DEBT SERVICE

MISSION:
Debt Service provides funds sufficient to make annual interest and principal payments on Portage County's general long-term debt obligations issued for capital expenditures--primarily highway and building projects.

OVERVIEW:
The County structures its borrowing to maintain steady annual debt service payments. This enables Portage County to avoid major fluctuations between budget years so that taxpayers don't have great fluctuations in their tax bill from the County.

The County's current and proposed general long-term obligations include general obligation bonds and promissory notes. Portage County typically issues long-term debt for terms ranging from five to twenty years. The County's general obligation bonds may also include refunding bonds, which are bonds to pay off existing debt to take advantage of more favorable interest rates or restructure debt service payments.

In accordance with Wisconsin Statute 67.03, Portage County's outstanding debt is limited to 5% of the equalized value of all property in the County.

The County's Debt Service fund accounts for principal, interest, and debt issuance payments not otherwise paid from another fund. The County's enterprise funds—Health Care Center and Solid Waste—make payments from resources in their respective funds. The associated payments to be made from those funds are shown as offsetting revenue in the Debt Service budget.

ON THE HORIZON:
Portage County is preparing for anticipated larger debt issues as outlined in the 2014-2019 Capital Improvement Plan. The current financing structure is designed for shorter term issues; therefore, allowing the County to finance these larger projects in the near future.

The County is anticipating a debt issue of $12.110 million for planned capital improvements as outlined in the 2014-2019 Capital Improvement Plan. (For more information on the specific projects see the Capital Projects Section.)

As part of the County's responsibility in a joint venture with Marathon County to operate the Central Wisconsin Airport, the County uses its financing authority to finance projects for the Central Wisconsin Airport. The East Terminal Renovation project is included in the Debt Service budget. However, it will be completely supported by airport resources. This anticipated debt issue is $1.5 million.

DEBT SERVICE

FINANCIAL SUMMARY

Revenue	2012 Actual	2013 Modified Budget	2013 Projected Budget	2014 Budget	Change from 2013 Modified Budget Amount Change	Change from 2013 Modified Budget Percent Change
Taxes	2,408,472	2,408,745	2,408,745	2,227,196	(181,549)	-7.54%
Intergovernmental Revenue	0	0	0	0	0	N/A
Licenses and Permits	0	0	0	0	0	N/A
Fines, Forefeits and Penalties	0	0	0	0	0	N/A
Public Charges for Service	0	0	0	0	0	N/A
Intergovernmental Charges for Service	0	0	0	0	0	N/A
Miscellaneous Revenue	0	0	0	0	0	N/A
Other Financing Sources	436,273	708,755	708,755	652,804	(55,951)	-7.89%
Total Revenue	$2,844,745	$3,117,500	$3,117,500	$2,880,000	($237,500)	-7.62%
Expenditures						
Personnel Services	0	0	0	0	0	N/A
Contractual Services	0	0	0	0	0	N/A
Supplies & Expenses	0	0	0	0	0	N/A
Building Materials	0	0	0	0	0	N/A
Fixed Charges	0	0	0	0	0	N/A
Debt Service	3,089,063	3,117,500	3,117,500	2,880,000	(237,500)	-7.62%
Grants, Contributions, Indemnities	0	0	0	0	0	N/A
Capital Projects	0	0	0	0	0	N/A
Cost Allocations	0	0	0	0	0	N/A
Transfers to Other Funds	0	0	0	0	0	N/A
Future Operations Designations	0	0	0	0	0	N/A
Total Expenditures	$3,089,063	$3,117,500	$3,117,500	$2,880,000	($237,500)	-7.62%
County Allocation	$244,318	$0	$0	$0	$0	N/A
Addition to (Use of) Fund Balance	($244,318)					

DEBT SERVICE

FINANCIAL SUMMARY HIGHLIGHTS:

Overall the debt service budget decreased by 7.6%, or $237,500, due to the structure of the debt repayment schedules. The County has structured the debt repayment schedules to allow for and prepare for anticipated larger debt issues in the upcoming Capital Improvement Plan. (See Capital Projects Section for additional information on upcoming projects.)

In 2007, the County refunded prior debt issues, including portions allocated to the County's proprietary funds (Solid Waste and Health Care Center). The County established repayment schedules for the proprietary fund debt which differs from the repayment schedules of the refunding bonds. As the proprietary funds retire their obligations to the debt service fund, the County applies the amount to reduce amounts levied for debt service in the future. These repayment schedules continue through 2017 for Solid Waste and through 2019 for Health Care Center.

It is anticipated the need for tax levy will increase in the County's 2015 budget accordingly with the anticipated debt service repayment structure for the upcoming bond and notes issues in 2014. The County will structure repayments to allow for upcoming projects which will need to be financed over a longer period of time. The structure will maintain the integrity of the County's plan to incorporate new debt issues with the existing debt structure—a stable approach. Portage County plans to continue to strive to keep a stable tax levy for debt service while maintaining and improving the County's infrastructure. This means that the County must continue to have a strong planning effort to forecast capital projects.

Debt Outstanding

	Date of Issue	Amount Issued	Outstanding Debt
2011 G.O. Promissory Note	12/01/2011	8,675,000	$4,000,000
	Debt Outstanding 12/31/2013		$4,000,000
	Anticipated 2014 Debt Issues		$13,610,000
	Total Debt Outstanding		$17,610,000

Outstanding Debt Limit

	2012 Budget Year	2013 Budget Year	2014 Budget Year *
Total County Equalized Value	$4,932,212,000	$4,828,301,400	$4,882,392,000
Debt Limit	246,610,600	241,415,070	244,119,600
Outstanding Debt (*)	8,330,498	5,674,816	16,602,816
Available Debt Limit	238,280,102	235,740,254	227,516,784
Percent of Debt Limit Available	96.6%	97.6%	93.2%

*Includes anticipated 2014 debt issue of $13.610 million.

DEBT SERVICE

Schedule of Current and Future Debt Service Requirements

Fiscal Year	G.O. Promissory Note 2011	*G.O. Promissory Note 2014*	*G.O. Bond 2014 Airport*	TOTAL
2014				
Principal	2,800,000			2,880,000
Interest	80,000			80,000
2015				
Principal	1,200,000	1,025,000		
Interest	24,000	248,050		
2016				
Principal		2,370,000		
Interest		128,000		
2017				
Principal		2,420,000		
Interest		80,100		
2018				
Principal		1,000,000		
Interest		45,900		
2019				
Principal		1,000,000		
Interest		25,900		
2020				
Principal		795,000		
Interest		7,950		
2021				
Principal				
Interest				
2022 & Beyond				
Principal				
Interest				
TOTAL				
Principal	4,000,000	8,610,000		
Interest	104,000	535,900		