TOUGH CHOICES
FACING FLORIDA’S GOVERNMENTS

BENCHMARKING DEBT OBLIGATIONS IN FLORIDA CITIES AND COUNTIES

FEBRUARY 2018
Tough Choices Facing Florida's Governments

The financial condition of local governments across the country has drawn considerable attention in recent years. While cities and counties face a number of fiscal challenges, a prominent and growing concern is related to their long-term debt obligations, such as municipal bonds, bank loans, and retirement benefits. The fiscal stress that is sometimes created by these obligations is illustrated in the recent financial turmoil in Detroit, MI, Hartford, CN, Harrisburg, PA and other U.S. cities, and in the ongoing fiscal challenges facing Puerto Rico, Illinois, New Jersey, and Kentucky. Media attention on those events has greatly increased the public's awareness of state and local debt problems and elevated concerns that similar trouble may be on the horizon in other cities and counties.

In most cases, concerns that a given city or county will become the “next Detroit” are greatly overstated, and taxpayers should not overreact to the existence of long-term debt in their local governments. Some amount of debt is necessary for governments to provide high-quality services and essential public infrastructure. Debt financing also promotes intergenerational equity (i.e., taxpayers who fund debt payments are the same people who benefit from the assets that were financed by the debt). However, because long-term liabilities can create significant fiscal problems if they outpace a government's ability to meet its obligations, it is prudent for taxpayers and public officials to closely monitor their governments' debts.

This study follows in a series of reports from the LeRoy Collins Institute examining the long-term obligations associated with Florida municipal pension systems (see http://collinsinstitute.fsu.edu/institute-research for copies of these reports). This analysis extends previous research by considering a more comprehensive perspective on local government debts (i.e., including additional forms of municipal debt along with pension obligations) and provides benchmark information to assist Florida local government officials and residents in assessing their governments' long-term debts.

Key findings of this report include:

» From 2011 to 2014, debt obligations in Florida cities and counties were relatively stable, even decreasing slightly on average.

» Average debt obligations of Florida cities and counties significantly increased in fiscal year 2015 and continued upward in fiscal year 2016. This change is primarily explained by new accounting standards that placed pension obligations on government balance sheets for the first time.

» As a group, Florida cities tend to have higher debt obligations than Florida counties.

» Debt obligations are significantly affected by the types of services that governments perform, with larger debt obligations more likely in governmental activities (i.e., traditional government services such as public safety and public works that are funded primarily by general taxes).

» Problem situations appear to be isolated to a small group of cities.

MEASURING DEBT OBLIGATIONS

In this study, debt obligations are defined as total liabilities as they are reported on governments’ statements of net position (or statements of net assets) in their audited annual financial statements (i.e., Comprehensive Annual Financial Statements or CAFRs).

Total liabilities are the combination of both short-term liabilities, such as accounts payable, and long-term liabilities, such as bonds, loans, capital leases, compensated absences, claims and judgments, and unfunded portions of pension obligations.

Annual financial statements identify the dollar value of total liabilities and assign that value to three categories of government services: governmental activities, business-type activities, and total government activities.

Governmental activities are the functions of government that are primarily funded by taxes and unrestricted intergovernmental revenues. These functions typically include general administrative service, public safety, human services, parks and recreation, and public works.
**Business-type activities** are the functions of government that are usually self-supporting and are primarily funded by service fees and charges. These functions typically include electrical utilities, water and sewage services, parking facilities, airports, and harbors.

**Total government activities** are the combination of governmental and business-type activities.

Two measures were used to evaluate the debt obligations of Florida cities and counties: debt per capita, and debt ratios. While there are a number of alternatives to measuring debt levels, these measures were selected because they are highly intuitive to interpret, provide relatively comparable information across governments, are commonly used in financial condition analysis, and provide high-level signals to motivate more detailed analysis on individual governments. This report examines recent values of both measures and looks at how both measures have changed over time.

**» Debt Per Capita**

Since large cities are more likely to have substantial debt obligations compared to smaller governments, this report’s researchers used a debt-per-capita measure to scale the size of liabilities to the size of jurisdictions. Debt-per-capita is computed by dividing every government’s total liabilities in each of the three service categories (governmental, business-type, and total government) by its population (2010 U.S. Census).

For example, the City of Tallahassee’s total government liabilities in fiscal year 2016 was $1.31 billion1 and its 2010 population was 181,376. Therefore, the city’s debt-per-capita for its total government activities was $7,229, which approximates each resident’s equal share of the city’s total government activities debt obligation at the end of fiscal year 2016. Tallahassee, however, operates particularly high levels of business-type activities, including an electrical utility, and a significant portion of its liabilities is related to its business-type functions. Tallahassee’s governmental liabilities in fiscal year 2016 was $255 million, a relatively small portion of its total government liabilities, and just $1,408 per capita. The city’s business-type obligation was $1.05 billion, or $5,821 per capita.

This example clearly illustrates the importance of considering the relative size of business-type liabilities to governmental activities when analyzing debt obligations. It is important to note, however, that Tallahassee has one of the highest ratios of business-type activities to total government activities in Florida. While approximately 80 percent of Tallahassee’s total government liabilities are associated with its business-type activities, in the typical Florida city or county, the relationship is closer to 28 percent.

Figure 1 illustrates debt-per-capita values in Florida cities and counties in fiscal year 2016.

Three conditions stand out:

1. There is significant variation in debt-per-capita levels across Florida’s general-purpose governments, with total government per-capita debt ranging from about $110 to $20,000. Even if we only look at governmental activities, there is still a significant range ($96 to $14,700).

2. Debt-per-capita levels are lowest, on average, for business-type activities. The median debt per capita for business-type activities is $569, compared to a median debt per capita of $1,218 for governmental activities. This is largely due to the number of local governments that do not provide business-type activities (28 governments in this report’s sample do not have any business-type assets or liabilities in fiscal year 2016). Even if governments with no business-type activities are excluded, however, many local governments have relatively small exposure to business-type liabilities.

3. Most governments’ debt-per-capita levels fall within a relatively narrow range (the boxes in Figure 1 indicate the 25th to 75th percentile observations) but there are a large number of outliers with very high per-capita debts (i.e., the dots on the right-hand side of the figure represent outlier observations).
FIGURE 1: DEBT PER CAPITA BY TYPE OF ACTIVITY (FISCAL YEAR 2016)

Figure 1 includes outlier observations that extend the scale of the x-axis and make it difficult to use the information to benchmark individual governments. To assist benchmarking efforts, Table 1 presents debt-per-capita values at the 10th, 25th, 50th, 75th, and 90th percentiles.

TABLE 1: BENCHMARKING DEBT PER CAPITA (FISCAL YEAR 2016)

<table>
<thead>
<tr>
<th></th>
<th>10th Percentile</th>
<th>25th Percentile</th>
<th>50th Percentile (Median)</th>
<th>75th Percentile</th>
<th>90th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Government</td>
<td>$728</td>
<td>$1,191</td>
<td>$2,005</td>
<td>$3,172</td>
<td>$6,122</td>
</tr>
<tr>
<td>Governmental</td>
<td>$543</td>
<td>$845</td>
<td>$1,218</td>
<td>$2,103</td>
<td>$3,067</td>
</tr>
<tr>
<td>Business-Type</td>
<td>$0</td>
<td>$95</td>
<td>$568</td>
<td>$1,419</td>
<td>$5,612</td>
</tr>
</tbody>
</table>

The information in Table 1 allows taxpayers and government officials to identify whether their city or county's debt-per-capita is high or low compared to other Florida local governments. For example, the debt-per-capita value of Tallahassee's governmental activities in fiscal year 2016 was $1,406, a little above the 50th percentile value in the state, indicating that the city's debt-per-capita for its governmental activities is relatively typical. By comparison, Tallahassee's debt per capita for its business-type activities was $5,789 in fiscal year 2016, which is higher than 90 percent of all other local governments in this study.

Readers should be careful interpreting their own government's debt burdens against these benchmarks. There may be entirely sensible and desirable reasons why a government may have higher debt levels, such as recent investments in new infrastructure that is expected to create economic growth, greatly improve service delivery, or solve especially thorny public problems. Also, especially high debt is not the only reason for concern. Governments with especially low levels of debt may be deferring maintenance on critical infrastructure.
» **Debt Ratio (Percent)**

Large debt obligations, even on per capita bases, are less concerning when governments have sufficient assets, such as investments, equipment, land, and buildings, to cover those debts. As such, our second measure is the debt ratio and is calculated by dividing total liabilities by total assets and multiplying by 100 percent.

As an example, the City of Tallahassee in fiscal year 2016 is once again considered. The city carried $1.31 billion in total government liabilities, but it also held $3.25 billion in total government assets, which produces a debt ratio of 40.3 percent (calculated as approximately $1.31 billion / $3.25 billion × 100 percent). In other words, as of the end of fiscal year 2016, Tallahassee's total government activities has 40.3 cents in liabilities for every dollar of assets the city owns. The debt ratio for Tallahassee's governmental activities was 26.2 percent and 46.4 percent for its business-type activities.

Figure 2 illustrates the total government debt ratios in Florida cities and counties in fiscal year 2016. Nearly three quarters of Florida cities and counties have debt ratios that are less than 50 percent. Low debt ratios indicate that a government owns most of its asset value outright and has relatively manageable debt levels, though even low debt ratios can create significant changes for governments in fiscal stress.

Figure 2 also demonstrates that several governments have debt ratios of 100 percent or greater. These governments have more liabilities than assets—similar to households that are underwater on their home mortgages.

The local governments with debt ratios that were greater than 100 percent in fiscal year 2016 include:

**Total Government Debt Ratio:**
Hialeah (101 percent), Hollywood (117 percent), Jacksonville (127 percent), and Miami (125 percent)

**Governmental Debt Ratio**
Fort Myers (114 percent), Hialeah (132 percent), Hollywood (214 percent), Jacksonville (139 percent), Lauderhill (129 percent), Miami (125 percent), Miramar (101 percent), Pembroke Pines (117 percent), South Daytona (101 percent), Temple Terrace (102 percent), Miami-Dade County (113 percent)

**Business-Type Debt Ratio**
Madison County (103 percent), Nassau County (109 percent)
In order to assist benchmarking analysis, Table 2 provides a percentile breakdown of debt ratio values in fiscal year 2016. The table is interpreted in the same manner as with Table 1. Returning to the Tallahassee example, the city’s governmental activities debt ratio was 26.2 percent in fiscal year 2016 (or 26.2 cents in governmental liabilities for every dollar of governmental assets) and only about 25 percent of Florida cities and counties have lower debt ratios. Tallahassee’s business-type activities debt ratio is 46.4 percent, just above the 75th percentile (i.e., larger than 75 percent of Florida cities and counties).

<table>
<thead>
<tr>
<th></th>
<th>10th Percentile</th>
<th>25th Percentile</th>
<th>50th Percentile (Median)</th>
<th>75th Percentile</th>
<th>90th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Government</td>
<td>18.6%</td>
<td>25.1%</td>
<td>37.0%</td>
<td>49.5%</td>
<td>61.9%</td>
</tr>
<tr>
<td>Governmental</td>
<td>17.5%</td>
<td>24.9%</td>
<td>37.0%</td>
<td>55.1%</td>
<td>80.0%</td>
</tr>
<tr>
<td>Business-Type</td>
<td>0%</td>
<td>14.2%</td>
<td>30.9%</td>
<td>43.1%</td>
<td>58.4%</td>
</tr>
</tbody>
</table>

Although debt-per-capita and debt ratio measures provide different information, the measures are highly correlated. In general, governments with the highest debt ratios also have higher debt-per-capita levels (and the same is true for those governments with low levels of both measures).

**DEBT OVER TIME**

A snapshot view of debt levels in fiscal year 2016 provides limited insight because it does not indicate whether debt levels are getting better or worse. These trends can best be evaluated by looking at how debt levels have changed over time.

Figure 3 illustrates debt-per-capita values in Florida cities and counties from fiscal year 2011 to 2016 (excluding outlier values). The figure demonstrates that debt obligations were generally stable from fiscal year 2011 to 2014, even declining slightly. However, there was a noticeable increase in debt per capita for governmental and total government activities in fiscal year 2015.

The increase in governmental liabilities from fiscal year 2014 to 2015 is primarily associated with the implementation of a new accounting standard (GASB Statements nos. 67 and 68) that requires governments that provide employee pension benefits to report the unfunded portions of their long-term pension obligations (i.e., the net pension liability) on their statements of net position (i.e., their balance sheets). Researchers reviewed the narrative portions for a majority of the financial reports in this study to verify that the change in governmental liabilities in fiscal year 2015 was related to reporting unfunded pension obligations. This change can be seen in both the debt-per-capita and debt ratio measures (see Figure 4); both measures were highly stable from fiscal year 2011 to 2014. While implementing the new accounting standards may not explain increases in every government, it is the most substantive contributor to the increase for governments as a whole.
FIGURE 3: DEBT PER CAPITA BY YEAR (EXCLUDES OUTLIERS)

FIGURE 4: DEBT RATIOS BY YEAR (EXCLUDES OUTLIERS)
ANALYSIS OF DEBT OBLIGATIONS

In addition to examining general trends in debt obligations, this study takes a closer look at differences between cities and counties, differences in governmental and business-type activities, and governments with particularly large debt obligations.

» Cities and Counties

Debt obligations are noticeably larger in cities than counties.

Figure 5 illustrates that the median city’s governmental debt-per-capita was larger than the median debt-per-capita levels of county governments from fiscal years 2011 to 2016. Prior to fiscal year 2015, the median city’s governmental debt-per-capita was $225 to $255 greater than the median county’s. That difference increased significantly in fiscal year 2015 to a spread of $403 per capita, but narrowed in fiscal year 2016 to $280 per capita. Since the population value in the report’s measures is fixed at 2010 Census values, the spread increase is entirely due to a relatively larger increase in the city’s governmental liabilities.

The primary reason for the increase in fiscal year 2015, and its disproportionate effect on city governments, is likely the significant number of city-sponsored pension plans with unfunded liabilities that began to be reported as governmental liabilities in fiscal year 2015. County liabilities also increased in fiscal year 2015 because accounting standards also began to require participants in multi-employer plans (such as the Florida Retirement System) to report their share of the entire system’s net pension liability on their own financial statements. The Florida Retirement System’s net pension liability was $6 billion as of June 30, 2014, increasing to $12.9 billion by June 30, 2015, and then to $25.5 billion by June 30, 2016. Employers that participate in the Florida Retirement System (all Florida counties and some cities) were recognizing their share of those net liabilities on their own balance sheets.

Given that city debt obligations were consistently higher than counties, even prior to the new pension reporting requirements, the difference is clearly not entirely explained by higher pension obligations in city governments.
What explains the larger debt-per-capita levels in cities? One possibility is that cities have smaller populations than counties, so even if cities have lower liabilities in raw dollar terms, their debts per-capita may be higher. But given that cities also have larger debt ratios (see Figure 6), the difference is probably not due to scaling on population values. It is most likely that cities tend to provide more capital intensive services and/or depend more on debt financing.

Figure 6 illustrates that governmental debt ratios are also larger in cities. The spread between the typical debt ratio for cities and counties was approximately 10 percentage points in fiscal year 2011 and declined to about seven percentage points in fiscal years 2014 and 2015, and then to just two percentage points in fiscal year 2016.

FIGURE 6: MEDIAN GOVERNMENTAL DEBT RATIO BY CITY & COUNTY

It is important to note that the median governmental liability in Florida cities and counties was only about 15 to 40 percent of total governmental assets from fiscal year 2011 to 2016. This means that even though governmental liabilities increased in fiscal years 2015 and 2016, a large portion of governments remain structurally solvent. Structural solvency, however, does not mean that governments are able to service their debt payments. A large portion of total governmental assets, after all, are relatively illiquid, such as buildings, land, and equipment, and provide limited help in paying debt obligations. Even when liabilities are only a small portion of total assets, tax payers and government officials should pay close attention to governmental cash flows and to the variance between operating expenditures and revenues in order to assess the affordability of debt service payments.

TABLE 3: COMPARISON OF CITIES AND COUNTIES (FISCAL YEAR 2016)

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>ACTIVITY TYPE</th>
<th>CITIES</th>
<th>COUNTIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Per Capita</td>
<td>Total Government</td>
<td>$2,377</td>
<td>$1,354</td>
</tr>
<tr>
<td></td>
<td>Governmental</td>
<td>$1,333</td>
<td>$1,052</td>
</tr>
<tr>
<td></td>
<td>Business-type</td>
<td>$711</td>
<td>$165</td>
</tr>
<tr>
<td>Debt Ratio</td>
<td>Total Government</td>
<td>37.6%</td>
<td>36.2%</td>
</tr>
<tr>
<td></td>
<td>Governmental</td>
<td>38.2%</td>
<td>36.3%</td>
</tr>
<tr>
<td></td>
<td>Business-type</td>
<td>30.6%</td>
<td>33.5%</td>
</tr>
</tbody>
</table>
Table 3 compares the median debt obligations in cities and counties by the three types of services in fiscal year 2016. The table reinforces the finding in Figures 5 and 6 that debt obligations are larger in city governments than in counties. The difference between cities and counties is especially obvious in their business-type liabilities. These findings suggest that, as a group, debt concerns may be more prevalent in Florida cities. In fact, all of the six local governments with the highest debt obligations from 2011 to 2016 (analyzed below) are cities.

» Governmental and Business-Type Activities

Debt levels are higher for governmental activities than business-type activities.

As illustrated in Figure 7, median per-capita debt levels for business-type activities were fairly stable from fiscal years 2011 to 2016 (approximately $550 per capita). Median per-capita debt levels for governmental activities were also stable from fiscal year 2011 to 2014 (approximately $650 per capita), but increased significantly in fiscal years 2015 ($1,020 per capita) and 2016 ($1,220 per capita).

The sharp increase in the median per-capita debt for governmental activities is due to the new pension accounting requirements. Given that governmental activities usually require relatively higher personnel costs, it is not surprising that the pension reporting had a substantively larger effect on governmental liabilities than on business-type liabilities.

Why was the median per-capita debt for governmental activities so much greater than the median value for business-type activities in the years prior to the new pension accounting standards?

One reason is because there are 28 local governments in the study (14 cities and 14 counties) that do not engage in any business-type activities. Those governments have no business-type liabilities, which reduces the median calculation for the entire group. If the governments that do not engage in business-type activities are removed from the debt-per-capita calculations, the spread between the two types of activities decreases significantly, but the median per-capita governmental liabilities is still higher than for business-type liabilities (by about $30 per capita).

Another likely reason is that governmental activities are simply more capital intensive than most types of business-type activities and/or require higher levels of bond financing.
Figure 8 provides another look at the differences in debt levels between governmental and business-type activities. From fiscal year 2011 to 2014, the debt ratios for governmental activities was lower than for business-type activities. This means that while the per-capita debts for governmental activities was higher, there were also higher levels of governmental assets. The new pension accounting standards flipped the relationship and the median debt ratio for business-type activities is now lower than for governmental activities.

**GOVERNMENTS WITH THE LARGEST GOVERNMENTAL DEBT LEVELS**

This section identifies local governments with the highest sustained debt obligations in fiscal years 2011 to 2016. Each local government was rank-ordered from the largest to the smallest debt-per-capita and debt ratio measurements in each year. The focus is on the governmental activities, rather than the business-type activities or the total government activities, in order to highlight those governments that place the largest burden on their general taxes, rather than on service fees.

Researchers identified six governments in the top 25 on both measures in every fiscal year (2011 to 2016). Focus was placed on the top 25 because it closely approximates the top 10 percent of all Florida counties and larger cities (populations > 10,000). Only those governments that are in the top 25 on both measures are identified because higher debt-per-capita levels are most problematic when debt ratios are also high. Furthermore, governments in the top 25 in each fiscal year are identified (2011 to 2016) in order to recognize sustained levels of relatively high debt obligations.

The six Florida local governments that are in the top 25 in every year of the study are: Cape Coral, Fort Myers, Hollywood, Jacksonville, Miami, and Pembroke Pines.

Table 4 lists the debt-per-capita and debt ratio values for each of the six governments, along with their relative rank in 2016. It is important to note that all of the debt obligation values are above the 90th percentile levels presented in Tables 1 and 2.
Table 4: Governments with Largest Governmental Debt Obligations (Fiscal Year 2016)

<table>
<thead>
<tr>
<th>Government</th>
<th>Governmental Activities</th>
<th>Debt Per Capita</th>
<th>Governmental Activities</th>
<th>Debt Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2016 Values</td>
<td>FY 2016 Rank</td>
<td>FY 2016 Values</td>
<td>FY 2016 Rank</td>
</tr>
<tr>
<td>Cape Coral</td>
<td>$3,089</td>
<td>22</td>
<td>83%</td>
<td>19</td>
</tr>
<tr>
<td>Fort Myers</td>
<td>$5,008</td>
<td>7</td>
<td>114%</td>
<td>7</td>
</tr>
<tr>
<td>Hollywood</td>
<td>$5,468</td>
<td>5</td>
<td>214%</td>
<td>1</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>$6,507</td>
<td>3</td>
<td>138%</td>
<td>2</td>
</tr>
<tr>
<td>Miami</td>
<td>$5,585</td>
<td>4</td>
<td>125%</td>
<td>5</td>
</tr>
<tr>
<td>Pembroke Pines</td>
<td>$4,014</td>
<td>12</td>
<td>117%</td>
<td>6</td>
</tr>
</tbody>
</table>

A review of the audited financial statements for each of these governments was conducted in order to understand why they have relatively high and sustained debt obligations. Net pension liabilities are a common challenge, but these governments all had relatively higher debt levels before the new pension standards were implemented. The primary contributor is a relatively higher use of bond financing (some combination of revenue and general obligation bonds). There are, however, many important and complex reasons why each government has especially high debt obligations. Some of those causes are greatly oversimplified by debt-per-capita and debt ratio values. Readers are encouraged to use these measures as a flag to initiate further analysis. Recent financial statements are available on the Florida Auditor General’s website.

» Cities: https://flauditor.gov/pages/municipalities%20a-g.htm
» Counties: https://flauditor.gov/pages/counties_efile.htm

CONCLUSION

This report is intended to help government officials and citizens understand overall trends in Florida cities’ and counties’ debt obligations and to provide general benchmarking information for assessing the debt obligations of individual cities (a table of reference data for all of the cities and counties in this study is available at http://collinsinstitute.fsu.edu/sites/default/files/benchmarkingdebtreportdata05072018.xlsx).

This study shows significant variation in debt levels among Florida cities and counties. That variation has grown over the past five years and government observers should continue to monitor this trend. However, the good news is that most cities and counties have relatively stable debt levels and appear to be structurally solvent.

The addition of net pension liabilities to local government financial statements is the primary cause of increasing debt levels in recent years. Pension obligations, as well as obligations for retiree health care benefits, are also likely a primary contributor to the growing variation in debt levels. These concerns are concentrated in a smaller group of cities and counties, but deserve continued attention.

This study also demonstrates that more research is needed on debt obligations in Florida cities and counties. Additional information is needed about the service demands and financing challenges that create differences in city and county debt practices, the distribution of infrastructure financing between cities and counties, and how overlapping debt burdens (i.e., cities, counties, and other local financing units) affect taxpayers. More research is also needed about the affordability of debt service costs among local governments.
DATA IN THIS STUDY

The city and county financial data in this study were collected from Government-Wide Statement of Net Position (or Net Assets) from individual government’s audited annual financial reports (i.e., their Comprehensive Annual Financial Reports, or CAFRs) for Fiscal Years 2011 to 2016. The Statement of Net Position provides balance sheet information on government assets, deferred inflows, liabilities, deferred outflows and net position for the governmental, business-type and total government activities. The Statement of Net Position provides an economic perspective on assets and liabilities; this means that long-term assets and liabilities are recognized, unlike balance sheets for the governmental funds.

The population information was drawn from 2010 census data and was used to calculate the debt per capita for every year in this study (2011-2016). Debt-per-capita calculations use inflation adjusted liability values (real 2016 dollars).

All of Florida’s 67 counties were included in this report regardless of their total population; however, Jacksonville was treated as a city in the analysis. The CAFRs for every county were available for each fiscal year and the corresponding balance sheet information was recorded for analysis. CAFR information for 162 Florida municipalities with populations over 10,000 was also included in the report. The following CAFRs were not available and could not be included for analysis: Hallandale (2016), New Port Richey (2016), and Opa-locka (2015 & 2016).

» Endnotes

1 In the Tallahassee example, the reported liability values are rounded in order to improve readability, but the reported debt-per-capita values are calculated on the exact values (i.e., not rounded).
Beginning in 2005, the Institute has produced a number of reports in a series called *Tough Choices: Shaping Florida’s Future* on municipal pensions and other post-employment benefits (OPEBs). This report is the eighth in this series of reports on local retirement benefits dating back to February 2011.

This report was written by Dr. David Matkin, assistant professor at the Rockefeller College of Public Affairs and Policy at the University of Albany—SUNY—and research fellow for the LeRoy Collins Institute. He was assisted in this project by Alex Pollinger and Emily Hetzel, students at the University of Albany.

All publications from the Institute can be found on the Institute’s website: [http://collinsinstitute.fsu.edu](http://collinsinstitute.fsu.edu).

**About the LeRoy Collins Institute:** Established in 1988 and located in Tallahassee at Florida State University (FSU), the LeRoy Collins Institute is a nonpartisan, statewide policy organization which studies and promotes creative solutions to key private and public policy issues facing the people of Florida and the nation. Named in honor of former Florida Governor LeRoy Collins, the Institute is governed by a distinguished board of directors, chaired by Lester Abberger. Other board members include executives, local elected officials, and other professionals from throughout the state.