

VILLAGE OF CLINTON, MICHIGAN
DEBT SERVICE REPORT
March 31, 2018

DEBT SUMMARY.

	<u>General</u>	<u>Major Street</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>DDA Fund</u>
Downtown Streetscape	\$ 70,000	\$ 0	\$ 0	\$ 0	\$ 0
New Sewer Plant	\$ 0	\$ 0	\$ 0	\$1,960,000	\$ 0
Tecumseh Road	\$ 0	\$180,937	\$ 0	\$ 0	\$ 0
DDA Parking Lot	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,827
Well Five	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$302,757</u>	<u>\$ 0</u>	<u>\$ 0</u>
Totals	\$ 70,000	\$180,937	\$302,757	\$1,960,000	\$ 41,827

NOTE: * Electric Fund debt notes shown below regarding MSCPA and AMP.

DOWNTOWN STREETSCAPE IMPROVEMENTS. The Village has a general obligation debt (2003 General Obligation Limited Bond issue) which funded capital improvements for the downtown streetscape. The original bond was issued in May 2003 for \$410,000 with an interest rate at 7 percent and final maturity at May 1, 2019. The Downtown Development Authority's (DDA) Tax Increment Financing (TIF) revenue is paying the debt service. Outstanding principle at March 31, 2018 was \$70,000.

<u>Year Ending</u> <u>March 31</u>	<u>Principal</u>	<u>Interest</u>
2018	35,000	788
2019	35,000	788
	<u>70,000</u>	<u>1,576</u>

NEW SEWER PLANT. The Village issued bonds on June 23, 2005 (Village of Clinton Sewage Disposal System Revenue Bond) for the purpose of funding a new sewer plant. The amount of the issue is \$4,000,000 at an interest rate of 1.625%. Under a purchase contract, the Michigan Municipal Bond Authority has acquired all the bonds, and is paying the bond proceeds through the State Water Pollution Control Revolving Fund, commonly known as State Revolving Fund (SRF). Funds are disbursed from the State on a construction cost reimbursement basis. The outstanding debt balance at March 31, 2018 was \$1,960,000. Annual Debt Service requirements are funded with sewer revenue and are projected as follows:

<u>Year Ending</u> <u>March 31</u>	<u>Principal</u>	<u>Interest</u>
2018	205,000	30,184
2019	205,000	26,853
2020	210,000	23,482
2021	215,000	20,028
2022	220,000	16,493
2023	220,000	12,919
2024	225,000	9,304
2025	230,000	5,607
2026	230,000	1,869
	<u>1,960,000</u>	<u>146,739</u>

TECUMSEH ROAD IMPROVEMENTS. In November 2012 the Tate Park Trust Fund loaned \$294,130 at 4.75 percent interest to the Major Street Fund for the Tecumseh

Road construction project. The loan is to be paid back over ten years with interest earnings from the Robison Trust Fund. Outstanding balance at March 31, 2018 was \$219,970. The annual debt service requirements are as follows:

<u>Year Ending</u> <u>March 31</u>	<u>Principal</u>	<u>Interest</u>
2018	31,778	8,222
2019	33,306	6,694
2020	34,907	5,093
2021	36,584	3,415
2022	44,361	1,658
	180,937	39,033

WELL FIVE. The Water Fund has a revenue obligation of \$357,095 from June 2012 for the construction of a new well. The Robison Trust loaned money through a promissory note for twenty years at 4 percent. Outstanding principle at March 31, 2018 was \$302,757. Annual Debt Service requirements are funded with water revenue and are projected as follows:

<u>Payment Date</u>	<u>Beginning Balance</u>	<u>Payment Amount</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Ending Balance</u>
5/1/2018	302,756.70	\$13,200.00	6,055.13	\$ 7,144.87	295,611.83
11/1/2018	295,611.83	\$13,200.00	5,912.24	\$ 7,287.76	288,324.07
5/1/2019	288,324.07	\$13,200.00	5,766.48	\$ 7,433.52	280,890.55
11/1/2019	280,890.55	\$13,200.00	5,617.81	\$ 7,582.19	273,308.36
5/1/2020	273,308.36	\$13,200.00	5,466.17	\$ 7,733.83	265,574.53
11/1/2020	265,574.53	\$13,200.00	5,311.49	\$ 7,888.51	257,686.02
5/1/2021	257,686.02	\$13,200.00	5,153.72	\$ 8,046.28	249,639.74
11/1/2021	249,639.74	\$13,200.00	4,992.79	\$ 8,207.21	241,432.53
5/1/2022	241,432.53	\$13,200.00	4,828.65	\$ 8,371.35	233,061.18
11/1/2022	233,061.18	\$13,200.00	4,661.22	\$ 8,538.78	224,522.41
5/1/2023	224,522.41	\$13,200.00	4,490.45	\$ 8,709.55	215,812.86
11/1/2023	215,812.86	\$13,200.00	4,316.26	\$ 8,883.74	206,929.11
5/1/2024	206,929.11	\$13,200.00	4,138.58	\$ 9,061.42	197,867.69
11/1/2024	197,867.69	\$13,200.00	3,957.35	\$ 9,242.65	188,625.05
5/1/2025	188,625.05	\$13,200.00	3,772.50	\$ 9,427.50	179,197.55
11/1/2025	179,197.55	\$13,200.00	3,583.95	\$ 9,616.05	169,581.50
5/1/2026	169,581.50	\$13,200.00	3,391.63	\$ 9,808.37	159,773.13
11/1/2026	159,773.13	\$13,200.00	3,195.46	\$10,004.54	149,768.59
5/1/2027	149,768.59	\$13,200.00	2,995.37	\$10,204.63	139,563.96
11/1/2027	139,563.96	\$13,200.00	2,791.28	\$10,408.72	129,155.24
5/1/2028	129,155.24	\$13,200.00	2,583.10	\$10,616.90	118,538.35
11/1/2028	118,538.35	\$13,200.00	2,370.77	\$10,829.23	107,709.12
5/1/2029	107,709.12	\$13,200.00	2,154.18	\$11,045.82	96,663.30
11/1/2029	96,663.30	\$13,200.00	1,933.27	\$11,266.73	85,396.56
5/1/2030	85,396.56	\$13,200.00	1,707.93	\$11,492.07	73,904.50
11/1/2030	73,904.50	\$13,200.00	1,478.09	\$11,721.91	62,182.59
5/1/2031	62,182.59	\$13,200.00	1,243.65	\$11,956.35	50,226.24
11/1/2031	50,226.24	\$13,200.00	1,004.52	\$12,195.48	38,030.76
5/1/2032	38,030.76	\$13,200.00	760.62	\$12,439.38	25,591.38
11/1/2032	25,591.38	\$13,200.00	511.83	\$12,688.17	12,903.20
5/1/2033	12,903.20	\$13,161.27	258.06	\$12,903.21	(0.00)

DDA CHURCH STREET PARKING LOT EXPANSION. In January 2016, the Robison Trust loaned \$58,037, at 3.00 percent interest, for eight years, to the Downtown Development Authority (DDA) to purchase property for the expansion of the Church

Street Parking Lot. The debt service is paid by the DDA through TIF revenue. Outstanding principle at March 31, 2018 was \$41,827.

Payment Date	Beginning Balance	Payment Amount	Interest Payment	Principal Payment	Ending Balance
5/1/2018	41,826.62	4,000.00	627.40	3,372.60	38,454.02
11/1/2018	38,454.02	4,000.00	576.81	3,423.19	35,030.83
5/1/2019	35,030.83	4,000.00	525.46	3,474.54	31,556.29
11/1/2019	31,556.29	4,000.00	473.34	3,526.66	28,029.63
5/1/2020	28,029.63	4,000.00	420.44	3,579.56	24,450.07
11/1/2020	24,450.07	4,000.00	366.75	3,633.25	20,816.82
5/1/2021	20,816.82	4,000.00	312.25	3,687.75	17,129.07
11/1/2021	17,129.07	4,000.00	256.94	3,743.06	13,386.01
5/1/2022	13,386.01	4,000.00	200.79	3,799.21	9,586.80
11/1/2022	9,586.80	4,000.00	143.80	3,856.20	5,730.60
5/1/2023	5,730.60	4,000.00	85.96	3,914.04	1,816.56
11/1/2023	1,816.56	1,843.82	27.25	1,816.57	(0.01)

JOINT VENTURE -- MICHIGAN SOUTH CENTRAL POWER AGENCY. The Village is a member municipality of the Michigan South Central Power Agency. The Michigan South Central Power Agency (the "Agency") is a public body politic and corporate of the State of Michigan organized on March 21, 1978, under the authority of Michigan Public Act 448 of 1976 (the "Act"), to supply electricity to member municipalities in South Central Michigan. The Act provides that the Agency will establish rates and charges so as to produce revenues sufficient to cover its costs (excluding depreciation and amortization expense) including debt service, but it may not operate its projects for profit, except insofar as any such profit will inure to the benefit of the public. Each member municipality appoints one member to the Board of the Agency. The member municipalities and their percentage shares are as follows: Clinton 6.5 %, Coldwater 40.0 %, Hillsdale 25.5 %, Marshall 24.0 % and Union City 4.0 %.

Each member is a municipal corporation, organized under the laws of the State of Michigan, which owns and operates a municipal electric system. The member municipalities presently supply their customers with power and energy generated from the Agency's Project I and from the municipalities' existing generating facilities and also with power purchased from other utility companies.

Each of the member municipalities entered into (a) a Power Sales Contract with the Agency for the supply of power and energy from the Agency, and (b) a Substation Agreement with the Agency for services provided by the Agency to the member municipality with respect to substation facilities. Each member municipality also entered into an Economic Dispatch Agreement with the Agency providing for the dispatch by the Agency of power and energy from certain existing generating facilities of the member municipalities on an economic basis. The Power Sales Contracts between the Agency and the member municipalities require the Agency to provide, and the member municipalities to purchase from the Agency, all of the members' bulk power supply, as defined in the contracts. Each member is obligated to pay its share of the Agency's operating and debt service costs of Project I.

The Substation Agreements require the Agency to provide, and the municipalities to

purchase, services of the municipalities' substation facilities for transmission, transformation, and delivery of electric power and energy from the Agency to the municipalities. Under the Economic Dispatch Agreement, the member municipalities are required to sell to the Agency power generated by their facilities, defined as dedicated capacity.

JOINT VENTURE — AMERICAN MUNICIPAL POWER

The Village of Clinton as a means of obtaining supplemental electric power to the Village in addition to agreement with Michigan South Central Power Agency, has contracted with American Municipal Power. The Village has agreed to be a participant in the purchase of electrical power from the Fremont (Ohio) Energy Center owned by American Municipal Power.

Michigan South Central Power Agency will act as agent for the Village under this agreement. As a participant, the Village is required to obtain a certain percentage of the energy produced at the Fremont Energy Center to cover the Center's costs. The current percentage for the Village of Clinton is approximately 2%.