



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.

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/19	Estimated 9/30/20
Total Outstanding Debt Per Capita	\$1,366	\$1,130	\$1,092	\$1,057	\$930	\$745
General Obligation Debt per Capita	\$0	\$0	\$0	\$0	\$0	\$0
Per capital personal income	\$84,721	\$84,721	\$88,608	\$89,862	\$90,950	\$92,686
Debt per capita Personal Income. A general guide is that general obligation debt per capita should not exceed 2% of per capital income	0	0	0	0	0	0

Debt Administration Overview

Interfund loans

An **interfund loan** allows 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. In the case of the City Dock Fund, it was not fiscally prudent to issue a bond or obtain a bank loan before utilizing the other available city government funds. After consideration of the above factors, interfund loan financing of the City Dock Fund was approved with Resolution 17-13935. During FY 2017-18 the Dock project final cost finished lower than budgeted, therefore staff proceeded to adjust the loan by prepaying \$400,000, thus lowering the annual interest cost.

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 9/30/2020	Expected Payoff
City Dock Fund Interfund Loan	\$5,185,000	2037

Summary

The City has seven debt obligations outstanding noted below.

Series	Approximate Balance 9/30/2020	Expected Payoff
2013 Public Service Tax (see refinancing history below)	\$891,111	2022
-----2013 Public Service Tax (CRA portion)	\$1,284,889	2022
2012A Water Sewer Revenue	\$4,175,000	2027
2012B Water Sewer Revenue	\$2,416,000	2027
2013 State Revolving Fund (SRF) Utility Refunding	\$452,489	2022
2015 Bembury Special Assessment	\$344,729	2025
2018 Capital Improvement Revenue Note – Station 1	\$2,749,070	2028
2019 Gulf/Rosemary Special Assessment Bond	\$3,270,000	2039

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 2020-21. The 2013 Public Service Tax note is a refunding of the 2010 note, which was also a refunding note. The chart below details the background of the 2013 Public Service Tax note, which is further shown on the debt page.

Debt Administration Overview

Public Service Tax refinancing history:

- The purpose of this note was to refund the Series 2010 Capital Improvement Refunding Note
- The purpose of 2010 Capital Improvement Refunding Note was to refund Series 2001 Public Service Tax note, and refund Series 2003 Redevelopment Revenue note, and refund Series 2008 Capital Improvement Note (Parking Garage)
- The purpose of Series 2001 Public Service Tax note was to construct and refinance certain recreation facilities
- The purpose of Series 2003 Redevelopment note was to construct certain infrastructure improvements in the CRA and refund the 1998 Bond which was for the parking garage

CITY OF NAPLES

COMBINED DEBT SERVICE SCHEDULE ALL FINANCING SOURCES

Year Ending 9/30	Principal	Interest	Total Requirement
2021	3,497,375	368,125	\$3,865,500
2022	1,934,606	305,729	\$2,240,335
2023	1,456,203	267,049	\$1,723,251
2024	1,495,878	228,777	\$1,724,655
2025	1,533,840	189,462	\$1,723,303
2026	1,501,215	149,148	\$1,650,363
2027	1,541,039	109,484	\$1,650,523
2028	539,132	79,138	\$618,270
2029	166,000	54,184	\$220,184
2030	170,000	49,868	\$219,868
2031	175,000	45,448	\$220,448
2032	179,000	40,898	\$219,898
2033	184,000	36,244	\$220,244
2034	189,000	31,460	\$220,460
2035	194,000	26,546	\$220,546
2036	199,000	21,502	\$220,502
2037	204,000	16,328	\$220,328
2038	209,000	11,024	\$220,024
2039	215,000	5,590	\$220,590
Total	<u>\$ 15,583,288</u>	<u>\$ 2,036,004</u>	<u>\$ 17,619,292</u>

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)
- Capital Improvement Revenue Note (Series 2018)
- Gulf/Rosemary Special Assessment Bone (Series 2019)

**CITY OF NAPLES
CAPITAL IMPROVEMENT REVENUE NOTE - SERIES 2018**

Type: Revenue Bonds
 Authorized and Issued: \$3,427,883
 Dated: March 23, 2018
 Final Maturity: September 1, 2027
 Principal Payment: July 1
 Interest Payment: January 1, July 1
 Interest Rate: 2.75%
 Revenue Pledged: NON-AD VALOREM REVENUES

Year Ending 9/30	Principal	Interest	Total Requirement	Balance Remaining
2021	311,904	75,599	387,503	\$2,437,166
2022	320,481	67,022	387,503	\$2,116,685
2023	329,294	58,209	387,503	\$1,787,391
2024	338,350	49,153	387,503	\$1,449,041
2025	347,655	39,849	387,504	\$1,101,386
2026	357,215	30,288	387,503	\$744,171
2027	367,039	20,465	387,504	\$377,132
2028	377,132	10,371	387,503	\$0
Total	<u>\$ 3,052,626</u>	<u>\$ 434,903</u>	<u>\$ 3,487,529</u>	

Purpose: Fire Station #1

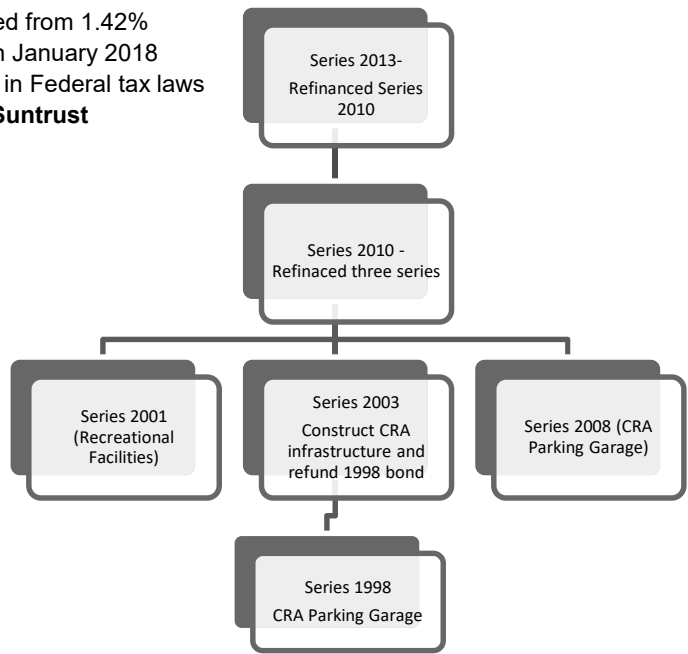
**CITY OF NAPLES
PUBLIC SERVICE TAX REVENUE NOTE, SERIES 2013**

Authorized and Issued: \$14,000,000 Dated: February 27, 2013 Final Maturity: December 1, 2021 Principal and Interest Payment: Monthly Interest Rate: 1.72584% Revenue Pledged: Non-Ad Valorem Revenues

	Public Service Tax Portion			Total	Balance
	Principal	Interest		Payment	Remaining
FY 2020-21	708,466	9,867	\$	718,333	182,645
FY 2021-22	182,645	528	\$	183,173	(0)
CRA Portion					
FY 2020-21	1,021,534	14,227	\$	1,035,761	263,355
FY 2021-22	263,355	762	\$	264,117	0
	<u>3,801,000</u>	<u>78,114</u>		<u>3,879,114</u>	

Total Balance Remaining at 9/30/2021 \$ 446,000

Rates increased from 1.42% to 1.72584% in January 2018 due to change in Federal tax laws
Lender: STI/Suntrust



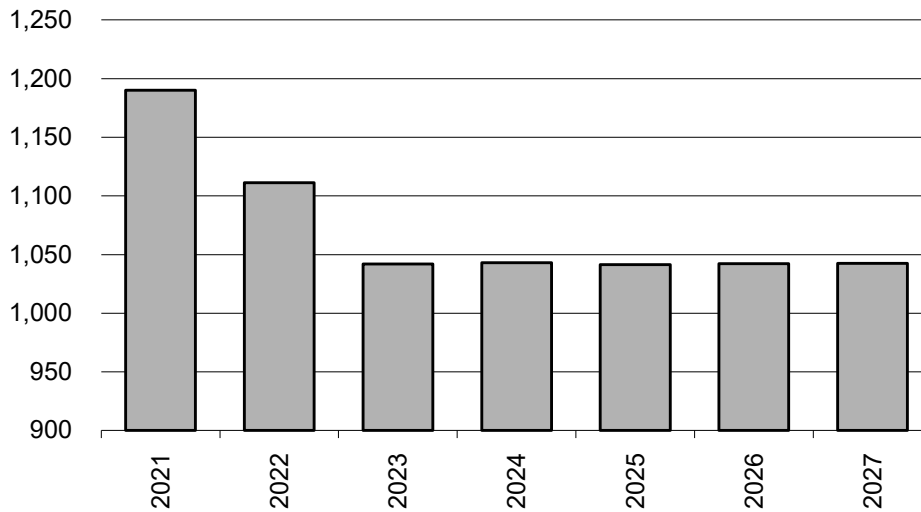
CITY OF NAPLES

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

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
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	1,016,000	26,515	1,042,515
Total	<u>\$ 6,804,911</u>	<u>\$ 707,743</u>	<u>\$ 7,512,654</u>

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>
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	<u>644,000</u>	<u>17,066</u>	<u>661,066</u>	\$0
Total	<u>\$ 4,175,000</u>	<u>\$ 454,104</u>	<u>\$ 4,629,104</u>	

Purpose: refunding of Series 2007A Bank Loan

The 2007 A Bank Loan defeased the 2002 Water and Sewer Revenue Refunding B
 The 2002 Water and Sewer Revenue Refunding Bonds refunded the 1992 bonds
 The 1992 Bonds were issued for wellfields, storage tanks and other system improve

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

Year Ending 9/30	Principal	Interest	Total Requirement	Balance Remaining
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	372,000	9,449	381,449	0
Total	\$ 2,416,000	\$ 251,587	\$ 2,667,587	

Purpose: Refunding of Series 2007B Bank Loan

The 2007B Bank Loan redeemed the 2005 Capital Improvement Note

The 2005 Capital Improvement Note was a short term construction

CITY OF NAPLES

2013 Utility Refunding

Refunding of All SRF loans
 Original Issue \$12,225,534.68
 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
2020-21	238,578	145,112	1,332	1,975	386,997	\$ 68,799
2021-22	0	68,799	0	77	68,876	\$ -
Total	\$ 238,578	\$ 213,911	\$ 1,332	\$ 2,052	\$ 455,873	

The original SRF loans were issued for water and stormwater and were refunded for interest savings

One portion was issued for Wastewater treatment plant upgrades starting in 1996
 a four-year project that cost approximately \$25 million.

One Portion was Issued for Stormwater project for pump stations in Basin VI

*Payments are monthly
 Debt is through STI Corporation*

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

Authorized and Issued: \$650,000
Dated: May 21, 2015
Final Maturity: July 1, 2025
Principal and Interest Payment: Semi-Annual
Interest Rate: 2.35%
Revenue Pledged: Assessments and Non-Ad Valorem Revenues

	Principal	Interest	Total Payment		Balance Remaining
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	\$	-
Total	\$ 344,729	\$ 24,680	\$ 369,409		

*Issued for the Bembury Area Water and Sewer line extensions
Debt is repaid by a special assessment on affected properties*

Purchaser is Pinnacle Public Finance Inc.

CITY OF NAPLES
ASSESSMENT BOND, SERIES 2019 (Gulf/Rosemary)

Type: Assessment Bond
 Authorized and Issued: \$3,377,000
 Dated: September 09, 2019
 Final Maturity: July 1, 2039
 Principal Payment: July 1
 Interest Payment: January 1, July 1
 Interest Rate: 2.60%
 Revenue Pledged: SPECIAL ASSESSMENT

Year Ending 9/30	Principal	Interest	Total Requirement	Balance Remaining
2021	135,000	85,020	220,020	\$3,135,000
2022	139,000	81,510	220,510	\$2,996,000
2023	142,000	77,896	219,896	\$2,854,000
2024	146,000	74,204	220,204	\$2,708,000
2025	150,000	70,408	220,408	\$2,558,000
2026	154,000	66,508	220,508	\$2,404,000
2027	158,000	62,504	220,504	\$2,246,000
2028	162,000	58,396	220,396	\$2,084,000
2029	166,000	54,184	220,184	\$1,918,000
2030	170,000	49,868	219,868	\$1,748,000
2031	175,000	45,448	220,448	\$1,573,000
2032	179,000	40,898	219,898	\$1,394,000
2033	184,000	36,244	220,244	\$1,210,000
2034	189,000	31,460	220,460	\$1,021,000
2035	194,000	26,546	220,546	\$827,000
2036	199,000	21,502	220,502	\$628,000
2037	204,000	16,328	220,328	\$424,000
2038	209,000	11,024	220,024	\$215,000
2039	215,000	5,590	220,590	\$0
Total	\$ 3,270,000	\$ 915,538	\$ 4,185,538	

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