

### Investments

Investment Philosophy – Funds shall be invested in a manner that will ensure the safety of principal while meeting daily cash flow needs. Optimization of investment income shall be secondary to the requirements of safety and liquidity.

Investment Policy Statement – The following policy statements govern the City's investment of funds in excess of those required to meet current expenses, excluding pension funds:

- The City's Investment Policy, adopted by City Council, authorizes investments in accordance with Florida State Statute 218.415.
- The primary investment objectives, in order of importance, are: safety of principal, liquidity, and investment income.
- Cash balances from all funds are consolidated to maximize investment earnings. Investment income is allocated to each fund based on the fund's respective participation and in accordance with generally accepted accounting principals.
- The investment portfolio shall be structured, to the extent possible, to match investment maturities with known cash needs and anticipated cash flow requirements.
- Investments will be diversified, to the extent practicable, to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or institution.
- The Finance Director is responsible for the operation of the investment program. The Finance Director or designee of the Finance Director and/or City Manager is authorized to invest surplus public funds of the City in accordance with the adopted Investment Policy.

### Debt Issuance

Debt Limit – The State of Florida does not place a legal limit of debt on municipalities. However, general obligation debts greater than one year require voter referendum approval. Special revenue debt is pledged by a specific revenue source and limited by available revenue; therefore it is not subject to voter referendum. Any new debt will be carefully evaluated as to its impact on operations.

Debt Philosophy – The use of debt financing for long-term capital improvement programs is based upon two types of debt financing: 1) "pay-as-you-go" and 2) "pay-as-you-use". In practice, the City uses a mix of these two basic methods to finance its Capital Improvements Program, with pay-as-you-go financing used for recurrent capital expenditures and with pay-as-you-use financing used for long-term, non-recurrent capital expenditures.

- Pay-As-You-Go – A type of financing whereby current revenues, taxes, and/or grants rather than long term debt are used to pay for capital improvements. Example: annual street paving.
- Pay-As-You-Use – A type of financing whereby long term debt is used to pay for capital improvements. Example: debt financing for new wastewater treatment plant.

Debt Policy Statement – The following policy statements govern the City's use of debt to finance long-term, non-recurring capital improvements:

- Recurrent capital expenditures for replacement, expansion and/or acquisition of plant, equipment, and/or motor vehicles will be financed on a pay-as-you-go basis from funds available and appropriated in the City's annual operating budget.
- Only long-term, non-recurrent capital expenditures for public improvements having a relatively greater cost and longer useful life, and which require additional funding over and beyond the fiscal capacity of the City's annual operating budget, will be financed through the issuance or creation of long-term debt. These expenditures will not be debt-financed for periods exceeding the projected useful life of the improvement.
- All capital improvements financed through the use of long-term debt will be consistent with the adopted Capital Improvements Program and the current fiscal year's adopted Budget.

## Budget Overview

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- Revenue sources that will be used to pay long-term debt will be conservatively projected to ensure that such debt is adequately and soundly financed.
- The City's total general obligation debt will not exceed 10% of its assessed valuation. The City does not currently have any general obligation debt.
- The City will use special assessment revenue bonds or other self-supporting bonds where possible and appropriate to finance long-term, non-recurrent capital improvements, rather than general obligation bonds.
- The City will establish and maintain effective communications with bond rating agencies to keep them informed of its financial condition.

Debt Capacity – The General Fund's debt capacity is 20% of revenues, exclusive of appropriations from fund balance. The City is currently at 12% of its \$3.8M debt capacity, including Golf Fund debt for which non-ad valorem revenues are pledged. The Utilities Fund's debt capacity is a coverage ratio of 1.25 times earnings, and the City is currently at 2.16. The Sanitation Fund is currently debt-free.

1998 Bond – refinance 1979 golf bonds and 1992 sewer bonds

1999 Bond – new clubhouse, restaurant, and pro shop; realign six holes; and driving range improvements

2000 Bond – repairs/upgrades to pump station #1, which conveys over 85% of the City's wastewater

2001 Bond – new library, new police station, fire station renovations, city hall complex renovations

2005 Bond – wastewater treatment plant improvements, new water transmission lines storage tanks, and replacement/rehabilitation of existing water and sewer lines

**DEBT SCHEDULES**



**Bond Issues**



Fiscal Year	1998 Bond Tax Revenue Certificate	2000 Bond Pump Station Improvements	1999 Bond Golf Clubhouse	2001 Bond Municipal Facilities	2005 Bond Utility System Improvements	Grand Total
2008-09	\$389,866.26	\$157,195.00	\$243,946.26	\$366,850.00	\$461,993.76	\$1,619,851.28
2009-10	\$385,635.00	\$155,532.50	\$240,046.26	\$366,850.00	\$621,993.76	\$1,770,058.52
2010-11	\$385,725.00	\$153,562.50	\$246,146.26	\$371,520.00	\$622,033.76	\$1,778,987.52
2011-12			\$246,502.50	\$370,640.00	\$721,671.26	\$1,338,813.76
2012-13			\$246,542.50	\$369,405.00	\$722,558.76	\$1,338,506.26
2013-14			\$246,195.00	\$367,805.00	\$722,758.76	\$1,336,758.76
2014-15			\$245,535.00	\$370,830.00	\$722,246.26	\$1,338,611.26
2015-16			\$244,557.50	\$368,240.00	\$720,996.26	\$1,333,793.76
2016-17			\$243,257.50	\$370,250.00	\$719,371.26	\$1,332,878.76
2017-18			\$246,682.50	\$366,700.00	\$721,571.26	\$1,334,953.76
2018-19			\$244,377.50	\$367,635.00	\$723,171.26	\$1,335,183.76
2019-20			\$121,737.50	\$368,080.00	\$724,171.26	\$1,213,988.76
2020-21			\$120,537.50	\$368,035.00	\$724,115.00	\$1,212,687.50
2021-22			\$124,337.50	\$367,500.00	\$723,440.00	\$1,215,277.50
2022-23			\$122,737.50	\$371,250.00	\$721,850.00	\$1,215,837.50
2023-24			\$806,137.50	\$369,250.00	\$719,425.00	\$1,894,812.50
2024-25			\$85,150.00	\$366,750.00	\$721,362.50	\$1,173,262.50
2025-26			\$83,150.00	\$368,750.00	\$722,450.00	\$1,174,350.00
2026-27			\$81,150.00	\$370,000.00	\$721,435.00	\$1,172,585.00
2027-28			\$84,150.00	\$370,500.00	\$719,515.00	\$1,174,165.00
2028-29			\$951,750.00	\$370,250.00	\$721,690.00	\$2,043,690.00
2029-30				\$369,250.00	\$722,735.00	\$1,091,985.00
2030-31				\$367,500.00	\$722,650.00	\$1,090,150.00
2031-32					\$721,550.00	\$721,550.00
2032-33					\$724,325.00	\$724,325.00
2033-34					\$720,750.00	\$720,750.00
2034-35					\$721,050.00	\$721,050.00
	<u>\$1,161,226.26</u>	<u>\$466,290.00</u>	<u>\$5,274,626.28</u>	<u>\$8,483,840.00</u>	<u>\$19,032,880.12</u>	<u>\$34,418,863.66</u>



**Equipment Lease/Purchases**



Fiscal Year	Street Sweeper	Fire Pumper	Wheel Loader	Backhoe	Golf Carts	Golf Equipment	Grand Total
2008-09	\$23,329.56	\$48,495.52	\$16,681.08	\$10,360.12	\$101,664.00	\$54,148.08	\$254,678.36
2009-10	\$23,329.56	\$48,495.52	\$4,170.27	\$10,360.12	\$101,664.00	\$54,148.08	\$242,167.55
2010-11	\$17,497.17	\$48,495.52	0.00	\$7,770.09	\$144,944.00	\$54,148.08	\$272,854.86
2011-12						\$54,148.08	\$54,148.08
2012-13						<u>\$13,537.02</u>	<u>\$13,537.02</u>
	<u>\$64,156.29</u>	<u>\$145,486.56</u>	<u>\$20,851.35</u>	<u>\$28,490.33</u>	<u>\$348,272.00</u>	<u>\$230,129.34</u>	<u>\$837,385.87</u>

	Principal	Interest	Total
Existing Debt	\$912,173	\$964,564	\$1,876,737
New Debt	n/a	n/a	n/a
<b>FY 2008-09 Budget Debt Impact:</b>	<b>\$912,173</b>	<b>\$946,564</b>	<b>\$1,876,737</b>

Note: Bond Issuance and Equipment Lease/Purchase charts reflect debt payment schedules, though budget reflects when payments are actually made (i.e. October 1, 2008 payment would show in FY 2008-09 on this page, but actually be budgeted in FY 2007-08 since it would be paid in September 2008).