

City of Lawrence, Kansas
Debt Issuance Guidelines

The City of Lawrence adopts the following guidelines for the issuance of debt:

- Ratio of Net Direct Debt Outstanding to Appraised Valuation will not exceed 1.50%. Net Direct Debt is defined as general obligation debt plus capital leases minus general obligation debt paid from enterprise funds.
- Ratio of General Obligation Bonds and Temporary Notes Outstanding (**minus debt paid from enterprise funds**) to the Statutory Debt Limit will not exceed 60%.
- Ratio of Governmental Funds debt service payments as percentage of total Governmental Funds expenditures will not exceed 15%.
- Amount of Net Direct Debt Outstanding per Population will not exceed \$1,500.
- Amount of Overlapping Net Direct Debt Outstanding to Appraised Valuation will not exceed 3.5%. Overlapping debt includes the county and school district debt.
- Bond and Interest mill levy should not exceed 10 mills.

The City will review and consider the following before any debt is issued:

- Adherence to the Capital Improvement Budget
- Adherence to the Capital Improvement Plan
- Impact on the mill levy
- Potential impact on other revenue sources such as increased property taxes and sales taxes.

PROJECTED RATIOS

- Net Direct Debt/Appraised Valuation
 $\$135,389,703/\$7,370,023,613 = 1.83\% > 1.50\%$ (2015) (\$28.0 million)
- General Obligation Bonds and Notes/Statutory Debt Limit (**revised**)
 - o $\$144,950,000/\$285,376,155 = 50.8\% < 60.0\%$ (2015) (\$28.0 million)
- Debt Service payments/Governmental Expenditures
 - o $\$16,092,425/\$118,710,556 = 13.6\% < 15.0\%$ (2016)
- Net Direct Debt/Population
 - o $\$135,389,703/95,532 = \$1,417 < \$1,500$ (2015) (\$28.0 million)
- Overlapping Net Direct Debt/Appraised Valuation (no additional School or County Debt)
 - o $\$245,998,000/\$7,370,023,613 = 3.34\% < 3.50\%$ (2015) (\$28.0 million)

Debt Service Levy

- o 2013 Debt Service Levy = 8.513 mills < 10.0 mills