



Debt Service

RECOMMENDED FY25 BUDGET

\$480,587,710

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 recommended FY25 Operating Budget for Debt Service is \$480,587,710, an increase of \$12,267,770 or 2.62 percent from the FY24 approved budget of \$468,319,940.

General Obligation Bonds

General Obligation (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 30.2 percent of the County's capital expenditures (excluding WSSC) for the six years of the Recommended FY25-30 CIP program. The bonds are repaid to bondholders with a series of principal and interest payments over a period of years, known as Debt Service. In this manner, the initial high cost of capital improvements is absorbed over time and assigned to citizens benefiting from facilities in the future, as well as current taxpayers. Due to various Federal and State tax laws, interest rates are usually lower than for non-government issues.

"General obligation" refers to the fact that the bonds are backed by an irrevocable pledge of the County's full faith and credit and unlimited taxing power. Such Bonds are payable from ad valorem taxes, unlimited as to rate or amount, on all real, tangible personal and certain intangible property subject to taxation at full rates for local purposes in the County. In addition, the Montgomery County Charter provides that the Director of Finance must make debt service payments even if the Council fails to provide sufficient appropriation. County G.O. bonds are exempt from Federal taxes and from State taxes for citizens of Maryland. Finally, the County strives to maintain its total and projected outstanding debt and debt service within certain financial parameters according to the County's fiscal policy. Thus, these financial instruments provide safety of repayment for investors.

Section 305 of the County Charter requires the County Council to set Spending Affordability Guidelines (SAG) for the CIP. The guidelines are related to how much the Council believes the County can afford, rather than how much might be needed. The guidelines

apply to County G.O. bonds and must specify the total G.O. debt issued by the County that may be planned for expenditure in the first and second year and approved under the six-year CIP. On September 26, 2023, the County Council approved SAG limits at \$280.0 million for FY25, \$280.0 million for FY26 and \$1,680.0 million for the FY25-30 period. On February 6, 2024, the County Council confirmed the guidelines set on September 26, 2023. The County Executive recommends issuances of \$300 million in FY25, \$280 million for FY26, and \$280 million in each of years FY27 to FY30, resulting in a total of \$1,700.0 million for FY25-30.

Debt Service Program

The annual debt service obligation of all outstanding G.O. bond issues, long- and short-term lease payments, other long-term debt, and projections of certain related expenditures (including costs of issuance) constitute the total Debt Service budget for FY25. When a bond-funded facility supports an activity funded by one of the County's Enterprise funds, the debt service is appropriated in that Enterprise fund operation.

Montgomery County G.O. bonds are budgeted in specific categories for specific purposes: General County (Police, Corrections, Human Services, Libraries, General Government, and other miscellaneous purposes); Roads and Storm Drains; Public Housing; Parks (including land and development for M-NCPPC regional and Countywide use parks); Public Schools; Montgomery College; Fire Tax District; Mass Transit Fund and the Recreation Fund. A separate appropriation is made for the General Fund or a special fund (e.g., Fire Tax District, Mass Transit, and Recreation) as appropriate. These appropriations include debt service for G.O. bond issues outstanding and other long-term and short-term financing.

The total Debt Service budget consists of principal and interest on the bonds and other long-term and short-term financing obligations. Bond anticipation notes (BANs)/commercial paper are short-term capital financing instruments issued with the expectation that the principal amount will be refunded with long-term bonds. In the meantime, interest costs are incurred and included in the debt service budget, usually at lower rates than with long-term financing. Cost of issuance includes the legal, financial advisory, administrative, and production costs of rating, issuing, and selling bonds, BANs/commercial paper and short- and long-term financing. Funding sources which offset the General Fund requirement for Debt Service may include premium on bonds issued. The special funds will fund the debt service appropriation via a transfer from individual special funds to the Debt Service Fund.

FY24 Estimated Debt Service

The FY24 estimated general obligation debt service, lease, and other long-term debt expenditure requirements for tax-supported funds total \$432.5 million which is lower than the budget of \$439.4 million primarily due to deferrals to FY25 of some short-term lease financings and MHI housing debt issuance, in addition to lower general obligation bonds and costs of issuance.

FY25 Recommended Debt Service Budget

The FY25 Debt Service budget is predicated on a base of existing debt service requirements from past bond issues plus the following:

- An FY25 issue of \$300 million at an interest cost of 5.0 percent for 20 years with even principal payments and annual debt issuance to continue through FY30.
- Interest expense based on an anticipated average BANs commercial paper balance of \$225 million during FY25.
- Other short- and long-term financing obligations as displayed in a chart at the end of the section.

The Debt Service assumptions discussed above result in a total FY25 Debt Service requirement for tax supported funds of \$452.8 million, which is a 3.1 percent increase from the FY24 budget of \$439.4 million. The General Fund appropriation requirement is \$392.9 million, or 4.0 percent more than the budgeted FY24 amount of \$377.7 million. A schedule detailing debt service principal and interest by major fund is included at the end of the chapter.

Public Services Program

The six-year Public Services Program for Debt Service is predicated on the bond issue requirements in the Recommended CIP, adjusted for inflation. An estimated interest cost of 5.0 percent is budgeted for the fall 2024 (FY25) issue. Projected interest rates for bond issues for FY25 through FY30 are based on market expectations for coupon rates, which drive actual debt service costs. Under these projections and assumptions, tax-supported debt service will increase from \$452.8 million in FY25 to \$479.3 million by FY30 with the General Fund revenue requirement growing from \$392.9 million in FY25 to \$404.8 million by FY30.

Capital Improvements Program Impact On Operating Budget

Debt Service Requirements

Debt service requirements are the single largest impact on the Operating Budget/Public Services Program by the CIP. The Charter-required CIP contains a plan or schedule of project expenditures for schools, transportation, and infrastructure modernization, with estimated project costs, sources of funding, and timing of work over a six-year period. Each bond issue used to fund the CIP translates to a charge against the Operating Budget each year for 20 years or the actual maturity of the bonds issued. Debt requirements for past and future bond issues are calculated each fiscal year, and provision for the payment of debt service is included as an Operating Budget requirement. Debt service expenditures take up fiscal capacity that could be utilized to fund current or improved services as well as tax bill containment. As Debt Service grows over the years, increased pressures are placed on other PSP programs competing for scarce resources.

The County Council adopts Spending Affordability Guidelines for the Capital Budget based on criteria for debt affordability. These criteria are described in the County's Fiscal Policy and provide a foundation for judgments about the County's capacity to issue debt and its ability to retire the debt over time. Debt capacity evaluation also focuses on other factors which impact the County's ability and willingness to pay current and future bond holders. Debt obligations, which include G.O. debt service plus other short- and long-term commitments, are expected to stay manageable. Maintaining this guideline ensures that taxpayer resources are not overextended during fiscal downturns, nor are services squeezed out over time due to increased debt service burdens. The Debt Capacity chart as displayed at the end of this section is based on the County Council's approved Spending Affordability Guidelines for FY25-30. The chart displays the anticipated debt issues for the six years which are the basis of the G.O. bond-funded portion of the Recommended FY25-30 CIP. Annual bond-funding requirements (on which future debt issue projections are based) are based on assumptions of projected bond-funded expenditures identified by project, amount, and year. The total programmed bond-funded expenditures for each year and for the CIP period are then adjusted to assist in estimating annual bond issue requirements. Adjustment factors include inflation, commitment of County current revenues (PAYGO) as an offset against bond requirements, and a set-aside for future unprogrammed projects. The resulting bond requirements are then compared to planned bond issue levels over the six-year period. It is most critical that debt funding of the CIP be within projected bond issue requirements for the first and second years and for the six years, and the County Executive's Recommended FY25-30 Capital Improvements Program meets that requirement. The General Obligation Bond Adjustment chart reflecting the Executive's January 16, 2024, proposals for the Recommended FY25-30 CIP is included at the end of this section.

Debt Limit

The County's outstanding general obligation debt totals \$ 3,245,830,000 as of June 30, 2023. The allocation of outstanding debt to government programs and functions is displayed in a chart at the end of this section.

The Annotated Code of Maryland, Article 25A, Section 5(P), authorizes borrowing funds and issuance of bonds up to a maximum of 6 percent of the assessed valuation of all real property and 15 percent of the assessed value of all personal property within the County. The legal debt limit as of June 30, 2023, is \$12,575,261,000 based upon the assessed valuation \$209,587,698,000 for all real property and \$4,463,792,000 for personal property. The County's outstanding general obligation debt of \$3,245,830,000 plus outstanding short-term commercial paper of \$217,000,000 is 1.65 percent of assessed value, within the legal debt limit and safely within the County's financial capabilities. A comparison of outstanding debt to legal debt limit is displayed in a chart at the end of this section.

Additional information regarding the County's outstanding general obligation debt and revenue bond debt can be found in the Debt Service Book - for Fiscal Year 2023. Schedules which display the allocation of outstanding debt to government programs and functions, debt service requirements for bond principal and interest, and payment schedules for paying agents can also be found in the Debt Service Book at the following link: <http://www.montgomerycountymd.gov/Finance/financial.html>

Leases and Other Debt

Long-term lease costs 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 leases, where the payments represent a substantial County commitment for the acquisition of assets that have a shorter life but still result in a substantial asset, are also displayed and appropriated within this Fund.

The FY25 appropriations for the long- and short-term financing are displayed in a chart at the end of this section.

Other Long-Term Debt

The County entered into lease-purchase agreements to finance energy systems modernization at various County buildings for which the debt service is covered by energy savings. Three of the leases qualified for Qualified Energy Conservation Bonds which provided a Federal Tax Subsidy.

Commencing in FY12, Water Quality Protection bonds finance stormwater management requirements resulting from the new National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS-4) permit requirements. During FY20, the County entered into two drawdown loans with the Maryland Water Quality Financing Administration (MWQFA), approximating \$50.7 million. In FY 24 the County secured another loan from the Maryland Water Infrastructure Financing Association (MWIFA), previously the MWQFA, in the amount of \$4.8 million. The loans are secured by Water Quality Protection Charge (WQPC) revenues.

Debt service estimates for additional Water Quality Protection Bonds and MWIFA loans have been included. These financings are required to meet ongoing MS-4 permit requirements. To pay for the debt service, a transfer of funds from the Water Quality Protection Fund to the Debt Service Fund is required.

Loan payments to HUD are related to a HUD Section 108 program loan that was received by the County. The County re-loaned the funds to the Housing Opportunities Commission (HOC). Repayment of the loan was made by HOC to the County through the

Montgomery Housing Initiative (MHI) Fund. Transfers from the MHI Fund support the repayment shown in the Debt Service Fund.

Other long-term debt (MHI) includes the debt service costs, offset by a transfer from the MHI Fund, for the issuance of debt for housing projects, which will significantly increase the County's capacity to acquire and renovate affordable housing. In addition to financing costs related to funding the County's ongoing Affordable Acquisition and Preservation project, the budget includes debt service on two \$50 million tranches of Limited Obligation Bonds issued by the Housing Opportunities Commission. The first tranche was issued in FY22 and the second is planned for FY25.

Long-term debt payments to acquire the Silver Spring Music Venue and to finance Rockville Core and Wheaton Redevelopment facilities are also included. Contributions to the Wheaton Redevelopment tax- supported debt service appropriation are assumed from Permitting Services, CUPF, and Water Quality Protection funds.

In FY21 certain Master Leases were refunded as part of a Certificates of Participation (COPs) financing for which debt service is included.

Certain other types of long-term debt are issued by the County government and State-chartered agencies of the County, such as the Maryland-National Capital Park and Planning Commission, Washington Suburban Sanitary Commission, Housing Opportunities Commission, and the Revenue Authority. Examples are revenue bonds, backed by fees and charges to facility users; and agency bonds, backed by separate taxes, charges, other revenues, and/or the faith and credit available directly to these agencies. In some cases, the County government may make direct payments under contract to these or other agencies. Most of these other types of non-general obligation debt are not included in expenditure listings of this section.

Rating Agency Reviews

Montgomery County continues to maintain its status as a top-rated issuer of municipal securities. The County has the highest credit ratings possible for a local government, AAA from Moody's Investors Service, Inc. (since 1973), from Standard and Poor's (since 1976), and from Fitch Ratings Inc. (since 1993, the first year a rating was sought from Fitch). These high ratings are critical to ensure the lowest possible cost of debt to citizens. High ratings translate into lower interest rates and considerable savings over the 20-year interest payments on the bonds. The rating agencies also place great emphasis on certain operating budget criteria, the quality of government administration, legal or constitutional restrictions, and the overall condition of the local economy. All of these factors are considered evidence of both the ability and willingness of local governments to support public debt.

Special Taxing Districts

Three development districts have been created in accordance with Chapter 14 of the Montgomery County Code, the Montgomery County Development District Act, enacted in 1994. The West Germantown District was created by Council Resolution 13-1135, the Kingsview Village Center Development District was created by Resolution 13-1377, and the Clarksburg Town Center District was created by Resolution 15-87. The creation of the development districts allows the County to provide financing, refinancing, or reimbursement for the cost of infrastructure improvements necessary for the development of land in areas of the County of high priority for new development or redevelopment. Special assessments and/or special taxes may be levied to fund the issuance of bonds or other obligations created from the construction or purchase of infrastructure improvements.

Bond issued for the Kingsview Village Center Development District matured in FY22 and there are currently no bonds outstanding for the District. In October 2010, the County Council terminated the Clarksburg Town Center Development District, therefore no bonds

were issued, and no special taxes or assessments were levied.

The West Germantown Development District was created in an unincorporated area of Montgomery County, encompassing approximately 671 acres. Various transportation, local park, and sewer infrastructure improvements were constructed by developers and acquired by the County at completion for a total cost of \$15.9 million. Special obligation bonds were issued in March 2002. In August 2014, the County issued \$12.02 million of bonds to refund all the outstanding bonds.

The County issues special obligation bonds to fund the acquisition of the completed infrastructure assets. The debt service on the special obligation debt is funded by an ad valorem tax and special benefit assessment levied on the properties located in the development district. The County Council, by separate resolution, sets the ad valorem tax and special benefit assessment at rates sufficient to pay the principal, interest, any redemption premium on the bonds, and administrative expenses. Revenues resulting from the ad valorem tax and special benefit assessed, and expenditures for the debt service on the special obligation bonds and administrative expenses, are accounted for in an agency fund, because the County has no obligation whatsoever for the indebtedness. The County acts only as a financing conduit and agent for the property owners and bondholders. In accordance with Section 20A-1 of the Montgomery County Code, the bonds or other obligations issued may not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power.

In March 2010, the County adopted legislation (Bill 50-10, December 2010) to create a new special taxing district in the White Flint area, along with an implementation strategy and a list of the infrastructure necessary to successfully implement that strategy (Resolution No. 16-1570, December 2010). Bill 50-10 creates the White Flint Special Taxing District (Chapter 68C of the County Code) in order to collect ad valorem tax revenues that will provide a stable, reliable and consistent revenue stream to fund the transportation infrastructure improvements identified in the implementation and strategy resolution, by paying for the bonds authorized by the legislation. No debt has been issued at this time.

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 FY23	Budget FY24	Estimate FY24	Recommended FY25	%Chg Bud/Rec
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	397,141,301	411,931,880	407,606,967	422,816,550	2.6 %
Debt Service Other	31,480,283	27,459,560	24,974,960	30,030,540	9.4 %
Debt Service Expenditures	428,621,584	439,391,440	432,581,927	452,847,090	3.1 %

BUDGET SUMMARY

	Actual FY23	Budget FY24	Estimate FY24	Recommended FY25	%Chg Bud/Rec
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	3,511,431	1,712,185	1,712,185	0	-100.0 %
Federal Grants	112,977	241,600	148,000	202,900	-16.0 %
Debt Service Revenues	3,624,408	1,953,785	1,860,185	202,900	-89.6 %
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	23,582,467	28,928,500	28,378,500	27,740,620	-4.1 %
Debt Service - Non-Tax Supported Expenditures	23,582,467	28,928,500	28,378,500	27,740,620	-4.1 %
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	452,204,051	468,319,940	460,960,427	480,587,710	2.6 %
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	3,624,408	1,953,785	1,860,185	202,900	-89.6 %

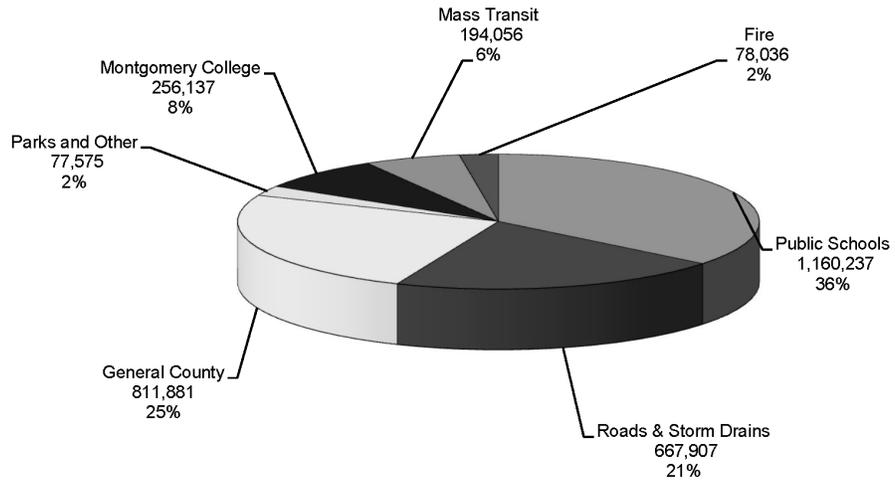
DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT

	Actual FY22	Actual FY23	Approved FY24	Estimated FY25	Recommended FY25	% Chg App/App	App % GO Bonds
GO BOND DEBT SERVICE EXPENDITURES							
General County	73,142,299	74,781,378	82,724,440	82,343,041	85,939,270		20.8%
Roads & Storm Drains	80,264,802	81,662,071	84,555,130	83,868,423	85,574,500		20.8%
Public Housing	52,050	50,055	46,640	46,641	18,070		0.0%
Parks	9,427,541	9,549,541	10,365,560	10,084,337	9,607,340		2.3%
Public Schools	152,822,199	156,353,376	149,963,800	149,549,206	158,815,430		38.5%
Montgomery College	27,606,896	28,834,000	30,214,960	29,897,637	30,217,030		7.3%
Bond Anticipation Notes/Commercial Paper	363,149	2,017,874	7,000,000	6,600,000	7,640,000		
Bond Anticipation Notes/Liquidity & Remarketing	2,707,628	2,391,338	2,900,000	2,000,000	2,118,000		
Cost of Issuance	657,702	746,732	920,000	820,000	840,000		
Line(s) of Credit	148,055	-	-	-	-		
Total General Fund	347,192,321	356,386,365	368,690,530	365,209,285	380,769,640	3.3%	89.8%
Fire Tax District Fund	7,461,899	8,186,303	9,311,730	9,226,594	9,133,610		2.2%
Mass Transit Fund	20,182,065	22,016,635	22,579,220	22,300,739	21,959,820		5.3%
Recreation Fund	10,013,908	10,551,998	11,350,400	10,870,349	10,953,480		2.7%
Total Tax Supported Other Funds	37,657,872	40,754,936	43,241,350	42,397,682	42,046,910	-2.8%	10.2%
TOTAL TAX SUPPORTED	384,850,193	397,141,301	411,931,880	407,606,967	422,816,550	2.6%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	384,850,193	397,141,301	411,931,880	407,606,967	422,816,550	2.6%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	990,977	991,538	-	-	-		
Revenue Authority - Crossvines Project	-	860,113	860,200	860,200	859,200		
Fire and Rescue Equipment	35,996	35,996	1,831,300	1,797,200	2,098,900		
TOTAL LONG-TERM LEASE EXPENDITURES	1,026,973	1,887,647	2,691,500	2,657,400	2,958,100	9.9%	
SHORT-TERM LEASE EXPENDITURES							
Technology Modernization Project	3,646,948	3,646,948	1,823,500	1,823,500	-		
Libraries System Modernization	48,479	-	-	-	-		
Digital Evidence Data Storage	247,627	247,627	247,800	247,800	247,800		
Ride On Buses	1,738,182	712,394	712,400	712,400	919,200		
Public Safety System Modernization	17,200	26,691	968,700	26,700	468,100		
Transit System Radios	-	-	315,000	-	626,900		
Police Body Armor	-	-	240,000	241,500	241,500		
Intelligent Transit System	-	-	1,030,000	-	2,045,100		
Fire Defibrillators	-	-	290,000	158,500	283,800		
Radio Lifecycle Replacement	-	-	2,238,000	2,204,500	5,413,600		
Business Continuity Plan	-	-	-	-	491,700		
TOTAL SHORT-TERM LEASE EXPENDITURES	5,698,436	4,633,660	7,865,400	5,414,900	10,737,700	36.5%	
OTHER LONG-TERM DEBT							
Silver Spring Music Venue	72,476	215,700	214,900	214,900	293,200		
Incubators	936,714	4,244,498	-	-	-		
Rockville Core	1,508,463	1,506,838	1,508,400	1,508,400	1,507,900		
Energy Performance Leases QECBs	646,537	646,702	823,700	701,140	695,550		
Energy Performance Leases Other	1,674,892	1,715,984	1,624,910	1,747,470	1,782,290		
Wheaton Redevelopment	2,143,545	2,146,048	2,358,100	2,358,100	2,354,800		
MHI-HUD Loan - Non-Tax supported	49,643	101,736	54,510	-	-		
Water Quality Protection Charge Bonds - Non-Tax supported	8,456,639	8,543,872	9,772,900	9,222,900	9,446,100		
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	8,496,842	12,188,646	13,384,600	12,184,600	13,175,020		
MHI Production Fund - HO-C - Non-Tax supported	3,071,042	3,073,122	5,771,000	3,071,000	5,119,500		
COP - Wheaton Redevelopment - Non-Tax supported	211,999	212,246	-	-	-		
COPs - Fire SCBA and Apparatus	4,386,575	5,085,685	4,389,750	4,389,750	4,388,650		
COPs - Fleet Equipment	329,250	328,395	328,450	328,450	327,300		
COPs - Buses	6,033,150	6,022,550	5,317,500	5,317,500	4,640,300		
COPs - Fuel Management	188,800	187,400	185,800	185,800	189,000		
COPs - PSM	2,504,800	2,495,580	-	-	-		
COPs - Corrections	151,350	151,350	151,150	151,150	155,750		
TOTAL OTHER LONG-TERM DEBT	40,862,717	48,866,352	45,885,670	41,381,160	44,075,360	-3.9%	
DEBT SERVICE EXPENDITURES							
Tax Supported	415,223,196	431,482,460	439,391,440	432,581,927	452,847,090	3.1%	
Non-Tax Supported - Other Long-term Debt	17,215,123	21,046,500	29,963,010	24,478,500	27,740,620		
TOTAL DEBT SERVICE EXPENDITURES	432,438,319	452,528,960	469,354,450	457,060,427	480,587,710	2.6%	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	343,525,028	352,828,020	366,978,345	363,497,100	380,769,640		
Premium on General Obligation Bonds	3,638,343	3,511,431	1,712,185	1,712,185	-		
Total General Fund Sources	347,163,371	356,339,451	368,690,530	365,209,285	380,769,640		
Fire Tax District Funds	7,476,684	8,233,217	9,311,730	9,226,594	9,133,610		
Mass Transit Fund	20,196,230	22,016,635	22,579,220	22,300,739	21,959,820		
Recreation Fund	10,013,908	10,551,998	11,350,400	10,870,349	10,953,480		
Total Other Funding Sources	37,686,822	40,801,850	43,241,350	42,397,682	42,046,910		
TOTAL GO BOND FUNDING SOURCES	384,850,193	397,141,301	411,931,880	407,606,967	422,816,550		
NON GO BOND FUNDING SOURCES							
General Funds	12,423,619	16,848,838	10,671,889	9,791,489	12,165,622		
MHI Fund - HUD Loan	49,643	101,736	54,510	-	-		
Water Quality Protection Fund	9,398,857	9,487,190	9,772,900	9,222,900	9,446,100		
MHI - Property Acquisition Fund	11,567,884	15,261,768	19,155,600	15,255,600	18,294,520		
Wheaton Redevelopment contributions	1,201,327	1,202,730	2,145,871	2,145,871	2,142,868		
Motor Pool Fund	518,050	515,795	514,250	514,250	516,300		
Mass Transit Fund	7,771,332	6,734,844	7,374,900	6,029,900	8,251,500		
Fire Tax District Fund	4,422,571	5,121,681	6,511,050	6,345,450	6,771,350		
Federal Subsidy - QECBs	234,843	112,977	241,600	148,000	202,900		
TOTAL NON GO BOND FUNDING SOURCES	47,588,126	55,387,659	56,442,570	49,453,460	57,771,160		
TOTAL FUNDING SOURCES	432,438,319	452,528,960	468,374,450	457,060,427	480,587,710		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	310,000,000	280,000,000	280,000,000	280,000,000	300,000,000		
Council SAG Approved Bond Funded Expenditures	310,000,000	280,000,000	280,000,000	280,000,000	280,000,000		

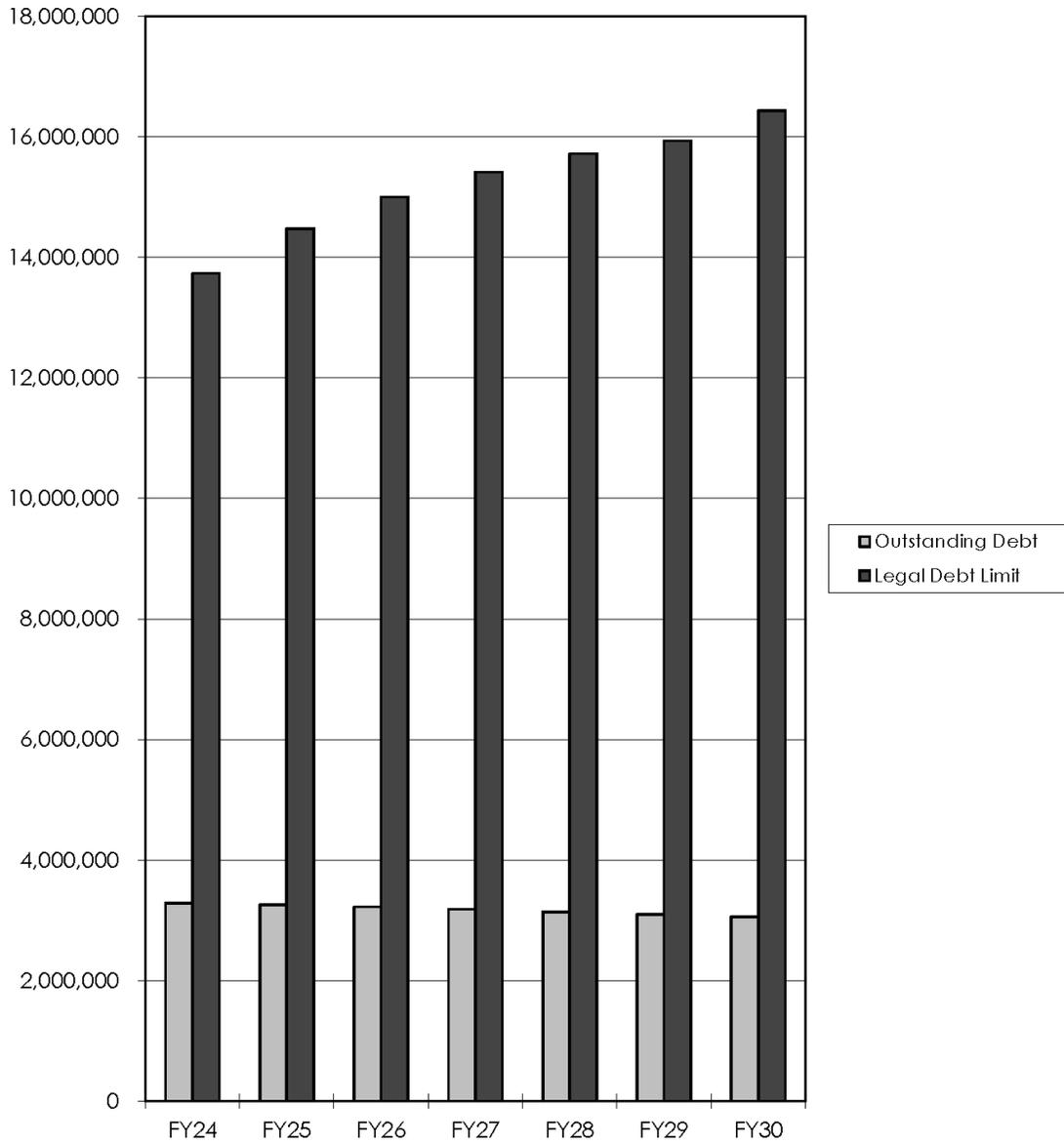
DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT

	Recommended FY25	Projected FY26	Projected FY27	Projected FY28	Projected FY29	Projected FY30
GO BOND DEBT SERVICE EXPENDITURES						
General County	85,939,270	84,825,520	84,377,270	89,867,380	96,449,890	100,481,220
Roads & Storm Drains	85,574,500	88,464,470	90,386,390	87,403,330	90,695,600	91,514,890
Public Housing	18,070	33,540	22,890	51,980	47,240	45,480
Parks	9,607,340	10,072,570	11,063,850	11,456,100	12,624,750	13,469,660
Public Schools	158,815,430	160,996,170	159,249,560	151,453,250	146,214,120	140,081,340
Montgomery College	30,217,030	29,965,710	30,530,100	33,822,590	38,548,650	39,557,360
Bond Anticipation Notes/Commercial Paper	7,640,000	6,100,000	6,000,000	6,300,000	6,400,000	6,400,000
Bond Anticipation Notes/Liquidity & Remarketing	2,118,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Cost of Issuance	840,000	860,000	880,000	900,000	920,000	940,000
Total General Fund	380,769,640	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Fire Tax District Fund	9,133,610	10,848,780	11,478,480	11,287,720	11,432,120	11,118,480
Mass Transit Fund	21,959,820	22,143,880	22,041,100	23,291,270	21,757,140	20,643,190
Recreation Fund	10,953,480	13,388,060	16,718,260	19,682,990	22,355,440	25,464,920
Total Tax Supported Other Funds	42,046,910	46,380,720	50,237,840	54,261,980	55,544,700	57,226,590
TOTAL TAX SUPPORTED	422,816,550	429,798,700	434,847,900	437,616,610	449,544,950	451,816,540
TOTAL GO BOND DEBT SERVICE EXPENDITURES	422,816,550	429,798,700	434,847,900	437,616,610	449,544,950	451,816,540
LONG-TERM LEASE EXPENDITURES						
Fire and Rescue Equipment	2,098,900	3,116,500	3,382,400	3,513,800	3,656,900	3,835,000
Revenue Authority - Crossvines Project	859,200	862,000	858,800	859,400	858,800	861,800
TOTAL LONG-TERM LEASE EXPENDITURES	2,958,100	3,978,500	4,241,200	4,373,200	4,515,700	4,696,800
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Digital Evidence Data Storage	247,800	93,800	-	-	-	-
Ride On Buses	919,200	1,125,900	1,125,900	4,411,400	5,533,200	5,533,200
Intelligent Transit System	2,045,100	2,045,100	2,045,100	2,045,100	2,045,100	2,045,100
Public Safety System Modernization	468,100	468,100	468,100	441,400	441,400	-
Transit System Radios	626,900	626,900	626,900	626,900	626,900	-
Fire Defibrillators	263,800	263,800	263,800	263,800	125,300	-
Police Body Armor	241,500	241,500	241,500	241,500	-	-
Radio Lifecycle Replacement	5,413,600	8,626,300	9,423,800	10,326,400	8,930,700	5,721,600
Business Continuity Plan	491,700	491,700	491,700	491,700	491,700	-
TOTAL SHORT-TERM LEASE EXPENDITURES	10,737,700	14,003,100	14,706,800	18,868,200	18,194,300	13,299,900
OTHER LONG-TERM DEBT						
Silver Spring Music Venue	293,200	293,210	292,700	293,300	293,400	293,100
Rockville Core	1,507,900	1,505,400	1,505,750	1,508,750	1,509,250	1,509,250
Energy Performance Leases QECBs	695,550	695,030	694,220	694,020	692,920	801,300
Energy Performance Leases Other	1,782,290	1,818,100	1,832,950	1,879,280	1,911,915	1,805,200
Wheaton Redevelopment	2,354,800	2,358,300	2,358,300	2,354,800	2,357,600	2,356,300
Water Quality Protection Charge Bonds - Non-Tax supported	9,446,100	10,111,850	12,877,250	17,357,900	23,210,400	25,108,300
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	13,175,020	17,117,690	19,721,100	21,548,500	22,549,100	24,555,000
MHI Production Fund - HOC - Non-Tax supported	5,119,500	7,172,100	7,170,300	7,168,800	7,172,900	7,172,300
COPs - Fire SCBA and Apparatus	4,388,650	2,401,500	2,399,600	2,398,050	2,396,650	2,400,125
COPs - Fleet Equipment	327,300	325,650	328,375	325,475	326,950	327,675
COPs - Buses	4,640,300	3,343,825	3,092,000	2,859,750	-	-
COPs - Fuel Management	189,000	-	-	-	-	-
COPs - Corrections	155,750	73,500	-	-	-	-
TOTAL OTHER LONG-TERM DEBT	44,075,360	47,216,155	52,272,545	58,388,625	62,421,085	66,328,550
DEBT SERVICE EXPENDITURES						
Tax Supported	452,847,090	460,594,815	466,299,795	473,171,435	481,743,635	479,306,190
Non-Tax Supported - Other Long-term Debt	27,740,620	34,401,640	39,768,660	46,075,200	52,932,400	56,836,600
TOTAL DEBT SERVICE EXPENDITURES	480,587,710	494,996,455	506,068,445	519,246,635	534,676,035	536,141,790
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	380,769,640	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Total General Fund Sources	380,769,640	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Fire Tax District Fund	9,133,610	10,848,780	11,478,480	11,287,720	11,432,120	11,118,480
Mass Transit Fund	21,959,820	22,143,880	22,041,100	23,291,270	21,757,140	20,643,190
Recreation Fund	10,953,480	13,388,060	16,718,260	19,682,990	22,355,440	25,464,920
Total Other Funding Sources	42,046,910	46,380,720	50,237,840	54,261,980	55,544,700	57,226,590
TOTAL GO BOND FUNDING SOURCES	422,816,550	429,798,700	434,847,900	437,616,610	449,544,950	451,816,540
NON GO BOND FUNDING SOURCES						
General Funds	12,165,622	14,328,947	14,986,577	15,926,022	14,335,939	10,211,147
Water Quality Protection Fund	9,446,100	10,111,850	12,877,250	17,357,900	23,210,400	25,108,300
MHI - Property Acquisition Fund	18,294,520	24,289,790	26,891,400	28,717,300	29,722,000	31,727,300
Wheaton Redevelopment contributions	2,142,868	2,146,053	2,146,053	2,142,868	2,145,416	2,144,233
Motor Pool Fund	516,300	325,650	328,375	325,475	326,950	327,675
Mass Transit Fund	8,231,500	7,141,725	6,889,900	9,943,150	8,205,200	7,578,300
Fire Tax District Fund	6,771,350	5,801,800	6,065,800	6,195,650	6,178,850	6,235,125
Federal Subsidy - QECBs	202,900	189,940	176,390	162,260	147,530	131,370
Revenue Authority - Crossvines Project	-	862,000	858,800	859,400	858,800	861,800
TOTAL NON GO BOND FUNDING SOURCES	57,771,160	65,197,755	71,220,545	81,630,025	85,131,085	84,325,250
TOTAL FUNDING SOURCES	480,587,710	494,996,455	506,068,445	519,246,635	534,676,035	536,141,790
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	300,000,000	280,000,000	280,000,000	280,000,000	280,000,000	280,000,000
Council SAG Approved Bond Funded Expenditures	280,000,000	280,000,000	280,000,000	280,000,000	280,000,000	280,000,000
ESTIMATED INTEREST RATE	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

General Obligation Bonds Outstanding by Bond Category
(\$000s)
Total \$3,245,830 as of June 30, 2023



**Outstanding Debt and Legal Debt Limit
(\$000s)**



**Projected Debt Obligations
Schedule of Principal & Interest
FY25 Recommended Budget**

FUND	Principal	Interest	Total
Debt Service Fund	327,518,235	153,069,480	480,587,715
Liquor Control (Section 65)	6,705,000	1,886,490	8,591,490
Bethesda Parking Lot District (Section 46)	1,996,000	305,700	2,301,700
Total	336,219,235	155,261,670	491,480,905

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY25-30 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

January 16, 2024

(\$ millions)	6 YEARS	FY25	FY26	FY27	FY28	FY29	FY30
BONDS PLANNED FOR ISSUE	1,680.000	280.000	280.000	280.000	280.000	280.000	280.000
Does not assume Council SAG in FY09 and FY10*							
Plus PAYGO Funded	194.359	51.159	29.200	29.000	29.000	28.000	28.000
Adjust for Future Inflation **	(64.664)	-	-	(6.502)	(12.907)	(19.393)	(25.863)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	1,809.695	331.159	309.200	302.498	296.093	288.607	282.137
Less Set Aside: Future Projects	150.661	15.884	16.913	23.134	27.863	33.659	33.207
	8.33%						
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	1,659.034	315.275	292.287	279.364	268.230	254.948	248.930
MCPS	(462.597)	(139.929)	(103.727)	(84.282)	(22.721)	(25.503)	(86.435)
MONTGOMERY COLLEGE	(177.640)	(22.116)	(22.705)	(28.481)	(61.438)	(29.250)	(13.650)
M-NCPPC PARKS	(86.634)	(13.939)	(15.076)	(14.030)	(15.229)	(14.480)	(13.880)
TRANSPORTATION	(432.313)	(89.644)	(97.204)	(58.243)	(68.159)	(63.529)	(55.534)
MCG - OTHER	(603.510)	(115.937)	(90.945)	(94.328)	(100.683)	(122.186)	(79.431)
Programming Adjustment - Unspent Prior Years*	103.660	66.290	37.370				
SUBTOTAL PROGRAMMED EXPENDITURES	(1,659.034)	(315.275)	(292.287)	(279.364)	(268.230)	(254.948)	(248.930)
AVAILABLE OR (GAP) TO BE SOLVED	-	-	-	-	-	-	-
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart							
** Adjustments Include:							
Inflation =		2.06%	2.22%	2.15%	2.16%	2.26%	2.29%

DEBT CAPACITY ANALYSIS							
FY25-30 CAPITAL IMPROVEMENTS PROGRAM							
January 16, 2024							
COUNTY EXECUTIVE RECOMMENDED							
GO BOND 6 YR TOTAL = 1,680.0 MILLION							
GO BOND FY25 TOTAL = 280.0.0 MILLION							
GO BOND FY26 TOTAL = 280.0 MILLION							
	FY24	FY25	FY26	FY27	FY28	FY29	FY30
1 GO Bond Guidelines (\$000)	280,000	280,000	280,000	280,000	280,000	280,000	280,000
2 GO Debt/Assessed Value	1.63%	1.55%	1.50%	1.46%	1.42%	1.40%	1.38%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	11.10%	11.41%	11.40%	11.35%	11.11%	11.01%	10.96%
4 \$ Debt/Capita	3,225	3,222	3,165	3,103	3,039	2,980	2,942
5 \$ Real Debt/Capita (FY24=100%)	3,225	3,153	3,031	2,907	2,782	2,666	2,572
6 Capita Debt/Capita Income	3.22%	3.17%	3.00%	2.86%	2.72%	2.60%	2.57%
7 Payout Ratio	73.58%	74.36%	74.73%	75.04%	75.26%	75.31%	75.28%
8 Total Debt Outstanding (\$000s)	3,516,750	3,489,910	3,454,060	3,411,665	3,366,300	3,326,225	3,283,820
9 Real Debt Outstanding (FY24=100%)	3,516,750	3,415,392	3,307,365	3,195,636	3,081,087	2,975,123	2,870,350
10 Note: OP/PSP Growth Assumption (2)	5.3%	2.7%	2.8%	2.6%	3.0%	2.4%	2.4%

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 FY24 approved budget to FY25 budget for FY25 and budget to budget for FY26-30.