

**SINKING FUND COMMISSION
FISCAL YEAR 2018 BUDGET TESTIMONY
APRIL 5, 2017**

INTRODUCTION

Good Morning, President Clarke and members of City Council. I am Christian Dunbar, Deputy City Treasurer. Joining me today is Matthew Bowman, the newly hired Executive Director of the Sinking Fund Commission. I want to thank members of City Council for allowing me to testify on behalf of the Commission on our Fiscal Year 2018 operating budget request. The Sinking Fund Commission has a single employee; however, its Class 100 funds are budgeted in the City Treasurer's Office.

HIGHLIGHTS

The Commission oversees the timely repayment of bond principal and interest (P&I) on City-related debt, service agreements and lease obligations. The City currently has \$7.5 billion of debt outstanding as of 02/28/2017; the City's bond ratings are A2/A+/A-.

The highlights of the debt service budget are as follows:

- The total budget is \$702.35 million, which is an increase of \$63.11 million or 9.87% over the estimated obligations for Fiscal Year 2017.
- The Fiscal Year 2018 budget for each of the funds and the change from FY17 estimated obligations are as follows:

	Budget (in millions)	Increase (in millions)	Percent Increase/(Decrease)
General	\$296.02	\$20.68	+ 7.51%
Water	\$240.26	\$21.98	+ 10.06%
Aviation	\$159.42	\$19.80	+ 14.18%
Car Rental Tax	\$7.00	\$1.00	+ 16.67%
Total	\$702.70	\$63.47	+ 9.03%

The highlights for each fund are discussed below.

GENERAL FUND

The General Fund portion of this request totals \$296.02 million, comprised of two classes: Class 200 for city service agreement obligations and lease payments, and Class 700 for debt service.

The Class 200 request of \$138.70 million reflects a \$17.31 million increase from the FY17 current estimate.

The Class 700 request of \$157.32 million is mainly for debt service on the City's general obligations. This is \$3.37 million more than the FY17 current estimate.

WATER FUND

The Commission's request for the Water Fund for FY18 totals \$240.27 million, all in Class 700, for payment of debt service on Water and Sewer bonds. This represents a \$21.98 million increase over FY17 estimated obligations.

AVIATION FUND

The Commission's request for the Aviation Fund for FY18 is \$159.42 million, all Class 700. This amount is an increase of \$19.8 million over FY17 estimated obligations.

CAR RENTAL TAX FUND

The Commission's request of \$7 million in the Car Rental Tax fund is to provide for lease revenue bond payments on the sports stadiums from vehicle rental tax revenues.

This concludes the written portion of my testimony. I would be glad to answer any questions the Council may have relative to this budget either now or at Council's convenience.

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$0	\$0	\$0	\$0	\$0	\$0
Class 200 - Purchase of Services	\$110,546,913	\$92,641,217	\$121,389,615	\$121,389,615	\$138,697,144	\$17,307,529
Class 300 - Materials and Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Class 400 - Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$141,398,213	\$132,089,447	\$153,950,119	\$153,950,119	\$157,322,070	\$3,371,951
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$251,945,126	\$224,730,664	\$275,339,734	\$275,339,734	\$296,019,214	\$21,324,805
Departmental Total (ALL FUNDS)	\$608,589,590	\$567,145,008	\$639,246,440	\$639,246,440	\$702,712,873	\$63,466,433

Water Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$0	\$0	\$0	\$0	\$0	\$0
Class 200 - Purchase of Services	\$0	\$0	\$0	\$0	\$0	\$0
Class 300 - Materials and Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Class 400 - Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$227,139,336	\$219,132,799	\$207,371,679	\$218,280,375	\$240,267,536	\$21,987,161
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$227,139,336	\$219,132,799	\$207,371,679	\$218,280,375	\$240,267,536	\$21,987,161

Aviation Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$0	\$0	\$0	\$0	\$0	\$0
Class 200 - Purchase of Services	\$0	\$0	\$0	\$0	\$0	\$0
Class 300 - Materials and Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Class 400 - Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$123,505,128	\$117,281,545	\$139,626,331	\$139,626,331	\$159,426,123	\$19,799,792
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$123,505,128	\$117,281,545	\$139,626,331	\$139,626,331	\$159,426,123	\$19,799,792

Car Rental Tax Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$0	\$0	\$0	\$0	\$0	\$0
Class 200 - Purchase of Services	\$0	\$0	\$0	\$0	\$0	\$0
Class 300 - Materials and Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Class 400 - Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Class 500 - Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$7,000,000	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$7,000,000	\$0