

City of Corpus Christi Presentation on Debt

March 31, 2015



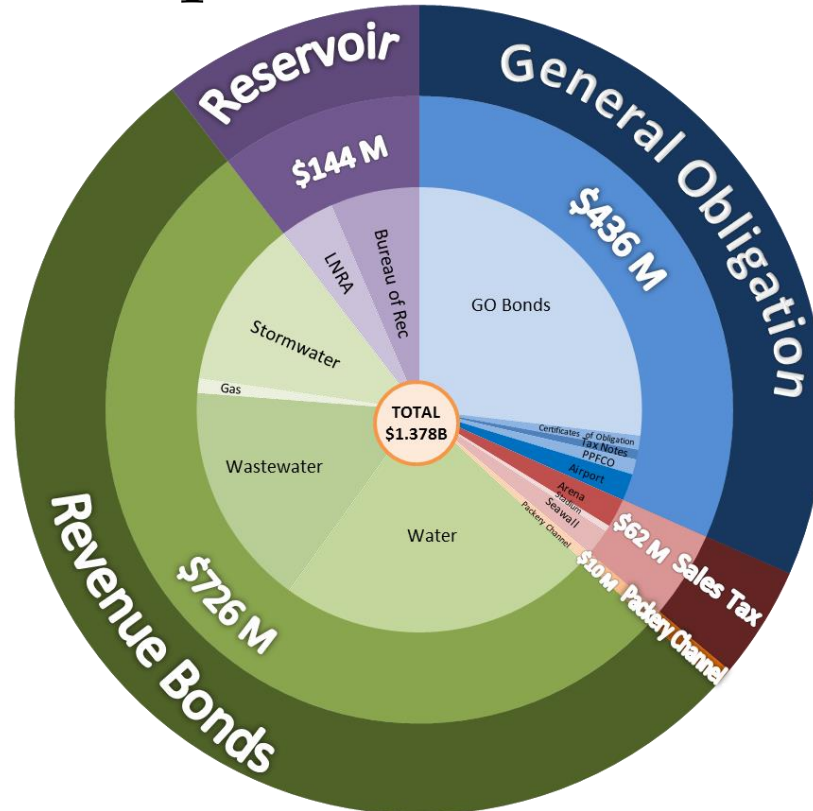


Types of Municipal Debt

- Debt paid for by property (ad valorem) taxes
 - *General Obligation (GO) bonds – voter approved*
 - *Certificates of Obligation (CO) – non voter- approved*
 - *Tax Notes – non voter-approved*
 - Debt paid by a specific revenue stream
 - *Revenue Bonds*
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City of Corpus Christi Debt at September 30, 2014



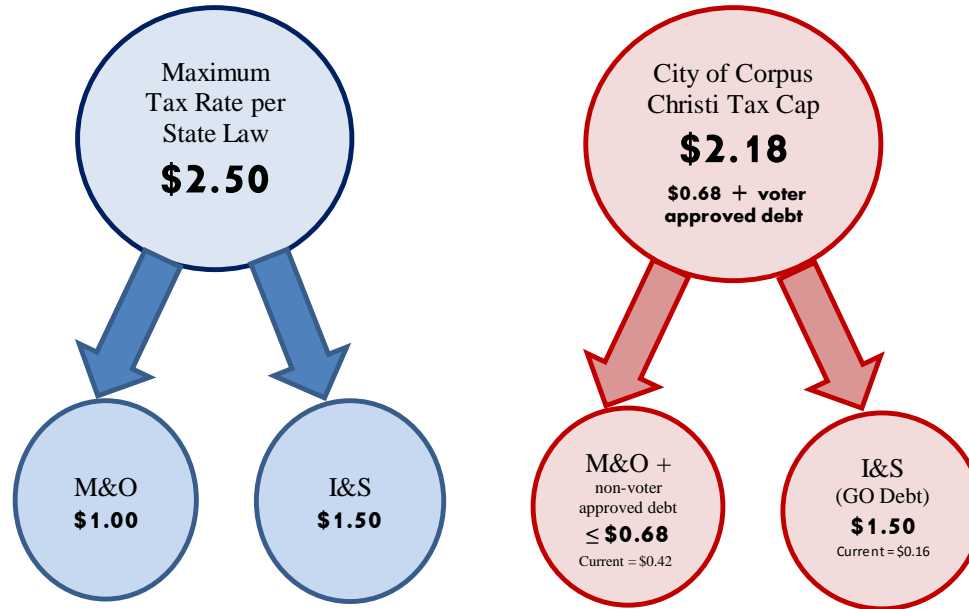


General Obligation Debt

- Debt paid for by property (ad valorem) taxes
 - Fiscal Year 2015 Property Tax Rate
 - M&O (Maintenance and Operations) \$0.376806 per \$100 valuation
 - I&S (Interest and Sinking Fund) \$0.208458 per \$100 valuation
 - Total \$0.585264 per \$100 valuation
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Property Tax Cap



M&O - Maintenance and Operations
I&S - Interest and Sinking Fund



General Obligation Debt

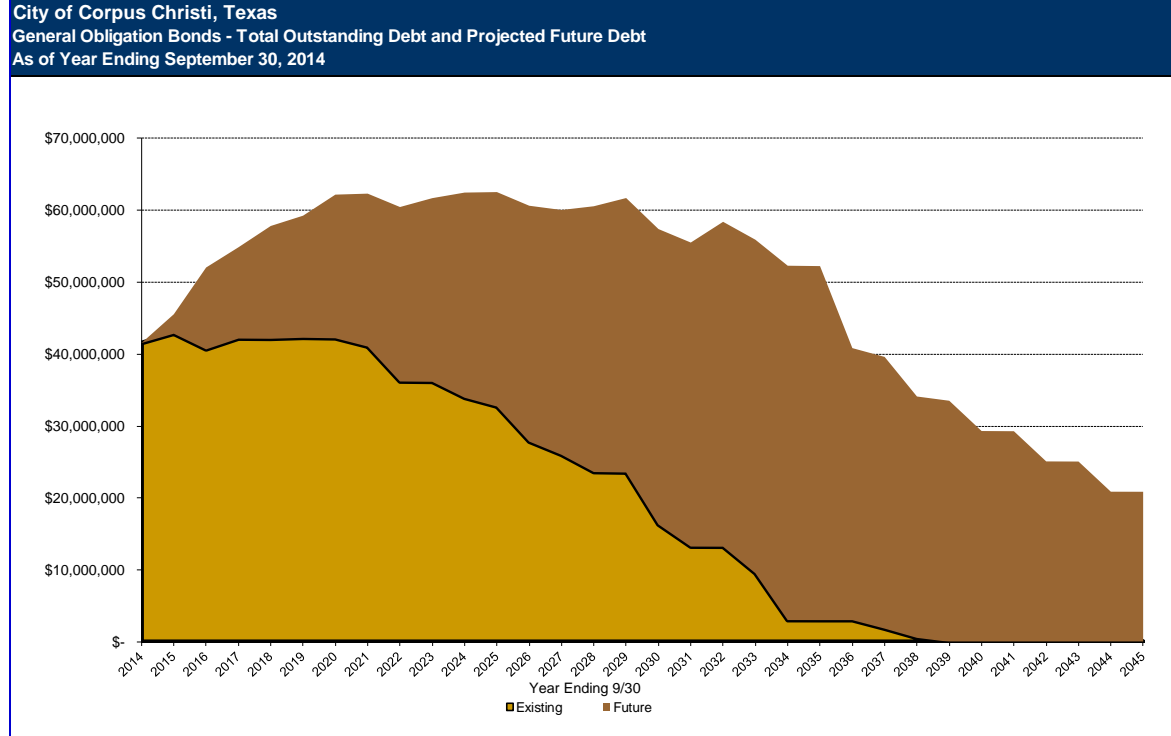
GO DEBT FUND (2010) PROFORMA

GO Debt Fund	ADOPTED 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<u>Beginning Balance</u>						
Unreserved	\$ 7,805,000	\$ 7,938,354	\$ 7,754,589	\$ 6,886,496	\$ 6,519,192	\$ 7,217,179
Reserved	795,000	803,705	908,066	954,357	1,013,521	1,042,274
Total	8,600,000	8,742,059	8,662,655	7,840,853	7,532,713	8,259,454
Total Revenue	40,327,320	45,323,887	46,896,056	50,367,905	52,840,465	53,444,563
Total Funds Available	48,927,320	54,065,946	55,558,711	58,208,758	60,373,178	61,704,017
Total Debt Payments	40,185,261	45,403,292	47,717,858	50,676,045	52,113,724	55,042,476
<u>Ending Balance</u>						
Unreserved	7,938,354	7,754,589	6,886,496	6,519,192	7,217,179	5,560,692
Reserved	803,705	908,066	954,357	1,013,521	1,042,274	1,100,850
Estimated Ending Balance	<u>\$ 8,742,059</u>	<u>\$ 8,662,655</u>	<u>\$ 7,840,853</u>	<u>\$ 7,532,713</u>	<u>\$ 8,259,454</u>	<u>\$ 6,661,542</u>



General Obligation Debt

(Existing and Projected)





Revenue Debt

- Debt paid by a specific revenue stream
 - *Utility (revenue bonds)*
 - *Marina (revenue bonds)*
 - *Airport (certificates of obligation)*
 - *Solid Waste (certificates of obligation)*
 - *Sales Tax (revenue bonds)*
 - *Tax Increment Financing (TIF) (revenue bonds)*
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Utility Revenue Bonds

- Paid by revenues generated from the City's "Combined Utility System" (Water, Wastewater, and Gas).
- Although each has its own rates, the combined revenue is used to service this debt.



Average Residential Monthly Water Bill

Average Residential Monthly Water Bill

	FY 15	FY 16	FY 17	FY 18	FY 19
Water Portion	\$ 26.49	\$ 28.95	\$ 29.90	\$ 30.88	\$ 31.70
Stormwater Portion	\$ 8.27	\$ 11.43	\$ 11.94	\$ 12.98	\$ 13.65
Total Monthly Average Water Bill	\$ 34.76	\$ 40.38	\$ 41.84	\$ 43.86	\$ 45.35



Water Debt

WATER DEBT PROFORMA

WATER DEBT	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
TOTAL Water Revenue	\$ 45,427,687	\$ 54,400,077	\$ 57,966,482	\$ 59,564,387	\$ 62,206,383
TOTAL EXISTING DEBT SVC	36,342,150	37,466,600	37,449,799	36,600,137	36,581,554
TOTAL ANTICIPATED FUTURE DEBT SVC	0	6,053,461	8,923,387	11,051,373	13,183,552
TOTAL DEBT SERVICE	\$ 36,342,150	\$ 43,520,061	\$ 46,373,186	\$ 47,651,509	\$ 49,765,107

Portion of Average Residential Monthly Water Bill Due to Water Debt Scv

	FY 15	FY 16	FY 17	FY 18	FY 19
Water Debt	\$ 10.09	\$ 12.36	\$ 12.93	\$ 13.28	\$ 13.65

Total Water Portion of Average Residential Monthly Water Bill

	FY 15	FY 16	FY 17	FY 18	FY 19
Water Portion	\$ 26.49	\$ 28.95	\$ 29.90	\$ 30.88	\$ 31.70



Stormwater Debt

STORMWATER FUND DEBT PROFORMA

STORMWATER DEBT	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
TOTAL StormWater Revenue	\$ 17,951,195	\$ 20,854,480	\$ 22,339,929	\$ 24,148,897	\$ 26,279,531
TOTAL EXISTING DEBT SVC	\$ 14,360,956	\$ 13,802,528	\$ 13,790,033	\$ 13,776,805	\$ 13,764,509
TOTAL ANTICIPATED FUTURE DEBT SVC	\$ -	\$ 2,881,055	\$ 4,081,911	\$ 5,542,313	\$ 7,259,116
TOTAL DEBT SVC	\$ 14,360,956	\$ 16,683,584	\$ 17,871,943	\$ 19,319,118	\$ 21,023,625

Portion of Average Residential Monthly Water Bill Due to Stormwater Debt Scv

	FY 15	FY 16	FY 17	FY 18	FY 19
Stormwater Debt	\$ 6.75	\$ 6.97	\$ 7.40	\$ 8.36	\$ 8.94

Total Stormwater Portion of Average Residential Monthly Water Bill

	FY 15	FY 16	FY 17	FY 18	FY 19
Stormwater Portion	\$ 8.27	\$ 11.43	\$ 11.94	\$ 12.98	\$ 13.65



Wastewater Debt

WASTEWATER FUND DEBT PROFORMA

WASTEWATER DEBT	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
TOTAL WasteWater Revenue	\$ 27,180,096	\$ 32,306,162	\$ 38,755,044	\$ 45,338,869	\$ 54,280,757
TOTAL EXISTING DEBT SVC	\$ 21,744,076	\$ 18,664,583	\$ 18,650,013	\$ 18,629,639	\$ 18,609,641
TOTAL ANTICIPATED FUTURE DEBT SVC	\$ -	\$ 7,180,346	\$ 12,354,022	\$ 17,641,457	\$ 24,814,964
TOTAL DEBT SVC	\$ 21,744,076	\$ 25,844,930	\$ 31,004,035	\$ 36,271,096	\$ 43,424,605

Portion of Average Residential Monthly Wastewater Bill Due to Debt Scv

	FY 15	FY 16	FY 17	FY 18	FY 19
Wastewater Debt	\$ 20.25	\$ 21.58	\$ 25.85	\$ 30.33	\$ 35.83

Total Average Residential Monthly Wastewater Bill

	FY 15	FY 16	FY 17	FY 18	FY 19
Monthly Average Wastewater Bill	\$ 52.23	\$ 57.07	\$ 62.43	\$ 67.81	\$ 74.27



Gas Debt

GAS FUND DEBT PROFORMA

GAS DEBT	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
TOTAL Gas Revenue	\$ 1,407,267	\$ 1,861,048	\$ 2,059,941	\$ 2,271,083	\$ 2,397,524
TOTAL EXISTING DEBT SVC	\$ 1,125,814	\$ 1,066,260	\$ 1,065,027	\$ 1,063,303	\$ 1,061,642
TOTAL ANTICIPATED FUTURE DEBT SVC	\$ -	\$ 422,579	\$ 582,925	\$ 753,563	\$ 856,377
TOTAL DEBT	\$ 1,125,814	\$ 1,488,839	\$ 1,647,953	\$ 1,816,866	\$ 1,918,019

Portion of Average Residential Monthly Gas Bill Due to Debt Scv

	FY 15	FY 16	FY 17	FY 18	FY 19
Gas Debt	\$ 1.50	\$ 1.59	\$ 1.76	\$ 1.94	\$ 2.05

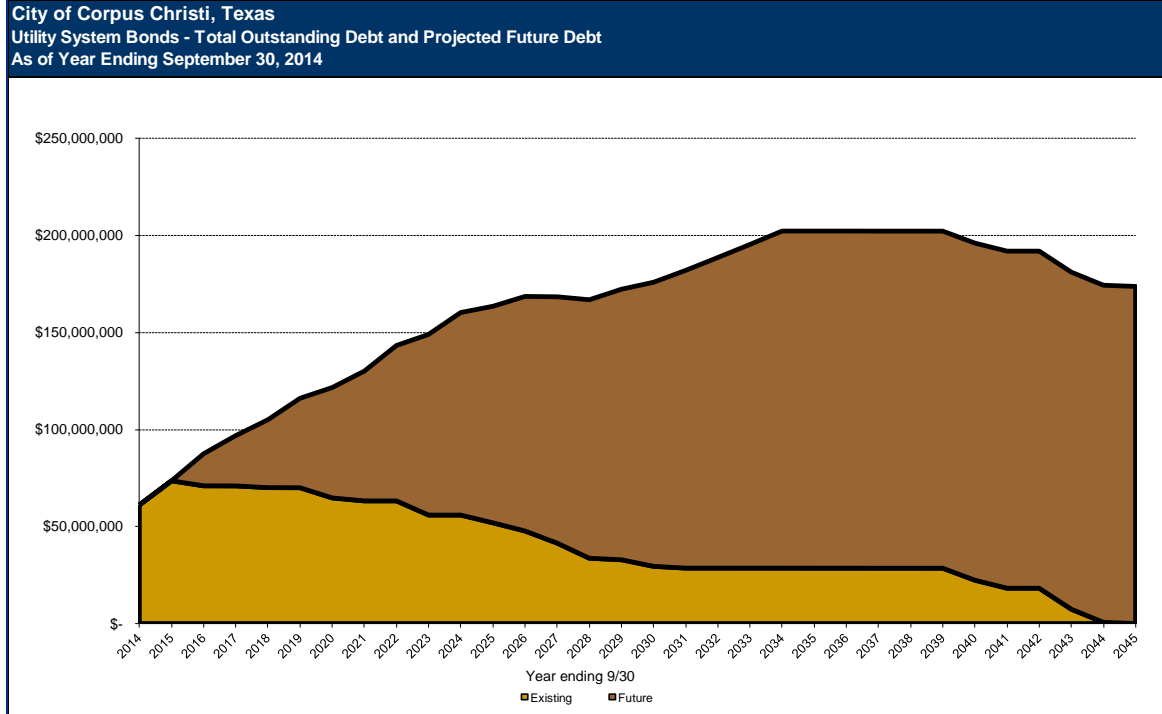
Total Average Residential Monthly Gas Bill

	FY 15	FY 16	FY 17	FY 18	FY 19
Monthly Average Gas Bill	\$ 17.14	\$ 17.83	\$ 18.54	\$ 19.28	\$ 20.05



Utility Revenue Debt

(Existing and Projected)





Other Debt – Reservoir

- Choke Canyon Dam Construction
 - Outstanding principal balance at September 30, 2014 \$55,113,220
- Lake Texana Water Rights
 - Outstanding principal balance at September 30, 2014 \$89,378,113



Other Debt – Sales Tax

City of Corpus Christi's Sales Tax Rate

• State	6.250 ¢
• City	1.000 ¢
• Regional Transportation Auth.	0.500 ¢
• Crime Control	0.125 ¢
• Type A-Seawall	0.125 ¢
• Type A-Arena	0.125 ¢
• Type A-Economic Dev.	<u>0.125 ¢</u>
TOTAL	8.250 ¢



Seawall Improvement Sales Tax

- Issued \$43,960,000 of bonds dated September 1, 2001 for Seawall improvements at an interest rate of 4.00% to 5.375%.
- Refunded the bonds in July 2012 for a net present value savings of \$4,988,597.
- Outstanding principal at September 30, 2014 is \$27,355,000.
- Last debt payment is March 1, 2026.



Arena Facility Sales Tax

- Issued \$49,185,000 of bonds dated December 1, 2002 for construction of a new arena at an interest rate of 3.25% to 5.5%.
 - Refunded the bonds in January 2014 for a net present value savings of \$3,649,800.
 - Outstanding principal at September 30, 2014 is \$28,755,000.
 - The last debt payment is September 1, 2025.
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Economic Development Sales Tax

- Issued \$24,565,000 of bonds dated April 1, 2004 for construction of a baseball stadium at an interest rate of 2.00% to 5.0%.
- Refunded the bonds in January 2014 for a net present value savings of \$516,852.
- Outstanding principal at September 30, 2014 is \$6,015,000.
- Last debt payment is September 1, 2017.



Economic Development Sales Tax

- FY15 Budgeted Sales Tax Revenue \$7,901,170
- FY15 Budgeted Expenditures
 - Debt Payment on Baseball Stadium \$2,314,275
 - Baseball Stadium Expenses 112,460
 - Affordable Housing 500,000
 - Major Business Incentives (Appropriated during the year)
 - Small Business Projects 911,358
 - Administration Costs 15,000



Other Debt – Tax Increment Financing (TIF)

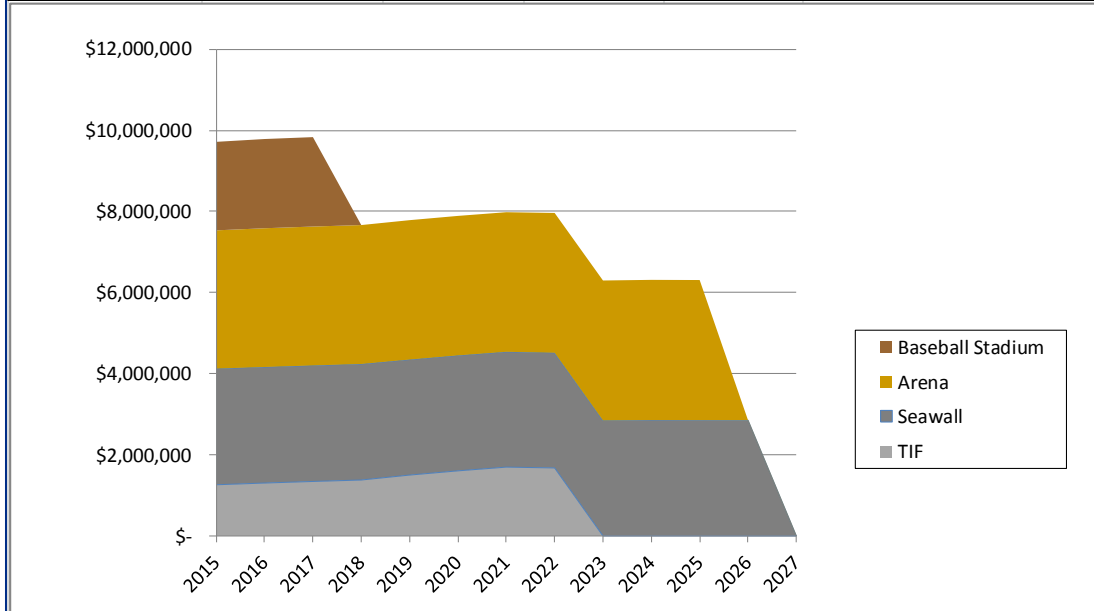
- November 14, 2000 - City Council established the Tax Increment Reinvestment Zone #2 (Packery Channel).
- Four series of bonds were issued from 2003 through 2006, and all series were refunded in 2008, realizing a net present value savings of \$1,299,378.
- Outstanding principal at September 30, 2014 is \$9,600,000.
- Last debt payment will be on September 15, 2022 – at which time the TIF will dissolve.



Other Debt

(Existing and Projected)

City of Corpus Christi, Texas
Sales Tax and Tax Increment Financing Bonds - Existing Debt (No future debt projected)
As of Year Ending September 30, 2014





Questions