



# City of Naples, Florida

## Debt Administration Overview

The City Manager and the Director of Finance are responsible for the administration of the City's debt; however, City Council is ultimately in charge of approval of the form and dollar amount of all of the City's borrowings.

The Debt Management program is part of the comprehensive City of Naples Financial Policy. The details of the outstanding debt obligations such as original amounts, outstanding balances, fiscal year principal and interest are shown in the Debt Summary Schedules in this section.

### Debt Issuance Procedures

Before the issuance of debt, considerations for capital projects to be funded by debt are carefully analyzed against the current and future needs of the City.

The Finance Department, with the aid of its consultants, coordinates the issuance of debt, such as sizing the new issue, structuring the debt, identifying the repayment sources and determining the mix and method of sale. The City, as a practice, structures all long-term debt with prepayment options except when alternative structures are more advantageous. The City's Debt Service requirements reflect its Fiscal Policies regarding the prudent use of tax-exempt financing.

### Legal Debt Limits

There is no limit established by either the City or the State on the amount of debt the City may incur.

Since neither State law nor the City Charter provide any fixed or arbitrary limits on the amount of debt the City may incur, the following guidelines help ensure that the City monitors its debt capability.

	9/30/2012	9/30/2013	9/30/2014	09/30/2015	09/30/2016
Total Outstanding Debt Per Capita	\$2,105	\$1,815	\$1,605	\$1,366	\$1,130
General Obligation Debt per Capita	\$803	\$647	0	0	0
Per capital personal income	\$82,316	\$83,798	\$80,156	\$84,721	\$84,721
<i>Debt per capita Personal Income. A general guide is that general obligation debt per capita should not exceed 2% of per capital income</i>	.97%	.77%	0	0	0

## Debt Administration Overview

---

### Interfund loans

An **interfund loan** is a borrowing between city funds, with or without an interest component. One fund (or funds) provides cash to another fund for some specified purpose, such as capital, operating or cash flow. The fund that received the cash repays it over time.

Under certain circumstances, the City will create an interfund loan to assist a fund in accomplishing a goal of the City. Generally, interfund loans are of a small dollar amount, and of a short term nature, such that costs of a bank loan or bond would have been disproportionate.

The City has not established a policy related to interfund loans, because each need is analyzed on a case by case basis. Terms of interfund loans are extremely flexible but usually include an interest rate for a similar term of the Bloomberg Municipal Bond Index.

The following interfund loans are budgeted and outstanding.

Recipient Fund	Approximate Balance at beginning of year	Expected Payoff
Port Royal Dredging Interfund Loan	\$180,000	2020
East Naples Bay Interfund Loan	\$55,325	2017

### Summary

The City has five debt obligations outstanding.

Series	Approximate Balance at beginning of year	Expected Payoff
2013 Public Service Tax	\$3,502,199	2022
----2013 Public Service Tax (CRA portion)	\$5,049,802	2022
2012A Water Sewer Revenue	\$6,240,000	2027
2012B Water Sewer Revenue	\$3,617,000	2027
2013 State Revolving Fund (SRF) Utility Refunding	\$5,312,194	2022
2015 Bembury Special Assessment	\$593,091	2025

The following pages provide an issue by issue detail of each debt of the City, with a summary of the debt service budgeted for FY 2016-17.

## CITY OF NAPLES

### COMBINED DEBT SERVICE SCHEDULE ALL FINANCING SOURCES

Year Ending 9/30	Principal	Interest	Total Requirement
2017	\$4,448,916	441,153	\$4,890,069
2018	\$4,526,674	364,608	\$4,891,282
2019	\$2,857,971	306,973	\$3,164,944
2020	\$2,916,506	255,998	\$3,172,504
2021	\$3,050,471	203,266	\$3,253,737
2022	\$1,475,125	156,979	\$1,632,104
2023	\$984,909	130,944	\$1,115,852
2024	\$1,011,528	105,420	\$1,116,948
2025	\$1,036,185	79,206	\$1,115,391
2026	\$990,000	52,352	\$1,042,352
2027	\$1,016,000	26,515	\$1,042,515
<b>Total</b>	<b>\$24,314,285</b>	<b>\$2,123,413</b>	<b>\$26,437,698</b>

Includes

Public Utilities Refunding Revenue Bond (Series 2013)  
 Capital Improvement Refunding Revenue Note (Series 2013)  
 Water Sewer (Series 2012 A & B)  
 Bembury Special Assessment Note (2015)

**CITY OF NAPLES**  
**PUBLIC SERVICE TAX REVENUE NOTE, SERIES 2013**

Authorized and Issued: \$14,000,000 Dated: February 27, 2013 Final Maturity: December 1, 2021 Principal and Interest Payment: Monthly Interest Rate: 1.42% Revenue Pledged: Non-Ad Valorem Revenues
--

<b>Public Service Tax Portion</b>	Principal	Interest	Total Payment	Balance Remaining
FY 2016-17	641,305	45,551	\$ 686,856	2,860,894
FY 2017-18	651,134	36,380	\$ 687,514	2,209,760
FY 2018-19	653,181	27,131	\$ 680,312	1,556,578
FY 2019-20	665,467	17,767	\$ 683,234	891,111
FY 2020-21	708,466	8,118	\$ 716,585	182,645
FY 2021-22	182,645	439	\$ 183,084	(0)
<b>CRA Portion</b>				
FY 2016-17	924,695	65,766	\$ 990,461	4,125,107
FY 2017-18	938,866	52,545	\$ 991,411	3,186,240
FY 2018-19	941,819	39,174	\$ 980,993	2,244,422
FY 2019-20	959,533	25,651	\$ 985,184	1,284,889
FY 2020-21	1,021,534	11,736	\$ 1,033,270	263,355
FY 2021-22	263,355	633	\$ 263,988	0
	8,552,000	330,891	8,882,891	

**Total Balance Remaining at 9/30/2017** **\$ 6,986,000**

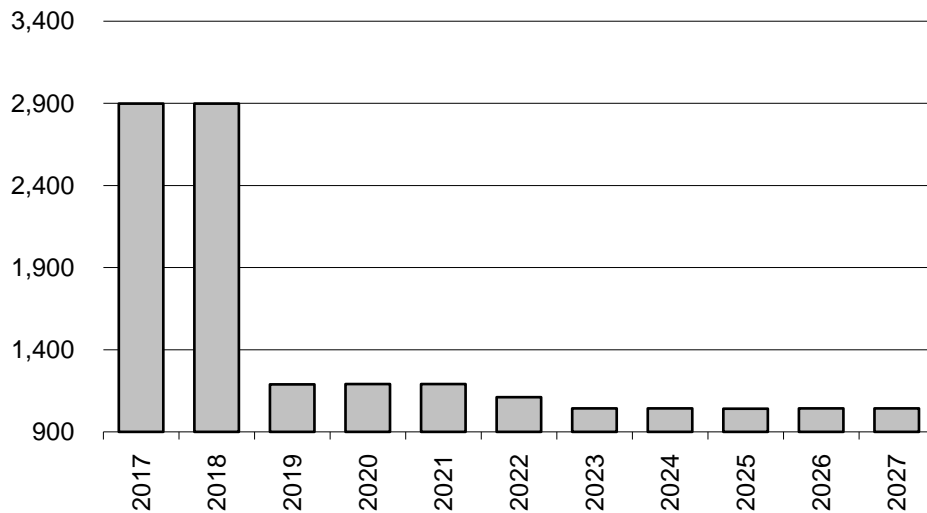
**CITY OF NAPLES**

**WATER & SEWER FUND  
COMBINED DEBT SERVICE SCHEDULE**

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2017	2,597,259	301,741	2,899,000
2018	2,646,515	252,040	2,898,555
2019	968,285	221,551	1,189,836
2020	992,203	198,065	1,190,268
2021	1,016,112	173,979	1,190,091
2022	961,799	149,351	1,111,150
2023	916,000	125,971	1,041,971
2024	941,000	102,066	1,043,066
2025	964,000	77,509	1,041,509
2026	990,000	52,352	1,042,352
2027	<u>1,016,000</u>	<u>26,515</u>	<u>1,042,515</u>
<b>Total</b>	<b>\$14,009,173</b>	<b>\$1,681,141</b>	<b>\$15,690,314</b>

This includes: 2012 Water and Sewer Series A and Series B and Series 2013

**Water/Sewer Debt Service (\$000's Omitted)**



**CITY OF NAPLES**

**WATER AND SEWER REVENUE BONDS - SERIES 2012A**

Type: Revenue Bonds  
 Authorized and Issued: \$8,324,000  
 Dated: March 6, 2012  
 Final Maturity: September 1, 2027  
 Principal Payment: September 1  
 Interest Payment: September 1, March 1  
 Interest Rate: 2.65%  
 Revenue Pledged: Net Revenues of Water and Sewer Systems

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>	<u>Balance Remaining</u>
2017	496,000	165,360	661,360	\$5,744,000
2018	509,000	152,216	661,216	\$5,235,000
2019	523,000	138,728	661,728	\$4,712,000
2020	537,000	124,868	661,868	\$4,175,000
2021	551,000	110,638	661,638	\$3,624,000
2022	565,000	96,036	661,036	\$3,059,000
2023	580,000	81,064	661,064	\$2,479,000
2024	596,000	65,694	661,694	\$1,883,000
2025	611,000	49,900	660,900	\$1,272,000
2026	628,000	33,708	661,708	\$644,000
2027	644,000	17,066	661,066	\$0
<b>Total</b>	<b>\$6,240,000</b>	<b>\$1,035,276</b>	<b>\$7,275,276</b>	

*Purpose: refunding of Series 2007A Bank Loan*

**CITY OF NAPLES**

**WATER AND SEWER REVENUE BONDS - SERIES 2012B**

Type: Revenue Bonds  
 Authorized and Issued: \$4,835,000

Dated: March 6, 2012

Final Maturity: September 1, 2027

Principal Payment: September 1

Interest Payment: September 1, March 1

Interest Rate: 2.54%

Revenue Pledged: Net Revenues of Water and Sewer Systems

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>	<u>Balance Remaining</u>
2017	289,000	91,872	380,872	3,328,000
2018	296,000	84,531	380,531	3,032,000
2019	304,000	77,013	381,013	2,728,000
2020	312,000	69,291	381,291	2,416,000
2021	320,000	61,366	381,366	2,096,000
2022	328,000	53,238	381,238	1,768,000
2023	336,000	44,907	380,907	1,432,000
2024	345,000	36,373	381,373	1,087,000
2025	353,000	27,610	380,610	734,000
2026	362,000	18,644	380,644	372,000
2027	<u>372,000</u>	<u>9,449</u>	<u>381,449</u>	<u>0</u>
<b>Total</b>	<b>\$3,617,000</b>	<b>\$574,294</b>	<b>\$4,191,294</b>	<b>\$18,993,000</b>

*Purpose: Refunding of Series 2007B Bank Loan*

## CITY OF NAPLES

### 2013 Utility Refunding

Refunding of All SRF loans  
Original Issue \$12,225,534.68  
Amount Outstanding - September 30, 2014 : \$9,307,430  
Date of Issue: February 27, 2013  
Final Maturity: October 30, 2021  
Interest Rate: 1.34%

Year	Stormwater Principal	Water/Sewer Principal	Stormwater Interest	Water/Sewer Interest	Total Payment	Balance Remaining
2016-17	225,713	1,812,259	\$14,158	44,509	2,096,639.00	\$ 3,274,222
2017-18	228,806	1,841,515	\$11,114	15,293	2,096,728.00	\$ 1,203,901
2018-19	231,891	141,285	\$8,030	5,811	387,017.00	\$ 830,725
2019-20	235,033	143,203	\$4,903	3,906	387,045.00	\$ 452,489
2020-21	238,578	145,112	\$1,332	1,975	386,997.00	\$ 68,799
2021-22	-	68,799	\$0	77	68,876.00	\$ -
<b>Total</b>	<b>1,160,021</b>	<b>4,152,173</b>	<b>39,537</b>	<b>71,571</b>	<b>5,423,302.00</b>	

Payments are monthly  
Debt is through STI Corporation



**CITY OF NAPLES  
SPECIAL ASSESSMENT REVENUE BONDS  
SERIES 2015**

<p>Authorized and Issued: \$650,000  Dated: May 21, 2015  Final Maturity: July 1, 2015  Principal and Interest Payment: Semi-Annual  Interest Rate: 2.35%  Revenue Pledged: Assessments and Non-Ad Valorem Revenues</p>
---

	<b>\$ 650,000</b>		Total	Balance
	Principal	Interest	Payment	Remaining
				650,000
FY 2015-16	56,909	16,972	\$73,882	593,091
FY 2016-17	59,944	13,938	\$73,882	533,146
FY 2017-18	61,353	12,529	\$73,882	471,794
FY 2018-19	62,795	11,087	\$73,882	408,999
FY 2019-20	64,270	9,611	\$73,882	344,729
FY 2020-21	65,781	8,101	\$73,882	278,948
FY 2021-22	67,326	6,555	\$73,882	211,622
FY 2022-23	68,909	4,973	\$73,882	142,713
FY 2023-24	70,528	3,354	\$73,882	72,185
FY 2024-25	72,185	1,696	\$73,882	-
<b>Total</b>	<b>593,091</b>	<b>71,845</b>	<b>664,935</b>	

*Issued for the Bembury Area Water and Sewer line extensions*

Purchaser is Pinnacle Public Finance Inc.