

## CITY OF TYLER DEBT INFORMATION

- A. Debt Issuance.** The City will issue debt only for the purpose of constructing capital projects or purchase of capital equipment for the general benefit of its citizens and rate payers. Debt may be issued for the purposes of purchasing land or rights-of-way and/or improvements to land, for facilities improvements, for construction projects to provide for general benefit, or for capital equipment.
- B. Types of Debt.**
- 1. General Obligation Bonds (GOs)** - General obligation bonds are not to be used to fund operation needs of the City. GO's may be used only to fund capital assets of the general government and are backed by the full faith and credit of the City as well as the ad valorem tax authority of the City. General obligation bonds must be authorized by a vote of the citizens of the City of Tyler.
  - 2. Revenue Bonds** - Revenue bonds may be issued to provide for the capital needs of any activities where the capital requirements are necessary for continuation or expansion of service which produces revenue and for which the asset may reasonably be expected to provide for a revenue stream to fund the debt service requirements. These are issued for enterprise type activities such as water utilities and airport.
  - 3. Certificates of Obligation (COs)** - Certificates of obligation may be used in order to fund capital requirements that are not otherwise covered under either revenue Bonds or General Obligation bonds. Debt service for CO's may be either from general revenues or backed by a specific revenue stream or streams or by a combination of both. Generally CO's are used to fund capital assets where full bond issues are not warranted as a result of the cost of the asset(s) to be funded by the instrument. CO's can be issued without voter approval, usually the vote of City Council upon recommendation of city staff.
  - 4. Contractual Obligations** - These are designed as a low cost alternative to lease/purchase of equipment. They may be used solely for acquisition of Personal Property. Multiple acquisitions may be grouped in a single issue, and the debt is financed over the useful life of the assets.
- C. Disclosure.** Full disclosure of operations may be made to the bond rating agencies and other users of financial information. Continuing disclosure is filed the Security and Exchange Commission as required.
- D. Federal Requirements.** The City maintains procedures to comply with arbitrage rebate and other federal requirements.
- E. Debt Limit.** The State of Texas limits the ad valorem tax rate to \$2.50 per \$100 valuation. The City's charter limits the ad valorem tax rate to \$1.75 per \$100 valuation. The City of Tyler's 2015-2016 tax rate is \$.22000 per \$100 valuation. Debt amounts to be supported by property tax is also capped at 10% of the assessed values per City charter.
- F. Authorized but Unissued Bonds.** The City currently no authorized and unissued bonds.
- G. Bond Ratings.** Tyler's bonds currently have the following ratings:
- General Obligation Bonds AAA (S&P)
  - Revenue Bonds AA+ (S&P)
  - Revenue Bonds AAA (S&P) (Prior Senior Lien Debt)

## H. Debt Obligations

Series	Original Issue Amount	Issue Date	Final Maturity	Total Outstanding Principal as of October 1, 2015	Total Interest as of October 1, 2015	Total Outstanding Principal & Interest as of October 1, 2015	Purpose of Debt
<b>General Obligation Bonds (G.O.)</b>							
The City of Tyler has no G.O. debt							
<b>Total General Obligation Bonds</b>				<u>-</u>	<u>-</u>	<u>-</u>	
<b>Revenue Bonds</b>							
Water & Sewer System Revenue Bonds, Series 2008	5,120,000	3/26/2008	9/1/2032	4,745,000	1,923,440	6,668,440	Provides funds to purchase land for future waste water treatment plant, pay for engineering design for US Highway 69 water and waste water line extension project.
Water & Sewer System Revenue Bonds, Series 2009	21,610,000	12/15/2009	9/1/2034	20,210,000	10,346,950	30,556,950	Provides funds to purchase land for future waste water treatment plant, pay for engineering design for US Highway 69 water and waste water line extension project. Also, to fund cash reserve.
Water & Sewer System Revenue Refunding Bonds, New Series 2011	9,350,000	7/14/2011	9/1/2028	8,145,000	2,370,725	10,515,725	Proceeds to refund portion a portion of City's outstanding Water and Sewer System Revenue Bonds, series 2002("the Refunded Bonds") in order to provide debt savings for the City.
Water & Sewer System Revenue Refunding Bonds, New Series 2012	2,205,000	7/26/2012	9/1/2027	1,465,000	224,363	1,689,363	Proceeds to refund portion a portion of City's outstanding Water and Sewer System Revenue Bonds, series 2002("the Refunded Bonds") in order to provide debt savings for the City.
Water & Sewer System Revenue Refunding & Improvement Bonds, New Series 2015A	8,205,000	9/29/2015	9/1/2035	8,205,000	3,917,223	12,122,223	Proceeds to be used for improvements to the waste water system to meet regulatory compliance. Also, to refund a portion of Water and Waste Water Refunding Bonds, Series 2005 ("the refunded bonds") to provide debt service savings for the City.
Water & Sewer System Revenue Refunding Bonds, New Series 2015B	19,915,000	9/29/2015	9/1/2029	19,915,000	6,751,338	26,666,338	Proceeds to refund the remainder of Water and Waste Water Refunding Bonds, Series 2005 ("the refunded bonds") to provide debt service savings for the City.
Customer Facility Charge Taxable Revenue Bonds, Series 2013	1,175,000	3/27/2013	8/15/2028	1,055,000	298,168	1,353,168	Proceeds to be used to construct wash bay facility to be used by rental car providers.
<b>Total Revenue Bonds</b>				<u>63,740,000</u>		<u>89,572,206</u>	
<b>Contractual Obligations</b>							
BB&T Contractual Obligation - 2013	71,610	12/21/2013	5/13/2016	24,229	366	24,595	Proceed to purchase License Plate Recognition equipment for the City of Tyler Marshal's Department
BB&T Contractual Obligation - 2013	4,480,261	3/27/2013	2/1/2021	3,358,672	170,601	3,529,273	Proceed to refinance 2009 Motorola Lease and purchase new dispatch consoles and FireTrucks.
BB&T Contractual Obligation - 2014	864,493	2/4/2014	10/1/2018	585,009	15,659	600,668	Proceeds used to upgrade Tyler Police Department core application software.
IBM Contractual Obligation- 2014	210,623	4/1/2014	3/1/2017	107,123	2,360	109,483	Proceeds provided IBM equipment for the City of Tyler's Information Technology Department.
Key Government Finance, Inc. Contractual Obligation- 2014	409,265	11/15/2013	2/15/2018	231,144	14,415	245,559	Proceed to purchase computer equipment as described in Flair Data Systems.
Southside Bank Contractual Obligation- 2015	126,480	12/18/2014	1/15/2018	93,591	6,014	99,605	Proceeds used to provide Body Cameras for the City of Tyler Marshal's Department.
Xerox Contractual Obligations- 2015	47,238	10/1/2014	9/30/2019	25,981	-	25,981	Proceeds provided replacement xerox models for the City of Tyler's Neighborhood Services, Airport, and Library.
<b>Total Contractual Obligations</b>				<u>4,425,749</u>		<u>4,635,165</u>	
<b>Total Citywide Debt Obligations</b>				<u>68,165,749</u>		<u>94,207,371</u>	