

Debt Policy

The city uses a combination of fixed rate, commercial paper, tax and revenue anticipation notes, and variable rate debt. There is no statutory or charter debt limitations. The issuance of debt is made at the lowest possible cost and risk to the city, determined by available debt capacity, compliance with city charter, legal requirements, and prudent fiscal practices.

New money issues generate funding to be available for expenditure on acquisition, construction and major improvements of capital assets. These funds are not used to fund operational activities. Refunding issues are used to retire outstanding bonds at either a lower interest rate to reduce debt service, to change the type of debt instruments, or to remove undesirable covenants. Depending upon the size of a refunding, the city typically seeks to produce present value savings of 3%-5% of the bonds being refunded.

The city issues debt with an average life less than or equal to the average life of the assets being financed, but in no event longer than 40 years. Debt payments are made from the pledged revenues or other legally available revenues. The city has no general obligation bonds.

Derivatives are considered only in instances where it is shown that the product will either provide a hedge that reduces risk of fluctuation in expense or revenue, or where it will reduce total project costs. No derivative shall be used for the purpose of interest rate speculation.

Conduit debt is issued only if there is no recourse to the city. Any conduit financing structures must implement formal underwriting standards, be for projects that have local acceptance and public purpose, be from non-profit borrowers with a demonstrated ability to provide debt service, employ independent financial advisors, and be in compliance with pertinent laws and regulations.

Debt Service

Summary of Debt Service Requirements on Bonds by Fund (Thousands)

	FY09 Principal	FY09 Interest	FY09 Total	FY09 Transfers to Debt Service	Other Financing Sources	Principal and Interest Outstanding	Year of Retirement
Utility Tax Fund							
1991,2001,2001B U. Tax	\$ 8,865	\$ 4,650	\$ 13,515	\$ 0	\$ 13,515 (1)	\$ 81,122	2015
1996 Utility Tax	0	0	0	0	0	95,200 (2)	2022
1997 Utility Tax	230	50	280	280	0	2,804	2019
1998 Utility Tax	118	10	128	128	0 (3)	125	2010
1999A Utility Tax	1,245	125	1,370	1,370	0 (3)	1,365	2010
2000A Utility Tax	160	8	168	354	0 (3)(4)	0	2009
2002A Utility Tax	19	207	226	60	166 (5)	6,140	2021
2006 Utility Tax	0	793	793	793	0 (3)	22,152	2019
Utility Tax Fund Total	<u>\$ 10,637</u>	<u>\$ 5,843</u>	<u>\$ 16,480</u>	<u>\$ 2,985</u>	<u>\$ 13,681</u>	<u>\$ 208,908</u>	
Guaranteed Entitlement							
2001A	\$ 160	\$ 124	\$ 284	\$ 284	\$ 0	\$ 2,514	2018
CDBG - HUD Section 108							
1999A	\$ 220	\$ 540	\$ 760	\$ 419	\$ 341 (6)	\$ 12,089	2018
Stormwater							
2007 Commercial Paper	\$ 0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0 (7)	\$ 1,600	N/A
Occupational License							
2002A, 2007	\$ 2,730	\$ 4,345	\$ 7,075	\$ 7,075	\$ 0	\$ 130,319	2027
Local Option Gas Tax							
2007 Commercial Paper	\$ 0	\$ 510	\$ 510	\$ 510	\$ 0 (8)	\$ 6,000	N/A

Related Financial Information

	FY09 Principal	FY09 Interest	FY09 Total	FY09 Transfers to Debt Service	Other Financing Sources	Principal and Interest Outstanding	Year of Retirement
Community Investment Tax (CIT)							
2001A Sales Tax Revenue	\$ 1,595	\$ 2,367	\$ 3,962	\$ 3,962	\$ 0	\$ 67,322	2026
2006 Sales Tax Revenue	630	648	1,278	1,278	0	21,708	2026
CIT Total	<u>\$ 2,225</u>	<u>\$ 3,015</u>	<u>\$ 5,240</u>	<u>\$ 5,240</u>	<u>\$ 0</u>	<u>\$ 89,030</u>	
Parking Fund							
1997 Utility Tax	\$ 0	\$ 293	\$ 293	\$ 293	\$ 0	\$ 28,086	2019
1998 Utility Tax	37	2	39	39	0 (3)	0	2009
1999A Utility Tax	0	35	35	35	0 (3)	793	2010
2002A Utility Tax	32	329	361	361	0	9,853	2021
2006 Utility Tax	0	951	951	951	0 (3)	26,539	2036
Parking Fund Total	<u>\$ 69</u>	<u>\$ 1,610</u>	<u>\$ 1,679</u>	<u>\$ 1,679</u>	<u>\$ 0</u>	<u>\$ 65,271</u>	
Wastewater Fund							
2002	\$ 1,736	1,188	2,924	2,924	0	23,915	2017
2002B	3,615	516	4,131	4,131	0	8,264	2011
2003A	1,703	513	2,216	2,216	0	11,062	2014
2005	2,686	1,876	4,562	4,562	0	44,054	2017
2006	660	1,605	2,265	2,265	0	61,120	2036
State Revolving Loan	4,384	1,064	5,448	5,448	0	32,267	2017
Wastewater Fund Total	<u>\$ 14,784</u>	<u>\$ 6,762</u>	<u>\$ 21,546</u>	<u>\$ 21,546</u>	<u>\$ 0</u>	<u>\$ 180,682</u>	
Water Fund							
2001A	\$ 660	3,210	3,870	3,870	0	109,636	2029
2001B (STAR)	700	582	1,282	1,282	0	15,385	2021
2002	464	318	782	782	0	6,399	2017
2003A	427	129	556	556	0	2,778	2014
2005	719	502	1,221	1,221	0	11,788	2017
	875	2,435	3,310	3,310	0	92,737	2037
State Revolving Loan	782	361	1,143	1,143	0	13,144	2020
Water Fund Total	<u>\$ 4,627</u>	<u>\$ 7,537</u>	<u>\$ 12,164</u>	<u>\$ 12,164</u>	<u>\$ 0</u>	<u>\$ 251,867</u>	
Solid Waste							
1999	\$ 7,780	\$ 6,918	\$ 14,698	\$ 14,198	\$ 500 (9)	\$ 176,324	2021
Marina Fund							
2000A Utility Tax	\$ 180	\$ 9	\$ 189	\$ 3	\$ 186 (3)(4)	\$ 0	2009
2002A Utility Tax	14	167	181	115	66	4,947	2021
2006 Utility Tax	-	18	18	18	- (3)	684	2019
Marina Total	<u>\$ 194</u>	<u>\$ 194</u>	<u>\$ 388</u>	<u>\$ 136</u>	<u>\$ 252</u>	<u>\$ 5,631</u>	
CITY-WIDE TOTAL	<u><u>\$ 43,426</u></u>	<u><u>\$ 38,398</u></u>	<u><u>\$ 81,824</u></u>	<u><u>\$ 67,236</u></u>	<u><u>\$ 14,774</u></u>	<u><u>\$ 1,130,235</u></u>	

- (1) Utility tax series 1991, 2001 and 2001B bonds will be paid from downtown non-core and core tax increment financing proceeds.
- (2) Utility tax series 1996 are zero rate coupon bonds. Principal and interest payments will begin in fiscal year 2016.
- (3) Utility tax series 2006 bonds refunded portions of the utility tax 1998, 1999A, and 2000A bonds.
- (4) Net difference is utility tax fund assumption of a portion of marina fund's debt service.
- (5) Net difference is utility tax fund assumption of a tourist development tax credit offset.
- (6) Remaining portion to be paid from Ybor tax increment financing proceeds.
- (7) Provides for a current draw of \$1.6 million in commercial paper and anticipated future draws/bond issuance during FY09.
- (8) Provides for interest on a current draw of \$6.0 million in commercial paper plus possible additional draws, as needed, in FY09.
- (9) Represents debt fund interest earnings, investment sinking fund proceeds and/or reduction of bond reserve requirement.