

# Annual Debt and Credit Report

Fiscal Year Ended September 30, 2025



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## Executive Summary

At September 30, 2025, the City had \$1,106.5 million of outstanding debt (excluding compensated absences and claims liabilities). General Obligation Bonds, which are secured solely by ad valorem taxes, had an outstanding balance of \$48.8 million, or 4.4%, of the total outstanding debt. Revenue Bonds, which are secured solely by specified revenue sources, had an outstanding balance of \$578.5 million, or 52.3%, of the total outstanding debt. Special assessment debt, which is collateralized by special assessments levied against the benefited property owners, had an outstanding balance of \$144.8 million, or 13.1%, of the total outstanding debt. Notes from Direct Borrowing, which are collateralized by the net revenues of the water and sewer system, impact fees, and other specified revenues sources had an outstanding balance of \$251.8 million, or 19.6%, of the total outstanding debt. Commercial Paper, which is issued to manage cash flow in the early stages of significant capital projects and will subsequently be replaced with long-term debt issuances, had an outstanding balance of \$70.8 million, or 6.4%, of the total outstanding debt. In addition, Capital Leases had an outstanding balance of \$1.9 million, and Subscription Based IT Arrangements had an outstanding balance of \$9.9 million.

The City's total debt increased by \$16.1 million, or 1.5%, during the current fiscal year. The governmental activities' debt decreased by \$7.4 million or 3.1% due to new issuances totaling \$11.2 million and new leases and subscriptions totaling \$2.3 million, offset by scheduled debt payments totaling \$20.8 million. The business-type activities' overall debt increased by \$23.5 million or 2.8% due to new issuances totaling \$69.3 million offset by scheduled debt payments totaling \$45.8 million.

The City's governmental debt pledged by non-ad valorem revenue has the 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. The City's enterprise fund continues to be self-supporting in that this debt is secured by pledges of enterprise revenues which adequately cover debt service on these bonds.

The City's Governmental Required Coverage must not exceed 20.0%. In FY2025, the governmental required coverage was 4.20% of the covenant to budget and appropriated revenues. The City's Enterprise annual coverage requires 1.00%. The City had a coverage rate of 1.35% for senior liens against the operating revenues and 1.48% when including the expansion fee collections.

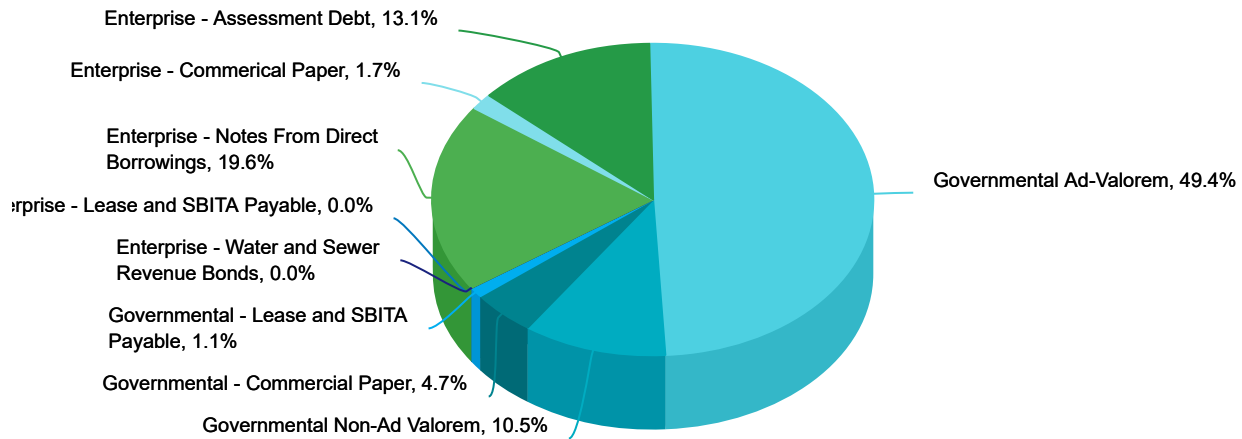
Three major rating institutions (Moody's, Fitch and Standard & Poor's) have periodically evaluated the City's financial management, economic conditions and administrative practices.

During Fiscal Year 2025, the major rating institutions reaffirmed or assigned various ratings. Moody's most recent review confirmed the Water and Sewer Revenue Bonds credit rating at "A1 Stable" and the Stormwater Revenue Bonds credit rating at "A2 Stable".

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.

### Total Outstanding Debt

As of September 30, 2025, the City had total outstanding debt excluding compensated absences and claims liabilities of \$1,106,471,228. The following is a summary of the debt



	<u>FY2025</u>
<b>Governmental</b>	
General Obligation Debt	\$ 43,180,000
Revenue Bonds	73,585,000
Notes-Direct Borrowings	35,507,278
Commercial Paper	52,186,720
Lease and SBITA Payables	<u>11,720,072</u>
	216,179,070
Unamortized discount and premium	<u>12,945,587</u>
<b>Total Governmental Debt</b>	<u>\$ 229,124,657</u>
<b>Enterprise</b>	
Water and Sewer Revenue Bonds	\$ 467,275,000
Notes-Direct Borrowings	216,329,603
Assessment Debt	144,960,000
Commercial Paper	18,563,280
Lease and SBITA Payables	61,746
	<u>847,189,629</u>
Unamortized discount and premium	<u>30,156,942</u>
<b>Total Enterprise Debt</b>	<u>\$ 877,346,571</u>
<b>Total Governmental &amp; Enterprise Debt</b>	<u>\$ 1,106,471,228</u>



**DEBT SERVICE ON OUTSTANDING DEBT**

The following table reflects the actual debt service paid for FY2025 and scheduled debt service payments for FY2026.

	FY 2025 Actual Payment Amounts				FY 2026 Scheduled Payment Amounts <sup>(2)</sup>		
	Principal	Interest	Total	Refunding/ Redemptions	Principal	Interest	Total
<b>Governmental</b>							
General Obligation Bonds	\$ 2,875,000	\$ 2,210,415	\$ 5,085,415	\$ -	\$ 3,135,000	\$ 1,800,370	\$ 4,935,370
Revenue Bonds	7,155,000	3,469,481	10,624,481	-	7,515,000	3,111,731	10,626,731
Notes Payable	6,533,717	915,306	7,449,023	-	6,659,363	782,187	7,441,550
Leases Payable	593,529	60,198	653,727	-	648,902	51,458	700,360
SBITA Payable	2,319,088	400,418	2,719,506	-	2,057,774	348,335	2,406,109
Commercial paper	-	2,043,915	2,043,915	-	52,186,720	2,029,480	54,216,200
Total Governmental	\$ 19,476,334	\$ 9,099,733	\$ 28,576,067	\$ -	\$ 72,202,759	\$ 8,123,561	\$ 80,326,320
<b>Enterprise</b>							
Revenue Bonds	\$ 6,815,000	\$ 18,921,086	\$ 25,736,086	\$ -	\$ 8,320,000	\$ 22,086,604	\$ 30,406,604
Notes Payable	12,140,000	1,191,958	13,331,958	-	8,045,000	919,950	8,964,950
Assessments - Notes Payable	11,784,202	2,002,307	13,786,509	-	11,822,943	1,916,743	13,739,686
Assessments - Revenue Bonds <sup>(1)</sup>	9,995,000	7,899,279	17,894,279	3,075,000	8,425,000	7,531,140	15,956,140
Stormwater	370,000	541,308	911,308	-	385,000	524,350	909,350
Leases Payable	90,397	2,427	92,824	-	61,746	491	62,237
SBITA Payable	-	-	-	-	-	-	-
Commercial Paper	-	362,858	362,858	-	18,563,280	360,738	18,924,018
Total Enterprise	\$ 41,194,599	\$ 30,921,223	\$ 72,115,822	\$ 3,075,000	\$ 55,622,969	\$ 33,340,016	\$ 88,962,985
Total Debt Service	\$ 60,670,933	\$ 40,020,956	\$ 100,691,889	\$ 3,075,000	\$ 127,825,728	\$ 41,463,577	\$ 169,289,305

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

<sup>(2)</sup> FY2026 scheduled debt service payments may change due to new debt issuances.





# 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.

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	2,254
135% of rating agency median	3,043
City of Cape Coral estimated population at September 30, 2025	228,881
Direct debt	\$ 229,124,657
Direct debt per capital	\$ 1,001

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	2.10%
135% of rating agency median	2.84%
Direct debt	\$ 229,124,657
Taxable assessed value	\$ 29,773,066,334
Direct debt to taxable assessed value	0.77%

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.



**Historical Non-Ad Valorem Revenues  
and Debt Service Payable from Non-Ad Valorem Revenues <sup>(1)</sup>**  
(dollars in thousands)

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
<b>Revenues</b>					
Total Governmental Funds	\$ 297,333	\$ 317,226	\$ 377,874	\$ 453,262	\$ 430,262
Less: Ad Valorem Revenues	109,971	116,367	116,089	135,208	149,305
Total Non-Ad Valorem Revenues	\$ 187,362	\$ 200,859	\$ 261,785	\$ 318,054	\$ 280,957
Less: Restricted Funds:					
Special Revenue Funds	\$ 4,356	\$ 19,942	\$ 35,830	\$ 115,807	\$ 102,905
Capital Project Funds	16,365	8,350	2,250	3,806	4,007
Plus: Revenues Received to Pay Debt Service Community Redevelopment Agency (CRA)	831	877	878	864	2,669
	-	-	-	6,781	\$ 6,961
Adjusted Non Ad-Valorem Revenues	\$ 167,472	\$ 173,444	\$ 224,583	\$ 206,086	\$ 183,675
<b>Expenditures</b>					
Essential Expenditures					
Public Safety	\$ 88,916	\$ 98,986	\$ 111,981	\$ 128,269	\$ 144,067
General Government	52,199	52,199	128,183	66,098	73,646
Total Essential Expenditures	\$ 141,115	\$ 151,185	\$ 240,164	\$ 194,367	\$ 217,713
Less: Ad Valorem Revenues Available to Pay Essential Expenditures	109,971	116,367	116,089	135,208	149,305
Adjusted Essential Expenditures	\$ 31,144	\$ 34,818	\$ 124,075	\$ 59,159	\$ 68,408
Legally Available Non-Ad Valorem Revenues	<u>\$ 136,328</u>	<u>\$ 138,626</u>	<u>\$ 100,508</u>	<u>\$ 146,927</u>	<u>\$ 115,267</u>
Average of current and prior year	\$ 121,520	\$ 137,477	\$ 119,567	\$ 123,106	\$ 131,097
Maximum Annual Debt Service Requirement	\$ 18,931	\$ 18,978	\$ 19,524	\$ 20,842	\$ 18,068
Coverage <sup>(2)</sup>	6.42	7.24	6.12	5.91	7.26
Percentage of Adjusted Governmental Revenues	6.37%	5.98%	5.17%	4.60%	4.20%

<sup>(1)</sup> The Historical Non-Ad Valorem Revenues and Expenses are adjusted to only include funds allowable to pledge.

**Historical Non-Ad Valorem Funds <sup>(1)</sup>**

<b>Category</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Taxes:</b>					
Franchise Fees	\$ 7,425,743	\$ 9,035,573	\$ 10,749,377	\$ 10,466,169	\$ 11,048,645
Public Service Tax	8,657,041	10,971,927	12,595,484	12,409,029	16,694,746
Communication Tax	4,808,291	5,165,407	5,509,770	5,834,639	6,183,371
Sales Tax	5,919,625	7,776,884	8,854,967	8,736,902	8,882,170
Half-cent Tax	18,529,047	21,483,314	23,231,590	22,023,904	21,871,290
Local Business Tax <sup>(2)</sup>	636,368	-	-	-	-
Fuel Tax <sup>(3)</sup>	11,914,185	12,778,832	12,393,205	13,954,013	14,175,444
Special Assessments <sup>(4)</sup>	26,964,704	28,666,337	32,835,029	44,278,745	86,318,170
Licenses, Permits & Fees	10,735,718	12,694,198	13,666,290	12,187,146	9,927,093
Intergovernmental Revenues	10,324,332	8,837,105	29,747,436	54,515,866	20,566,082
Charges for Services	24,558,254	24,311,327	19,244,646	23,794,197	31,949,866
Interest	437,515	(4,246,294)	9,815,379	20,559,037	18,237,775
<b>Impact Fees <sup>(5)</sup></b>					
Park	5,746,710	5,467,385	5,746,709	4,690,805	2,882,275
Fire	2,772,201	2,793,781	2,498,248	2,115,347	1,418,251
Police	2,871,598	2,898,169	2,584,853	2,186,973	1,468,634
Advanced Life Support	169,897	170,226	152,605	129,167	86,888
Road Impact	17,827,347	16,898,402	16,752,083	15,144,174	9,356,344
<b>Other <sup>(6)</sup></b>	<b>6,258,179</b>	<b>8,463,668</b>	<b>8,355,424</b>	<b>4,737,612</b>	<b>8,169,986</b>
<b>Total Non-Ad Valorem Funds</b>	<b>\$ 166,556,755</b>	<b>\$ 174,166,241</b>	<b>\$ 214,733,095</b>	<b>\$ 257,763,725</b>	<b>\$ 269,237,030</b>

<sup>(1)</sup> The historical non-ad valorem revenues of the City, whether legally available to pay debt service or not.

<sup>(2)</sup> Local business tax is included in licenses, permits & fees beginning in FY2022.

<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> In FY2024, the solid waste assessments and lot mowing assessments were reclassified for reporting purposes from charges for services to special assessments. Only the fire service assessments are presented as legally available revenues to pay debt service.

<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 for the revenues categorized as: alcohol and beverage, rent and royalties, fines and forfeitures, contributions, donations and other revenues. Rent and royalties category includes rental revenues received from the Cape Coral Charter School Authority.

### Half Cent Tax Coverage

Chapter 218, Part VI, Florida Statutes (the “Sales Tax Act”), authorizes the State to levy and collect sales tax on, among other things, the retail sale of tangible personal property within the State, subject to certain exemptions and dealer allowances. Section 212.20, Florida Statutes, governs the distribution of sales tax revenues collected by the State and currently provides that 8.8854% of the applicable sales tax proceeds is transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund, subject to statutory distribution adjustments then in effect.

In 1982, the Florida Legislature established the Local Government Half-Cent Sales Tax Program (the “Half-Cent Sales Tax Program”), which distributes a portion of sales tax revenues, together with certain funds from the State’s General Revenue Fund, to eligible counties and municipalities. Although the funding methodology has changed over time and no longer represents a literal half-cent of each taxable dollar, the program name remains in use.

Accordingly, approximately 0.53 cents of every dollar of taxable sales is deposited into the Local Government Half-cent Sales Tax Clearing Trust Fund, and those proceeds (the “Half-Cent Sales Tax Revenues”) are distributed monthly to eligible counties and participating municipalities in accordance with the statutory formula set forth in Chapter 218, Part VI, Florida Statutes.

Lee County voters approved a separate local half-cent sales tax for school capital outlay, and that levy is scheduled to run through December 2028. That local tax is distinct from the state Half-Cent Sales Tax Program.

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

Fiscal Year	Historical Half-Cent Sales Tax Revenues to the City	Percentage Increase	Annual Debt Service	Coverage of Annual Debt Service
2015	\$ 13,456,288	7.6%	\$ 2,994,528	4.49
2016	13,923,142	3.5%	3,122,746	4.46
2017	14,107,953	1.3%	3,123,802	4.52
2018	15,402,256	9.2%	1,889,783	8.15
2019	15,550,111	1.0%	654,106	23.77
2020	15,276,746	(1.8%)	655,501	23.31
2021	18,529,047	21.3%	654,106	28.33
2022	21,483,314	15.9%	654,106	32.84
2023	23,231,590	8.1%	650,797	35.70
2024	22,023,904	(5.2%)	-	-
2025	21,871,290	(0.7%)	-	-

## 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 option 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 Revenue Service announced that payments to issuers of Direct-Pay bonds from the budgeted accounts associated with these bonds are subject to reduction. The 2010B Gas Tax Bonds were refunded in FY2020 and the City will not be submitting a subsidy. The City is reporting Gas Tax data for the Gas Tax Refunding Revenue (Note), Series 2014. Although the pledge is Non-Ad-Valorem Revenues the Resolution No. 4-09 remains the foundational authority for the City to pledge these gas tax revenues as "Pledged Funds" for debt service. This allows the City to use the tax proceeds for the Gas Tax Refunding Revenue Note, Series 2014.

Lee County has extended both the Optional Gas Tax (6 cents) and Additional Gas Tax (5 cents) through August 31, 2049, under Ordinances 19-06 and 19-07, with a new Master Interlocal Agreement governing distribution through December 31, 2027.

**Six Cents Local Option Gas Tax Monthly Receipts**

	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
October	\$ 437,855	\$ 489,453	\$ 556,838	\$ 729,512	\$ 584,110
November	436,260	478,931	546,258	400,352	548,787
December	478,752	538,910	582,864	594,703	624,119
January	459,396	484,454	642,843	550,343	561,959
February	473,866	525,537	667,604	583,067	575,952
March	573,273	613,013	713,080	645,568	668,906
April	540,554	567,680	614,296	633,031	644,369
May	540,665	560,099	617,014	600,570	608,059
June	499,557	483,264	575,952	578,001	550,664
July	477,731	476,480	559,905	523,904	531,319
August	482,232	516,890	569,311	517,978	537,573
September	456,040	450,321	537,050	550,935	550,376
Total	\$ 5,856,181	\$ 6,185,032	\$ 7,183,015	\$ 6,907,964	\$ 6,986,193
Change	11.391%	5.615%	16.135%	(3.829%)	1.132%

**Five Cents Local Option Gas Tax Monthly Receipts**

	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
October	\$ 321,237	\$ 339,342	\$ 414,028	\$ 543,377	\$ 431,344
November	321,768	373,314	383,907	297,335	397,155
December	345,996	346,143	416,412	426,936	441,864
January	356,557	351,044	481,337	419,005	424,473
February	335,559	385,910	492,593	403,742	413,544
March	400,892	397,647	495,932	452,806	481,936
April	373,590	434,415	444,027	456,315	463,546
May	413,623	358,502	446,947	415,504	442,594
June	361,380	374,225	420,055	421,534	401,235
July	349,420	391,703	411,481	384,526	389,972
August	357,420	343,716	418,947	361,784	388,260
September	338,041	354,367	384,524	400,735	412,465
Total	\$ 4,275,483	\$ 4,450,328	\$ 5,210,190	\$ 4,983,599	\$ 5,088,388
Change	11.7%	4.1%	17.1%	(4.3%)	2.1%

**COVERAGE**

Total Gas Tax Revenue	\$ 10,131,664	\$ 10,635,360	\$ 12,393,205	\$ 11,891,563	\$ 12,074,582
Gas Tax MADS (2026)	\$ 4,314,415	\$ 4,314,415	\$ 4,314,415	\$ -	\$ -
Coverage	2.35	2.47	2.87	-	-
Gas Tax MADS (2030)	\$ 4,314,415	\$ 4,314,415	\$ 4,314,415	\$ -	\$ -
Coverage	2.35	2.47	2.87	-	-

\*MADS-Maximum Annual Debt Service Requirement in the fiscal year.

## Enterprise Debt Obligation

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.

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 is 13.920 years.

### 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.

#### 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.

**Stormwater Debt Service Coverage <sup>(1)</sup>**

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
<b>Operating Revenues</b>					
Stormwater fees	\$ 20,535,838	\$ 21,473,774	\$ 23,936,398	\$ 25,207,813	\$ 25,876,966
Other operating revenues	1,554,343	1,555,544	113,800	179,901	116,792
Interest income	136,623	193,194	1,176,587	3,718,234	2,228,696
Total operating revenues	\$ 22,226,804	\$ 23,222,512	\$ 25,226,785	\$ 29,105,948	\$ 28,222,454
<b>Operating Expenses</b>					
Personnel services	\$ 7,899,871	\$ 9,960,146	\$ 9,216,568	\$ 11,692,398	\$ 13,753,179
Other operating expenses	3,271,419	3,125,701	5,413,816	10,576,062	9,888,746
<b>Total Operating expenses</b>	\$ 11,171,290	\$ 13,085,847	\$ 14,630,384	\$ 22,268,460	\$ 23,641,925
<b>Net Revenues Available for Debt Services</b>	<u>\$ 11,055,514</u>	<u>\$ 10,136,665</u>	<u>\$ 10,596,401</u>	<u>\$ 6,837,488</u>	<u>\$ 4,580,529</u>
Annual Debt Services on Bonds	-	-	-	683,620	912,850
Debt Coverage on Net Revenues	-	-	-	10.00%	19.93%

(1) Excludes depreciation expense

**Stormwater Historical Average ERU's**

<u>Fiscal Year Ending</u>	<u>ERU's</u>	<u>Charge per ERU</u>
2020	169,978.6	\$119.00
2021	169,720.0	\$125.00
2022	171,139.9	\$130.00
2023	172,253.3	\$135.00
2024	172,271.2	\$142.00
2025	172,242.2	\$149.00

**Water and Sewer Net Operating Revenues**

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
<b>Operating Revenue</b>					
User Charges	\$ 94,057,363	\$ 99,625,480	\$ 106,220,830	\$ 113,358,967	\$ 127,598,849
Meter Installation Fees	1,406,313	772,482	592,529	479,614	438,789
Miscellaneous Revenue	1,070,658	1,161,150	1,812,207	2,538,230	1,508,508
Total Operating Revenue	<u>96,534,334</u>	<u>101,559,112</u>	<u>108,625,566</u>	<u>116,376,811</u>	<u>129,546,146</u>
Interest Income	64,760	(1,785,235)	2,638,914	7,513,957	5,286,402
Total Gross Revenue <sup>(2)</sup>	<u>\$ 96,599,094</u>	<u>\$ 99,773,877</u>	<u>\$ 111,264,480</u>	<u>\$ 123,890,768</u>	<u>\$ 134,832,548</u>
<b>Operating Expenses <sup>(1)</sup></b>					
Salaries And Benefits	26,750,726	32,395,365	28,867,979	30,491,928	35,961,285
Repairs and Maintenance	3,116,248	3,413,728	4,791,834	9,340,419	6,593,202
Chemicals and Supplies	3,262,512	3,166,781	2,721,017	3,368,112	3,499,923
Utilities	4,780,897	6,153,201	7,106,196	6,458,789	6,722,092
Other Operating Expenses	15,428,348	18,012,016	24,355,048	26,145,658	29,575,897
Total Operating Expenses	<u>53,338,731</u>	<u>63,141,091</u>	<u>67,842,074</u>	<u>75,804,906</u>	<u>82,352,399</u>
Net Operating Revenues	<u>\$ 43,260,363</u>	<u>\$ 36,632,786</u>	<u>\$ 43,422,406</u>	<u>\$ 48,085,862</u>	<u>\$ 52,480,149</u>

<sup>(1)</sup> Does not include any Special Assessment Proceeds

<sup>(2)</sup> Total Revenue includes Operating Revenues and Interest Income only.

<sup>(3)</sup> Excludes Depreciation Expense, Interest Expense, and Bond Discount Amortization.

**Water and Sewer Debt Service Coverage<sup>(4)</sup>**

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Gross Revenues	\$ 96,599,094	\$ 99,773,877	\$ 111,264,480	\$ 123,890,768	\$ 134,832,548
Resolution Adjustment <sup>(1)</sup>	(621,571)	(2,130,126)	(1,156,266)	(1,491,447)	(235,812)
Adjusted Gross Revenues	<u>95,977,523</u>	<u>97,643,751</u>	<u>110,108,214</u>	<u>122,399,321</u>	<u>134,596,736</u>
Operating Expenses <sup>(1)</sup>	53,338,731	63,141,091	67,842,074	75,804,906	82,352,399
Resolution Adjustment <sup>(1)</sup>	188,509	(3,362,998)	2,662,531	(161,006)	(592,406)
Adjusted Operating Expenses	<u>53,527,240</u>	<u>59,778,093</u>	<u>70,504,605</u>	<u>75,643,900</u>	<u>81,759,993</u>
Net revenues (Excluding Expansion Fees)	42,450,283	37,865,658	39,603,609	46,755,421	52,836,743
Expansion Fees <sup>(2)</sup>	<u>11,935,776</u>	<u>7,510,804</u>	<u>6,552,124</u>	<u>5,691,864</u>	<u>4,878,822</u>
Net Revenues and Expansion Fees Available for Debt Service	<u>\$ 54,386,059</u>	<u>\$ 45,376,462</u>	<u>\$ 46,155,733</u>	<u>\$ 52,447,285</u>	<u>\$ 57,715,565</u>
Debt Service on Bonds <sup>(3)</sup>	\$ 27,985,750	\$ 28,050,112	\$ 28,046,010	\$ 33,636,411	\$ 39,068,045
Coverage - Net Revenues Available for Debt Service (excluding Expansion Fees)	1.52	1.35	1.41	1.39	1.35
Coverage - Net Revenues and Expansion Fees Available for Debt Service	1.94	1.62	1.65	1.56	1.48
Net Revenues Available for Debt Service after Bonds (Excluding Expansion Fees)	\$ 14,464,533	\$ 9,815,546	\$ 11,557,599	\$ 13,119,010	\$ 13,768,698
Net Revenues and Expansion Fees Available for Debt Service after Bonds	\$ 26,400,309	\$ 17,326,350	\$ 18,109,723	\$ 18,810,874	\$ 18,647,520
Debt Service on Other Indebtedness	\$ 1,146,162	\$ 1,146,162	\$ 3,496,932	\$ 4,804,494	\$ 4,535,979
Coverage - Net Revenues after Debt Service on Senior Obligation Available for Other Indebtedness (Excluding Expansion Fees)	12.62	8.56	3.31	2.73	3.04
Coverage - Net Revenues and Expansion Fees after Debt Service on Senior Obligation Available for Other Indebtedness	23.03	15.12	5.18	3.92	4.11

<sup>(1)</sup> Effective October 1, 2016, the definitions of "Gross Revenues" and "Operating Expenses" in the Resolution were amended and the City adjusted what was included and excluded in the calculations of Net Revenues. Items, such as market value gains and losses on investments, unfunded (non-cash) expenses associated with pension, retirement, and healthcare obligations are excluded.

<sup>(2)</sup> Only includes water, sewer and irrigation impact fees. Such impact fees may only be used by the City to pay for debt service related to System expansion projects. Generally, under Florida law, the use of impact fees is limited to: (i) payment for System expansion facilities; or (ii) payment of debt service for obligations issued to finance or refinance the acquisition or construction of System expansion facilities. Thus, Expansion Fees may not be legally available to pay debt service on the Series 2025 Bonds relating to non-expansion projects.

<sup>(3)</sup> Debt service payments due on October 1 of each year are treated as paid in the immediately preceding fiscal year.

<sup>(4)</sup> The Water and Sewer Coverage figures differ from those reported on the ACFR Pledged Revenue Note because of a correction in how Income was classified. The prior year's coverage was also adjusted to reflect this change.

## Ratio and Measurements

**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.

	<u>Water &amp; Sewer</u>	<u>Stormwater</u>
Rating agency median	2.13	n/a <sup>(1)</sup>
Actual coverage	1.35	19.93
Required coverage	1.00	1.25
Debt service safety margin	0.35	18.68

<sup>(1)</sup> Not rated as a median

**Debt Ratio:** Net funded debt divided by the sum of net capital assets plus working capital.

	<u>Water &amp; Sewer</u>	<u>Stormwater</u>
Debt	\$ 490,225,000	\$ 10,730,000
Net capital assets	\$ 580,817,014	\$ 22,198,185
Working capital	\$ 24,391,901	\$ 42,417,519
Debt ratio	81%	17%
Rating Agency Median	71%	n/a

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

	<u>Water &amp; Sewer</u>	<u>Stormwater</u>
Operating expenses <sup>(1)</sup>	\$ 81,759,993	\$ 23,641,925
Operating revenue	\$ 134,596,736	\$ 25,993,758
Operating ratio	61%	91%

<sup>(1)</sup> Includes depreciation expense

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

	<u>Water &amp; Sewer</u>	<u>Stormwater</u>
Net revenues available for Debt Service <sup>(1)</sup>	\$ 52,836,743	\$ 4,580,529
Maximum annual debt service	\$ 39,068,045	\$ 912,850
Maximum annual debt service coverage	1.35	5.02

<sup>(1)</sup> Includes interest income and excludes depreciation expense

A group of white and grey swans are gathered in a pond. The background is filled with tall, golden-brown grasses and green foliage. The water is calm, reflecting the swans and the surrounding vegetation. A teal rectangular box with a white border is overlaid on the bottom half of the image, containing the text.

# GOVERNMENTAL FUNDS DEBT SCHEDULES





# GENERAL OBLIGATION DEBT

**\$10,200,000**  
**General Obligation Revenue Bonds, Series 2019**

**Dated:** March 22, 2019

**Purpose:** The Bonds were issued for the acquisition, construction and equipping a portion of the project to be financed with proceeds of the Series 2019 Bond, which portion generally includes the acquisition of land for Festival Park, Lake Meade Park and the MultiSports Park and various capital improvements and upgrades to the following existing parks and facilities: Northwest Softball Complex, Horton Park, Guiffrida Park, Del Prado Linear Park, Pelican Baseball Park, Sun Splash, Basin 4 Freshwater Boat Ramp, Basin 3 Freshwater Boat Ramp, various shade structures, Koza Saladino Park, Storm Football Park, Verdow Park, Pelican Soccer Park, Burton Park, BMX Park and WiFi installation at various parks, all as more particularly described in the plans and specifications on file or to be on file with the City, as the same may be modified or amended from time to time.

**Payment Dates:** Quarterly principal and interest 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 ad valorem taxes assessed, levied, and collected by the City.

**Referendum Ordinance:**

No. 38-18 adopted on June 18, 2018 authorizing the issuance not to exceed \$60 million

**Debt Ordinance:** No. 83-18 adopted on March 22, 2019 authorizing the issuance not to exceed \$60 million

**Debt Resolution:** No. 54-19 adopted on March 22, 2019

**Rating:** N/A

**Redemption Provisions:**

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

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$10,200,000**  
**General Obligation Revenue Bonds, Series 2019**

<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>
						\$ 6,630,000
2026	3/1/2026	\$ 660,000		\$ 90,831		
	9/1/2026		2.740%	81,789	\$ 741,789	5,970,000
2027	3/1/2027	680,000		81,789		
	9/1/2027		2.740%	72,473	752,473	5,290,000
2028	3/1/2028	695,000		72,473		
	9/1/2028		2.740%	62,952	757,952	4,595,000
2029	3/1/2029	715,000		62,952		
	9/1/2029		2.740%	53,156	768,156	3,880,000
2030	3/1/2030	735,000		53,156		
	9/1/2030		2.740%	43,087	778,087	3,145,000
2031	3/1/2031	755,000		43,087		
	9/1/2031		2.740%	32,742	787,742	2,390,000
2032	3/1/2032	775,000		32,742		
	9/1/2032		2.740%	22,125	797,125	1,615,000
2033	3/1/2033	795,000		22,125		
	9/1/2033		2.740%	11,234	806,234	820,000
2034	3/1/2034	820,000	2.740%	11,234	831,234	-
<b>Total</b>		<b>\$ 6,630,000</b>		<b>\$ 849,947</b>	<b>\$ 7,020,792</b>	

All-In True Interest Cost.....2.796334%

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**\$24,800,000**  
**General Obligation Revenue Bonds, Series 2021**

**Dated:** September 16, 2021

**Purpose:** The Bonds were issued for the acquisition, construction and equipping a portion of the project to be financed with proceeds of the Series 2021 Bond, which generally includes the acquisition land for Festival Park, Lake Meade Park and the Multi-Sports Park and various capital improvements and upgrades to the following existing parks and facilities: Northwest Softball Complex, Horton Park, Guiffrida Park, Del Prado Linear Park, Pelican Baseball Park, Sun Splash, Basin 4 Freshwater Boat Ramp, Basin 3 Freshwater Boat Ramp, various shade structures, Koza Saladino Park, Storm Football Park, Verdow Park, Pelican Soccer Park, Burton Park, BMX Park, Lake Kennedy Racquet Center (Phase 1), Festival Park (Phase 1), Yellow Fever Creek Nature Center (Phase 1), Yacht Club (Phase 1), Cultural Park, Gator Circle Park, Lake Meade Park (Phase 1), Oasis Woods Park, Sands Park, Crystal Lake Park, Tropicana Park, other miscellaneous improvements and WiFi installation at various parks, all as more particularly described in the plans and specifications on file or to be on file with the City, as the same may be modified or amended from time to time and as authorized pursuant to the Referendum Ordinance and the Bond Referendum Election.

**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 ad valorem taxes assessed, levied, and collected by the City.

**Referendum Ordinance:** No. 38-18 adopted on June 18, 2018 authorizing the issuance not to exceed \$60 million.

**Debt Ordinance:** No. 83-18 adopted on March 22, 2019 authorizing the issuance not to exceed \$60 million.

**Debt Resolution:** No. 192-21 adopted on August 18, 2021

**Rating:** Moody's Aa2  
 Fitch AA

**Redemption Provisions:**  
 The Bonds are subject to optional redemption.

**Debt Service Schedule:**  
 A detailed debt service schedule is on the following page.

**\$24,800,000**  
**General Obligation Revenue Bonds, Series 2021**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 19,670,000
2026	3/1/2026	\$ 1,615,000	4.000%	\$ 418,775	\$ 2,420,250	18,055,000
	9/1/2026			386,475		
2027	3/1/2027	1,680,000	4.000%	386,475	2,419,350	16,375,000
	9/1/2027			352,875		
2028	3/1/2028	1,745,000	5.000%	352,875	2,407,125	14,630,000
	9/1/2028			309,250		
2029	3/1/2029	1,835,000	5.000%	309,250	2,419,625	12,795,000
	9/1/2029			275,375		
2030	3/1/2030	1,900,000	5.000%	275,375	2,403,250	10,895,000
	9/1/2030			227,875		
2031	3/1/2031	1,995,000	5.000%	227,875	2,400,875	8,900,000
	9/1/2031			178,000		
2032	3/1/2032	2,095,000	4.000%	178,000	2,409,100	6,805,000
	9/1/2032			136,100		
2033	3/1/2033	2,180,000	4.000%	136,100	2,408,600	4,625,000
	9/1/2033			92,500		
2034	3/1/2034	2,265,000	4.000%	92,500	2,404,700	2,360,000
	9/1/2034			47,200		
2035	3/1/2035	2,360,000	4.000%	47,200	2,407,200	-
<b>Total</b>		<b>\$ 19,670,000</b>		<b>\$ 4,430,075</b>	<b>\$ 24,100,075</b>	

All-In True Interest Cost.....1.460911 %

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**\$17,565,000**  
**General Obligation Bonds, Series 2024**

**Dated:** May 02, 2024

**Purpose:** The Bonds were approved to finance the cost of acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, wildlife habitat and shoreline protection improvements, as generally described in the referendum ordinance.

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

**Security:** The full faith and credit and taxing power of the City shall be and are pledged for the full and prompt payment of the principal of and interest on the Bonds. A direct annual tax without limit shall be levied by the City upon all taxable property within the City to make such payments.

**Referendum Ordinance:**

No. 38-18 adopted on June 18, 2018 authorizing the issuance not to exceed \$60 million

**Debt Ordinance:** No. 83-18 adopted on March 22, 2019 authorizing the issuance not to exceed \$60 million.

**Debt Resolution:** No. 75-24 adopted on March 20, 2024

**Insurer:** DTC

**Ratings:**

	<b>Insured</b>	<b>Underlying</b>
Fitch	AA	AA
Moody's	Aa2	N/A
Standard & Poor's	N/A	N/A

**Redemption Provisions:**

The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof.

**Optional Redemption:**

The Bonds maturing prior to March 01, 2035 are not subject to optional redemption prior to maturity.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.



**\$17,565,000**  
**General Obligation Revenue Bonds, Series 2024**

<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>
						\$ 16,880,000
2026	3/1/2026	\$ 860,000		\$ 422,000		
	9/1/2026		5.000%	400,500	\$ 1,682,500	16,020,000
2027	3/1/2027	905,000		400,500		
	9/1/2027		5.000%	377,875	1,683,375	15,115,000
2028	3/1/2028	950,000		377,875		
	9/1/2028		5.000%	354,125	1,682,000	14,165,000
2029	3/1/2029	995,000		354,125		
	9/1/2029		5.000%	329,250	1,678,375	13,170,000
2030	3/1/2030	1,045,000		329,250		
	9/1/2030		5.000%	303,125	1,677,375	12,125,000
2031	3/1/2031	1,100,000		303,125		
	9/1/2031		5.000%	275,625	1,678,750	11,025,000
2032	3/1/2032	1,155,000		275,625		
	9/1/2032		5.000%	246,750	1,677,375	9,870,000
2033	3/1/2033	1,210,000		246,750		
	9/1/2033		5.000%	216,500	1,673,250	8,660,000
2034	3/1/2034	1,275,000		216,500		
	9/1/2034		5.000%	184,625	1,676,125	7,385,000
2035	3/1/2035	1,335,000		184,625		
	9/1/2035		4.000%	151,250	1,670,875	6,050,000
2036	3/1/2036	1,405,000		151,250		
	9/1/2036		4.000%	116,125	1,672,375	4,645,000
2037	3/1/2037	1,475,000		116,125		
	9/1/2037		5.000%	79,250	1,670,375	3,170,000
2038	3/1/2038	1,545,000		79,250		
	9/1/2038		5.000%	40,625	1,664,875	1,625,000
2039	3/1/2039	1,625,000		40,625	1,665,625	-
<b>Total</b>		<b>\$ 16,880,000</b>		<b>\$ 6,573,250</b>	<b>\$ 23,453,250</b>	





# REVENUE BONDS

**\$51,790,000**  
**Special Obligation Refunding 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)

**Ratings:**

	<u>Insured</u>	<u>Underlying</u>
Fitch	AA	AA
Moody's	NR	Aa3
Standard & Poor	AA	NR

**Redemption Provisions:**

The Bonds are subject to optional redemption.

**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 Refunding Revenue Bonds, Series 2015**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 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>\$ 31,130,000</b>		<b>\$ 7,580,919</b>	<b>\$ 38,710,919</b>	

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

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**\$62,595,000**  
**Special Obligation Refunding 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

**Ratings:**

	Insured	Underlying
Moody's	NR	Aa3
Standard & Poor	AA	NR

**Redemption Provisions:**

The Bonds are subject to optional redemption.

**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 Refunding Revenue Bonds, Series 2017**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 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>\$ 42,455,000</b>		<b>\$ 11,136,075</b>	<b>\$ 53,591,075</b>	

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





# ENTERPRISE FUNDS DEBT SCHEDULES





# REVENUE BONDS

**\$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:** Debt paid on October 1<sup>st</sup>, 2025, refinanced by the 2025 Water and Sewer Bonds. 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 2011; (2) Water and Sewer Refunding Revenue Bonds, Series 2011A; (3) Water and Sewer Refunding Revenue Bonds, Series 2015A; (4) Water and Sewer Revenue Refunding Revenue Bonds, Series 2017.

**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:**

	Insured	Underlying
Fitch	A+	A+
Moody's	NR	A1
Standard & Poor's	A+	NR

**Redemption Provisions:**

The Bonds are subject to optional redemption.

**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
2025	4/1/2025			\$ 1,696,950		
	10/1/2025	-	5.000%	1,696,950	\$ 3,393,900	72,415,000
2026	4/1/2026			1,696,950		
	10/1/2026	-	5.000%	1,696,950	3,393,900	72,415,000
2027	4/1/2027			1,696,950		
	10/1/2027	-	5.000%	1,696,950	3,393,900	72,415,000
2028	4/1/2028			1,696,950		
	10/1/2028	-	5.000%	1,696,950	3,393,900	72,415,000
2029	4/1/2029			1,696,950		
	10/1/2029	-	5.000%	1,696,950	3,393,900	72,415,000
2030	4/1/2030			1,696,950		
	10/1/2030	\$ 8,920,000	5.000%	1,696,950	12,313,900	63,495,000
2031	4/1/2031			1,473,950		
	10/1/2031	9,370,000	5.000%	1,473,950	12,317,900	54,125,000
2032	4/1/2032			1,239,700		
	10/1/2032	9,835,000	5.000%	1,239,700	12,314,400	44,290,000
2033	4/1/2033			993,825		
	10/1/2033	10,325,000	5.000%	993,825	12,312,650	33,965,000
2034	4/1/2034			735,700		
	10/1/2034	10,845,000	4.000%	735,700	12,316,400	23,120,000
2035	4/1/2035			518,800		
	10/1/2035	11,280,000	5.000%	518,800	12,317,600	11,840,000
2036	4/1/2036			236,800		
	10/1/2036	11,840,000	4.000%	236,800	12,313,600	-
<b>Total</b>		<b>\$ 72,415,000</b>		<b>\$ 27,367,050</b>	<b>\$ 99,782,050</b>	

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

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**\$248,355,000**

**Water and Sewer Refunding Revenue Bonds, Series 2017**

- Dated:** December 27, 2017
- Purpose:** The Bonds were issued for the purpose of refinancing the Water and Sewer Revenue Bonds, Series 2011 and the Water and Sewer Revenue Bonds, Series 2011A. The City refunded the 2011 Series to reduce its debt service payment over 24 years by \$16,014,455 and to obtain an economic gain of \$11,220,371.
- 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 2011; (2) Water and Sewer Refunding Revenue Bonds, Series 2011A; (3) Water and Sewer Refunding Revenue Bonds, Series 2015; (4) Water and Sewer Revenue Refunding Revenue Bonds, Series 2015A.
- Debt Ordinance:** No. 52-16 enacted on November 28, 2016
- 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>Insured</u>	<u>Underlying</u>
Fitch	NR	NR
Moody's	NR	A1
Standard & Poor's	A+	NR

**Redemption Provisions:**

The Bonds are subject to optional redemption.

**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.



**\$248,355,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2017**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 228,825,000
2026	4/1/2026			\$ 5,047,644		
	10/1/2026	\$ 5,510,000	5.000%	5,047,644	\$ 15,605,288	223,315,000
2027	4/1/2027			4,909,894		
	10/1/2027	5,785,000	4.750%	4,909,894	15,604,788	217,530,000
2028	4/1/2028			4,765,269		
	10/1/2028	6,070,000	4.750%	4,765,269	15,600,538	211,460,000
2029	4/1/2029			4,613,519		
	10/1/2029	6,375,000	4.750%	4,613,519	15,602,038	205,085,000
2030	4/1/2030			4,454,144		
	10/1/2030	6,695,000	4.750%	4,454,144	15,603,288	198,390,000
2031	4/1/2031			4,286,769		
	10/1/2031	7,025,000	4.750%	4,286,769	15,598,538	191,365,000
2032	4/1/2032			4,111,144		
	10/1/2032	7,375,000	5.000%	4,111,144	15,597,288	183,990,000
2033	4/1/2033			3,926,769		
	10/1/2033	7,750,000	5.000%	3,926,769	15,603,538	176,240,000
2034	4/1/2034			3,733,019		
	10/1/2034	8,135,000	5.000%	3,733,019	15,601,038	168,105,000
2035	4/1/2035			3,600,825		
	10/1/2035	8,395,000	5.000%	3,600,825	15,596,650	159,710,000
2036	4/1/2036			3,432,925		
	10/1/2036	8,735,000	5.000%	3,432,925	15,600,850	150,975,000
2037	4/1/2037			3,258,225		
	10/1/2037	22,395,000	5.000%	3,258,225	28,911,450	128,580,000
2038	4/1/2038			2,810,325		
	10/1/2038	23,290,000	5.000%	2,810,325	28,910,650	105,290,000
2039	4/1/2039			2,228,075		
	10/1/2039	24,455,000	5.000%	2,228,075	28,911,150	80,835,000
2040	4/1/2040			1,616,700		
	10/1/2040	25,680,000	5.000%	1,616,700	28,913,400	55,155,000
2041	4/1/2041			1,103,100		
	10/1/2041	26,705,000	5.000%	1,103,100	28,911,200	28,450,000
2042	4/1/2042			569,000		
	10/1/2042	28,450,000	5.000%	568,992	29,587,992	-
<b>Total</b>		<b>\$ 228,825,000</b>		<b>\$ 116,934,684</b>	<b>\$ 345,759,684</b>	

All-In True Interest Cost .....3.628600%

**\$100,000,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2023**

<b>Dated:</b>	November 30, 2023
<b>Purpose:</b>	The Bonds were issued to refund Water and Sewer, Series 2020 in the amount of \$1,719,293, and finance the cost of the acquisitions, construction and equipping of various capital improvements to the City's water and sewer utility system.
<b>Payment Dates:</b>	Semiannual interest payable on October 1 <sup>st</sup> and April 1 <sup>st</sup> Annual principal payable on October 1 <sup>st</sup>
<b>Security:</b>	The Bonds are payable solely from and secured by a lien upon and pledge of the Pledge Funds (as defined herein) and will be issued on a parity with the City's (i) Water and Sewer Refunding Revenue Bonds 2015, (ii) Water and Sewer Refunding Revenue Bonds, Series 2015A, (iii) Water and Sewer, Series 2017, (iv) Water and Sewer Refunding Revenue Bond, Series 2023B being issued contemporaneously with the issuance of the Series 2023 Bonds, to refund the remaining portion of the City's outstanding Water and Sewer Revenue Bonds, Series 2020, and any additional bonds hereafter issued.
<b>Debt Ordinance:</b>	No. 83-23 enacted on October 18, 2023
<b>Debt Resolution:</b>	No. 98-86 adopted on August 20, 1986
<b>Insurer:</b>	Build America Mutual Assurance Company

**Ratings:**

	<u>Insured</u>	<u>Underlying</u>
Fitch	A+	A+
Moody's	A1	NR

**Redemption Provisions:**

The Bonds are subject to optional redemption.

**Optional Redemption:**

The Bonds may be redeemed prior to their respective dates of maturity at any time on or after October 1, 2034 at the redemption price of 100%.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$100,000,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2023**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 97,160,000
2026	4/1/2026			\$ 2,492,306		
	10/1/2026	\$ 1,655,000	5.000%	2,492,306	\$ 6,639,612	95,505,000
2027	4/1/2027			2,450,931		
	10/1/2027	1,735,000	5.000%	2,450,931	6,636,862	93,770,000
2028	4/1/2028			2,407,556		
	10/1/2028	1,825,000	5.000%	2,407,556	6,640,112	91,945,000
2029	4/1/2029			2,361,931		
	10/1/2029	1,915,000	5.000%	2,361,931	6,638,862	90,030,000
2030	4/1/2030			2,314,056		
	10/1/2030	2,010,000	5.000%	2,314,056	6,638,112	88,020,000
2031	4/1/2031			2,263,806		
	10/1/2031	2,110,000	5.000%	2,263,806	6,637,612	85,910,000
2032	4/1/2032			2,211,056		
	10/1/2032	2,215,000	5.000%	2,211,056	6,637,112	83,695,000
2033	4/1/2033			2,155,681		
	10/1/2033	2,325,000	5.000%	2,155,681	6,636,362	81,370,000
2034	4/1/2034			2,097,556		
	10/1/2034	2,440,000	5.000%	2,097,556	6,635,112	78,930,000
2035	4/1/2035			2,036,556		
	10/1/2035	2,565,000	5.000%	2,036,556	6,638,112	76,365,000
2036	4/1/2036			1,972,431		
	10/1/2036	2,695,000	5.000%	1,972,431	6,639,862	73,670,000
2037	4/1/2037			1,905,056		
	10/1/2037	2,830,000	5.000%	1,905,056	6,640,112	70,840,000
2038	4/1/2038			1,834,306		
	10/1/2038	2,970,000	5.000%	1,834,306	6,638,612	67,870,000
2039	4/1/2039			1,760,056		
	10/1/2039	3,115,000	5.000%	1,760,056	6,635,112	64,755,000
2040	4/1/2040			1,682,181		
	10/1/2040	3,275,000	5.000%	1,682,181	6,639,362	61,480,000
2041	4/1/2041			1,600,306		
	10/1/2041	3,435,000	5.000%	1,600,306	6,635,612	58,045,000
2042	4/1/2042			1,514,431		
	10/1/2042	3,610,000	5.000%	1,514,431	6,638,862	54,435,000
2043	4/1/2043			1,424,181		
	10/1/2043	3,790,000	5.000%	1,424,181	6,638,362	50,645,000
2044	4/1/2044			1,329,431		
	10/1/2044	3,980,000	5.000%	1,329,431	6,638,862	46,665,000
2045	4/1/2045			1,224,956		
	10/1/2045	4,190,000	5.250%	1,224,956	6,639,912	42,475,000
2046	4/1/2046			1,114,969		
	10/1/2046	4,410,000	5.250%	1,114,969	6,639,938	38,065,000

**\$100,000,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2023**

<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>
2047	4/1/2047			999,206		
	10/1/2047	4,640,000	5.250%	999,206	6,638,412	33,425,000
2048	4/1/2048			877,406		
	10/1/2048	4,885,000	5.250%	877,406	6,639,812	28,540,000
2049	4/1/2049			749,175		
	10/1/2049	5,140,000	5.250%	749,175	6,638,350	23,400,000
2050	4/1/2050			614,250		
	10/1/2050	5,410,000	5.250%	614,250	6,638,500	17,990,000
2051	4/1/2051			472,238		
	10/1/2051	5,695,000	5.250%	472,238	6,639,476	12,295,000
2052	4/1/2052			322,744		
	10/1/2052	5,990,000	5.250%	322,744	6,635,488	6,305,000
2053	4/1/2053			165,506		
	10/1/2053	6,305,000	5.250%	165,506	6,636,012	-
<b>Total</b>		<b>\$ 97,160,000</b>		<b>\$ 88,708,528</b>	<b>\$ 185,868,528</b>	

All-In True Interest Cost .....4.697137%



**\$58,145,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2025**

**Dated:** August 26, 2025

**Purpose:** The Bond was issued to finance the costs of acquisition, construction and equipping of various capital improvements, refund all, none, or a portion of the City’s outstanding Water and Sewer Refunding Revenue Bonds, Series 2015 and pay the costs and expenses incurred in connection with the issuance of the Series 2025 Bonds.

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

**Security:** The Bonds are payable solely from and secured by a lien upon and pledge of the Pledge Funds (as defined herein) and will be issued on a parity with the City’s (i) Water and Sewer Refunding Revenue Bonds 2015, (ii) Water and Sewer Refunding Revenue Bonds, Series 2015A, (iii) Water and Sewer, Series 2017, (iv) Water and Sewer Refunding Revenue Bond, Series 2023, and any Revenue Bonds hereafter issued.

**Debt Ordinance:** No. 38-25 enacted on August 06 , 2025

**Debt Resolution:** No. 215-25 adopted on August 06, 2025

**Insurer:** Build America Mutual Assurance Company

**Ratings:**

	<u>Insured</u>	<u>Underlying</u>
Moody’s	AA2	NR

**Redemption Provisions:**  
 The Bonds are subject to optional redemption.

**Optional Redemption:**  
 The Bonds may be redeemed prior to their respective dates of maturity at any time on or after October 1, 2036 at the redemption price of 100%.

**Debt Service Schedule:**  
 A detailed debt service schedule is on the following page.



**\$58,145,000**  
**Water and Sewer Refunding Revenue Bonds, Series 2025**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 58,145,000
2026	4/1/2026			\$ 1,598,047		
	10/1/2026	\$ 770,000	5.000%	1,490,406	\$ 3,858,453	57,375,000
2027	4/1/2027			1,471,156		
	10/1/2027	915,000	5.000%	1,471,156	3,857,313	56,460,000
2028	4/1/2028			1,448,281		
	10/1/2028	965,000	5.000%	1,448,281	3,861,563	55,495,000
2029	4/1/2029			1,424,156		
	10/1/2029	1,005,000	5.000%	1,424,156	3,853,313	54,490,000
2030	4/1/2030			1,399,031		
	10/1/2030	1,060,000	5.000%	1,399,031	3,858,063	53,430,000
2031	4/1/2031			1,372,531		
	10/1/2031	1,115,000	5.000%	1,372,531	3,860,063	52,315,000
2032	4/1/2032			1,344,656		
	10/1/2032	1,165,000	5.000%	1,344,656	3,854,313	51,150,000
2033	4/1/2033			1,315,531		
	10/1/2033	1,230,000	5.000%	1,315,531	3,861,063	49,920,000
2034	4/1/2034			1,284,781		
	10/1/2034	1,285,000	5.000%	1,284,781	3,854,563	48,635,000
2035	4/1/2035			1,252,656		
	10/1/2035	1,350,000	5.000%	1,252,656	3,855,313	47,285,000
2036	4/1/2036			1,218,906		
	10/1/2036	1,420,000	5.000%	1,218,906	3,857,813	45,865,000
2037	4/1/2037			1,183,406		
	10/1/2037	1,490,000	5.000%	1,183,406	3,856,813	44,375,000
2038	4/1/2038			1,146,156		
	10/1/2038	1,565,000	5.000%	1,146,156	3,857,313	42,810,000
2039	4/1/2039			1,107,031		
	10/1/2039	1,645,000	5.000%	1,107,031	3,859,063	41,165,000
2040	4/1/2040			1,065,906		
	10/1/2040	1,725,000	5.000%	1,065,906	3,856,813	39,440,000
2041	4/1/2041			1,022,781		
	10/1/2041	1,815,000	5.000%	1,022,781	3,860,563	37,625,000
2042	4/1/2042			977,406		
	10/1/2042	1,900,000	5.000%	977,406	3,854,813	35,725,000
2043	4/1/2043			929,906		
	10/1/2043	2,000,000	5.000%	929,906	3,859,813	33,725,000
2044	4/1/2044			879,906		
	10/1/2044	2,100,000	5.000%	879,906	3,859,813	31,625,000
2045	4/1/2045			827,406		
	10/1/2045	2,200,000	5.000%	827,406	3,854,813	29,425,000
2046	4/1/2046			772,406		
	10/1/2046	2,315,000	5.250%	772,406	3,859,813	27,110,000

2047	4/1/2047			711,638		
	10/1/2047	2,435,000	5.250%	711,638	3,858,275	24,675,000
2048	4/1/2048			647,719		
	10/1/2048	2,565,000	5.250%	647,719	3,860,438	22,110,000
2049	4/1/2049			580,388		
	10/1/2049	2,695,000	5.250%	580,388	3,855,775	19,415,000
2050	4/1/2050			509,644		
	10/1/2050	2,835,000	5.250%	509,644	3,854,288	16,580,000
2051	4/1/2051			435,225		
	10/1/2051	2,985,000	5.250%	435,225	3,855,450	13,595,000
2052	4/1/2052			356,869		
	10/1/2052	3,145,000	5.250%	356,869	3,858,738	10,450,000
2053	4/1/2053			274,313		
	10/1/2053	3,305,000	5.250%	274,313	3,853,625	7,145,000
2054	4/1/2054			187,556		
	10/1/2054	3,480,000	5.250%	187,556	3,855,113	3,665,000
2055	4/1/2055			96,206		
	10/1/2055	3,665,000	5.250%	96,206	3,857,413	-
Total		\$ 58,145,000		\$ 57,575,565	\$ 115,720,565	

All-In True Interest Cost .....5.171498%

**\$11,365,000**  
**Stormwater Utility Revenue Bonds, Series 2023**

**Dated:** November 9, 2023

**Purpose:** The series 2023 Bonds were issued for the purpose of (i) financing the development, construction of certain potable water, wastewater and irrigation water utility capital improvements within the North 1 West Area and refunding \$293,600 of the City's outstanding Water and Sewer Revenue Bond, Series 2020.

**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 payable from Pledged Funds. The term "Pledged Funds" means (1) the Net Revenues (as defined in the Resolution), and (2) until applied in accordance with the Resolution, all moneys, including investments thereof, in the funds and accounts established in the Resolution, except (A) as for the Rebate Fund, (B) to the extent moneys therein shall be required to pay the Operating Expenses of the System in accordance with the terms in the Resolution, and (C) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it is established in accordance with the provisions in the Resolution.

**Debt Ordinance:** No. 87-23 enacted on November 1, 2023

**Debt Resolution:** No. 297-23 adopted on November 1, 2023

**Insurer:** Build America Mutual Assurance Company

**Ratings:**

	<b>Insured</b>	<b>Underlying</b>
Moody's	Aa2	NR

**Redemption Provisions:**

The Bonds maturing on September 1, 2036 are subject to mandatory redemption in part prior to maturity by lot, in such manner as shall be determined by the registrar, through sinking fund installments by operation of the term bonds redemption account at redemption prices equal to 100%

**Optional Redemption:**

The Bonds maturing on or before September 1, 2023 are not subject to optional redemption prior to their respective stated dates of maturity.

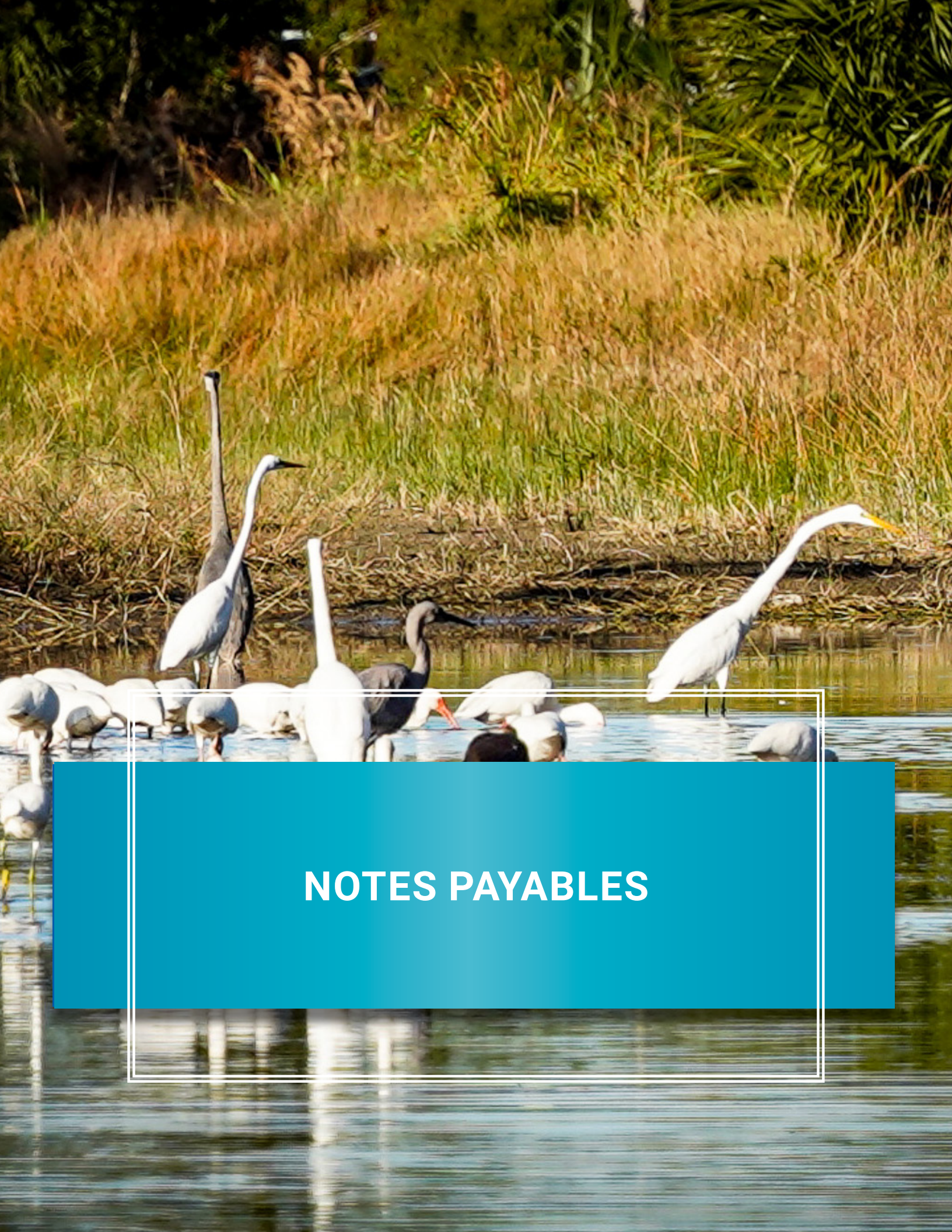
**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$11,365,000**  
**Stormwater, Series 2023**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 10,730,000
2026	3/1/2026			\$ 262,175		
	9/1/2026	\$ 385,000	5.000%	262,175	\$ 909,350	10,345,000
2027	3/1/2027			252,550		
	9/1/2027	405,000	5.000%	252,550	910,100	9,940,000
2028	3/1/2028			242,425		
	9/1/2028	425,000	5.000%	242,425	909,850	9,515,000
2029	3/1/2029			231,800		
	9/1/2029	445,000	5.000%	231,800	908,600	9,070,000
2030	3/1/2030			220,675		
	9/1/2030	470,000	5.000%	220,675	911,350	8,600,000
2031	3/1/2031			208,925		
	9/1/2031	490,000	5.000%	208,925	907,850	8,110,000
2032	3/1/2032			196,675		
	9/1/2032	515,000	5.000%	196,675	908,350	7,595,000
2033	3/1/2033			183,800		
	9/1/2033	545,000	5.000%	183,800	912,600	7,050,000
2034	3/1/2034			170,175		
	9/1/2034	570,000	5.000%	170,175	910,350	6,480,000
2035	3/1/2035			155,925		
	9/1/2035	595,000	4.000%	155,925	906,850	5,885,000
2036	3/1/2036			144,025		
	9/1/2036	620,000	4.000%	144,025	908,050	5,265,000
2037	3/1/2037			131,625		
	9/1/2037	645,000	5.000%	131,625	908,250	4,620,000
2038	3/1/2038			115,500		
	9/1/2038	680,000	5.000%	115,500	911,000	3,940,000
2039	3/1/2039			98,500		
	9/1/2039	715,000	5.000%	98,500	912,000	3,225,000
2040	3/1/2040			80,625		
	9/1/2040	750,000	5.000%	80,625	911,250	2,475,000
2041	3/1/2041			61,875		
	9/1/2041	785,000	5.000%	61,875	908,750	1,690,000
2042	3/1/2042			42,250		
	9/1/2042	825,000	5.000%	42,250	909,500	865,000
2043	3/1/2043			21,625		
	9/1/2043	865,000	5.000%	21,625	908,250	-
<b>Total</b>		<b>\$ 10,730,000</b>		<b>\$ 5,642,300</b>	<b>\$ 16,372,300</b>	

All-In True Interest Cost .....4.478844%



# NOTES PAYABLES

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

<b>Dated:</b>	June 30, 2015
<b>Purpose:</b>	The Bonds were issued for the purpose of refinancing the outstanding \$94,740,000 of the Water and Sewer Revenue Bonds, Series 2006. This reduced the debt service payment over 21 years by \$15,191,723 and obtained an economic gain of \$10,103,869.
<b>Payment Dates:</b>	Quarterly principal and interest payable on April 1 <sup>st</sup> , July 1 <sup>st</sup> , October 1 <sup>st</sup> , and January 1 <sup>st</sup>
<b>Security:</b>	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 2011; (2) Water and Sewer Refunding Revenue Bonds, Series 2011A; (3) Water and Sewer Refunding Revenue Bonds, Series 2015; (4) Water and Sewer Refunding Revenue Bonds, Series 2015A, and (5) Water and Sewer Refunding Revenue Bonds, Series 2017.
<b>Debt Ordinance:</b>	No. 4-15 enacted on January 26, 2015
<b>Debt Resolution:</b>	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
<b>Insurer:</b>	N/A
<b>Ratings:</b>	N/A

**Redemption Provisions:**

The Bonds are subject to optional redemption.

**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
						\$ 33,680,000
2026	1/1/2026	\$ 2,010,000	3.000%	\$ 252,600		
	4/1/2026	2,010,000	3.000%	237,525		
	7/1/2026	2,010,000	3.000%	222,450		
	10/1/2026	2,015,000	3.000%	207,375	\$ 8,964,950	25,635,000
2027	1/1/2027	2,070,000	3.000%	192,263		
	4/1/2027	2,070,000	3.000%	176,738		
	7/1/2027	2,070,000	3.000%	161,213		
	10/1/2027	2,080,000	3.000%	145,686	8,965,900	17,345,000
2028	1/1/2028	2,140,000	3.000%	130,087		
	4/1/2028	2,135,000	3.000%	114,038		
	7/1/2028	2,135,000	3.000%	98,025		
	10/1/2028	2,135,000	3.000%	82,013	8,969,163	8,800,000
2029	1/1/2029	2,200,000	3.000%	66,000		
	4/1/2029	2,200,000	3.000%	49,500		
	7/1/2029	2,200,000	3.000%	33,000		
	10/1/2029	2,200,000	3.000%	16,500	8,965,000	-
Total		\$ 33,680,000		\$ 2,185,013	\$ 35,865,013	

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

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A group of white and grey swans are gathered in a pond. The background is filled with tall, golden-brown grasses and green foliage. The water is calm, reflecting the birds and the surrounding vegetation. A teal banner with white text is overlaid on the bottom portion of the image.

# STATE REVOLVING FUND LOANS

**\$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 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 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.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

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

Fiscal Year	Payment Date	Principal Payment	Interest Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 33,081,232
2026	12/15/2025	\$ 1,345,444	1.980%	\$ 345,422		
	6/15/2026	1,359,480	1.980%	331,386	\$ 3,381,732	30,376,308
2027	12/15/2026	1,373,663	1.980%	317,203		
	6/15/2027	1,387,995	1.980%	302,870	3,381,731	27,614,650
2028	12/15/2027	1,402,478	1.980%	288,387		
	6/15/2028	1,417,114	1.980%	273,752	3,381,731	24,795,058
2029	12/15/2028	1,431,903	1.980%	258,962		
	6/15/2029	1,446,849	1.980%	244,017	3,381,731	21,916,306
2030	12/15/2029	1,461,951	1.980%	228,915		
	6/15/2030	1,477,212	1.980%	213,653	3,381,731	18,977,143
2031	12/15/2030	1,492,634	1.980%	198,231		
	6/15/2031	1,508,219	1.980%	182,647	3,381,731	15,976,290
2032	12/15/2031	1,523,967	1.980%	166,899		
	6/15/2032	1,539,881	1.980%	150,985	3,381,732	12,912,442
2033	12/15/2032	1,555,963	2.420%	134,903		
	6/15/2033	1,572,214	2.420%	118,652	3,381,732	9,784,265
2034	12/15/2033	1,588,636	2.420%	102,230		
	6/15/2034	1,605,231	2.420%	85,635	3,381,732	6,590,398
2035	12/15/2034	1,622,001	2.420%	68,865		
	6/15/2035	1,638,947	2.420%	51,918	3,381,731	3,329,450
2036	12/15/2035	1,656,072	2.420%	34,793		
	6/15/2036	1,673,378	2.420%	17,487	3,381,730	-
Total		\$ 33,081,232		\$ 4,117,812	\$ 37,199,044	

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**\$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 Principal and Interest 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 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.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

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

Fiscal Year	Payment Date	Principal Payment	Interest Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 7,616,512
2026	12/15/2025	\$ 309,229	2.120%	\$ 80,735		
	6/15/2026	312,506	2.120%	77,457	\$ 779,927	6,994,777
2027	12/15/2026	315,819	2.120%	74,145		
	6/15/2027	319,167	2.120%	70,797	779,928	6,359,791
2028	12/15/2027	322,550	2.120%	67,414		
	6/15/2028	325,969	2.120%	63,995	779,928	5,711,272
2029	12/15/2028	329,424	2.120%	60,540		
	6/15/2029	332,916	2.120%	57,048	779,928	5,048,932
2030	12/15/2029	336,445	2.120%	53,519		
	6/15/2030	340,011	2.120%	49,952	779,927	4,372,476
2031	12/15/2030	343,615	2.120%	46,348		
	6/15/2031	347,258	2.120%	42,706	779,927	3,681,603
2032	12/15/2031	350,939	2.120%	39,025		
	6/15/2032	354,659	2.120%	35,305	779,928	2,976,005
2033	12/15/2032	358,418	2.120%	31,546		
	6/15/2033	362,217	2.120%	27,746	779,927	2,255,370
2034	12/15/2033	366,057	2.120%	23,907		
	6/15/2034	369,937	2.120%	20,027	779,928	1,519,377
2035	12/15/2034	373,858	2.120%	16,105		
	6/15/2035	377,821	2.120%	12,143	779,925	767,699
2036	12/15/2035	381,826	2.120%	8,138		
	6/15/2036	385,873	2.120%	4,090	779,927	-
Total		\$ 7,616,512		\$ 962,687	\$ 8,579,199	

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**\$124,436,105**  
**State Revolving Fund Loan**  
**#DW360130**

**Dated:** September 6, 2017

**Purpose:** The Loan was issued for the purpose of furnishing all labor, materials, and equipment to construct the North 2 transmission and distribution facilities.

**Payment Dates:** Semiannual Principal and Interest 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 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.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$124,436,105**  
**State Revolving Fund Loan**  
**#DW360130**

Fiscal Year	Payment Date	Principal Payment	Interest Rate	Interest Payment	SRF Service Fee	Fiscal Year Debt Service	Outstanding Principal
							\$ 61,600,088
2026	12/15/2025	\$ 1,804,966	1.110%-1.480%	\$ 389,728			
	6/15/2026	1,816,367	1.110%-1.480%	378,328		\$ 4,389,389	57,978,755
2027	12/15/2026	1,827,841	1.110%-1.480%	366,853			
	6/15/2027	1,839,389	1.110%-1.480%	355,306		4,389,389	54,311,525
2028	12/15/2027	1,851,011	1.110%-1.480%	343,684			
	6/15/2028	1,862,707	1.110%-1.480%	331,987		4,389,389	50,597,807
2029	12/15/2028	1,874,479	1.110%-1.480%	320,215			
	6/15/2029	1,886,327	1.110%-1.480%	308,368		4,389,389	46,837,001
2030	12/15/2029	1,898,250	1.110%-1.480%	296,444			
	6/15/2030	1,910,250	1.110%-1.480%	284,444		4,389,388	43,028,501
2031	12/15/2030	1,922,328	1.110%-1.480%	272,367			
	6/15/2031	1,934,483	1.110%-1.480%	260,212		4,389,390	39,171,690
2032	12/15/2031	1,946,716	1.110%-1.480%	247,979			
	6/15/2032	1,959,028	1.110%-1.480%	235,667		4,389,390	35,265,946
2033	12/15/2032	1,971,419	1.110%-1.480%	223,276			
	6/15/2033	1,983,889	1.110%-1.480%	210,805		4,389,389	31,310,638
2034	12/15/2033	1,996,440	1.110%-1.480%	198,254			
	6/15/2034	2,009,072	1.110%-1.480%	185,623		4,389,389	27,305,126
2035	12/15/2034	2,021,785	1.110%-1.480%	172,910			
	6/15/2035	2,034,579	1.110%-1.480%	160,115		4,389,389	23,248,762
2036	12/15/2035	2,047,457	1.110%-1.480%	147,238			
	6/15/2036	2,060,416	1.110%-1.480%	134,278		4,389,389	19,140,889
2037	12/15/2036	2,073,460	1.110%-1.480%	121,235			
	6/15/2037	2,086,587	1.110%-1.480%	108,108		4,389,390	14,980,842
2038	12/15/2037	2,099,799	1.110%-1.480%	94,896			
	6/15/2038	2,113,096	1.110%-1.480%	81,599		4,389,390	10,767,947
2039	12/15/2038	2,126,478	1.110%-1.480%	68,216			
	6/15/2039	2,139,947	1.110%-1.480%	54,748		4,389,389	6,501,522
2040	12/15/2039	2,153,502	1.110%-1.480%	41,192			
	6/15/2040	2,167,145	1.110%-1.480%	27,550		4,389,389	2,180,875
2041	12/15/2040	2,180,875	1.110%-1.480%	13,819		2,194,694	-
<b>Total</b>		<b>\$ 61,600,088</b>		<b>\$ 6,435,443</b>		<b>\$ 68,035,531</b>	

**\$97,000,000**  
**State Revolving Fund Loan**  
**#WW360120**

**Dated:** September 6, 2017

**Purpose:** The Loan was issued for the purpose of furnishing all labor, materials, and equipment to construct the North 2 wastewater collection, reuse and stormwater facilities.

**Payment Dates:** Semiannual Principal and Interest on October 15<sup>th</sup> and April 15<sup>th</sup>.

**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.

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$97,000,000**  
**State Revolving Fund Loan**  
**#WW360120**

Fiscal Year	Payment Date	Principal Payment	Interest Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 80,351,773
2026	10/15/2025	\$ 2,435,098	0.040%-0.720%	\$ 159,222		
	4/15/2026	2,439,854	0.040%-0.720%	154,466	\$ 5,188,640	75,476,821
2027	10/15/2026	2,444,623	0.040%-0.720%	149,696		
	4/15/2027	2,449,406	0.040%-0.720%	144,913	5,188,638	70,582,792
2028	10/15/2027	2,454,204	0.040%-0.720%	140,116		
	4/15/2028	2,459,015	0.040%-0.720%	135,305	5,188,640	65,669,573
2029	10/15/2028	2,463,840	0.040%-0.720%	130,480		
	4/15/2029	2,468,679	0.040%-0.720%	125,641	5,188,640	60,737,054
2030	10/15/2029	2,473,532	0.040%-0.720%	120,788		
	4/15/2030	2,478,399	0.040%-0.720%	115,921	5,188,640	55,785,123
2031	10/15/2030	2,483,280	0.040%-0.720%	111,039		
	4/15/2031	2,488,175	0.040%-0.720%	106,144	5,188,638	50,813,668
2032	10/15/2031	2,493,085	0.040%-0.720%	101,235		
	4/15/2032	2,498,008	0.040%-0.720%	96,311	5,188,639	45,822,575
2033	10/15/2032	2,502,946	0.040%-0.720%	91,373		
	4/15/2033	2,507,898	0.040%-0.720%	86,421	5,188,638	40,811,731
2034	10/15/2033	2,512,865	0.040%-0.720%	81,454		
	4/15/2034	2,517,846	0.040%-0.720%	76,473	5,188,638	35,781,020
2035	10/15/2034	2,522,842	0.040%-0.720%	71,478		
	4/15/2035	2,527,852	0.040%-0.720%	66,468	5,188,640	30,730,326
2036	10/15/2035	2,532,876	0.040%-0.720%	61,443		
	4/15/2036	2,537,915	0.040%-0.720%	56,404	5,188,638	25,659,535
2037	10/15/2036	2,542,969	0.040%-0.720%	51,351		
	4/15/2037	2,548,037	0.040%-0.720%	46,282	5,188,639	20,568,529
2038	10/15/2037	2,553,120	0.040%-0.720%	41,199		
	4/15/2038	2,558,218	0.040%-0.720%	36,101	5,188,638	15,457,191
2039	10/15/2038	2,563,330	0.040%-0.720%	30,989		
	4/15/2039	2,568,458	0.040%-0.720%	25,861	5,188,638	10,325,403
2040	10/15/2039	2,573,600	0.040%-0.720%	20,719		
	4/15/2040	2,578,757	0.040%-0.720%	15,562	5,188,638	5,173,047
2041	10/15/2040	2,583,930	0.040%-0.720%	10,390		
	4/15/2041	2,589,117	0.040%-0.720%	5,202	5,188,639	-
Total		\$ 80,351,773		\$ 2,666,447	\$ 83,018,220	



# 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 of \$9,939,840.

**Refunding:** The Bonds refunded are as follows:

Debt Issues	Amounts
Water Improvement Assessment Bonds, (SW3 Area), Series 2003	\$ 1,660,000
Wastewater and Irrigation Water Ref Assessment Bonds (SW1,PI,& SW3 Areas), Series 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	\$ 101,155,000

**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:	Insured	Underlying
Moody’s	A2	NR
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.



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

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$ 10,140,000
2026	3/1/2026			\$ 144,175		
	9/1/2026	\$ 6,340,000	2.750%	144,175	\$ 6,628,350	3,800,000
2027	3/1/2027			57,000		
	9/1/2027	3,305,000	3.000%	57,000	3,419,000	495,000
2028	3/1/2028			7,425		
	9/1/2028	495,000	3.000%	7,425	509,850	-
<b>Total</b>		<b>\$ 10,140,000</b>		<b>\$ 417,200</b>	<b>\$ 10,557,200</b>	

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

**\$138,040,000**  
**Utility Improvement Assessment Bonds, Series 2023**

**Dated:** November 9, 2023

**Purpose:** The Bonds are being issued for the purpose of (i) financing the development, construction of certain potable water, wastewater and irrigation water utility capital improvements within the North 1 West Area and refunding a portion of the City's outstanding Water and Sewer Revenue Bond, Series 2020 (\$3,794,527).

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

**Security:** The Assessment Bonds are secured by special assessment proceeds and used to pay deficiencies from the net revenue of its water and sewer system.

**Debt Ordinance:** No. 82-23 enacted on October 4, 2023

**Debt Resolution:** No. 272-23 adopted on October 4, 2023

**Insurer:** Build America Mutual Assurance Company

**Ratings:**

	<u>Insured</u>	<u>Underlying</u>
Fitch	A	A
Moody's	A2	A2

**Redemption Provisions:**

The Bonds maturing on March 1, 2035 will be subject to mandatory redemption prior to the maturity.

**Optional Redemption:**

The Bonds may be redeemed prior to their respective dates of maturity at any time on or after March 1, 2034 at the redemption price in whole or in part

**Debt Service Schedule:**

A detailed debt service schedule is on the following page.

**\$138,040,000**  
**Utility Improvement Assessment Bonds, Series 2023**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
						\$134,820,000
2026	3/1/2026	\$2,085,000		\$3,643,287		
	9/1/2026		4.200%	3,599,502	\$9,327,790	132,735,000
2027	3/1/2027	2,175,000		3,599,502		
	9/1/2027		4.350%	3,552,196	9,326,699	130,560,000
2028	3/1/2028	2,270,000		3,552,196		
	9/1/2028		4.450%	3,501,689	9,323,885	128,290,000
2029	3/1/2029	2,380,000		3,501,689		
	9/1/2029		4.550%	3,447,544	9,329,232	125,910,000
2030	3/1/2030	2,490,000		3,447,544		
	9/1/2030		4.650%	3,389,651	9,327,195	123,420,000
2031	3/1/2031	2,610,000		3,389,651		
	9/1/2031		4.750%	3,327,664	9,327,315	120,810,000
2032	3/1/2032	2,740,000		3,327,664		
	9/1/2032		4.850%	3,261,219	9,328,882	118,070,000
2033	3/1/2033	2,875,000		3,261,219		
	9/1/2033		5.000%	3,189,344	9,325,562	115,195,000
2034	3/1/2034	3,030,000		3,189,344		
	9/1/2034		5.000%	3,113,594	9,332,937	112,165,000
2035	3/1/2035	3,175,000		3,113,594		
	9/1/2035		5.000%	3,034,219	9,322,812	108,990,000
2036	3/1/2036	3,345,000		3,034,219		
	9/1/2036		5.150%	2,948,085	9,327,304	105,645,000
2037	3/1/2037	3,525,000		2,948,085		
	9/1/2037		5.300%	2,854,672	9,327,757	102,120,000
2038	3/1/2038	3,715,000		2,854,672		
	9/1/2038		5.300%	2,756,225	9,325,897	98,405,000
2039	3/1/2039	3,925,000		2,756,225		
	9/1/2039		5.500%	2,648,287	9,329,512	94,480,000
2040	3/1/2040	4,150,000		2,648,287		
	9/1/2040		5.500%	2,534,162	9,332,450	90,330,000
2041	3/1/2041	4,380,000		2,534,162		
	9/1/2041		5.500%	2,413,712	9,327,875	85,950,000
2042	3/1/2042	4,620,000		2,413,712		
	9/1/2042		5.500%	2,286,662	9,320,375	81,330,000
2043	3/1/2043	4,885,000		2,286,662		
	9/1/2043		5.500%	2,152,325	9,323,987	76,445,000
2044	3/1/2044	5,165,000		2,152,325		
	9/1/2044		5.600%	2,007,705	9,325,030	71,280,000
2045	3/1/2045	5,460,000		2,007,705		
	9/1/2045		5.600%	1,854,825	9,322,530	65,820,000
2046	3/1/2046	\$5,780,000		1,854,825		
	9/1/2046		5.600%	1,692,985	9,327,810	\$60,040,000

**\$138,040,000**  
**Utility Improvement Assessment Bonds, Series 2023**

Fiscal Year	Payment Date	Principal Payment	Coupon Rate	Interest Payment	Fiscal Year Debt Service	Outstanding Principal
2047	3/1/2047	6,115,000		1,692,985		
	9/1/2047		5.600%	1,521,765	9,329,750	53,925,000
2048	3/1/2048	6,465,000		1,521,765		
	9/1/2048		5.600%	1,340,745	9,327,510	47,460,000
2049	3/1/2049	6,845,000		1,340,745		
	9/1/2049		5.650%	1,147,374	9,333,119	40,615,000
2050	3/1/2050	7,235,000		1,147,374		
	9/1/2050		5.650%	942,985	9,325,359	33,380,000
2051	3/1/2051	7,650,000		942,985		
	9/1/2051		5.650%	726,872	9,319,857	25,730,000
2052	3/1/2052	8,095,000		726,872		
	9/1/2052		5.650%	498,189	9,320,061	17,635,000
2053	3/1/2053	8,570,000		498,189		
	9/1/2053		5.650%	256,086	9,324,275	9,065,000
2054	3/1/2054	9,065,000	5.650%	256,086	9,321,086	-
Total		\$134,820,000		\$135,643,856	\$270,463,856	

All-In True Interest Cost .....5.649539%

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## **OTHER DEBT INFORMATION**

**\$150,000,000**  
**Commercial Paper, Series A**  
**(Taxable) & Series B (Tax-Exempt)**

<b>Dated:</b>	July 17, 2024
<b>Purpose:</b>	The purpose is to facilitate short-term financing for capital improvement needs and requirements which must be acquired, constructed, and equipped in order to maintain and protect the health, safety and welfare of the citizens. Long-term financing will be obtained when it is determined to be most efficient and cost-effective for the City.
<b>Payment Dates:</b>	Interest payable at maturity of each draw
<b>Security:</b>	Commercial paper notes are secured by legally available non-ad valorem revenues which are budgeted and appropriated.
<b>Debt Ordinance:</b>	Ordinance 31-24, dated May 1, 2024 amended Ordinance 56-07 dated June 4, 2007; (Ordinance 56-07 amended original commercial paper program Ordinance 23-04, dated February 23, 2004)
<b>Debt Resolution:</b>	No. 231-24 adopted on July 17, 2024
<b>Ratings:</b>	Moody's assigned P-1
<b>Draws-to-date:</b>	The City has drawn \$46 million of Taxable CP and \$24.7 million of Tax-Exempt CP as of September 30 <sup>th</sup> , 2025. The individual draws have interest payments at each rolled maturity date. These interest expenses are not reflected within the debt schedule and are separate costs to the City. Maturity dates of draws are determined based on the current interest rate environment. On average, they mature every 60-90 days.
<b>Debt Service Schedule:</b>	A detailed debt service schedule for the letters of credit that support the commercial paper program is on the following page.

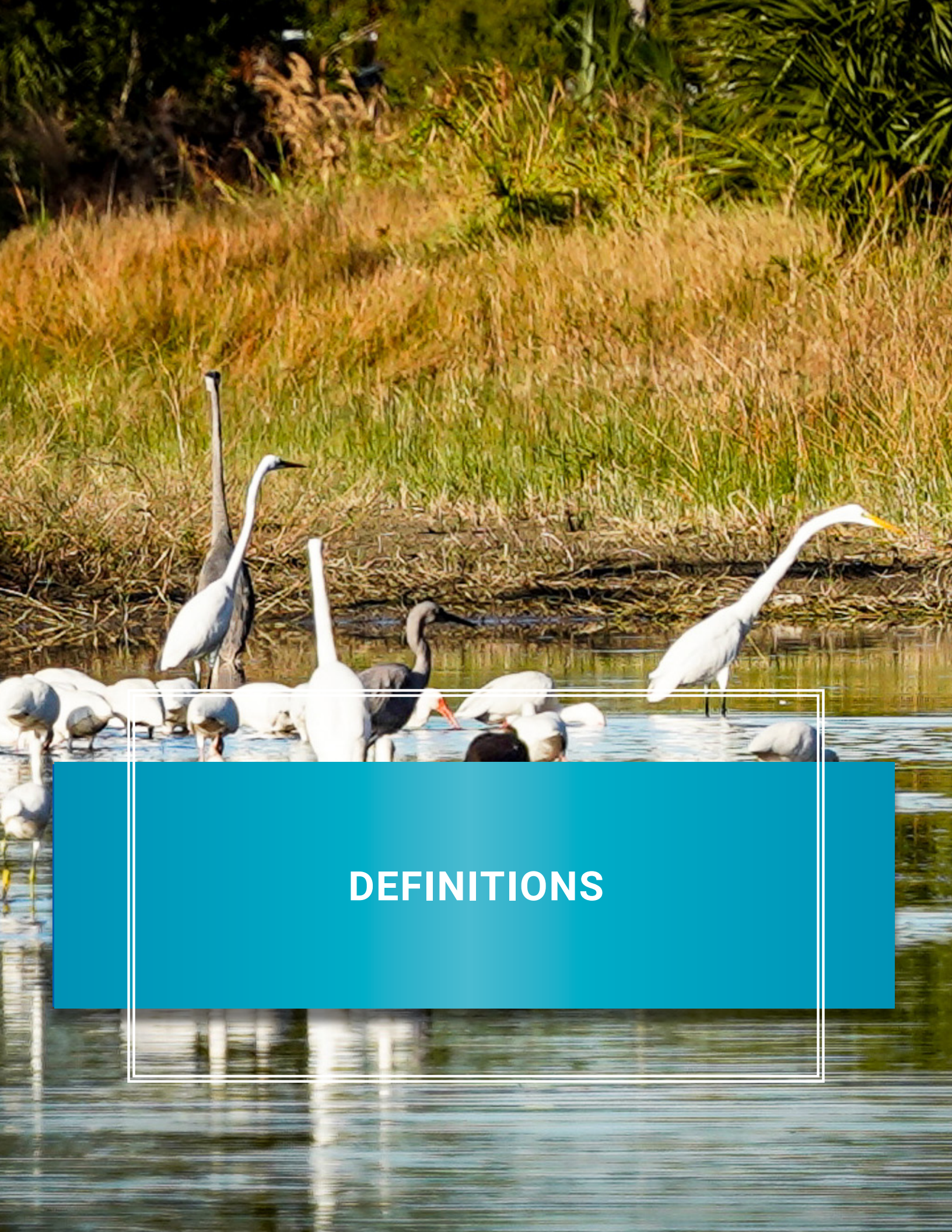
**Commercial Paper, Series 2024**

<b>Fiscal Year</b>	<b>Payment Date</b>	<b>Principal Amount</b>	<b>Interest Payment</b>	<b>Coupon Rate</b>	<b>Fiscal Year Debt Service</b>
2026	9/30/2026	\$70,750,000	\$2,390,218	0.320%	\$73,140,218
<b>Total</b>		<b>\$70,750,000</b>	<b>\$2,390,218</b>		<b>\$73,140,218</b>

## Conduit Debt

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Health Facility Authority is an agency established by the City in 1979 under the authority of Chapter 154, Florida Statutes and City Resolution No.65-15 to serve as a conduit to issue revenue bonds. Within section E-20 of the Bond Agreement states so long as the bonds are outstanding the bonds under law are required to be exempt from federal income taxation under Section 103(A) of the Code.

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. On September 30, 2025, Health Facility Revenue Bonds outstanding aggregated \$71,450,000.



# 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 in Florida may issue bonds or short-term certificates payable from ad valorem taxation if approved by voter referendum.

**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.

**Arbitrage** - The disparity between the tax-exempt borrowing rate (i.e., bond yield) and the overall rate of return on investments (i.e., investment yield).

**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.

**Debt Service Coverage** - The number of times that net revenues cover 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. Common examples include water and wastewater facilities.

**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 or 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, to raise ad valorem taxes 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 and generally are not subject to any volume limits.

**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, considering 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 fewer 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

## CITY OF CAPE CORAL DEBT MANAGEMENT POLICY

### **PURPOSE:**

To establish parameters and guidance for the debt management: issuances, monitoring, and evaluation of all Debt Obligations (defined below) issued by the City of Cape Coral.

### **POLICY:**

It is the policy of the City Council: (a) to periodically approve the issuance of Debt Obligations on behalf of the City to finance the construction, acquisition and/or equipping of infrastructure and other capital assets to meet its governmental obligations to its residents; (b) to approve the issuance of Debt Obligations to refund outstanding debt based on market conditions or management considerations; (c) to issue and administer such Debt Obligations in a manner to ensure and sustain the long-term financial integrity of the City, to achieve the highest possible credit ratings and to preserve and enhance the quality of life, safety and welfare of its residents; (d) to ensure that such Debt Obligations shall not be issued or debt proceeds used to finance current operating expenditures of City government except as provided for herein; and (e) to issue or support, if necessary, Debt Obligations on behalf of dependent authorities and agencies of the City to finance the construction, acquisition and/or equipping of infrastructure and capital assets which serve a public purpose and further the goals of City government.

The term “Debt Obligations” and/or “Governmental Debt Obligations” shall mean bonds, notes, letters and lines of credit, and other securities issued by the City to fund a capital project providing a public benefit and secured by a pledge on a specific revenue source or a covenant to budget and appropriate specific and/or non-ad valorem revenues.

### **RESPONSIBILITIES:**

It is the responsibility of the Financial Services Department, under the direction of the City Manager, to implement this policy.



## I. PURPOSE

The purpose of the Debt Policy (the “Policy”) adopted by the City Council is to establish parameters and guidelines governing the issuance, management and evaluation of all Debt Obligations issued by the City of Cape Coral and to provide a basis for the preparation and implementation of procedures necessary to ensure compliance and conformity with the Policy. Capitalized terms shown herein are defined on Exhibit I.

## II. POLICY STATEMENT

Under the governance and guidance of Federal and State law and the City of Cape Coral Charter, ordinances and resolutions, the City may periodically issue Debt Obligations to finance or refinance the construction, reconstruction, acquisition and/or equipping of infrastructure and other assets for the purpose of meeting its governmental obligation to its residents. It is the City’s desire and direction to ensure that such Debt Obligations are issued and administered in a manner to create the best long-term financial position for the City and its residents, while making every effort to maintain and improve the City’s bond ratings and reputation in the investment community.

The City may also decide to issue or support, if necessary, Debt Obligations on behalf of other governmental agencies or authorities for the purpose of constructing facilities or capital assets furthering the City’s goals and objectives of providing service to its residents.

## III. GENERAL INTENT OF DEBT POLICY

The following are statements of the Policy’s general intent concerning the issuance and management of debt:

- A. The City of Cape Coral will not issue Debt Obligations or use debt proceeds to finance current operating and maintenance expenditures unless due to a natural disaster or other emergency.
- B. The City of Cape Coral will utilize Debt Obligations only for capital improvement projects that cannot feasibly be funded from current revenue sources given the City’s other operating and maintenance needs and/or in cases in which it is more equitable to finance the project over its useful life.
- C. The City will evaluate the impact of the debt service requirements of outstanding and proposed Debt Obligations over the near and long term. This evaluation will consider debt service maturities and payment patterns as well as the City’s commitment to a “pay-as-you-go” capital funding approach where feasible.

## IV. SPECIFIC INTENT OF DEBT POLICY

The following are descriptions of the Policy’s specific intent regarding the application of targets, ratios, and measurements to outstanding and proposed Debt Obligations:

- Measurements of Future Flexibility
- Targets, Ratios & Measurements: Governmental Debt Obligations
- Targets, Ratios & Measurements: Enterprise Debt Obligations

(See the City’s Annual Credit Report for detailed information on limits, targets, and actual performance.)

### A. Measures of Future Flexibility

As the City periodically addresses its capital needs, the City Manager and the City Council should ensure that future elected officials will have the flexibility, to the greatest extent possible, to meet the ongoing capital asset needs of the City. Since neither State law nor the City Charter provides limits on the amount of debt that may be incurred (other than the requirement to have G.O. debt approved in advance by referendum), it is the intent of the Policy to establish the following targets and measurements to quantify the City’s future flexibility to issue Debt Obligations.

General Government Debt Service as a percentage of Non-Ad Valorem General Fund Revenues:

- Debt Limit 20%
- Target 15%

#### **B. Targets, Ratios and Measures: Governmental Debt Obligations**

The following targets, ratios and measures will govern the issuance and administration of Governmental Debt Obligations:

1. Purposes of Issuance - The City will issue Debt Obligations to finance or refinance the acquisition, construction, reconstruction and/or equipping of Capital Improvements or to refinance existing Debt Obligations. The City Council must approve all public purpose Capital Projects prior to funding.
2. 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; or (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.
3. Direct Debt Per Capita - 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 Debt Per Capita 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. [Note: See Annual City Credit Report for definitions, medians, and calculation of ratios.]
4. 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. In any case, such 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. [Note: See Annual City Credit Report for definitions, medians and calculation of ratios.]
5. Capitalized Interest (Funded Interest) - Subject to federal and state law, interest on debt may be capitalized from the date of issuance through the completion of construction or other reasonable and necessary time period. Interest may also be capitalized for projects in which the revenue designated to pay debt service on the bonds will be collected at a future date. If the project is financed with short-term commercial paper, interest may be capitalized beyond the project completion date to ensure efficient management of the long-term financing strategy.
6. Bond Covenants and Laws - The City will comply with all covenants and requirements of the bond resolutions, and state and federal laws authorizing and governing the issuance and administration of Debt Obligations.
7. Anti-Dilution of City Non-Ad Valorem Revenues - Non-Ad Valorem Revenues shall cover projected maximum annual debt service by at least 1.5 times; and maximum annual Non-Ad Valorem debt service for all debt will not exceed twenty percent (20%) of Governmental Fund revenues, exclusive of (i) ad valorem tax revenues and (ii) any debt proceeds of debt.

### C. Targets, Ratios and Measures: Enterprise Debt

**Enterprise Funds currently include the three enterprise systems of the City. Those that may incur debt obligations include the water/wastewater system, the stormwater system, and the yacht basin. Such funds may periodically change.**

1. Purposes of Issuance - The City will issue Enterprise Debt Obligations only for the purposes of financing or refinancing the acquisition, construction, reconstruction, equipping or refinancing of Capital Improvements for each System, unless otherwise required due to a natural disaster or other emergency.
2. Year End Surpluses - To the extent available and subject to appropriation, Year End Surpluses shall be used first to meet any requirements of the bond resolutions; second, to replenish reserves according to established policies; third, to provide pay-as-you-go funding for capital projects or to be accumulated for funding capital projects or maintenance; fourth, to provide a reserve for future needs; and fifth, to reduce the amount of Enterprise Debt Obligations, either by funding capital projects previously approved for debt financing, or by redeeming or defeasing outstanding Enterprise Debt Obligations, as recommended by the City Manager and approved by the City Council.
3. Maximum Maturity - All Enterprise Debt Obligations shall have a maximum maturity of the earlier of: (i) the useful life of the Capital Improvement financed; or (ii) thirty years; or (iii) in the event they are being issued to refinance outstanding Enterprise Debt Obligations, the final maturity of the Enterprise Obligations refinanced, unless the Financial Services Director recommends and City Council finds that there is an overriding business reason and public purpose to extend the maturity.
4. Capitalized Interest (Funded Interest Expenditures) - Same as above considerations for Governmental Debt Obligations.
5. Debt Service Coverage Ratio - The City will strive to maintain a Debt Service Coverage Ratio for the Enterprise System at or above any proposed target for each individual System.
6. Bond Covenants and Laws - The City will comply with all covenants and requirements of the bond resolutions, and state and federal laws authorizing and governing the issuance and administration of Debt Obligations.

### OVERVIEW

As the demand for public sector investment in infrastructure continues to grow, the issuance of debt is an increasingly important component of state and local government capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects at the state and local level, it also requires careful monitoring to ensure the sustainability of the government's financial position.

The national credit rating agencies, Moody's Investors Service, Standard & Poor's, and Fitch Rating Service (the "Rating Agencies") actively monitor the City's overall credit position. The Rating Agencies view the City's long-term planned approach to managing its debt as a credit positive. The Rating Agencies evaluate the fiscal responsibility of the City compared to its adherence to a disciplined approach to borrowing in providing its essential services. The fact that a government has gone to the effort to develop formal debt policies, and to incorporate them into its comprehensive capital improvement program, demonstrates a strong commitment to prudent borrowing practices. This recognition of the importance of sound debt management is a very positive factor in the municipal market's assessment of credit quality.

## GOAL OF DEBT POLICY

The goal of the City of Cape Coral's Debt Policy is to provide guidance for managing the issuance of Debt Obligations and maintaining the City's ability to incur debt at favorable interest rates for capital improvements and equipment deemed by the City Council to be beneficial and necessary for essential services. The Debt Policy identifies debt management goals and standards that the City must consider when committing to fund requests for infrastructure improvements. These policies will guide the City in its evaluation of the impact of each funding decision on the City's debt capacity and credit quality.

## PROCEDURES

### Review of Proposed Capital Budget

The Financial Services Director will review capital projects proposed to be financed with debt for compliance with the Debt Policy and will put forth to the City Manager and City Council the appropriate structure of such debt.

In formulating recommendations, the Financial Services Director shall consider:

1. The impact of such debt on the City's debt capacity.
2. The ongoing impact of the financed project on the City's operating budget.
3. The legality of the use of and availability of revenue for the repayment of such debt.
4. The appropriateness of issuing such debt considering the government's current and long-term goals and the cost of administering the debt.
5. The impact of the debt on the general economy of the City and its residents; and
6. Other relevant factors.

### Establishment of Schedule for the Issuance of Debt Obligations

Upon adoption of the Capital Budget, the Financial Services Management Department will review the approved budget and will establish a proposed schedule for the sale of Debt Obligations during the ensuing fiscal year and for the remaining five years of the City's Capital Improvement Program. In so doing, they will consider any existing bond proceeds that may be reprogrammed to finance new projects, the timing of cash flow needs of the projects, reasonable expectations of market interest rate movements given that they cannot be predicted with any certainty, and such other factors as they may deem relevant. It is understood that due to market considerations, changes in size and/or timing of capital projects, and other factors outside the control of the City, the schedule for the sale of Debt Obligations is a planning tool only, and not a commitment by the City to sell such Debt Obligations at such time.

### Method of Sale

All new money and refunding Debt Obligations of the City will be sold by either competitive bid or negotiated sale. An analysis will be performed on a case-by-case basis regarding the method of sale, taking into account the complexity of the transaction, the pledged revenue, credit quality, market conditions, ability to premarket the bonds to potential investors, and other factors in making a determination. The City may choose to establish an underwriting team via RFP or other method from which to select one or more underwriting firms for a negotiated sale based on the characteristics of the proposed sale.



### Consideration of Fixed Versus Variable Rate Debt

In the municipal marketplace, long-term Debt Obligations have typically been structured as fixed rate debt. Amortized over 20, 25 or 30 years, these amortization periods reflect the “long end” of the yield curve. Variable rate markets (typically involving repricing increments of less than one year), focus on the “short end” of the yield curve.

The difference in short versus long-term rates varies with the shape of the yield curve. A potential detriment to the variable rate strategy is the uncertainty of the direction and magnitude of future market changes. With fixed rate Debt Obligations, there is a fixed payment schedule over the life of the debt issue.

In a variable rate program, the issuer is subject to the risk of interest rate volatility (i.e., the risk of cyclical increases and decreases in interest rates in the marketplace over time). However, the historical average of variable rate debt has been at lower levels than long-term fixed rate indices and is generally able to create a natural hedge against changes in the City’s short-term investment portfolio.

Variable rate debt should be used for three purposes: (1) as an interim financing device, (2) as an integral portion of a long-term strategy, and (3) to better match the average life of the City’s assets to its liabilities. Given the possibility that the need for project financing may not coincide with attractive market interest rates, having a variable rate program to provide for the timely initiation of projects provides flexibility to the City. At project initiation, the long-term fixed interest rate market, individual project size and/or the forecast for the direction of interest rates may individually or collectively indicate that a long-term borrowing is not efficient.

Historically, the City has incurred no variable rate debt on a long-term basis, however it has developed a variable rate Commercial Paper program for short-term borrowings to avoid the inefficiency of borrowing for small projects by aggregating these projects into a combined financing timed to take advantage of favorable interest rates. A policy of maintaining a portion of the City’s Debt Obligations in either the short-term variable rate market or the intermediate term market (where bonds are repriced incrementally for periods of one-to-fifteen-year terms) may be advantageous under certain circumstances.

When the cycle of long-term rates moves down to or near historic lows, consideration will be given to fixing (i.e., converting to a fixed rate) all or a portion of the then outstanding variable rate debt, to take advantage of the attractive long-term fixed rates.

### Derivative or Synthetic Debt Securities

The risks associated with derivatives and synthetic debt have caused challenges to governmental and not-for-profit issuers over the past 20 years. Given the complexity, compensation, and risks embedded in derivatives and swap transactions, most general governmental issuers are not entering into interest rates swaps at this time. The use of derivative securities by the City should be considered only upon the recommendation of the Financial Services Director, in conjunction with the advice of knowledgeable and experienced experts, such as the City’s Financial Advisor. The City will adopt a separate derivative management policy if it anticipates entering into such securities which takes into account the following considerations at a minimum:

1. The credit rating of the derivative provider (i.e., counterparty) will be in the top two rating categories of the national bond rating agencies.
2. In the event of a downgrade of the counterparty’s credit rating below the minimum credit requirement set forth in each negotiated derivative agreement, the City will have the ability to direct the counterparty to assign its rights and obligations to a substitute counterparty that meets the minimum requirement. Alternatively, at the City’s discretion, the counterparty may enter into a credit annex agreement with the City and collateralize its obligation to the City with U.S. Treasury Securities in the event of a credit downgrade.

3. Provisions for terminating or assigning the agreement with the counterparty will minimize, to the extent possible, any economic loss to the City.
4. Unless the Financial Services Director finds a compelling financial benefit to justify a recommendation that the City assume tax risk, the counterparty will accept the risk of taxability in the event that the City's agreement to issue tax-exempt debt as a part of the derivative transaction is impaired by federal legislation or judicial ruling; and
5. The Financial Services Director will determine that any risks to the City as a result of entering into the transaction (e.g., counter party risk, termination risk, rollover risk, basis and tax event risk) have been mitigated to the extent possible under prevailing market conditions, and that the credit rating of the City will not be negatively impacted.

## REPORTING, MONITORING, AND ASSESSMENT OF POLICY IMPLEMENTATION

### Annual Credit Report

The Financial Services Department will prepare and release an Annual Credit Report to the City Council as soon as practicable at the end of each fiscal year which includes the following elements:

1. Calculations of the appropriate ratios to evaluate the City's credit, and that of its various Enterprise Systems.
2. Information related to any significant events affecting outstanding Debt,
3. An evaluation of savings related to any refinancing activity; and
4. Detailed descriptions, individual and aggregate schedules and summaries of the City's outstanding debt.

### Report to Bondholders

By April 30 of each year, the City will prepare and release to all interested parties an Annual Secondary Market Disclosure Report required under the Continuing Disclosure Rules promulgated by the S.E.C. [S.E.C. Rule 15c2-12(b) (5)]. The information presented on the General Government and on each Enterprise System shall comply with the disclosure obligations set forth in the Disclosure Certificates issued with its Debt Obligations, and may include information on the following: service areas, rates and charges, financial statement excerpts, outstanding debt, a summary of certain bond resolution provisions, and such other information as the City shall be required to disclose to the investment community. The report will also include, by attachment, the most recent audited Financial Statements of the City.

### Tax Law Compliance Monitoring

The City will comply with the following two rules: (a) arbitrage and rebate; and (b) use of bond proceeds and of bond financed facilities. The Financial Services Director will be responsible for coordinating the compliance activities including: (1) due diligence review at regular intervals; (2) training for responsible individuals; (3) retention of adequate records to substantiate compliance; (4) identify areas that are most susceptible to noncompliance; and (5) procedures to correct identified noncompliance in a timely manner.

### Disclosure Policies and Procedures

The City will comply with the following disclosures policies and procedure by issuers, which are generally made in three contexts: (1) primary market disclosure through offering documents prepared for primary offerings of securities; (2) secondary market disclosures prepared in compliance with undertakings under SEC Rule 15c2-12 (the "Rule"); and (3) releases and/or statements by the issuer and its officials that are reasonably expected to reach investors and the trading markets, such as communications through investor websites, press releases or other public responses.

### General Classification of Debt Obligations

Self-supporting and non-self-supporting Debt Obligations are categorized as either Enterprise or Governmental. The following are examples of appropriate Debt Obligation classification.

#### Enterprise

- Water and Wastewater System
- Stormwater System
- Utility Special Assessment

#### Governmental Self-Supporting Debt Program:

- General Obligation Bonds

#### Non Self-Supporting Debt Program:

- City Facilities
- Tax-exempt and Taxable Commercial Paper

For the purpose of measuring the Governmental debt structure, the City has categorized all non-self-supporting debt as a component of Governmental Debt Obligations. Additionally, the City has categorized all Enterprise debt as self-supporting governmental debt because the revenues collected are intended to be sufficient to pay the debt service on the bonds.

These distinctions recognize that the performance of self-supporting Enterprise Systems should be measured by comparison with the user rates of comparable governmental providers, and that such Debt Obligations do not directly or indirectly place a burden on taxpayers in the form of increased taxes. As long as each Enterprise System's user rates meet the requirements of bond covenants, the debt is not considered part of either the Governmental or tax-supported debt of the City.

Given the basic debt structure of the City as depicted above, the City should consider each new capital project taking into consideration the impact of funding such projects on the creditworthiness of the City. An Enterprise (e.g. Stormwater System, supported by user fees) project that is self-supporting has less impact on the credit of the General Government. A project is not considered self-supporting if General Government revenue is pledged as backup security for the bonds, and it is reasonably expected that governmental revenues may be used to support the project. The funding of non-self-supporting Governmental projects requires careful consideration as to the impact on the overall credit and debt capacity of the City.

**EXHIBIT I - DEFINITIONS OF CERTAIN TERMS  
RATIOS AND MEASUREMENTS**

**Balance Sheet Components and Ratios**

Long-term debt:	Gross long-term plus the current portion of long-term debt
Debt ratio (%):	Net funded debt divided by the sum of net fixed assets plus net working capital

**Income Statement Components and Ratios**

Gross revenue and income:	Operating revenue plus non-operating revenue
Operating and maintenance expenses:	Operating and maintenance expenses net of depreciation, amortization, and interest requirements
Net revenues:	Gross revenue and income less operating and maintenance expenses
Direct debt:	A government unit's gross debt less bonds fully supported from enterprise system self-supporting debt
Operating ratio (%):	Operating and maintenance expenses divided by total operating revenues
Debt service coverage (x):	Net revenues divided by principal and interest requirements for year
Maximum annual debt service coverage (x):	Net revenues divided by estimated maximum annual principal and interest requirements on all outstanding debt and the bonds to be issued.



