

CITY OF JACKSONVILLE

Debt Overview

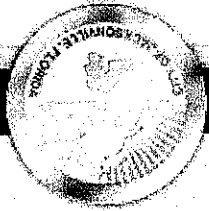
August 30, 2012

City Debt Programs

- Better Jacksonville Plan (Self-Supporting)
- Specific revenue pledges
 - Transportation Sales Tax
 - Infrastructure Sales Tax

- General Fund Supported
 - Covenant pledge

- Specific revenues pledges
 - Excise Taxes
 - Local Government Sales Tax
- Commercial Paper





Debt by Repayment Source

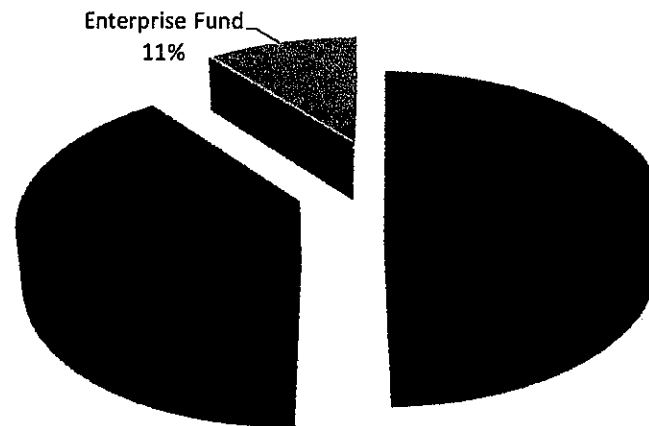
	Debt Obligation by Source					Total
	Better ⁽¹⁾⁽²⁾ Jacksonville	General Fund ⁽³⁾		Enterprise Fund		
		City-wide	Banking Fund	BJP ⁽²⁾	GF ⁽³⁾	
Revenue Specific Pledge	1,084,882,344	668,916,984	241,768,000	129,034,765	167,935,383	2,292,537,476
Covenant Pledge	293,820,000	39,045,000	124,500,000	-	-	457,365,000
Commercial Paper	-	-	27,990,000	-	-	27,990,000
Total	<u>1,378,702,344</u>	<u>707,961,984</u>	<u>394,258,000</u>	<u>129,034,765</u>	<u>167,935,383</u>	<u>2,777,892,476</u>

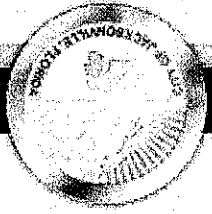
as of July 31, 2012

(1) Inclusive of FDOT State Infrastructure Bank (SIB) loans.

(2) A portion of BJP debt is allocated to the Enterprise Funds. The total BJP debt outstanding is \$1,507,737,109.

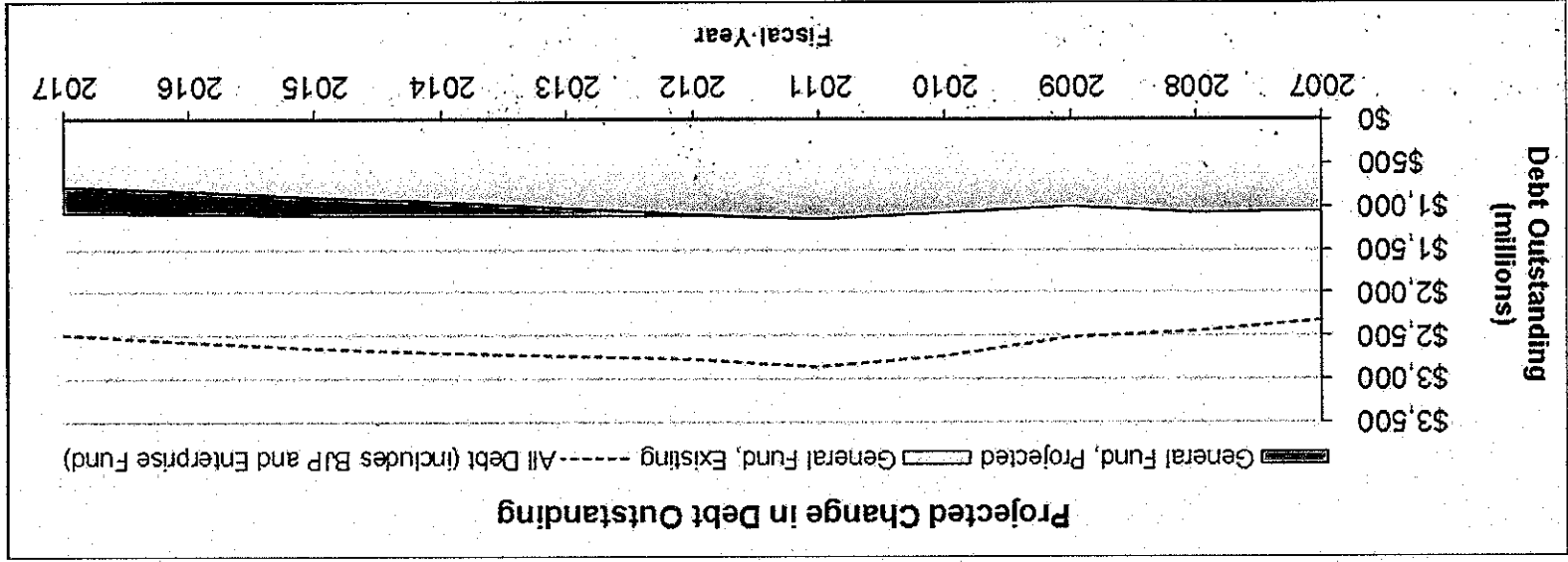
(3) A portion of General Fund debt is allocated to the Enterprise Funds. The total General Fund debt outstanding is \$1,270,155,367.





Changes in Debt Outstanding

- General Fund debt outstanding (including Banking Fund) remains steady
- Includes projected debt related to 5-year CIP

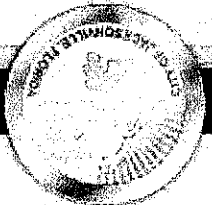




Banking Fund Authorizations

- Authorizations based upon funding requirements outlined in the 5-Year Capital Improvement Plan (CIP)
- Banking Fund budget initially established by Ordinance 2004-785, except as increased from time to time by the City Council either by annual budget ordinance or other ordinance supported by an itemized list of planned expenditures

Banking Fund Authorizations (continued)



2012/2013 Banking Fund Authorized, But Unissued			
Amended All Years	FY 13 Authorization	Prior All Years	
720,445,272	33,427,050	687,018,222	New Projects
(113,651,974)	(8,250,602)	(105,401,372)	Removal of Excess Capacity
606,793,298	25,176,448	581,616,850	Net Projects Authorized
495,456,408	-	495,456,408	Banking Fund Bonds Issued
111,336,890	25,176,448	86,160,442	Authorized, But Unissued
		495,456,408	Banking Fund Bonds Issued
		(101,198,408)	Bonds and Notes Redeemed
		394,258,000	Banking Fund Bonds and Notes Outstanding
		as of 7/31/2012	



Debt Management Tools

- The delegation of the ability to borrow by City Council to the Mayor requires institutionalized best practices and controls
- **Debt Policy management parameters**
 - Debt structuring guidelines
 - Variable rate limitations
 - Use of credit enhancements
 - Establishes Debt Oversight Committee
- **Annual Debt Affordability measurements**
 - Includes impact of 5-year CIP program
 - Debt position measured by standard ratios
 - Establishes targets and comparison to benchmarks

Debt Management Performance



- The City maintains strong credit ratings
- The City is within compliance of its debt thresholds, with the exception of Overall Debt to Estimated Full Value.
- Estimated Full Value is the market value of taxable property
- This measure is under stress reflecting declining property values

Effect of the New Debt Issuance on Debt Ratios

	Forecast			
	2012	2013	Adopted Target	Maximum
Overall Debt to Estimated Full Value	3.65%	3.75%	2.50%	3.50%
Debt Service as a % of General Expenditures	12.33%	12.60%	11.50%	13.00%
(1) Ten Year Principal Paydown	44.96%	46.50%	50%	30% (2)
Overall Debt Per Capita	\$3,193	\$3,132	\$2,600	\$3,150

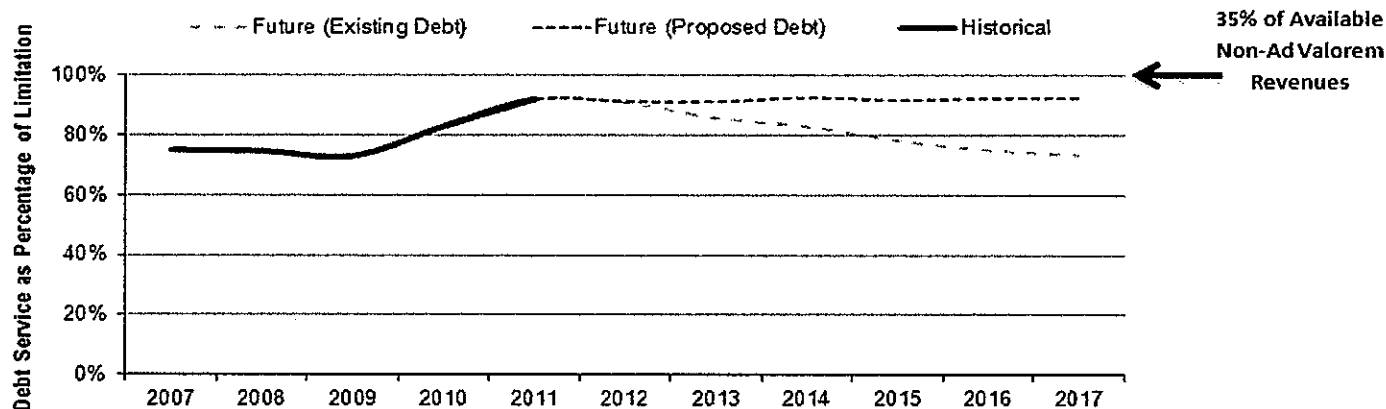
(1) Debt Service as a % of General Expenditures excludes BJP debt due to its self supporting nature.
 (2) Minimum



Debt Management – Covenant Bonds

- Primary source of funding under the Banking Fund program
- The Anti-Dilution Test (ADT) limits the extent to which the City can use non-ad valorem revenues for debt service
- Test only considers 35% of pledged non-ad valorem revenues to ensure revenues are not excessively leveraged

Covenant Pledge Anti-Dilution Test Coverage



Questions

