



**Debt Service Mini Budget**

**November 5, 2015**



# Debt Success

- 2008-2015 - **\$24.9 million realized savings** in debt service payments from refinancing/redemption activity

Last Fitch rating 2014 - affirmed bond ratings of Volusia County bond issues:

- Limited Tax General Obligation Bonds, Series 2005 at “A-“
- Gas Tax Revenue Bonds, Series 2004 at “A+”
- Tourist Development Tax Revenue Bonds, Series 2004 at “A”.
- In addition, Fitch has affirmed the county’s implied general obligation unlimited tax (GOULT) rating at “AA”.

“Volusia County has an extended history of sound financial operations that contribute to strong reserves and liquidity. Debt levels are low and future capital needs manageable.”



# Financing Decision Strategy

## Key Debt Policy Points

- Debt term is not greater than life of capital item financed
- Available revenue source must be identifiable/pledgeable
- Debt issued only for capital acquisition/construction/renovation not for operational expenses
- Capital improvements for enterprise fund operations financed by debt may only be paid from the respective enterprise fund revenue

## Key Conditions

- Nature of the project
- Legal constraints
- Revenue stability
- Interest rates
- Types of debt available
- Timing & marketplace conditions

**Positive Financing Decision Outcome**





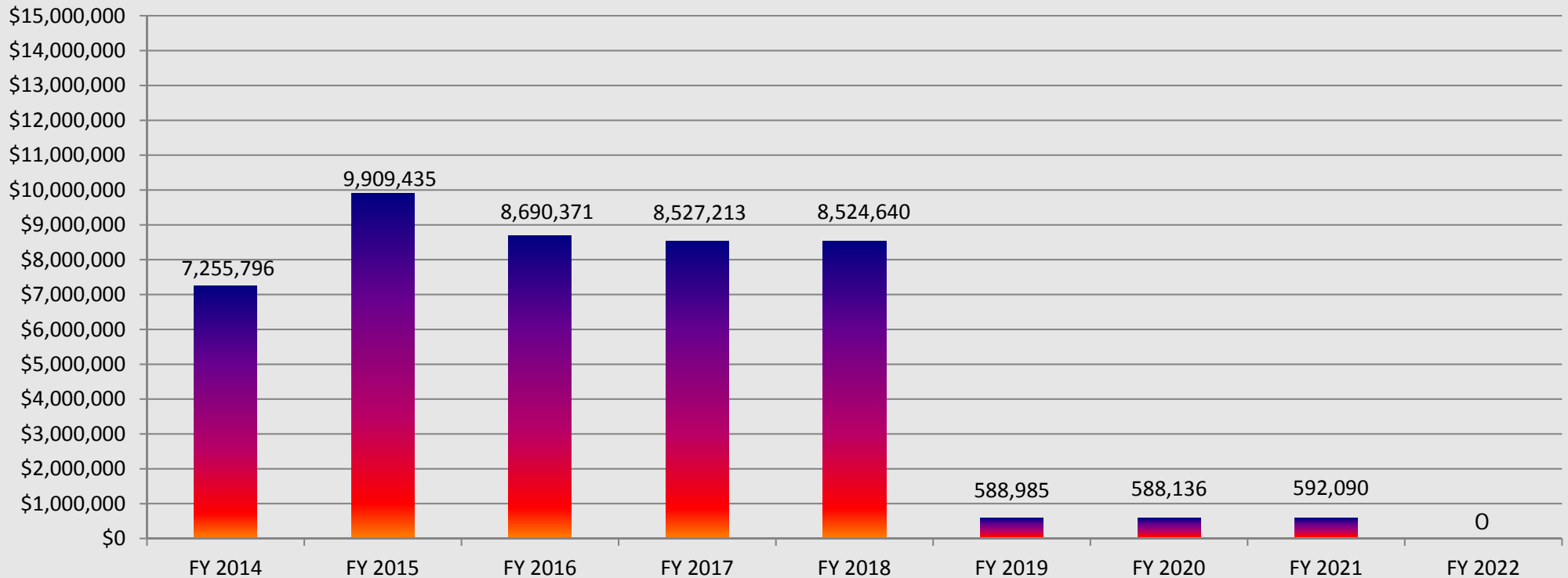
# Types of Debt

- Bond/Note issued for large capital projects
  - Examples: Courthouse, Justice Center, Branch Jail, Ocean Center, Airport, environmentally sensitive lands, roads, trails
- Bank loans issued to take advantage of low interest rates & low issuance costs
- State Revolving Fund Loans – low interest rate loans from the State for water and sewer projects

# Outstanding Debt: Governmental Activities

Activities Revenue Source	Purpose	10/1/15 Balance (in millions)	Maturity Date
<b>General Fund/Sales Tax</b>	West Volusia Courthouse, Court facilities, Justice Center, DB Administration	<b>\$25.1</b>	2016, 2018, 2021
<b>Other Funds:</b>			
Gas Tax	Transportation Improvements, Williamson Blvd.	\$45.7	2024
Ocean Center/ Resort Tax	Ocean Center & expansion	\$63.5	2021, 2030, 2034
ECHO/Ad Valorem Trails	Trail Program	\$3.2	2021
Special Assessment	West Highlands, Capri Drive improvements	\$1.0	2018
Volusia Forever/ Ad Valorem	Conservation lands	\$18.4	2021
<b>Subtotal Other:</b>		<b>\$122.8</b>	
<b>Total</b>		<b>\$156.9</b>	

# Debt Service Status for General Fund/ Sales Tax for Current Outstanding Debt



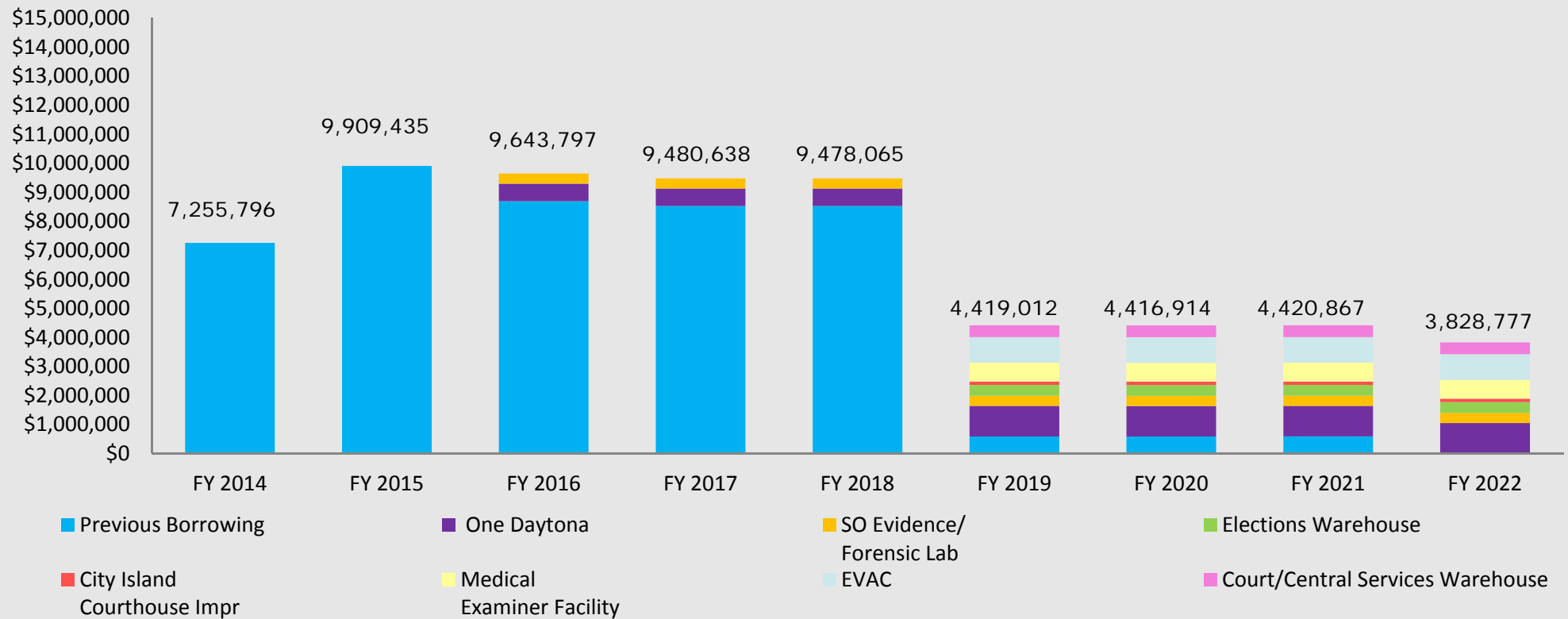
West Volusia Courthouse, Court facilities, Justice Center, DB Administration

# Major Capital Improvements

Project Center	Estimated Borrowing	Annual Estimated Debt
Sheriff Evidence/Forensic Lab, project cost \$13.5 million	\$5 million GF, \$7 million MSD, 20 year	\$850,000
Elections Warehouse, project cost \$5.9 million	\$3.1 million, 10 year	\$350,000
City Island Courthouse Improvements	\$1 million, 10 year	\$120,000
Medical Examiner Facility	\$5.4 million, 10 year	\$650,000
Emergency Medical Service Facility (EVAC)	\$7.4 million, 10 year	\$885,000
Court/Central Services Warehouse	\$3.4 million, 10 year	\$400,000
Sheriff District 2 Service Office (MSD)	\$3.4 million, 10 year	\$400,000
<b>Total</b>	<b>\$37.6 million</b>	<b>\$0.9 MSD, \$2.755 GF</b>

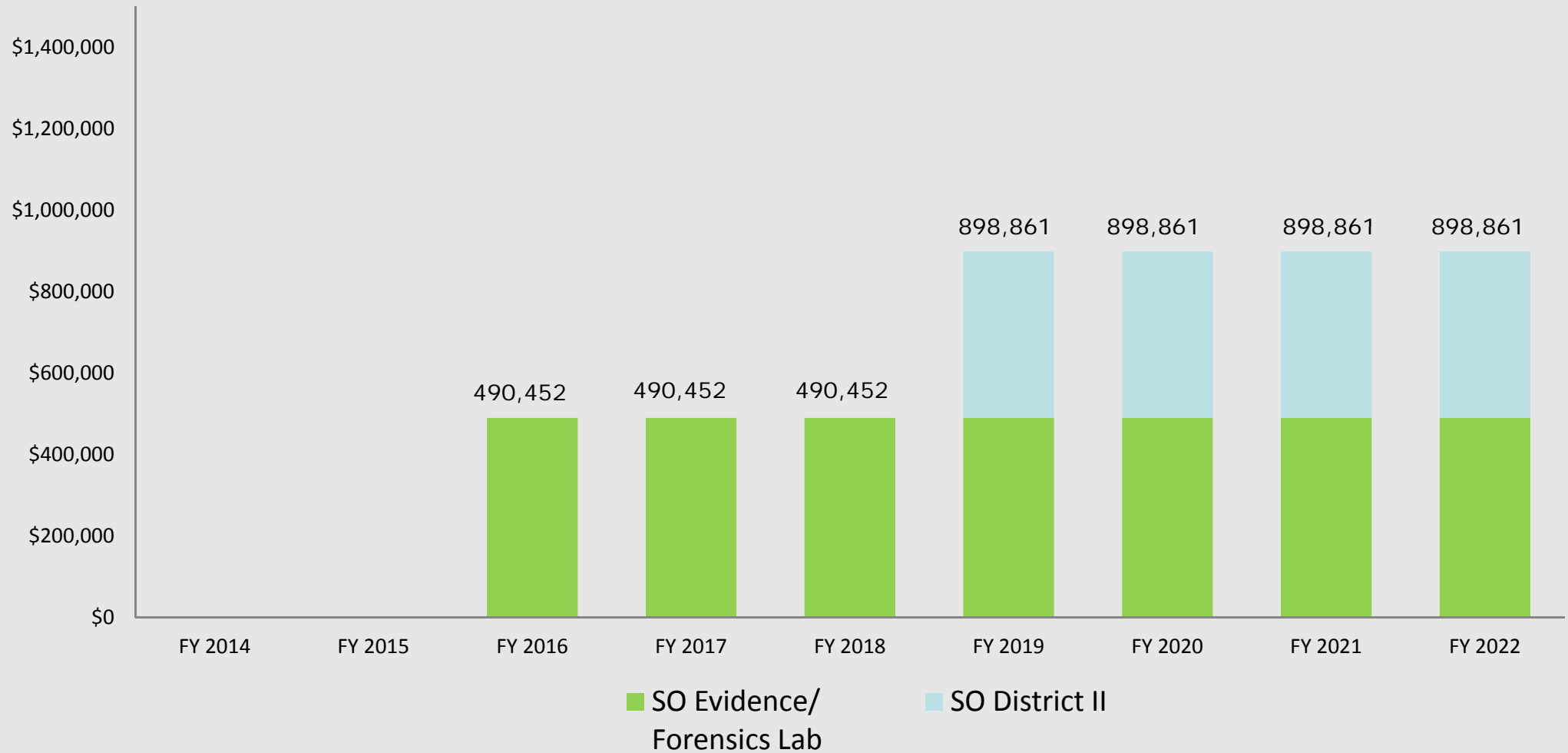
**Demonstration purposes only, interest rate 3.5%**

# Debt Service-General Fund/ Sales Tax





# Debt Service-MSD

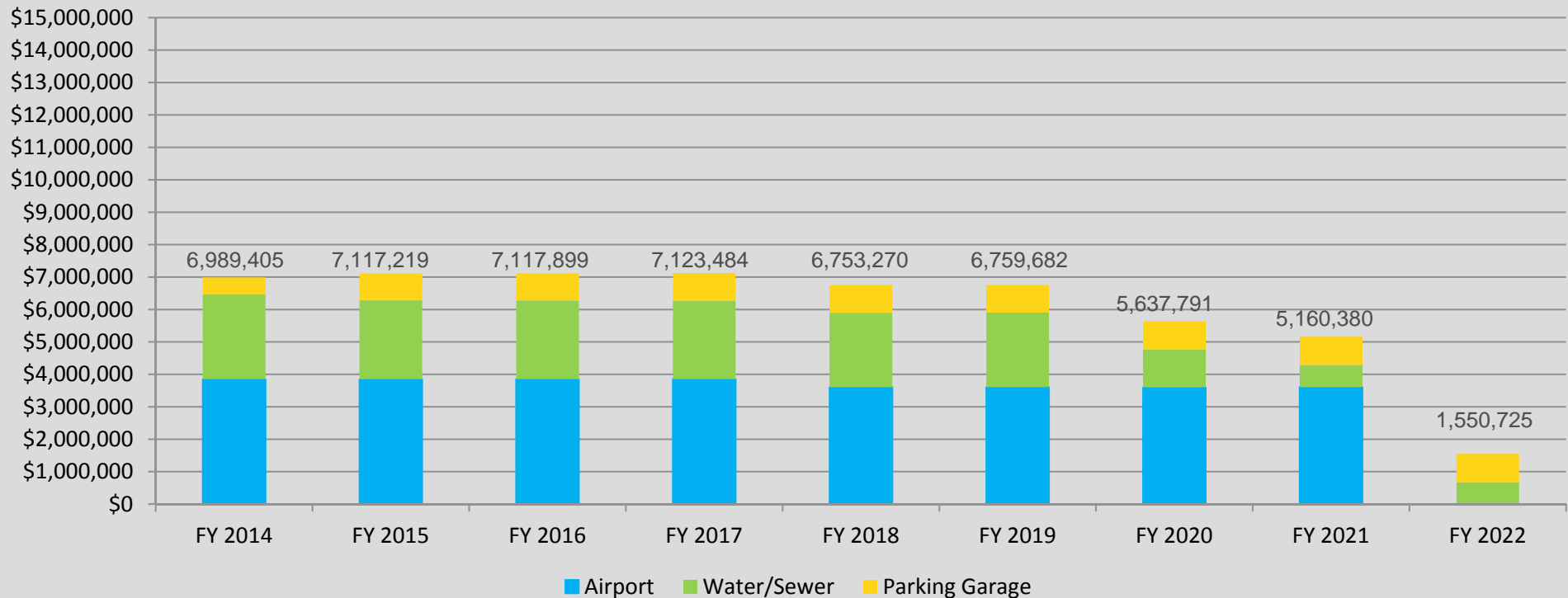


# Outstanding Debt

## Business Type Activities

Revenue Source	Purpose	10/1/15 Balance (in millions)	Maturity Date
Net revenues of Airport system	Terminal, facility and related improvements	\$18.4	2016, 2021
Parking Revenues	Acquisition of Parking Garage	\$7.0	2024
Water & Sewer User Fees	Infrastructure improvements	\$13.9	2017, 2019, 2020, 2030
<b>Total</b>		<b>\$39.3</b>	

# Debt Service – Airport/Parking Garage/ Water and Sewer



**Matures:** Airport 2016 & 2021, Water & Sewer 2017, 2019, 2020