

AGENDA ITEM #6
April 13, 2010
Discussion

MEMORANDUM

April 8, 2010

TO: County Council

FROM: Charles H. Sherer, Legislative Analyst *CHS*
Glenn Orlin, Deputy Council Staff Director *GO*

SUBJECT: Short term and interim financing for the CIP

Jennifer Barrett and Glenn Wyman from the Department of Finance were invited to participate in the briefing.

Background On February 25 and March 2, 2010, the Education Committee discussed the FY11-16 CIP for Montgomery College. For the Information Technology project in FY11, the College requested expenditures of \$11.1 million, financed by current revenue. The Executive recommended the same expenditure, but proposed to finance \$4.5 million of the \$11.1 million expenditure with short term financing (and the remaining \$6.6 million with current revenue). The reason for substituting \$4.5 million of short term financing for current revenue for this project was that there is not enough current revenue generally, and not enough from the recordation tax specifically, to finance all the County's needs.

The Committee raised a number of questions and concerns about the use of short term and interim financing for the CIP and asked that a briefing be scheduled for the Council on this topic. To put these two types of financing in perspective, additional background information is provided below.

Fiscal Policy Section 6 of the CIP explains the County Executive's fiscal policy: "Fiscal policy is the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal policy for the Capital Improvements Program focuses on the acquisition, construction, and renovation of public facilities and on the funding of such activities, with special attention to both long-term borrowing, and increasingly, short-term debt."

The County uses many sources of funds for the CIP — ©3-4 show 80(!) including WSSC, although many of the individual sources could be combined. For example, at least 15 of the sources are current revenue of one kind or another. See ©1-2 for summaries of the 80 sources. Leasing is not shown as a source of funding, but the amount of the annual lease payment is included in the County's Debt Service Fund.

The County will, of course, use non-County funds as much as possible (Federal, State, and contributions). With regard to County funds, the County uses a mix of:

1. long term general obligation bonds which are backed by the County's full faith and credit, are paid back over 20-years and used to pay off BANs/commercial paper notes that were previously issued to initially fund the County's CIP.
2. short term financing which is paid back over fewer years and is not backed by the County's full faith and credit.
3. BANs/commercial paper on which the County pays interest only until notes are paid off with general obligation bond proceeds or another source of funding, such as land sales. While outstanding, these short term notes mature in one to 270 days. BANs/commercial paper notes are also used for interim financing of the Smart Growth Initiative projects.
4. current revenue

With regard to which length of maturity is used, Finance considers several factors:

1. One guideline is that taxpayers should pay for the assets the County provides for them over the life of the asset — the length of the loan should match the useful life of the asset. If the asset will last 20-years, then the cost of the asset should be paid over 20-years. If the cost of a 20-year asset were paid over only 5-years, then current taxpayers would pay too much and future taxpayers would pay too little: the future taxpayers would pay \$0 and get to use an asset without paying for it. Similarly, if the asset will last only 5-years, then the cost of the asset should be paid over 5-years. If the cost of a 5-year asset were paid over 20-years, then current taxpayers would pay too little and future taxpayers would pay too much, because the future taxpayers would be paying for an asset that no longer existed.
2. The interest rate is lowest on the shortest term debt, and the interest rate increases as the length of the loan increases. On March 5, 2010 the yields on AAA bonds were:
 - a. Maturing in 1 year, 0.25%
 - b. Maturing in 5 years, 1.45%
 - c. Maturing in 10 years, 2.81%
 - d. Maturing in 15 years, 3.33%
 - e. Maturing in 20 years, 3.79%
3. Generally, bond rating agencies look more favorably on debt that is paid off faster than longer. This factor is reflected in the "Ten year payout ratio", which is one factor the County considers in deciding how much additional County general obligation debt may be issued, as discussed below.

Financing the CIP The following text is from section 6 of the CIP, which explains the County Executive's fiscal policy for using the major types of financing.

I. "Policy on Funding CIP with Debt" Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20-years, are both necessary and equitable.

"Projects deemed to be debt eligible should:

- Have a useful life at least approximately as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances; however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue as its funding source. It is County fiscal policy that financing in partnership situations ensure that tax-exempt debt is issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

Linda McMillan added the following explanation: "As a part of the FY09 budget, the Council approved the Executive's proposal to use \$50 million in proceeds from taxable bonds to establish a revolving property acquisition and preservation program within the Montgomery Housing Initiative Fund (HIF). The debt service would be paid from current revenue appropriation in the HIF. Taxable bonds were proposed to fund this effort because they would provide maximum flexibility and because the projects being funded would generally be in privately held buildings (both non-profit and for-profit). The Fiscal Policy says, "Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations." As of early March 2010, the taxable debt had not been issued and Finance had forward funded this effort with proceeds from other sources."

"Policy on General Obligation Debt Limits" General obligation debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on general obligation debt is the first claim on County revenues.

"Debt Capacity" To maintain the AAA rating, the County adheres to the following guidelines in deciding how much additional County general obligation debt may be issued in the six-year CIP period:

1. Overall Debt as a Percentage of Assessed Valuation - This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

2. **Debt Service as a percentage of the General Fund** - This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund. The General Fund excludes other special revenue tax supported funds. If those special funds supported by all County taxpayers were to be included, the ratio would be below ten percent.

3. **Overall Debt per Capita** - This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuers' ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

4. **Ten year Payout Ratio** - This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

5. **Per Capita Debt to Per Capita Income** – This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the capital budget process, the annual financial audit and as needed for fiscal analysis.

“Policy on Terms for General Obligation Bond Issues Bonds are normally issued as 20-year serial maturities, with 5 percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio (see Debt Limits, above). Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, then different repayment terms may be used.

II. **“Interim Financing** may be useful in situations where project expenditures are eligible for long term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified ultimate funding source [such as sale of land or GO bonds], and should be repaid within the short term. An example for interim financing would be in a situation where an offsetting revenue will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.”

“The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for **interim financing** to take advantage of favorable interest rates within rules established by the Internal Revenue Service.” The County sells BANs to finance bond-funded projects and later repays the BANs from a GO bond issue.

[Council staff note: Executive staff explained that this interim financing is only used to finance the seven projects in the Smart Growth Initiative listed on ©7, at a total cost of \$223.0 million. As shown on ©7, the term “interim financing” was not used before FY10. However, as just explained above, this term refers to commercial paper, on which the County pays interest only. The County has used such financing, referred to as “bond anticipation notes”, for many years to finance bond-funded projects in the CIP. The County sells “bond anticipation notes”, a form of commercial paper, as interim financing to pay for assets over the course of a year as needed for each asset.

[The interim financing/bond anticipation notes/commercial paper is paid back in one of two ways: 1) The County refinances at the then-current interest rate after periods of 270 days or less; or 2) Eventually, the County will sell either GO bonds or land and uses the proceeds to pay back the principal.

[The difference between the interim financing for the Smart Growth Initiative and the interim financing for other CIP projects is this:

The total amount of interim financing on ©7 is \$302.1 million, all for the SGI, with \$223.0 million estimated to be repaid from the sale of land and the remaining \$79.1 million to be repaid from GO bonds, sometime beyond FY16.

The interim financing for other CIP projects will be repaid entirely from bond proceeds. This type of interim financing is not shown on ©3-4 as a source of funds for the CIP, because GO bonds are shown instead, as if interim financing were not used. End of Council staff note.]

III. “Short term financing may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long term financing is not appropriate. Short term financings in the CIP are also of a larger size or magnitude than smaller purchases typically financed with short term Master Lease financing in the Operating Budget.”

Finance staff explained that “Short term financing has become the term used to describe debt that IS NOT general obligation debt. Short term debt is not always short term, seven years isn't really a short term obligation, but it is never a general obligation, short term debt is typically subject to appropriation.”

Questions/issues regarding short term and interim financing

1. **What is the difference between short term financing and interim financing?** Short term debt is generally paid back over a period of less than ten years. Each debt service payment for short term financing includes interest **plus** principal, so the principal is reduced each year and the debt is eventually paid off over the life of the loan (seven years or less as noted above).

In contrast, the entire amount borrowed in interim financing is either refinanced after a period of 270 days or less, or the entire amount is repaid from the sale of GO bonds or land. Each debt service payment for interim financing is interest only, so the principal is not reduced each year and the debt is not paid off until the County sells GO bonds or land, and uses the proceeds to pay back the entire amount borrowed.

2. **How much short term and interim financing is being used to finance the FY11-16 CIP, and what is the history of such financing?** As shown on ©3-4:
- a. Interim financing: \$0 through FY09, \$91.7 million estimated in FY10, \$210.3 million in FY11-16. The commercial paper will be paid back from the proceeds from the sale of land (\$223.0 million and GO bonds (\$79.1 million). The expenditures shown on ©3 and ©7 do not include the construction costs for the PSTA (estimated to be another \$80 million) or the MCPS and MNCPPC Maintenance facilities (unknown cost). These expenditures will presumably have to be financed with GO bonds.
 - b. Short term financing: \$62.2 million through FY09, \$45.0 million estimated in FY10 and \$64.5 million in FY11-16. The short term financing will be paid back from current revenue in the operating budget.
3. **Which projects and agencies will use this financing?** See ©5 for the eight County Government projects that use or have used short term financing, see ©6 for the one and only College project that will or may use short term financing (noted above), and see ©7 for the seven County Government projects that used or may use interim financing **for the Smart Growth Initiative**. (As explained above, interim financing is used for all GO bond funded projects, but this funding is not shown as a source of funds. Rather, GO bonds are shown, as if the interim financing were not used.)
4. **What is the impact on debt service?** The ratio of debt service (plus long term leases, plus short term leases/short term financing) to revenue in the General Fund is one of the indicators the County uses to determine how much debt the County can afford. The guideline is that this ratio should not exceed about 10%. The debt service on interim and short term financing affects the ratio, but as noted above, the interest rate is lower than GO bonds, and this debt service is by no means the only factor that causes the ratio to exceed 10% starting in FY13 (©12). A larger factor is the decreased rate of growth of General Fund revenues.

The budget for the Debt Service Fund is on ©8. As the last column shows, 91% of the debt service in FY11 is from GO bonds, which includes interest only on interim financing. As shown on rows 19 and 28, OMB estimates that tax-supported debt service in FY11 will be \$260.1 million, which is \$21.2 million more than the \$238.9 million latest estimate for FY10. Almost all of the \$260.1 million estimated debt service in FY11 is for project expenditures the Council approved through FY10. Almost all of the debt service for project expenditures the Council approves for FY11 will occur in FY12 and beyond.

When the MFP Committee reviewed the budget for debt service last year, for FY10, the Committee noted the \$11.4 million decrease from FY08 to FY09. Finance explained that “The reduction is due primarily to lower commercial paper costs, savings from a GO bond refunding, and the issuance of GO bonds in July 2008 (FY09) instead of May 2008 (FY08) as previously planned.”

5. **What is the impact on bond capacity and on the County's bond rating?** As just noted, this debt service is in the ratio of debt service to revenue in the General Fund, so this debt service limits bond capacity to the extent that the County limits the ratio to 10%. To the extent that the interim financing will be repaid from the proceeds from the sale of land, there will be no increase in the County's GO debt.

6. **Should the County use 20-year general obligation bonds instead of short term financing, for those projects that are eligible for bond financing?** There are at least two factors to consider:
 - a. As noted above, the interest rate for short term financing is less than the interest rate for long term financing, which suggests that the County should use short term financing as much as possible instead of long term financing, subject to the 10% limit. Finance staff explained that the County should use the right mix of both short and long term financing, taking into account the factors on page 2.

 - b. As shown on ©5-6, the projects are mostly buses and IT equipment, which the County does not fund with bonds because of the short useful life.

SIX-YEAR CIP

MAJOR FUNDING CATEGORIES

FUNDING SOURCE	FY09-14 AMENDED EXCLUDES WSSC (\$000s)	FY11-16 RECOMMENDED EXCLUDES WSSC (\$000s)	PERCENT CHANGE	PERCENT OF TOTAL APPROVED
GENERAL OBLIGATION BONDS	1,839,996	2,094,796	13.8%	52.4%
GENERAL PAYGO	129,722	164,474	26.8%	4.1%
AGENCY BONDS	25,181	29,220	16.0%	0.7%
REVENUE BONDS	126,825	185,151	46.0%	4.6%
CURRENT REVENUE - GENERAL FUND	219,933	279,418	27.0%	7.0%
CURRENT REVENUE - OTHER TAX-SUPPORTED	33,700	62,735	86.2%	1.6%
CURRENT REVENUE - NON-TAX SUPPORTED	82,621	46,572	-43.6%	1.2%
RECORDATION TAX	161,600	148,846	-7.9%	3.7%
RECORDATION TAX - PREMIUM	29,932	26,051	-13.0%	0.7%
INTERGOVERNMENTAL REVENUES	560,117	466,441	-16.7%	11.7%
IMPACT TAXES - Transportation	71,192	29,472	-58.6%	0.7%
IMPACT TAXES - Schools	109,993	55,500	-49.5%	1.4%
SHORT & LONG-TERM FINANCING	48,979	64,524	31.7 %	1.6%
INTERIM FINANCE	109,083	210,324	92.8 %	5.3%
LAND SALE	60,855	35,500	-41.7%	0.9%
HIF REVOLVING PROGRAM	50,000	50,000	0.0%	1.2%
CONTRIBUTIONS	18,665	8,335	-55.3%	0.2%
OTHER	65,437	43,542	-33.5%	1.1%
TOTAL SIX-YEAR CIP	3,743,831	4,000,901	6.9%	100.0%

NOTE: After reducing FY11-16 Recommended expenditures for unspent prior year's General Obligation Bonds (slippage):

	SLIPPAGE AMOUNT	FY11-16 EXPENDITURES EXCLUDING SLIPPAGE	PERCENT CHANGE
All Agencies	90,066	3,910,835	4.5%

	FY10-15 APPROVED WSSC ONLY	FY11-16 RECOMMENDED WSSC ONLY	PERCENT CHANGE	PERCENT OF TOTAL APPROVED
WSSC (Note)				
AGENCY BONDS	460,463	1,086,211	135.9%	65.6%
INTERGOVERNMENTAL REVENUES	320,284	396,902	23.9%	24.0%
CONTRIBUTIONS	12,389	11,686	-5.7%	0.7%
OTHER	187,759	161,798	-13.8%	9.8%
TOTAL SIX-YEAR CIP	980,895	1,656,597	68.9%	100.0%

NOTE: WSSC is governed by State law and is the only agency for which the County Council adopts an annual CIP.

	A	B	C	D	E
1	FUNDING THE FY11-16 CIP (\$000)				
2					
3					
4	Source (excluding WSSC)	FY09-14 amended	FY11-16 CE recommended	% change	% of total in FY11-16
5	GO bonds	1,839,996	2,094,796	13.8%	52.4%
6	Current revenue, specific projects	527,786	563,622	6.8%	14.1%
7	Intergovernmental	560,117	466,441	-16.7%	11.7%
8	Other long term bonds, not GO	152,006	214,371	41.0%	5.4%
9	Interim financing	109,083	210,324	92.8%	5.3%
10	Current revenue, PAYGO	129,722	164,474	26.8%	4.1%
11	Other	194,947	137,377	-29.5%	3.4%
12	Impact taxes	181,185	84,972	-53.1%	2.1%
13	Short term financing	48,979	64,524	31.7%	1.6%
14	Total	3,743,821	4,000,901	6.9%	100.0%

All Agency Funding Summary (\$000s)

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Funding Source	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Aging Schools Program	603	0	603	0	0	0	0	0	0	0	0
Agricultural Transfer Tax	10,568	0	5,418	5,150	600	750	850	950	1,000	1,000	0
Cable TV	44,320	28,114	2,285	13,921	2,012	2,706	4,378	2,375	1,225	1,225	0
Certificates of Participation	2,700	1,789	911	0	0	0	0	0	0	0	0
Community Development Block Grant	14,495	5,398	3,029	5,598	1,790	1,228	770	770	520	520	470
Contributions	24,707	7,629	8,743	8,335	1,749	3,600	886	700	700	700	0
Contributions - Other (WSSC only)	21,155	3,824	5,645	11,686	7,893	3,663	89	41	0	0	0
Current Rev.- GO Montgomery	0	0	0	0	0	0	0	0	0	0	0
Current Revenue: General	578,724	249,917	47,476	279,418	32,593	33,673	49,181	54,828	54,645	54,498	1,913
Current Revenue: P & P (ISF)	600	600	0	0	0	0	0	0	0	0	0
Current Revenue: Park and Planning	17,928	14,829	999	2,100	350	350	350	350	350	350	0
Current Revenue: Parking - Bethesda	18,027	3,303	7,035	7,689	590	4,739	590	590	590	590	0
Current Revenue: Parking - Montgomery Hill	700	586	114	0	0	0	0	0	0	0	0
Current Revenue: Parking - Silver Spring	33,118	3,392	13,526	16,200	2,700	2,700	2,700	2,700	2,700	2,700	0
Current Revenue: Parking - Wheaton	1,885	209	734	942	157	157	157	157	157	157	0
Current Revenue: Recordation Tax	287,772	113,840	25,086	148,846	23,586	24,338	24,260	24,952	25,557	26,153	0
Current Revenue: WMATA Surcharge	9,472	4,587	4,885	0	0	0	0	0	0	0	0
Department of Liquor Control Fund	157	92	65	0	0	0	0	0	0	0	0
Development Approval Payment	7,576	5,055	2,389	132	0	100	32	0	0	0	0
Development District	11,100	281	10,819	0	0	0	0	0	0	0	0
Economic Development Fund	0	0	0	0	0	0	0	0	0	0	0
EDAET	7,745	7,241	504	0	0	0	0	0	0	0	0
Enhancement	7,115	4,891	1,187	1,037	553	0	0	484	0	0	0
Enterprise Park and Planning	1,515	820	0	695	195	100	100	100	100	100	0
Fed Stimulus (State Allocation)	15,252	0	14,152	1,100	1,100	0	0	0	0	0	0
Federal Aid	167,069	63,041	38,309	65,719	27,856	10,263	5,285	6,900	13,265	2,150	0
Federal Stimulus	500	0	0	500	500	0	0	0	0	0	0
Fire Consolidated	4,430	24	2,907	1,499	0	1,499	0	0	0	0	0
G.O. Bonds	4,443,099	1,062,203	474,804	2,259,270	446,023	427,008	399,044	358,809	327,333	301,053	646,822
HIF Revolving Program	100,000	16,067	33,933	50,000	25,000	25,000	0	0	0	0	0
HOC Bonds	50,000	50,000	0	0	0	0	0	0	0	0	0
Impact Tax	79,236	36,078	11,684	29,340	3,950	4,930	4,950	5,080	5,120	5,310	2,134
Intergovernmental	11,083	7,287	1,402	2,319	189	1,015	303	0	32	780	75
Interim Finance	222,969	0	91,728	210,324	79,378	69,021	11,925	50,000	0	0	-79,083
Investment Income	4,653	1,353	424	2,876	445	458	472	486	500	515	0
ISTEA	0	0	0	0	0	0	0	0	0	0	0
Land Sale	35,015	20,034	14,981	0	0	0	0	0	0	0	0
Land Sale - Bethesda PLD	35,500	0	0	35,500	0	35,500	0	0	0	0	0
Land Sale (P&P Only)	0	0	0	0	0	0	0	0	0	0	0
Long-Term Financing	3,850	0	3,850	0	0	0	0	0	0	0	0
Major Facilities Capital Projects Fund (MC only)	3,564	2,400	1,064	100	100	0	0	0	0	0	0



All Agency Funding Summary (\$000s)

Funding Source	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Mass Transit Fund	72,477	8,890	4,451	59,136	1,191	5,044	6,053	21,861	22,902	2,085	0
M-NCPPC Contributions	5,000	0	5,000	0	0	0	0	0	0	0	0
Montgomery Housing Initiative Fund	2,500	2,500	0	0	0	0	0	0	0	0	0
Municipal (WSSC only)	51,711	26,564	2,906	20,904	3,551	7,088	5,080	3,227	1,003	955	1,337
P&P ALA Bonds	16,200	16,200	0	0	0	0	0	0	0	0	0
Park and Planning Bonds	42,496	3,466	7,254	29,220	8,521	6,878	3,555	3,897	3,261	3,108	2,556
PAYGO	151,128	151,128	0	0	0	0	0	0	0	0	0
POS-Stateside (P&P only)	5,200	200	0	5,000	0	0	500	1,500	1,500	1,500	0
Program Open Space	46,479	8,348	6,007	32,124	8,975	4,775	4,075	6,352	4,447	3,500	0
Qualified Zone Academy Funds	4,152	4,001	151	0	0	0	0	0	0	0	0
Recordation Tax	9,018	9,018	0	0	0	0	0	0	0	0	0
Recordation Tax Premium	31,713	1,710	3,952	26,051	0	4,350	4,677	5,254	5,650	6,120	0
Rental Income - General	59	59	0	0	0	0	0	0	0	0	0
Rental Income - Roads	2	2	0	0	0	0	0	0	0	0	0
Revenue Authority	81,004	74,933	1,055	5,016	750	665	908	975	1,043	675	0
Revenue Bonds	93,708	44,737	7,490	41,481	40,565	916	0	0	0	0	0
Revenue Bonds: Liquor Fund	133,119	55,357	28,362	49,400	17,616	12,622	14,370	4,792	0	0	0
Revolving (P&P only)	18,357	11,357	1,000	6,000	1,000	1,000	1,000	1,000	1,000	1,000	0
Revolving Fund - Current Revenue	6,804	6,137	667	0	0	0	0	0	0	0	0
Revolving Fund - G.O. Bonds	44,810	16,785	4,025	24,000	4,000	4,000	4,000	4,000	4,000	4,000	0
School Facilities Payment	0	0	0	0	0	0	0	0	0	0	0
Schools Impact Tax	92,371	25,871	11,000	55,500	7,960	8,480	8,890	9,520	10,000	10,650	0
→ Short-Term Financing	167,281	62,241	45,030	60,010	10,045	24,307	19,648	6,010	0	0	0
→ Short-term Financing: College	4,514	0	0	4,514	4,514	0	0	0	0	0	0
Solid Waste Disposal Fund	30,967	25,876	5,091	0	0	0	0	0	0	0	0
State Aid	1,280,481	371,653	110,056	725,667	122,104	162,276	153,684	103,074	87,947	96,582	73,105
State Bonds (P&P only)	1,500	0	0	1,500	500	1,000	0	0	0	0	0
State DNR (P&P only)	0	0	0	0	0	0	0	0	0	0	0
State ICC Funding (M-NCPPC Only)	2,000	0	125	1,875	700	1,000	175	0	0	0	0
Stormwater Management Waiver Fees	4,716	3,226	1,490	0	0	0	0	0	0	0	0
System Development Charge	267,328	53,363	52,167	161,798	59,914	57,985	39,303	4,596	0	0	0
TEA-21	2,368	1,056	1,312	0	0	0	0	0	0	0	0
Transportation Enhancement Program	1,589	0	1,089	500	500	0	0	0	0	0	0
Transportation Improvement Credit	1,125	1,125	0	0	0	0	0	0	0	0	0
Urban District - Bethesda	435	116	319	0	0	0	0	0	0	0	0
Urban District - Silver Spring	150	150	0	0	0	0	0	0	0	0	0
Water Quality Protection Bonds	94,270	0	0	94,270	7,125	9,415	18,515	19,125	22,025	18,065	0
Water Quality Protection Charge	12,794	1,692	4,077	7,025	925	1,200	1,350	1,350	1,100	1,100	0
WSSC Bonds	1,742,433	543,271	89,941	1,086,211	157,051	346,199	270,900	165,042	100,567	46,452	23,010
→ Total	10,800,461	3,245,916	1,224,708	5,657,498	1,116,816	1,311,998	1,063,005	871,847	700,239	593,593	672,339



Funding Detail by Revenue Source, Department/Agency and Project (\$000s)

Short-Term Financing - MCG

45-92

Project	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
<i>County Executive</i>											
1 150701 Technology Modernization -- MCG	35,489	2,587	21,857	11,045	5,633	5,412	0	0	0	0	0
Sub-Total	35,489	2,587	21,857	11,045	5,633	5,412	0	0	0	0	0
<i>Fire/Rescue Service</i>											
2 450600 Fire Apparatus Replacement	30,735	29,891	844	0	0	0	0	0	0	0	0
Sub-Total	30,735	29,891	844	0	0	0	0	0	0	0	0
<i>General Services</i>											
3 361112 Fuel Management	2,487	0	0	2,487	1,362	1,125	0	0	0	0	0
Sub-Total	2,487	0	0	2,487	1,362	1,125	0	0	0	0	0
<i>Liquor Control</i>											
4 850500 Temperature Controlled Liquor Warehouse	776	776	0	0	0	0	0	0	0	0	0
Sub-Total	776	776	0	0	0	0	0	0	0	0	0
<i>Recreation</i>											
5 720601 Cost Sharing: MCG	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0	0	0	0
<i>Technology Services</i>											
6 340901 Public Safety System Modernization	46,478	0	0	46,478	3,050	17,770	19,648	6,010	0	0	0
7 349657 Public Safety Mobile Data Sys.	28,634	28,634	0	0	0	0	0	0	0	0	0
Sub-Total	75,112	28,634	0	46,478	3,050	17,770	19,648	6,010	0	0	0
<i>Transportation</i>											
8 500821 Ride On Bus Fleet	22,682	353	22,329	0	0	0	0	0	0	0	0
Sub-Total	22,682	353	22,329	0	0	0	0	0	0	0	0
Revenue Source Total	167,281	62,241	45,030	60,010	10,045	24,307	19,648	6,010	0	0	0

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Funding Detail by Revenue Source, Department/Agency and Project (\$000s)
Short-term Financing: College

Project	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
<i>Montgomery College</i>											
9 856509 Information Technology: College	4,514	0	0	4,514	4,514	0	0	0	0	0	0
Sub-Total	4,514	0	0	4,514	4,514	0	0	0	0	0	0
Revenue Source Total	4,514	0	0	4,514	4,514	0	0	0	0	0	0

45-93

Funding Detail by Revenue Source, Department/Agency and Project (\$000s)

Interim Finance

Project	Total	Thru FY09	Est. FY10	6 Year Total	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years	
<i>Fire/Rescue Service</i>												
1 470907 PSTA and Multi-Agency Service Park	48,241	0	48,241	0	0	0	0	0	0	0	0	
2 471102 Public Safety Training Academy (PSTA) Relocation	5,515	0	0	5,515	4,224	1,291	0	0	0	0	0	
Sub-Total	53,756	0	48,241	5,515	4,224	1,291	0	0	0	0	0	
<i>General Services</i>												
3 360902 Montgomery County Radio Shop Relocation	7,920	0	0	7,920	503	2,063	5,354	0	0	0	0	
4 361109 MCPS & M-NCPPC Maintenance Facilities Relocation	4,447	0	0	4,447	2,577	1,870	0	0	0	0	0	
5 361111 MCPS Food Distribution Facility Relocation	29,179	0	0	29,179	3,781	18,827	6,571	0	0	0	0	
6 470906 Public Safety Headquarters	0	0	13,487	65,596	15,455	141	0	50,000	0	0	-79,083	
Sub-Total	41,546	0	13,487	107,142	22,316	22,901	11,925	50,000	0	0	-79,083	
<i>Transportation</i>												
7 500933 Equipment Maintenance and Operations Center (EMOC)	127,667	0	30,000	97,667	52,838	44,829	0	0	0	0	0	
Sub-Total	127,667	0	30,000	97,667	52,838	44,829	0	0	0	0	0	
Revenue Source Total	222,969	0	91,728	210,324	79,378	69,021	11,925	50,000	0	0	-79,083	

79,083
 309,050

45-60

DEBT SERVICE, tax supported

Note: debt service on all interim financing is interest only and is included in the row for GO bonds

I. Amount by fiscal year

	Type of financing	FY05	FY06	FY07	FY08	FY09	FY10 estimated	FY11 budget	% in FY11
6	GO bonds	177,626,993	190,105,430	206,778,993	222,980,816	208,057,520	221,287,180	237,140,950	91.2%
7	Long term leases	11,920,506	11,793,068	11,774,827	12,115,942	15,893,199	15,336,140	14,913,500	5.7%
8	Short term leases, short term financing	11,434,132	11,078,987	882,219	871,600	591,728	1,850,630	7,301,260	2.8%
9	Other long term debt	110,360	55,180	0	0	0	400,000	735,670	0.3%
10	Total	201,091,991	213,032,665	219,436,039	235,968,358	224,542,447	238,873,950	260,091,380	100.0%

Projected →

	Type of financing	FY11 budget	FY12	FY13	FY14	FY15	FY16
15	GO bonds	237,140,950	265,319,460	293,306,800	315,363,430	335,439,790	355,700,460
16	Long term leases	14,913,500	14,876,260	13,948,570	12,807,640	12,771,550	12,735,830
17	Short term leases, short term financing	7,301,260	9,869,110	17,727,480	24,861,440	25,936,180	19,484,100
18	Other long term debt	735,670	735,670	735,670	735,670	735,620	735,620
19	Total	260,091,380	290,800,500	325,718,520	353,768,180	374,883,140	388,656,010

II. Amount increase from previous year

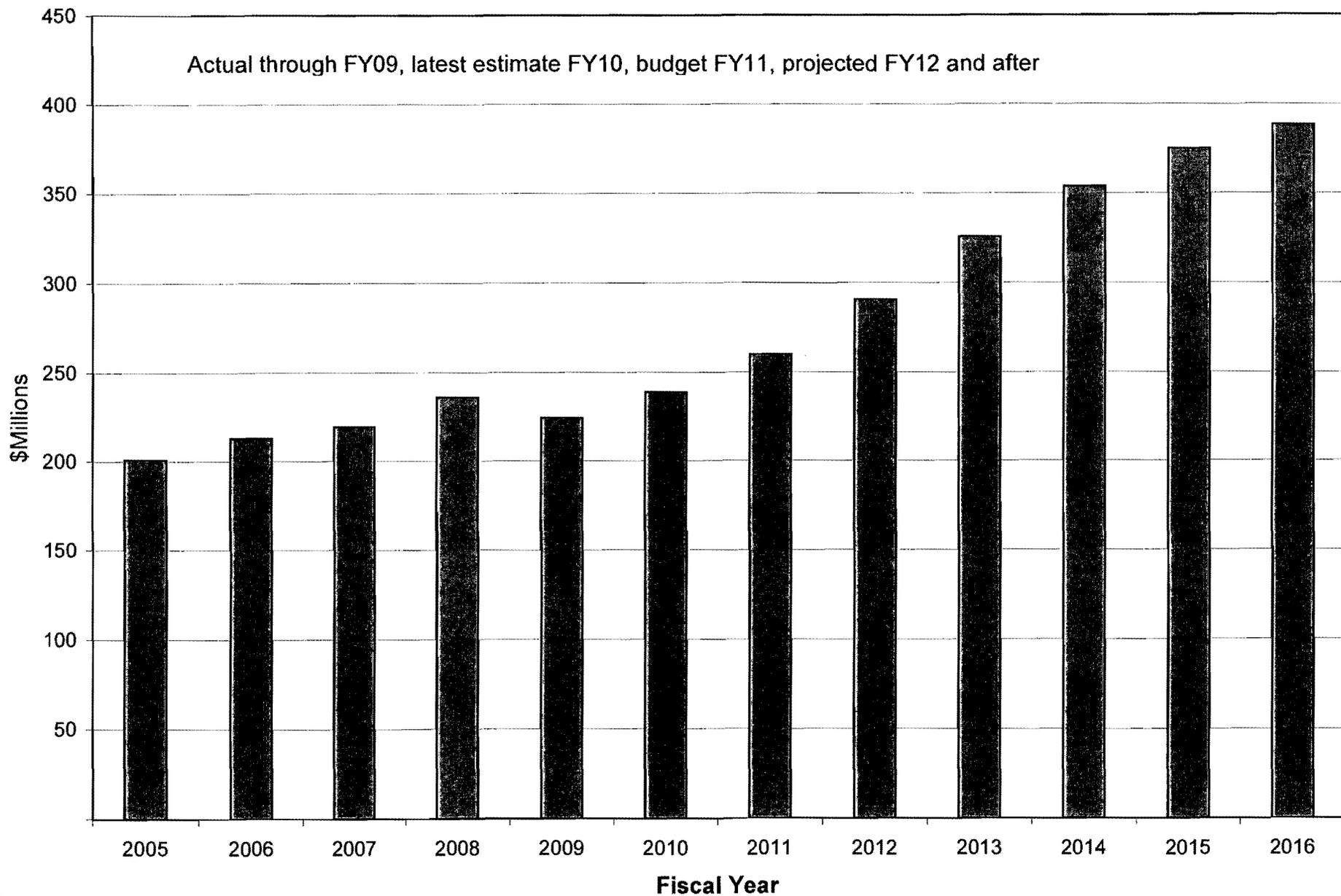
	Type of financing	FY05	FY06	FY07	FY08	FY09	FY10 estimated	FY11 budget
24	GO bonds		12,478,437	16,673,563	16,201,823	(14,923,296)	13,229,660	15,853,770
25	Long term leases		(127,438)	(18,241)	341,115	3,777,257	(557,059)	(422,640)
26	Short term leases, short term financing		(355,145)	(10,196,768)	(10,619)	(279,872)	1,258,902	5,450,630
27	Other long term debt		(55,180)	(55,180)	0	0	400,000	335,670
28	Total		11,940,674	6,403,374	16,532,319	(11,425,911)	14,331,503	21,217,430

Projected →

	Type of financing	FY11 budget	FY12	FY13	FY14	FY15	FY16
33	GO bonds	15,853,770	28,178,510	27,987,340	22,056,630	20,076,360	20,260,670
34	Long term leases	(422,640)	(37,240)	(927,690)	(1,140,930)	(36,090)	(35,720)
35	Short term leases, short term financing	5,450,630	2,567,850	7,858,370	7,133,960	1,074,740	(6,452,080)
36	Other long term debt	335,670	0	0	0	(50)	0
37	Total	21,217,430	30,709,120	34,918,020	28,049,660	21,114,960	13,772,870

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TAX SUPPORTED DEBT SERVICE



(b)

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT

	Actual FY08	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Rec/Bud	App % GO Bonds
GO BOND DEBT SERVICE EXPENDITURES							
General County	27,416,273	26,072,025	27,556,930	25,845,700	26,755,120		11.6%
Roads & Storm Drains	53,643,535	49,276,790	53,243,820	51,741,110	54,807,900		23.8%
Public Housing	250,417	175,005	108,320	108,320	87,540		0.0%
Parks	7,255,370	7,064,767	7,554,290	7,376,550	8,264,900		3.6%
Public Schools	109,293,160	102,354,007	111,292,490	109,790,040	112,965,990		49.1%
Montgomery College	7,708,907	7,912,457	10,451,460	9,379,290	10,601,800		4.6%
Bond Anticipation Notes/Commercial Paper	5,564,456	4,121,080	3,023,750	2,887,850	1,962,500		
Bond Anticipation Notes/Liquidity & Remarketing	-	-	-	1,447,800	4,000,000		
Cost of Issuance: General Fund	892,924	922,301	1,060,220	852,200	1,088,320		
Total General Fund	212,025,042	197,898,432	214,291,230	209,428,860	220,534,070	2.9%	92.8%
Fire Tax District Fund	3,560,618	3,416,221	3,970,910	3,807,570	5,236,630	31.9%	2.3%
Mass Transit Fund	2,321,315	2,028,746	2,447,450	2,696,310	3,489,700	42.6%	1.5%
Recreation Fund	5,034,794	4,676,758	5,012,400	5,318,770	7,846,590	56.5%	3.4%
Bradley Noise Abatement Fund	30,111	28,810	27,500	27,500	26,180	-4.8%	0.0%
Cabin John Noise Abatement Fund	8,936	8,553	8,170	8,170	7,780	-4.8%	0.0%
Total Tax Supported Other Funds	10,955,774	10,159,088	11,466,430	11,858,320	16,606,880	44.8%	7.2%
TOTAL TAX SUPPORTED	222,980,816	208,057,520	225,757,660	221,287,180	237,140,950	5.0%	100.0%
Non-Tax Supported							
Solid Waste Disposal Fund	2,447	-	-	-	-	0.0%	0.0%
Total Non-Tax Supported	2,447	-	-	-	-	0.0%	0.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	222,983,263	208,057,520	225,757,660	221,287,180	237,140,950	5.0%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	2,216,061	2,490,519	1,903,290	1,903,290	1,901,650		
Revenue Authority - MHS Piccard Drive	633,488	632,698	635,700	635,700	632,480		
Silver Spring Garages	5,591,008	5,553,516	5,590,330	5,590,330	5,544,320		
Revenue Authority - Recreation Pools	3,041,772	2,662,966	2,664,820	2,664,820	2,325,820		
Fire and Rescue Equipment	633,613	4,553,500	4,542,000	4,542,000	4,509,230		
TOTAL LONG-TERM LEASE EXPENDITURES	12,115,942	15,893,199	15,336,140	15,336,140	14,913,500		
SHORT-TERM LEASE EXPENDITURES / FINANCING							
Technology Modernization Project	-	-	2,026,970	1,850,630	3,701,260		
Ride On Buses	-	-	2,644,250	-	3,600,000		
Short Term Financing - Kay Property	871,600	591,728	-	-	-		
TOTAL SHORT-TERM LEASE EXPENDITURES	871,600	591,728	4,671,220	1,850,630	7,301,260		
OTHER LONG-TERM DEBT							
Silver Spring Music Venue - Tax supported	-	-	335,670	-	335,670		
Site II Acquisition - Tax supported	-	-	400,000	400,000	400,000		
MHI-HUD Loan - Non-Tax supported	78,255	76,862	75,300	75,300	73,580		
Water Quality Protection Bonds - Non-Tax supported	-	-	-	-	413,480		
MHI - Property Acquisition Fund - Non-tax supported	-	-	2,180,000	-	2,500,000		
TOTAL OTHER LONG-TERM DEBT	78,255	76,862	2,990,970	475,300	3,722,730	24.5%	
DEBT SERVICE EXPENDITURES							
Tax Supported	235,968,358	224,542,447	246,500,690	238,873,950	260,091,380		
Non-Tax Supported - Other & GO Bond Debt	80,702	76,862	2,255,300	75,300	2,987,060		
TOTAL DEBT SERVICE EXPENDITURES	236,049,060	224,619,309	248,755,990	238,949,250	263,078,440	5.8%	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	206,179,168	195,205,792	131,255,210	125,084,450	215,393,520		
MCPs Reimbursement	-	-	79,537,320	79,537,320	-		
Accrued Interest: GO Bonds-Non Pooled	729,167	623,264	575,000	-	575,000		
Accrued Interest: Installmt Notes, I&P, Street Assessmts	468,035	896,190	-	21,280	17,570		
BAN/Commercial Paper Investment Income	5,068,687	1,412,223	2,000,000	255,220	689,570		
Federal Subsidy on General Obligation Bonds	-	-	-	1,757,720	3,858,410		
Premium on General Obligation Bonds	-	-	-	2,772,870	-		
Total General Fund Sources	212,445,057	198,137,469	213,367,530	209,428,860	220,534,070		
Fire Tax District Funds	3,146,701	3,164,512	3,970,910	3,807,570	5,236,630		
Mass Transit Fund	2,323,084	2,044,754	2,447,450	2,696,310	3,489,700		
Recreation Fund	5,026,927	4,673,423	5,012,400	5,318,770	7,846,590		
Bradley Noise Abatement Fund	30,111	28,810	27,500	27,500	26,180		
Cabin John Noise Abatement Fund	8,936	8,552	8,170	8,170	7,780		
Solid Waste Disposal Fund	2,447	-	-	-	-		
Total Other Funding Sources	10,538,206	9,920,051	11,466,430	11,858,320	16,606,880		
TOTAL GO BOND FUNDING SOURCES	222,983,263	208,057,520	224,833,960	221,287,180	237,140,950		
NON GO BOND FUNDING SOURCES							
General Funds	9,312,157	9,268,461	11,815,660	10,379,950	12,515,380		
MHI Fund - HUD Loan	78,255	76,862	75,300	75,300	73,580		
Water Quality Protection Bonds - Non-Tax supported	-	-	-	-	413,480		
MHI Fund - Property Acquisition Fund	-	-	2,180,000	-	2,500,000		
Mass Transit Fund	-	-	2,644,250	-	3,600,000		
Recreation Fund	3,041,772	2,662,966	2,664,820	2,664,820	2,325,820		
Fire Tax District Fund	633,613	4,553,500	4,542,000	4,542,000	4,509,230		
TOTAL NON GO BOND FUNDING SOURCES	13,065,797	16,561,789	23,922,030	17,662,070	25,937,490		
TOTAL FUNDING SOURCES	236,049,060	224,619,309	248,755,990	238,949,250	263,078,440		
TRANSFERS							
FROM: RSF Investment Income	5,763,222	2,005,903	1,316,000	311,080	-		
TO: CIP - PAYGO	5,763,222	2,005,903	1,316,000	311,080	-		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	-	250,000,000	310,000,000	310,000,000	325,000,000		
Council SAG Approved Issues	-	-	320,000,000	320,000,000	325,000,000		

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DEBT SERVICE - GENERAL OBLIGATION BONDS AND LONG & SHORT TERM LEASES AND OTHER DEBT

	Recommended FY11	Projected FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16
GO BOND DEBT SERVICE EXPENDITURES						
General County	26,755,120	33,773,830	40,267,770	46,774,080	49,777,360	51,997,290
Roads & Storm Drains	54,807,900	57,176,010	60,235,550	63,474,160	68,509,540	73,191,830
Public Housing	87,540	292,220	522,050	508,160	494,270	480,380
Parks	8,264,900	8,898,150	9,518,940	10,358,020	10,544,400	9,963,720
Public Schools	112,965,990	123,176,730	132,772,760	138,686,810	148,122,130	157,803,370
Montgomery College	10,601,800	12,733,700	13,924,000	14,530,970	15,632,340	16,903,680
Bond Anticipation Notes/Commercial Paper	1,962,500	4,902,090	9,234,380	11,937,500	11,937,500	12,932,300
Bond Anticipation Notes/Liquidity & Remarketing	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Cost of Issuance	1,088,320	1,116,610	1,145,090	1,173,720	1,203,060	1,233,130
Total General Fund	220,534,070	246,069,340	271,620,540	291,443,420	310,220,600	328,505,700
Fire Tax District Fund	5,236,630	6,040,180	6,852,850	7,902,170	8,742,450	7,890,200
Mass Transit Fund	3,489,700	4,107,670	4,380,710	4,784,220	5,446,850	10,174,750
Recreation Fund	7,846,590	9,070,010	10,422,150	11,233,620	11,029,890	9,129,810
Bradley Noise Abatement Fund	26,180	24,870	23,550	-	-	-
Cabin John Noise Abatement Fund	7,780	7,390	7,000	-	-	-
Total Tax Supported Other Funds	16,606,880	19,250,120	21,686,260	23,920,010	25,219,190	27,194,760
TOTAL TAX SUPPORTED	237,140,950	265,319,460	293,306,800	315,363,430	335,439,790	355,700,460
TOTAL GO BOND DEBT SERVICE EXPENDITURES	237,140,950	265,319,460	293,306,800	315,363,430	335,439,790	355,700,460
LONG-TERM LEASE EXPENDITURES						
Revenue Authority - Conference Center	1,901,650	1,903,890	995,440	993,190	993,190	996,020
Revenue Authority - HHS Piccard Drive	632,480	633,040	636,870	638,390	638,580	642,520
Silver Spring Garages	5,544,320	5,554,170	5,574,890	5,561,410	5,563,880	5,538,040
Revenue Authority - Recreation Pools	2,325,820	2,325,680	2,323,020	1,834,050	1,834,300	1,836,050
Fire and Rescue Equipment	4,509,230	4,459,480	4,418,350	3,780,600	3,741,600	3,723,200
TOTAL LONG-TERM LEASE EXPENDITURES	14,913,500	14,876,260	13,948,570	12,807,640	12,771,550	12,735,830
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Technology Modernization Project	3,701,260	4,850,490	5,999,730	5,999,730	5,999,730	5,999,730
Ride On Buses	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Public Safety System Modernization	-	1,107,420	7,559,500	14,693,460	15,768,200	9,316,120
Fire and Rescue Fuel Management System	-	311,200	568,250	568,250	568,250	568,250
TOTAL SHORT-TERM LEASE EXPENDITURES	7,301,260	9,869,110	17,727,480	24,861,440	25,936,180	19,484,100
OTHER LONG-TERM DEBT						
Silver Spring Music Venue - Tax supported	335,670	335,670	335,670	335,670	335,620	335,620
Site II Acquisition - Tax Supported	400,000	400,000	400,000	400,000	400,000	400,000
MHI-HUD Loan - Non-Tax supported	73,580	71,730	69,770	67,730	65,630	65,630
Water Quality Protection Bonds - Non-Tax supported	413,480	1,633,230	2,532,750	5,266,990	6,135,200	8,960,540
Property Acquisition Fund - Non-Tax supported	2,500,000	4,700,000	6,900,000	8,660,000	8,660,000	8,660,000
TOTAL OTHER LONG-TERM DEBT	3,722,730	7,140,630	10,238,190	14,730,390	15,596,450	18,421,790
DEBT SERVICE EXPENDITURES						
Tax Supported	260,091,380	290,800,500	325,718,520	353,768,180	374,883,140	388,656,010
Non-Tax Supported - Other Long-term Debt	2,987,060	6,404,960	9,502,520	13,994,720	14,860,830	17,686,170
TOTAL DEBT SERVICE EXPENDITURES	263,078,440	297,205,460	335,221,040	367,762,900	389,743,970	406,342,180
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	215,393,520	240,175,680	264,212,020	283,848,340	302,230,310	320,419,300
MCPS Reimbursement	-	-	-	-	-	-
Accrued Interest on Bonds - Non-Pooled	575,000	575,000	575,000	575,000	575,000	575,000
Accrued Interest: Installmt Notes, I&P, Street Assessmts	17,570	-	-	-	-	-
BAN/Commercial Paper Investment Income	689,570	1,460,250	2,975,110	3,161,670	3,556,880	3,754,480
Federal Subsidy on General Obligation Bonds	3,858,410	3,858,410	3,858,410	3,858,410	3,858,410	3,756,920
Total General Fund Sources	220,534,070	246,069,340	271,620,540	291,443,420	310,220,600	328,505,700
Fire Tax District Fund	5,236,630	6,040,180	6,852,850	7,902,170	8,742,450	7,890,200
Mass Transit Fund	3,489,700	4,107,670	4,380,710	4,784,220	5,446,850	10,174,750
Recreation Fund	7,846,590	9,070,010	10,422,150	11,233,620	11,029,890	9,129,810
Bradley Noise Abatement Fund	26,180	24,870	23,550	-	-	-
Cabin John Noise Abatement Fund	7,780	7,390	7,000	-	-	-
Total Other Funding Sources	16,606,880	19,250,120	21,686,260	23,920,010	25,219,190	27,194,760
TOTAL GO BOND FUNDING SOURCES	237,140,950	265,319,460	293,306,800	315,363,430	335,439,790	355,700,460
NON GO BOND FUNDING SOURCES						
General Funds	12,515,380	14,784,680	21,502,100	28,621,850	29,699,200	23,228,050
MHI Fund - HUD Loan	73,580	71,730	69,770	67,730	65,630	65,630
Water Quality Protection Bonds - Non-Tax supported	413,480	1,633,230	2,532,750	5,266,990	6,135,200	8,960,540
MHI Fund - Property Acquisition Fund	2,500,000	4,700,000	6,900,000	8,660,000	8,660,000	8,660,000
Mass Transit Fund	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Recreation Fund	2,325,820	2,325,680	2,323,020	1,834,050	1,834,300	1,836,050
Fire Tax District Fund	4,509,230	4,770,680	4,986,600	4,348,850	4,309,850	4,291,450
TOTAL NON GO BOND FUNDING SOURCES	25,937,490	31,886,000	41,914,240	52,399,470	54,304,180	50,641,720
TOTAL FUNDING SOURCES	263,078,440	297,205,460	335,221,040	367,762,900	389,743,970	406,342,180
TRANSFERS						
FROM: RSF Investment Income	-	-	-	-	-	-
TO: CIP - PAYGO	-	-	-	-	-	-
Actual and Estimated Bond Sales	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000
Council SAG Approved Issues	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000	325,000,000
ESTIMATED INTEREST RATE	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

DEBT CAPACITY ANALYSIS

FY11-16 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

MARCH 15, 2010

GO BOND 6 YR TOTAL = 1,950.0 MILLION

GO BOND FY11 TOTAL = 325.0 MILLION

GO BOND FY12 TOTAL = 325.0 MILLION

	FY10	FY11	FY12	FY13	FY14	FY15	FY16
1 New GO Debt Issued (\$000s)	310,000	325,000	325,000	325,000	325,000	325,000	325,000
2 GO Debt/Assessed Value	1.24%	1.40%	1.46%	1.47%	1.47%	1.44%	1.39%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	8.75%	9.03%	9.84%	10.64%	11.08%	11.13%	11.04%
4 \$ Debt/Capita	2,239	2,498	2,639	2,762	2,872	2,969	3,058
5 \$ Real Debt/Capita (FY10=100%)	2,239	2,446	2,528	2,583	2,617	2,632	2,632
6 Capita Debt/Capita Income	3.11%	3.49%	3.56%	3.57%	3.55%	3.53%	3.53%
7 Payout Ratio	69.56%	68.59%	68.12%	67.91%	67.95%	68.17%	68.47%
8 Total Debt Outstanding (\$000s)	2,163,274	2,442,635	2,610,455	2,765,125	2,909,660	3,042,940	3,164,765
9 Real Debt Outstanding (FY10=100%)	2,163,274	2,392,395	2,500,502	2,585,317	2,651,514	2,697,441	2,723,722
10 Note: OP/PSP Growth Assumption (2)	4.6%	3.8%	2.9%	3.6%	4.2%	5.1%	4.1%

Notes:

(1) This analysis is used to determine the capacity of Montgomery County to pay debt service on long-term GO Bond debt, long-term leases, and substantial short-term financing.

(2) OP/PSP Growth Assumption equals change in revenues from FY10 approved budget to FY11 budget for FY11 and budget to budget for FY12-16.