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PART 5. CITY BANKING FUND

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Sec. 110.501. Program defined.

The City has created the City Banking Fund, an internal service fund of the City, to provide an alternative means of financing capital projects within the City of Jacksonville governmental funds. The maximum indebtedness of the City Banking Fund shall not exceed \$118,656,171 as stated in Revised Schedule B-4 to the Fiscal Year 05/06 Budget Ordinance 2005-807-E, except as increased from time to time by the City Council either in the annual budget ordinance or other ordinance supported by an itemized list of planned expenditures.

This fund shall not be used to provide loans to independent agencies of the City.

(Ord. 2005-1373-E, § 3)

Sec. 110.502. Installment purchase contracts restricted.

The City shall not enter into any vendor based installment purchase contracts for projects that could be funded by means of the City Banking Fund.

(Ord. 2005-1373-E, § 3)

Sec. 110.503. Useful life of projects funded.

The City Banking Fund may be used to fund only projects with a useful life greater than five years and a per-unit value of at least \$50,000.00.

(Ord. 2005-1373-E, § 3; Ord. 2011-405-E, § 10.7)

Sec. 110.504. Maturities of notes issued.

The maturities of any internal loan issued to finance or refinance a particular project as part of the City Banking Fund shall not exceed the useful life of the project or projects financed thereby. For the financing or refinancing of a liability of the City through the Banking Fund, the maximum term of any debt authorized to fund such liability shall be set forth in the Ordinance of the Council which authorizes the City to incur such liability.

(Ord. 2005-1373-E, § 3)

Sec. 110.505. Interest rate on loans from the City Banking Fund.

The interest rate charged on loans from the City Banking Fund shall be the Fund's cost of money, which shall be calculated as the blended cost of money, including administrative and issuance costs, to be recalculated at least annually. In no case shall the City Banking Fund ever loan funds for less than the Fund's cost of money, as determined above.

(Ord. 2005-1373-E, § 3)

Sec. 110.506. City council appropriation required.

- (a) Revenues deposited in and expenditures made from the City Banking Fund shall require City Council appropriation as part of the annual City budget process or as approved by subsequent ordinance thereto. Expenditures for capital projects shall be supported by an itemized list of items to be purchased.
- (b) After fiscal year end accounting adjustments are completed, any residual balance less encumbrances, which have been appropriated to the Supervisor of Elections, pursuant to the annual budget, and which were in excess of the amount actually required for the operation of the Supervisor of Elections annual budget due to cost savings and operation efficiencies by the Supervisor of Elections during the fiscal year, may, by ordinance, be used to offset the Supervisor of Elections banking fund project debt.

(Ord. 2005-1373-E, § 3; Ord. 2012-143-E, § 1)

Sec. 110.507. Transfers of funds within categories permitted.

Amounts designated within an object category under the City Banking Fund may be transferred between subobjects by means of a Transfer Directive approved by the Mayor and the City Council Finance Committee.

(Ord. 2005-1373-E, § 3)

Sec. 110.508. Modification of project descriptions.

Unless otherwise provided in the legislation authorizing such funding, descriptions of projects approved for funding through the City Banking Fund may be modified or substituted, at the discretion of the Director of Finance, and with prior approval of the City Council Finance Committee, provided that the total funding budgeted for such department in the City Banking Fund is not affected by such modification or substitution. The Treasury division shall provide a report to the Finance Committee of City Council at the time the transfer is requested that relates in detail all project description modifications and substitutions.

(Ord. 2005-1373-E, § 3)

Editor's note—

Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

Sec. 110.509. Use of excess budgeted funds.

Any funds which have been authorized to be spent on projects approved for funding through the City Banking Fund and which were in excess of the amount actually required for funding such projects (the "Excess Budgeted Funds") may, at the request of a department head having Excess Budgeted Funds, and with the prior approval of the Director of Finance, and prior approval of the City Council Finance Committee be used to cover overages in other approved projects, modified projects, or substituted projects within the requesting department. Any Excess Budgeted Funds that are not used as described in the previous sentence shall become "Undesignated Funds" and may be disbursed in accordance with [Section 110.510](#) below.

(Ord. 2005-1373-E, § 3)

Editor's note—

Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

Sec. 110.510. Use of undesignated funds.

Upon the request of the Mayor, Undesignated Funds may be used subject to appropriation by Council based on an itemized list of capital items to be purchased with the Undesignated Funds.

(Ord. 2005-1373-E, § 3)

Sec. 110.511. Temporary financing of long term projects.

In addition to other uses allowed by law, the City Banking Fund may be utilized for the internal issuance of notes (i) for prompt, temporary, short-term funding of projects for which permanent long term bond financing has been authorized by the enactment of an authorizing bond ordinance specifying such projects, or (ii) for the internal issuance of variable rate notes to fund projects for which internal fixed rate notes will later be issued.

(Ord. 2005-1373-E, § 3)

Sec. 110.512. Annual debt amortization analysis.

On an annual basis, as part of the City's secondary market disclosure, the Director of Finance shall provide a report demonstrating how current internal loan amortizations, the available internally relendable balance of the Banking Fund, and available reserves will be adequate to meet the external debt amortization requirements of City liabilities secured by the City's Banking Fund program.

(Ord. 2005-1373-E, § 3)

Editor's note—

Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

Sec. 110.513. Limitations on debt types.

The outstanding debt of the Banking Fund proceeds shall at all times fit within the following guidelines

- (a) For the proceeds in excess of \$250,000,000:
 - (1) No more than 50 percent of the total debt outstanding shall be variable rate instruments.
 - (2) No less than 50 percent of the total debt outstanding shall be fixed rate instruments (including medium term notes).
 - (3) No more than 40 percent of the total debt outstanding shall be unhedged variable rate instruments.
- (b) For the proceeds up to and including \$250,000,000:
 - (1) No more than 70 percent of the total debt outstanding shall be variable rate instruments.
 - (2) No less than 30 percent of the total debt outstanding shall be fixed rate instruments (including medium term notes).
 - (3) No more than 50 percent of the total debt outstanding shall be unhedged variable rate instruments.

(Ord. 2005-1373-E, § 3)

Sec. 110.514. Annual debt affordability analysis.

- (a) It is the public policy of this City to encourage fiscal responsibility on matters pertaining to City debt. In an effort to finance essential capital projects for the benefit of residents at favorable interest rates, the City must continue to maintain its excellent credit standing with investors. Authorizations of City debt must take into account the ability of the City to meet its total debt service requirements in light of other demands on the City's fiscal resources. The Council declares that it is the policy of this City to exercise prudence in undertaking the authorization and issuance of debt.
- (b) The Director of Finance shall conduct a debt affordability analysis each year. Proposed capital projects that require funding by the issuance of additional City debt shall be evaluated on the basis of the analysis to assist the Council in setting priorities among capital projects and related appropriations. The Debt Management Policy shall be reviewed and re-adopted by the Council every five (5) years.
 - (1) The Director of Finance shall annually prepare a debt affordability report, to be presented to the Finance Committee and the City Council standing committee to which matters regarding Audits are referenced concurrent with the submission of the City's Capital Improvement Plan each year, for purposes of providing a framework for the Council to evaluate and establish priorities for bills that propose the authorization of additional City debt during the next budget year.
 - (2) The report shall include, but not be limited to:
 - (i) A listing of City debt outstanding, other debt secured by City revenues, and other contingent debt.
 - (ii) An estimate of revenues available for the next five fiscal years to pay debt service, including general revenues plus any revenues specifically pledged to pay debt service.
 - (iii) An estimate of additional debt issuance for the next five fiscal years for the City's existing borrowing programs.
 - (iv)

A schedule of the annual debt service requirements, including principal and interest allocation, on the outstanding City debt and an estimate of the annual debt service requirements on the debt included in subparagraph (iii) for each of the next five fiscal years.

- (v) An overview of the City's issuer, general obligation, if any, covenant and specific revenue credit ratings.
 - (vi) Identification and calculation of pertinent debt ratios, including, but not limited to, debt service to revenues available to pay debt service, debt to personal income, and debt per capita for the City's net tax-supported debt.
 - (vii) A comparison of the debt ratios prepared for subparagraph (vi), with the comparable debt ratios for the national average for cities and counties of size and rating comparable to the City.
- (3) The Director of Finance shall prepare an update of the report set forth above in conjunction with any proposal to issue new City debt.
 - (4) Any entity issuing debt secured by City revenues shall provide the information necessary to prepare the debt affordability report.
- (c) Failure to comply with this section shall not affect the validity of any debt or the authorization of such debt.

(Ord. 2005-1373-E, § 3; Ord. No. 2011-19-E, § 1)

Editor's note—

Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

Sec. 110.515. Fund liquidity.

At all times a sufficient portion of the Banking Fund's outstanding debt shall be maintained in variable rate and medium term notes to allow for any reduction in the outstanding balance of the Banking Fund's external debt that may be required to comply with federal tax law requirements for tax-exempt municipal debt or other applicable laws.

(Ord. 2005-1373-E, § 3)