

Debt Service Obligations

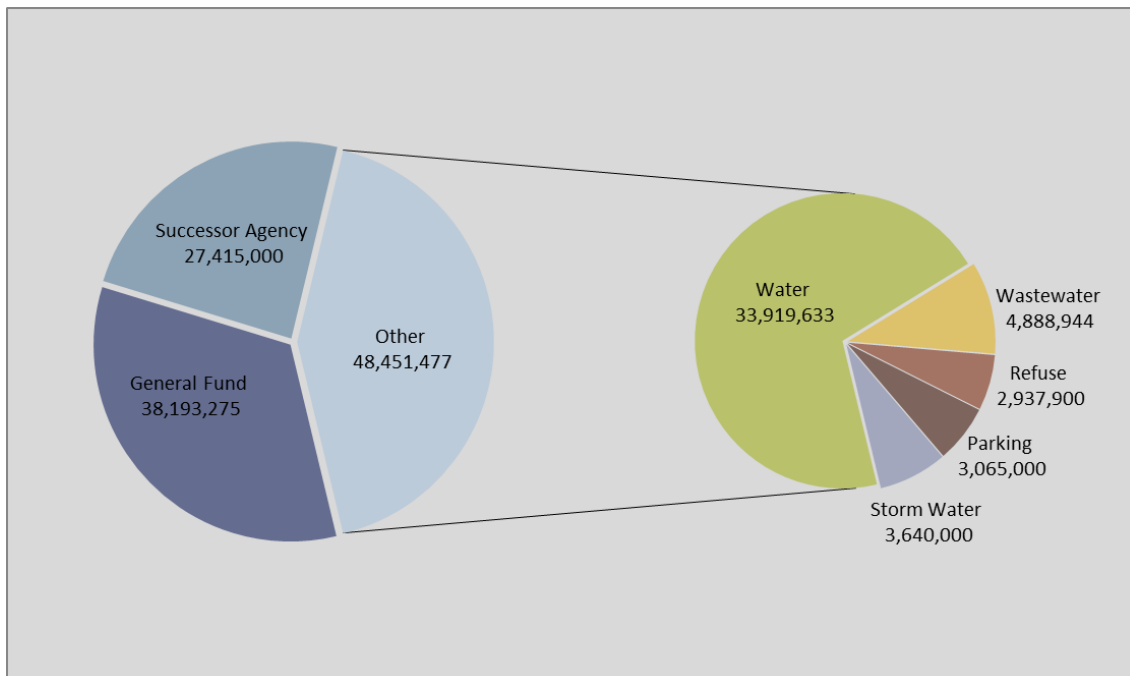
OVERVIEW

The City of Santa Cruz debt service obligations include revenue bonds, general obligation bonds, pension obligation bonds, loans, leases, and former Santa Cruz Redevelopment Agency debt, transferred to the Successor Agency Trust (Resolution NS-28,450 dated January 24, 2012). Also included are the State of California Public Employees' Retirement System (PERS) and other post-employment benefits (OPEB) liabilities. All debt issuance is approved by the Santa Cruz City Council subject to the City's legal debt limit.

- *Revenue Bonds* – issued to purchase or construct assets owned by the City and the City pledges income resulting from the asset or enterprise to pay the debt service.
- *General Obligation Bonds* – issued to finance various public improvements in the City for which the main security for repayment is property taxes.
- *Pension Obligation Bonds* – issued by the City to pay its commitment to the pension fund in which its employees are members.
- *Santa Cruz Redevelopment Successor Agency Debt* – debt issued to finance redevelopment activities in accordance with California Community Redevelopment Law. With the dissolution of Redevelopment Agencies, the principal source of debt repayment is from property tax revenues of the Successor Agency to the Redevelopment Agency.

DEBT STATUS

The graph below estimates outstanding debt obligations, excluding pension, of \$27,415,000 in RDA Successor agency debt, \$38,193,275 in the General Fund, and \$48,451,477 in the City's Enterprise funds for a total outstanding debt obligation of \$114,059,752 at the end of the fiscal year.



Debt Service Obligations

FY 2018 DEBT ISSUES

The following debt issues have been completed in FY 2018:

- Library Bonds – On June 7, 2016, the voters of Santa Cruz approved Measure S, a parcel tax for the County Library System’s \$67 million bond measure to improve the entire library system. In June 2017, the Santa Cruz Libraries Facilities Financing Authority issued bonds in the amount of \$21,170,000. New branches are planned to be built in Scotts Valley and in Downtown Santa Cruz. Also planned are complete renovations of the Capitola and Live Oak branch locations.

FY 2019 PLANNED DEBT ISSUES

The following are planned debt issues for the FY 2019:

- The Water Department will be instituting a Revolving Line of Credit to meet short-term cash flow needs and enable the Department to meet all of its financial targets. Additionally, the Department is pursuing two Drinking Water State Revolving Fund loans totaling \$70 million. The anticipated approval process will take 9 to 12 months and a small amount funds may be received at the end of FY 2019.

FY 2018 PERS AND OPEB LIABILITIES

The City of Santa Cruz participates in PERS to provide pension benefits for past, current and future employees. In addition it provides modest, capped health retiree obligations as required by the CalPERS health program and as negotiated locally by City employees.

CITY OF SANTA CRUZ
FY 2019 ANNUAL BUDGET
Debt Service Obligations
(A) Summary of Changes in Long-Term Debt

Description	Maturity Date	Balance June 30, 2017	Additions to Debt	Principal Paydown and Maturities	Balance June 30, 2018	Balance	
						Due Within One Year	Due in More Than One Year
<u>GENERAL LONG TERM DEBT</u>							
2017 Refunding Lease Revenue Bonds 2007	11/1/2037	5,265,000	-	125,000	5,140,000	165,000	4,975,000
2017 Refunding Lease Revenue Bonds Ser B	11/1/2031	2,420,000	-	-	2,420,000	140,000	2,280,000
2010 Pension Obligation Bonds	6/1/2022	13,295,000	-	2,195,000	11,100,000	2,415,000	8,685,000
2009 General Obligation Refunding Bonds	9/1/2029	5,475,000	-	270,000	5,205,000	290,000	4,915,000
2012 Golf COP Refunding Loan	5/1/2029	2,287,117	-	156,094	2,131,023	161,605	1,969,418
PG&E Loan - LED Streetlights (Interest free)	1/1/2023	138,798	-	24,953	113,845	24,953	88,892
ZION Bank Loan - Homeless Shelter Project	1/1/2021	201,170	-	48,634	152,536	49,723	102,813
I-Bank Arterial Streets and Roads Loan	8/1/2024	11,494,488	-	1,352,050	10,142,438	1,375,440	8,766,998
California Energy Commission Loan	12/22/2033	1,788,433	-	-	1,788,433	38,702	1,749,731
Total General Long Term Debt		42,365,006	-	4,171,731	38,193,275	4,660,423	33,532,852
<u>ENTERPRISE DEBT</u>							
2014 Water Refunding Revenue Bonds	3/1/2036	9,835,000	-	410,000	9,425,000	410,000	9,015,000
I-Bank Water Infrastructure Loan	8/1/2046	25,000,000	-	505,367	24,494,633	521,742	23,972,891
Total Water Liabilities		34,835,000	-	915,367	33,919,633	931,742	32,987,891
2013 Wastewater Refunding Bonds	11/2/2022	8,433,488	-	3,544,544	4,888,944	3,616,374	1,272,570
Total Wastewater Liabilities		8,433,488	-	3,544,544	4,888,944	3,616,374	1,272,570
2009 Refuse Refunding Loan Agreement	10/1/2023	1,632,000	-	219,100	1,412,900	229,900	1,183,000
2010 Enterprise Revenue Bonds	10/1/2021	1,875,000	-	350,000	1,525,000	365,000	1,160,000
Total Refuse Liabilities		3,507,000	-	569,100	2,937,900	594,900	2,343,000
2017 Parking Refunding LRB	11/1/2028	3,350,000	-	285,000	3,065,000	235,000	2,830,000
Total Parking Liabilities		3,350,000	-	285,000	3,065,000	235,000	2,830,000
2014 Storm Water Refunding Revenue Bonds	10/1/2028	3,945,000	-	305,000	3,640,000	310,000	3,330,000
Total Storm Water Liabilities		3,945,000	-	305,000	3,640,000	310,000	3,330,000
Total Enterprise Debt		54,070,488	-	5,619,011	48,451,477	5,688,016	42,763,461
<u>SUCCESSOR AGENCY TRUST</u>							
2004 RDA TAB Merged	10/1/2031	3,570,000	-	175,000	3,395,000	180,000	3,215,000
2011 Housing TABS Series A	10/1/2024	5,695,000	-	565,000	5,130,000	600,000	4,530,000
2011 Taxable TABS Series B	10/1/2026	15,105,000	-	1,110,000	13,995,000	1,185,000	12,810,000
2011 Tax-Exempt TABS Series C	10/1/2026	5,320,000	-	425,000	4,895,000	450,000	4,445,000
TOTAL Successor Agency Trust		29,690,000	-	2,275,000	27,415,000	2,415,000	25,000,000
SUBTOTAL DEBT BEFORE PENSION		126,125,494	-	12,065,742	114,059,752	12,763,439	101,296,313