



CITY OF TARPON SPRINGS, FLORIDA

FINANCING/DEBT

7/28/22

CURRENT FINANCING BY CITY

			Original Amount	Principal Outstanding at 9/30/2022
Water Plant Bond Issue				
	Series 2013 A-1 Bonds - Matures 10/1/2036		\$ 7,425,000	\$ 5,270,000
	Series 2013 A-2 Bonds - Matures 10/1/2042		\$ 28,370,000	\$ 23,360,000
Total Water Plant Bond			\$ 35,795,000	\$ 28,630,000
	Principal & Interest annual payments \$2.041 million			
	Interest Rate 3.59%			
	Funded by Water-Sewer Fund			
Fire Truck Capital Leases				
	Fire Ladder Truck Lease 2020 - Matures 4/19/24		\$ 1,094,792	\$ 458,284
	Principal & Interest annual payments \$239,600			
	Interest Rate 3.08%			
	Funded by Penny Fund			
	Fire Truck Lease 2021 - Matures 5/14/26		\$ 846,880	\$ 688,216
	Principal & Interest annual payments \$178,634			
	Interest Rate 1.75%			
	Funded by Penny Fund			
	Fire Truck Lease 2022 - Matures 4/28/28		\$ 899,894	\$ 899,894
	Principal & Interest annual payments \$196,889			
	Interest Rate 3.07%			
	Funded by Penny Fund			
Total Fire Truck Leases			\$ 2,841,566	\$ 2,046,394
Grand Total			\$ 38,636,566	\$ 30,676,394

FINANCING/DEBT

- City has kept debt financing at a minimum
- City credit rating AA- by S&P at Water Plant Bond Issue
- Financing over \$10 million has to go out for referendum

FINANCING OPTIONS

Bond Issue:

- Preferable for amounts over \$10 million and longer term, depending on type of Bond Issue; General Obligation or Revenue Bond
- Higher Issuance Cost
- Higher Interest Rate

Revenue Note as “Bank Qualified”:

- For Financing \$10 million and under
- Lower Issuance Cost
- Lower Interest Rate

BANK QUALIFIED FINANCING

Bank Qualified Financing:

- Created by Tax Reform Act of 1986
- Encourage Banks to invest in tax-exempt bonds
- Issuance \$10 million or less per calendar year
- Banks earn interest tax free
- Interest Rate lower due to tax exempt
- Less issuance costs

CURRENT FINANCING RATES

Preliminary Numbers from Financial Advisor on Bank Qualified Revenue Note:

Financing Amount	Term Years	Interest Rate	Avg. Annual P & I	Total Interest	Total Debt Service	Annual P&I to Annual Revenues
\$5,000,000	5	3.25%	\$ 1,100,000	\$ 497,868	\$ 5,497,868	31%
\$5,000,000	8	3.30%	\$ 721,000	\$ 770,550	\$ 5,770,550	21%
\$10,000,000	5	3.25%	\$ 2,199,000	\$ 995,800	\$ 10,995,800	63%
\$10,000,000	8	3.30%	\$ 1,443,000	\$ 1,541,265	\$ 11,541,265	41%
Backed by Penny Fund						
Using 8 Year Term due to current Penny expires 2030						
Current Penny annual revenues \$3.5 million, increases \$100,000 per year						
Issuance Costs \$50,000						