



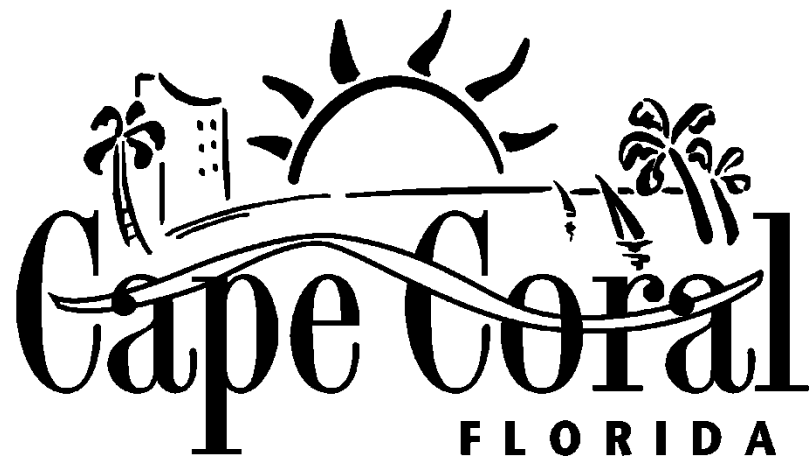
**CITY OF CAPE CORAL**

**ANNUAL DEBT AND CREDIT  
REPORT**

**September 30, 2017**

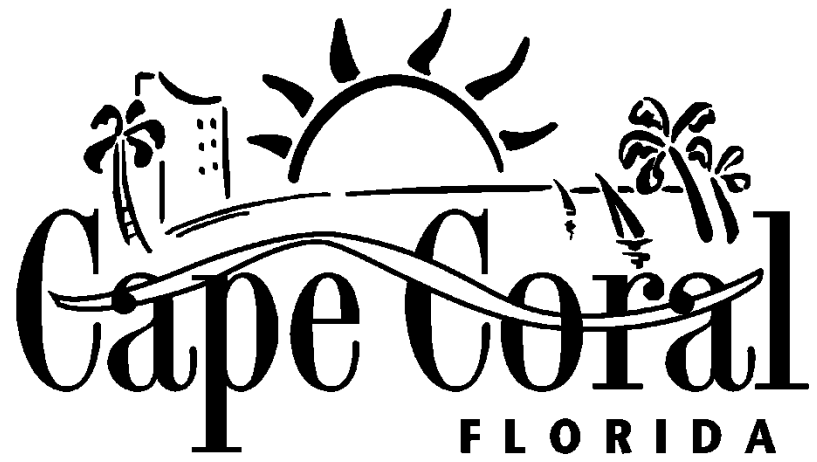
**Prepared by:**

**Financial Services Department**



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## Executive Summary

As of September 30, 2017, total City outstanding debt was \$806,779,026 which includes \$203,110,436 governmental debt and \$603,668,590 of enterprise debt. The City's total debt decreased by \$27.0 million, or 3.2%, during the current fiscal year. The Governmental Activities overall decrease of \$5.9 million or 2.8% is due to scheduled debt payments. The Business-type overall decrease of \$21.1 million or 3.4% is due to \$14.9 million in scheduled debt payments and \$6.2 million of special assessment debt redemptions and/or debt maturing.

The city's governmental activities issued \$62,595,000 of debt to refund \$64,595,000 of existing debt to reduce debt service over the next 23 years by \$8.4 million. In addition, business-type activities issued \$101,155,000 to refund \$108,490,000 of debt to reduce debt service over the next 20 years by \$10.9 million.

The City has non-ad valorem revenue debt capacity remaining and is in compliance with its anti-dilution test. All City revenues, unless restricted to a specific purpose, are being used to pay debt service or to fund City operations; any use of City revenues to secure and pay additional debt could impact City operations unless additional revenues are identified.

The City's enterprise fund continues to be self-supporting in that this debt is secured solely by pledges of enterprise revenues which adequately cover debt service on these bonds. Furthermore, many of the Governmental or non-enterprise, non-ad valorem revenue bonds are supported by revenues specifically earmarked for such purpose. For example, bonds issued for the City Hall and EOC are repaid with the State Shared Half-Cent Sales Tax.

Three major rating institutions (Moody's, Fitch and Standard & Poor's) have periodically evaluated the City's financial management, economic conditions and administrative practices. Based on their evaluations, the following ratings were achieved on the last issue of each type. The insured rating is based on the credit worthiness of the company insuring the bonds, whereas an underlying rating is based upon the credit worthiness of the issuer or security which is actually pledged for the repayment of the bonds.

During fiscal year 2017, the major rating institutions reaffirmed or assigns various ratings. Below is a summary of the bonds which were reviewed.

Fitch:	Special Assessments Bonds "BBB+"; Water and Sewer Revenue Bonds "A/Stable"
Standard & Poor's:	Special Obligation Refunding Bonds "AA-/Stable"; Gas Tax Bonds "A-"
Moody's:	Special Obligation Refunding Bonds "Aa3"; Utility Improvement Ref Assessments Bonds "A2"

The City entered into (2) Florida Department of Environmental Protection (SRF) loans in the principal amount of \$81,500,000 to fund the construction of the North 2 utilities extension project. The North 2 utilities extension project is in the beginning stages of the construction phase and is expected to be completed in FY2020. As of September 30, 2017, the City has not drawn from this loan.

Pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended, the President of the United States ordered that certain automatic spending cuts be implemented pursuant to calculations provided by the United States Office of Management and Budget (OMB) in its Report to the Congress on sequestration dated March 1, 2013. These included automatic across-the-board cuts in certain categories of federal spending for the from March 1, 2013 and will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change. The cuts include mandatory reductions in the amounts scheduled to be paid by the federal government to issuers of Build America Bonds. The Internal Revenues Service announced on October 1, 2013, that payments to issuers of Direct-Pay bonds from the budget accounts associated with these bonds are subject to reduction. In May 2010, the City issued \$33,815,000 of Federally Taxable Build America Bonds. As a result of this act the City's reimbursement was reduced by \$56,178 in FY2017. The reduction in FY2018 is expected to be 6.6% or \$53,736.

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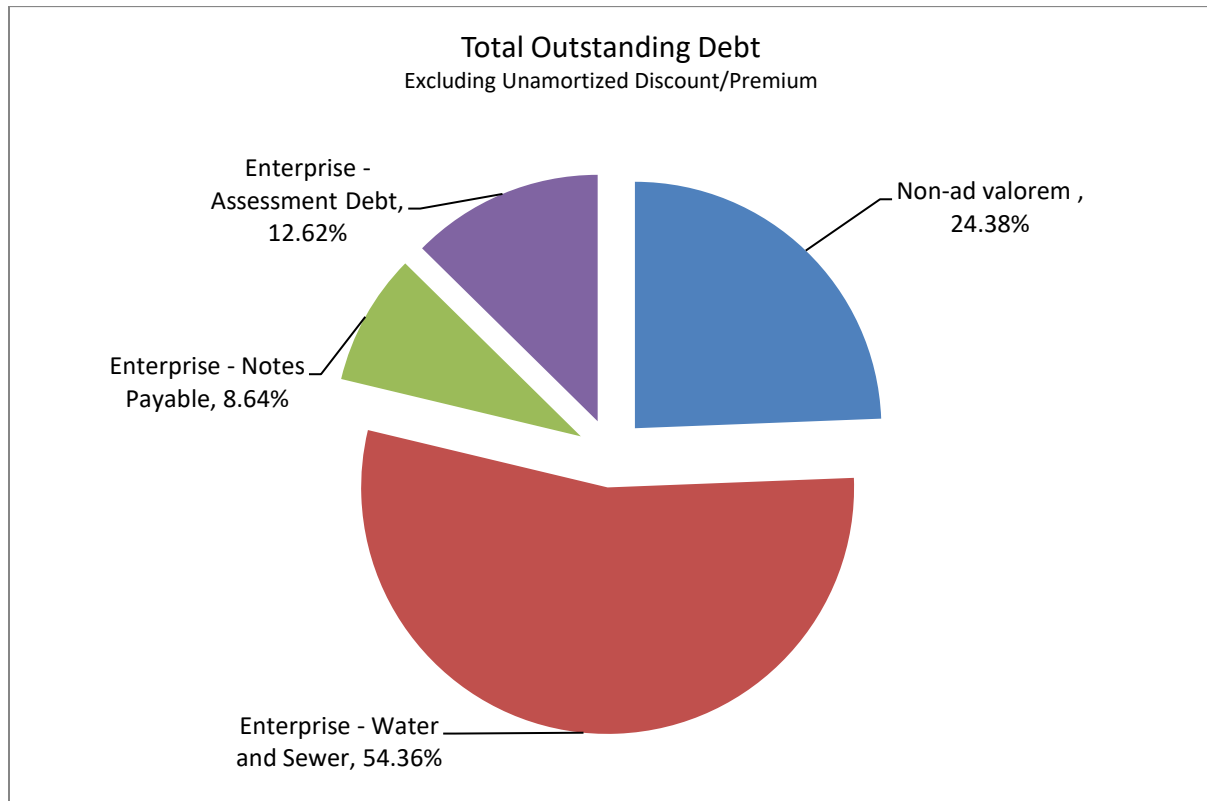
<sup>1</sup> An Anti-Dilution test is included in the bond covenants agreed to by the City in connection with debt secured by the City's covenant to budget and appropriate from legally available non-ad valorem revenues. This test attempts to measure and limit the extent to which the City can use non-ad valorem revenues for debt service on additional bonds or for general government services. The purpose of the test is to ensure that the City does not excessively leverage its non-ad valorem revenues.

<sup>2</sup> Each of the three major agencies rating the City's debt uses a rating system which relies on alphanumeric indicators. Moody's describes its "Aa" rated bonds as "judged to be of high quality by all standards." Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities, or the fluctuation of protective elements may be of greater amplitude, or there may be other elements present that make the long-term risk appear somewhat larger than the Aaa securities. The modifier "3" indicates the issue ranks in lower of the (Aa) category.

## Total Outstanding Debt

As of September 30, 2017, the City had total outstanding debt of \$806,779,026. The following is a summary of the debt by type:

	<u>2017</u>
<b>Governmental</b>	
Revenue Bonds	\$ 179,446,590
Notes Payable	10,474,000
Assessments	1,130,000
Capital Leases	452,014
	<u>191,502,604</u>
Unamortized discount and premium	11,607,832
Total Governmental Debt	<u><u>\$ 203,110,436</u></u>
<b>Enterprise</b>	
Water and Sewer Revenue Bonds	\$ 427,060,000
Notes Payable	67,859,047
Assessment Debt	99,150,000
	<u>594,069,047</u>
Unamortized discount and premium	9,599,543
Total Enterprise Debt	<u><u>\$ 603,668,590</u></u>
Total Governmental & Enterprise Debt	<u><u>\$ 806,779,026</u></u>



## TOTAL OUTSTANDING DEBT

### GOVERNMENTAL

#### **Revenue Bonds**

Capital Improvement Revenue Bonds, Series 2008	\$ 2,290,000	
Gas Tax Revenue Bonds, Series 2010A	1,555,000	
Gas Tax Revenue Bonds, Series 2010B	33,815,000	
Special Obligation Revenue Bonds, Series 2011 (Charter)	1,595,000	
Special Obligation Revenue Bonds, Series 2012	10,164,590	
Capital Improvement & Refunding Bonds, Series 2014	4,155,000	
Gas Tax Revenue Bonds, Series 2014	14,512,000	
Special Obligation Revenue Bonds, Series 2015	48,765,000	
Special Obligation Revenue Bonds, Series 2017	62,595,000	
<b>Total Revenue Bonds</b>	<u>.</u>	\$ 179,446,590

#### **Note Payables**

Special Obligation Revenue Note, Series 2015	\$ 10,474,000	
		10,474,000

#### **Assessment Debt**

Fire Protection Assessment Revenue Note, Series 2015	\$ 1,130,000	
		1,130,000

#### **Capital Leases**

Capital Lease, Series 2012 (Charter)	\$ 452,014	
Total Capital Leases		452,014

#### **Total Governmental Debt**

191,502,604

Unamortized Discount & Premium

11,607,832

#### **Total Net Governmental Debt**

\$ 203,110,436

### ENTERPRISE

#### **Revenue Bonds**

Water and Sewer Refunding Revenue, Series 2011	\$ 164,125,000	
Water and Sewer Refunding Revenue, Series 2011A	99,280,000	
Water and Sewer Refunding Revenue, Series 2013	2,145,000	
Water and Sewer Refunding Revenue, Series 2015	72,415,000	
Water and Sewer Refunding Revenue, Series 2015A	89,095,000	
<b>Total Water and Sewer Revenue Bonds</b>		427,060,000

#### **Notes Payable**

State Revolving Fund #7516P	\$ 1,062,671	
State Revolving Fund #7516L-01	268,149	
State Revolving Fund #7516L-02	1,312,523	
State Revolving Fund # DW360103 (SW 6/7)	12,401,582	
State Revolving Fund # WW360100 (SW 6/7)	52,814,122	
<b>Total Notes Payable</b>		67,859,047

#### **Assessment Debt**

Utility Improvement Refunding Assessment Bonds (Various Areas), Series 2017	\$ 99,150,000	
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Total Assessment Debt

99,150,000

#### **Total Enterprise Debt**

594,069,047

Unamortized Discount & Premium

9,599,543

#### **Total Net Enterprise Debt**

\$ 603,668,590

#### **Total Outstanding Debt**

\$ 806,779,026

## DEBT SERVICE ON OUTSTANDING DEBT

The following table reflects the actual debt service paid for fiscal year 2017 and scheduled debt service payments for fiscal year 2018.

	FY 2017 Actual Payment Amounts				FY 2018 Scheduled Payment Amounts		
	Principal	Interest	Total	Refunding/ Redemptions	Principal	Interest	Total
<b>Governmental</b>							
Revenue	\$ 9,302,600	\$ 9,018,436	\$ 18,321,036	\$ 64,560,000	\$ 9,568,620	\$ 8,233,506	\$ 17,802,126
Notes Payable	1,618,000	253,932	1,871,932	-	1,652,000	219,954	1,871,954
Capital Leases	610,772	14,588	625,360	-	178,554	6,806	185,360
Assessments	275,000	20,914	295,914	-	275,000	16,376	291,376
<b>Total Governmental</b>	<b>\$ 11,806,372</b>	<b>\$ 9,307,870</b>	<b>\$ 21,114,242</b>	<b>\$ 64,560,000</b>	<b>\$ 11,674,174</b>	<b>\$ 8,476,642</b>	<b>\$ 20,150,816</b>
<b>Enterprise</b>							
Water and Sewer Revenue	\$ 9,960,000	\$ 18,888,604	\$ 28,848,604	\$ -	\$ 10,215,000	\$ 18,628,438	\$ 28,843,438
Notes Payable							
Assessment	194,668	50,602	245,270	-	2,909,885	1,409,969	4,319,854
Impact Fee	2,458,318	1,404,067	3,862,385	-	200,414	44,856	245,270
Assessment	1,205,000 <sup>(2)</sup>	4,235,868	5,440,866	109,290,000 <sup>(1)</sup>	10,835,000	2,173,420	13,008,420
<b>Total Enterprise</b>	<b>\$ 13,817,986</b>	<b>\$ 24,579,141</b>	<b>\$ 38,397,125</b>	<b>\$ 109,290,000</b>	<b>\$ 24,160,299</b>	<b>\$ 22,256,683</b>	<b>\$ 46,416,982</b>
<b>Total Debt Service</b>	<b>\$ 25,624,358</b>	<b>\$ 33,887,011</b>	<b>\$ 59,511,367</b>	<b>\$ 173,850,000</b>	<b>\$ 35,834,473</b>	<b>\$ 30,733,325</b>	<b>\$ 66,567,798</b>

<sup>1</sup> Only the monies received from prepayments that are on deposit on the 35<sup>th</sup> day prior to each payment date can be used for extraordinary redemption.

<sup>2</sup> Excluded SRF loan fee.



# **TARGETS, RATIOS, AND MEASURES**

## Governmental Debt Obligations

1. **Maximum Maturity** – All Governmental Debt Obligations will have a maximum maturity of the earlier of (i) the estimated useful life of the Capital Improvements financed; (ii) thirty years; or (iii) in the event they are issued to refinance outstanding Governmental Debt Obligations, the final maturity of the refunded Debt Obligations, unless the Financial Services Director recommends and the City Council finds that there is an overriding business reason and public purpose to extend the maturity.

The maximum maturity on all governmental debt is 30 years.

2. **Direct Debt per Capita** – Direct debt is defined as a government unit's gross debt less the enterprise system self-supporting debt. The City will strive to maintain Direct Debt per Capita at or below the standard municipal rating agency median for cities of comparable size. In any case, the amount should not exceed 135% of such median. Direct Debt per Capita shall be calculated by dividing the Governmental Direct Debt by the most current population within the City.

Rating agency median	2,141
135% of rating agency median	2,890
City of Cape Coral estimated population at September 30, 2017	179,804
Direct debt	\$ 189,455,590
Direct debt per capital	\$ 1,054

3. **Direct Debt to Taxable Assessed Value** – The City will strive to maintain a ratio of Net Debt to Taxable Assessed Value of properties within the City at or below the standard municipal rating agency median for cities of comparable size. The ratio should not exceed 135% of such median. The ratio of Net Debt to Taxable Assessed Value shall be calculated by dividing the Direct Debt by the taxable assessed value of all taxable properties within the City of Cape Coral

Direct net debt as a % of taxable assessed value	
Municipal rating agency median	2.4%
135% of rating agency median	3.2%
Direct debt	\$ 189,455,590
Taxable assessed value	\$ 12,045,371,047
Direct debt to taxable assessed value	1.57%

4. **Anti-Dilution Test** - The City agrees and covenants under Resolution 77-06 that (A) Non-Ad Valorem Revenues shall cover projected maximum annual debt service by at least 1.5 times; and (B) maximum annual debt service for all debt will not exceed twenty percent (20%) of Governmental Funds revenues, exclusive of (i) ad valorem tax revenues and (ii) any debt proceeds of debt.

**City of Cape Coral, Florida**  
**Historical Non-Ad Valorem Funds**

<u>Category</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Taxes:					
Franchise Fees	\$ 6,096,685	\$ 6,520,354	\$ 6,549,306	\$ 6,622,099	\$ 6,433,799
Public Service Tax	-	7,229,414 <sup>(1)</sup>	7,168,083	7,250,872	7,103,228
Communication Tax	6,280,373	5,773,054	5,489,539	5,168,297	5,319,563
Sales Tax	3,149,894	3,517,404	3,963,228	4,213,485	4,538,269
Half-cent Tax	11,416,867	12,505,016	13,456,287	13,923,142	14,107,953
Local Business Tax	686,386	677,961	739,195	812,025	770,670
Other Sales Tax	91,887	92,217	178,050	-	-
Fuel Tax <sup>(3)</sup>	8,630,419	9,092,366	9,699,032	10,240,318	10,496,714
Special Assessments					
Fire Service Assessment <sup>(4)</sup>	-	9,928,725	13,301,256	20,808,145	20,194,852
Licenses, Permits & Fees	3,396,297	4,015,563	4,876,346	6,439,709 <sup>(2)</sup>	7,682,204
Intergovernmental Revenues	5,269,206	4,827,321	5,014,036	5,118,520	10,083,547
Charges for Services	13,206,541	13,877,864	14,671,341	13,927,324	15,060,644
Interest	228,606	347,709	670,295	906,973	926,819
Impact Fees <sup>(5)</sup>					
Park	489,485	642,240	1,041,410	1,559,473	2,751,820
Fire	268,273	366,857	584,514	838,224	1,214,515
Police	278,123	378,991	601,536	868,136	1,257,401
Advanced Life Support	16,388	22,332	35,446	51,154	74,096
Road Impact	1,616,363	2,571,011	3,290,520	5,193,939	7,106,032
Other <sup>(6)</sup>	6,600,865	5,488,397	7,041,862	5,881,422	5,521,034
<b>Total Non-Ad Valorem Funds</b>	<b>\$ 67,722,658</b>	<b>\$ 87,874,796</b>	<b>\$ 98,371,282</b>	<b>\$ 109,823,257</b>	<b>\$ 120,643,160</b>

<sup>(1)</sup> The City started collecting Public Service Tax in Fiscal Year ended September 30, 2014.

<sup>(2)</sup> Includes competency fees and mobile home license tax revenues collected by the City. In Fiscal Year ended September 30, 2016, the City reported such revenues under the Licenses, Permits and Fees category.

<sup>(3)</sup> Includes the Six Cent Local Option Fuel Tax, the Five Cent Local Option Fuel Tax and the municipal fuel tax portion of the State Revenue Sharing. Pursuant to Section 336.025, Florida Statutes, the City may use the proceeds from such Six Cent Local Option Fuel Tax and Five Cent Local Option Fuel Tax only for certain transportation expenditures and to pay debt service on bonds that financed such transportation expenditures. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities. The Six Cent Local Option Fuel Tax, the Five Cent Local Option Fuel Tax and the municipal fuel tax are legally available to pay debt service on covenant to budget and appropriate debt related to transportation expenditures.

<sup>(4)</sup> Fire Services Special Assessment may only be used for fire-protection services.

<sup>(5)</sup> Impact fees are only available to pay debt service on amounts used for expansion for the purpose for which they were collected, i.e., park improvements, fire, police and advanced life support services.

<sup>(6)</sup> Includes receipts by the City of the revenues categorized as: alcohol and beverage, rent and royalties, fines and forfeitures and contributions and donations. Rent and royalties category includes Charter School Revenues.

**City of Cape Coral, Florida**  
**Historical Non-Ad Valorem Revenues**  
**and Debt Service Payable from Non-Ad Valorem Revenues**  
**(dollars in thousands)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>Revenues</u></b>					
Total Governmental Funds	\$ 141,729	\$ 163,794	\$ 184,577	\$ 189,582	\$ 205,122
Less: Ad Valorem Revenues	<u>69,659</u>	<u>72,207</u>	<u>78,346</u>	<u>76,333</u>	<u>80,807</u>
Total Non-Ad Valorem Revenues	\$ 72,070	\$ 91,587	\$ 106,231	\$ 113,249	\$ 124,315
Less: Restricted Funds:					
Special Revenues	8,383	7,009	3,134	3,195	3,502
Capital Projects	614	1,154	4,727	230	169
Plus: Revenues Received to Pay Debt Service					
Community Redevelopment Agency	-	-	417	417	417
Adjusted Non Ad-Valorem Revenues	\$ 63,073	\$ 83,424	\$ 98,787	\$ 109,824	\$ 120,644
<b><u>Expenditures</u></b>					
Essential Expenditures					
Public Safety	\$ 66,368	\$ 57,082	\$ 60,684	\$ 64,315	\$ 66,450
General Government	<u>28,026</u>	<u>36,539</u>	<u>40,382</u>	<u>45,579</u>	<u>53,754</u>
Total Essential Expenditures	\$ 94,394	\$ 93,621	\$ 101,066	\$ 109,894	\$ 120,204
Less: Ad Valorem Revenues Available to Pay Essential Expenditures	<u>69,524</u>	<u>72,046</u>	<u>78,346</u>	<u>76,333</u>	<u>80,807</u>
Adjusted Essential Expenditures	\$ 24,870	\$ 21,575	\$ 22,720	\$ 33,561	\$ 39,397
Legally Available Non-Ad Valorem Revenues	\$ 38,203	\$ 65,297	\$ 76,068	\$ 73,792	\$ 81,247
Average of current and prior year	\$ 41,042	\$ 53,475	\$ 68,958	\$ 74,930	\$ 78,755
Maximum Annual Debt Service Requirement	19,189	18,891	20,367	20,367	19,393
Coverage	2.14	2.83	3.39	3.68	4.06
Percentage of Governmental Funds	13.54%	11.53%	11.03%	10.74%	9.45%

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## Half Cent Tax Coverage

Chapter 218, Part VI, Florida Statutes (the "Sales Tax Act"), authorizes the levy and collection by the State of sales tax upon, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida Legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program"), which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet certain eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized.

Section 212.20, Florida Statutes, provides for the distribution of sales tax revenues collected by the State of Florida. Over the years, the proportion of sales tax revenues deposited in the Local Government Half-Cent Sales Tax Clearing Trust Fund in the State Treasury (the "Sales Tax Trust Fund") has decreased from time to time. However, since July 1, 2004, the base percentage of sales tax proceeds deposited in the Sales Tax Trust Fund after certain required deposits to other State funds has been 8.8854%. The general rate of sales tax in the State is now 6.00%.

Accordingly, since July 1, 2004, for every dollar of taxable sales price of an item, approximately 0.529 cents (6.00% x 8.814%) is deposited into the Sales Tax Trust Fund. The sales tax proceeds deposited in the Sales Tax Trust Fund (the "Half-Cent Sales Tax Revenues") are earmarked for distribution to the governing body of each county and each participating municipality within a county pursuant to a statutory distribution formula described below. The Half-Cent Sales Tax Revenues are distributed from the Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with Part VI, Chapter 218, Florida Statutes (the "Sales Tax Act").

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to comply with a variety of state-mandated requirements. The City is in compliance with such requirements.

### City of Cape Coral, Florida

#### Historical Half-Cent Sales Tax Revenues and Debt Service Coverage

<b>Fiscal</b>	<b>Historical Half-Cent Sales Tax Revenues to the City</b>	<b>Percentage Increase</b>	<b>Annual Debt Service</b>	<b>Coverage of Annual Debt Service</b>
2008	11,341,500	-11.12%	3,407,513	3.33
2009	10,044,095	-11.44%	3,085,665	3.26
2010	10,087,259	0.43%	4,649,301	2.17
2011	10,515,910	4.25%	3,437,334	3.06
2012	10,571,010	0.52%	3,458,971	3.06
2013	11,416,867	8.00%	3,463,159	3.30
2014	12,505,015	9.53%	4,191,788	2.98
2015	13,456,287	7.61%	2,994,528	4.49
2016	13,923,141	3.47%	3,122,746	4.46
2017	14,107,953	1.31%	3,123,802	4.52

## **Gas Tax Coverage**

In 1983, the State enacted the Gas Tax Act codified as Section 336.025, Florida Statutes, authorizing counties to impose for a period not to exceed ten years, an allocated optional gas tax (the "Optional Gas Tax"), of up to four cents upon every gallon of motor fuel and diesel fuel sold in the county and taxed under Chapter 206, Florida Statutes. In 1985, the State adopted Chapter 85- 180 Laws of Florida, which amended Section 336.025(1)(a), Florida Statutes, to allow counties to extend the term of the Optional Gas Tax to 30 years, and to impose an additional fifth and sixth cent tax. In 1993, the State adopted Chapter 93-206, Laws of Florida, which created Section 336.025(1)(b) to allow counties to impose up to five cents upon every gallon of motor fuel sold at retail (the "Additional Gas Tax"). The Additional Gas Tax is not imposed on Diesel Fuel.

On June 21, 1989, the County enacted Ordinance 89-21 (the "Gas Tax Ordinance") levying an Optional Gas Tax totaling six-cents per gallon commencing September 1, 1989 and expiring on August 31, 2019. Prior to the effective date of the Gas Tax Ordinance, the County levied an Optional Gas tax of four cents per gallon pursuant to Ordinance 84-15.

On January 20, 1993, the County enacted Ordinance No 93-28 levying an Additional Gas Tax totaling five-cents per gallon commencing January 1, 1994. The Additional Gas Tax does not expire.

The State's Department of Revenue collects and deposits the taxes into the State's Local Option Fuel Tax Trust Fund. Net collections in the Fuel Tax Trust Fund are distributed monthly to the county and each eligible municipality within the county in which the tax is collected.

Pursuant to an interlocal agreement, the City, the County, the City of Fort Myers and the City of Sanibel are entitled to receive a portion of the Optional Gas Tax and Additional Gas Tax levied by the County. The interlocal agreement governs the distribution of proceeds from the Optional Gas Tax and the Additional Gas Tax and is effective through December 31, 2023.

If the Interlocal Agreement is not extended, the proceeds of the Additional Gas Tax (5 cents) and, the Optional Gas Tax (6 cents) shall be distributed pursuant to Section 336.025, Florida Statutes. Section 336.025, Florida Statutes provides that the Optional Gas (6 cents) Tax and the Additional Gas Tax (5 cents) shall be distributed among the County and eligible municipalities, including the City based on the transportation expenditures of each for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the County and all municipalities within the County. In accordance with 336.025, Florida Statutes, the proportions shall be recalculated every 10 years based on the transportation expenditures of the immediately preceding 5 years. However, such recalculation shall under no circumstances materially or adversely affect the rights of holders of bonds outstanding and the amounts distributed to the County and each municipality, including the City, shall not be reduced below the amount necessary for the payment of principal and interest and reserves for principal and interest as required under the covenants of any bond resolution outstanding on the date of the recalculation.

On January 26, 2009, the City Council adopted Resolution No. 4-09 which, among other things, provided for the issuance of bonds from time to time. The City's portion of the Optional Gas Tax pursuant to the distribution under the Interlocal Agreement is defined under the Resolution as the Six Cents Local Option Gas Tax. The City's portion of the Additional Gas Tax pursuant to the distribution under the Resolution as the Five Cents Local Option Gas Tax. The Six Cent Local Option Gas Tax and the Five Cent Local Option Gas Tax comprise the Gas Tax Revenues which are pledged as part of the Pledged Funds.

In May 2010, the City issued \$33,815,000 of Federally Taxable Build America Bonds. The Internal Revenues Service announced that payments to issuers of Direct-Pay bonds from the budget accounts associated with these bonds are subject to reduction. As a result of this act the City's reimbursement was reduced by 6.8% or \$56,178 in FY2017. The reduction in FY2018 is expected to be 6.6% or \$53,736.

**SIX CENTS LOCAL OPTION GAS TAX  
MONTHLY RECEIPTS  
CITY OF CAPE CORAL, FLORIDA**

	2013	2014	2015	2016	2017
October	\$ -	\$ -	\$ -	\$ -	\$ -
November	-	-	-	-	-
December	445,004	430,582	410,494	393,680	423,185
January	334,686	315,698	360,582	397,608	415,454
February	345,765	332,101	331,494	432,427	452,147
March	365,583	344,236	383,388	413,314	421,310
April	359,832	348,124	359,382	460,944	434,901
May	403,355	363,544	398,416	509,541	522,344
June	401,058	399,937	400,414	455,886	438,083
July	352,061	439,783	435,101	453,543	451,334
August	310,355	411,906	472,804	404,686	402,980
September	323,012	392,642	460,836	378,691	390,133
Accrued	607,421	672,087	785,290	762,384	808,229
Total	\$ 4,248,132	\$4,450,640	\$4,798,201	\$ 5,062,704	\$ 5,160,100
Change	6.5%	4.8%	7.8%	5.5%	1.9%

**FIVE CENTS LOCAL OPTION GAS TAX  
MONTHLY RECEIPTS  
CITY OF CAPE CORAL, FLORIDA**

	2013	2014	2015	2016	2017
October	\$ -	\$ -	\$ -	\$ -	\$ -
November	-	-	-	-	-
December	342,322	323,193	284,079	289,869	334,406
January	248,918	254,131	275,899	331,367	308,666
February	255,024	253,414	294,475	305,650	322,620
March	278,785	251,430	305,050	317,667	319,611
April	267,314	278,762	321,624	336,841	316,227
May	292,432	283,757	339,270	363,867	375,647
June	296,593	280,871	340,189	322,010	321,637
July	252,807	320,664	286,430	326,042	323,935
August	228,597	303,749	282,947	296,050	294,123
September	236,266	289,105	275,876	278,207	285,898
Accrued	466,849	491,971	520,315	568,635	593,139
Total	\$ 3,165,907	\$3,331,047	\$3,526,154	\$ 3,736,205	\$ 3,795,909
Change	6.9%	5.2%	5.9%	6.0%	1.6%

**COVERAGE**

Total Gas Tax Revenue	\$ 7,414,039	\$7,781,687	\$8,324,355	\$ 8,798,909	\$ 8,956,009
Gas Tax MADS (2024) excluding federal subsidy	\$ 5,973,836	\$5,897,502	\$ 5,897,502	\$ 5,897,502	\$ 5,897,502
Coverage	1.24	1.32	1.41	1.49	1.52
Gas Tax MADS (2030) including federal subsidy	\$ 5,164,258	\$5,164,257	\$ 5,164,258	\$ 5,164,257	\$ 5,164,258
Coverage	1.44	1.51	1.61	1.70	1.73

## Enterprise Debt Obligations

1. **Maximum Maturity** – All Enterprise Debt Obligations will have a maximum maturity of the earlier of (i) the estimated useful life of the Capital Improvements financed; (ii) thirty years; or (iii) in the event they are issued to refinance outstanding Enterprise Debt Obligations, the final maturity of the refunded Debt Obligations, unless the Financial Services Director recommends and the City Council finds that there is an overriding business reason and public purpose to extend the maturity.

The maximum maturity on all enterprise debt is 30 years.

2. **Average Life** – The average life is the principal weighted average to maturity. The City will maintain an average life of fifteen (15) years or less for all outstanding enterprise debt obligations. In no event, however, should the average life of aggregate outstanding enterprise debt obligations exceed eighteen and one-half (18 ½) years.

The average life on all enterprise debt (excluding commercial paper) is 16.582 years.

3. **Debt Service Coverage –**

### Water and Sewer Revenue Bonds

Water and Sewer Resolution 98-86 adopted by City Council on August 20, 1986 as amended and supplemented, requires the City to fix, establish and maintain such rates and collect such fees, rates or other charges for the product, services and facilities of the System, and revise the same from time to time, whenever necessary, as well as provide in each fiscal year, (1) net revenues, expansion fees and special assessment proceeds (if pledged) adequate at all times to pay in each fiscal year at least one hundred twenty percent (120%) of the annual debt service on all outstanding bonds becoming due in such fiscal year and (2) net revenues in each fiscal year adequate to pay at least one hundred percent (100%) of (a) the annual debt service on all outstanding bonds becoming due in such fiscal year and (B) any payment of subordinated indebtedness which must be made during such fiscal year from the net revenues.

#### City of Cape Coral, Florida Water and Sewer Debt Service Coverage

	2013	2014	2015	2016	2017
Operating Revenues	\$ 75,554,602	\$ 73,020,265	\$ 76,287,327	\$ 79,687,249	\$ 82,544,060
Operating Expenses	36,213,510	38,138,225	40,442,926	41,931,221	45,152,483
Net Operating Revenues	39,341,092	34,882,040	35,844,401	37,756,028	37,391,577
Interest Income	308,105	658,064	756,447	624,985	550,437
Net Revenues Available for Debt Service (excluding expansion fees)	39,649,197	35,540,104	36,600,848	38,381,013	37,942,014
Expansion Fees (a)	2,460,880	8,486,787	9,336,081	10,915,415	15,381,036
Net Revenues and Expansion Fees Available for Debt Service	42,110,077	44,026,891	45,936,929	49,296,428	53,323,050
Debt service on senior bonds only	\$ 29,134,635	\$ 29,789,200	\$ 29,413,222	\$ 28,844,648	\$ 28,848,604
Net Revenues Available for Bonds after Senior Obligations	\$ 10,514,562	\$ 5,750,904	\$ 7,187,626	\$ 9,536,365	\$ 9,093,410
Debt service coverage from net revenues only	1.36	1.19	1.24	1.33	1.32
Debt service coverage from net revenues and expansion fees	1.45	1.48	1.56	1.71	1.85
Debt service on subordinate debt	\$ 3,188,449	\$ 1,711,867	\$ 1,063,778	\$ 415,680	\$ 4,107,655
Debt service coverage from net revenues and expansion fees (b)	4.07	8.32	15.53	49.20	5.96

(a) Includes Water, Sewer, and Irrigation Expansion Fees

(b) Debt Service on Subordinate Debt after payment of bonds. Such calculation is not required by the Resolution.



## Stormwater Revenue Bonds

Stormwater resolutions 81-92 and 82-92 adopted by City Council on June 18, 1992 require the City to fix, establish and maintain such rates and collect such fees, rates or other charges for the product as will always provide at least one hundred and twenty five percent (125%) of the annual debt service on all outstanding bonds becoming due in such fiscal year.

### City of Cape Coral, Florida Stormwater Debt Service Coverage

	2013	2014	2015	2016	2017
Operating Revenues	\$ 12,352,001	\$ 12,329,090	\$ 12,317,747	\$ 13,123,358	\$ 14,589,855
Operating Expenses <sup>(1)</sup>	12,221,417	12,071,965	11,744,731	11,304,048	12,006,814
Net Operating Revenues	130,584	257,125	573,016	1,819,310	2,583,041
Interest Income	27,371	64,450	86,452	89,802	98,313
Net Revenues Available for Debt Service	157,955	321,575	659,468	1,909,112	2,681,354

4. **Debt Service Safety Margin** – The amount above the minimum debt service coverage amount. The City's goal over a period of time is to achieve a debt service safety margin at or above the standard rating agency median debt service safety margin for each individual system.

	Water & Sewer	Stormwater
Rating agency median	2.10	n/a *
Actual coverage	1.32	-
Required coverage	1.20	1.25
Debt service safety margin	0.12	-
* Not rated as a median		

## 5. Ratios and Measures

**Debt Ratio:** Net funded debt divided by the sum of net capital assets plus working capital. The city will maintain a debt ratio for the Enterprise System at or above the standard industry median debt ratio for each individual system

	Water & Sewer <sup>1</sup>	Stormwater
Debt	\$ 494,919,047	\$ -
Net capital assets	\$ 509,351,541	\$ 32,562,208
Working capital	\$ 15,376,419	\$ 10,793,611
Debt ratio	94%	0%
Rating agency median	53%	n/a <sup>2</sup>
<sup>1</sup> Does not include Utility Special Assessments		
<sup>2</sup> Not rated as a median		

**Operating Ratio:** Operating and maintenance expenses divided by total operating revenues.

	Water & Sewer	Stormwater
Operating expenses *	\$ 67,067,649	\$ 13,729,188
Operating revenue	\$ 82,544,060	\$ 14,589,855
Operating ratio	81%	94%
* Includes depreciation expense		

**Maximum annual debt service coverage:** Net revenues divided by estimated maximum annual principal and interest requirements on all outstanding debt.

	Water & Sewer	Stormwater
Net revenues <sup>1</sup>	\$ 37,942,014	\$ -
Maximum annual debt service	\$ 30,019,500	\$ -
Maximum annual debt service coverage	126%	
<sup>1</sup> Includes interest income and excludes depreciation expense		

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**GOVERNMENTAL FUNDS**

**DEBT SCHEDULES**

# **REVENUE BONDS**

**\$28,200,000**  
**Capital Improvement Revenue Bonds, Series 2008**

**Dated:** December 3, 2008

**Purpose:** The bonds were issued to finance and refinance the acquisition, construction and equipping of a new police headquarters facility.

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by the half-cent sales tax.

**Debt Ordinance:** No. 130-08 adopted on November 24, 2008

**Debt Resolution:** No. 177-90 adopted on October 31, 1990  
No. 35-99 adopted on October 4, 1999, amending resolution 177-90  
  
No. 19-05 adopted on March 21, 2005, amending and supplementing resolution 177-90  
No. 67-08 adopted on November 24, 2008, supplementing resolution 177-90

**Insurer:** N/A – Branch Banking & Trust Company bank loan issued

**Ratings:** N/A

**Refunding:** In February 2017, \$21,615,000 of outstanding 2008 Capital Improvement Revenue Bonds was refunded with the 2017 Special Obligation Bond.

**Debt Service Schedule:**

**\$28,200,000**  
**Capital Improvement Revenue Bonds, Series 2008**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 2,290,000
2018	4/1/2018			\$ 64,922		
	10/1/2018	\$ 1,115,000	5.670%	64,921	\$ 1,244,843	1,175,000
2019	4/1/2019			33,311		
	10/1/2019	1,175,000	5.670%	33,312	1,241,623	-
<b>Total</b>		<b>\$ 2,290,000</b>		<b>\$ 196,466</b>	<b>\$ 2,486,466</b>	

All-In True Interest Cost ..... 2.661724%

**\$6,185,000**  
**Gas Tax Revenue Bonds, Series 2010A**

**\$33,815,000**  
**Gas Tax Revenue Bonds,**  
**(Federally Taxable Build America Bonds – Direct Payment)**  
**Series 2010B**

**Dated:** May 4, 2010

**Purpose:** The bonds were issued for the purpose of financing and refinancing a portion of the cost of the acquisition, construction and reconstruction of, and other transportation improvements to various roads and bridges within the City.

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by a pledge of the five cents local option and the six cents local option gas tax. If the City's receipt of either the five cents local option gas tax or the six cents local option gas tax expires or is terminated, then the City has agreed to appropriate non-ad valorem revenues sufficient to pay principal and interest on the bonds.

**Debt Ordinance:** No. 117-08 adopted on October 20, 2008

**Debt Resolution:** No. 04-09 adopted on January 26, 2009

**Insurer:** N/A

**Ratings:**

	Insured		Underlying	
	2010A	2010B	2010A	2010B
Fitch	A-	A-	not rated	not rated
Moody's	not rated	not rated	A2	A2
Standard & Poor's	not rated	not rated	not rated	not rated

**Build America Bonds**

In February 2009, as part of the American Recovery and Reinvestment Act of 2009 ("ARRA"), Congress added Section 54AA to the Internal Revenue Code of 1986, as amended (the "Code"), which permits states and certain local governments to issue two types of bonds as taxable governmental bonds with federal subsidies for a portion of the borrowing costs referred to as "Build America Bonds." For the purposes of the Resolution, "Build America Bonds" means bonds issued under Section 54AA of the Code, the interest on which is not exempt from federal income taxation, with respect to which the City elects to receive Federal Subsidy Payments (as such term is hereinafter defined) from the United States Treasury in an amount equal to thirty-five percent (35%) of the interest paid on such bonds pursuant to Section 54AA(g) of the Code.

## Redemption Provisions

The Series 2010A bonds are not subject to redemption at any time prior to maturity. The Series 2010B bonds are subject to extraordinary, optional, and mandatory redemption as described below.

## Extraordinary Redemption

The 2010B bonds are subject to extraordinary redemption, at a price equal to the principal amount, in whole or in part, ratable among maturities, on any payment date.

## Optional Redemption

The bonds maturing on or after October 1, 2021 may be redeemed, in whole or in part, prior to their respective maturities at any time on or after October 1, 2020, at the redemption price of 100%.

## Mandatory Redemption

The 2010B bonds maturing on or after October 1, 2030 will be subject to mandatory redemption prior to their maturity at the following dates and amounts.

<u>Year</u>	<u>Amount</u>
2026	\$ 4,110,000
2027	4,305,000
2028	4,505,000
2029	4,715,000
2030 *	4,935,000
Total	\$ 22,570,000

\* Final maturity

## **\$6,185,000** **Gas Tax Revenue Bonds, Series 2010A**

<u>Fiscal Year</u>	<u>Payment Date</u>	<u>Principal Payment</u>	<u>Coupon Rate</u>	<u>Interest Payment</u>	<u>Fiscal Year Debt Service</u>	<u>Outstanding Principal</u>
						\$ 1,555,000
2018	4/1/2018			\$ 33,540		
	10/1/2018	\$ 760,000	4.375%	33,541	\$ 827,081	795,000
2019	4/1/2019			17,390		
	10/1/2019	795,000	5.849%	17,391	829,781	-
<b>Total</b>		<b>\$ 1,555,000</b>		<b>\$ 101,862</b>	<b>\$ 1,656,862</b>	

**\$33,815,000**  
**Gas Tax Revenue Bonds,**  
**(Federally Taxable Build America Bonds – Direct Payment)**  
**Series 2010B**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Federal Subsidy</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
							\$ 33,815,000
2018	4/1/2018			\$ 1,163,110	\$ (407,089)		
	10/1/2018	-	4.375%	1,163,110	(407,089)	\$ 1,512,042	33,815,000
2019	4/1/2019			1,163,110	(407,089)		
	10/1/2019	-	5.849%	1,163,110	(407,089)	1,512,042	33,815,000
2020	4/1/2020			1,163,110	(407,089)		
	10/1/2020	\$ 830,000	6.049%	1,163,110	(407,089)	2,342,042	32,985,000
2021	4/1/2021			1,138,836	(398,593)		
	10/1/2021	860,000	6.149%	1,138,836	(398,593)	2,340,486	32,125,000
2022	4/1/2022			1,112,826	(389,489)		
	10/1/2022	895,000	6.249%	1,112,826	(389,489)	2,341,674	31,230,000
2023	4/1/2023			1,085,309	(379,858)		
	10/1/2023	930,000	6.369%	1,085,309	(379,858)	2,340,902	30,300,000
2024	4/1/2024			1,056,251	(369,688)		
	10/1/2024	3,785,000	6.549%	1,056,251	(369,688)	5,158,126	26,515,000
2025	4/1/2025			935,718	(327,501)		
	10/1/2025	3,945,000	7.147%	935,718	(327,501)	5,161,434	22,570,000
2026	4/1/2026			806,539	(282,289)		
	10/1/2026	4,110,000 *	7.147%	806,539	(282,289)	5,158,500	18,460,000
2027	4/1/2027			659,668	(230,884)		
	10/1/2027	4,305,000 *	7.147%	659,668	(230,884)	5,162,568	14,155,000
2028	4/1/2028			505,829	(177,040)		
	10/1/2028	4,505,000 *	7.147%	505,829	(177,040)	5,162,578	9,650,000
2029	4/1/2029			344,843	(120,695)		
	10/1/2029	4,715,000 *	7.147%	344,843	(120,695)	5,163,296	4,935,000
2030	4/1/2030			176,352	(61,723)		
	10/1/2030	4,935,000 T	7.147%	176,352	(61,723)	5,164,258	-
<b>Total</b>		\$ 33,815,000		\$ 22,623,002	\$ (7,918,054)	\$ 48,519,948	

All-In True Interest Cost ..... 4.542923%

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**\$17,690,000**  
**Special Obligation Revenue Bonds, Series 2011**

**Dated:** March 17, 2011

**Purpose:** The bonds were issued to finance a portion of the cost of acquisition, construction and equipping of various capital improvements to the City's Charter Schools and refinancing the prior indebtedness for the project

**Payment Dates:** Semiannual interest payable on January 1<sup>st</sup> and July 1<sup>st</sup>  
Annual principal payable on July 1<sup>st</sup>

**Debt Ordinance:** No. 85-10 adopted on November 29, 2010

**Debt Resolution** No. 52-10 adopted on November 29, 2010  
No. 54-10 adopted on December 13, 2010 amending resolution 52-10

**Security:** The Bonds are secured by non-ad valorem revenues budgeted and appropriated by City Council.

**Insurer:** N/A

**Ratings:**

	<u>Insured</u>	<u>Underlying</u>
Fitch	N/A	A+
Moody's	N/A	Aa3
Standard & Poor's	not rated	not rated

**Refunding:** In February 2017, \$14,395,000 of outstanding 2011 Capital Improvement Revenue Bonds was refunded with the 2017 Special Obligation Bond

**Debt Service Schedule:**

**1,595,000**  
**Special Obligation Revenue Bonds, Series 2011**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 1,595,000
2018	1/1/2018			\$ 34,994		
	7/1/2018	\$ 375,000	4.000%	34,994	\$ 444,988	1,220,000
2019	1/1/2019			27,494		
	7/1/2019	390,000	4.250%	27,494	444,988	830,000
2020	1/1/2020			19,206		
	7/1/2020	405,000	4.500%	19,207	443,413	425,000
2021	1/1/2021			10,094		
	7/1/2021	425,000	4.750%	10,094	445,188	-
<b>Total</b>		\$ 1,595,000		\$ 183,577	\$ 1,778,577	

**All-In True Interest Cost.....3.481086%**

**\$17,699,950**  
**Special Obligation Revenue Bonds, Series 2012**

**Dated:** January 31, 2012

**Purpose:** The bonds were issued to refund the City's outstanding Special Obligation Revenue Note, Series 2009 and certain outstanding commercial paper obligations, the proceeds of which were used to refinance certain commercial paper obligations, which were used to finance and refinance the acquisition, construction and equipping of various capital improvements within the City.

**Payment Dates:** Semiannual interest payable on January 1<sup>st</sup> and July 1<sup>st</sup>  
Annual principal payable on July 1<sup>st</sup>

**Debt Ordinance:** No. 75-11 enacted on November 28, 2011

**Debt Resolution** No. 44-11 adopted on January 23, 2012

**Security:** The Bonds are secured by non-ad valorem revenues budgeted and appropriated by City Council.

**Ratings:** N/A

**Redemption Provisions**

The bonds are subject to optional and mandatory redemption as described below.

**Optional Redemption**

The note may be prepaid at any time prior to the maturity date at the following prepayment prices:

<u>Redemption Date</u>	<u>Redemption Price</u>
On or prior to October 1, 2015	102%
October 2, 2015 through October 1, 2018	101%
After October 1, 2018	100%

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$17,669,500**  
**Special Obligation Revenue Bonds,**  
**Series 2012**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 10,164,590
2018	4/1/2018			\$ 123,500		
	10/1/2018	\$ 1,349,620	2.430%	123,500	\$ 1,596,620	8,814,970
2019	4/1/2019			107,102		
	10/1/2019	1,382,410	2.430%	107,102	1,596,614	7,432,560
2020	4/1/2020			90,306		
	10/1/2020	1,416,010	2.430%	90,306	1,596,622	6,016,550
2021	4/1/2021			73,101		
	10/1/2021	1,450,420	2.430%	73,101	1,596,622	4,566,130
2022	4/1/2022			55,479		
	10/1/2022	1,485,650	2.430%	55,479	1,596,608	3,080,480
2023	4/1/2023			37,428		
	10/1/2023	1,521,750	2.430%	37,428	1,596,606	1,558,730
2024	4/1/2024			18,939		
	10/1/2024	1,558,730	2.430%	18,939	1,596,608	-
<b>Total</b>		\$ 10,164,590		\$ 1,011,710	\$ 11,176,300	

All-In True Interest Cost ..... 2.473543%

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**\$21,433,000**  
**Gas Tax Revenue Bonds, Series 2014**

**Date:** July 25,2014

**Purpose:** The bonds were issued for the purpose of refinancing \$21,433,00 of the City's outstanding Gas Tax Revenue Bonds, Series 2009

**Payments Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by Gas Tax Revenues and to the extent the other pledged funds are insufficient to pay debt service on the obligations, the non-ad valorem revenues budgeted and appropriated by City Council.

**Debt Ordinance:** No. 19-14 enacted on June 16,2014

**Debt Resolution:** No. 4-09 adopted on January 26,2009  
No. 4-10 adopted on March 1, 2010 amending and supplementing resolution 4-09  
No. 55-14 adopted on July 21,2014 supplementing resolution No. 4-09

**Ratings:** N/A

**Redemption Provisions**

The bonds are subject to optional redemption as described below.

**Optional Provisions**

The bonds may be redeemed at any time with a prepayment fee, at the redemption price of 100%.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$21,433,000**  
**Gas Tax Revenue Bonds, Series 2014**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 14,512,000
2018	4/1/2018			\$ 159,632		
	10/1/2018	\$ 2,289,000	2.200%	159,632	\$ 2,608,264	12,223,000
2019	4/1/2019			134,453		
	10/1/2019	2,339,000	2.200%	134,453	2,607,906	9,884,000
2020	4/1/2020			108,724		
	10/1/2020	2,391,000	2.200%	108,724	2,608,448	7,493,000
2021	4/1/2021			82,423		
	10/1/2021	2,444,000	2.200%	82,423	2,608,846	5,049,000
2022	4/1/2022			55,539		
	10/1/2022	2,497,000	2.200%	55,539	2,608,078	2,552,000
2023	4/1/2023			28,072		
	10/1/2023	2,552,000	2.200%	28,072	2,608,144	-
<b>Total</b>		<b>\$ 14,512,000</b>		<b>\$ 1,137,686</b>	<b>\$ 15,649,686</b>	

All-In True Interest Cost.....2.259371%

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**\$5,300,000**  
**Capital Improvement Refunding Revenue Bonds, Series 2014**

**Date:** July 28,2014

**Purpose:** The bonds were issued to refund the remaining \$5,300,000 of the Capital Improvement Revenue Bonds, Series 2009.

**Payments Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by a lien and pledge of the half-cent sales tax.

**Debt Ordinance:** No. 20-14 enacted on June 16,2014

**Debt Resolution:** No. 177-90 adopted on October 31, 1990  
No. 35-99 adopted on October 4,1999 amending resolution 177-90  
No. 56-14 adopted on June 16,2014 supplementing resolution No. 177-90

**Ratings:** N/A

**Redemption Provisions**

The bonds are subject to optional redemption as described below.

**Optional Provisions**

The bonds may be redeemed at any time with a prepayment fee, at the redemption price of 100%.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$5,300,000**  
**Capital Improvement Refunding Revenue Bonds, Series 2014**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 4,155,000
2018	4/1/2018			\$ 47,990		
	10/1/2018	\$ 555,000	2.310%	47,990	\$ 650,980	3,600,000
2019	4/1/2019			41,580		
	10/1/2019	565,000	2.310%	41,580	648,160	3,035,000
2020	4/1/2020			35,054		
	10/1/2020	580,000	2.310%	35,054	650,108	2,455,000
2021	4/1/2021			28,355		
	10/1/2021	590,000	2.310%	28,355	646,710	1,865,000
2022	4/1/2022			21,541		
	10/1/2022	605,000	2.310%	21,541	648,082	1,260,000
2023	4/1/2023			14,553		
	10/1/2023	625,000	2.310%	14,553	654,106	635,000
2024	4/1/2024			7,334		
	10/1/2024	635,000	2.310%	7,334	649,668	-
<b>Total</b>		<b>\$ 4,155,000</b>		<b>\$ 392,814</b>	<b>\$ 4,547,814</b>	

All-In True Interest Cost .....2.466103%

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**\$51,790,000**  
**Special Obligation Revenue Bonds, Series 2015**

**Dated:** May 14, 2015

**Purpose:** The bonds were issued to refund \$48,715,000 of the Special Obligation Revenue Bonds, Series 2006 and \$4,445,000 of new money to finance the cost of acquisition and equipping of various vehicles.

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by non-ad valorem revenues budgeted and appropriated by City Council.

**Debt Ordinance:** No. 3-15 adopted on January 26, 2015

**Debt Resolution:** No. 41-15 adopted on March 30, 2015

**Insurer:** America Mutual Assurance Company (AMAC)

<b>Ratings:</b>	<b><u>Insured</u></b>	<b><u>Underlying</u></b>
Fitch	A+	N/A
Moody's	Not Rated	Aa3
Standard & Poor	AA-	AA-

**Redemption Provisions**

The bonds are subject to optional redemption as described below.

**Optional Redemption**

The bonds maturing after October 1, 2025 may be redeemed at 100%.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.



**\$51,790,000**  
**Special Obligation Revenue Bonds, Series 2015**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 48,765,000
2018	4/1/2018			\$ 1,051,503		
	10/1/2018	\$ 2,235,000	4.000%	1,051,503	\$ 4,338,006	46,530,000
2019	4/1/2019			1,006,803		
	10/1/2019	2,325,000	5.000%	1,006,803	4,338,606	44,205,000
2020	4/1/2020			948,678		
	10/1/2020	2,440,000	5.000%	948,678	4,337,356	41,765,000
2021	4/1/2021			887,678		
	10/1/2021	2,565,000	5.000%	887,678	4,340,356	39,200,000
2022	4/1/2022			823,553		
	10/1/2022	1,870,000	5.000%	823,553	3,517,106	37,330,000
2023	4/1/2023			776,803		
	10/1/2023	1,965,000	5.000%	776,803	3,518,606	35,365,000
2024	4/1/2024			727,678		
	10/1/2024	2,065,000	5.000%	727,678	3,520,356	33,300,000
2025	4/1/2025			676,053		
	10/1/2025	2,170,000	5.000%	676,053	3,522,106	31,130,000
2026	4/1/2026			621,803		
	10/1/2026	2,275,000	5.000%	621,803	3,518,606	28,855,000
2027	4/1/2027			564,928		
	10/1/2027	2,385,000	5.000%	564,928	3,514,856	26,470,000
2028	4/1/2028			505,303		
	10/1/2028	2,510,000	5.000%	505,303	3,520,606	23,960,000
2029	4/1/2029			442,553		
	10/1/2029	2,635,000	3.000%	442,553	3,520,106	21,325,000
2030	4/1/2030			403,028		
	10/1/2030	2,715,000	4.000%	403,028	3,521,056	18,610,000
2031	4/1/2031			348,728		
	10/1/2031	2,820,000	4.000%	348,728	3,517,456	15,790,000
2032	4/1/2032			292,328		
	10/1/2032	2,935,000	3.625%	292,328	3,519,656	12,855,000
2033	4/1/2033			239,131		
	10/1/2033	3,040,000	3.625%	239,132	3,518,263	9,815,000
2034	4/1/2034			184,031		
	10/1/2034	3,150,000	3.750%	184,032	3,518,063	6,665,000
2035	4/1/2035			124,969		
	10/1/2035	3,270,000	3.750%	124,969	3,519,938	3,395,000
2036	4/1/2036			63,656		
	10/1/2036	3,395,000	3.750%	63,657	3,522,313	-
<b>Total</b>		<b>\$ 48,765,000</b>		<b>\$ 21,378,417</b>	<b>\$ 70,143,417</b>	

All-In True Interest Cost ..... 3.379058%

**\$62,595,000**  
**Special Obligation Revenue Bonds, Series 2017**

**Dated:** February 16, 2017

**Purpose:** The bonds were issued to refund \$26,360,000 of the Special Obligation Revenue Bonds, Series 2007, \$20,400,000 of the Special Obligation Revenue Bonds, Series 2008, and \$15,835,000 of the Special Obligation Revenue Bonds, Series 2011.

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by non-ad valorem revenues budgeted and appropriated by City Council.

**Debt Ordinance:** No. 52-16 adopted on November 28, 2016

**Debt Resolution:** No. 203-16 adopted on November 28, 2016

<b>Ratings:</b>	<b><u>Insured</u></b>	<b><u>Underlying</u></b>
Moody's	Not Rated	Aa3
Standard & Poor	AA-	AA-

**Redemption Provisions**

The bonds are subject to optional redemption as described below.

**Optional Redemption**

The bonds maturing after October 1, 2027 may be redeemed at 100%.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$62,595,000**  
**Special Obligation Revenue Bonds, Series 2017**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 62,595,000
2018	4/1/2018			\$ 1,437,563		
	10/1/2018	\$ 890,000	5.000%	1,437,562	\$ 3,765,125	61,705,000
2019	4/1/2019			1,415,313		
	10/1/2019	935,000	5.000%	1,415,312	3,765,625	60,770,000
2020	4/1/2020			1,391,938		
	10/1/2020	2,160,000	5.000%	1,391,937	4,943,875	58,610,000
2021	4/1/2021			1,337,938		
	10/1/2021	2,265,000	5.000%	1,337,937	4,940,875	56,345,000
2022	4/1/2022			1,281,313		
	10/1/2022	2,825,000	5.000%	1,281,312	5,387,625	53,520,000
2023	4/1/2023			1,210,688		
	10/1/2023	2,970,000	5.000%	1,210,687	5,391,375	50,550,000
2024	4/1/2024			1,136,438		
	10/1/2024	3,110,000	5.000%	1,136,437	5,382,875	47,440,000
2025	4/1/2025			1,058,688		
	10/1/2025	4,985,000	5.000%	1,058,687	7,102,375	42,455,000
2026	4/1/2026			934,063		
	10/1/2026	5,240,000	5.000%	934,062	7,108,125	37,215,000
2027	4/1/2027			803,063		
	10/1/2027	5,505,000	5.000%	803,062	7,111,125	31,710,000
2028	4/1/2028			665,438		
	10/1/2028	5,780,000	5.000%	665,437	7,110,875	25,930,000
2029	4/1/2029			520,938		
	10/1/2029	2,150,000	5.000%	520,937	3,191,875	23,780,000
2030	4/1/2030			467,188		
	10/1/2030	2,250,000	3.000%	467,187	3,184,375	21,530,000
2031	4/1/2031			433,438		
	10/1/2031	2,315,000	3.000%	433,437	3,181,875	19,215,000
2032	4/1/2032			398,713		
	10/1/2032	2,390,000	3.250%	398,712	3,187,425	16,825,000
2033	4/1/2033			359,875		
	10/1/2033	2,470,000	5.000%	359,875	3,189,750	14,355,000
2034	4/1/2034			298,125		
	10/1/2034	2,590,000	5.000%	298,125	3,186,250	11,765,000
2035	4/1/2035			233,375		
	10/1/2035	2,720,000	3.500%	233,375	3,186,750	9,045,000
2036	4/1/2036			185,775		
	10/1/2036	2,815,000	3.500%	185,775	3,186,550	6,230,000
2037	4/1/2036			136,513		
	10/1/2036	2,915,000	5.000%	136,512	3,188,025	3,315,000
2038	4/1/2036			63,638		
	10/1/2036	1,065,000	3.500%	63,637	1,192,275	2,250,000
2039	4/1/2036			45,000		
	10/1/2036	1,105,000	4.000%	45,000	1,195,000	1,145,000
2040	4/1/2036			22,900		
	10/1/2036	1,145,000	4.000%	22,900	1,190,800	-
<b>Total</b>		<b>\$ 62,595,000</b>		<b>\$ 31,675,825</b>	<b>\$ 94,270,825</b>	

All-In True Interest Cost ..... 3.190460%

# NOTES

**\$13,675,000**  
**Special Obligation Revenue Note, Series 2015**

**Dated:** August 27, 2015

**Purpose:** The Note was issued to refund \$7,755,000 of the City's outstanding Capital Improvement and Refunding Revenue Bonds, Series 2005 and \$5,920,000 in new money to finance acquisition of various vehicles and equipment.

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Note is secured by non-ad valorem revenues budgeted and appropriated by City Council.

**Debt Ordinance:** No. 29-15 adopted on July 20, 2015 authorizing the issuance not to exceed \$7 million

No. 35-15 adopted on August 03, 2015 authorizing the issuance not to exceed \$8 million

**Debt Resolution:** No. 135-15 adopted on August 17, 2015

**Rating:** N/A

**Redemption Provisions**

The note may be prepaid at any time prior to the maturity date.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$13,675,000**  
**Special Obligation Revenue Note, Series 2015**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 10,474,000
2018	4/1/2018			\$ 109,977		
	10/1/2018	\$ 1,652,000	2.100%	109,977	\$ 1,871,954	8,822,000
2019	4/1/2019			92,631		
	10/1/2019	1,689,000	2.100%	92,631	1,874,262	7,133,000
2020	4/1/2020			74,896		
	10/1/2020	1,726,000	2.100%	74,897	1,875,793	5,407,000
2021	4/1/2021			56,773		
	10/1/2021	1,760,000	2.100%	56,774	1,873,547	3,647,000
2022	4/1/2022			38,293		
	10/1/2022	1,799,000	2.100%	38,294	1,875,587	1,848,000
2023	4/1/2023			19,404		
	10/1/2023	913,000	2.100%	19,404	951,808	935,000
2024	4/1/2024			9,817		
	10/1/2024	935,000	2.100%	9,818	954,635	-
<b>Total</b>		\$ 10,474,000		\$ 803,586	\$ 11,277,586	

All-In True Interest Cost ..... 2.184576%

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**\$1,500,000**  
**Fire Protection Assessment Revenue Note, Series 2015**

**Dated:** August 27, 2015

**Purpose:** The note was issued to finance the acquisition of certain facilities, vehicles, and other equipment related to fire protection and suppression services.

**Payment Dates:** Semiannual interest payable on August 1<sup>st</sup> and February 1<sup>st</sup>  
Annual principal payable on February 1<sup>st</sup>

**Security:** The Note is secured by Fire Protection Assessments and non-ad valorem revenues budgeted and appropriated by City Council.

**Debt Ordinance:** No. 42-15 enacted on August 31, 2015 to amend ordinance 47-13 in its entirety and authorizes the issuance of \$1,500,000 Fire Protection Assessment Revenue Note, Series 2015

**Rating:** N/A

**Redemption Provisions**

The note may be prepaid at any time prior to the maturity date.

**Debt Service Schedule:**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 1,130,000
2018	2/1/2018	\$ 275,000	1.650%	\$ 9,322		
	8/1/2018			7,054	\$ 291,376	855,000
2019	2/1/2019	280,000	1.650%	7,054		
	8/1/2019			4,744	291,798	575,000
2020	2/1/2020	285,000	1.650%	4,743		
	8/1/2020			2,393	292,136	290,000
2021	2/1/2021	290,000	1.650%	2,393	292,393	-
<b>Total</b>		\$ 1,130,000		\$ 37,703	\$ 1,167,703	

All-In True Interest Cost ..... 2.567124%

# **CAPITAL LEASES**



**\$1,342,755**  
**Capital Lease, Series 2012**

**Dated:** March 30, 2012

**Purpose:** The lease was issued for the purpose of paying the costs of acquisition of school buses for the City's Charter Schools.

**Payment Dates:** Semiannual interest and principal payable on January 1<sup>st</sup> and July 1<sup>st</sup>

**Security:** The lease is collateralized by the related equipment

**Debt Ordinance:** No. 7-12 enacted on March 26, 2012

**Lease Agreement:** The City entered into a lease agreement with the Cape Charter School Authority for the lease of this equipment. The lease calls for the rent to be equal to the debt service payments

**Insurer:** N/A

**Ratings:** N/A

**Debt Service Schedule:**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 452,014
2018	1/1/2018	\$ 88,906	1.482%	\$ 3,774		363,108
	7/1/2018	89,648	1.482%	3,032	\$ 185,360	273,460
2019	1/1/2019	90,397	1.482%	2,283		183,063
	7/1/2019	91,151	1.482%	1,529	185,360	91,912
2020	1/1/2020	91,912	1.482%	767	92,679	-
<b>Total</b>		\$ 452,014		\$ 11,385	\$ 463,399	

# **ENTERPRISE FUNDS DEBT SCHEDULES**

# **REVENUE BONDS**

**175,000,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2011**

**Dated:** September 22, 2011

**Purpose:** The bonds were issued for the purpose of (1) refunding on a current basis all the city's outstanding \$82,205,000 original principal of its Water and Sewer Revenue Bonds, Series 2009 and (2) refinancing certain commercial paper obligations issued to finance on an interim basis, a portion of the cost of the acquisition, construction, and equipping of certain capital improvements to the City's water, wastewater, and irrigation water system

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by a pledge of and lien upon the water and sewer net revenues and impact fees. The bonds are issued on parity with the City's (1) Water and Sewer Revenue Bonds, Series 2006; (2) Water and Sewer Refunding Revenue Bonds, Series 2011A; and (3) Water and Sewer Revenue Bonds, Series 2013 (4) Water and Sewer, Series 2015A, and (5) Water and Sewer, Series 2015.

**Debt Ordinance:** No. 45-11 enacted on August 22, 2011

**Debt Resolution:** No. 98-86 adopted on August 20, 1986  
No. 167-91 adopted on December 11, 1991 amending resolution 98-86  
No. 54-06 adopted on October 16, 2006 amending resolution 98-86  
No. 39-09 adopted on June 8, 2009 amending resolution 98-86  
No. 24-11 adopted on August 22, 2011 amending resolution 98-86

**Ratings:** Assured Guaranty, Ltd. (acquired Financial Security Assurance Inc. (FSA))

	<u>Insured</u>	<u>Underlying</u>
Fitch	A	not rated
Moody's	A1	A1
Standard & Poor's	AA	A

**Redemption Provisions**

The bonds are subject to optional and mandatory redemption as described below.

**Optional Redemption**

The bonds maturing on or after October 1, 2022 may be redeemed prior to their respective maturities at any time on or after October 1, 2016, at the redemption price of 100%.

### **Mandatory Redemption**

The bonds maturing on October 1, 2031 will be subject to mandatory redemption prior to their maturity at the following dates and amounts.

<u>Date</u>	<u>Amount</u>
10/1/2027	\$ 3,170,000
10/1/2028	3,320,000
10/1/2029	3,475,000
10/1/2030	3,640,000
10/1/2031 *	3,810,000
Total	\$ 17,415,000

\*Final maturity

The bonds maturing on October 1, 2041 will be subject to mandatory redemption prior to their maturity at the following dates and amounts.

<u>Date</u>	<u>Amount</u>
10/1/2032	\$ 3,995,000
10/1/2033	4,195,000
10/1/2034	4,400,000
10/1/2035	4,620,000
10/1/2036	4,855,000
10/1/2037	18,410,000
10/1/2038	19,330,000
10/1/2039	20,295,000
10/1/2040	21,310,000
10/1/2041 *	22,375,000
Total	\$ 123,785,000

\*Final maturity

### **Debt Service Schedule:**

A detailed debt service schedule is on the following page:

**\$175,000,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2011**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Coupon Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 164,125,000
2018	4/01/2018			\$ 4,032,494		
	10/01/2018	\$ 2,115,000	5.000%	4,032,494	\$ 10,179,988	162,010,000
2019	4/01/2019			3,979,619		
	10/01/2019	2,225,000	3.000%	3,979,619	10,184,238	159,785,000
2020	4/01/2020			3,946,244		
	10/01/2020	2,295,000	5.000%	3,946,244	10,187,488	157,490,000
2021	4/01/2021			3,888,869		
	10/01/2021	2,405,000	5.000%	3,888,869	10,182,738	155,085,000
2022	4/01/2022			3,828,744		
	10/01/2022	2,525,000	5.000%	3,828,744	10,182,488	152,560,000
2023	4/01/2023			3,765,619		
	10/01/2023	2,655,000	5.000%	3,765,619	10,186,238	149,905,000
2024	4/01/2024			3,699,244		
	10/01/2024	2,785,000	4.000%	3,699,244	10,183,488	147,120,000
2025	4/01/2025			3,643,544		
	10/01/2025	2,900,000	4.125%	3,643,544	10,187,088	144,220,000
2026	4/01/2026			3,583,731		
	10/01/2026	3,020,000	5.000%	3,583,731	10,187,462	141,200,000
2027	4/01/2027			3,508,231		
	10/01/2027	3,170,000 *	4.750%	3,508,231	10,186,462	138,030,000
2028	4/01/2028			3,432,944		
	10/01/2028	3,320,000 *	4.750%	3,432,944	10,185,888	134,710,000
2029	4/01/2029			3,354,094		
	10/01/2029	3,475,000 *	4.750%	3,354,094	10,183,188	131,235,000
2030	4/01/2030			3,271,562		
	10/01/2030	3,640,000 *	4.750%	3,271,563	10,183,125	127,595,000
2031	4/01/2031			3,185,112		
	10/01/2031	3,810,000 T	4.750%	3,185,113	10,180,225	123,785,000
2032	4/01/2032			3,094,625		
	10/01/2032	3,995,000 *	5.000%	3,094,625	10,184,250	119,790,000
2033	4/01/2033			2,994,750		
	10/01/2033	4,195,000 *	5.000%	2,994,750	10,184,500	115,595,000
2034	4/01/2034			2,889,875		
	10/01/2034	4,400,000 *	5.000%	2,889,875	10,179,750	111,195,000
2035	4/01/2035			2,779,875		
	10/01/2035	4,620,000 *	5.000%	2,779,875	10,179,750	106,575,000
2036	4/01/2036			2,664,375		
	10/01/2036	4,855,000 *	5.000%	2,664,375	10,183,750	101,720,000
2037	4/01/2037			2,543,000		
	10/01/2037	18,410,000 *	5.000%	2,543,000	23,496,000	83,310,000
2038	4/01/2038			2,082,750		
	10/01/2038	19,330,000 *	5.000%	2,082,750	23,495,500	63,980,000
2039	4/01/2039			1,599,500		
	10/01/2039	20,295,000 *	5.000%	1,599,500	23,494,000	43,685,000
2040	4/01/2040			1,092,125		
	10/01/2040	21,310,000 *	5.000%	1,092,125	23,494,250	22,375,000
2041	4/01/2041			559,375		
	10/01/2041	22,375,000 T	5.000%	559,375	23,493,750	-
<b>Total</b>		\$ 164,125,000		\$ 146,840,604	\$ 310,965,604	

All-In True Interest Cost ..... 4.932071%

**106,560,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2011A**

**Dated:** November 22, 2011

**Purpose:** The bonds were issued for the purpose of refinancing \$107,438,000 of commercial paper obligations issued to finance on an interim basis, a portion of the cost of the acquisition, construction, and equipping of certain capital improvements to the City's water, wastewater, and irrigation water system

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by a pledge of and lien upon the water and sewer net revenues and impact fees. The bonds are issued on parity with the City's (1) Water and Sewer Revenue Bonds, Series 2006; (2) Water and Sewer Refunding Revenue Bonds, Series 2011, (3) Water and Sewer Refunding Revenue Bonds, Series 2013, (4) Water and Sewer Refunding Revenue Bonds, Series 2015A, (5) Water and Sewer Refunding Revenue Bonds, Series 2015.

**Debt Ordinance:** No. 66-11 enacted on October 31, 2011

**Debt Resolution:** No. 98-86 adopted on August 20, 1986  
No. 167-91 adopted on December 11, 1991 amending resolution 98-86  
No. 54-06 adopted on October 16, 2006 amending resolution 98-86  
No. 39-09 adopted on June 8, 2009 amending resolution 98-86  
No. 24-11 adopted on August 22, 2011 amending resolution 98-86  
No. 31-11 adopted on October 31, 2011 amending resolution 98-86

**Insurer:** Assured Guaranty Municipal Corp.

**Ratings:**

	<u>Insured</u>	<u>Underlying</u>
Fitch	A	not rated
Moody's	A1	A1
Standard & Poor's	AA	A

**Redemption Provisions**

The bonds are subject to optional and mandatory redemption as described below.

### Optional Redemption

The bonds maturing on or after October 1, 2022 may be redeemed prior to their respective maturities at any time on or after October 1, 2016, at the redemption price of 100%.

### Mandatory Redemption

The bonds maturing on October 1, 2031 bearing interest at 5.00% will be subject to mandatory redemption prior to their maturity at the following dates and amount

Date	Amount
10/1/2027	\$ 2,205,000
10/1/2028	2,310,000
10/1/2029	2,425,000
10/1/2030	2,545,000
10/1/2031 *	2,670,000
Total	\$ 12,155,000
*Final maturity	

The bonds maturing on October 1, 2031 bearing interest at 4.60% will be subject to mandatory redemption prior to their maturity at the following dates and amounts.

Date	Amount
10/1/2027	\$ 250,000
10/1/2028	265,000
10/1/2029	280,000
10/1/2030	295,000
10/1/2031 *	310,000
Total	\$ 1,400,000
*Final maturity	

The bonds maturing on October 1, 2042 will be subject to mandatory redemption prior to their maturity at the following dates and amounts.

Date	Amount
10/1/2032	\$ 3,125,000
10/1/2033	3,285,000
10/1/2034	3,450,000
10/1/2035	3,620,000
10/1/2036	3,800,000
10/1/2037	3,990,000
10/1/2038	4,190,000
10/1/2039	4,400,000
10/1/2040	4,620,000
10/1/2041	4,850,000
10/1/2042 *	28,590,000
Total	\$ 67,920,000

### Debt Service Schedule:

A detailed debt service schedule is on the following page



**\$106,560,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2011A**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 99,280,000
2018	4/01/2018			\$ 2,439,300		
	10/01/2018	\$ 1,645,000	5.000%	2,439,300	\$ 6,523,600	97,635,000
2019	4/01/2019			2,406,400		
	10/01/2019	1,710,000	3.000%	2,406,400	6,522,800	95,925,000
2020	4/01/2020			2,372,200		
	10/01/2020	1,775,000	5.000%	2,372,200	6,519,400	94,150,000
2021	4/01/2021			2,327,825		
	10/01/2021	1,865,000	5.000%	2,327,825	6,520,650	92,285,000
2022	4/01/2022			2,281,200		
	10/01/2022	1,965,000	5.000%	2,281,200	6,527,400	90,320,000
2023	4/01/2023			2,232,075		
	10/01/2023	2,060,000	5.000%	2,232,075	6,524,150	88,260,000
2024	4/01/2024			2,180,575		
	10/01/2024	2,160,000	4.000%	2,180,575	6,521,150	86,100,000
2025	4/01/2025			2,126,575		
	10/01/2025	2,265,000	4.125%	2,126,575	6,518,150	83,835,000
2026	4/01/2026			2,081,275		
	10/01/2026	2,360,000	5.000%	2,081,275	6,522,550	81,475,000
2027	4/01/2027			2,034,075		
	10/01/2027	2,205,000 T1*	5.000%	2,034,075		
	10/01/2027	250,000 T2*	4.600%		6,523,150	79,020,000
2028	4/01/2028			1,973,200		
	10/01/2028	2,310,000 T1*	5.000%	1,973,200		
	10/01/2028	265,000 T2*	4.600%		6,521,400	76,445,000
2029	4/01/2029			1,909,355		
	10/01/2029	2,425,000 T1*	5.000%	1,909,355		
	10/01/2029	280,000 T2*	4.600%		6,523,710	73,740,000
2030	4/01/2030			1,842,290		
	10/01/2030	2,545,000 T1*	5.000%	1,842,290		
	10/01/2030	295,000 T2*	4.600%		6,524,580	70,900,000
2031	4/01/2031			1,771,880		
	10/01/2031	2,670,000 T1	5.000%	1,771,880		
	10/01/2031	310,000 T2	4.600%		6,523,760	67,920,000
2032	4/01/2032			1,698,000		
	10/01/2032	3,125,000 *	5.000%	1,698,000	6,521,000	64,795,000
2033	4/01/2033			1,619,875		
	10/01/2033	3,285,000 *	5.000%	1,619,875	6,524,750	61,510,000
2034	4/01/2034			1,537,750		
	10/01/2034	3,450,000 *	5.000%	1,537,750	6,525,500	58,060,000
2035	4/01/2035			1,451,500		
	10/01/2035	3,620,000 *	5.000%	1,451,500	6,523,000	54,440,000
2036	4/01/2036			1,361,000		
	10/01/2036	3,800,000 *	5.000%	1,361,000	6,522,000	50,640,000
2037	4/01/2037			1,266,000		
	10/01/2037	3,990,000 *	5.000%	1,266,000	6,522,000	46,650,000
2038	4/01/2038			1,166,250		
	10/01/2038	4,190,000 *	5.000%	1,166,250	6,522,500	42,460,000
2039	4/01/2039			1,061,500		
	10/01/2039	4,400,000 *	5.000%	1,061,500	6,523,000	38,060,000
2040	4/01/2040			951,500		
	10/01/2040	4,620,000 *	5.000%	951,500	6,523,000	33,440,000
2041	4/01/2041			836,000		
	10/01/2041	4,850,000 *	5.000%	836,000	6,522,000	28,590,000
2042	4/01/2041			714,750		
	10/01/2041	28,590,000 T	5.000%	714,750	30,019,500	-
<b>Total</b>		\$ 99,280,000		\$ 87,284,700	\$ 186,564,700	

All-In True Interest Cost ..... 4.865238%

**\$10,440,000**

**Water and Sewer Refunding Revenue Bonds, Series 2013**

**Dated:** September 18, 2013

**Purpose:** The bonds were issued for the purpose of refinancing \$10,440,000 of the City's outstanding Water and Sewer Refunding revenue Bond, Series 2003.

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1

**Security:** The Bonds are secured by a pledge of and lien upon the water and sewer net revenues and impact fees. The bonds are issued on parity with the City's (1) Water and Sewer Revenue Bonds, Series 2006; and (2) Water and Sewer Refunding Revenue Bonds, Series 2011; and (3) Water and Sewer Refunding Revenue Bonds, Series 2011A ;(4) Water and Sewer Refunding Revenues Bonds, Series 2015A, and (5) Water and Sewer Refunding Revenue Bonds, Series 2015.

**Debt Ordinance:** No. 50-13 enacted on September 9, 2013

**Debt Resolution:** No. 98-86 adopted on August 20, 1986  
No. 167-91 adopted on December 11, 1991 amending resolution 98-86  
No. 54-06 adopted on October 16, 2006 amending resolution 98-86  
No. 39-09 adopted on June 8, 2009 amending resolution 98-86  
No. 24-11 adopted on August 22, 2011 amending resolution 98-86  
No. 31-11 adopted on October 31, 2011 amending resolution 98-86  
No. 42-13 adopted on September 9, 2013 authorizing the Series 2013 Bonds

**Insurer:** Assured Guaranty Municipal Corp.

**Ratings:** N/A

**Redemption Provisions**

The bonds are subject to optional redemption as described below.

**Optional Redemption**

The bond is subject to optional redemption prior to maturity.

### Mandatory Redemption

The bonds maturing on October 1, 2018 bearing interest at 1.39% will be subject to mandatory redemption prior to their maturity at the following dates and amounts.

<u>Date</u>	<u>Amount</u>
10/1/2017	\$2,090,000
10/1/2018 *	2,120,000
Total	2,145,000
*Final maturity	<u>\$6,355,000</u>

### Debt Service Schedule:

<u>Fiscal Year</u>	<u>Payment Date</u>	<u>Principal Payment</u>	<u>Coupon Rate</u>	<u>Interest Payment</u>	<u>Fiscal Year Debt Service</u>	<u>Outstanding Principal</u>
						\$ 2,145,000
2018	4/01/2018			\$ 14,908		
	10/01/2018	\$ 2,145,000	T 1.390%	14,908	\$ 2,174,816	-
<b>Total</b>		\$ 2,145,000		\$ 29,816	\$ 2,174,816	

All-In True Interest Cost ..... 1.531913%

**\$94,740,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2015A**

**Dated:** June 30, 2015

**Purpose:** The bonds were issued for the purpose of refinancing to outstanding \$94,740,000 of the Water and Sewer Revenue Bonds, Series 2006. This reduced the Water and Sewer, Series 2006 debt service payment over 21 years by \$15,191,723 and obtained an economic gain of \$10,103,869.

**Payment Dates:** Quarterly interest payable on April 1<sup>st</sup>, July 1<sup>st</sup>, October 1<sup>st</sup>, and January 1<sup>st</sup>  
Quarterly principal payable on April 1<sup>st</sup>, July 1<sup>st</sup>, October 1<sup>st</sup>, and January 1<sup>st</sup>

**Security:** The Bonds are secured by a pledge of and lien upon the water and sewer net revenues and impact fees. The bonds are issued on parity with the City's (1) Water and Sewer Revenue Bonds, Series 2006; (2) Water and Sewer Refunding Revenue Bonds, Series 2011; (3) Water and Sewer Refunding Revenue Bonds, Series 2011A; (4) Water and Sewer Refunding Revenue Bonds, Series 2013, (5) Water and Sewer Refunding Revenue Bonds, Series 2015.

**Debt Ordinance:** No. 4-15 enacted on January 26, 2015

**Debt Resolution:** No. 98-86 adopted on August 20, 1986  
No. 167-91 adopted on December 11, 1991 amending resolution 98-86  
No. 54-06 adopted on October 16, 2006 amending resolution 98-86  
No. 39-09 adopted on June 8, 2009 amending resolution 98-86  
No. 24-11 adopted on August 22, 2011 amending resolution 98-86  
No. 42-13 adopted on September 09, 2013 amending resolution 98-86  
No. 58-15 adopted on May 18, 2015 amending resolution 98-86  
No. 87-15 adopted on June 15, 2015 amending resolution 98-86

**Insurer:** N/A

**Ratings:** N/A

**Redemption Provisions**

The bonds are subject to optional redemption as described below.

**Optional Redemption**

The bonds may be redeemed prior to their respective maturities at any time on or after October 1, 2025, at the redemption price of 100%.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page:

**\$94,740,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2015A**

	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 89,095,000
2018	01/01/2018	\$ 1,075,000	2.210%	\$ 574,193		
	04/01/2018	1,075,000	2.210%	568,253		
	07/01/2018	1,075,000	2.210%	562,314		
	10/01/2018	1,085,000	2.210%	556,374	\$ 6,571,134	84,785,000
2019	1/1/2019	1,710,000	2.210%	550,380		
	4/1/2019	1,705,000	2.210%	540,932		
	7/1/2019	1,705,000	2.210%	531,512		
	10/01/2019	1,705,000	2.210%	522,092	8,969,916	77,960,000
2020	1/1/2020	1,745,000	2.210%	512,672		
	4/1/2020	1,740,000	2.210%	503,031		
	07/01/2020	1,740,000	2.210%	493,417		
	10/01/2020	1,750,000	2.210%	483,803	8,967,923	70,985,000
2021	1/1/2021	1,785,000	2.210%	474,135		
	4/01/2021	1,780,000	2.210%	464,273		
	07/01/2021	1,780,000	2.210%	454,438		
	10/01/2021	1,790,000	2.210%	444,604	8,972,450	63,850,000
2022	1/1/2022	1,825,000	2.210%	434,714		
	4/01/2022	1,820,000	2.210%	424,631		
	7/1/2022	1,820,000	2.210%	414,575		
	10/01/2022	1,825,000	2.210%	404,520	8,968,440	56,560,000
2023	1/1/2023	1,860,000	2.210%	394,437		
	4/01/2023	1,860,000	2.210%	384,160		
	7/1/2023	1,860,000	2.210%	373,884		
	10/01/2023	1,870,000	2.210%	363,607	8,966,088	49,110,000
2024	1/1/2024	1,905,000	3.000%	353,276		
	4/01/2024	1,905,000	3.000%	342,750		
	7/1/2024	1,905,000	3.000%	332,225		
	10/01/2024	1,905,000	3.000%	321,700	8,969,951	41,490,000
2025	01/01/2025	1,950,000 T	3.000%	311,175		
	04/01/2025	1,950,000 *	3.000%	296,550		
	07/01/2025	1,950,000 *	3.000%	281,925		
	10/01/2025	1,960,000 *	3.000%	267,300	8,966,950	33,680,000
2026	1/01/2026	2,010,000 *	3.000%	252,600		
	4/01/2026	2,010,000 *	3.000%	237,525		
	7/01/2026	2,010,000 *	3.000%	222,450		
	10/01/2026	2,015,000 *	3.000%	207,375	8,964,950	25,635,000
2027	1/01/2027	2,070,000 *	3.000%	192,263		
	4/01/2027	2,070,000 *	3.000%	176,738		
	7/01/2027	2,070,000 *	3.000%	161,213		
	10/01/2027	2,080,000 *	3.000%	145,686	8,965,900	17,345,000
2028	1/01/2028	2,140,000 *	3.000%	130,087		
	4/01/2028	2,135,000 *	3.000%	114,038		
	7/01/2028	2,135,000 *	3.000%	98,025		
	10/01/2028	2,135,000 *	3.000%	82,013	8,969,163	8,800,000
2029	1/01/2029	2,200,000 *	3.000%	66,000		
	4/01/2029	2,200,000 *	3.000%	49,500		
	7/01/2029	2,200,000 *	3.000%	33,000		
	10/01/2029	2,200,000 T	3.000%	16,500	8,965,000	-
<b>Total</b>		\$ 89,095,000		\$ 16,122,865	\$ 105,217,865	

T = Final maturity of term bond

All-In True Interest Cost ..... 2.725344%

**\$72,415,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2015**

**Dated:** July 16, 2015

**Purpose:** The bonds were issued for the purpose of refinancing \$72,415,000 of the Water and Sewer Revenue Bonds, Series 2006. This refunding reduced the debt service payment over 21 years by \$5,429,134 and obtained an economic gain of \$3,716,201.

**Payment Dates:** Semiannual interest payable on April 1<sup>st</sup> and October 1<sup>st</sup>  
Annual principal payable on October 1<sup>st</sup>

**Security:** The Bonds are secured by a pledge of and lien upon the water and sewer net revenues and impact fees. The bonds are issued on parity with the City's (1) Water and Sewer Revenue Bonds, Series 2006; (2) Water and Sewer Refunding Revenue Bonds, Series 2011; (3) Water and Sewer Refunding Revenue Bonds, Series 2011A; (4) Water and Sewer Revenue Refunding Revenue Bonds, Series 2013, and (5) Water and Sewer Refunding Revenue Bonds, Series 2015A

**Debt Ordinance:** No. 4-15 enacted on January 26, 2015

**Debt Resolution:** No. 98-86 adopted on August 20, 1986  
No. 167-91 adopted on December 11, 1991 amending resolution 98-86  
No. 54-06 adopted on October 16, 2006 amending resolution 98-86  
No. 39-09 adopted on June 8, 2009 amending resolution 98-86  
No. 24-11 adopted on August 22, 2011 amending resolution 98-86  
No. 42-13 adopted on September 09, 2013 amending resolution 98-86  
No. 58-15 adopted on May 18, 2015 amending resolution 98-86  
No. 87-15 adopted on June 15, 2015 amending resolution 98-86

**Insurer:** Assured Guaranty Municipal Corp. (AGM)

**Ratings:**

	<u><b>Insured</b></u>	<u><b>Underlying</b></u>
Fitch	A	N/A
Moody's	A1	N/A
Standard & Poor's	A	N/A

**Redemption Provisions**

The bonds are subject to optional redemption as described below.

**Optional Redemption**

The bonds may be redeemed prior to their respective maturities at any time on or after October 1, 2025, at the redemption price of 100%.

**Debt Service Schedule**

A detailed debt service schedule is on the following page.

**\$72,415,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2015**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 72,415,000
2018	4/01/2018			\$ 1,696,950		
	10/01/2018	\$ -	5.000%	1,696,950	\$ 3,393,900	72,415,000
2019	4/01/2019			1,696,950		
	10/01/2019	-	5.000%	1,696,950	3,393,900	72,415,000
2020	4/01/2020			1,696,950		
	10/01/2020	-	5.000%	1,696,950	3,393,900	72,415,000
2021	4/01/2021			1,696,950		
	10/01/2021	-	5.000%	1,696,950	3,393,900	72,415,000
2022	4/01/2022			1,696,950		
	10/01/2022	-	5.000%	1,696,950	3,393,900	72,415,000
2023	4/01/2023			1,696,950		
	10/01/2023	-	5.000%	1,696,950	3,393,900	72,415,000
2024	4/01/2024			1,696,950		
	10/01/2024	-	5.000%	1,696,950	3,393,900	72,415,000
2025	4/01/2025			1,696,950		
	10/01/2025	-	5.000%	1,696,950	3,393,900	72,415,000
2026	4/01/2026			1,696,950		
	10/01/2026	-	5.000%	1,696,950	3,393,900	72,415,000
2027	4/01/2027			1,696,950		
	10/01/2027	-	5.000%	1,696,950	3,393,900	72,415,000
2028	4/01/2028			1,696,950		
	10/01/2028	-	5.000%	1,696,950	3,393,900	72,415,000
2029	4/01/2029			1,696,950		
	10/01/2029	-	5.000%	1,696,950	3,393,900	72,415,000
2030	4/01/2030			1,696,950		
	10/01/2030	8,920,000	5.000%	1,696,950	12,313,900	63,495,000
2031	4/01/2031			1,473,950		
	10/01/2031	9,370,000	5.000%	1,473,950	12,317,900	54,125,000
2032	4/01/2032			1,239,700		
	10/01/2032	9,835,000	5.000%	1,239,700	12,314,400	44,290,000
2033	4/01/2033			993,825		
	10/01/2033	10,325,000	5.000%	993,825	12,312,650	33,965,000
2034	4/01/2034			735,700		
	10/01/2034	10,845,000	4.000%	735,700	12,316,400	23,120,000
2035	4/01/2035			518,800		
	10/01/2035	11,280,000	5.000%	518,800	12,317,600	11,840,000
2036	4/01/2036			236,800		
	10/01/2036	11,840,000	4.000%	236,800	12,313,600	-
<b>Total</b>		\$ 72,415,000		\$ 54,518,250	\$ 126,933,250	

All-In True Interest Cost ..... 4.096760%

**NOTES**  
**STATE REVOLVING FUND LOANS**



**\$13,856,923**  
**State Revolving Fund Loan**  
**#7516P**

**Dated:** September 7, 2001

**Purpose:** The loan was issued for the purpose of funding the preconstruction activities (planning, administrative, and engineering work) for construction of wastewater transmission, collection, reuse, and treatment facilities to qualify for Clean Water State Revolving Fund financing.

**Payment Dates:** Semiannual interest and principal payable on April 15<sup>th</sup> and October 15<sup>th</sup>

**Security:** The loan is secured by a lien upon the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.

**Insurer:** N/A

**Ratings:** N/A

**Redemption Provisions**

The loan may be repaid on any date.

**Debt Service Schedule:**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Interest Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 1,062,671
2018	10/15/2017	\$ 68,415	3.160%	\$ 16,790		
	4/15/2018	69,496	3.160%	15,709	\$ 170,410	924,760
2019	10/15/2018	70,594	3.160%	14,611		
	4/15/2019	71,709	3.160%	13,496	170,410	782,457
2020	10/15/2019	72,842	3.160%	12,363		
	4/15/2020	73,993	3.160%	11,212	170,410	635,622
2021	10/15/2020	75,162	3.160%	10,043		
	4/15/2021	76,350	3.160%	8,855	170,410	484,110
2022	10/15/2021	77,556	3.160%	7,649		
	4/15/2022	78,782	3.160%	6,424	170,411	327,772
2023	10/15/2022	80,026	3.160%	5,179		
	4/15/2023	81,291	3.160%	3,914	170,410	166,455
2024	10/15/2023	82,575	3.160%	2,630		
	4/15/2024	83,880	3.160%	1,325	170,410	-
<b>Total</b>		<b>\$ 1,062,671</b>		<b>\$ 130,200</b>	<b>\$ 1,192,871</b>	

**\$7,224,652**  
**State Revolving Fund Loan**  
**#7516L 01**

**Dated:** October 29, 2004

**Purpose:** The loan was issued for the purpose of furnishing all labor, materials, and equipment to construct the Pine Island wastewater collection and transmission facilities.

**Payment Dates:** Semiannual interest and principal payable on December 15<sup>th</sup> and June 15<sup>th</sup>

**Security:** The loan is secured by a lien upon the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.

**Insurer:** N/A

**Ratings:** N/A

**Redemption Provisions**

The loan may be repaid on any date.

**Debt Service Schedule:**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Interest Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 268,149
2018	12/15/2017	\$ 20,602	2.930%	\$ 3,928		
	6/15/2018	20,904	2.930%	3,627	\$ 49,061	226,643
2019	12/15/2018	21,210	2.930%	3,320		
	6/15/2019	21,521	2.930%	3,010	49,061	183,912
2020	12/15/2019	21,836	2.930%	2,694		
	6/15/2020	22,156	2.930%	2,375	49,061	139,920
2021	12/15/2020	22,480	2.930%	2,050		
	6/15/2021	22,810	2.930%	1,720	49,060	94,630
2022	12/15/2021	23,144	2.930%	1,387		
	6/15/2022	23,483	2.930%	1,047	49,061	48,003
2023	12/15/2022	23,827	2.930%	703		
	6/15/2023	24,176	2.930%	354	49,060	-
<b>Total</b>		<b>\$ 268,149</b>		<b>\$ 26,215</b>	<b>\$ 294,364</b>	

**\$35,848,122**  
**State Revolving Fund Loan**  
**#7516L 02**

**Dated:** October 31, 2004

**Purpose:** The loan was issued for the purpose of furnishing all labor, materials, and equipment to construct the Southwest 1 wastewater collection and transmission facilities.

**Payment Dates:** Semiannual interest and principal payable on December 15<sup>th</sup> and June 15<sup>th</sup>

**Security:** The loan is secured by a lien upon the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.

**Insurer:** N/A

**Ratings:** N/A

**Redemption Provisions**

The loan may be repaid on any date.

**Debt Service Schedule:**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Interest Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 1,312,523
2018	12/15/2017	\$ 78,876	2.930%	\$ 19,229		
	6/15/2018	80,032	2.930%	18,072	\$ 196,209	1,153,615
2019	12/15/2018	81,204	2.930%	16,901		
	6/15/2019	82,393	2.930%	15,711	196,209	990,018
2020	12/15/2019	83,601	2.930%	14,504		
	6/15/2020	84,825	2.930%	13,279	196,209	821,592
2021	12/15/2020	86,068	2.930%	12,036		
	6/15/2021	87,329	2.930%	10,776	196,209	648,195
2022	12/15/2021	88,608	2.930%	9,496		
	6/15/2022	89,907	2.930%	8,197	196,208	469,680
2023	12/15/2022	91,224	2.930%	6,881		
	6/15/2023	92,560	2.930%	5,544	196,209	285,896
2024	12/15/2023	93,916	2.930%	4,188		
	6/15/2024	95,292	2.930%	2,813	196,209	96,688
2025	12/15/2024	96,688	2.930%	1,416	98,104	-
<b>Total</b>		<b>\$ 1,312,523</b>		<b>\$ 159,043</b>	<b>\$ 1,471,566</b>	

**\$54,662,273**  
**State Revolving Fund Loan**  
**#WW360100**

**Dated:** September 4, 2013

**Purpose:** The loan was issued for the purpose of furnishing all labor, materials, and equipment to construct the Southwest 6 & 7 wastewater collection, reuse and stormwater facilities.

**Payment Dates:** Semiannual interest and principal

**Security:** The loan is secured by a lien upon the net revenues of the capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.

**Insurer:** N/A

**Ratings:** N/A

**Redemption Provisions:**

The loan may be repaid on any date.

**The Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$54,662,273**  
**State Revolving Fund Loan**  
**#WW360100**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Payment</b>	<b>Interest Rate</b>	<b>Interest Payment</b>	<b>Fiscal Year Debt Service</b>	<b>Outstanding Principal</b>
						\$ 52,814,122
2018	12/15/2017	\$ 1,139,734	1.980%	\$ 551,132		
	6/15/2018	1,151,608	1.980%	539,258	\$ 3,381,732	50,522,780
2019	12/15/2018	1,163,606	1.980%	527,260		
	6/15/2019	1,175,731	1.980%	515,135	3,381,732	48,183,443
2020	12/15/2019	1,187,982	1.980%	502,883		
	6/15/2020	1,200,363	1.980%	490,503	3,381,731	45,795,098
2021	12/15/2020	1,212,874	1.980%	477,992		
	6/15/2021	1,225,516	1.980%	465,350	3,381,732	43,356,708
2022	12/15/2021	1,238,291	1.980%	452,575		
	6/15/2022	1,251,200	1.980%	439,666	3,381,732	40,867,217
2023	12/15/2022	1,264,245	1.980%	426,621		
	6/15/2023	1,277,426	1.980%	413,439	3,381,731	38,325,546
2024	12/15/2023	1,290,747	1.980%	400,119		
	6/15/2024	1,304,207	1.980%	386,658	3,381,731	35,730,592
2025	12/15/2024	1,317,809	1.980%	373,056		
	6/15/2025	1,331,554	1.980%	359,311	3,381,730	33,081,229
2026	12/15/2025	1,345,444	1.980%	345,422		
	6/15/2026	1,359,480	1.980%	331,386	3,381,732	30,376,305
2027	12/15/2026	1,373,663	1.980%	317,203		
	6/15/2027	1,387,995	1.980%	302,870	3,381,731	27,614,647
2028	12/15/2027	1,402,478	1.980%	288,387		
	6/15/2028	1,417,114	1.980%	273,752	3,381,731	24,795,055
2029	12/15/2028	1,431,903	1.980%	258,962		
	6/15/2029	1,446,849	1.980%	244,017	3,381,731	21,916,303
2030	12/15/2029	1,461,951	1.980%	228,915		
	6/15/2030	1,477,212	1.980%	213,653	3,381,731	18,977,140
2031	12/15/2030	1,492,634	1.980%	198,231		
	6/15/2031	1,508,219	1.980%	182,647	3,381,731	15,976,287
2032	12/15/2031	1,523,967	1.980%	166,899		
	6/15/2032	1,539,881	1.980%	150,985	3,381,732	12,912,439
2033	12/15/2032	1,555,963	2.420%	134,903		
	6/15/2033	1,572,214	2.420%	118,652	3,381,732	9,784,262
2034	12/15/2033	1,588,636	2.420%	102,230		
	6/15/2034	1,605,231	2.420%	85,635	3,381,732	6,590,395
2035	12/15/2034	1,622,001	2.420%	68,865		
	6/15/2035	1,638,947	2.420%	51,918	3,381,731	3,329,447
2036	12/15/2035	1,656,072	2.420%	34,793		
	6/15/2036	1,673,375	2.420%	17,487	3,381,727	-
Total		\$ 52,814,122		\$ 11,438,770	\$ 27,053,851	

**\$12,401,582**  
**State Revolving Fund Loan**  
**#DW360103**

**Dated:** September 4, 2013

**Purpose:** The loan was issued for the purpose of furnishing all labor, materials, and equipment to construct the Southwest 6 & 7 transmission and distribution facilities.

**Payment Dates:** Semiannual interest and principal

**Security:** The loan is secured by a lien upon the net revenues of the capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.

**Insurer:** N/A

**Ratings:** N/A

**Redemption Provisions**

The loan may be repaid on any date.

**The Debt Service schedule:**

The outstanding principal as of 09/30/2017 was \$12,401,582. The City will not be requesting additional funds. Once the State closes the construction project a final debt schedule will be provided. Final close out is expected in FY2018.

## **ASSESSMENT DEBT**

**\$101,155,000**  
**Utility Improvement Refunding Assessment Bonds**  
**(Various Area), Series 2017**

**Dated:** May 23, 2017

**Purpose:** The bonds were issued to refund all the City's outstanding utility improvement special assessment debt. The City refunded the bonds to reduce its debt service payment over 20 years by \$10,850,993 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9,939,840.

The Assessment that were Refunded are as follows:

<u>Debt Issues</u>	<u>Amounts</u>
Water Improvement Assessment Bonds, (SW3 Area), Series 2003	\$ 1,660,000
Wastewater and Irrigation Water Ref Assessment Bonds( SW1,PI,& SW3 Areas), Sries 2005	10,325,000
Utility Improvement Assessment Bonds, (SW2 Area), Series 2005	12,635,000
Utility Improvement Assessment Bonds, (SE1 Area), Series 2006	13,375,000
Utility Improvement Assessment Bonds, (SW4 Area), Series 2007	36,400,000
Utility Improvement Assessment Bonds, (SW5 & Surside Areas), Series 2008	26,760,000
Total Refunding of Assessment	<u>\$ 101,155,000</u>

**Payment Dates:** Semiannual interest payable on March 1<sup>st</sup> and September 1<sup>st</sup>  
Annual principal payable on September 1<sup>st</sup>

**Security:** The Bonds are secured by a pledge of the special assessment proceeds and water and sewer net revenues. In addition, the City has covenanted in the resolution to appropriate in its annual budget such amounts of non-ad valorem funds necessary to make up any deficiencies.

**Insurer:** Assured Guaranty Municipal Corp.

**Debt Ordinance:** No. 59-16 enacted on January 9, 2017

**Debt Resolution:** No. 11-17 adopted on January 9, 2017

**Assessment Legislation:** Ordinance No. 8-99 enacted on March 8, 1999 authorizing the assessments  
Initial Resolution No. 81-05 adopted on December 16, 2002  
Final Resolution No 3-03 adopted on January 13, 2003 approving the assessment

**Ratings:**

	<u>Insured</u>	<u>Underlying</u>
Moody's	A2	not rated
Standard & Poor's	AA	BBB+



## Redemption Provisions

The bonds are subject to extraordinary and optional redemption as described below.

### Extraordinary Redemption

The bonds are subject to extraordinary redemption, at a price equal to the principal amount, in whole or in part, ratable among maturities, on any payment date. The moneys received from prepayments that are on deposit on the 35<sup>th</sup> day prior to each payment date will be used for the extraordinary redemption.

### Optional Redemption

Bonds are not subject to early redemption, other than extraordinary redemptions.

## Debt Service Schedule:

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 99,150,000
2018	3/1/2018			\$ 1,086,710		
	9/1/2018	\$ 10,835,000	1.400%	1,086,710	\$ 13,008,420	88,315,000
2019	3/1/2019			1,010,865		
	9/1/2019	10,980,000	1.400%	1,010,865	13,001,730	77,335,000
2020	3/1/2020			920,280		
	9/1/2020	11,165,000	1.650%	920,280	13,005,560	66,170,000
2021	3/1/2021			814,213		
	9/1/2021	10,870,000	2.000%	814,213	12,498,426	55,300,000
2022	3/1/2022			705,513		
	9/1/2022	10,140,000	2.125%	705,513	11,551,026	45,160,000
2023	3/1/2023			597,775		
	9/1/2023	9,295,000	2.250%	597,775	10,490,550	35,865,000
2024	3/1/2024			493,206		
	9/1/2024	9,190,000	2.500%	493,206	10,176,412	26,675,000
2025	3/1/2025			378,331		
	9/1/2025	9,435,000	2.750%	378,331	10,191,662	17,240,000
2026	3/1/2026			248,600		
	9/1/2026	8,000,000	2.750%	248,600	8,497,200	9,240,000
2027	3/1/2027			138,600		
	9/1/2027	6,575,000	3.000%	138,600	6,852,200	2,665,000
2028	3/1/2028			39,975		
	9/1/2028	2,665,000	3.000%	39,975	2,744,950	-
<b>Total</b>		<b>\$ 99,150,000</b>		<b>\$ 12,868,136</b>	<b>\$ 112,018,136</b>	

All-In True Interest Cost ..... 2.781112%

# **CONDUIT DEBT**

**The City has the following conduit debt issues:**

Health Facility Revenue Bonds, Series 2015 were issued to provide financing of the construction of a new building that will house 80 residential-style assisted living suites and 48 memory support assisted living suites, as well as converting existing space to provide an additional skilled nursing dining space, 24 rental independent living units and 20 skilled nursing beds within the City, the City of Cape Coral Health Facilities Authority has issued a series of Senior Housing Revenue Bonds, Series 2015. These bonds do not constitute a debt or pledge of the full faith and credit of the City, and accordingly, they have not been reported in the accompanying financial statements. At September 30, 2017, Health Facility Revenue Bonds outstanding aggregated \$79,385,000.

# **DEFEASED DEBT**

**The City has the following defeased debt issues:**

Financial Accounting Standard Board Statement No. 7, Advance Refunding Resulting in Defeasance of Debt, states when debt is defeased, it is no longer reported as a liability on the face of the balance sheet; only the new debt, if any, is reported as a liability.

**Governmental Fund Debt:**

Capital Improvement Revenue Bonds, Series 2008	\$21,615,000
Special Obligation Revenue Bonds, Series 2011	\$14,395,000

**SUBSEQUENT EVENT**

**The City has the following subsequent event:**

In December 2017, the City issued \$248,355,000 of Water and Sewer Refunding Revenue Bonds, Series 2017 for the purpose of refinancing a portion of the outstanding Water and Sewer Revenue Bonds, Series 2011 and Water and Sewer Revenue Bonds, Series 2011A. By refinancing the City will achieve \$26.5 million in savings through the life of the bonds through 2042. The savings in today's dollars (net present value savings) is \$18.7 million. Principal and interest on the obligations is secured by the Water and Sewer net revenues. Principal is paid annually through October 2042 with interest paid semiannually at rates ranging from 3.25% to 5.00%.

# **DEFINITIONS**



**Accreted Interest** - The interest that accrues on a capital appreciation bond. The issuer holds the accumulated compounded interest until the maturity date of the bonds.

**Ad Valorem Tax** - A direct tax based “according to value” of property, i.e. levied in proportion to the value of the property against which it is levied. Local governmental bodies with taxing powers may issue bonds or short-term certificates payable from ad valorem taxation.

**All-In True Interest Cost (All-In TIC)** – Also known as All Inclusive cost. Actual interest cost plus all financing costs of issuing a bond.

**Amortization** - The process of paying the principal amount of an issue of bonds by periodic payments either directly to bondholders or to a sinking fund for the benefit of bondholders. Payments are usually calculated to include interest in addition to a partial payment of the original principal amount.

**Assessment Debt** – Special Assessment bonds are issued by the City on behalf of improvement areas created by property owners for a specific purpose, such as to finance seawall, water, sewer, and irrigation improvements. Property owners in the designated areas are assessed for the principal and interest costs of repaying the debt. As trustee for improvement areas, the City is responsible for collecting the assessments levied against the owners of property within the improvement areas and for disbursing these amounts to retire the bonds issued to finance the improvements.

**Assessed Value** - A valuation set upon real estate or other personal property by a government as a basis for levying taxes. The assessed value in the City of Cape Coral is set by the Property Appraiser.

**Capital Project** - Any improvement or acquisition of major capital; facilities, roads, bridges, buildings, equipment or land with a useful life of at least five years.

**Capital Appreciation Bond (CAB)** - A bond that is issued at a deep discount and bears no stated rate of coupon interest (no interest is paid to the holder until maturity). These bonds are also known as zero coupon bonds.

**Capital Lease** – A lease is classified as a capital lease when substantially all of the risks and benefits of ownership are assumed by the lessee. A capital lease is viewed as an installment purchase of property rather than the rental of property.

A lease must be capitalized if any one of the following four criteria is met:

1. The lease transfers ownership of the property to the lessee by the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term is equal to 75% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90% of the fair value of the leased property.

**Capitalized Interest or Funded Interest** - A portion of the proceeds of a bond issue set aside, upon issuance of the bonds to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a project.

**Commercial Paper Notes** - Commercial Paper Notes are variable rate short term debt obligations used to finance capital projects. The commercial paper resolution provides that the obligations will mature not later than 270 days from the date of issuance. The City has covenanted to budget and

appropriate in its annual budget from non ad valorem revenues the amount to pay the annual debt service. Interest is variable and paid monthly. The City has entered into a letter of credit and reimbursement agreement with Bank of America.

**Conduit Financing** - Bonds issued by a governmental unit to finance a project to be used primarily by a third party, usually a corporation engaged in private enterprise. The security for such bonds is the credit of the private user rather than the governmental issuer. Generally such bonds do not constitute obligations of the issuer because the corporate obligor is liable for generating the pledged revenues. Industrial revenue bonds are common examples of conduit financing.

**Debt Obligations** - Bonds, notes, capital leases, letters and lines of credit issued against a pledge of a specific revenue source or sources with proceeds used to fund a project providing for a public benefit.

**Debt Service Coverage** - The number of times that net revenues covers required debt service payments.

**Direct Debt** – A government unit's gross debt less the enterprise system self-supporting debt.

**Enterprise Fund** - A fund used to account for facilities that are financed and operated in a manner similar to private business enterprises, wherein the stated intent is that the costs (including depreciation) of providing goods and services be financed from revenues recovered primarily through user fees.

**Enterprise System** - A revenue-generating project or business that supplies funds to pay debt service on bonds issued to finance the facility. The debt of such projects is self liquidating when the projects earn sufficient monies to cover all debt service and other requirements imposed under the bond contract.

**Extraordinary Redemption** - A provision which gives a bond issuer the right to call the bonds due to an occurrence, as specified in the offering statement. The assessment debt has a provision for an extraordinary redemption due to the collection of assessment prepayments.

**General Obligation Bonds (G.O. Bonds)** - Bonds that are secured by the full faith and credit of the issuer. General obligation bonds issued by local units of government are secured by a pledge of the issuer's ad valorem taxing power. Ad valorem taxes necessary to pay debt service on general obligation bonds are typically not subject to the constitutional property tax millage limits. Such bonds constitute debts of the issuer and normally require approval by referendum prior to issuance. In the event of default, the holders of general obligation bonds have the right to compel a tax levy or legislative appropriation, by mandamus or injunction, in order to satisfy the issuer's obligation.

**Governmental Bonds** – One of two categories of bonds established under the Tax Reform Act of 1986. Bonds issued by localities for the financing of traditional activities and which meet certain tests (related to private use and security) will be tax-exempt.

**Insured Rating** – A rating based on the bond insurance (credit enhancement) company's credit, as opposed to the issuer's underlying rating. Credit enhancement provides additional security for bond holders. A bond insurance policy is a guarantee by the insurance company to make principal and interest payments if the issuer is unable.

**Insurer** – the Company that shall be insuring or guaranteeing the payment of the principal and interest on the bonds.

**Maximum Annual Enterprise System Revenue Debt Service** - The maximum annual debt service on a consolidated basis of all Enterprise System Revenue Obligations then outstanding for the current or any subsequent fiscal year.

**Maximum Annual Non-Ad Valorem Debt Service** - Maximum annual debt service on a consolidated basis of all Non-Ad Valorem Revenue Obligations outstanding for the current or any subsequent fiscal year.

**Net revenues** – Gross revenue and income less operating and maintenance expenses.

**Non-Ad Valorem General Fund Revenues** - All legally available general fund and special revenue funds derived from some source other than ad-valorem taxation on real and personal property.

**Non-Ad Valorem Revenue Obligations** - Obligations evidencing indebtedness for borrowed money (i) payable solely from a covenant to budget and appropriate legally available non-ad valorem revenues, or (ii) payable directly or indirectly from a covenant to budget and appropriate legally available non-ad valorem revenues, but only if the City reasonably expects to apply such budgeted and appropriated non-ad valorem revenues to the payment of debt service on such obligations.

**Notes Payable** – For the City, notes payable represents loan agreements with the Department of Environmental Protection under the State Revolving Fund program. The security for the notes is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.

**Operating and maintenance expenses** – Operating and maintenance expenses net of depreciation, amortization and interest requirements.

**Optional Redemption** – Bonds are paid off prior to the stated maturity date.

**Parity** – Bonds and other debt securities that have an equal and ratable claim on the same pledged funds.

**Per Capita Debt** - The amount of an issuer's debt divided by population, which is used as an indication of the issuer's credit position by reference to the proportionate debt borne per resident.

**Prepayments** – Any assessment payments paid to the issuer prior to the time the assessment is due.

**Ratable** – Capable of being appraised, apportioned, assigned, estimated or rated.

**Refunding Bonds** – A new bond issue, the proceeds of which are to be used to retire an outstanding bond issue.

**Revenue Bond** - Revenue bonds are typically issued for specific capital projects and are secured by the revenues from a project or an enterprise. In the instances where the project does not have revenues, the bond is secured by a specific revenue source, such as sales tax.

**Self-supporting Debt** – The debt has a specific revenue source that will be sufficient to pay the debt service.

**Sinking Fund** – A separate deposit of funds by an issuer for the purpose of ensuring timely availability of monies for the payment of debt service. Sinking funds are established in connection with term bonds.

**Term Bonds** – Bonds of an issue with a single stated maturity date.

**True Interest Cost (TIC)** – Actual interest cost of issuing a bond, taking into account the present value of money. The TIC is also called the yield to maturity.

***Underlying Rating*** – A measure of risk to bondholders and reflects an issuer's ability and willingness to repay debt without credit enhancement.

***Working Capital*** – Current assets less current liabilities.

***Yield to Maturity*** – Income from a bond an investor will gain over its life if the issuer does not repay it before the set time.

# **DEBT MANAGEMENT POLICY**