



Debt Service

APPROVED FY25 BUDGET

\$480,087,720

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 FY25 Operating Budget for Debt Service is \$480,087,720, an increase of \$11,767,780 or 2.5 percent from the FY24 approved budget of \$468,319,940. This amount includes long-term lease expenditures of \$2,958,100, short-term financing of \$10,737,700 and other long-term debt of \$44,075,360.

FY25 Approved Changes

The Debt Service appropriation increase of 2.5 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 30.0 percent of the County's capital expenditures for the six years of the Approved FY25-30 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 FY25 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 2024 issuance. 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, total Debt Service will increase from \$480.1 million in FY25 to \$536.1 million by FY30.

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	Approved FY25	%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	397,141,301	411,931,880	407,606,967	422,316,560	2.5 %
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	452,347,100	2.9 %
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	24,478,500	27,740,620	-4.1 %
Debt Service - Non-Tax Supported Expenditures	23,582,467	28,928,500	24,478,500	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	457,060,427	480,087,720	2.5 %

BUDGET SUMMARY

	Actual FY23	Budget FY24	Estimate FY24	Approved FY25	%Chg Bud/App
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 FY24	Approved 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	85,865,870		20.9%
Roads & Storm Drains	80,264,802	81,662,071	84,555,130	83,868,423	85,471,000		20.8%
Public Housing	52,050	50,055	48,840	46,641	18,070		0.0%
Parks	9,427,541	9,549,541	10,365,560	10,084,337	9,589,090		2.3%
Public Schools	152,822,199	156,353,376	149,963,800	149,549,206	158,632,080		38.5%
Montgomery College	27,606,896	28,834,000	30,214,980	29,897,637	30,188,060		7.3%
Bond Anticipation Notes/Commercial Paper	383,149	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	356,366,365	368,690,530	365,209,285	380,362,170	3.2%	89.8%
Fire Tax District Fund	7,461,899	8,186,303	9,311,730	9,226,594	9,099,340		2.2%
Mass Transit Fund	20,182,065	22,016,635	22,579,220	22,300,739	21,945,870		5.3%
Recreation Fund	10,013,908	10,551,998	11,350,400	10,870,349	10,909,180		2.6%
Total Tax Supported Other Funds	37,657,872	40,754,936	43,241,350	42,397,682	41,954,390	-3.0%	10.2%
TOTAL TAX SUPPORTED	384,850,193	397,141,301	411,931,880	407,606,967	422,316,560	2.5%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	384,850,193	397,141,301	411,931,880	407,606,967	422,316,560	2.5%	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 - Tax Supported	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 - HOC - 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	452,347,100	2.9%	
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	480,087,720	2.5%	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	343,525,028	352,828,020	366,978,345	363,497,100	380,362,170		
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	380,362,170		
Fire Tax District Funds	7,476,684	8,233,217	9,311,730	9,226,594	9,099,340		
Mass Transit Fund	20,196,230	22,016,635	22,579,220	22,300,739	21,945,870		
Recreation Fund	10,013,908	10,551,998	11,350,400	10,870,349	10,909,180		
Total Other Funding Sources	37,686,822	40,801,850	43,241,350	42,397,682	41,954,390		
TOTAL GO BOND FUNDING SOURCES	384,850,193	397,141,301	411,931,880	407,606,967	422,316,560		
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	15,281,768	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	8,231,500		
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	480,087,720		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	310,000,000	280,000,000	280,000,000	280,000,000	280,000,000		
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

	Approved FY25	Projected FY26	Projected FY27	Projected FY28	Projected FY29	Projected FY30
GO BOND DEBT SERVICE EXPENDITURES						
General County	85,865,870	84,825,520	84,377,270	89,867,380	96,449,890	100,481,220
Roads & Storm Drains	85,471,000	86,464,470	90,386,390	87,403,330	90,895,600	91,514,890
Public Housing	18,070	33,540	22,890	51,980	47,240	45,480
Parks	9,589,090	10,072,570	11,063,850	11,456,100	12,624,750	13,469,660
Public Schools	158,632,080	160,996,170	159,249,560	151,453,250	146,214,120	140,081,340
Montgomery College	30,188,060	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	380,362,170	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Fire Tax District Fund	9,099,340	10,848,780	11,478,480	11,287,720	11,432,120	11,118,480
Mass Transit Fund	21,945,870	22,143,880	22,041,100	23,291,270	21,757,140	20,643,190
Recreation Fund	10,909,180	13,388,060	16,718,260	19,682,990	22,355,440	25,464,920
Total Tax Supported Other Funds	41,954,390	46,380,720	50,237,840	54,261,980	55,544,700	57,226,590
TOTAL TAX SUPPORTED	422,316,560	429,798,700	434,847,900	437,616,610	449,544,950	451,816,540
TOTAL GO BOND DEBT SERVICE EXPENDITURES	422,316,560	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	452,347,100	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	39,768,650	46,075,200	52,932,400	56,836,600
TOTAL DEBT SERVICE EXPENDITURES	480,087,720	494,996,455	506,068,445	519,246,635	534,676,035	536,141,790
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	380,362,170	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Total General Fund Sources	380,362,170	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Fire Tax District Fund	9,099,340	10,848,780	11,478,480	11,287,720	11,432,120	11,118,480
Mass Transit Fund	21,945,870	22,143,880	22,041,100	23,291,270	21,757,140	20,643,190
Recreation Fund	10,909,180	13,388,060	16,718,260	19,682,990	22,355,440	25,464,920
Total Other Funding Sources	41,954,390	46,380,720	50,237,840	54,261,980	55,544,700	57,226,590
TOTAL GO BOND FUNDING SOURCES	422,316,560	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	480,087,720	494,996,455	506,068,445	519,246,635	534,676,035	536,141,790
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	280,000,000	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%

THIS PAGE INTENTIONALLY LEFT BLANK