



Debt Service

APPROVED FY24 BUDGET

\$468,319,940

FULL TIME EQUIVALENTS

0.00

MISSION STATEMENT

This section provides budget data for the repayment of general obligation bond issues, and other long- and short-term financing for public facilities, equipment, and infrastructure in the Debt Service Fund for all tax supported County agencies (Montgomery County Government, Maryland-National Capital Park and Planning Commission, Montgomery County Public Schools, and Montgomery College), as well as other associated costs. Non-tax supported debt repayment related to the Montgomery Housing Initiative Property Acquisition Fund, and Water Quality Protection bonds are also included.

BUDGET OVERVIEW

The total approved FY24 Operating Budget for Debt Service is \$468,319,940, an increase of \$4,412,175 or 0.95 percent from the FY23 approved budget of \$463,907,765. This amount includes long-term lease expenditures of \$2,691,500, short-term financing of \$7,865,400 and other long-term debt of \$45,885,670. The budget excludes \$54,510 in debt service, which is appropriated in a non-tax supported fund.

FY24 Approved Changes

The Debt Service appropriation increase of 0.95 percent is primarily due to additional long-term debt.

G.O. Bonds are issued by the County to finance a major portion of the construction of long-lived additions or improvements to the County's publicly-owned infrastructure. The County's budget and fiscal plan for these improvements is known as the Capital Improvements Program (CIP) and is published separately from the Operating Budget and Public Services Program. Currently, G.O. Bonds are anticipated to fund approximately 31.3 percent of the County's capital expenditures for the six years of the Amended FY23-28 CIP. Other long-term debt includes financing for the Silver Spring Music Venue, Incubators, Affordable Housing (MHI Property Acquisition), Stormwater Management (Water Quality Protection Bonds), Wheaton Redevelopment, Rockville Core, and Energy Performance Contracting.

Long-term leases are similar to debt service in that they are long-term commitments of County funds for the construction or purchase of long-lived assets. They are displayed and appropriated within the Debt Service Fund. Short-term financing, where the payments represent a substantial County commitment for the acquisition of assets which have a shorter life, but still result in a substantial asset, are also displayed and appropriated within this Fund.

The FY24 Debt Service budget is predicated on the bond issuance requirements in the Approved CIP, adjusted for inflation. An interest cost of 5.0 percent was budgeted for the Fall 2023 issuance. Projected interest rates for bond issues for FY24 through FY29 are based

on market expectations for coupon rates, which drive actual debt service costs. Under these projections and assumptions, total Debt Service will increase from \$468.3 million in FY24 to \$530.4 million by FY29.

PROGRAM CONTACTS

Contact Jacqueline Carter of the Department of Finance at 240.777.8979 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this department's operating budget.

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Approved FY24	%Chg Bud/App
DEBT SERVICE					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Debt Service Personnel Costs	0	0	0	0	—
Debt Service G.O Bonds	384,850,193	400,658,260	400,025,680	411,931,880	2.8 %
Debt Service Other	27,513,960	34,536,905	31,499,605	27,459,560	-20.5 %
Debt Service Expenditures	412,364,153	435,195,165	431,525,285	439,391,440	1.0 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Premium on General Obligation Bonds	3,638,343	3,462,510	3,462,511	1,712,185	-50.6 %
Federal Grants	234,843	243,350	230,630	241,600	-0.7 %
Debt Service Revenues	3,873,186	3,705,860	3,693,141	1,953,785	-47.3 %
GRANT FUND - MCG					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	0	0	0	0	—
Operating Expenses	424,931	0	0	0	—
Grant Fund - MCG Expenditures	424,931	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Federal Grants	424,931	0	0	0	—

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Approved FY24	%Chg Bud/App
Grant Fund - MCG Revenues	424,931	0	0	0	—
DEBT SERVICE - NON-TAX SUPPORTED					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Debt Service - Non-Tax Supported Personnel Costs	0	0	0	0	—
Debt Service Other	20,024,523	28,712,600	24,106,600	28,928,500	0.8 %
Debt Service - Non-Tax Supported Expenditures	20,024,523	28,712,600	24,106,600	28,928,500	0.8 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Debt Service - Non-Tax Supported Revenues	0	0	0	0	—
DEPARTMENT TOTALS					
Total Expenditures	432,813,607	463,907,765	455,631,885	468,319,940	1.0 %
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	0.00	0.00	0.00	0.00	—
Total Revenues	4,298,117	3,705,860	3,693,141	1,953,785	-47.3 %

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT							
	Actual FY21	Actual FY22	Approved FY23	Estimated FY23	Approved FY24	% Chg App/App	App % GO Bonds
GO BOND DEBT SERVICE EXPENDITURES							
General County	72,406,533	73,142,299	73,669,270	75,109,092	82,724,440		20.6%
Roads & Storm Drains	77,448,929	80,264,802	81,692,170	81,877,428	84,555,130		21.1%
Public Housing	49,823	52,050	50,060	50,055	46,640		0.0%
Parks	9,304,075	9,427,541	9,610,150	9,572,880	10,365,560		2.6%
Public Schools	150,934,211	152,822,199	157,349,560	156,657,508	149,963,800		37.4%
Montgomery College	27,610,768	27,606,896	28,754,980	28,918,315	30,214,960		7.5%
Bond Anticipation Notes/Commercial Paper	551,912	363,149	4,725,000	3,605,000	7,000,000		
Bond Anticipation Notes/Liquidity & Remarketing	3,245,430	2,707,628	2,720,000	2,500,000	2,900,000		
Cost of Issuance	417,748	657,702	1,033,000	900,000	920,000		
Line(s) of Credit	992,500	148,055	-	-	-		
Total General Fund	342,961,929	347,192,321	359,604,190	359,190,274	368,690,530	2.5%	89.2%
Fire Tax District Fund	7,732,894	7,461,899	8,253,840	8,208,702	9,311,730		2.3%
Mass Transit Fund	19,187,128	20,182,085	22,146,340	22,073,788	22,579,220		5.6%
Recreation Fund	9,917,452	10,013,908	10,653,890	10,552,918	11,350,400		2.8%
Total Tax Supported Other Funds	36,837,472	37,657,872	41,064,070	40,835,406	43,241,350	5.3%	10.8%
TOTAL TAX SUPPORTED	379,799,401	384,850,193	400,658,260	400,025,680	411,931,880	2.8%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	379,799,401	384,850,193	400,658,260	400,025,680	411,931,880	2.8%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	987,709	990,977	991,600	991,600	-		
Revenue Authority - Crossvines Project	-	-	860,200	860,200	860,200		
Fire and Rescue Equipment	-	35,996	725,000	740,300	1,831,300		
TOTAL LONG-TERM LEASE EXPENDITURES	987,709	1,026,973	2,576,800	2,592,100	2,691,500	4.5%	
SHORT-TERM LEASE EXPENDITURES							
Technology Modernization Project	3,646,948	3,646,948	3,647,100	3,647,100	1,823,500		
Libraries System Modernization	96,955	48,479	-	-	-		
Digital Evidence Data Storage	153,888	247,627	247,800	247,800	247,800		
Ride On Buses	5,244,330	1,738,182	712,400	712,400	712,400		
Public Safety System Modernization	1,322,586	17,200	320,200	26,700	968,700		
Fire Breathing Apparatus	1,045,422	-	-	-	-		
Fuel Management System	414,706	-	-	-	-		
Transit System Radios	-	-	375,000	-	315,000		
Police Body Armor	-	-	225,300	-	240,000		
Intelligent Transit System	-	-	960,000	-	1,030,000		
Fire Defibrillators	-	-	151,300	-	290,000		
Radio Lifecycle Replacement	-	-	1,047,500	-	2,238,000		
TOTAL SHORT-TERM LEASE EXPENDITURES	11,924,835	5,698,436	7,686,600	4,634,000	7,865,400	2.3%	
OTHER LONG-TERM DEBT							
Silver Spring Music Venue	294,055	72,476	215,700	215,700	214,900		
Incubators	931,759	936,714	4,244,500	4,244,500	-		
Site II Acquisition	1,238,855	-	-	-	-		
Rockville Core - Tax Supported	-	1,508,463	1,506,850	1,506,850	1,508,400		
Energy Performance Leases QECBs	646,218	646,537	660,820	660,820	823,700		
Energy Performance Leases Other	1,622,101	1,674,892	1,716,210	1,716,210	1,624,910		
Wheaton Redevelopment	-	2,143,545	2,358,300	2,358,300	2,358,100		
MHI-HUD Loan - Non-Tax supported	52,034	49,643	47,230	47,230	54,510		
Water Quality Protection Charge Bonds - Non-Tax supported	8,119,113	8,456,639	9,450,600	8,844,600	9,772,900		
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	9,621,452	8,496,842	12,188,800	12,188,800	13,384,800		
MHI Production Fund - HOC - Non-Tax supported	-	3,071,042	7,073,200	3,073,200	5,771,000		
COP - Rockville Core - Tax supported	374,117	-	-	-	-		
COP - Wheaton Redevelopment - Non-Tax supported	584,882	211,999	-	-	-		
COPs - Fire SCBA and Apparatus	1,393,352	4,386,575	4,383,850	4,383,850	4,389,750		
COPs - Fleet Equipment	57,178	329,250	329,100	329,100	328,450		
COPs - Buses	2,904,832	6,033,150	6,022,925	6,022,925	5,317,500		
COPs - Fuel Management	94,756	188,800	187,400	187,400	185,800		
COPs - PSSM	1,237,780	2,504,800	2,496,500	2,496,500	-		
COPs - Corrections	154,733	151,350	151,350	151,350	151,150		
TOTAL OTHER LONG-TERM DEBT	29,327,217	40,862,717	53,033,335	48,427,335	45,885,670	-13.5%	
DEBT SERVICE EXPENDITURES							
Tax Supported	403,661,681	415,223,196	435,195,165	431,525,285	439,391,440		1.0%
Non-Tax Supported - Other Long-term Debt	18,377,481	17,215,123	28,759,830	24,153,830	28,983,010		
TOTAL DEBT SERVICE EXPENDITURES	422,039,162	432,438,319	463,954,995	455,679,115	468,374,450	1.0%	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	339,132,535	343,525,028	356,141,680	355,727,763	366,978,345		
Federal Subsidy on General Obligation Bonds	1,141,184	-	-	-	-		
Federal Grants	992,500	-	-	-	-		
Premium on General Obligation Bonds	1,832,030	3,638,343	3,462,510	3,462,511	1,712,185		
Total General Fund Sources	343,098,249	347,163,371	359,604,190	359,190,274	368,690,530		
Fire Tax District Funds	7,648,423	7,476,684	8,253,840	8,208,702	9,311,730		
Mass Transit Fund	19,198,766	20,196,230	22,146,340	22,073,788	22,579,220		
Recreation Fund	9,853,966	10,013,908	10,653,890	10,552,918	11,350,400		
Total Other Funding Sources	36,701,155	37,657,822	41,064,070	40,835,406	43,241,350		
TOTAL GO BOND FUNDING SOURCES	379,799,404	384,850,193	400,658,260	400,025,680	411,931,880		
NON GO BOND FUNDING SOURCES							
General Funds	12,173,568	12,423,619	18,300,527	16,746,947	10,671,889		
MHI Fund - HUD Loan	52,034	49,643	47,230	47,230	54,510		
Water Quality Protection Fund	8,350,885	9,398,857	9,450,600	8,844,600	9,772,900		
MHI - Property Acquisition Fund	9,621,452	11,567,884	19,262,000	15,262,000	19,155,600		
Wheaton Redevelopment contributions	295,560	1,201,327	2,146,053	2,146,053	2,145,871		
Motor Pool Fund	57,178	518,050	516,500	516,500	514,250		
Mass Transit Fund	8,149,162	7,771,332	8,070,325	6,735,325	7,374,900		
Fire Tax District Fund	2,948,235	4,422,571	5,260,150	5,124,150	6,511,050		
Federal Subsidy - QECBs	51,046	234,843	243,350	230,630	241,600		
TOTAL NON GO BOND FUNDING SOURCES	42,239,758	47,588,126	63,296,735	55,653,435	56,442,570		
TOTAL FUNDING SOURCES	422,039,162	432,438,319	463,954,995	455,679,115	468,374,450		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	340,000,000	310,000,000	300,000,000	280,000,000	300,000,000		
Council SAG Approved Bond Funded Expenditures	340,000,000	310,000,000	300,000,000	300,000,000	290,000,000		

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

	Approved FY24	Projected FY25	Projected FY26	Projected FY27	Projected FY28	Projected FY29
GO BOND DEBT SERVICE EXPENDITURES						
General County	82,724,440	85,421,370	86,682,500	88,087,090	93,767,370	99,407,960
Roads & Storm Drains	84,555,130	86,715,790	90,547,560	93,385,310	93,241,820	98,228,860
Public Housing	46,640	18,080	33,540	22,890	51,980	47,240
Parks	10,365,560	10,724,580	11,311,290	12,392,810	12,712,150	13,738,440
Public Schools	149,963,800	155,836,770	157,225,050	155,550,690	148,851,600	143,268,200
Montgomery College	30,214,960	31,288,230	31,318,590	31,808,430	34,507,560	37,508,940
Bond Anticipation Notes/Commercial Paper	7,000,000	6,000,000	6,000,000	6,500,000	6,500,000	6,500,000
Bond Anticipation Notes/Liquidity & Remarketing	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Cost of Issuance	920,000	936,000	958,000	979,000	1,002,000	1,026,000
Total General Fund	368,690,530	379,820,820	386,974,530	391,626,220	391,534,480	402,623,640
Fire Tax District Fund	9,311,730	9,153,950	10,062,070	11,143,840	11,890,570	12,001,320
Mass Transit Fund	22,579,220	22,896,620	22,583,750	21,811,670	22,364,530	21,284,260
Recreation Fund	11,350,400	12,679,190	14,288,380	15,371,160	16,468,030	18,168,540
Total Tax Supported Other Funds	43,241,350	44,729,760	46,934,180	48,326,670	50,721,130	51,452,120
TOTAL TAX SUPPORTED	411,931,880	424,550,580	433,908,710	439,952,890	442,255,610	454,075,760
TOTAL GO BOND DEBT SERVICE EXPENDITURES	411,931,880	424,550,580	433,908,710	439,952,890	442,255,610	454,075,760
LONG-TERM LEASE EXPENDITURES						
Fire and Rescue Equipment	1,831,300	2,433,300	2,965,300	3,478,300	3,970,300	4,584,300
Revenue Authority - Crossvines Project	860,200	859,200	862,000	858,800	859,400	858,800
TOTAL LONG-TERM LEASE EXPENDITURES	2,691,500	3,292,500	3,827,300	4,337,100	4,829,700	5,443,100
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Technology Modernization Project	1,823,500	-	-	-	-	-
Digital Evidence Data Storage	247,800	247,800	93,800	-	-	-
Ride On Buses	712,400	915,400	1,252,400	1,590,400	2,110,000	4,474,000
Intelligent Transit System	1,030,000	2,060,000	2,060,000	2,060,000	2,060,000	2,060,000
Public Safety System Modernization	968,700	968,700	968,700	968,700	942,000	-
Transit System Radios	315,000	630,000	630,000	630,000	630,000	315,000
Fire Defibrillators	290,000	290,000	290,000	290,000	290,000	-
Police Body Armor	240,000	240,000	240,000	240,000	240,000	-
Radio Lifecycle Replacement	2,238,000	4,708,000	7,518,000	8,141,000	9,241,000	7,003,000
TOTAL SHORT-TERM LEASE EXPENDITURES	7,865,400	10,059,900	13,052,900	13,920,100	15,513,000	13,852,000
OTHER LONG-TERM DEBT						
Silver Spring Music Venue	214,900	293,200	293,210	292,700	293,300	293,400
Rockville Core	1,508,400	1,507,900	1,505,400	1,505,750	1,508,750	1,509,250
Energy Performance Leases QECBs	823,700	823,700	823,700	823,700	823,700	823,700
Energy Performance Leases Other	1,624,910	1,654,140	1,689,430	1,703,470	1,749,800	1,781,135
Wheaton Redevelopment	2,358,100	2,354,800	2,358,300	2,358,300	2,354,800	2,357,800
MHI-HUD Loan - Non-Tax supported	54,510	-	-	-	-	-
Water Quality Protection Charge Bonds - Non-Tax supported	9,772,900	11,509,550	13,683,500	15,321,250	17,104,000	17,810,500
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	13,384,600	15,421,220	19,621,490	22,672,100	22,672,700	22,670,500
MHI Production Fund - HOC - Non-Tax supported	5,771,000	7,069,500	7,072,100	7,070,300	7,068,800	7,072,900
COPs - Fire SCBA and Apparatus	4,389,750	4,388,650	2,401,500	2,398,050	2,398,050	2,396,650
COPs - Fleet Equipment	328,450	327,300	325,650	328,375	325,475	328,950
COPs - Buses	5,317,500	4,640,300	3,343,825	3,092,000	2,859,750	-
COPs - Fuel Management	185,800	189,000	-	-	-	-
COPs - Corrections	151,150	155,750	73,500	-	-	-
TOTAL OTHER LONG-TERM DEBT	45,885,670	50,335,010	53,191,605	57,567,545	59,158,925	57,042,585
DEBT SERVICE EXPENDITURES						
Tax Supported	439,391,440	454,237,720	463,603,425	470,713,985	474,911,735	482,859,545
Non-Tax Supported - Other Long-term Debt	28,983,010	34,000,270	40,377,090	45,063,650	46,845,500	47,553,900
TOTAL DEBT SERVICE EXPENDITURES	468,374,450	488,237,990	503,980,515	515,777,635	521,757,235	530,413,445
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	366,978,345	379,820,820	386,974,530	391,626,220	391,534,480	402,623,640
Premium on General Obligation Bonds	1,712,185	-	-	-	-	-
Total General Fund Sources	368,690,530	379,820,820	386,974,530	391,626,220	391,534,480	402,623,640
Fire Tax District Fund	9,311,730	9,153,950	10,062,070	11,143,840	11,890,570	12,001,320
Mass Transit Fund	22,579,220	22,896,620	22,583,750	21,811,670	22,364,530	21,284,260
Recreation Fund	11,350,400	12,679,190	14,288,380	15,371,160	16,468,030	18,168,540
Total Other Funding Sources	43,241,350	44,729,760	46,934,180	48,326,670	50,721,130	51,452,120
TOTAL GO BOND FUNDING SOURCES	411,931,880	424,550,580	433,908,710	439,952,890	442,255,610	454,075,760
NON GO BOND FUNDING SOURCES						
General Funds	10,671,889	11,154,022	13,517,387	13,841,367	14,884,482	11,511,469
MHI Fund - HUD Loan	54,510	0	0	-	-	-
Water Quality Protection Fund	9,772,900	11,509,550	13,683,500	15,321,250	17,104,000	17,810,500
MHI - Property Acquisition Fund	19,155,600	22,490,720	26,893,590	29,742,400	29,741,500	29,743,400
Wheaton Redevelopment contributions	2,145,871	2,142,888	2,146,053	2,146,053	2,142,888	2,145,418
Motor Pool Fund	514,250	516,300	325,650	328,375	325,475	328,950
Mass Transit Fund	7,374,900	8,245,700	7,286,225	7,372,400	7,659,750	6,849,000
Fire Tax District Fund	6,511,050	7,111,950	5,656,800	6,167,900	6,658,350	6,980,950
Federal Subsidy - QECBs	241,600	228,300	214,500	200,200	185,200	170,000
Revenue Authority - Crossvines Project	-	288,000	548,100	704,800	800,000	800,000
TOTAL NON GO BOND FUNDING SOURCES	56,442,570	63,687,410	70,071,805	75,824,745	79,501,625	76,337,685
TOTAL FUNDING SOURCES	468,374,450	488,237,990	503,980,515	515,777,635	521,757,235	530,413,445
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	300,000,000	300,000,000	280,000,000	280,000,000	280,000,000	280,000,000
Council SAG Approved Bond Funded Expenditures	290,000,000	280,000,000	270,000,000	270,000,000	270,000,000	270,000,000
ESTIMATED INTEREST RATE	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

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