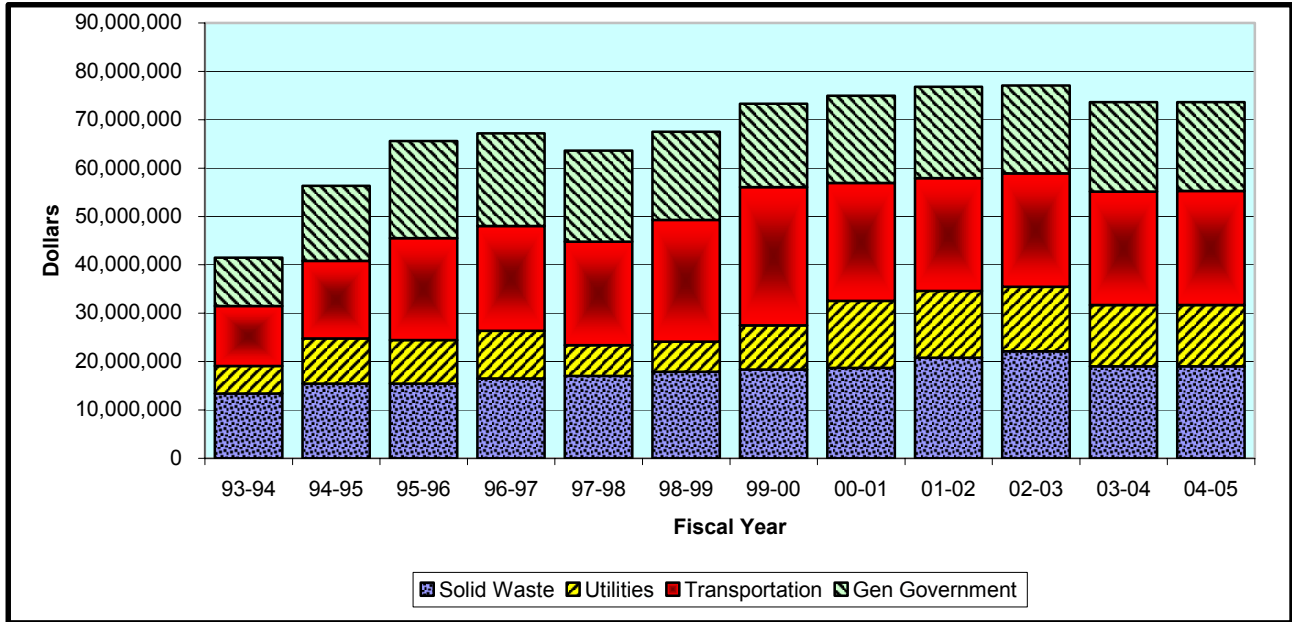


FISCAL 2003 BUDGET

**DEBT SERVICE
PRINCIPAL AND INTEREST PAYMENTS
FY93-94 THROUGH FY04-05**



(In Millions)

FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Adopted	Projected	Projected
\$41.5	\$56.3	\$65.6	\$67.2	\$63.6	\$67.5	\$73.3	\$75.0	\$76.7	\$77.7	\$73.6	\$73.7

This chart illustrates the amount and categorization of debt over time (principal and interest). The categories listed represent different kinds of debt issues. The Port Authority is not included. However, the Port Authority issued \$327.3 million in new bonds for a new Midfield Terminal and associated improvements. The effect of this debt may be seen in the chart - "Annual County Debt Service"(1985 - 2033).

Historical Summary of Debt Financing Activity

General Government

Included are revenue bonds supported by non-ad valorem revenues whose project scopes range from renovation of the Lee County Courthouse to construction of Lakes Park; certificates of participation that were issued for construction of a fleet maintenance building, a County facility in Cape Coral, communications and computer equipment, and construction of new facilities for the Supervisor of Elections, Tax Collector, and Property Appraiser. In 1992 bonds were sold for a portion of the funds to construct a new Shady Rest Care Pavilion. New bonds were issued in October 1995 to repay short-term commercial paper loans for capital improvements (MSBU), and to finance renovation/construction of the Public Safety and Public Works buildings.

FISCAL 2003 BUDGET

DEBT SERVICE (CONTINUED)

Transportation

Transportation related projects include debt financing supported by gas taxes and toll revenues. Gas taxes are being used to retire debt for two issues that provided over \$48,500,000 in monies for street improvements including the widening of Daniels Parkway and College Parkway, along with ten other projects.

Toll revenue is the funding source to retire debt incurred for the construction of the Sanibel, Cape Coral and Midpoint Bridges. Bonds were issued in 1991 and refinanced in 1993 for design and engineering of the Midpoint Bridge.

In 1995 two bond issues were completed - \$96.5 million for construction of the Midpoint Bridge supported by capitalized interest for two years and toll revenues; and \$35.4 million for construction of the Midpoint Bridge corridor supported by the Five Cent Local Option Gas Tax.

Solid Waste

In December 1995, \$27,880,000 in bonds was issued for the acquisition and construction of the first phase of a new landfill and for the acquisition of two transfer stations in Hendry County.

Law Enforcement

The Ortiz Correctional Center has been completed and is expected to be fully operational during FY02-03. The project consists of three phases and a Juvenile Assessment Center in downtown Fort Myers. Phase I has been funded from electrical franchise fees and bond proceeds from several existing bond issues. Phase II, III and the Juvenile Assessment Center and renovations to the Emergency Operations Center (EOC) were funded on July 12, 2000 from the proceeds of an \$18,200,000 Bond Issue (Capital Revenue Bonds, Series 2000). The proceeds were also used to repay a \$1,970,000 commercial paper loan originally borrowed to provide construction funds.

Bond Refinancing

In January 1996, \$12,125,000 in Certificates of Participation was refunded followed in June, 1997 by \$18,705,000 in Capital Revenue Bonds. Through this refinancing, the General Fund Debt was restructured saving \$6.5 million in interest. In August 1997, \$14,705,000 in Series 1989 Six Cent Local Option Gas Tax Bonds was refunded. In June 1999, \$36,190,000 was sold as the Capital Refunding Revenue Bonds, Series 1999A, to refund a Series 1989A bond. July, 2001 saw the refunding of the Series 1991 Transportation Refunding Revenue Bonds with the Transportation Facilities Refunding Revenue Bonds, Series 2001A for a savings of \$8.2 million. Finally, on November 6, 2001, the Solid Waste System Revenue Bonds, Series 1991A and 1991B were refunded by the Solid Waste System Series Revenue Bonds, Series 2001 with \$28.5 million in savings (not adjusted for present value). From March, 1993 through November, 2001, interest savings have been in excess of \$68.1 million (not adjusted for present value).

FISCAL 2003 BUDGET

DEBT SERVICE (CONTINUED)

Projected Bonding and Other Debt Financing Activities

Transportation

The Board of County Commissioners approved the potential refunding of a portion of the Series 1995 Capital Transportation Facilities Bonds (MidPoint Bridge) on August 4, 1998. Documents were prepared for bond issuance but market conditions have not yielded the desired 3% present value savings. The refunding is expected to occur if market conditions improve. However, the offering documents would have to be updated.

Utilities

In 1999, \$134,615,000 in Water and Sewer Revenue Bonds, Series 1999A, were sold for the acquisition of facilities formerly held by Avatar Properties (Florida Cities Utility). Avatar Property within the Town of Fort Myers Beach was not included.

The County purchased the Fort Myers Beach Water System from Severn Trent/Avatar on September 29, 2000. The Town of Fort Myers Beach purchased the water lines from the County on August 3, 2001. The Utilities Department has identified \$101.9 million in capital projects through FY05-06. Plans are underway to use a combination of bond financing, State Revolving Loan Funds from the Florida Department of Environmental Protection (DEP) and cash for a variety of capital projects. Top priority is construction of the North Lee County Water Treatment Plant.

Solid Waste

Financing for construction of a third combustion unit at the Waste-to-Energy Facility is expected to be initiated during the summer of FY02-03. A combination of cash, debt service reserves and a bond issue are expected to fund the project estimated to cost \$79 million.

For much more detailed information about Lee County's debt financing, the *Lee County Debt Manual* may be found at www.lee-county.com under "Lee County Documents Online".

The chart entitled Annual County Debt Outstanding (Principal Payments Only) provides a pictorial profile of changes in the County's debt level. The County has no maximum debt level but is governed by debt ratio guidelines relative to the different kinds of issues being financed. The growth in principal payments in the late 1980's corresponds with a significant growth in the county's capital program. In 1991, the county issued debt for construction of a Waste to Energy Facility. That project is indicated separately because of the large magnitude of the issue (\$197 Million) compared to other previous bond activity.

The chart entitled Annual County Debt Service (Port Authority and All Other) Includes Principal and Interest provides a longer-term historical look and projection of payments than the Debt Service chart that details only twelve years.