



Debt Service

APPROVED FY22 BUDGET	FULL TIME EQUIVALENTS
\$448,687,490	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, Water Quality Protection bonds, and Wheaton Redevelopment are also included.

BUDGET OVERVIEW

The total approved FY22 Operating Budget for Debt Service is \$448,687,490, an increase of \$11,776,730 or 2.7 percent from the FY21 approved budget of \$436,910,760. This amount includes long-term lease expenditures of \$2,741,000, short-term financing of \$7,690,000 and other long-term debt of \$46,628,260. The budget excludes \$49,650 in debt service, which is appropriated in a non-tax supported fund.

FY22 Approved Changes

The Debt Service appropriation increase of 2.7 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 38.3 percent of the County's capital expenditures for the six years of the Amended FY21-26 CIP. Other long-term debt includes financing for the Silver Spring Music Venue, Incubators, Site II Acquisition, 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 FY22 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 2021 issuance. Projected interest rates for bond issues for FY22 through FY27 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 \$448.7 million in FY21 to \$490.4 million by FY27.

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 FY20	Budget FY21	Estimate FY21	Approved FY22	%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	389,586,360	383,360,960	380,891,563	391,628,230	2.2 %
Debt Service Other	23,152,228	31,842,250	32,463,800	29,309,510	-8.0 %
Debt Service Expenditures	412,738,588	415,203,210	413,355,363	420,937,740	1.4 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
American Rescue Plan Act	0	0	0	1,400,000	—
Federal Grants	3,894,791	252,930	1,373,400	252,930	—
Investment Income	1,465,500	0	0	0	—
Miscellaneous Revenues	3,695,350	450,000	7,930,938	0	-100.0 %
Premium on General Obligation Bonds	14,745,679	88,130	1,832,030	3,523,676	3898.3 %
Debt Service Revenues	23,801,320	791,060	11,136,368	5,176,606	554.4 %
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	15,772,674	21,707,550	18,878,950	27,749,750	27.8 %
Debt Service - Non-Tax Supported Expenditures	15,772,674	21,707,550	18,878,950	27,749,750	27.8 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Approved FY22	%Chg Bud/App
Miscellaneous Revenues	0	257,157	52,641	0	-100.0 %
Debt Service - Non-Tax Supported Revenues	0	257,157	52,641	0	-100.0 %

DEPARTMENT TOTALS

Total Expenditures	428,511,262	436,910,760	432,234,313	448,687,490	2.7 %
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	23,801,320	1,048,217	11,189,009	5,176,606	393.8 %

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT							
	Actual FY19	Actual FY20	Budget FY21	Estimated FY21	Approved FY22	% Chg App/App	App % GO Bonds
GO BOND DEBT SERVICE EXPENDITURES							
General County	68,386,151	71,587,357	71,740,290	72,123,882	72,736,570		18.9%
Roads & Storm Drains	77,455,210	78,635,686	78,960,090	77,432,472	81,511,740		21.2%
Public Housing	58,334	60,110	54,840	49,823	52,080		0.0%
Parks	9,327,807	9,834,126	9,248,120	9,276,775	9,611,110		2.5%
Public Schools	154,327,680	153,776,579	149,682,120	151,598,620	153,878,840		40.0%
Montgomery College	26,321,750	27,880,119	27,510,250	27,522,871	27,721,800		7.2%
Bond Anticipation Notes/Commercial Paper	5,249,633	4,593,302	5,100,000	1,100,000	1,300,000		
Bond Anticipation Notes/Liquidity & Remarketing	2,418,001	2,427,921	2,450,000	3,250,000	3,400,000		
Cost of Issuance	776,309	768,559	1,025,000	990,000	1,030,000		
Line(s) of Credit	-	-	-	700,000	1,400,000		
Total General Fund	344,320,875	349,373,759	343,770,710	344,044,443	352,642,120	2.6%	89.9%
Fire Tax District Fund	7,819,545	7,866,588	8,355,790	7,640,727	7,513,040		2.0%
Mass Transit Fund	21,468,983	21,710,478	20,686,890	19,359,687	20,997,580		5.5%
Recreation Fund	9,856,079	10,759,993	10,547,570	9,846,706	10,475,490		2.7%
Total Tax Supported Other Funds	39,144,607	40,337,058	39,590,250	36,847,119	38,986,110	-1.5%	10.1%
TOTAL TAX SUPPORTED	383,465,482	389,710,817	383,360,960	380,891,563	391,628,230	2.2%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	383,465,482	389,710,817	383,360,960	380,891,563	391,628,230	2.2%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	989,434	991,834	987,710	987,710	991,000		
Revenue Authority - Recreation Pools	1,525,590	-	-	-	-		
Revenue Authority - Crossvines Project - Tax Supported	-	-	250,000	-	250,000		
Fire and Rescue Equipment	2,090,843	2,090,843	3,118,250	1,409,200	1,500,000		
Fleet Equipment	-	-	370,000	-	-		
TOTAL LONG-TERM LEASE EXPENDITURES	4,605,868	3,082,677	4,725,960	2,396,910	2,741,000	-42.0%	
SHORT-TERM LEASE EXPENDITURES / FINANCING							
Technology Modernization Project	4,661,384	3,646,948	3,647,100	3,647,000	3,647,100		
Libraries System Modernization	96,955	96,955	97,000	97,000	48,500		
Corrections Security System	80,901	161,802	162,000	-	-		
Digital Evidence Data Storage	-	-	210,100	154,000	264,000		
Ride On Buses	6,640,713	6,885,469	11,773,900	5,246,000	1,738,200		
Public Safety System Modernization	3,564,498	3,564,498	2,823,500	1,323,000	387,200		
Fire Breathing Apparatus	-	-	1,472,700	736,400	-		
Fuel Management System	829,410	829,410	513,800	415,000	-		
Transit System Radios	-	-	-	-	365,000		
Police Body Armor	-	-	-	-	110,000		
Intelligent Transit System	-	-	-	-	980,000		
Fire Defibrillators	-	-	-	-	150,000		
Fire and Rescue Equipment	-	-	-	-	-		
TOTAL SHORT-TERM LEASE EXPENDITURES	15,873,961	15,185,082	20,700,100	11,618,400	7,690,000	-62.9%	
OTHER LONG-TERM DEBT							
Silver Spring Music Venue - Tax supported	291,005	290,643	294,100	294,100	292,000		
Incubators - Tax Supported	770,453	926,325	931,500	931,500	936,720		
Site II Acquisition - Tax supported	1,238,855	1,238,855	1,238,900	8,719,500	-		
Rockville Core - Tax Supported	-	-	1,669,000	374,200	1,508,500		
Energy Performance Leases QECBs - Tax supported	727,878	1,075,762	860,270	677,020	660,540		
Energy Performance Leases Other - Tax supported	803,764	1,352,884	1,622,420	1,605,670	1,674,150		
Wheaton Redevelopment - Non-Tax supported	-	-	2,613,500	584,900	2,143,550		
MHI-HUD Loan - Non-Tax supported	58,727	54,396	52,050	52,100	49,650		
Water Quality Protection Charge Bonds - Non-Tax supported	6,148,588	6,149,188	8,172,350	8,172,350	8,887,800		
MHI - Property Acquisition Fund - Non-Tax supported	8,688,335	9,623,486	10,921,700	9,621,700	13,318,400		
MHI - Property Acquisition Fund - HOC - Non-Tax supported	-	-	-	500,000	3,400,000		
COPs - Fire SCBA and Apparatus	-	-	-	1,394,000	4,386,575		
COPs - Fleet Equipment	-	-	-	58,000	329,250		
COPs - Buses	-	-	-	2,908,500	6,033,825		
COPs - Fuel Management	-	-	-	95,000	188,800		
COPs - PSSM	-	-	-	1,238,000	2,504,800		
COPs - Corrections	-	-	-	155,000	151,350		
TOTAL OTHER LONG-TERM DEBT	18,725,604	20,711,539	28,175,790	37,379,540	46,677,910	65.7%	
DEBT SERVICE EXPENDITURES							
Tax Supported	407,777,165	412,863,045	415,203,210	413,355,363	420,937,740	1.4%	
Non-Tax Supported - Other Long-term Debt	14,893,649	15,827,070	21,759,600	18,931,050	27,799,400		
TOTAL DEBT SERVICE EXPENDITURES	422,670,814	428,690,115	436,962,810	432,286,413	448,737,140	2.7%	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	312,125,488	327,754,879	343,682,580	341,088,313	347,718,444		
BABs Crossover Funds with Escrow Agent	5,179,100	2,589,550	-	-	-		
Other Interest: Installment Notes, Interest & Penalties	2,715,106	1,465,500	-	-	-		
Federal Subsidy on General Obligation Bonds	5,186,898	3,884,798	-	1,114,100	-		
American Rescue Plan Act	-	-	-	-	1,400,000		
Premium on General Obligation Bonds	20,400,280	14,745,679	88,130	1,832,030	3,523,676		
Total General Fund Sources	345,606,872	350,240,406	343,770,710	344,044,443	352,642,120		
Fire Tax District Funds	7,598,125	7,889,547	8,355,790	7,640,727	7,513,040		
Mass Transit Fund	20,527,390	21,231,181	20,686,890	19,359,687	20,997,580		
Recreation Fund	9,310,389	10,425,227	10,547,570	9,846,706	10,475,490		
Total Other Funding Sources	37,435,904	39,345,955	39,590,250	36,847,119	38,986,110		
TOTAL GO BOND FUNDING SOURCES	383,042,775	389,586,361	383,360,960	380,891,562	391,628,230		
NON GO BOND FUNDING SOURCES							
General Funds	13,139,780	12,060,662	13,890,670	12,013,462	13,384,930		
MHI Fund - HUD Loan	58,727	54,396	52,050	52,100	49,650		
Water Quality Protection Fund	6,148,588	6,273,645	8,172,350	8,172,350	8,887,800		
MHI - Property Acquisition Fund	8,688,335	9,623,486	10,921,700	10,121,700	16,718,400		
Non-tax funds - Wheaton Redevelopment	-	-	2,613,500	584,900	2,143,550		
Motor Pool Fund	-	-	370,000	58,000	518,050		
Mass Transit Fund	6,640,713	6,885,469	11,773,900	8,152,500	9,117,025		
Recreation Fund	1,525,590	-	-	-	-		
Fire Tax District Fund	2,920,253	2,890,283	5,104,750	4,049,600	6,036,575		
Federal Subsidy - QECBs	277,357	209,993	252,930	259,300	252,930		
Capitalized Interest - Energy Performance Leases	90,107	45,405	-	-	-		
ESCO Pepco and Utility Rebates	140,590	610,395	-	-	-		
Developer Payments - Site II	-	450,000	450,000	7,930,938	-		
TOTAL NON GO BOND FUNDING SOURCES	39,628,039	39,103,754	53,601,850	51,394,850	57,108,910		
TOTAL FUNDING SOURCES	422,670,814	428,690,115	436,962,810	432,286,412	448,737,140		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	340,000,000	340,000,000	320,000,000	320,000,000	310,000,000		
Council SAG Approved Bond Funded Expenditures	340,000,000	340,000,000	320,000,000	320,000,000	310,000,000		

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT						
	Approved	Projected	Projected	Projected	Projected	Projected
GO BOND DEBT SERVICE EXPENDITURES	FY22	FY23	FY24	FY25	FY26	FY27
General County	72,736,570	71,558,240	74,359,080	76,049,980	77,080,390	79,362,350
Roads & Storm Drains	81,511,740	84,925,240	85,787,110	87,752,580	91,998,160	96,929,690
Public Housing	52,080	50,080	46,660	18,080	33,640	22,890
Parks	9,611,110	10,207,080	10,917,640	11,248,800	11,821,190	12,815,730
Public Schools	153,878,840	155,357,150	155,597,200	161,128,560	159,347,530	154,026,510
Montgomery College	27,721,800	28,767,530	29,467,850	31,050,480	31,224,770	31,510,020
Bond Anticipation Notes/Commercial Paper	1,300,000	1,500,000	2,200,000	2,900,000	3,800,000	4,700,000
Bond Anticipation Notes/Liquidity & Remarketing	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
Cost of Issuance	1,030,000	1,050,000	1,080,000	1,100,000	1,150,000	1,200,000
Line(s) of Credit	1,400,000	-	-	-	-	-
Total General Fund	362,642,120	356,815,280	362,855,530	374,648,480	379,853,580	382,967,190
Fire Tax District Fund	7,513,040	8,237,080	8,723,220	9,974,390	10,775,500	10,450,660
Mass Transit Fund	20,997,580	23,883,870	24,538,150	24,421,720	24,340,370	24,020,250
Recreation Fund	10,475,490	12,425,330	13,367,030	14,976,040	18,057,280	21,135,830
Total Tax Supported Other Funds	38,986,110	44,546,280	46,628,400	49,372,150	53,173,150	55,606,740
TOTAL TAX SUPPORTED	391,628,230	401,361,540	409,483,930	424,020,610	433,026,730	438,573,930
TOTAL GO BOND DEBT SERVICE EXPENDITURES	391,628,230	401,361,540	409,483,930	424,020,610	433,026,730	438,573,930
LONG-TERM LEASE EXPENDITURES						
Revenue Authority - Conference Center	991,000	991,600	-	-	-	-
Fire and Rescue Equipment	1,500,000	1,900,000	2,200,000	2,700,000	3,100,000	3,100,000
Revenue Authority - Crossvines Project	250,000	798,000	797,250	800,750	798,250	800,000
TOTAL LONG-TERM LEASE EXPENDITURES	2,741,000	3,689,600	2,997,250	3,500,750	3,898,250	3,900,000
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Technology Modernization Project	3,647,100	3,647,100	1,823,500	-	-	-
Libraries System Modernization	48,500	-	-	-	-	-
Digital Evidence Data Storage	264,000	264,000	264,000	264,000	110,000	-
Ride On Buses	1,738,200	712,400	712,400	712,400	712,400	712,400
Intelligent Transit System	980,000	1,980,000	1,980,000	1,980,000	1,980,000	1,980,000
Public Safety System Modernization	387,200	1,114,000	1,114,000	1,114,000	1,114,000	744,000
Transit System Radios	365,000	730,000	730,000	730,000	730,000	365,000
Fire Defibrillators	150,000	150,000	150,000	150,000	150,000	-
Police Body Armor	110,000	220,000	220,000	220,000	220,000	110,000
TOTAL SHORT-TERM LEASE EXPENDITURES	7,690,000	8,797,500	6,973,900	5,150,400	4,996,400	3,891,400
OTHER LONG-TERM DEBT						
Silver Spring Music Venue - Tax supported	292,000	294,100	291,000	292,000	292,500	230,000
Incubators - Tax Supported	936,720	4,244,500	-	-	-	-
Rockville Core - Tax Supported	1,508,500	1,508,850	1,508,400	1,507,900	1,505,400	1,505,750
Energy Performance Leases QECBs - Tax supported	660,540	660,820	701,140	695,550	695,030	694,220
Energy Performance Leases Other - Tax supported	1,674,150	1,716,210	1,747,470	1,782,290	1,818,100	1,832,950
Wheaton Redevelopment -Tax Supported	212,000	212,247	212,229	211,932	212,247	212,247
Wheaton Redevelopment - Non-Tax Supported	2,143,550	2,146,053	2,145,871	2,142,888	2,146,053	2,146,053
MHI-HUD Loan - Non-Tax supported	49,650	47,230	54,510	-	-	-
Water Quality Protection Charge Bonds - Non-Tax supported	8,887,800	9,890,600	9,760,150	9,766,850	9,764,550	9,760,400
MHI - Property Acquisition Fund - Non-Tax supported	13,318,400	14,518,500	15,772,900	17,116,800	18,424,200	18,420,900
MHI - Property Acquisition Fund - HOC - Non-Tax supported	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
COPs - Fire SCBA and Apparatus	4,386,575	4,383,850	4,389,750	4,388,650	2,401,500	2,399,800
COPs - Fleet Equipment	329,250	329,100	328,450	327,300	325,650	328,375
COPs - Buses	6,033,825	6,022,925	5,317,500	4,640,300	3,343,825	3,092,000
COPs - Fuel Management	188,800	187,400	185,800	189,000	-	-
COPs - PSSM	2,504,800	2,496,500	-	-	-	-
COPs - Corrections	151,350	151,350	151,150	155,750	73,500	-
TOTAL OTHER LONG-TERM DEBT	46,677,910	52,008,235	45,966,320	46,617,190	44,402,555	44,022,495
DEBT SERVICE EXPENDITURES						
Tax Supported	420,937,740	436,054,492	434,287,969	446,862,432	452,589,132	456,660,472
Non-Tax Supported - Other Long-term Debt	27,799,400	29,802,383	31,133,431	32,426,518	33,734,803	33,727,353
TOTAL DEBT SERVICE EXPENDITURES	448,737,140	465,856,875	465,421,400	479,288,950	486,323,935	490,387,825
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	347,718,444	353,352,770	361,143,345	374,648,460	379,853,580	382,967,190
American Rescue Plan Act	1,400,000	-	-	-	-	-
Premium on General Obligation Bonds	3,523,676	3,462,510	1,712,185	-	-	-
Total General Fund Sources	352,642,120	356,815,280	362,855,530	374,648,460	379,853,580	382,967,190
Fire Tax District Fund	7,513,040	8,237,080	8,723,220	9,974,390	10,775,500	10,450,660
Mass Transit Fund	20,997,580	23,883,870	24,538,150	24,421,720	24,340,370	24,020,250
Recreation Fund	10,475,490	12,425,330	13,367,030	14,976,040	18,057,280	21,135,830
Total Other Funding Sources	38,986,110	44,546,280	46,628,400	49,372,150	53,173,150	55,606,740
TOTAL GO BOND FUNDING SOURCES	391,628,230	401,361,540	409,483,930	424,020,610	433,026,730	438,573,930
NON GO BOND FUNDING SOURCES						
General Funds	13,384,930	18,073,927	8,308,879	6,273,752	5,924,197	5,125,947
MHI Fund - HUD Loan	49,650	47,230	54,510	-	-	-
Water Quality Protection Fund	8,887,800	9,890,600	9,760,150	9,766,850	9,764,550	9,760,400
MHI - Property Acquisition Fund	16,718,400	17,918,500	19,172,900	20,516,800	21,824,200	21,820,900
Non-tax funds - Wheaton Redevelopment	2,143,550	2,146,053	2,145,871	2,142,888	2,146,053	2,146,053
Motor Pool Fund	518,050	516,500	514,250	516,300	325,650	328,375
Mass Transit Fund	9,117,025	9,425,325	8,719,900	8,042,700	6,746,225	6,129,400
Fire Tax District Fund	6,036,575	6,433,850	6,739,750	7,238,650	5,651,500	5,499,600
Federal Subsidy - QECBs	252,930	243,350	233,260	222,320	210,030	203,220
Revenue Authority - Crossvines Project	-	-	288,000	548,100	704,800	800,000
TOTAL NON GO BOND FUNDING SOURCES	57,108,910	64,495,335	55,937,470	55,268,340	53,297,205	51,813,895
TOTAL FUNDING SOURCES	448,737,140	465,856,875	465,421,400	479,288,950	486,323,935	490,387,825
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	310,000,000	300,000,000	290,000,000	280,000,000	270,000,000	270,000,000
Council SAG Approved Bond Funded Expenditures	310,000,000	300,000,000	290,000,000	280,000,000	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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