

City of Lawrence, Kansas
Debt Issuance Guidelines
07/27/12

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 1.5%. 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 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.

CURRENT RATIOS (12/31/11)

- Net Direct Debt/Appraised Valuation
 - o $\$82,114,000/\$7,189,559,273 = 1.14\%$ (Aaa Ks Avg. 1.1%)
- General Obligation Bonds and Notes/Statutory Debt Limit
 - o $\$93,520,000/\$278,590,681 = 33.6\%$ (Internal measure)
- Debt Service payments/Governmental Expenditures
 - o $\$11,341,236/\$95,052,015 = 11.9\%$ (Aaa Ks Avg. 17.6%)
- Net Direct Debt/Population
 - o $\$82,114,000/93,927 = \874 (Aaa Ks Avg. 1,637)
- Overlapping Net Direct Debt/Appraised Valuation
 - o $\$166,435,000/\$7,189,559,273 = 2.31\%$ (Aaa Ks Avg. 3.3)
- Debt Service Levy
 - o 2011 Debt Service Levy = 8.51 mills (internal measure)