

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 (07/17/13)

- Net Direct Debt/Appraised Valuation  
 $\$100,486,150 / \$7,232,729,346 = 1.39\% < 1.50\%$
- General Obligation Bonds and Notes/Statutory Debt Limit
  - o  $\$147,000,000 / \$277,486,123 = 53.0\% < 60.0\%$
- Debt Service payments/Governmental Expenditures (2012)
  - o  $\$11,729,745 / \$101,624,481 = 11.5\% < 15.0\%$
- Net Direct Debt/Population
  - o  $\$100,486,150 / 93,944 = \$1,070 < \$1,500$
- Overlapping Net Direct Debt/Appraised Valuation
  - o  $\$140,742,150 / \$7,232,729,346 = 1.95\% < 3.50\%$
- Debt Service Levy
  - o 2013 Debt Service Levy = 8.51 mills < 10.0 mills