

## DEBT MANAGEMENT

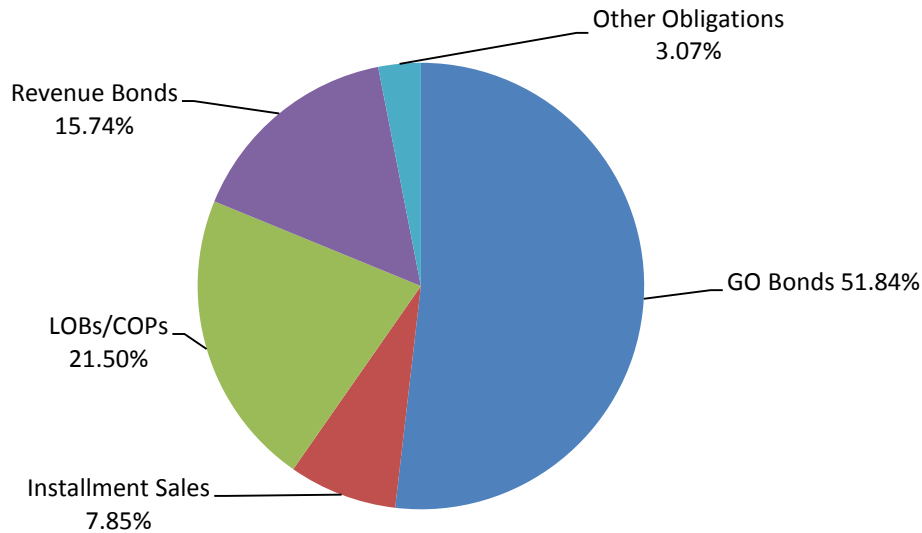
The City manages its long term financing needs through periodic issuance of General Obligation Bonds. Debt service expenditures include principal and interest payments on the City's outstanding bonded debt. These payments are budgeted in the funds that incur the debt: for example, water and sewer debt service is paid from the Water and Sewer Fund. In addition to General Obligation bonds, the City issues revenue bonds and enters into installment sales/lease obligations as allowed under state statutes.

**Ratings:** Bond ratings are measures of the City's credit worthiness. The rating agencies analyze the City's economic condition, debt management, administrative leadership, and fiscal planning and management to determine the quality of the City's credit. The City has a "triple A" rating from all three rating agencies (Standard and Poor's, Fitch Ratings Ltd. and Moody's Investor Service). This represents the highest possible rating for municipal debt, indicating that the City has outstanding credit worthiness. The City's high bond ratings have allowed it to broaden the market for its bonds and to lower the interest costs for borrowing.

### Summary of Outstanding Debt Issues

	Fiscal Year 2014-15 Obligations			Future Obligations		
	Principal	Interest	Total	Principal	Interest	Total
General Obligation Bonds	\$18,980,000	\$8,987,325	\$27,967,325	\$197,465,000	\$54,453,690	\$251,918,690
Installment Sales	3,475,000	1,807,019	5,282,019	29,270,000	18,586,884	47,856,884
Revenue Bonds	3,260,000	3,205,463	6,465,463	62,440,000	41,536,975	103,976,975
Limited Obligation Bonds	9,570,000	3,322,194	12,892,194	80,265,000	22,975,009	103,240,009
Other Obligations	3,264,498	133,545	3,398,043	9,552,240	186,451	9,738,691
<b>Total Debt Service:</b>	<b>\$38,549,498</b>	<b>\$17,455,546</b>	<b>\$56,005,004</b>	<b>\$378,992,240</b>	<b>\$137,739,009</b>	<b>\$516,731,249</b>

**Outstanding Debt by Type of Issue  
FY2014-15**



**Legal Debt Limit:**

The City is subject to the Local Government Bond Act. The Act limits the net bonded debt that the City may have outstanding to eight percent of the appraised value of property subject to taxation. As of February 1<sup>st</sup>, 2014 the statutory limit for bonded debt for the City was \$1,788,613,049 providing a debt margin of approximately \$1,436,711,311.

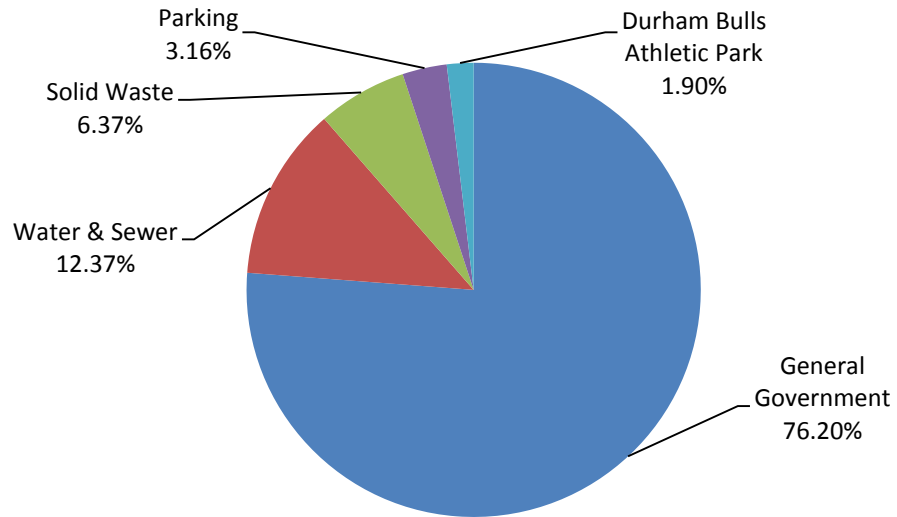
**Outstanding General Obligation Debt**

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**General Obligations**

General Government	\$164,931,880
Water & Sewer	26,771,254
Solid Waste	13,784,761
Parking	6,852,421
<u>Durham Bulls Athletic Park</u>	<u>4,104,684</u>
<b>Total</b>	<b>\$216,445,000</b>

**Outstanding General Obligation Debt  
FY 2014-15**



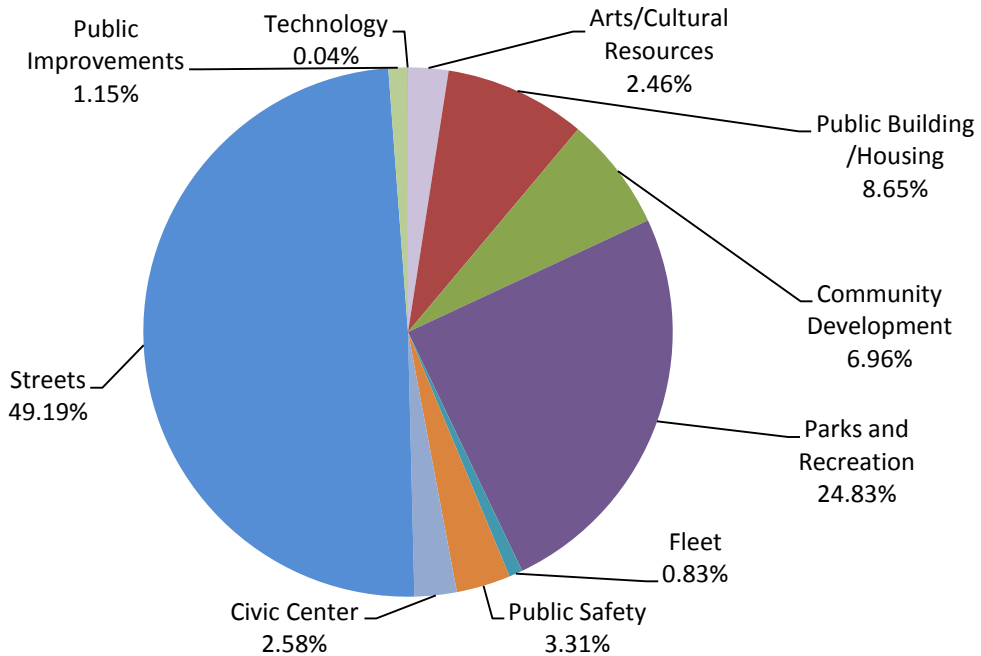
**Outstanding General Government General Obligation Debt**

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**General Government**

Arts/Cultural Resources	\$4,057,935
Public Building /Housing	14,259,153
Community Development	11,481,053
Parks and Recreation	40,962,298
Fleet	1,367,106
Public Safety	5,457,194
Civic Center	4,248,568
Streets	81,135,219
Public Improvements	1,896,613
Technology	66,741
<b>Total</b>	<b>\$164,931,880</b>

**Outstanding General Government G.O. Debt  
FY 2014-15**



**Outstanding General Government General Obligation Debt**

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The City currently has no Authorized and unissued Debt

**Outstanding Variable Rate Debt**

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The City currently has no outstanding Variable Rate Debt.

## Annual Principal and Interest Requirements FY 2014-15

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<u>Issue</u>	<u>Debt Purpose</u>	<u>Principal</u>	<u>Interest</u>	<u>Future Principal Obligations</u>
DURHAM-2001-B	State Loan / Clean Water	\$135,000	\$30,996	\$945,000
DURHAM-2005-A	COP Series 2005	2,585,000	156,300	975,000
DURHAM-2005-AA	GO Series 2005A	500,000	20,000	-
DURHAM-2005-BB	GO Series 2005B (Taxable)	550,000	57,000	650,000
DURHAM-2005-C	GO Refunding (96, 97, 00A partial)	3,085,000	304,050	3,635,000
DURHAM-2005-CC	GO Series 2005C	550,000	22,000	-
DURHAM-2005-D	Revenue Bonds 2005 (Ref)	2,260,000	749,563	12,125,000
DURHAM-2006-A	2006B GOs	500,000	554,825	12,990,000
DURHAM-2006-C	2006A GOs (Taxable Housing)	475,000	64,793	985,000
DURHAM-2007-A	Refund (98 99 00B 02 04)	4,335,000	1,566,669	27,145,000
DURHAM-2007-CPA	Durham Performing Arts Center	890,000	1,650,719	28,295,000
DURHAM-2008-A	23 G.O. Bonds	375,000	433,313	10,100,000
DURHAM-2008-B	05 & 07 authority (\$8M streets )	1,425,000	1,614,175	38,020,000
DURHAM-2009-A	REFUNDING 98, 99, 00B, 02, 04	1,740,000	364,650	7,270,000
DURHAM-2010-A	GO Series 2010 A&B	2,195,000	1,484,096	35,045,000
DURHAM-2010-LOB	LOBS Series 2010 A&B	4,965,000	1,684,084	35,785,000
DURHAM-2011-R	Revenue Bond Series 2011	1,000,000	2,455,900	50,315,000
DURHAM-2012-LOBS A	LOBS Series 2012A	815,000	214,825	5,795,000
DURHAM-2012-LOBSB	LOBS Series 2012B	130,000	187,283	7,625,000
GO-2012-ABCD	GO Bonds Series 2012 ABCD	3,250,000	2,501,756	61,625,000
LEASE-2011-A	Private Placement	614,750	25,227	1,259,500
LEASE-2013-A	Radio Lease	2,514,748	77,322	7,347,740
<u>LOBS-2013-AB</u>	<u>LOBS-2013-AB</u>	<u>3,660,000</u>	<u>1,236,002</u>	<u>31,060,000</u>
	Total	<b>\$38,549,498</b>	<b>\$17,455,545</b>	<b>\$378,992,240</b>