

Conservation Charlotte Financial Status Report

In 2006, Charlotte County voters approved a 0.2-mill tax for the acquisition of Environmentally Sensitive Lands, set to span 20 years, with the first collections occurring in FY2008. The referendum authorized the issuance of bonds to facilitate property acquisitions, with the approved millage serving as the pledge for repayment. Accordingly, Charlotte County issued bonds in FY2008 with a 20-year term and a 4.18% interest rate.

In the program's early years, ad valorem tax collections were insufficient to cover debt service payments. Payments were therefore made using bond proceeds, a practice permitted under the Bond Resolution. By FY2012, favorable financial conditions enabled refinancing of the bonds at a value of \$41,290,000, achieving a reduced true interest cost of 2.11%. This refinancing was projected to save over \$6.9 million over the remaining bond term (see Attachment 1 for the revised debt service schedule).

However, as the economic recession persisted, remaining bond proceeds were depleted, and no additional funding was available to continue property acquisitions. By FY2015, the Conservation Charlotte program had effectively ended, and the Capital Projects Fund began supplementing the voted millage to cover debt service payments. Between FY2015 and FY2019, these supplements amounted to \$2,090,662.

In FY2020 the remaining balance of the debt and debt issuance costs in the amount of \$20,975,000 was refinanced with a true interest cost of 1.14%. (see Attachment 2 for a summary of debt service payments). At this point, ad valorem collections exceeded debt service requirements, allowing repayment of the Capital Projects Fund loan. Repayments began in FY2020 and were fully completed by FY2023.

In FY2022, a legal opinion clarified alternative uses for surplus millage proceeds after debt obligations were met. The opinion stated that funds from the 0.2-mill tax must first be applied to debt service. Surplus funds could then be used for acquisition and land management costs related to properties on the "protection list," as defined by Ordinance Number 2006-077. The protection list includes ecologically significant lands identified by county staff, confirmed by the oversight committee, and approved by the board, limited to willing sellers.

As of FY2024, increased property values have driven growth in collections under the 0.2-mill tax, with revenue expected to continue rising through the program's final years. The last year of collections is projected to be FY2027, and conservatively estimated excess revenue over debt service is expected in the program's final stages.

2024	2,309,122
2025	3,117,257
2026	3,116,271
2027	3,121,100
	11,663,750
10/2023 Fund Balance	1,636,574
Total Available	13,300,324

In conclusion, it is anticipated that the remaining debt service could be fully satisfied by the end of FY2025. A Legal opinion is currently being sought to determine whether the voted millage could be terminated early. The Clerk's Finance Department is currently making the determination if the debt can be prepaid ahead of the established schedule. These opinions remain pending.

Attachment 1

Limited General Obligation Refunding Bond, Series 2012

Period	Principal	Interest	Debt Service
Ending			
9/30/2013	2,365,000	861,137	3,226,137
9/30/2014	2,415,000	808,605	3,223,605
9/30/2015	2,465,000	757,385	3,222,385
9/30/2016	2,520,000	705,057	3,225,057
9/30/2017	2,570,000	651,621	3,221,621
9/30/2018	2,625,000	597,130	3,222,130
9/30/2019	2,685,000	541,373	3,226,373
9/30/2020	2,740,000	484,456	3,224,456
9/30/2021	2,800,000	426,326	3,226,326
9/30/2022	2,855,000	366,982	3,221,982
9/30/2023	2,920,000	306,372	3,226,372
9/30/2024	2,980,000	244,443	3,224,443
9/30/2025	3,045,000	181,196	3,226,196
9/30/2026	3,105,000	116,683	3,221,683
9/30/2027	3,200,000	22,319	3,222,319
	41,290,000	7,071,084	48,361,084

Attachment 2

BOND DEBT SERVICE

**Charlotte County, Florida
Limited General Obligation Refunding Bond, Series 2020
Lender: JPMorgan Chase Bank, N.A.
** Final Numbers ****

**Dated Date 09/01/2020
Delivery Date 09/01/2020**

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2021	2,895,000	1.140%	230,878.50	3,125,878.50
09/30/2022	2,925,000	1.140%	197,761.50	3,122,761.50
09/30/2023	2,960,000	1.140%	164,331.00	3,124,331.00
09/30/2024	2,995,000	1.140%	130,473.00	3,125,473.00
09/30/2025	3,030,000	1.140%	96,244.50	3,126,244.50
09/30/2026	3,060,000	1.140%	61,617.00	3,121,617.00
09/30/2027	3,110,000	1.140%	11,719.52	3,121,719.52
	20,975,000		893,025.02	21,868,025.02