TAB 1

RESOLUTION 08-18 and 08-19
POINT PAPER
FINANCIAL POLICIES – FUND BALANCE AND DEBT

Problem: On May 5th, the City Commission was presented with draft financial policies for fund balance and debt. Several questions were raised and suggestions presented.

Background: Two financial policies – Fund Balance and Debt - are being brought before Commission with changes suggested by Commission at the May 5th workshop. The significant changes to the policies are:

1. Fund Balance Policy (Attachment A) – Changed the reserve requirement from 3 or 4 months to a range of 3 to 6 months for all applicable funds.
2. Debt Policy (Attachment C) – Included the option of the City Commission to add parties to the Financing Team.
3. Debt Policy – Clarified the teams (in the definition section) and when the teams are to be utilized.
4. Debt Policy – Changed the required net debt per capita from $900 to a range of $1000 to $2000 to be more in line with the other benchmarks.
5. Both policies – Included current benchmark information. (see Attachments B and D)

The city's financial advisor from RBC will attend the workshop to present a review of current debt and future debt capacity (Attachment E).

Alternatives:

1. Do Nothing
2. Move the Resolutions 08-18 and 08-19 forward to the 7:00 pm meeting and approve.

Recommendation: Staff recommends Alternative #2

Attachment A

RESOLUTION 08-18

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALMETTO, FLORIDA, TO ESTABLISH A POLICY PERTAINING TO THE RESERVING OF FUND BALANCE FOR PURPOSES OF ENSURING THE FINANCIAL STABILITY OF THE CITY.

WHEREAS, the City Commission, in and for the City of Palmetto, Florida, hereinafter referred to as Commission, endorses sound financial policies and practices; and

WHEREAS, the Commission has determined that a fund balance/retained earnings reserve policy tailored to the particular needs of the City is the most responsible way to insure against unanticipated events which would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services; and.

WHEREAS, it is essential that the Commission maintain adequate fund balances/retained earnings and reserves in its various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns or revenue shortfalls, and (3) provide funds for unforeseen expenditures related to emergencies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PALMETTO:

SECTION 1. Findings of Fact.

The above-referenced "WHEREAS" clauses are adopted herein as findings of fact.

SECTION 2. Financial Policy:

The annual operating budget of the City balances the public service needs of the community with the fiscal resources of the city. It is intended to achieve the goals and objectives set and approved by City Commission for the sound administration of the City's finances and continued financial health. Special emphasis is placed on the city's financial condition, public safety, environmental health, physical appearance and quality of life while maintaining a friendly neighborhood atmosphere.

Financial condition may be defined in a variety of ways. For purposes of this policy, financial condition refers to the city's ability to provide services at the level and quality required for the health, safety, and welfare of the community and its citizens. Financial indicators, as set forth by the Auditor General of the State of Florida, will be reviewed at the end of each fiscal year, and discussed with the external auditors. If, at such time, the indicators reveal a deteriorating financial condition, appropriate steps will be taken to alleviate the condition.

SECTION 3. Fund Balance/Retained Earnings Reserves

There is hereby created, in each of the various governmental fund types (general fund, special revenue fund, debt service fund, and capital projects fund) and proprietary fund type (enterprise funds only), funds of the City, a reservation of fund balance or retained earnings equal to the following:

A. General Fund – In the general fund, there shall be created a reservation in fund balance (Stabilization Reserve) equal to 3 to 6 months of the current fiscal year expense budget, or 10% to 25% of budgeted revenues whichever is greater. For the purposes of this calculation, the current fiscal year budget shall be the budget as originally adopted by Resolution of the City Commission. This reserve shall be in addition to all other reserves or designations of fund balance, including but not limited to reservations for Building Department, encumbrances, inventory, Law Enforcement and reservations of funds which have expenditure authority limited to specific purposes. The Fund Balance in the Trailer Park Trust fund will not be included in the calculation of the General Fund fund balance reserves. In any fiscal year when the City is unable to create the reservation of fund balance required by this section, the City shall not utilize any amount of fund balance for the purpose of balancing the subsequent fiscal year budget.

B. Special Revenue Fund – By definition, special revenue funds are created to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes. There shall be created a reservation in fund balance (Stabilization Reserve) equal to 3 to 6 months of the current fiscal year expense budget, or 10% to 25% of budgeted revenues whichever is greater.

C. Capital Projects Fund – The capital projects funds (Governmental CIP fund) were created to account for resources (CIP project expenses) designated to construct, acquire or maintain general fixed assets and major improvements and are typically listed as reserved for such purposes. In the Governmental CIP Fund, these projects may extend beyond a single fiscal year. Therefore, although no specific reserve requirement is established for the capital projects funds. The fiscal year end fund balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund all outstanding fund obligations.

D. Enterprise Funds – In each of the enterprise funds now or hereafter created by the Commission, there shall be created a reservation of retained earnings equal to 3 to 6 months of the current fiscal year budget for that fund or 10% to 25% of budgeted revenues, whichever is greater. For the purposes of this calculation, the current fiscal year budget shall be the total budget as originally adopted by Resolution of the City Commission. This reserve shall be in addition to all other reserves or designations of fund balance/retained earnings, including but not limited to reservations for Impact

Fees and encumbrances and reservations of funds which have expenditure authority limited to specific purposes. In any fiscal year when the City is unable to create the reservation of retained earnings required by this section, the City shall not utilize any amount of fund balance for the purpose of balancing the subsequent fiscal year budget.

SECTION 4. Utilization of Surplus Reserves

In the event that the unreserved undesignated fund balance or unreserved retained earnings balance exceeds the amounts set forth above, the excess may be utilized for any lawful purpose with City Commission approval. Nevertheless, it is recommended that first priority be given to utilizing the excess within the fund in which it was generated. In order to minimize the long term effect of such use, it is also recommended that any such excess be used to fund one time expenditures or expenses which do not result in recurring operating costs or other one time costs including the establishment of or increase in legitimate reservations or designations of fund balance or reservations of retained earnings.

SECTION 5. Replenishment of Reserve Deficits

If, there are insufficient fund balance/retained earnings, subsequent budgets will provide for a three year repair plan. The required amount will be calculated and the shortfall determined. Then each of the subsequent three years will fund 1/3 of the shortfall until the required reserve is obtained. If this is financially unfeasible, a written plan shall be forwarded by the City Clerk to the Commission for approval in order to restore the unreserved and undesignated fund balance to an amount within the range within a reasonable time frame. This plan may require reduction of services, increases in taxes, fees, or rates, or some combination thereof.

SECTION 6. Annual Review

Annually, after the completion of the City's Comprehensive Annual Financial Report, the Deputy Clerk – Finance shall prepare a Reserve Level Status Report as part of the city's Annual Budget Process to be approved by the City Commission. At least every five years, the City Commission will be required to affirm or revise the Policy including the percentage range established by the category described herein.

SECTION 7. Resolutions in Conflict

This resolution hereby repeals all ordinances and parts of resolutions in conflict herewith to the extent of such conflict.

SECTION 8. Severability.

If any section, sub-section, paragraph, sentence, clause or phrase in this Ordinance shall be held invalid by a court of competent jurisdiction, then such invalidity shall not affect the remaining portions hereof.

<u>SECTION 9</u>. Effective Date.

This Resolution shall take effect as provided by law.

PASSED AND DULY ADOPTED, by the City Commission, in open session, with a quorum present and voting, this __________day of ________________________2008.

CITY OF PALMETTO, FLORIDA, BY AND THROUGH THE CITY COMMISSION OF THE CITY OF PALMETTO

By: __________________________

LAWRENCE E. BUSTLE, JR., MAYOR

ATTEST: James R. Freeman
City Clerk

By: ________________________

City Clerk/Deputy Clerk

Attachment B

Benchmarks for Fund Balance Policy using 2007 CAFR (does not include Trailer Park Trust) and 2008 Budget

Based on Revenues - FY08 budget divided by 2007 Unrestricted Fund Balance

				Benchmark		Surplus (Deficit)	
	FY08 Budgeted Revenues	07 EOY Unrestricted Fund Balance	% of Revenues	Minimum 10%	Maximum 25%	Minimum 10%	Maximum 25%
General Fund	11,356,000	2,920,263	25.72%	1,135,600	2,839,000	1,784,663	81,263
Road and Bridge	1,305,769	886,728	67.91%	130,577	326,442	756,151	560,286
Solid Waste	2,271,681	203,153	8.94%	227,168	567,920	(24,015)	(364,767)
Water and Sewer	4,940,194	598,291	12.11%	494,019	1,235,049	104,272	(636,758)
Stormwater	1,209,263	(809,293)	-66.92%	120,926	302,316	(930,219)	(1,111,609)
Reuse	180,000	(435,868)	-242.15%	18,000	45,000	(453,868)	(480,868)

Based on Expenses - 2007 Unrestricted Fund balance divided by 1/12 FY08 Budgeted Expenses

	FY08 Budgeted Expenses	07 EOY Unrestricted Fund Balance	One Month Expenses	Months of Expenses	Minimum Required	Maximum Required	Surplus (Deficit) to reach minimum	1/3 of Minimum Deficit
General Fund	11,348,215	2,920,263	945,685	3.09	2,837,054	5,674,108	83,209	
Road and Bridge	1,205,002	886,728	100,417	8.83	301,251	602,501	585,478	
Solid Waste	2,154,274	203,153	179,523	1.13	538,569	1,077,137	(335,416)	(111,805)
Water and Sewer	4,851,956	598,291	404,330	1.48	1,212,989	2,425,978	(614,698)	(204,899)
Stormwater	1,164,263	(809,293)	97,022	(8.34)	291,066	582,132	(1,100,359)	(366,786)
Reuse	138,031	(435,868)	11,503	(37.89)	34,508	69,016	(470,376)	(156,792)

Note: The Fund Balance Policy calls for the greater of 10 - 25% of revenues or 3 - 6 months of expenses. The greater amount is underlined.

Attachment C

RESOLUTION 08-19

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALMETTO, FLORIDA, TO ESTABLISH A POLICY PERTAINING TO THE ISSUANCE OF DEBT FOR PURPOSES OF ENSURING THE FINANCIAL STABILITY OF THE CITY

WHEREAS, the City Commission, in and for the City of Palmetto, Florida, hereinafter referred to as Commission, endorses sound financial policies and practices; and

WHEREAS, the Commission has determined that a debt policy tailored to the particular needs of the City is the most responsible way to provide guidelines for the issuance and management of the debt of the City and to maintain the financial strength and provide for the timely repayment of all debt; and.

WHEREAS, it is essential that the Commission establish and approve a policy to provide guidelines for (1) the conditions for issuing debt, (2) the project life, type, and management of debt, and (3)the restrictions on debt issuance, service and outstanding debt.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PALMETTO:

<u>SECTION 1</u>. FINDINGS OF FACT

The above-referenced "WHEREAS" clauses are adopted herein as findings of fact.

<u>SECTION 2.</u> PURPOSE

The purpose of this policy is to establish guidelines for the issuance and management of the debt of the City of Palmetto, Florida as approved by its City Commission (hereafter referred to as the "City"). The City Commission is committed to consistent, best practices in financial management, including maintaining the financial strength and flexibility of the City and the full and timely repayment of all debt.

<u>SECTION 3.</u> CONDITIONS FOR ISSUING DEBT

A. Purposes and uses of debt

Under the governance and guidance of Federal and State laws and the City's Charter, ordinances and resolutions, the City may periodically enter into debt obligations to finance the construction or acquisition of infrastructure and other assets and equipment or to refinance existing debt for the purpose of meeting its governmental obligation to its residents. It is the City's desire and direction to assure that such debt obligations are issued and administered in such fashion as to obtain the best long-term financial advantage to the City and its residents, while making every effort to maintain and improve the City's credit ratings and reputation in the investment community.

The City may also desire to issue debt obligations on behalf of external agencies or authorities for the purpose of constructing facilities or assets which further the goals and objectives of City government, while not placing additional liabilities on the City (conduit debt). In such case, the City shall take reasonable steps to confirm the financial feasibility of the project and the financial solvency of the borrower; and, take all reasonable precautions to ensure the public purpose and financial viability of such transactions.

The City shall not issue debt obligations or utilize debt proceeds to finance current operations of the City Government.

B. Project Life and Types of Debt

Long-term debt will be used to finance essential capital projects and certain equipment where it is cost effective, prudent or otherwise determined to be in the best interest of the City. Long-term debt, which includes capital lease financings, should not be used to fund the City's operations, provided that the City may issue long-term debt to finance pension or other post employment benefit obligations in the event that it is financially prudent to do so. Capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the facilities or equipment.

The City may issue debt in the form of capital leases, bank qualified loans, general obligation or revenue bonds, and state issued loans. These debt instruments may be issued through a bank, bond pool, underwriter, State of Florida or Florida League of Cities financing. The feasibility of issuance, type of debt and method of issuance will be determined by the City's Finance Team to include the City Clerk, Deputy Clerk of Finance, the City's Financial Advisor and any other parties deemed necessary by City Commission. The Finance Team will consider debt coverage, net debt per capita, interest costs, and other items as deemed necessary by the team to determine the feasibility of issuing debt and the type and method of issuance. Once the determination is made, the team will make a recommendation to the City Commission for final approval.

Capital leases will only be issued on equipment with a minimum useful life of four years and a minimum item or group cost of $10,000. The maturity of a capital lease will be the lesser of the asset's useful life (4 years minimum) and ten years and will be grouped together with like assets to obtain the maximum financial benefit.

All debt obligations, other than capital leases, shall have a maximum maturity of the earlier of (i) the estimated useful life of the capital improvement being financed; or, (ii) up to thirty years; or, (iii) in the event they are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced, unless a longer term is deemed financially necessary.

Whenever possible, the City will utilize bank qualified loans totaling a maximum of $10 million per calendar year, inclusive of capital leases and conduit debt. In the event that the Financing Team determines that the issuance of bonds is in the best interest of the City, the issuance of revenue bonds is preferable to general obligation bonds. Per Florida Statutes, general obligation bonds will be issued only through a referendum of the voters of the City of Palmetto and will be backed by the full faith and credit of the City.

The City may issue variable rate debt in amounts and in proportion to its fixed rate debt that the City's Financing Team determines are appropriate to achieve the City's goals with respect to its credit rating, risk management, debt management flexibility and debt service costs. The specific amount of variable rate obligations permitted will be set considering cash reserves, market conditions, matching of current and future assets and liabilities, budget procedures and other factors deemed relevant by the City and Financing Team.

The City may choose to enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction, or other forms of debt bearing synthetically determined interest rates as authorized under Florida statutes. The Financing Team will, or should, fully understand the implications and risks of employing such debt and interest instruments prior to entering into any agreement. Before entering into such contracts or agreements, the Financing Team shall review the risks and benefits of such financing techniques and expected impacts on the City's long-term financial operations and credit ratings.

C. Debt Refunding and Restructuring

The City will monitor outstanding debt in relation to existing conditions in the debt market and may refund bonds or refinance any outstanding debt when sufficient const savings can be realized. Refunding/refinancing outstanding debt may be considered when the net present value savings between the outstanding debt and the refunding/refinancing debt is equal to or greater than 3% or when the Financing Team determines it to be in the best financial interest to the City. The City may also refund existing debt for the purpose of revising debt covenants to meet particular organizational and/or strategic needs of the City.

SECTION 4. RESTRICTIONS ON DEBT ISSUANCE, SERVICE AND OUTSTANDING DEBT

The City hereby establishes the following policies concerning the issuance and management of debt:

A. The City will not issue debt obligations or use debt proceeds to finance current operations.
B. The City will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources, or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life.
C. The City shall engage independent auditors to complete an annual audit of the City. An Independent Auditors' Report is part of the Comprehensive Annual Financial Report (CAFR) of the City. The annual audit of the City shall include all funds and fund balances established as part of any direct debt financing of the City. The audit shall identify any debt covenants that were not satisfied and will follow a policy of "full disclosure" in its CAFR.
D. The City will measure the impact of debt service requirements of outstanding and proposed debt obligations prior to the issuance of debt.
E. The City will strive to establish and maintain a credit rating acceptable to Rating Agencies to receive a minimum rating of A1 (Moody Rating Service) for its obligations, which will facilitate favorable interest costs.
F. In the event the City determines it is best to issue bonds, a bond team will be assembled to include: City Clerk, Deputy Clerk of Finance, Financial Advisor, Bond Counsel, Underwriters and any other expert deemed necessary by the Financial Advisor. Outside experts will be chosen through the issuance of a Request for Proposal (RFP).
G. The City's debt capacity shall be maintained within the following generally accepted benchmarks as determined by the City's latest completed CAFR:
    - Net debt per capita should be one thousand to two thousand dollars ($1,000 – 2,000).
    - Net debt as a percentage of estimated assessed value of taxable property should not exceed three percent (3%).
    - The debt per capita as a percentage of income per capita should not exceed five percent (5%).
    - Debt Service Coverage Ratio for each fund should be a minimum of 110% of maximum combined debt service. The calculation shall not include impact fees or the associated expenses.
H. The City will include the appropriations necessary to make the required debt service payment in its annual budget.

SECTION 5. DEFINITIONS

For purposes of this resolution, the words listed below shall have the following meanings:

Amortization: The process of paying the principal amount of an issue of debt by periodic payments either directly to bondholders, bank or debt issuing body. Payments are usually calculated to include interest in addition to a partial payment of the original principal amount.

Assessed value:	A valuation set upon real estate or other personal property by a government as a basis of levying taxes. The assessed value in the City of Palmetto is set by the Manatee County Property Appraiser.
Bond Team:	A team that will include the City Clerk, Deputy Clerk of Finance, Financial Advisor, Bond Counsel, Underwriter and any other member deemed necessary by the Financial Advisor. The Bond Team will be created and utilized only in the event that the city chooses to issue bonds.
Capital project:	Any improvement or acquisition of major capital: facilities, roads, bridges, buildings, utilities or land with a useful life of at least five years.
Conduit financing:	Debt issued by a governmental unit to finance a project to be used primarily by a third party, usually a corporation engaged in private enterprise. The security for such bonds is the credit of the private user rather than the governmental issuer. Generally such bonds do not constitute obligations of the issuer because the corporate obligor is liable for generating the pledged revenues.
Debt:	Bonds, notes, loans, capital leases, or lines of credit issued against a pledge of a specific revenue source or sources with proceeds used to fund a project providing for a public benefit.
Debt Service Coverage Ratio:	Net revenues divided by required debt service (principal and interest payments). This is stated as a percentage and should be 110% of the required debt service or greater.
Financing Team:	Consists of the City Clerk, Deputy Clerk of Finance and the city's Financial Advisor. This team will be responsible for the evaluating the city's debt – current and future – and for making recommendations to the City Commission.
Gross revenue and income:	Operating revenue plus non-operating revenue
Net revenues:	Gross revenue (not including impact fees) and income less operating and maintenance expenses.
Operating and maintenance expenses:	Operating and maintenance expenses net of depreciation, amortization, and interest requirements.

Required debt service:	Principal and interest payments per the amortization schedule of outstanding debt plus any projected principal and interest payments for proposed debt.

SECTION 6. RESOLUTIONS IN CONFLICT

This resolution hereby repeals all ordinances and parts of resolutions in conflict herewith to the extent of such conflict.

SECTION 7. SEVERABILITY

If any section, sub-section, paragraph, sentence, clause or phrase in this Ordinance shall be held invalid by a court of competent jurisdiction, then such invalidity shall not affect the remaining portions hereof.

SECTION 8. EFFECTIVE DATE.

This Resolution shall take effect as provided by law.

PASSED AND DULY ADOPTED, by the City Commission, in open session, with a quorum present and voting, this __________day of ________________________2008.

CITY OF PALMETTO, FLORIDA, BY AND THROUGH THE CITY COMMISSION OF THE CITY OF PALMETTO

By: ___________________________

LAWRENCE E. BUSTLE, JR., MAYOR

ATTEST: James R. Freeman
City Clerk

By: ________________________

City Clerk/Deputy Clerk

Attachment D

The City's Benchmarks as of the 2007 CAFR (in red)

The City's debt capacity shall be maintained within the following generally accepted benchmarks as determined by the City's latest completed CAFR:

- Net debt per capita should be between one thousand and two thousand dollars per capita. ($1,000 - $2,000). $871
- Net debt as a percentage of estimated assessed value of taxable property should not exceed three percent (3%). 1.07%
- The debt per capita as a percentage of income per capita should not exceed five percent (5%). 2.47%

The City's Benchmarks using 08 Budget and including 2007 loan (in red)

- Net debt per capita should be between one thousand and two thousand dollars per capita. ($1,000 - $2,000). $1,207
- Net debt as a percentage of estimated assessed value of taxable property should not exceed three percent (3%). 1.77%
- The debt per capita as a percentage of income per capita should not exceed five percent (5%). 3.43%
- Debt Service Coverage Ratio for each fund should be a minimum of 110% of maximum combined debt service. The calculation shall not include impact fees or the associated expenses.

General Fund	102%
Road and Bridge	139%
Water and Sewer	115%
Stormwater	109%
Reuse	140%

Attachment E

City of Palmetto – Direct Debt Capacity

RBC Capital Markets

	Self Supported	Net Direct Debt	Total Debt
SRF Loan	2,122,184		
DEP Reuse Loan	62,396		
2004 Bank of America Loan	1,868,970	525,610	2,394,580
2005 Bank of America Loan	5,027,754	1,249,093	6,276,847
2008 Bank of America Loan	4,003,000	1,334,000	5,337,000
Capital Leases	527,171	808,551	1,335,722
Total Outstanding Debt	**13,611,475**	**3,917,254**	**15,344,149**
Net Debt Limitations Per Policy			
Limited to $1,800 Per Capita		***$ 25,203,600***	
Limited to 3% of Assessed Taxable Value		***$ 26,520,267***	
Limited to 5% of Per Capita Income		***$ 24,611,315***	
Net Direct Debt Limitation (lesser of A,B, or C)		***$ 24,611,315***	
City of Palmetto Debt Capacity		***$ 20,694,062***	

THE CITY OF PALMETTO

City of Palmetto – Direct Debt Comparisons

RBC Capital Markets

	Palmetto	Bradenton	Venice	Gulfport	Oldsmar	St Pete Beach	Punta Gorda	New Port Richey	Cocoa Beach	Sarasota	Fort Myers	Naples
Population	14,002	54,409	21,584	12,860	14,313	10,085	18,123	16,747	12,805	55,364	67,851	23,391
Square Miles	7.0	14.6	16.7	2.8	22.0	2.0	15.0	4.6	6.0	24.0	48.8	14.0
Per Capita Income	35,154	36,273	41,577	22,801	38,085	38,085	32,000	32,000	36,000	48,623	39,410	42,846
Taxable Assessed Property Value	884,008,892	3,662,259,943	4,366,055,792	949,098,346	1,265,514,092	2,789,671,454	3,515,560,986	862,688,185	2,115,735,252	9,716,115,668	5,936,396,000	16,534,048,798
Total Millage Rate	5.16	4.75	3.34	3.87	4.60	2.67	2.18	7.00	3.58	3.00	6.80	1.13
Total General Fund Budget	11,656,395	36,589,458	31,664,092	9,935,838	10,808,283	14,526,190	17,094,834	17,259,300	20,782,734	55,442,806	79,558,891	34,036,468
General Fund Reserve	6,762,694	19,402,867	16,990,790	4,294,934	4,302,816	3,146,047	2,604,835	4,717,839	6,551,382	22,367,554	22,340,017	16,337,769
As % of Budget	***58%***	***53%***	***54%***	***43%***	***40%***	***22%***	***15%***	***27%***	***32%***	***40%***	***28%***	***48%***
Net Direct Debt	3,917,254	28,623,928	7,613,512	0	2,390,005	13,638,109	8,473,917	26,711,414	995,000	76,784,079	145,995,000	18,356,676
Net Direct Debt Per Capita	$ 279.76	$ 526.09	$ 352.74	$ -	$ 166.98	$ 1,352.32	$ 467.58	$ 1,595.00	$ 77.70	$ 1,386.90	$ 2,151.70	$ 784.78
Net Direct Debt as % of Per Capita Income	0.80%	1.45%	0.85%	0.00%	0.44%	3.55%	1.46%	4.98%	0.22%	2.85%	5.46%	1.83%
Net Direct Debt as % of Assessed Property Value	0.44%	0.78%	0.17%	0.00%	0.19%	0.49%	0.24%	3.10%	0.05%	0.79%	2.46%	0.11%
Total Number of Employees	151	575	332	165.5	150	143	314	194	253	777	1,128	513

City of Palmetto – Self Supported Debt Capacity

	Water & Sewer	Solid Waste Waste	Stormwater	Total Self Supported
Revenues	4,620,521	2,118,189	535,429	7,274,139
Total Debt Capacity Assuming 1.2x Revenue Coverage	***60,775,000***	***27,835,000***	***6,995,000***	***95,605,000***
Existing Debt Outstanding				
SRF Loan			2,122,184	2,122,184
DEP Reuse Loan	62,396			62,396
2004 Bank of America Loan	1,868,970			1,868,970
2005 Bank of America Loan	2,617,390		2,410,364	5,027,754
2008 Bank of America Loan	3,227,000		776,000	4,003,000
Total Existing Debt	***7,775,756***	-	***3,186,364***	***10,962,120***
Remaining Debt Capacity	**52,999,244**	**27,835,000**	**3,808,636**	**84,642,880**