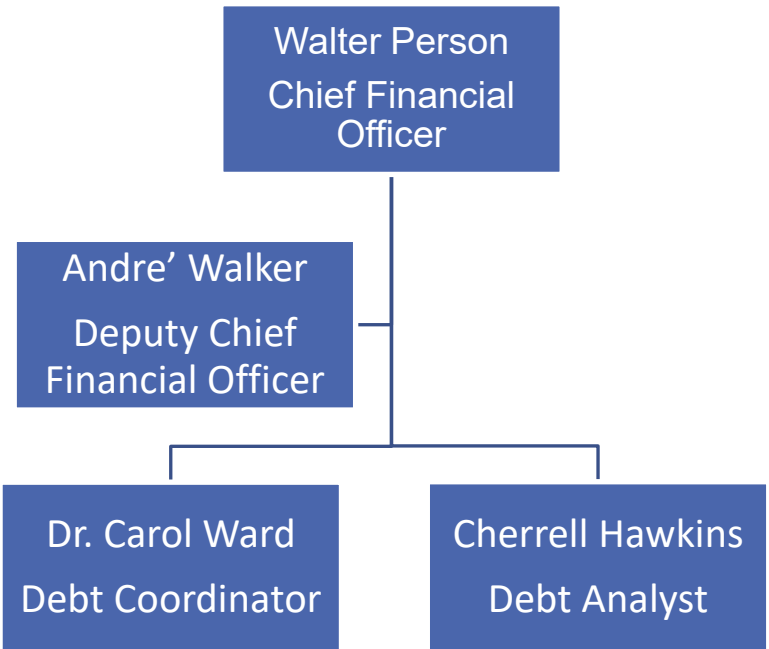


FY27 Budget: Finance Debt Service Fund

FY27 Budget Org Chart at Legal Level: Debt Service Fund



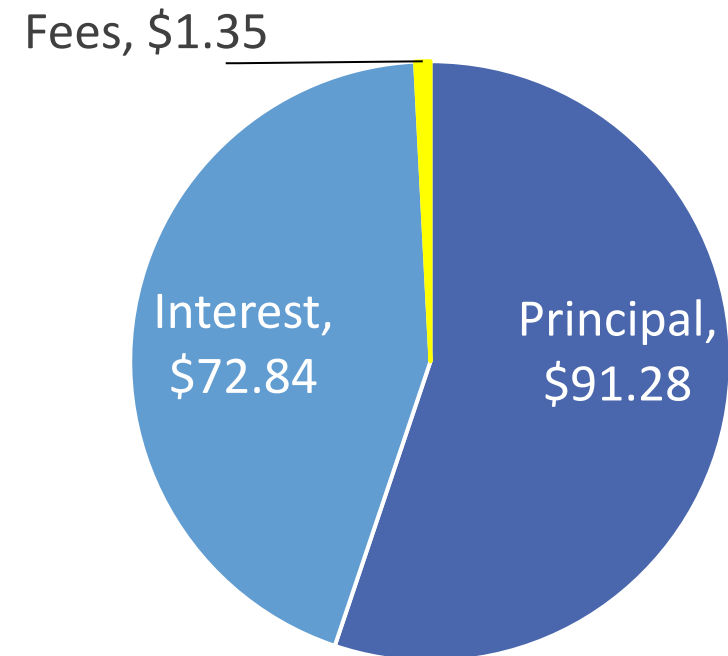
Budget Overview: Debt Service Fund

Total Requested Budget for the upcoming year: \$165,464,790

Key Budget Priorities

1. Timely payment of debt service
2. Sufficient funds available for capital expenditures

Breakdown of Major Spending Categories (\$ Million)



Historical Budget Comparison: Debt Service Fund

Category	FY22 Adopted Budget	FY23 Adopted Budget	FY24 Adopted Budget	FY25 Adopted Budget	FY26 Adopted Budget	FY26 Forecast	FY27 Proposed
Materials and Supplies	1,120,000	1,120,000	1,170,000	1,245,000	1,265,000	1,251,261	1,265,000
Investment Fees	4,000	4,000	4,000	4,000	4,000	-	-
Bond Issue Costs	38,000	780,000	-	800,000	-	645,579	-
Redemption of Serial Bond Issue Costs	106,201,062	106,868,775	113,908,652	114,486,562	130,500,391	130,500,391	91,279,270
Interest	71,395,075	70,074,711	70,558,562	71,129,928	68,028,963	68,763,377	72,837,265
Service Charges	57,000	42,500	62,300	74,925	54,925	77,255	83,255
Transfers Out	-	-	-	-	-	-	-
Retirement of Refunded Debt	-	150,000,000	-	150,000,000	-	150,000,000	-
Misc Expense	-	-	-	-	-	-	-
Contributed to Fund Balance	-	-	-	52,083	-	-	-
Total Expenditures	178,815,137	328,889,986	185,703,514	337,792,498	199,853,279	351,237,863	165,464,790
Total Revenues	178,815,137	329,016,441	185,703,514	337,792,498	199,853,279	335,093,033	181,717,326

Historical Budget Comparison (Year Total Actuals): Debt Service Fund

Category	FY22 YearTotal Actuals	FY23 YearTotal Actuals	FY24 YearTotal Actuals	FY25 YearTotal Actuals	FY26 Q3 Actual	FY26 Forecast	FY27 Proposed
Materials and Supplies	839,299	1,262,217	1,145,741	1,023,396	780,213	1,251,261	1,265,000
Capital Outlay	-	-	-	-	-	-	-
Investment Fees	3,100	1,550	-	-	-	-	-
Bond Issue Costs	29,734,772	1,182,217	103,639	1,748,524	429,544	645,579	-
Redemption of Serial Bonds and Notes	98,081,060	106,868,773	113,903,651	119,356,921	106,732,262	130,500,391	91,279,270
Interest	69,529,175	65,670,434	68,970,766	65,988,121	50,348,746	68,763,377	72,837,265
Service Charges	36,900	28,475	50,375	44,082	44,855	77,255	83,255
Transfers Out	1,880,718	-	-	3,323,234	-	-	-
Retirement of Refunded Debt	207,083,587	316,968,689	-	242,776,345	-	150,000,000	-
Misc Expense	-	(1,097,088)	157,592	543,148	-	-	-
Total Expenditures	407,188,611	490,885,267	184,331,764	434,803,771	158,335,620	351,237,863	165,464,790
Total Revenues	405,889,919	496,917,900	179,156,764	428,249,035	173,173,204	335,093,033	181,717,326

Key Budget Drivers: Debt Service Fund

Budget Drivers: Key factors driving the budget change requests

- Principal payments decreased by \$39.2 million
- Interest payments increased by \$4.8 million

Explanation of Changes

- \$55.9 million decrease: Series 2015A and Series 2014B G.O. Bonds final payment
- \$12.1 million increase: First principal payment of Series 2026 G.O. Bonds and 2021 CABS
- \$3.8 million increase: Changes in other bonds principal payments

Performance Metrics: Debt Service Fund

Key Performance Indicators that will be used to measure success

- **Debt Service Payments**: Ensure debt service payments are made timely and accurately.
- **Sufficient CIP Funds**: Ensure sufficient funds are available for capital expenditures

Comparison of Past Performance:

	FY22	FY23	FY24	FY25	FY26
Timely Payment of Debt Service	100%	100%	100%	100%	100%
Sufficient Funds Available for CIP	100%	100%	100%	100%	100%

Challenges and Risks: Debt Service Fund

Interest Rate Volatility and Refinancing Risk

Interest rate volatility may limit the City's ability to refinance existing debt under favorable conditions. While potential refunding opportunities have been identified—including the General Improvement Bonds, Series 2016 and 2018 (estimated **\$5.1 million in present value savings**) and the TDZ Revenue Refunding Bonds, Series 2017B (estimated **\$3.0 million in present value savings**)—realizing these savings is dependent on market conditions.

Since the start of the war with Iran, interest rates have increased **20 to 50 basis points (0.20% - 0.50%)**. If rates increase further, the City may not be able to capture these potential savings.