

2012 Indebtedness Report



GENERAL OBLIGATION BONDS:

Series 2007 General Obligation Bonds			
Purpose: Sarasota Police Department Headquarters			
Security: Full faith, credit and taxing power of the City			
Debt Service Funding: Ad Valorem Taxes			
Initial Bond Value: \$46,305,000	Annual Debt Service: \$2.35 - \$2.83M	Maturity of Issue: 07/01/2037	Principal as of 09/30/2012: \$39,635,000

Series 2008 General Obligation Bonds			
Purpose: Golden Gate streetscape improvements ¹			
Security: Full faith, credit and taxing power of the City within the the Golden Gate Point Streetscape Special District			
Debt Service Funding: Ad Valorem Taxes			
Initial Bond Value: \$5,800,000	Annual Debt Service: \$279,529	Maturity of Issue: 05/01/2028	Principal as of 09/30/2012: \$3,274,043

SPECIAL OBLIGATION BONDS:

Series 1992 Special Obligation Refunding Bonds			
Purpose: Advance-refunding portions of S.O. Bonds Series 1988 ² and Series 1989 ³			
Security: TIF Revenues and Utility Services Tax			
Debt Service Funding: TIF Revenues			
Initial Bond Value: \$19,555,000	Annual Debt Service: \$1.76 - \$2.43M	Maturity of Issue: 11/01/2016	Principal as of 09/30/2012: \$9,060,878

Series 2009 Build America Capital Improvement Bonds			
Purpose: Payne Park Phase II land aquisition, R.L. Taylor Community Complex and Palm Avenue garage project (portion)			
Security: Federal Interest Subsidy and various non-Ad Valorem revenues			
Debt Service Funding: Penny Sales Tax, TIF Revenues and Federal Interest Subsidy			
Initial Bond Value: \$21,066,000	Annual Debt Service: \$1.46 - \$2.48 M	Maturity of Issue: 11/01/2024	Principal as of 09/30/2012: \$17,763,735

Series 2010 Build America Economic Development Bonds			
Purpose: Ed Smith Stadium Complex			
Security: Half-cent sales tax			
Debt Service Funding: OTTED* Grant and Federal Interest Subsidy			
Initial Bond Value: \$8,260,000	Annual Debt Service: \$512,650 - \$733,205	Maturity of Issue: 02/01/2037	Principal as of 09/30/2012: \$8,035,000

REVENUE BONDS:

Series 2002-B Water and Sewer System Bonds			
Purpose: City water plant improvements ⁴			
Security: Water and Sewer Revenues			
Debt Service Funding: Water and Sewer Revenues			
Initial Bond Value: \$6,280,000	Annual Debt Service: \$301,000	Maturity of Issue: 10/01/2012	Principal as of 09/30/2012: \$295,000

Series 2004 Water and Sewer System Refunding Bonds			
Purpose: Advance-refunding portions of Water and Sewer Bonds 1993-C ⁵ and 1995 ⁶			
Security: Water and Sewer Revenues			
Debt Service Funding: Water and Sewer Revenues			
Initial Bond Value: \$9,915,000	Annual Debt Service: \$508,850 - \$1.37M	Maturity of Issue: 10/01/2015	Principal as of 09/30/2012: \$1,845,000

REVENUE BONDS (Cont.):

Series 2005 Water and Sewer System Bonds			
Purpose: 2005 System Improvements ⁷			
Security: Water and Sewer Revenues			
Debt Service Funding: Water and Sewer Revenues			
Initial Bond Value: \$7,860,000	Annual Debt Service: \$566,794 - \$579,565	Maturity of Issue: 10/01/2025	Principal as of 09/30/2012: \$6,095,000

Series 2010-A Water and Sewer System Refunding Bonds			
Purpose: Advance-refunding portions of Bonds Series 1993-C ⁵ and contribution to 2010 System Improvements ⁸			
Security: Water and Sewer Revenues			
Debt Service Funding: Water and Sewer Revenues			
Initial Bond Value: \$8,865,000	Annual Debt Service: \$589,063 - \$1.69M	Maturity of Issue: 10/01/2020	Principal as of 09/30/2012: \$8,865,000

Series 2010-B Build America Water and Sewer System Bonds			
Purpose: 2010 System Improvements ⁸			
Security: Water and Sewer Revenues and Federal Interest Subsidy			
Debt Service Funding: Water and Sewer Revenues and Federal Interest Subsidy			
Initial Bond Value: \$25,255,000	Annual Debt Service: \$1.39 - \$3.98M	Maturity of Issue: 10/10/2040	Principal as of 09/30/2012: \$25,255,000

Series 2011 Water and Sewer System Refunding Bonds			
Purpose: Advance-refunding portions of Water and Sewer Bonds 2002-B ⁴ and 2008 ⁹			
Security: Water and Sewer Revenues			
Debt Service Funding: Water and Sewer Revenues			
Initial Bond Value: \$21,885,000	Annual Debt Service: \$1.62 - \$1.99M	Maturity of Issue: 10/01/2028	Principal as of 09/30/2012: \$21,885,000

LOANS PAYABLE:

1993 FDEP Revolving Loan			
Purpose: Sewer Rehabilitation			
Security: Water and Sewer Revenues			
Debt Service Funding: Water and Sewer Revenues			
Initial Loan Value: \$3,744,303	Annual Debt Service: \$229,141	Maturity of Issue: 10/01/2013	Principal as of 09/30/2012: \$223,603

Series 2001-B F.F.G.F.C. Revenue Bonds			
Purpose: Advance refunding of 1994-A FFGFC Revenue Bonds ¹⁰			
Security: Various Non-Ad Valorem revenues			
Debt Service Funding: St. Armand's Special Assessment Revenues			
Initial Loan Value: \$1,270,000	Annual Debt Service: \$135,350 - \$141,675	Maturity of Issue: 07/01/2016	Principal as of 09/30/2012: \$485,000

Series 2003 F.F.G.F.C. Revenue Bonds			
Purpose: FPL Energy Savings Program and portions of the 2nd Street Parking garage project funding			
Security: Various Non-Ad Valorem revenues			
Debt Service Funding: TIF Revenues and Operating Revenues			
Initial Loan Value: \$5,150,000	Annual Debt Service: \$290,330 - \$500,555	Maturity of Issue: 07/01/2018	Principal as of 09/30/2012: \$1,735,000

LOANS PAYABLE (Cont.):

Series 2005 F.F.G.F.C. Revenue Bonds			
Purpose: Land aquisition ¹¹			
Security: Various Non-Ad Valorem revenues			
Debt Service Funding: TIF Revenues			
Initial Loan Value: \$5,545,000	Annual Debt Service: \$662,800 - \$666,600	Maturity of Issue: 07/01/2015	Principal as of 09/30/2012: \$1,850,000

2011 Glen Oaks Special Assessment			
Purpose: Glen Oaks wall ¹²			
Security: Glen Oaks Special Assessment Revenues			
Debt Service Funding: Glen Oaks Special Assessment Revenues			
Initial Loan Value: \$199,390	Annual Debt Service: \$14,754	Maturity of Issue: 04/01/2031	Principal as of 09/30/2012: \$149,332

TOTAL DEBT OBLIGATIONS:

\$146,451,591

Indebtedness Report Notes

¹Relocated overhead utilities underground, rerouted roadway and sidewalk, added landscaping, parking and decorative pavers.

²Special Obligation Bonds Series 1992 were used to advance-refund Special Obligation Revenue Bonds, Series 1988. The Series 1988 Bonds were used to provide funding for the acquisition of the parcel of land now known as Five Points Park.

³Special Obligation Bonds Series 1992 were used to advance-refund Special Obligation Revenue Bonds, Series 1989. The Series 1989 Bonds were used to fund the 1989 Improvements, which included improvements to Five Points Park, improvements to the Bayfront (added pedestrian crossing, road extension, irrigation and landscaping), operation of the Downtown storefront improvement grant program (20 grants issued), land acquisition and improvements for two Downtown surface parking lots (the Lemon Avenue Lot (now Whole Foods Market) and the State Street Lot), the addition of landscaping to a series of Downtown medians, improvements to Pineapple Park, and repayment of right-of-way/infrastructure improvement costs undertaken by the developers constructing City Center (1819 Main Street).

⁴City Water Plant improvements (Funded via Series 2002-B Water and Sewer System Revenue Refunding Bonds) included the replacement of storage tank membranes, conversion of the disinfection system and installation of new water pumps/tanks.

⁵Water and Sewer System Revenue Bonds Series 1993-C were used to advance-refund Water and Sewer System Bonds, Series 1991. The Series 1991 Bonds paid for the 1991 System Improvements, which included water and sewer utility infrastructure upgrades and relocations (related to major roadway construction/widening), construction of a 3 million gallon water storage tank, replacement of seawater filters and gravity sewer upgrades.

⁶Water and Sewer System Revenue Bonds Series 1995 were used to fund the establishment of a new water and sewer billing system, replacement of a water main over the John Ringling bridge, rehabilitation of lift stations, construction of new lift stations and improvements to gravity sewers.

⁷2005 System Improvements included the purchase and installation of emergency generators, effluent air strippers, the conversion of 3 master lift stations to submersible pump stations and new wastewater treatment plant centrifuges.

⁸2010 System Improvements included compost facility modifications, deep injection well construction and water meter replacement program.

⁹2008 Water and Sewer System Revenue Bonds funded 2008 System Improvements which included waste water collection system improvements, force main improvements, lift station rehabs/relocations, Verna Wellfield and Downtown wellfield improvements.

¹⁰FFGFC 2001-B Bonds were used to refund 1994-A FFGFC Revenue Bonds. 1994-A FFGFC Revenue Bonds were used to fund the land acquisition and establishment of a 400 space public parking lot at the intersection of Filmore Drive and Adams Lane on St. Armand's. Funding is supported by a Special Assessment of St. Armand's landowners.

¹¹Purchase of the northeastern and southeastern parcels located at the intersection of U.S. 41 and Fruitville Road.

¹²Glen Oaks Estates subdivision's design and construction of a privacy wall was advance funded by the City of Sarasota, with repayment being made over a 20 year period through special assessments of all 199 Glen Oaks subdivision homeowners.

UNDER-FUNDED EMPLOYEE BENEFITS

OPEB (Other Post Employment Benefits)

As of September 30, 2012:

The City Commission established the Other Post Employment Benefits (OPEB) Trust Fund for the purpose of accumulating, investing and managing funds necessary to meet the costs of providing health and/or life insurance to retirees and their dependents. The AAL is calculated using a 6% interest rate.

Actuarial Accrued Liability (AAL): \$142,775,000

Actuarial value of plan assets: -\$19,826,896

Remaining Actuarial Accrued Liability: **\$122,948,014**

FY 2012 City contribution to OPEB was \$7,999,205

Firefighter Pensions

As of September 30, 2012:

In 1996 the City's Fire/Rescue Department was consolidated with Sarasota County. The Firefighters Pension Plan covers former City of Sarasota Firefighters who are employed by Sarasota County as a result of the consolidation as well as the City's Firefighter retirees. Fiscal Year 2012 had 180 members in the plan (21 are current employees). The AAL is calculated using a 7.5% interest rate.

Actuarial Accrued Liability (AAL): \$152,546,864

Actuarial value of plan assets: -\$98,739,147

Remaining Actuarial Accrued Liability: **\$53,807,717**

FY 2012 City contribution to Firefighter pensions was \$2,317,387

Police Pensions

As of September 30, 2012:

The City of Sarasota Police Officers' Pension Plan, is a defined benefit single-employer public employee retirement plan. As of Fiscal Year 2012 there were 334 members in the plan, including retirees, actives and non-retired previous employees. 135 of the 334 members are currently employed with the City of Sarasota. The AAL is calculated using a 7% interest rate.

Actuarial Accrued Liability (AAL): \$218,378,348

Actuarial value of plan assets: -\$154,433,315

Remaining Actuarial Accrued Liability: **\$63,945,033**

FY 2012 City contribution to Police pensions was \$4,880,797

General Employee Pensions

As of September 30, 2012:

The City of Sarasota General Employees Pension Plan covers permanent, probationary and full time City of Sarasota employees who are not members of the Police Officers' or Firefighters' Pension Plans. In Fiscal Year 2012 there were 703 plan members, including 275 current employees. The AAL is calculated using a 7% interest rate.

Actuarial Accrued Liability (AAL): \$172,139,568

Actuarial value of plan assets: -\$116,884,743

Remaining Actuarial Accrued Liability: **\$55,254,825**

FY 2012 City contribution to General Employees pensions was \$3,557,464

TOTAL UNDER-FUNDED EMPLOYEE BENEFITS:

\$295,955,589