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INTRODUCTION

The City of Renton's long-term debt consists of General Obligation Debt, Proprietary Debt, and Miscellaneous Debt. The City is in compliance with all Washington State debt limitation statutes and bond indenture agreements. The following table represents the latest bond ratings for each type of debt for which ratings are given:

Type of Bonds Issued (Latest Year)	Fitch	Standard & Poor's
Water & Sewer Revenue Bonds (2007)	AA-	AA-
General Obligation Bonds (2006)	AA-	AA-
Golf System Revenue Bonds (1999)	Non-rated Bonds	Non-rated Bonds

**PROPRIETARY DEBT:**

The largest category of the City of Renton's debt is that of Proprietary Debt which consists of Water/Sewer Revenue Bonds, Public Works Trust Fund (PWTF) Loans, Golf Bonds and Contracts and Leases. As of January 1, 2008, there was \$43.28 million in principal outstanding proprietary debt consisting of: Water/Sewer Revenue Debt \$30.6 million, PWTF Debt \$9.8 million Golf Bonds debt \$2.8 million and Contracts and Leases Debt \$76,074. This debt was incurred in separate issues between 1993 and 2008. This debt is pledged only against the operating revenues of the proprietary funds and not the general tax base of the City.

**GENERAL OBLIGATION DEBT:**

The second largest category of debt is that of General Obligation (GO) Debt. GO debt consists of two categories, *limited* debt (Council approved debt) and *unlimited* debt (Voter approved debt). As of January 1, 2008, there was \$44 million in principal outstanding general obligation debt. Total limited GO debt of \$43.03 million was incurred in separate issues between 1997 and 2006. Included, as general obligation debt is the City's one-fifth share of the Valley Communications Center Development Authority Bonds. Total unlimited GO debt is \$.985 million consisting of one issue in 1998, Senior Housing Bonds. These bonds will be retired in 2009. The amount of general obligation debt for both voted and non-voted levies is substantially less than the amount of debt that a city may incur by statute (Revised Code of Washington (RCW) 39.36.020) as shown in the following table:

## INTRODUCTION

Type of General Obligation Debt	Debt Capacity for City of Renton 2007 Assessed Valuation=\$8,370,801,805	Total Principal of Outstanding Debt As of January 1, 2008	Margin of Indebtedness Still Available
Total Allowable Indebtedness	(7.5% of Assessed Valuation) \$627,810,135	\$44,000,575	\$583,809,560
Limited (Non-Voted) (See Definitions Page 3)	(1.5% of Assessed Valuation) \$125,562,027	\$43,015,575	\$ 82,546,452
Unlimited (Voted) (See Definitions Page 3)	(7.5% of Assessed Valuation) \$627,810,135	\$ 985,000	\$626,825,135

State law provides that debt cannot be incurred in excess of 1.5 percent for non-voted (limited) debt and 7.5 percent with a vote of the people (unlimited) based on the assessed valuation. For 2008, this amount is \$125.6 million and \$627.8 million respectively. Current indebtedness for LTGO debt is \$44.0 million, leaving a margin of indebtedness remaining of \$583.8 million.

**MISCELLANEOUS DEBT:**

The City has no miscellaneous debt as of January 1, 2008.

## DEBT SUMMARY

**DEFINITIONS**

**General Obligation Debt** is debt for which the City has pledged its full faith and credit, including its power to tax against retiring the debt. General Obligation Bond proceeds are used to finance capital improvements such as streets and municipal buildings. General obligation debt may be incurred in two ways: with or without a vote of the people. A City may incur far more debt when it is voted by the people than it may incur without voter approval. For General Obligation debt, voter approval means approval at an election in which 40% of the people who voted in the last general election voted and 60% of those voting voted in favor of the issue.

**Limited General Obligation (LTGO) Bonds** are retired with revenues from property, sales, or other general taxes. In 2000 Valley Communications Center Development Authority bonds were issued payable as to both principal and interest from equal payments from the cities of Auburn, Federal Way, Kent, **Renton** and Tukwila. Payments from the Cities to the Authority are payable with all monies legally available sufficient to pay the principal of and interest on the Bonds of this issue as the same become due. The full faith, credit and resources of each City are pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest of the Authority, for benefit of bondholders. These bonds are issued pursuant to Washington State Law, RCW 35.21.730 through 35.21.757, and Resolution No. 1 of the Authority. Additionally, the Cities have each adopted ordinances for their respective one-fifth share of principal and interest.

**Unlimited General Obligation (ULTGO) Bonds** are authorized by a vote of the people. Bonds are then retired by means of an additional property tax levy referred to as an 'excess levy'. The City currently has one issue, 1998 Senior Housing Authority debt. As with LTGO debt, the full faith, credit and resources of the City are pledge for the annual levy and collection of such taxes.

Authority to issue General Obligation Debt can be found in the Revised Code of Washington (RCW) 35.37.040 and 35.37.050.

**Revenue Bonds** are a form of debt that is retired by means of revenue other than taxes. Revenue Bonds do not pledge the full faith and credit of the City and its taxing authority to the retirement of the bonds. Revenue Bonds are used generally to finance public facilities for proprietary functions of the City. The revenue from these functions is then used to repay the debt. Common examples of Revenue Bonds are bonds that are issued to pay for water and sewer system improvements and are retired by means of revenue from those utilities. Authority to issue Revenue Bonds can be found in the Revised Code of Washington (RCW) 35.41.030.

## DEBT SUMMARY

**Public Works Trust Fund Loans** are state revolving loan funds that provide low-interest loans to help local governments maintain or improve essential public works systems. The Trust Fund administers three types of loan programs: a Construction Loan Program, a Capital Facilities Loan Program, and an Emergency Loan Program. The Trust Fund is financed with dedicated revenues from taxes on water, sewer and garbage utilities, and from a portion of the Real Estate Excise Tax. These taxes are collected and deposited in the Public Works Assistance Account, which is managed by the State Treasurer. Repayments of past Trust Fund loans are returned to the Public Works Assistance Account to fund upcoming generations of public works improvements. Counties and Cities must be imposing the optional .25 percent Real Estate Excise Tax dedicated to capital purposes in order to be eligible. Loans are offered only to repair, replace, rehabilitate, reconstruct, or improve existing eligible public works systems to meet current standards to serve existing service users. Authority to participate in Public Works Trust Fund Loans can be found in the Revised Code of Washington (RCW) 39.69.020.

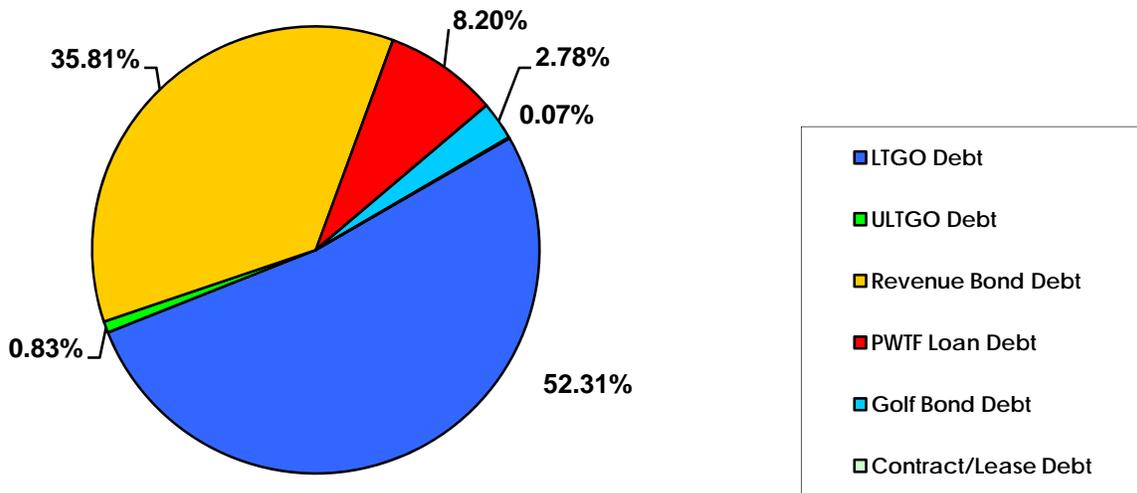
**Contract/Lease Debt** may be incurred by the City, like any other entity, for various purposes such as lease-purchase, temporary borrowing, and other contractual agreements. Authority to negotiate debt of this nature can be found in the Revised Code of Washington (RCW) 39.50.020.

**Miscellaneous Debt** for the City of Renton includes interfund loans. The City of Renton does not have any interfund loans for miscellaneous debt as of January 1, 2008.

City of Renton  
All City of Renton Debt  
Total Annual Debt Service as of January 1, 2008

Year	Limited Tax General Obligation Debt	Unlimited Tax General Obligation Debt	Waterworks Bond Debt	Public Works Trust Fund Loan Debt	Golf Bond Debt	Contract/ Lease Debt	Totals by Year
2008	4,259,240	518,560	3,145,309	970,306	437,820	24,266	9,355,501
2009	4,236,318	518,130	3,132,944	961,792	438,513	24,266	9,311,962
2010	4,244,553	-	3,128,810	953,276	438,323	24,266	8,789,227
2011	4,236,688	-	3,130,720	944,762	437,073	10,161	8,759,403
2012	4,253,176	-	3,128,615	936,248	435,073	-	8,753,111
2013	4,240,989	-	1,929,988	902,092	436,968	-	7,510,036
2014	4,233,059	-	1,965,053	724,055	437,468	-	7,359,634
2015	4,223,951	-	1,963,475	712,652	431,730	-	7,331,808
2016	3,987,694	-	1,955,100	611,845	-	-	6,554,639
2017	3,977,177	-	1,963,350	392,864	-	-	6,333,391
2018	3,389,759	-	2,118,350	341,362	-	-	5,849,471
2019	3,395,371	-	2,070,450	339,707	-	-	5,805,528
2020	3,404,088	-	2,016,600	338,055	-	-	5,758,743
2021	3,399,088	-	2,006,950	336,401	-	-	5,742,439
2022	1,712,588	-	2,010,100	304,447	-	-	4,027,135
2023	1,400,838	-	1,850,500	260,075	-	-	3,511,413
2024	1,401,238	-	1,848,000	258,787	-	-	3,508,025
2025	1,403,750	-	1,852,000	-	-	-	3,255,750
2026	1,401,000	-	1,852,000	-	-	-	3,253,000
2027	1,405,500	-	1,848,000	-	-	-	3,253,500
2028	1,401,750	-	-	-	-	-	1,401,750
<b>Totals</b>	<b>\$ 65,607,809</b>	<b>\$ 1,036,690</b>	<b>\$ 44,916,313</b>	<b>\$ 10,288,726</b>	<b>\$ 3,492,965</b>	<b>\$ 82,958</b>	<b>\$ 125,425,460</b>

City of Renton  
All City of Renton Debt  
Total Debt Service by Type of Debt  
As of January 1, 2008



City of Renton  
All City of Renton Debt  
Total Outstanding Principal as of January 1, 2008

Year	Limited Tax General Obligation Debt	Unlimited Tax General Obligation Debt	Revenue Bond Debt	Public Works Trust Fund Loan Debt	Golf Bond Debt	Contract/ Lease Debt	Totals by Year
2008	1,599,551	480,000	1,810,000	889,143	295,000	20,919	5,094,613
2009	1,700,000	505,000	1,890,000	889,143	310,000	21,995	5,316,138
2010	2,269,000	-	1,955,000	889,143	325,000	23,127	5,461,270
2011	2,353,000	-	2,030,000	889,143	340,000	10,034	5,622,177
2012	2,467,000	-	2,115,000	889,143	355,000	-	5,826,143
2013	2,580,000	-	1,000,000	863,501	375,000	-	4,818,501
2014	2,701,000	-	1,060,000	693,466	395,000	-	4,849,466
2015	2,833,000	-	1,100,000	688,363	410,000	-	5,031,363
2016	2,745,000	-	1,135,000	593,755	-	-	4,473,755
2017	2,870,000	-	1,200,000	380,028	-	-	4,450,028
2018	2,430,000	-	1,415,000	330,671	-	-	4,175,671
2019	2,560,000	-	1,425,000	330,671	-	-	4,315,671
2020	2,700,000	-	1,430,000	330,671	-	-	4,460,671
2021	2,830,000	-	1,480,000	330,671	-	-	4,640,671
2022	1,285,000	-	1,545,000	300,370	-	-	3,130,370
2023	1,040,000	-	1,450,000	257,500	-	-	2,747,500
2024	1,095,000	-	1,520,000	257,500	-	-	2,872,500
2025	1,155,000	-	1,600,000	-	-	-	2,755,000
2026	1,210,000	-	1,680,000	-	-	-	2,890,000
2027	1,275,000	-	1,760,000	-	-	-	3,035,000
2028	1,335,000	-	-	-	-	-	1,335,000
Totals	\$ 43,032,551	\$ 985,000	\$ 30,600,000	\$ 9,802,882	\$ 2,805,000	\$ 76,074	\$ 87,301,507

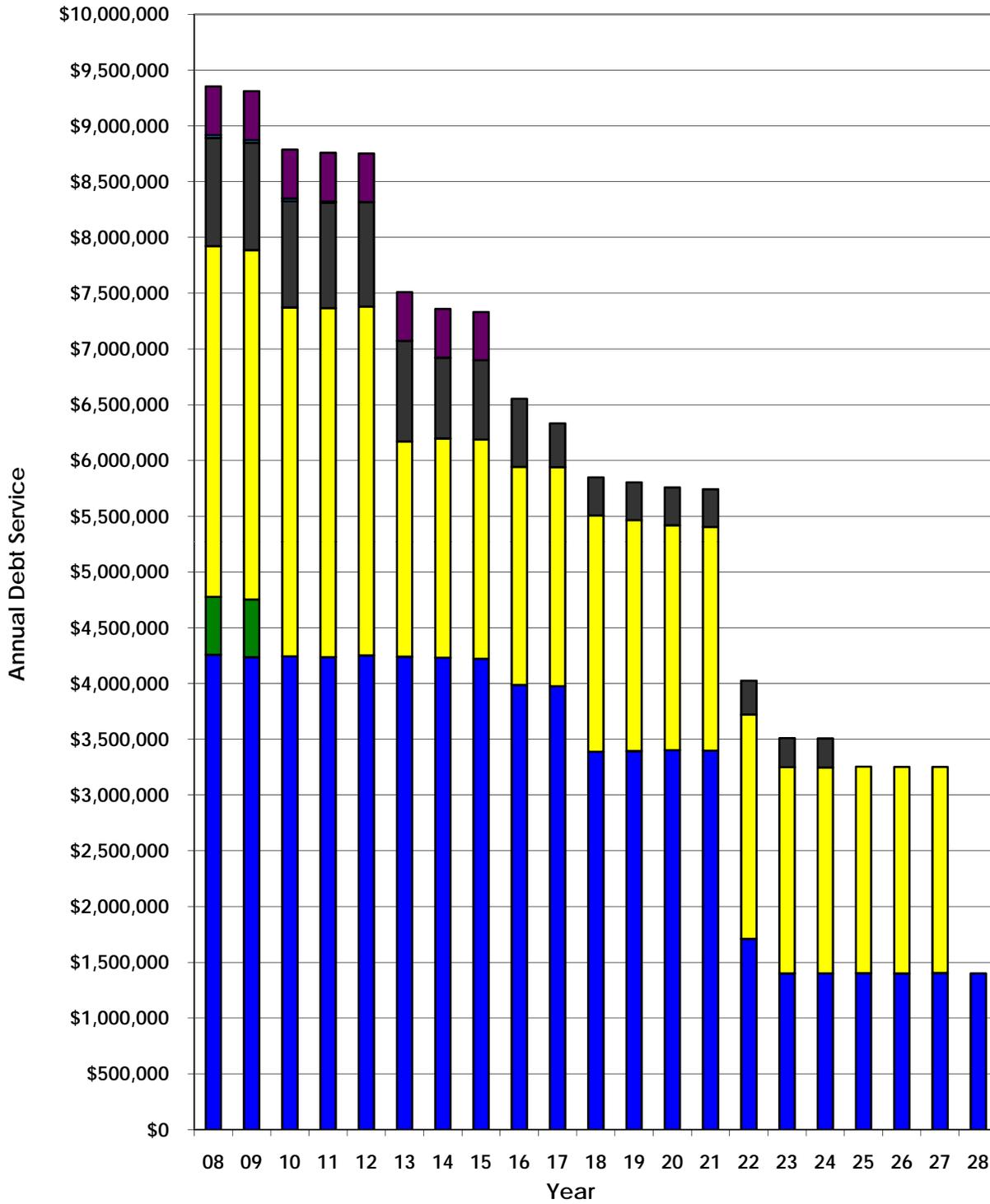
City of Renton  
All City of Renton Debt  
Annual Interest as of January 1, 2008

Year	Limited Tax General Obligation Debt	Unlimited Tax General Obligation Debt	Revenue Bonds	Public Works Trust Fund Loans	Golf Bond Debt	Contracts/ Leases	Totals by Year
2008	2,659,688	38,560	1,335,309	81,163	142,820	3,347	4,260,888
2009	2,536,318	13,130	1,242,944	72,649	128,513	2,271	3,995,824
2010	1,975,553	-	1,173,810	64,133	113,323	1,139	3,327,958
2011	1,883,688	-	1,100,720	55,619	97,073	127	3,137,226
2012	1,786,176	-	1,013,615	47,105	80,073	-	2,926,968
2013	1,660,989	-	929,988	38,591	61,968	-	2,691,535
2014	1,532,059	-	905,053	30,589	42,468	-	2,510,168
2015	1,390,951	-	863,475	24,289	21,730	-	2,300,445
2016	1,242,694	-	820,100	18,090	-	-	2,080,884
2017	1,107,177	-	763,350	12,836	-	-	1,883,363
2018	959,759	-	703,350	10,691	-	-	1,673,800
2019	835,371	-	645,450	9,036	-	-	1,489,857
2020	704,088	-	586,600	7,384	-	-	1,298,072
2021	569,088	-	526,950	5,730	-	-	1,101,768
2022	427,588	-	465,100	4,077	-	-	896,765
2023	360,838	-	400,500	2,575	-	-	763,913
2024	306,238	-	328,000	1,287	-	-	635,525
2025	248,750	-	252,000	-	-	-	500,750
2026	191,000	-	172,000	-	-	-	363,000
2027	130,500	-	88,000	-	-	-	218,500
2028	66,750	-	-	-	-	-	66,750
Totals	\$ 22,575,257	\$ 51,690	\$ 14,316,313	\$ 485,844	\$ 687,965	\$ 6,884	\$ 38,123,953



RENTON  
AHEAD OF THE CURVE

City of Renton  
 All City of Renton Debt  
 Total Annual Debt Service by Type of Debt  
 As of January 1, 2008



City of Renton  
 All City of Renton Debt  
 Total Annual Debt Service (Principal & Interest)  
 As of January 1, 2008

