



DEBT AFFORDABILITY STUDY

FY24 Budget Update

August 23, 2023

What is the Debt Affordability Study?

The Debt Affordability Study is a **tool** to help explain the **relative impact** of borrowing over time and **help guide** decision-making

- Concept of “affordability” vs. “capacity”
- Established ratios that help guide the way we manage debt
- Budget Update report forecasts ratios into the future
 - Includes borrowings proposed by the Mayor’s budget and borrowing assumptions for future years
- How much we program to borrow depends on our ability and willingness to make the required debt service payments



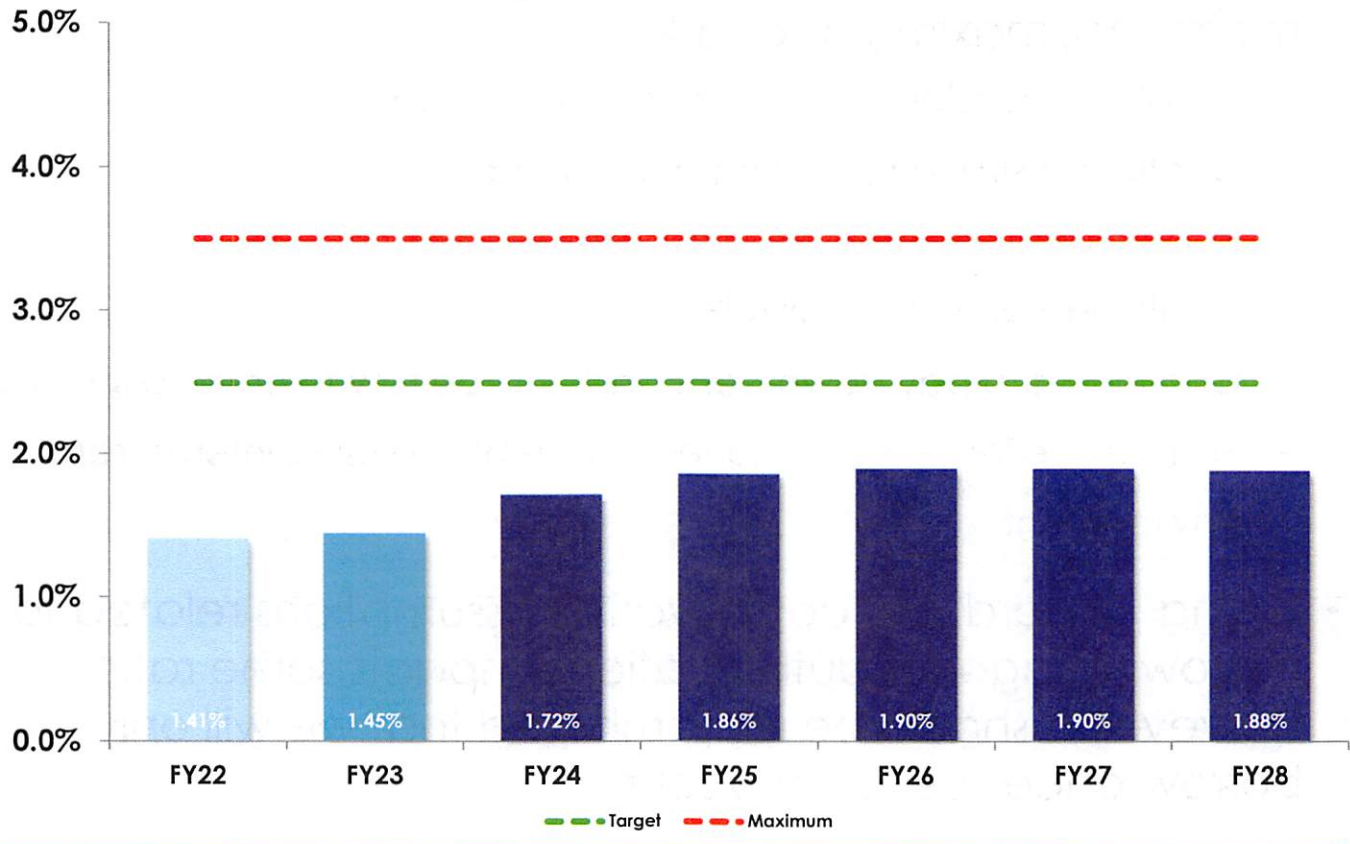
Overview of this Year's Study

- Currently, all debt ratios are within targets and minimums/maximums due to:
 - Fiscally responsible budgets over several years
 - Continued strong operating performance
 - Robust local economy and tax revenue
 - Continued growth in tax rolls
 - Continuing to pay down debt and only borrow to cover expenses
 - Strategic refinancing of higher cost debt in a rising interest rate environment
- Going forward, our conservative assumptions related to borrowing against authorizations impacts some ratios. However, it should be remembered that we will only borrow once spending occurs.



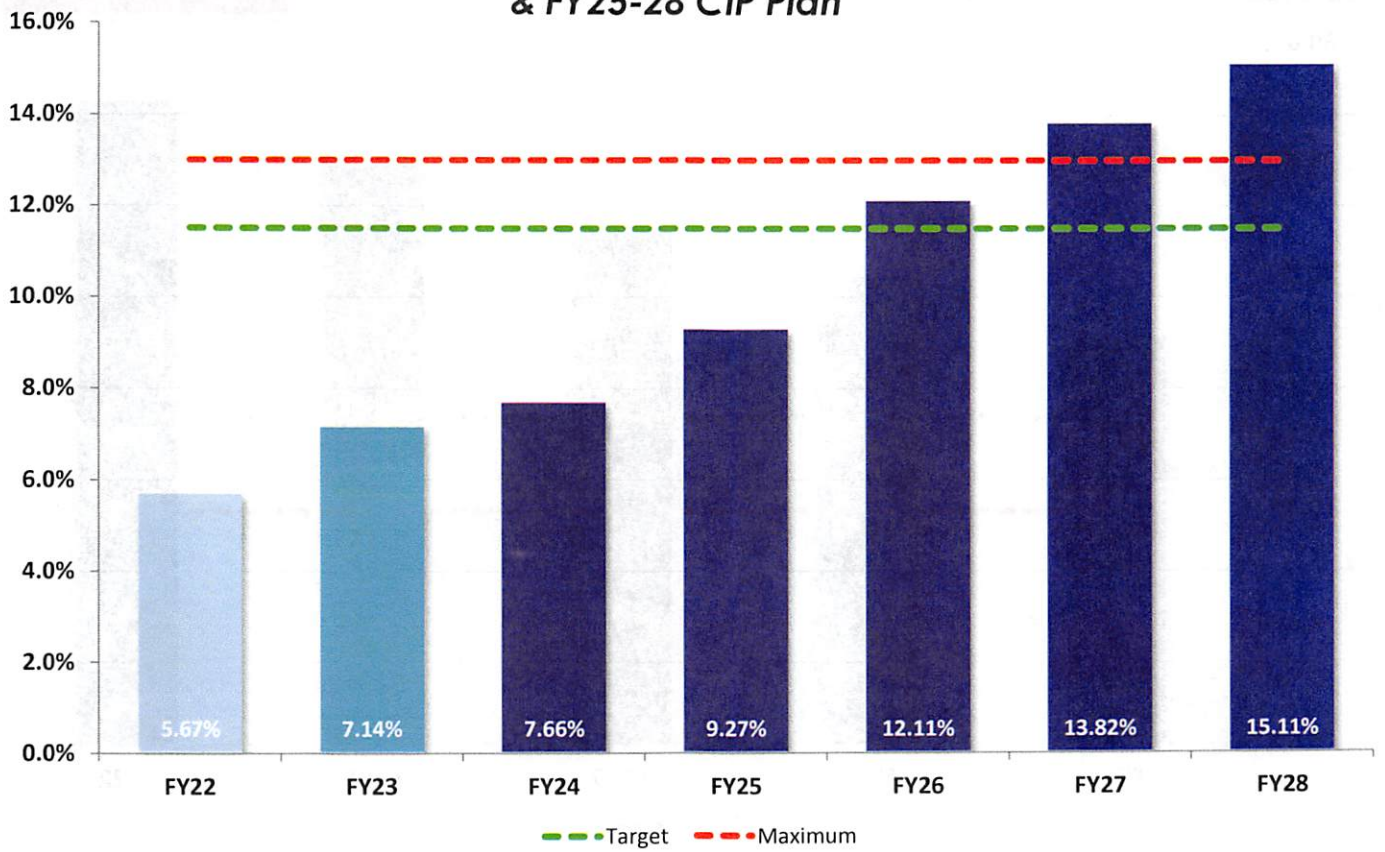
Overall Debt as % of Full Market Value

Including Forecasted Borrowing for Proposed FY24 Authorization & FY25-28 CIP Plan



GSD Debt Service as % of GSD Revenues

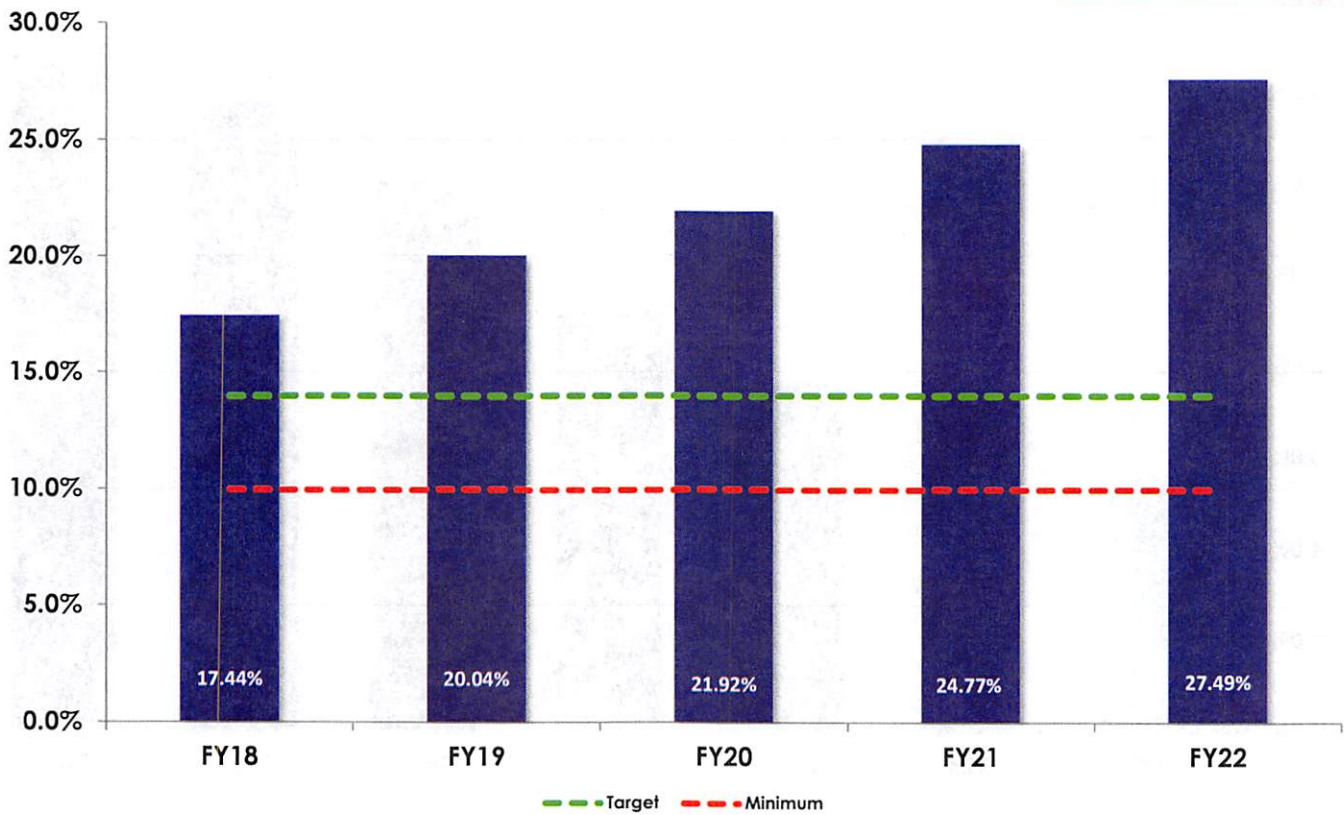
Including Forecasted Borrowing for Proposed FY24 Authorization & FY25-28 CIP Plan



Unassigned GF/GSD Balance as % of Revenues

Including Emergency Reserves

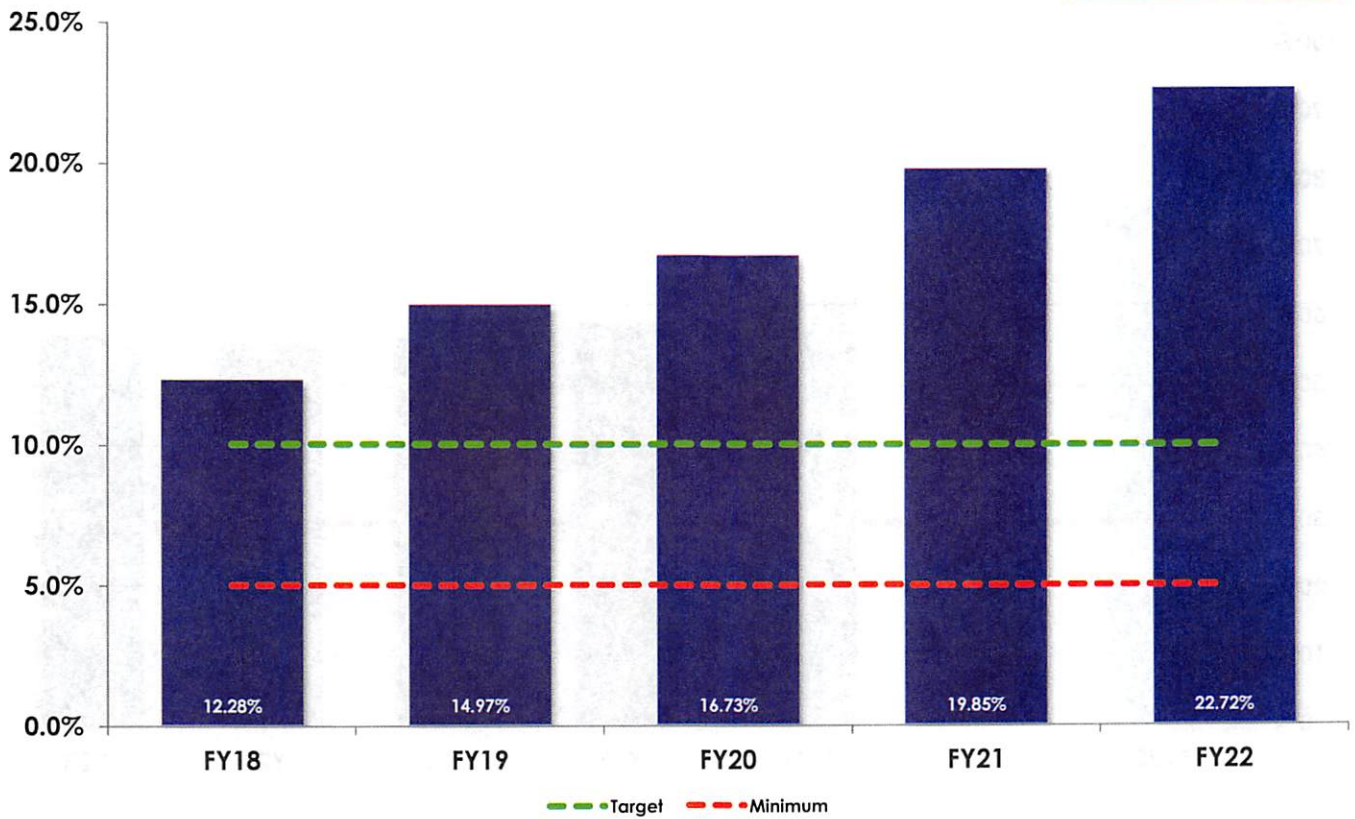
Higher is Better



Unassigned GF/GSD Balance as % of Revenues

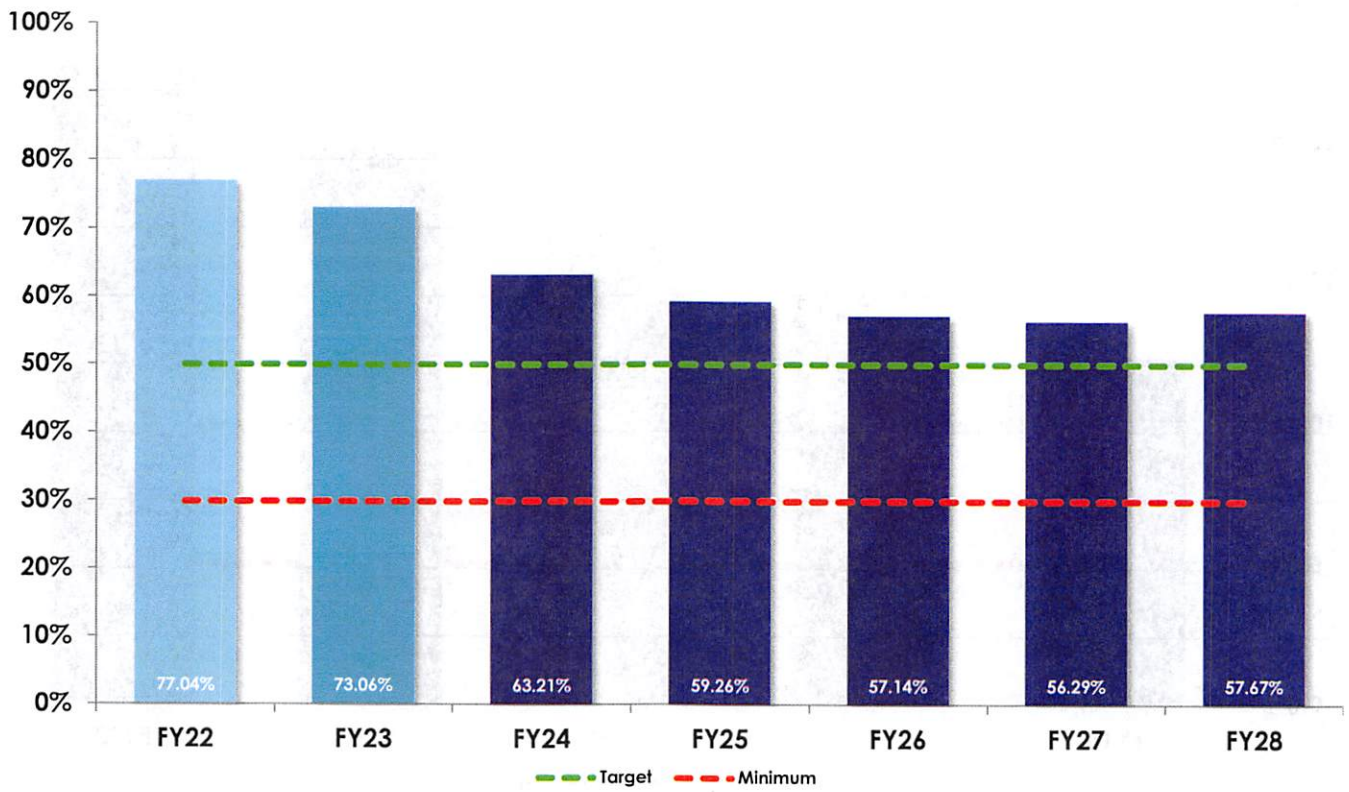
Excluding Emergency Reserves

Higher is Better



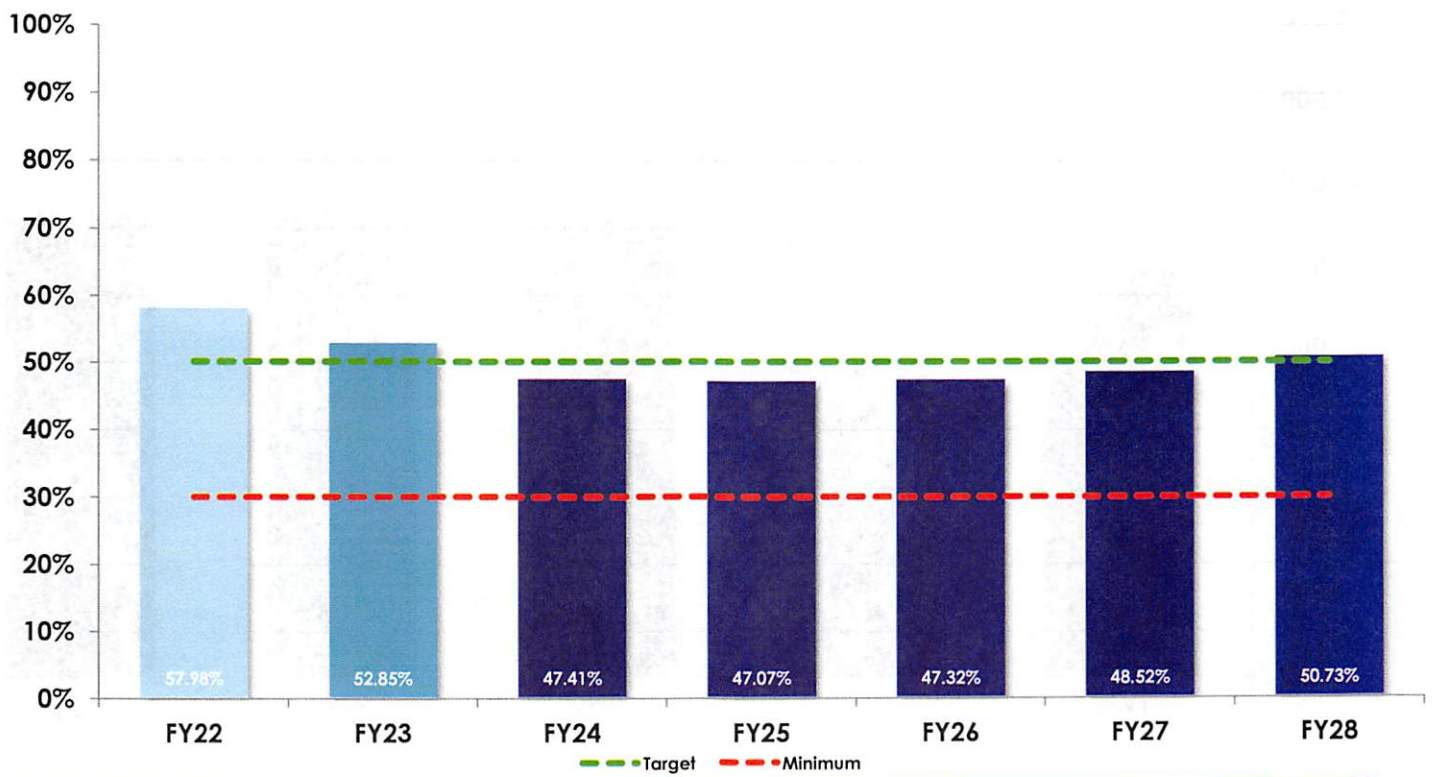
Ten Year Principal Paydown – All City Debt

Including Forecasted Borrowing for Proposed FY24 Authorization & FY25-28 CIP Plan



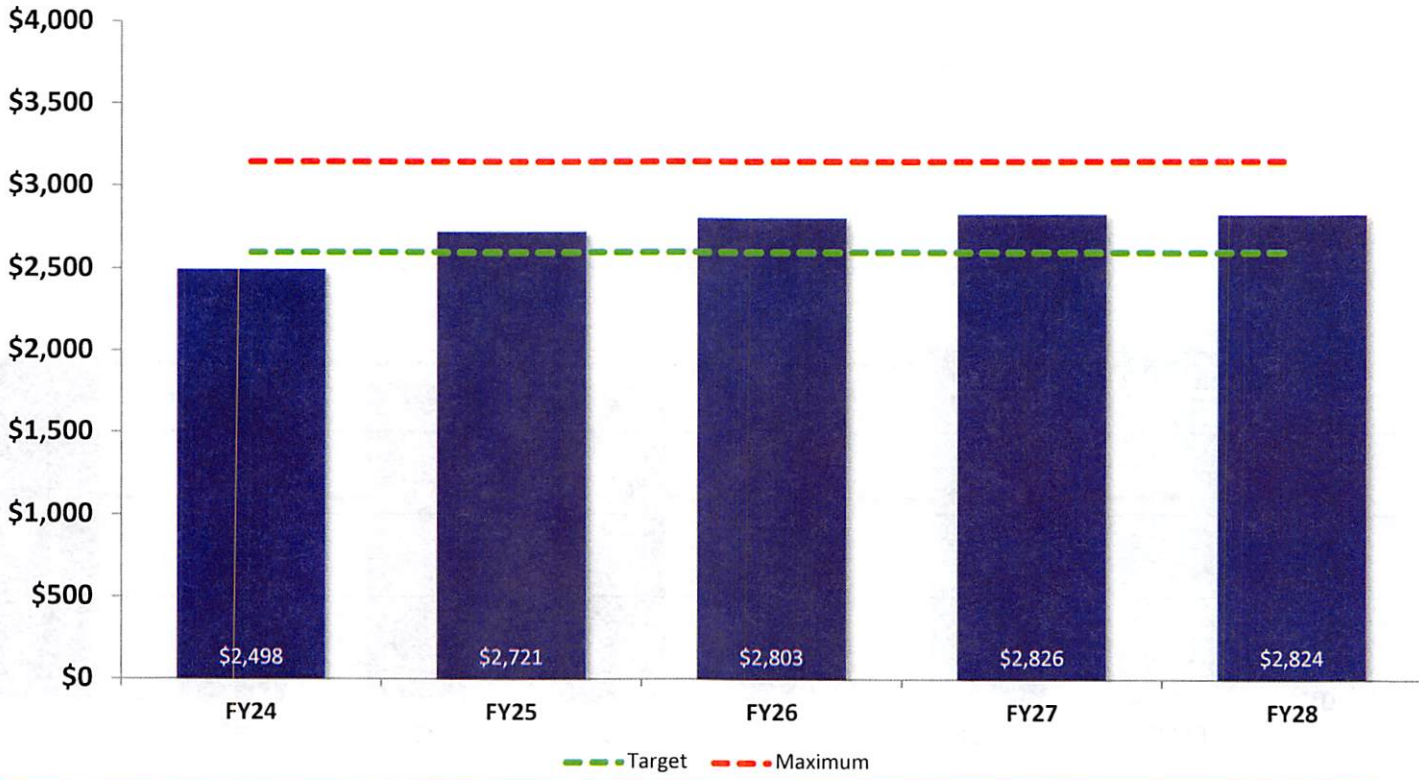
Ten Year Principal Paydown – GSD Debt

Including Forecasted Borrowing for Proposed FY24 Authorization & FY25-28 CIP Plan



Debt Per Capita

Including Forecasted Borrowing for Proposed FY24 Authorization & FY25-28 CIP Plan



Debt Affordability Ratios - Snapshot

Measure	FYE23	Target	Maximum	Minimum	Direction
Overall Net Debt as % of Full Market Value	1.45%	2.5%	3.5%	N/A	Lower is better
GSD Debt Service as % of GSD Revenues	7.14%	11.5%	13.0%	N/A	Lower is better
Unassigned GF Balance as % of GSD Revenues (incl. Emergency Reserves) ¹	27.49%	14.0%	N/A	10.0%	Higher is better
Unassigned GF Balance as % of GSD Revenues (excl. Emergency Reserves) ¹	22.72%	10.0%	N/A	5.0%	Higher is better
Ten Year Principal Paydown – All City Debt	73.06%	50.0%	N/A	30.0%	Higher is better
Ten Year Principal Paydown – GSD Debt	52.85%	50.0%	N/A	30.0%	Higher is better
Debt Per Capita	\$2,093	\$2,600	\$3,150	N/A	Lower is better

¹ Since reserve balances will not be known until FY End, the FY22 values are provided for these measures

The City's debt ratios matter, but do not guarantee a strong credit rating



City/ County Comparison

City/County	Current Rating ⁴	Overall Net Debt as % of Full Mkt Val.	Implied GSD Debt Service as % of Operating Exp. ¹	Ten Year Principal Paydown – All Debt ²	Debt Per Capita	Available GF Balance as % of Revenues ³
Jacksonville, FL	AA	1.4%	7.1%	73.1%	\$2,093	32.5%
Broward County, FL	AAA	0.4%	1.9%	100.0%	2,817	20.4%
Hillsborough County, FL	AAA	0.5%	3.0%	29.4%	1,056	21.6%
Miami-Dade County, FL	AA	1.2%	8.4%	34.5%	7,312	8.4%
Charlotte, NC	AAA	1.0%	10.2%	78.1%	6,127	13.7%
Portland, OR	AA+	0.6%	4.1%	69.2%	4,868	13.1%
Seattle, WA	AAA	0.4%	3.5%	62.3%	8,155	14.8%

Note: For general comparison only. Jacksonville data is provided by the City of Jacksonville. All other data is sourced from Moody's Investors Service except for comparative ratings, which have been provided by S&P. The most recent available data has been used. The accuracy of data provided, as well as direct comparability to Jacksonville data, cannot be guaranteed as there can be a lack of uniformity among ratio

¹ Data available from Moody's is Debt Service as % of Operating Expenses, so the Jacksonville metric was modified for a more appropriate comparison; Moody's revised its methodology to reflect Available GF Balance from GF Balance in 2022

² Data reflected as of prior year's debt-affordability report for illustrative purposes.

³ Data available from Moody's is GF Balance as % of Revenues, so the Jacksonville metric was modified for a more appropriate comparison.

⁴ Current Ratings available from S&P.

