



Debt Service Fund

Mission

To optimize City resources in obtaining funds for City projects.

Goals

To finance projects and refund existing debts utilizing the most cost effective methods, while minimizing the restrictions that would hinder the future borrowing capacity of the City.

Objectives

To account for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds, and to maintain the highest possible bond ratings for the marketability of the City's debt.

Major Functions and Activities

The following paragraphs describe the bond issues of the City of Pembroke Pines. The balances outstanding shown in these paragraphs are as of September 30, 2011. All capitalized terms are as defined in each bond issue's official documents.

~ PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2001:

On October 12, 2001, the City issued \$19,600,000 bonds for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the \$10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000. The \$10,985,000 outstanding bonds, maturing on and after October 1, 2014, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service and redemption premiums until they are called for redemption on October 1, 2011. The remaining \$2,715,000 outstanding bonds that were not refunded are due in varying installments through October 1, 2013. They bear interest at rates which range from 4.10% to 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with any Additional Parity Bonds. The bonds maturing on and after October 1, 2012 are subject to redemption at the option of the City, on or after

October 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ TAXABLE COMMUNICATIONS SERVICES TAX REVENUE BONDS, SERIES 2003A:

On October 17, 2003, the City issued \$39,935,000 bonds in order to maintain the City's pension contribution as a percentage of payroll at the level prior to the increased benefits for firefighters under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers. These bonds have an outstanding balance of \$37,185,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.97%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2004 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on and after October 1, 2014 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2013, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ TAXABLE COMMUNICATIONS SERVICES TAX REVENUE BONDS, SERIES 2004:

On April 1, 2004, the City issued \$49,910,000 bonds for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. These bonds have an outstanding balance of \$45,910,000 due in varying installments through October 1, 2033. The outstanding bonds bear interest at rates from 4.00% to 5.25%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are



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payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2003A Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on and after October 1, 2015 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2004A:

On May 6, 2004, the City issued \$20,140,000 bonds for the purpose of funding the acquisition, construction, and equipping of the Senior Housing Project (Tower One), the site development, engineering and permitting costs related to the Senior Housing Project, and the mobile safety equipment. These bonds have an outstanding balance of \$19,665,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.25% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series, 2001, and any Additional Parity Bonds. The bonds maturing on or after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2004B:

On July 14, 2004, the City issued \$15,975,000 bonds for the purpose of funding the cost of planning, designing, constructing, and equipping of the Senior Housing Project (Tower Two), and any remaining or additional Tower One project costs. These bonds have an outstanding balance of \$15,610,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.625%

to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series, 2001, 2004A, and any Additional Parity Bonds. The bonds maturing on and after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ GENERAL OBLIGATION BONDS, SERIES 2005:

On September 30, 2005, the City issued its first General Obligation Bonds in the amount of \$47,000,000 for the purpose of funding multiple projects including, but not limited to, various roadwork projects, recreational and cultural amenities, economic development and neighborhood revitalization. On December 1, 2005, \$5,456,448 of the General Obligation Bonds, Series 2005 was used to refund the Capital Improvement Revenue Bonds, Series 1993, which had a principal outstanding balance of \$5,985,000. These Series 2005 bonds have an outstanding balance of \$41,135,000 due in varying installments through September 1, 2035. The outstanding bonds bear interest at rates from 3.30% to 4.55%, with interest payable semi-annually on March 1st and September 1st. The Series 2005 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2005 Bonds. The bonds maturing on or after September 1, 2016 are subject to redemption at the option of the City, on or after September 1, 2015, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2006:

On December 1, 2006, the City issued \$29,720,000 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 1998 maturing on and after October 1, 2009 totaling \$18,935,000 and all of the Public Improvement Revenue Bonds, Series 2001, maturing on and after October 1, 2014, totaling \$10,985,000. This advance refunding generates a net present value benefit of \$1,268,541. These refunding bonds have an outstanding balance of \$27,645,000 due in varying installments through October 1, 2022. The



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outstanding bonds bear interest at rates from 4.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2001, 2004A, 2004B, and any Additional Parity Bonds. The bonds maturing on and after October 1, 2017 are subject to redemption at the option of the City, on or after October 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2006:

On December 1, 2006, the City issued \$45,050,000 bonds for the purpose of (1) advance refunding \$28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. The advance refunding generates a net present value benefit of \$1,778,037. These refunding bonds have an outstanding balance of \$41,110,000 due in varying installments through December 1, 2031. They bear interest at rates which range from 3.85 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Bonds, Series 1999 and any Additional Parity Franchise Revenue Bonds. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ CAPITAL IMPROVEMENT REVENUE BONDS (PHASE II OF FORMAN SENIOR HOUSING PROJECT), SERIES 2007:

On January 24, 2007, the City issued \$26,805,000 bonds for the purpose of funding (1) the design, construction, and equipping of approximately 220 residential units to become part of the City's senior housing facilities to be owned and operated by the City, to be located on the Senator Howard C. Forman Human Services Campus and related subordinate facilities, and (2) renovations to existing senior housing facilities owned and operated by the City. These bonds have an outstanding balance of \$25,755,000 due in varying installments through December 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 5.00%, with interest

payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Bonds, Series 1999, the Capital Improvement Revenue Refunding Bonds, Series 2006, and any Additional Parity Franchise Revenue Bonds. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ GENERAL OBLIGATION BONDS, SERIES 2007:

On July 25, 2007, the City issued its Phase II General Obligation Bonds in the amount of \$43,000,000 for the purpose of funding the costs of design, construction and repair of certain improvements within the City. These Series 2007 Bonds have an outstanding balance of \$40,080,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 4.00% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2007 Bonds. The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

~ CHARTER SCHOOL REVENUE BONDS, SERIES 2008 (Reissued in May 2011):

Charter School Revenue Bonds, Series 2008 - On March 25, 2008, the City issued \$64,095,000 bonds for the purpose of providing funds to: (i) finance the acquisition, construction and equipping of certain additions to existing charter school educational facilities located within the City and (ii) advance refund the outstanding City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2001A and 2001B (the "Refunded Bonds") in the aggregate principal amount of \$29,405,000 and \$17,715,000, respectively. The 2008 Bonds have an outstanding balance of \$63,195,000 due in varying installments through July 1, 2038. They initially bear interest at the Weekly Rate, but may be converted at the option of the City, to a Fixed Rate. No 2008 Bond shall bear interest at an interest rate higher than 12% per annum. The 2008 Bonds and the City's regular



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payment obligations under the Series 2008 Swap Transaction are payable from and secured by a lien upon and pledge of revenues derived by the City from lease payments made to the City as a result of its ownership and operation of the Charter Schools and Charter Lab School, including fee-based pre-school programs and revenues received pursuant to leases and/or other agreements for use of such facilities. Pursuant to the Resolution, the City has covenanted to apply the funds on deposit in the Special Revenue Fund to the payment of the Charter School Lease Revenues prior to any other application. In the event the Pledged Revenues are not sufficient, the City has covenanted to budget and appropriate in its annual budget amounts sufficient to meet its obligation from Non-Ad Valorem Revenues. The covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues. The 2008 Bonds were issued on a parity with any Additional Parity Bonds.

In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties. The Series 2008 Swap Transaction has an initial notional amount equal to the initial aggregate principal amount of the 2008 Bonds and will terminate at various times with the final termination date on the final maturity date of the 2008 Bonds, unless earlier terminated pursuant to the terms of the applicable the 2008 Swap Transaction. The notional amount of the Series 2008 Swap Transaction will amortize at the same times and in the same amounts as the amortization of the 2008 Bonds. The City will pay a fixed rate of interest to each of the Swap Counterparties on their respective notional amounts equal to 3.324% and 3.794% and will receive in return from each of the Swap Counterparties a floating rate equal to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, on the same notional amount determined on the day of the week specified in the applicable Series 2008 Swap Transaction. It is anticipated by the City that the floating rate payable by each of the Swap Counterparties will approximate the interest rate on the 2008 Bonds while the 2008 Bonds bear interest in the Weekly Rate Mode. There is no guarantee, however, that such rates will match at all times or at any time. The City is exposed to "basis risk" to the extent that the floating rate it receives from the applicable Swap Counterparty does not equal the interest rate it is required to pay on the 2008 Bonds. The City's payment obligations under the Series 2008 Swap Transaction (except for Swap Termination Payments) will be payable from Pledged

Revenues, on a parity with the payment of interest on the 2008 Bonds and are paid on a priority to principal payments on the 2008 Bonds.

The City's net payments/receipts under the Series 2008 Swap Transaction will consist of Periodic Payments based upon fluctuations in short-term interest rates and, in the event of a termination of the Series 2008 Swap Transaction prior to the stated term thereof, a potential Swap Termination Payment. The amount of such potential Swap Termination Payment will be based primarily upon market interest rate levels and the remaining term of the Series 2008 Swap Transaction at the time of termination. The City's obligations with respect to the payment of Swap Termination Payments, if any, are subordinate to the payment of Pledged Revenues on the 2008 Bonds and the Periodic Payments on the Series 2008 Swap Transaction.

On May 17, 2011, the City reissued the outstanding 2008 Bonds in the principal amount of \$63,495,000 from Weekly Rate Mode to Bank Rate Mode. This transaction was necessitated by the expiration of the Stand-by Bond Purchase Agreement on May 24, 2011. The reissued 2008 Bonds have a variable rate of the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index plus a 0.89% interest spread for a three year term. The 2008 Bonds continue to have the four interest rate SWAPS of which the City pays fixed rates to the Counterparties and the Counterparties pay the City the SIFMA Municipal Swap Index rate. During the three year term, by paying the CONSTANT 0.89% interest spread, the City (1) is not exposed to "basis risk" to the extent that the floating rate it receives from the applicable Swap Counterparty does not equal the interest rate it is required to pay on the 2008 Bonds and (2) eliminates all the costs and expenses associated with the Liquidity Facility and the Remarketing Agent. The effective interest cost to the City for the three year term is the fixed rates that the City pays to the Counterparties plus the 0.89% interest spread.

~ VARIABLE RATE CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS (Susan B. Anthony Center), SERIES 2008 (Reissued in September 2011):

On July 25, 2008, the City issued \$8,040,000 bonds under an Indenture of Trust between the Issuer and U.S. National Bank Association, as trustee for the purpose of current refunding the Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center) in order to realize a net interest cost savings. Interest on the Series 2008 Bonds will be paid at the lesser of 12% per annum.



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The Issuer may change the interest rate determination method from time to time.

These 2008 Bonds have an outstanding balance of \$8,040,000. They will mature on October 1, 2038, subject to optional redemption, purchase and tender. The principal of, premium, if any, and interest on the Series 2008 Bonds are payable from and secured by a pledge of and an irrevocable lien upon the City's Electric Franchise Revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007 and any Additional Parity Franchise Revenue Bonds.

On September 7, 2011, the City reissued the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 in the principal amount of \$8,040,000 with a Direct Purchase to replace the expired Letter of Credit. The Direct Purchase has a 5 year term with the fixed interest rate of 2.0079%.

~ CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2010:

On June 22, 2010, the City issued the Capital Improvement Revenue Refunding Bonds, Series 2010 in the amount of \$8,545,700 for the purpose of refunding the outstanding \$8,690,000 Capital Improvement Revenue Bonds, Series 1999 in order to realize a net interest cost savings. These Series 2010 Bonds have an outstanding balance of \$8,443,200 due in varying installments through December 1, 2026. The outstanding bonds bear interest at the rate of 4.1575%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007, the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 and any Additional Parity Franchise Revenue Bonds. The Bonds are subject to redemption at the option and direction of the Issuer in whole or in part on any date on and after the 10th anniversary of the Delivery Date at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

~ Consolidated Utility System Revenue Bonds, Series 2010:

On December 21, 2010, the City issued the Consolidated Utility System Revenue Bonds, Series 2010 in the amount of \$12,300,000 for the purpose of financing certain improvements and expansions to the City's consolidated utility system. These Bonds have an outstanding balance of \$12,300,000 due in varying installments through December 1, 2025. The outstanding bonds bear interest at the rate of 3.50%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable solely from and secured by a pledge of the Net Revenues of the System levied and collected by the Issuer, and the moneys in certain funds and accounts created pursuant to the Resolution. The Bonds are not subject to optional redemption prior to December 1, 2015. After December 1, 2015, they may be subject to optional redemption, at the direction of the Issuer, in whole or in part, on any day for which proper notice of redemption may be given in accordance with the Resolution at a redemption price equal to the principal amount to be redeemed plus interest accrued to the date of redemption, plus a premium as set forth below:

Redemption Date: Premium
 December 2, 2015 through December 1, 2020: 1%
 December 2, 2020 and thereafter: 0%

Budget Highlights

Future debts will be issued as the Commission deems appropriate.

All of the outstanding bonds, except the last two bond issues which were sold at a negotiated private placement to banks, are insured and have been having the highest bond rating until the downgrade of the bond insurers by the Rating Agencies, and consequently the insured rating on these bonds was downgraded.

Such ratings reflect only the respective views of such Rating Agencies. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant.



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2010-11 Accomplishments

On December 21, 2010, the City successfully sold Consolidated Utility System Revenue Bonds, Series 2010 in the amount of \$12,300,000 at a negotiated private placement to TD Bank, N.A. at the annual rate of 3.50%. This financing will enable the City to improve and expand its consolidated utility system.

On May 17, 2011, the City reissued the Charter School Revenue Bonds, Series 2008, in the principal amount of \$63,495,000 with a Direct Purchase to replace the expired Liquidity Facility. The reissued 2008 Bonds have a variable rate of the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index plus a 0.89% interest spread for a 3 year term.

On September 7, 2011, the City reissued the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 in the principal amount of \$8,040,000 with a Direct Purchase to replace the expired Letter of Credit. The Direct Purchase has a 5 year term with the fixed interest rate of 2.0079%.

All bond issues' obligations were met and covenants complied. As required by the City's Derivative Debt Management Policy, the City submits to the City Commission the Derivative Debt Annual Report on the four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions on the Charter School Revenue Bonds, Series 2008. Swap is a type of derivative instrument in which there is an agreement to exchange future cash flows. These cash flows may be either fixed or variable and may be either received or paid. Variable cash flows depend on a reference rate. Please refer to the narrative of the Charter School Revenue Bonds, Series 2008 for details.

Debt Service Fund Performance Measures

Indicator	2008-09		2009-10		2010-11	2011-12
	Actual	Goal	Actual	Goal	Goal	Goal
Outputs						
Number of bond issues outstanding	13	14	13	13	13	14
Number of payments	113	116	112	112	112	100
Efficiency						
% of payments made in accordance with bond indenture	100%	100%	100%	100%	100%	100%
% of required funding accomplished	100%	100%	100%	100%	100%	100%

City of Pembroke Pines, Florida
Schedule of Debt Service on Outstanding Bonds as of September 30, 2011

Type of Bonds	Police Annex, Park & Other Improv	Firefighters Pension	Police Officers & Gen Employees Pension	Senior Housing Project Tower 1	Senior Housing Project Tower 2	Various Capital Projects & Refunding	Refunding	Various Capital Projects & Refunding
	<u>\$19,600,000</u>	<u>\$39,935,000</u>	<u>\$49,910,000</u>	<u>\$20,140,000</u>	<u>\$15,975,000</u>	<u>\$47,000,000</u>	<u>\$29,720,000</u>	<u>\$45,050,000</u>
Revenue	Public Improv.	Taxable Comm. Services Tax	Taxable Comm. Services Tax	Public Improv.	Public Improv.		Public Improv. Refunding	Capital Improv. Refunding
General Obligation						General Obligation		
Fiscal Y/E								
Sep 30	Series 2001	Series 2003A	Series 2004	Series 2004A	Series 2004B	Series 2005	Series 2006	Series 2006
2012	966,265	2,991,214	3,428,956	1,391,741	1,113,343	2,794,252	2,348,450	3,370,312
2013	964,425	2,987,409	3,426,181	1,390,110	1,114,136	2,794,438	2,349,150	3,365,513
2014	960,210	2,985,768	3,423,431	1,391,610	1,113,879	2,797,377	2,348,050	3,373,012
2015	-	2,985,994	3,426,731	1,391,397	1,112,423	2,797,828	3,294,550	3,370,675
2016	-	2,982,935	3,420,763	1,389,735	1,109,678	2,795,707	3,296,675	3,361,088
2017	-	2,981,445	3,420,331	1,391,835	1,110,760	2,798,583	3,293,050	3,369,962
2018	-	2,981,222	3,416,813	1,387,732	1,110,587	2,798,557	3,288,550	3,366,713
2019	-	2,977,119	3,415,088	1,386,942	1,109,059	2,796,158	3,282,925	3,371,350
2020	-	2,978,838	3,414,919	1,389,365	1,110,701	2,796,757	3,285,675	3,363,487
2021	-	2,976,078	3,412,881	1,384,763	1,105,656	2,795,158	3,276,550	3,372,113
2022	-	2,973,692	3,408,578	1,383,263	1,109,294	2,794,520	3,290,800	3,364,237
2023	-	2,971,381	3,404,791	1,384,831	1,106,253	2,794,495	3,284,400	3,363,763
2024	-	2,963,995	3,406,134	1,383,844	1,106,125	2,796,707	-	3,366,363
2025	-	2,966,088	3,397,481	1,380,725	1,104,125	2,795,945	-	3,250,153
2026	-	2,962,210	3,397,212	1,379,750	1,105,500	2,797,208	-	3,249,963
2027	-	2,957,212	3,389,875	1,380,625	1,105,125	2,795,282	-	3,245,028
2028	-	2,955,648	3,386,500	1,379,250	1,103,000	2,795,170	-	1,148,687
2029	-	2,952,069	3,386,563	1,375,625	1,099,125	2,796,745	-	1,142,569
2030	-	2,946,177	3,384,669	1,374,625	1,098,375	2,799,270	-	1,144,750
2031	-	2,942,524	3,380,556	1,376,000	1,100,500	2,797,520	-	1,140,125
2032	-	2,935,662	3,378,831	1,374,625	1,095,500	2,796,495	-	1,138,694
2033	-	2,934,994	3,374,100	1,370,500	1,098,250	2,795,825	-	-
2034	-	2,929,923	3,366,100	1,368,500	1,093,625	2,795,575	-	-
2035	-	-	-	1,368,375	1,091,625	2,795,375	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
Total debt service	<u>\$ 2,890,900</u>	<u>\$ 68,219,597</u>	<u>\$ 78,267,484</u>	<u>\$ 33,175,768</u>	<u>\$ 26,526,644</u>	<u>\$ 67,110,947</u>	<u>\$ 36,638,825</u>	<u>\$ 59,238,557</u>
Principal outstanding FY 2011	<u>\$ 2,715,000</u>	<u>\$ 37,185,000</u>	<u>\$ 45,910,000</u>	<u>\$ 19,665,000</u>	<u>\$ 15,610,000</u>	<u>\$ 41,135,000</u>	<u>\$ 27,645,000</u>	<u>\$ 41,110,000</u>

City of Pembroke Pines, Florida
Schedule of Debt Service on Outstanding Bonds as of September 30, 2011

Type of Bonds	Senior Housing Project Tower 3	Various Capital Projects	Refunding & New charter School Projects	Refunding Susan B. Anthony Center 2005 Bonds	Refunding		Total Debt Service/ Principal
	\$26,805,000	\$43,000,000	\$64,095,000	\$8,040,000	\$8,545,700	\$12,300,000	
Revenue	Capital Improv.		Charter School	Variable Rate Cap Improv. Refunding	Capital Improv. Refunding	Consolidated Utility System	
General Obligation		General Obligation	*	**			
Fiscal Y/E Sep 30	Series 2007	Series 2007	Series 2008	Series 2008	Series 2010	Series 2010	
2012	1,713,362	2,680,988	3,135,655	124,332	701,192	1,024,769	27,784,831
2013	1,715,663	2,681,787	2,897,916	193,764	705,714	1,059,355	27,645,561
2014	1,716,962	2,680,075	2,893,708	193,764	704,418	1,058,950	27,641,214
2015	1,717,263	2,678,075	2,889,501	341,957	702,021	1,058,530	27,766,945
2016	1,716,562	2,679,675	2,893,018	343,281	703,538	1,058,096	27,750,751
2017	1,714,013	2,678,425	2,887,268	354,365	703,784	1,057,647	27,761,468
2018	1,716,250	2,679,225	2,901,508	360,148	707,676	1,057,182	27,772,163
2019	1,712,319	2,683,112	2,872,614	365,689	705,234	1,056,701	27,734,310
2020	1,716,300	2,679,875	2,863,802	370,990	706,283	1,056,203	27,733,195
2021	1,714,900	2,683,250	2,870,339	371,109	706,141	1,055,687	27,724,625
2022	1,712,300	2,682,675	2,866,112	385,928	708,345	1,055,153	27,734,897
2023	1,713,400	2,684,625	3,989,147	395,325	708,938	1,054,601	28,855,950
2024	1,713,100	2,678,875	4,232,883	399,420	707,946	1,054,029	25,809,421
2025	1,716,300	2,680,650	4,040,186	408,214	827,893	1,053,438	25,621,198
2026	1,717,287	2,679,500	4,030,501	416,647	827,123	1,052,826	25,615,727
2027	1,716,038	2,680,425	5,493,713	419,779	829,084	-	26,012,186
2028	1,713,375	2,683,200	6,511,497	437,488	-	-	24,113,815
2029	1,713,750	2,683,400	6,517,182	449,656	-	-	24,116,684
2030	1,716,250	2,679,800	6,479,341	456,402	-	-	24,079,659
2031	1,715,750	2,682,400	6,449,891	472,665	-	-	24,057,931
2032	1,717,125	2,680,725	6,131,622	483,387	-	-	23,732,666
2033	1,715,250	2,679,775	6,108,968	493,626	-	-	22,571,288
2034	1,715,000	2,684,313	6,078,953	508,324	-	-	22,540,313
2035	1,716,125	2,683,863	6,068,186	522,418	-	-	16,245,967
2036	1,713,500	5,478,425	6,033,142	540,850	-	-	13,765,917
2037	1,716,875	-	6,004,961	558,559	-	-	8,280,395
2038	-	-	5,980,064	570,606	-	-	6,550,670
2039	-	-	-	586,989	-	-	586,989
Total debt service	\$ 44,595,019	\$ 69,827,138	\$ 122,121,678	\$ 11,525,682	\$ 11,655,330	\$ 15,813,167	\$ 647,606,736
Principal outstanding FY 2011	\$ 25,755,000	\$ 40,080,000	\$ 63,195,000	\$ 8,040,000	\$ 8,443,200	\$ 12,300,000	\$ 388,788,200

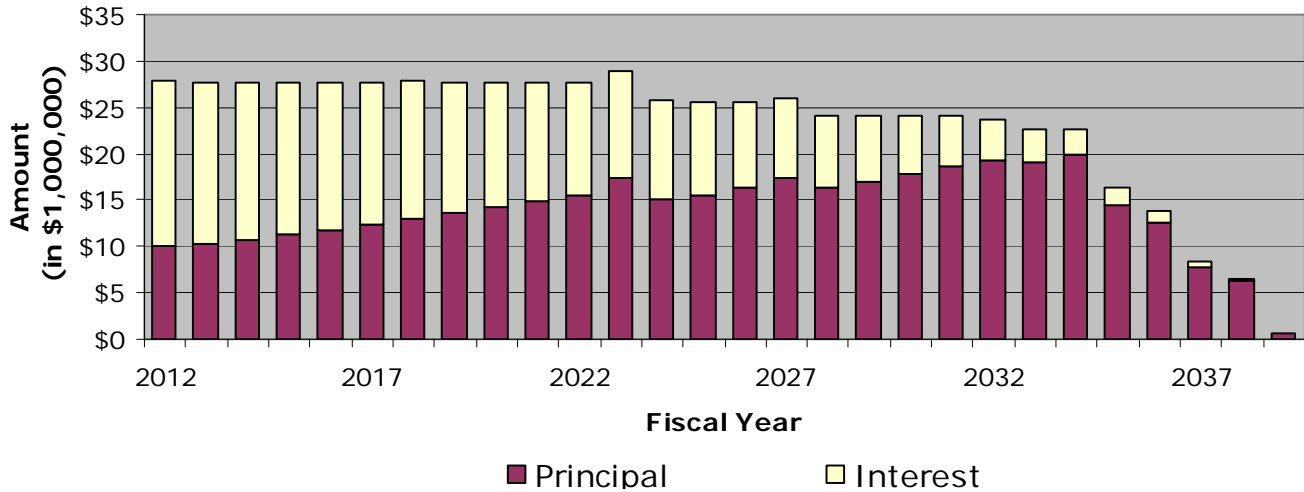
* Based on fixed interest rates of 3.324% and 3.794% payable by the City pursuant to the Series 2008 Swap Transaction plus the 0.89% interest spread during the Index Rate Period.

** Estimate based on the 5 year fixed rate of 2.41% provided by TD Bank on June 17, 2011. These bonds are to be reissued and the debt service will be finalized in the beginning of September 2011.

DISCUSSION ON THE EFFECTS OF EXISTING DEBT LEVELS ON CURRENT AND FUTURE OPERATIONS

Per the assumptions as stated in the "Schedule of Debt Service on Outstanding Bonds as of September 30, 2011" regarding the two variable rate bond issues, the total annual debt service will be fairly constant for the next 23 years, 2012 – 2034, at approximately \$22,600,000 to \$28,900,000. From the year of 2035 forward and as more bonds mature, the total annual debt service will decline significantly, if no additional bonds are issued.

Annual Principal and Interest Payment FY2012 to FY2039



The debt services and related fees of the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 of \$8,040,000 continue to be paid by the Susan B. Anthony Center (Center) as rent payments to the City. The Susan B. Anthony Center was built by the City and funded by the City's refunded Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center).

The total outstanding bond principal balance as of September 30, 2011 is \$388,788,200, representing an increase of \$3,427,500 from prior year.

Property Taxable Value for fiscal Year Ending Sept. 30, 2011 (2010 Tax Year)

Just Value	12,597,755,293
Less: Property and Personal Exemptions	(3,437,334,794)
Homestead Assessment Differential ⁽¹⁾	(666,336,890)
Nonhomestead Residential Property Differential ⁽²⁾	(256,110)
Certain Residential and Nonresidential Real Property Differential ⁽²⁾	(38,249,300)
Agricultural Differential ⁽³⁾	(34,164,750)
Pollution Control Devices Differential ⁽⁴⁾	(104,553)
Value Adjustment Board & Broward County Property Appraiser Adjustments	(26,651,836)
Final Taxable Value	<u><u>\$8,394,657,060</u></u>

(1) Per F.S. 193.155, the reassessed value shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the CPI.

(2) Per F.S. 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year.

(3) Per F.S. 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year.

(4) Per F.S. 193.621, the reassessed value may not be greater than its market value as salvage.

Legal Debt Limit

There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue.

The City of Pembroke Pines' limit is governed by the City's Ordinances No. 1560 (Debt Management Policy) and No. 1561 (Derivative Debt Management Policy) adopted on November 1, 2006.

City's debt management policy regarding direct unlimited tax general obligation debt limitation (1.5% of the City's taxable assessed valuation)		\$125,919,856
<u>General Obligation Bonds:</u>		
General Obligation Bonds, Series 2005	41,135,000	
General Obligation Bonds, Series 2007	40,080,000	
Total General Obligation Bonds subject to debt limitation	<u> </u>	81,215,000
Legal debt margin		<u>\$44,704,856</u>

Bond Covenants

The City is also governed by the covenants of individual revenue bonds if the City plans to issue additional parity bonds. The covenants are as follows:

Public Improvement Revenue Bonds, Series 2001

Additional parity bonds payable from the pledged revenues may be issued for the acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Taxable Communications Services Tax Revenue Bonds, Series 2003A and Taxable Communications Services Tax Revenue Bonds, Series 2004

Additional parity bonds payable from the pledged revenues may be issued only if the pledged Revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Public Improvement Revenue Bonds, Series 2004A Public Improvement Revenue Bonds, Series 2004B

Additional parity bonds payable from the pledged revenues may be issued for acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Public Improvement Revenue Refunding Bonds, Series 2006

Additional parity bonds payable from the pledged revenues may be issued for acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Capital Improvement Revenue Refunding Bonds, Series 2006

Additional parity franchise revenue bonds payable from the pledged revenues may be issued only if the pledged revenues for such preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007

Additional parity franchise revenue bonds payable from the pledged revenues may be issued only if the pledged revenues for such preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Charter School Revenue Bonds, Series 2008 (Reissued in May 2011)

Additional Parity Bonds payable on a parity with the 2008 Bonds may be issued for acquisition or construction of additional educational facilities and related facilities for Charter Schools or Charter Lab School or for refunding of Bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008 (Reissued in September 2011)

Additional parity franchise revenue bonds payable from the pledged revenue may be issued only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity franchise revenue bonds.

Capital Improvement Revenue Refunding Bonds, Series 2010

Additional bonds and additional parity franchise revenue bonds payable from the pledged revenues may be issued only for acquisitions or construction of additions, extensions or improvements to the Project, or for refunding of bonds, and only if the pledged revenues for the preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Consolidated Utility System Revenue Bonds, Series 2010

Additional Parity Obligations shall be issued after the Net Revenues derived for any consecutive twelve (12) months out of the preceding twenty-four (24) months preceding the date of issuance of the proposed Additional Parity Obligations adjusted as provided in the bond resolution, is equal to and not less than 120% of the Maximum Bond Service Requirement on all the outstanding Bonds and the Additional Parity Obligations.

Debt Service Fund - Budget Summary

Revenue Category	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Budget
Ad Valorem Taxes	5,520,777	5,482,360	5,452,827	5,412,172
Public Service Taxes	1,785,668	1,790,358	1,790,715	1,787,007
Communications Service Tax	6,442,385	6,463,395	6,455,567	6,440,655
Franchise Fees	816,710	820,652	817,511	811,650
Investment Income	104,744	147,066	54,658	102,437
Rents & Royalties	10,906,060	12,014,252	12,269,808	11,343,869
Interfund Transfers	605,731	-	230,400	961,000
Debt Proceeds	-	8,545,700	-	-
Beginning Surplus	-	-	-364,256	-80,020
Total	26,182,075	35,263,783	26,707,230	26,778,770

Expenditure Category	2008-09 Actual	2009-10 Actual	2010-11 Budget	2011-12 Budget
Debt Services				
Principal Payments	7,140,000	7,950,000	8,872,500	9,457,600
Interest Payments	17,812,377	17,408,607	17,073,725	17,302,470
Other Debt Service Costs	416,391	9,271,084	761,005	18,700
Debt Services Subtotal	25,368,768	34,629,691	26,707,230	26,778,770
Other				
Bond Issuance	-	45,349	-	-
Other Subtotal	-	45,349	-	-
Total	25,368,768	34,675,040	26,707,230	26,778,770