

General Obligation Debt Limit

Montana State law 7-7-4104 allows cities to borrow funds using its General Fund revenues as security. The obligation constitutes a general obligation of the municipality but is not secured by a pledge of the taxing power of the municipality. MCA 7-7-4104 limits this type of debt as follows: a. The annual maximum borrowing under MCA 7-7-4104 to 10% of the lower of the budgeted expenditures in each of the two previous fiscal years; b. The maximum principal and interest in any fiscal year cannot be more than 2% of the revenue actually deposited in the general fund in each of the two previous fiscal years; c. The term of the obligation cannot exceed 20 years.

Existing Debt - MCA, 7-7-4104

	Issued	Maturity	Years	Borrowed	Outstanding
LTGO Bond 2015	24-Jun-2015	15-Aug-2025	10	\$845,000	\$440,000
LTGO Bond 2017	30-Nov-2017	30-Jun-2037	20	\$2,100,000	\$1,925,000
INTERCAP-Golf Course Irrigation	5-Dec-2014	15-Feb-2030	15	\$433,099	\$282,662
INTERCAP-Parking Meters	1-Nov-2019	15-Feb-2030	10	\$560,243	\$536,401
				\$3,938,342	\$3,184,063

Fiscal Year 2021 Borrowing Capacity

General Obligations not secured by Full Faith & Credit of Taxing Authority

Maximum Principal Borrowing Authority - (10% of FY 2020 Budgeted Expenditures)	\$2,203,508
General Obligation Debt Issuance in current Fiscal Year 2021	\$0
Remaining Borrowing Authority in Current Fiscal Year	<u>\$2,203,508</u>

Maximum Annual Debt Service (2% of FY 2020 Actual Receipts)	\$433,085
Current Maximum Annual Debt Service in Current or Future Fiscal Year (MCA 7-7-4104)	-\$343,970
Remaining Maximum Principal & Interest Authority for General Obligations	<u>\$89,115</u>

Estimated Maximum Borrowing Authority

INTERCAP Loan Program

Remaining Maximum Principal & Interest Authority	\$89,115
Current Interest Rate	2.50%
Term of Obligation (Maximum 10 years for equipment)	10
Estimated Maximum Principal Authority	<u>\$779,944</u>