



Debt Service

RECOMMENDED FY26 BUDGET

\$472,836,355

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 FY26 Operating Budget for Debt Service is \$472,836,355 a decrease of \$7,251,355 or 1.51 percent from the FY25 approved budget of \$480,087,710.

General Obligation Bonds

General Obligation (GO) 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, GO bonds are anticipated to fund approximately 29.9 percent of the County's capital expenditures (excluding WSSC Water) 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 GO 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 GO bonds and must specify the total GO 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, May 23, 2024, and February 4, 2025, the County Council confirmed the guidelines set on September 26, 2023.

Debt Service Program

The annual debt service obligation of all outstanding GO 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 FY26. 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 GO 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 GO 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.

FY25 Estimated Debt Service

The FY25 estimated general obligation debt service, lease, and other long-term debt expenditure requirements for tax-supported funds total \$430.3 million which is lower than the budget of \$452.3 million primarily due to deferrals of some lease and long-term debt financings, in addition to the Series 2024 general obligation bond refunding savings.

FY26 Recommended Debt Service Budget

The FY26 Debt Service budget is predicated on a base of existing debt service requirements from past bond issues plus the following:

- An FY26 issue of \$280 million at an interest cost of 5.0 percent for 20 years with even principal payments and annual debt issuance to continue through FY31.
- Interest expense based on an anticipated average BANs commercial paper balance of \$200 million during FY26.
- 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 FY26 Debt Service requirement for tax-supported funds of \$438.6

million, which is a 3.0 percent decrease from the FY25 budget of \$452.3 million. The General Fund appropriation requirement is \$382.8million, or 2.5 percent less than the budgeted FY25 amount of \$392.5 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 2025(FY26) issue. Projected interest rates for bond issues for FY26 through FY31 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 \$438.6 million in FY26 to \$479 million by FY31 with the General Fund revenue requirement growing from \$382.8 million in FY26 to \$408.9 million by FY31.

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 GO 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 GO bond-funded portion of the Recommended Amended 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 Amended FY25-30 Capital Improvements Program meets that requirement. The General Obligation Bond Adjustment chart reflecting the County Executive's January 15, 2025, proposals for the Recommended Amended FY25-30 CIP is included at the end of this section.

Debt Limit

The County's outstanding general obligation debt totals \$ 3,250,750,000 as of June 30, 2024. 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, 2024, is \$13,743,394,000 based upon the assessed valuation \$218,330,244,800 for all real property and \$4,290,526,000, for personal property. The County's outstanding general obligation debt of \$3,250,750,000, plus outstanding short-term commercial paper of \$250,000,000 is 1.57 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 2024. 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 FY26 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.

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 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 in FY25. Interest income of \$2.7 million that was earned on unspent bond proceeds from the first tranche has been included as a non-GO Bond funding source.

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, Community Use of Public Facilities, 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, WSSC Water, 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

The County has two active special taxing districts: West Germantown and White Flint. West Germantown was created in accordance with Chapter 14 of the Montgomery County Code, the Montgomery County Development District Act enacted in 1994. The White Flint Taxing District was created in accordance with Chapter 68C of the Montgomery County Code, which was enacted in 2010. The creation of these 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 with high priority for new development or redevelopment.

Pursuant to Chapter 14 and 68C, special taxes or special assessments may be levied to fund the costs of bonds or other obligations issued on behalf of the respective districts. Any bond issued under Chapter 14 and 68C is not an indebtedness of the County within the meaning of Section 312 of the Charter. Additionally, any bond issued must not pledge the full faith and credit of the County and must state that the full faith and credit is not pledged to pay its principal, interest, or premium, if any. Any bonds issued are not considered liabilities of the County and are not reported in the County's financial statements. However, unlike the West Germantown development district, the County may issue financing or provide funding for certain infrastructure projects within the White Flint

Taxing District that are not derived under the authority of 68C.

In April 2002, the County issued two series of special obligation bonds for the West Germantown Development District. The County issued \$11.6 million of Senior Series 2002A bonds and \$4.3 million of Junior Series 2002B bonds to finance the construction of infrastructure in the development district. Special taxes and assessments were levied beginning in FY03 to repay this debt. On August 13, 2014, the County issued \$12,025,000 of Special Obligation Refunding Bonds (Senior Series 2014) to refund West Germantown Development District Series 2002A, 2004A and 2004B bonds. The outstanding principal balance as of June 30, 2024, was \$5.145 million.

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 FY24	Budget FY25	Estimate FY25	Recommended FY26	%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 GO Bonds	404,261,965	422,316,560	403,983,219	408,290,190	-3.3 %
Debt Service Other	24,959,375	30,030,540	26,325,640	30,286,475	0.9 %
Debt Service Expenditures	429,221,340	452,347,100	430,308,859	438,576,665	-3.0 %
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	1,712,185	0	0	0	—
Federal Grants	212,255	202,900	202,900	189,940	-6.4 %
Debt Service Revenues	1,924,440	202,900	202,900	189,940	-6.4 %

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	24,153,283	27,740,620	25,290,620	34,259,690	23.5 %
Debt Service - Non-Tax Supported Expenditures	24,153,283	27,740,620	25,290,620	34,259,690	23.5 %
PERSONNEL					

BUDGET SUMMARY

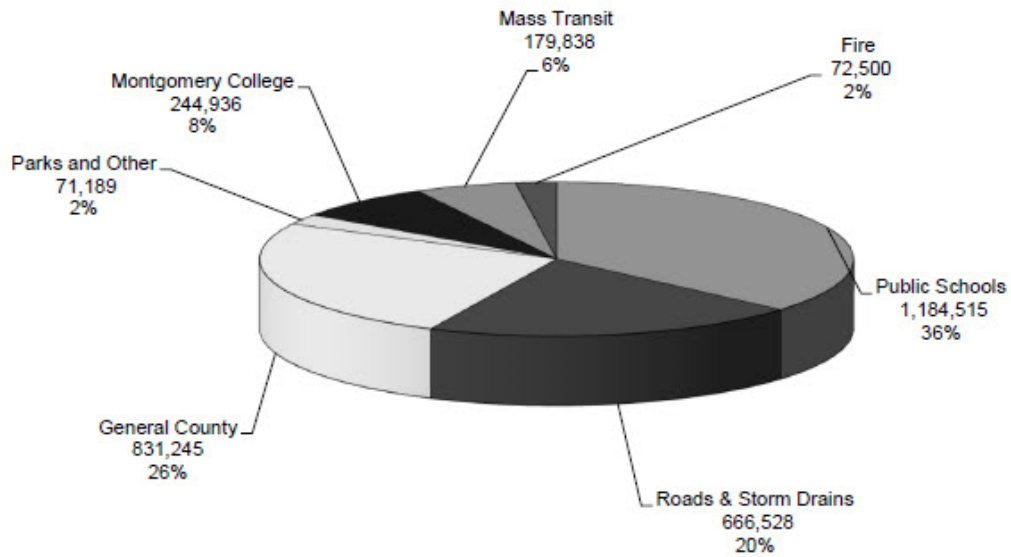
	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Debt Service - Non-Tax Supported Revenues	0	0	0	0	—
DEPARTMENT TOTALS					
Total Expenditures	453,374,623	480,087,720	455,599,479	472,836,355	-1.5 %
Total 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	1,924,440	202,900	202,900	189,940	-6.4 %

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

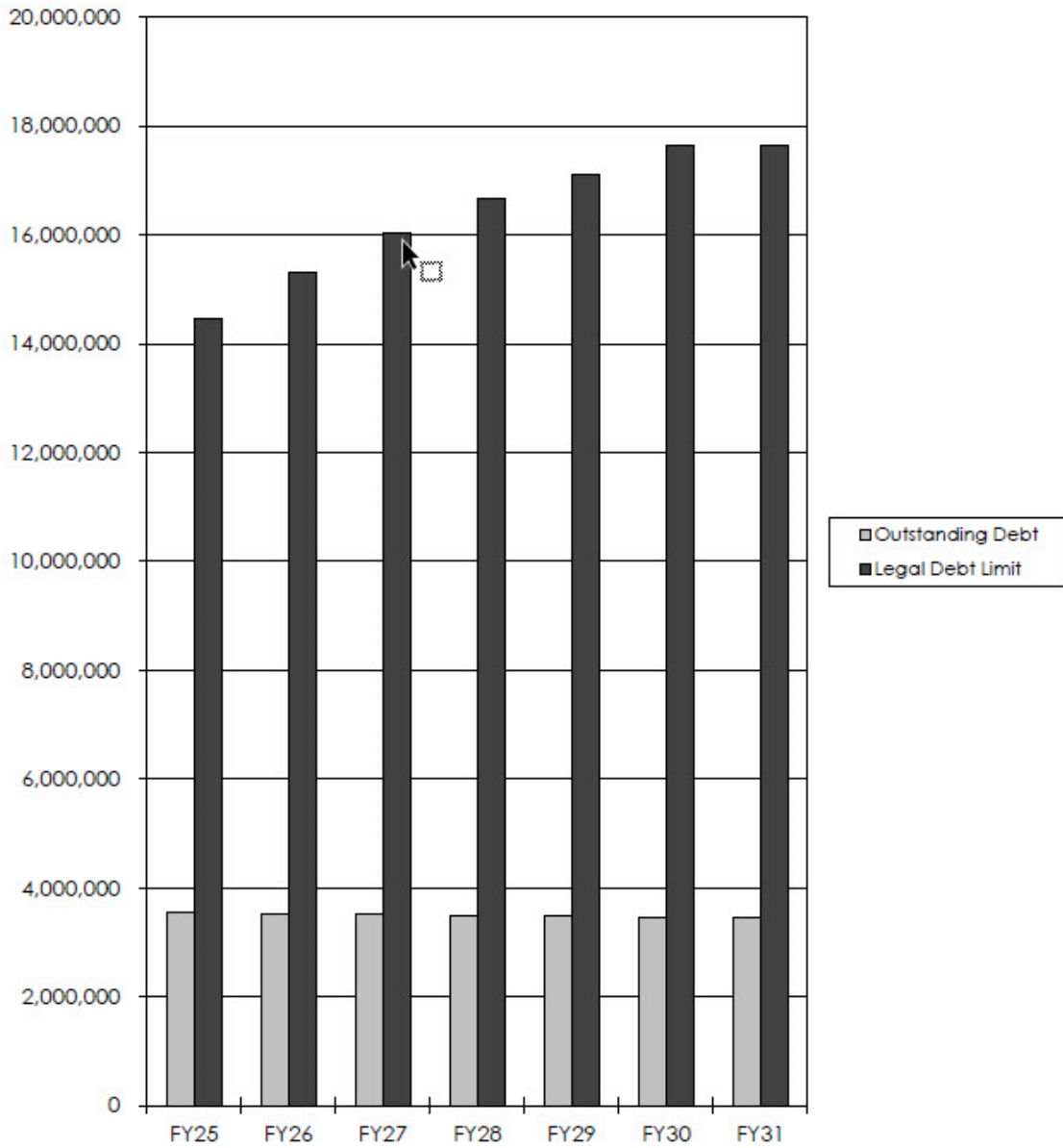
	Actual FY23	Actual FY24	Approved FY25	Estimate FY25	Recommended FY26	% Chg App/App	App % GO Bonds
GO BOND DEBT SERVICE EXPENDITURES							
General County	74,781,378	82,200,133	85,885,870	82,351,580	86,808,600		21.6%
Roads & Storm Drains	81,862,071	83,774,512	85,471,000	81,707,982	80,854,120		20.1%
Public Housing	50,055	48,640	18,070	18,074	33,540		0.0%
Parks	9,549,541	10,074,158	9,589,090	9,454,482	9,225,190		2.3%
Public Schools	158,353,378	149,418,584	158,632,080	154,179,437	154,369,080		38.5%
Montgomery College	28,834,000	29,860,889	30,188,060	29,112,727	29,203,790		7.3%
Bond Anticipation Notes/Commercial Paper	2,017,874	4,198,250	7,640,000	5,400,000	5,000,000		1.2%
Bond Anticipation Notes/Liquidity & Remarketing	2,391,338	1,610,888	2,118,000	2,000,000	2,000,000		0.5%
Cost of Issuance	746,732	717,563	840,000	550,000	750,000		0.2%
Line(s) of Credit	-	-	-	-	-		-
Total General Fund	356,388,365	361,899,375	380,362,170	364,774,282	367,845,320	-3.3%	89.9%
Fire Tax District Fund	8,186,303	9,218,826	9,099,340	8,548,481	8,400,060		2.1%
Mass Transit Fund	22,016,635	22,275,818	21,945,870	21,019,267	21,563,940		5.4%
Recreation Fund	10,551,998	10,869,946	10,909,180	9,641,269	10,480,870		2.6%
Total Tax Supported Other Funds	40,754,936	42,362,590	41,954,390	39,208,937	40,444,870	-3.6%	10.1%
TOTAL TAX SUPPORTED	397,141,301	404,261,965	422,316,560	403,983,219	408,290,190	-3.3%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	397,141,301	404,261,965	422,316,560	403,983,219	408,290,190	-3.3%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	991,538	-	-	-	-		-
Revenue Authority - Crossvines Project	860,113	859,877	859,200	859,200	862,000		-
Fire and Rescue Equipment	35,996	1,092,835	2,098,900	1,797,200	3,113,100		-
TOTAL LONG-TERM LEASE EXPENDITURES	1,887,647	1,952,612	2,958,100	2,656,400	3,975,100		34.4%
SHORT-TERM LEASE EXPENDITURES							
Technology Modernization Project	3,646,048	1,823,474	-	-	-		-
Digital Evidence Data Storage	247,627	247,627	247,800	247,800	93,800		-
Ride On Buses	712,394	712,394	919,200	712,400	918,570		-
Public Safety System Modernization	28,891	28,891	488,100	26,700	337,900		-
Transit System Radios	-	-	626,900	479,600	479,600		-
Police Body Armor	-	241,426	241,500	241,500	241,500		-
Intelligent Transit System	-	-	2,045,100	-	2,123,800		-
Fire Defibrillators	-	158,454	283,800	282,200	282,200		-
Radio Lifecycle Replacement	-	2,204,483	5,413,800	5,344,300	8,543,900		-
Business Continuity Plan	-	-	491,700	-	489,600		-
TOTAL SHORT-TERM LEASE EXPENDITURES	4,633,860	5,414,549	10,737,700	7,334,500	13,510,870		25.8%
OTHER LONG-TERM DEBT							
Silver Spring Music Venue	215,700	214,819	293,200	293,200	293,210		-
Incubators	4,244,488	-	-	-	-		-
Rockville Core - Tax Supported	1,508,838	1,508,338	1,507,900	1,507,900	1,505,400		-
Energy Performance Leases QECBs	646,702	687,095	695,550	695,550	681,020		-
Energy Performance Leases Other	1,715,984	1,747,211	1,782,290	1,782,290	1,818,100		-
Wheaton Redevelopment	2,148,048	2,145,820	2,354,800	2,354,800	2,358,300		-
MHI-HUD Loan - Non-Tax supported	101,736	-	-	-	-		-
Water Quality Protection Charge Bonds - Non-Tax supported	8,543,872	8,897,783	9,446,100	9,446,100	9,921,900		-
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	12,188,646	12,184,526	13,175,020	12,075,020	17,265,690		-
MHI Production Fund - HOC - Non-Tax supported	3,073,122	3,070,974	3,070,974	3,769,500	7,072,100		-
COP - Wheaton Redevelopment - Non-Tax supported	212,248	212,244	-	-	-		-
COPs - Fire SCBA and Apparatus	5,085,885	5,094,032	4,388,650	4,388,650	2,401,500		-
COPs - Fleet Equipment	328,395	328,450	327,300	327,300	325,850		-
COPs - Buses	6,022,550	5,317,375	4,640,300	4,640,300	3,343,825		-
COPs - Fuel Management	187,400	185,800	189,000	189,000	-		-
COPs - PSSM	2,495,580	-	-	-	-		-
COPs - Corrections	151,350	151,150	155,750	155,750	73,500		-
TOTAL OTHER LONG-TERM DEBT	48,868,352	41,745,597	44,075,360	41,625,380	47,060,195		6.8%
DEBT SERVICE EXPENDITURES							
Tax Supported	431,482,460	429,009,116	452,347,100	430,308,859	438,576,665		-3.0%
Non-Tax Supported - Other Long-term Debt	21,046,500	24,365,507	27,740,620	25,290,620	34,259,690		23.5%
TOTAL DEBT SERVICE EXPENDITURES	452,528,960	453,374,623	480,087,720	455,599,479	472,836,355		-1.5%
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	352,828,020	360,042,944	380,362,170	364,774,282	367,845,320		-
Premium on General Obligation Bonds	3,511,431	1,712,185	-	-	-		-
Total General Fund Sources	356,339,451	361,755,129	380,362,170	364,774,282	367,845,320		-
Fire Tax District Funds	8,233,217	9,314,432	9,099,340	8,548,481	8,400,060		-
Mass Transit Fund	22,016,635	22,275,818	21,945,870	21,019,267	21,563,940		-
Recreation Fund	10,551,998	10,869,946	10,909,180	9,641,269	10,480,870		-
Total Other Funding Sources	40,801,850	42,508,836	41,954,390	39,208,937	40,444,870		-
TOTAL GO BOND FUNDING SOURCES	397,141,301	404,261,965	422,316,560	403,983,219	408,290,190		-
NON GO BOND FUNDING SOURCES							
General Funds	16,848,838	9,711,960	12,165,622	11,163,222	14,962,237		-
MHI Fund - HUD Loan	101,736	-	-	-	-		-
Water Quality Protection Fund	9,487,190	9,841,001	9,446,100	9,446,100	9,921,900		-
MHI - Property Acquisition Fund	15,261,768	15,255,500	18,204,520	13,133,295	24,337,790		-
MHI Fund - Interest Income	-	-	-	2,711,225	-		-
Wheaton Redevelopment Contributions	1,202,730	1,202,602	2,142,888	2,142,888	2,146,053		-
Motor Pool Fund	515,795	514,250	516,300	516,300	325,850		-
Mass Transit Fund	6,734,844	6,029,769	8,231,500	5,832,300	8,865,795		-
Fire Tax District Fund	5,121,881	6,345,321	6,771,350	6,468,050	5,798,800		-
Federal Subsidy - QECBs	112,977	212,255	202,900	202,900	189,940		-
TOTAL NON GO BOND FUNDING SOURCES	55,387,659	49,112,658	57,771,160	51,616,280	64,546,165		-
TOTAL FUNDING SOURCES	452,528,960	453,374,623	480,087,720	455,599,479	472,836,355		-
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	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		-

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT						
	Recommended FY26	Projected FY27	Projected FY28	Projected FY29	Projected FY30	Projected FY31
GO BOND DEBT SERVICE EXPENDITURES						
General County	98,609,600	94,071,530	96,927,740	102,331,480	102,449,200	104,298,710
Roads & Storm Drains	80,654,120	86,418,170	84,664,010	87,169,270	87,613,570	89,120,220
Public Housing	33,540	22,890	51,980	47,240	45,480	43,840
Parks	9,225,190	10,545,660	11,320,170	12,559,550	13,627,920	14,593,880
Public Schools	154,389,080	158,110,440	153,992,240	149,421,280	145,661,870	143,572,770
Montgomery College	29,203,790	30,840,000	33,575,460	37,575,990	40,043,500	39,262,250
Bond Anticipation Notes/Commercial Paper	5,000,000	5,200,000	5,600,000	5,800,000	5,800,000	5,900,000
Bond Anticipation Notes/Liquidity & Remarketing	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Cost of Issuance	750,000	780,000	790,000	810,000	830,000	850,000
Total General Fund	367,845,320	387,986,690	388,921,600	397,714,810	398,071,540	399,639,650
Fire Tax District Fund	8,400,060	8,718,050	10,370,290	12,380,900	12,762,700	12,508,330
Mass Transit Fund	21,563,940	22,044,870	22,275,070	21,542,740	20,841,240	18,192,790
Recreation Fund	10,480,870	12,580,910	12,803,920	14,914,010	17,192,760	18,903,140
Total Tax Supported Other Funds	40,444,870	43,341,830	45,449,280	48,837,650	50,796,700	49,604,260
TOTAL TAX SUPPORTED	408,290,190	431,328,520	434,370,880	446,552,460	448,868,240	449,243,910
TOTAL GO BOND DEBT SERVICE EXPENDITURES	408,290,190	431,328,520	434,370,880	446,552,460	448,868,240	449,243,910
LONG-TERM LEASE EXPENDITURES						
Fire and Rescue Equipment	3,113,100	4,285,600	4,416,600	4,559,300	4,737,000	4,737,000
Revenue Authority - Crossvines Project	862,000	858,800	859,400	858,800	861,800	858,400
TOTAL LONG-TERM LEASE EXPENDITURES	3,975,100	5,144,400	5,276,000	5,418,100	5,598,800	5,595,400
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Digital Evidence Data Storage	93,800	-	-	-	-	-
Ride On Buses	918,570	1,124,800	4,400,100	5,519,000	5,519,000	8,654,600
Intelligent Transit System	2,123,800	2,123,800	2,123,800	2,123,800	2,123,800	2,123,800
Public Safety System Modernization	337,900	474,500	447,800	447,800	447,800	136,700
Transit System Radios	479,600	479,600	479,600	479,600	-	-
Fire Defibrillators	282,200	282,200	282,200	123,700	-	-
Police Body Armor	241,500	241,500	241,500	-	-	-
Radio Lifecycle Replacement	8,543,900	9,338,100	10,237,000	8,838,000	5,698,200	3,732,800
Business Continuity Plan	489,600	489,600	489,600	489,600	489,600	-
TOTAL SHORT-TERM LEASE EXPENDITURES	13,510,870	14,554,100	18,701,600	18,021,500	14,278,400	14,647,000
OTHER LONG-TERM DEBT						
Silver Spring Music Venue	293,210	292,700	293,300	293,400	293,100	293,100
Rockville Core	1,505,400	1,505,750	1,608,750	1,509,250	1,509,250	1,507,600
Energy Performance Leases QECBs	681,020	680,220	679,320	678,220	801,300	913,100
Energy Performance Leases Other	1,818,100	1,832,950	1,879,280	1,911,915	1,805,200	1,721,000
Wheaton Redevelopment	2,358,300	2,358,300	2,354,800	2,357,600	2,356,300	2,356,000
Water Quality Protection Charge Bonds - Non-Tax supported	9,921,900	11,897,300	14,841,900	18,849,400	21,318,300	26,478,200
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	17,285,690	23,730,100	24,799,500	26,459,100	27,680,000	27,070,000
MHI Production Fund - HOC - Non-Tax supported	7,072,100	7,070,300	7,068,800	7,072,900	7,072,300	7,068,900
COPs - Fire SCBA and Apparatus	2,401,500	2,399,600	2,398,050	2,396,650	2,400,125	2,398,125
COPs - Fleet Equipment	325,650	328,375	325,475	326,950	327,675	322,775
COPs - Buses	3,343,825	3,092,000	2,859,750	-	-	-
COPs - Corrections	73,500	-	-	-	-	-
TOTAL OTHER LONG-TERM DEBT	47,080,195	55,187,595	59,008,925	61,855,385	65,543,550	70,128,800
DEBT SERVICE EXPENDITURES						
Tax Supported	438,576,665	463,516,915	470,647,205	479,466,045	478,238,390	478,998,910
Non-Tax Supported - Other Long-term Debt	34,259,690	42,697,700	46,710,200	52,381,400	56,050,600	60,617,100
TOTAL DEBT SERVICE EXPENDITURES	472,836,355	506,214,615	517,357,405	531,847,445	534,288,990	539,616,010
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	367,845,320	387,986,690	388,921,600	397,714,810	398,071,540	399,639,650
Premium on General Obligation Bonds	0	-	-	-	-	-
Total General Fund Sources	367,845,320	387,986,690	388,921,600	397,714,810	398,071,540	399,639,650
Fire Tax District Fund	8,400,060	8,718,050	10,370,290	12,380,900	12,762,700	12,508,330
Mass Transit Fund	21,563,940	22,044,870	22,275,070	21,542,740	20,841,240	18,192,790
Recreation Fund	10,480,870	12,580,910	12,803,920	14,914,010	17,192,760	18,903,140
Total Other Funding Sources	40,444,870	43,341,830	45,449,280	48,837,650	50,796,700	49,604,260
TOTAL GO BOND FUNDING SOURCES	408,290,190	431,328,520	434,370,880	446,552,460	448,868,240	449,243,910
NON GO BOND FUNDING SOURCES						
General Funds	14,982,237	15,749,977	16,685,822	15,091,839	11,986,947	9,263,470
Water Quality Protection Fund	9,921,900	11,897,300	14,841,900	18,849,400	21,318,300	26,478,200
MHI - Property Acquisition Fund	24,337,790	30,800,400	31,868,300	33,532,000	34,732,300	34,139,900
Wheaton Redevelopment Contributions	2,146,053	2,148,053	2,142,868	2,145,418	2,144,233	2,143,980
Motor Pool Fund	325,650	328,375	325,475	326,950	327,675	322,775
Mass Transit Fund	6,865,795	6,820,200	9,863,250	8,122,400	7,642,800	10,778,400
Fire Tax District Fund	5,796,800	6,967,400	7,096,850	7,079,650	7,137,125	7,136,125
Federal Subsidy - QECBs	189,940	176,390	162,260	147,530	131,370	111,270
TOTAL NON GO BOND FUNDING SOURCES	64,546,165	74,888,095	82,686,525	85,294,985	85,420,750	90,372,100
TOTAL FUNDING SOURCES	472,836,355	506,214,615	517,357,405	531,847,445	534,288,990	539,616,010
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%

General Obligation Bonds Outstanding by Bond Category
(\$000s)
Total \$3,250,750 as of June 30, 2024



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



**Projected Debt Obligations
Schedule of Principal & Interest
FY26 Recommended Budget**

FUND	Principal	Interest	Total
Debt Service Fund	317,182,028	155,654,327	472,836,355
Liquor Control (Section 65)	6,832,000	1,834,390	8,666,390
Bethesda Parking Lot District (Section 46)	2,030,000	271,600	2,301,600
Total	326,044,028	157,760,317	483,804,345

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY25-30 Amended Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

January 15, 2025

(\$ 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
Plus PAYGO Funded	171.200	28.000	29.200	29.000	29.000	28.000	28.000
Adjust for Future Inflation *	(68.668)	-	-	(7.150)	(13.988)	(20.560)	(26.970)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	1,782.532	308.000	309.200	301.850	295.012	287.440	281.030
Less Set Aside: Future Projects	168.360	9.837	29.084	25.834	26.740	37.470	39.395
9.44%							
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	1,614.172	298.163	280.116	276.016	268.272	249.970	241.635
MCPS	(455.515)	(119.894)	(114.168)	(71.589)	(29.612)	(29.950)	(90.302)
MONTGOMERY COLLEGE	(175.686)	(13.666)	(26.707)	(29.201)	(45.752)	(46.627)	(13.733)
M-NCPPC PARKS	(91.362)	(15.133)	(16.610)	(14.530)	(15.729)	(14.980)	(14.380)
TRANSPORTATION	(406.938)	(76.028)	(103.751)	(52.835)	(66.824)	(62.061)	(45.439)
MCG - OTHER	(588.739)	(75.128)	(121.262)	(107.861)	(110.355)	(96.352)	(77.781)
Programming Adjustment - Unspent Prior Years	104.068	1.686	102.382				
SUBTOTAL PROGRAMMED EXPENDITURES	(1,614.172)	(298.163)	(280.116)	(276.016)	(268.272)	(249.970)	(241.635)
AVAILABLE OR (GAP) TO BE SOLVED	-	-	-	-	-	-	-
NOTES:							
* Adjustments Include:							
Inflation =		2.19%	2.49%	2.37%	2.32%	2.30%	2.28%

DEBT CAPACITY ANALYSIS

FY25-30 AMENDED CAPITAL IMPROVEMENTS PROGRAM

January 15, 2025

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	1.62%	1.50%	1.43%	1.38%	1.34%	1.31%	1.26%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	11.12%	10.73%	10.75%	10.63%	10.54%	10.51%	10.21%
4 \$ Debt/Capita	3,197	3,300	3,248	3,197	3,146	3,103	3,059
5 \$ Real Debt/Capita (FY24=100%)	3,197	3,229	3,101	2,982	2,868	2,764	2,665
6 Capita Debt/Capita Income	3.20%	3.27%	3.00%	2.86%	2.74%	2.62%	2.52%
7 Payout Ratio	73.58%	74.36%	74.73%	75.04%	75.26%	75.31%	75.28%
8 Total Debt Outstanding (\$000s)	3,486,750	3,515,910	3,488,060	3,455,665	3,422,300	3,396,225	3,369,820
9 Real Debt Outstanding (FY24=100%)	3,486,750	3,440,494	3,330,180	3,222,912	3,119,482	3,026,055	2,935,568
10 Note: OP/PSP Growth Assumption (2)	5.3%	5.8%	2.8%	2.7%	2.4%	2.2%	2.8%

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.