

**VILLAGE OF CLINTON, MICHIGAN
DEBT SERVICE REPORT
March 31, 2021**

DEBT SUMMARY.

	<u>General Fund</u>	<u>Major Street</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>DDA Fund</u>
South Alley Improvements	\$ 0	\$ 0	\$ 0	\$ 0	\$358,990
Water Plant & Well Five	\$ 0	\$ 0	\$562,742	\$ 0	\$ 0
WWTP	\$ 0	\$ 0	\$ 0	\$1,125,000	\$ 0
WWTP Capital Projects	\$ 0	\$ 0	\$ 0	\$ 125,507	
Tecumseh Road	<u>\$ 0</u>	<u>\$ 80,946</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Totals	\$ 0	\$ 80,946	\$562,742	\$1,250,507	\$358,990

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

SOUTH ALLEY IMPROVEMENT PROJECT. The DDA borrowed \$384,589 from the Robison Trust Fund for reconstructing the South Alley and expanding the Church Street Parking lot. The DDA will use Tax Increment Financing (TIF) revenue to pay the debt service. The loan was taken out in October 2019 for \$384,589 for 10 years at 2.75 percent. The final payment is November 1, 2029. Outstanding principal is \$358,990.

Payment Date	Payment Amount	Principal Payment	Interest Payment	Ending Balance	Cumulative Interest
11/1/2019	2,971.35	-	2,971.35	384,588.77	2,971.35
12/31/1900	18,000.00	12,711.90	5,288.10	371,876.87	8,259.45
11/1/2020	18,000.00	12,886.69	5,113.31	358,990.17	13,372.75
12/31/1901	23,000.00	18,063.89	4,936.11	340,926.29	18,308.87
11/1/2021	23,000.00	18,312.26	4,687.74	322,614.02	22,996.60
12/31/1902	23,000.00	18,564.06	4,435.94	304,049.97	27,432.55
11/1/2022	23,000.00	18,819.31	4,180.69	285,230.65	31,613.23
12/31/1903	23,000.00	19,078.08	3,921.92	266,152.58	35,535.16
11/1/2023	23,000.00	19,340.40	3,659.60	246,812.17	39,194.75
12/31/1904	23,000.00	19,606.33	3,393.67	227,205.84	42,588.42
11/1/2024	23,000.00	19,875.92	3,124.08	207,329.92	45,712.50
12/31/1905	23,000.00	20,149.21	2,850.79	187,180.71	48,563.29
11/1/2025	23,000.00	20,426.27	2,573.73	166,754.44	51,137.02
12/31/1906	23,000.00	20,707.13	2,292.87	146,047.32	53,429.90
11/1/2026	23,000.00	20,991.85	2,008.15	125,055.47	55,438.05
12/31/1907	23,000.00	21,280.49	1,719.51	103,774.98	57,157.56
11/1/2027	23,000.00	21,573.09	1,426.91	82,201.88	58,584.46
12/31/1908	23,000.00	21,869.72	1,130.28	60,332.16	59,714.74
11/1/2028	23,000.00	22,170.43	829.57	38,161.73	60,544.31
12/31/1909	23,000.00	22,475.28	524.72	15,686.45	61,069.03
11/1/2029	15,902.14	15,686.45	215.69	0.00	61,284.72

WATER FILTRATION PLANT & WELL FIVE. The Water Fund constructed a water filtration plant in 2019 and combined that debt with the outstanding balance on Well Five. The Water Fund borrowed \$580,981 from the Robison Trust Fund through a promissory note for 16 years at 2.75 percent. Outstanding principle at March 31, 2021 was \$562,742. Debt Service is funded with water revenue and are projected as follows:

Payment Date	Payment Amount	Principal Payment	Interest Payment	Ending Balance	Cumulative Interest
11/1/2019	5,407.48	-	5,407.48	580,891.00	5,407.48
5/1/2020	17,000.00	9,012.75	7,987.25	571,878.25	13,394.73
11/1/2020	17,000.00	9,136.67	7,863.33	562,741.58	21,258.06
5/2/2021	20,000.00	12,262.30	7,737.70	550,479.27	28,995.75
11/2/2021	20,000.00	12,430.91	7,569.09	538,048.36	36,564.84
5/2/2022	20,000.00	12,601.83	7,398.17	525,446.53	43,963.01
11/2/2022	20,000.00	12,775.11	7,224.89	512,671.42	51,187.90
5/2/2023	20,000.00	12,950.77	7,049.23	499,720.65	58,237.13
11/2/2023	20,000.00	13,128.84	6,871.16	486,591.81	65,108.29
5/2/2024	20,000.00	13,309.36	6,690.64	473,282.45	71,798.93
11/1/2024	20,000.00	13,492.37	6,507.63	459,790.08	78,306.56
5/3/2025	23,000.00	16,677.89	6,322.11	443,112.19	84,628.67
11/2/2025	23,000.00	16,907.21	6,092.79	426,204.99	90,721.47
5/3/2026	23,000.00	17,139.68	5,860.32	409,065.31	96,581.79
11/2/2026	23,000.00	17,375.35	5,624.65	391,689.95	102,206.43
5/3/2027	23,000.00	17,614.26	5,385.74	374,075.69	107,592.17
11/2/2027	23,000.00	17,856.46	5,143.54	356,219.23	112,735.71
5/2/2028	23,000.00	18,101.99	4,898.01	338,117.25	117,633.73
11/1/2028	23,000.00	18,350.89	4,649.11	319,766.36	122,282.84
5/2/2029	26,000.00	21,603.21	4,396.79	298,163.15	126,679.63
11/1/2029	26,000.00	21,900.26	4,099.74	276,262.89	130,779.37
5/2/2030	26,000.00	22,201.39	3,798.61	254,061.50	134,577.98
11/1/2030	26,000.00	22,506.65	3,493.35	231,554.85	138,071.33
5/2/2031	26,000.00	22,816.12	3,183.88	208,738.73	141,255.21
11/1/2031	26,000.00	23,129.84	2,870.16	185,608.89	144,125.37
5/2/2032	26,000.00	23,447.88	2,552.12	162,161.01	146,677.49
11/1/2032	26,000.00	23,770.29	2,229.71	138,390.72	148,907.20
5/2/2033	26,000.00	24,097.13	1,902.87	114,293.59	150,810.07
11/1/2033	26,000.00	24,428.46	1,571.54	89,865.13	152,381.61
5/2/2034	26,000.00	24,764.35	1,235.65	65,100.78	153,617.26
11/1/2034	26,000.00	25,104.86	895.14	39,995.91	154,512.39
5/2/2035	26,000.00	25,450.06	549.94	14,545.86	155,062.34
11/1/2035	14,884.09	14,684.08	200.01	(138.23)	155,262.34

WWTP. 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, 2021 was \$1,125,000. 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>
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>1,550,000</u>	<u>89,702</u>

WWTP CAPITAL IMPROVEMENTS 2018. On November 2, 2015, the Village Council authorized the WWTP to borrow up to \$225,000, at 2.5 percent, for up to ten years, from the Robison Trust Fund, for Capital Improvements to the sewer plant. The final loan amount was \$188,875.48 over nine years to make needed capital improvements to the plant. Outstanding principle at March 31, 2021, was \$125,507. The Annual Debt Service requirements are funded with Sewer Fund revenue and are projected as follows:

<u>Payment Date</u>	<u>Payment Amount</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Ending Balance</u>	<u>Cumulative Interest</u>
11/1/2019	14,005	10,091	3,914	146,453	14,473
05/1/2020	14,005	10,344	3,661	136,110	18,135
11/1/2020	14,005	10,602	3,403	125,507	21,537
05/1/2021	14,005	10,867	3,138	114,640	24,675
11/1/2021	14,005	11,139	2,866	103,501	27,541
05/1/2022	14,005	11,417	2,588	92,084	30,129
11/1/2022	14,005	11,703	2,302	80,381	32,431
05/1/2023	14,005	11,995	2,010	68,385	34,440
11/1/2023	14,005	12,295	1,710	56,090	36,150
05/1/2024	14,005	12,603	1,402	43,487	37,552
11/1/2024	14,005	12,918	1,087	30,569	38,639
05/1/2025	16,000	15,236	764	15,333	39,403
11/1/2025	15,717	15,334	383	(0)	39,787

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, 2021 was \$80,946. The annual debt service requirements are as follows:

<u>Year Ending</u> <u>March 31</u>	<u>Principal</u>	<u>Interest</u>
2020	34,907	5,093
2021	36,584	3,415
2022	44,361	1,658

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. 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%.