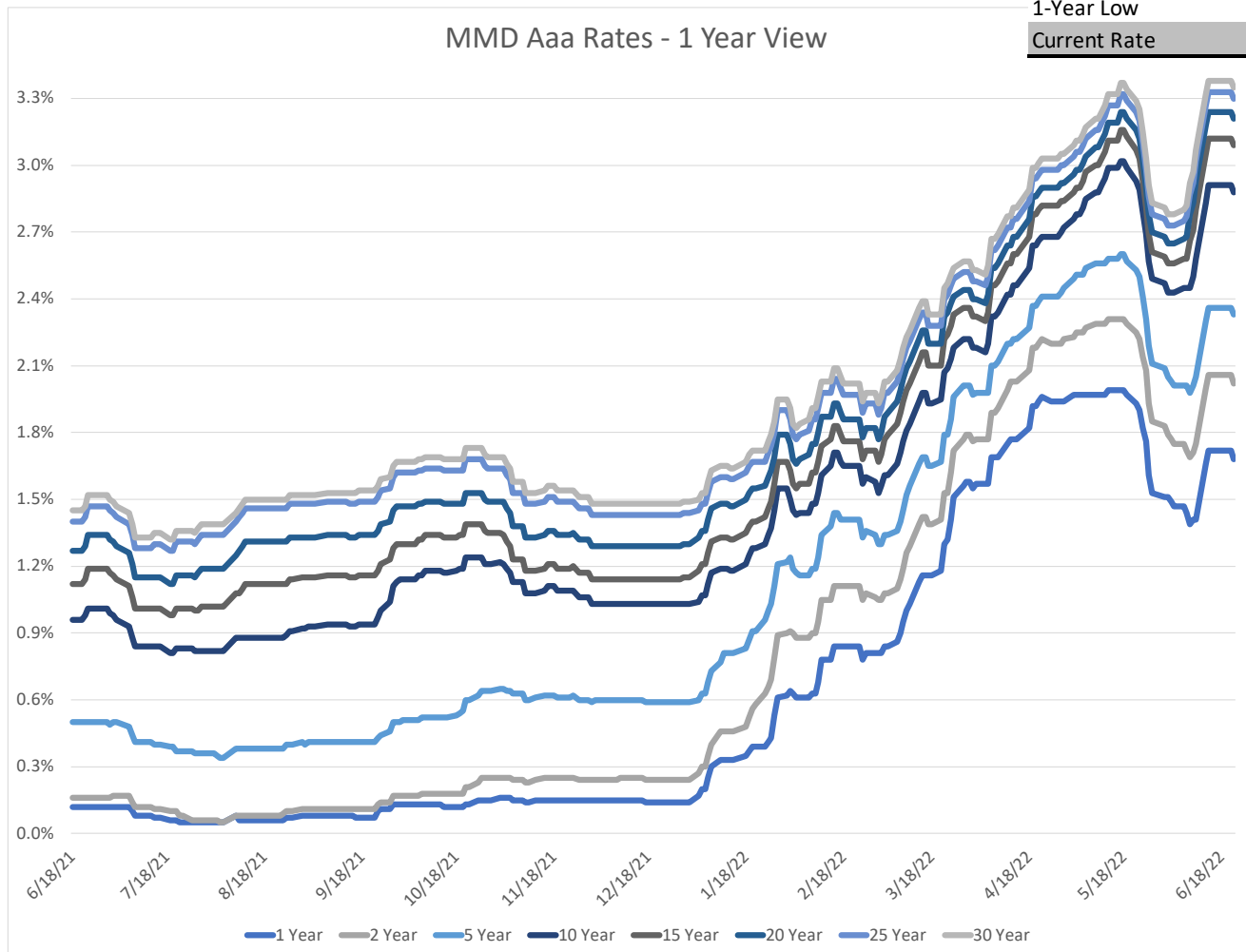


One Year Interest Rate History

Market expectations

- End of accommodative Federal Reserve Policies by March
- Up to three rate hikes by the end of 2022

MMD - Aaa Rates				
	1 Year	5 Year	10 Year	30 Year
Average Since Nov-2016	0.90%	1.23%	1.69%	2.35%
Highest Since Nov-2016	2.51%	2.60%	3.02%	3.46%
Lowest Since Nov-2016	0.05%	0.16%	0.58%	1.27%
30 Day Average	1.71%	2.30%	2.75%	3.14%
90 Day Average	1.51%	2.04%	2.36%	2.73%
1-Year High	1.99%	2.60%	3.02%	3.38%
1-Year Low	0.05%	0.34%	0.81%	1.32%
Current Rate	1.68%	2.33%	2.88%	3.35%





Current Interest Rates

- Short-term rates have increased at a faster pace than long-term rates.

