

DEBT SERVICE FUNDS SUMMARY 2014-2015

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DEBT SERVICE FUNDS MISSION

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Mission

Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.



DEBT SERVICE FUNDS – MAJOR REVENUES

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Revenue Description	Actual FY 2013	Estimated 2014	%	Budget 2015	%
Ad Valorem Taxes	26,638,938	31,637,899	26.56	33,855,000	28.75
Agency Contributions	369,082	335,694	0.28	1,503,101	1.28
Interest	81,032	51,838	0.04	40,000	0.03
Transfer from Other Funds	78,779,475	87,121,433	73.12	82,376,489	69.94
Other	172,221,759	0	0	0	0
Totals	278,090,286	119,146,864	100.00	117,774,590	100.00

On a percentage basis, the above chart reveals change in funding sources from FY 2014. However there is one important area to note:

- The Other category includes \$164M in Bond Proceeds, \$6M in Bond Premium, and \$2M in accrued interest.



TAX CAP

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- Texas home rule cities with a population of over 5,000 are allowed a property tax rate of \$2.50 per \$100 valuation, of which \$1.50 per \$100 valuation is allowable to pay for debt.
- On April 5, 1980, the citizens of Corpus Christi voted to amend the City Charter to limit the City's ad valorem tax rate for all purposes, including debt service, to \$0.68 per \$100 assessed valuation.
- On April 3, 1993, the citizens of Corpus Christi voted to amend the City Charter which contained a tax limitation of \$0.68 per \$100 assessed valuation for all purposes including debt. The amended Charter provided for the tax rate to increase up to the State limit for voter approved debt after April 4, 1993.



TAX CAP

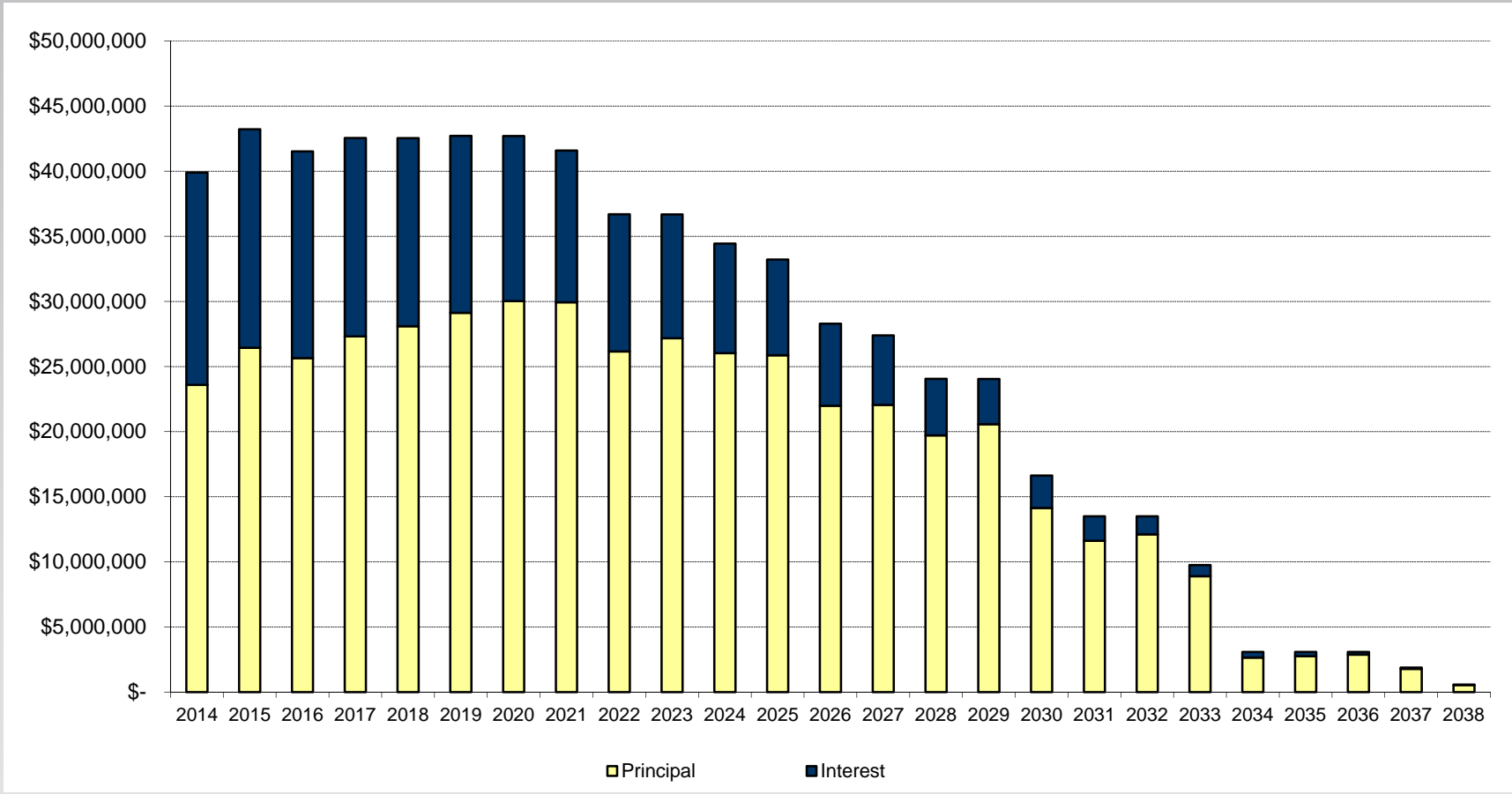
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- Tax rate “under the cap” (non-voter approved debt) \$0.07
- Tax rate “above the cap” (voter-approved debt) \$0.13
- Based on the City’s existing voter-approved debt, the City’s property tax rate can go above the \$0.68 cap by \$0.13 for a maximum rate of \$0.81 per \$100/valuation.



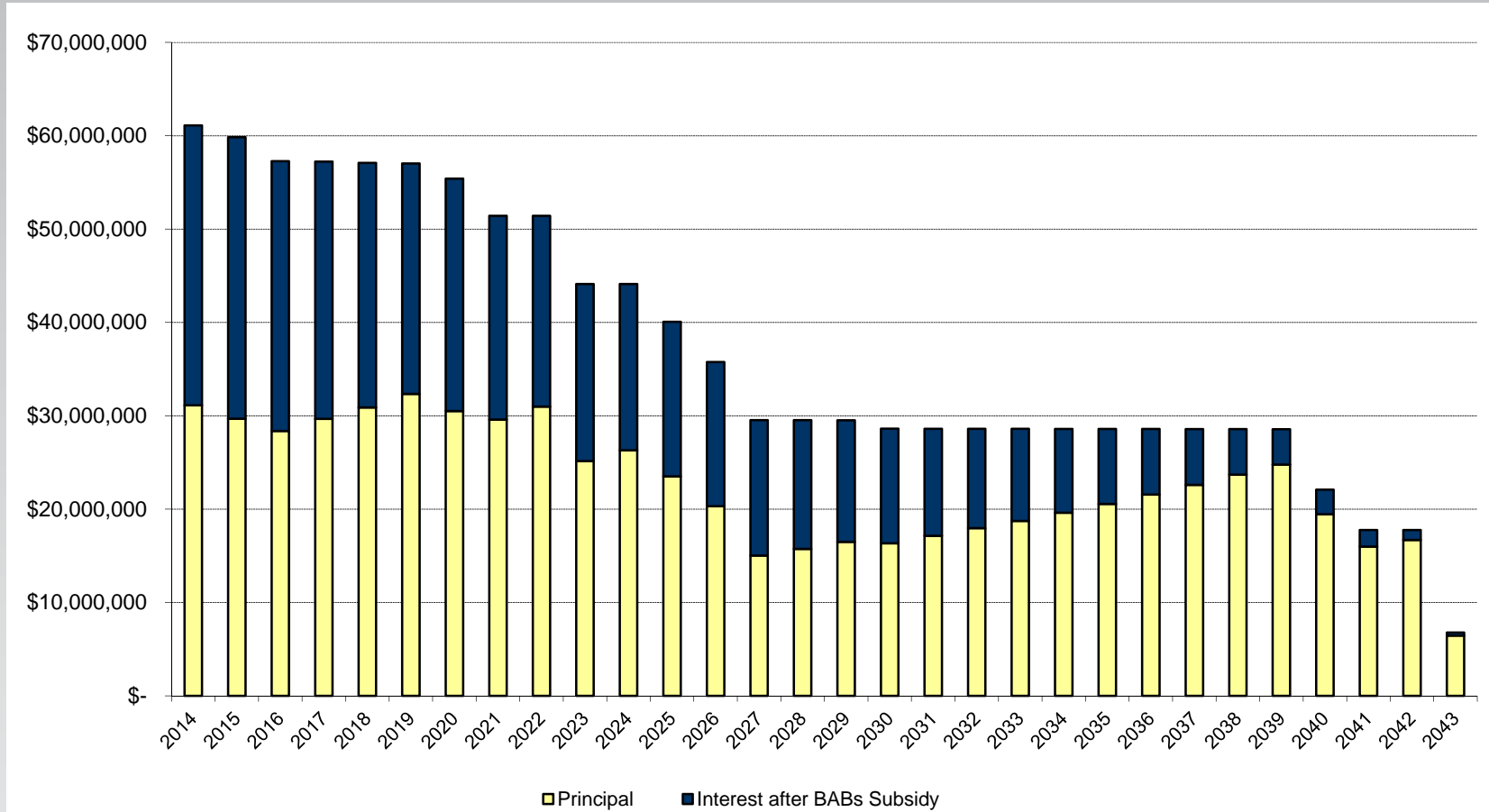
OUTSTANDING GENERAL OBLIGATION DEBT

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OUTSTANDING UTILITY REVENUE DEBT

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DEBT RATINGS

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General Obligation Ratings:

- Fitch AA
- S&P AA-
- Moody's Aa2

Utility Revenue Bond Ratings – Senior Lien:

- Fitch AA -
- S&P A+
- Moody's Aa3

Utility Revenue Bond Ratings – Junior Lien:

- Fitch A+
- S&P A
- Moody's A1



IMPACT OF AAA RATING

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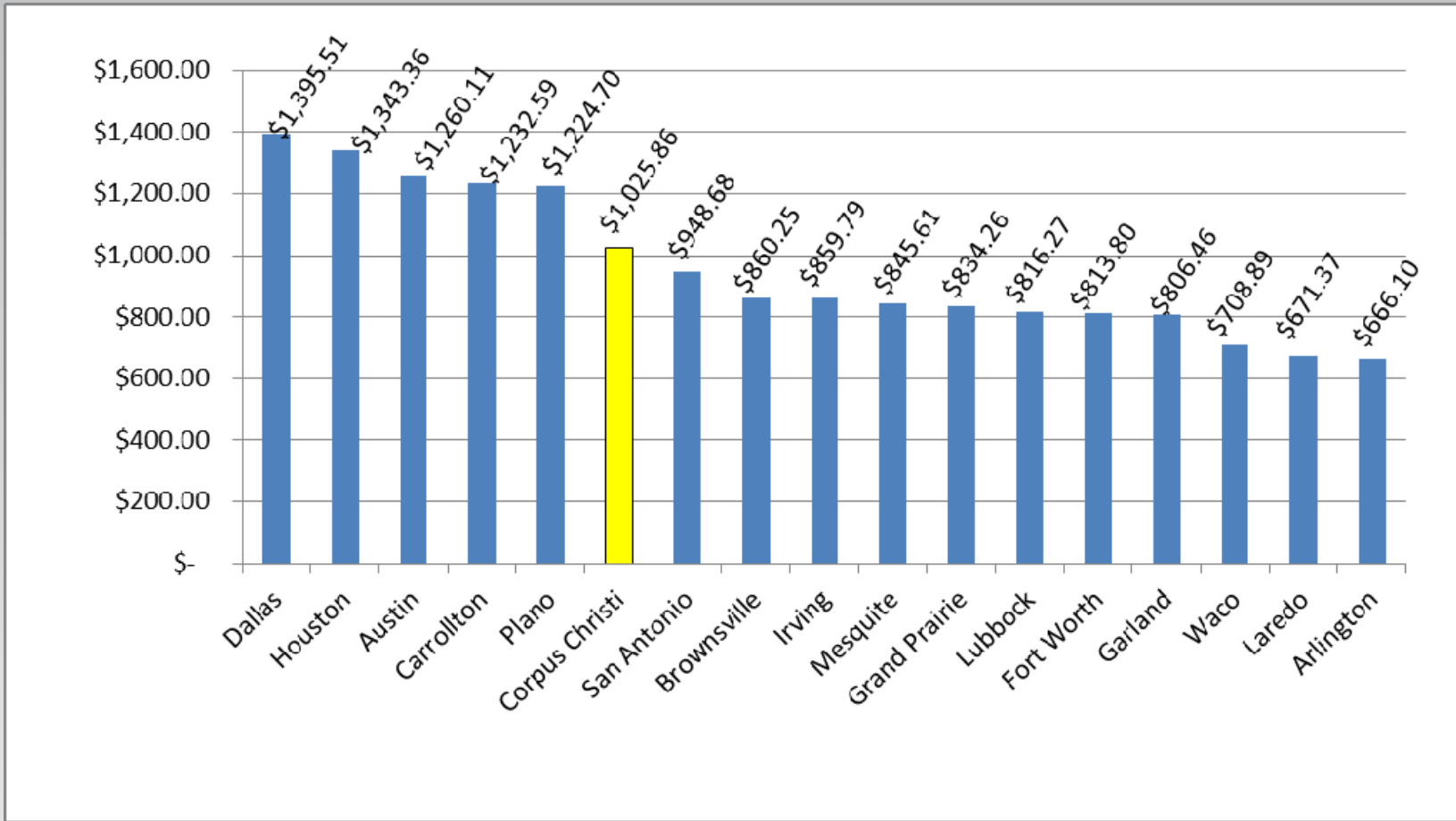
- With today's interest rates, a move from AA to AAA would save the City approximately \$30,500 (over 20 years) for each \$1,000,000 of bonds issued.



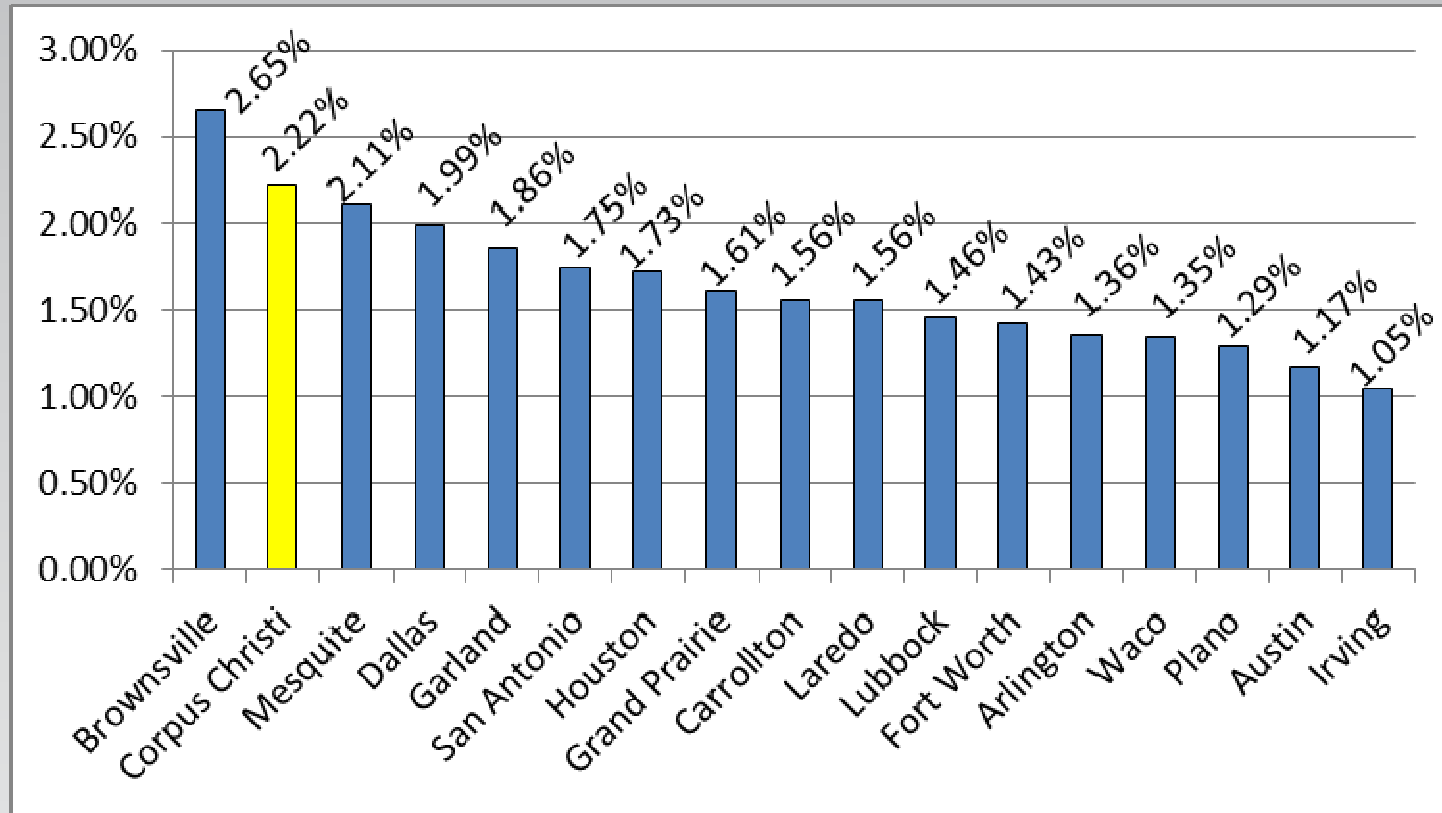
DEBT PER CAPITA

(Total outstanding debt / population)

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NET DIRECT DEBT AS A PERCENTAGE OF NET ASSESSED VALUE



QUESTIONS

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