

## 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)

	FY07 Principal	FY07 Interest	FY07 Total	FY07 Transfers to Debt Service	Other Financing Sources	Principal and Interest Outstanding	Year of Retirement
<b>Utility Tax Fund</b>							
1991,2001,2001B U. Tax	\$ 7,895	\$ 5,624	\$ 13,519	\$ 0	\$ 13,519 (1)	\$ 108,148	2015
1996 Utility Tax	0	0	0	0	0	95,200 (2)	2022
1997 Utility Tax	190	68	258	258	0	3,378	2019
1998 Utility Tax	145	98	243	238	5 (3)	2,614	2019
1999A Utility Tax	1,140	992	2,132	2,108	24 (3)	25,569	2019
2000A/2002A Utility Tax	28	258	286	246	40 (4)	7,843	2021
2003A Utility Tax	1,225	33	1,258	201	1,057 (3)	0	2007
Utility Tax Fund Total	<u>\$ 10,623</u>	<u>\$ 7,073</u>	<u>\$ 17,696</u>	<u>\$ 3,051</u>	<u>\$ 14,645</u>	<u>\$ 242,752</u>	
<b>Guaranteed Entitlement</b>							
2001A	\$ 4,190	\$ 641	\$ 4,831	\$ 4,831	\$ 0	\$ 7,616	2018
<b>CDBG - HUD Section 108</b>							
1999A	\$ 190	\$ 563	\$ 753	\$ 420	\$ 333 (5)	\$ 13,600	2018
<b>Stormwater</b>							
2007 - Pending				\$ 1,300 (6)			
<b>Occupational License</b>							
2002 Series A/B/C	\$ 2,540	\$ 4,795	\$ 7,335	\$ 5,900	\$ 1,435 (7)	\$ 149,753	2027
<b>Local Option Gas Tax</b>							
1999	\$ 3,525	\$ 70	\$ 3,595	\$ 2,727	\$ 868 (3)	\$ 0	2007

Related Financial Information

	FY07 Principal	FY07 Interest	FY07 Total	FY07 Transfers to Debt Service	Other Financing Sources	Principal and Interest Outstanding	Year of Retirement
<b>Community Investment Tax (CIT)</b>							
2001A	\$ 1,485	\$ 2,476	\$ 3,961	\$ 3,961	\$ 0	\$ 75,243	2026
2007 - Pending				1,400	(8)		2011
CIT Total	<u>\$ 1,485</u>	<u>\$ 2,476</u>	<u>\$ 3,961</u>	<u>\$ 5,361</u>	<u>\$ 0</u>	<u>\$ 75,243</u>	
<b>Parking Fund</b>							
1997 Utility Tax	\$ 0	\$ 293	\$ 293	\$ 293	\$ 0	\$ 28,672	2019
1998 Utility Tax	651	576	1,227	1,227	0	15,796	2019
1999A Utility Tax	0	481	481	481	0	13,355	2019
2000A/2002A Utility Tax	32	393	425	425	0	12,031	2021
Parking Fund Total	<u>\$ 683</u>	<u>\$ 1,743</u>	<u>\$ 2,426</u>	<u>\$ 2,426</u>	<u>\$ 0</u>	<u>\$ 69,854</u>	
<b>Wastewater Fund</b>							
1998B	\$ 1,467	\$ 127	\$ 1,594	\$ 1,594	\$ 0	\$ 1,598	2008
2002A	1,554	1,364	2,918	2,918	0	29,757	2017
2002B	3,280	853	4,133	4,133	0	16,529	2011
2003A	1,587	626	2,213	2,213	0	15,487	2014
2005	2,446	2,126	4,572	4,572	0	53,188	2017
2006	600	1,666	2,266	2,266	0	65,646	2036
State Revolving Loan	4,126	1,321	5,447	5,447	0	43,163	2017
Wastewater Fund Total	<u>\$ 15,060</u>	<u>\$ 8,083</u>	<u>\$ 23,143</u>	<u>\$ 23,143</u>	<u>\$ 0</u>	<u>\$ 225,368</u>	
<b>Water Fund</b>							
1998B	\$ 968	\$ 84	\$ 1,052	\$ 1,052	\$ 0	\$ 1,055	2008
2001A	140	3,221	3,361	3,361	0	116,866	2029
2001B (STAR)	145	594	739	739	0	17,405	2021
2002	416	365	781	781	0	7,963	2017
2003A	399	157	556	556	0	3,889	2014
2005	654	569	1,223	1,223	0	14,232	2017
State Revolving Loan	735	408	1,143	1,143	0	14,859	2020
2007 - Pending				2,000	(9)		
Water Fund Total	<u>\$ 3,457</u>	<u>\$ 5,398</u>	<u>\$ 8,855</u>	<u>\$ 10,855</u>	<u>\$ 0</u>	<u>\$ 176,269</u>	
<b>Solid Waste</b>							
1999	\$ 8,380	\$ 6,315	\$ 14,695	\$ 14,045	\$ 650 (3)	\$ 205,720	2021
<b>Marina Fund</b>							
2000A/2002A Utility Tax	\$ 170	\$ 205	\$ 375	\$ 248	\$ 127 (4)	\$ 6,396	2021
<b>CITY-WIDE TOTAL</b>	<u><u>\$ 50,303</u></u>	<u><u>\$ 37,362</u></u>	<u><u>\$ 87,665</u></u>	<u><u>\$ 74,307</u></u>	<u><u>\$ 18,058</u></u>	<u><u>\$ 1,172,571</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) Represents debt fund interest earnings, investment sinking fund proceeds and/or reduction of bond reserve requirement.

(4) Net difference is utility tax fund assumption of a portion of marina fund's debt service and tourist development tax credit offset.

(5) Remaining portion to be paid from Ybor tax increment financing proceeds.

(6) \$1.3 million is included in stormwater's FY07 budget for an anticipated bond issue or funding through commercial paper for CIPs.

(7) Projected FY06 Occupational License debt service fund surplus applied towards FY07 debt service requirement.

(8) \$1.4 million of debt service for a proposed \$17 million bond issue funded with community investment tax dollars for ten parks and recreation facilities projects ranging from \$250,000 to \$3 million.

(9) \$2 million for debt service is budgeted pending commercial paper or bond issuance to fund approximately \$32 million of critical water infrastructure and plant improvement projects.