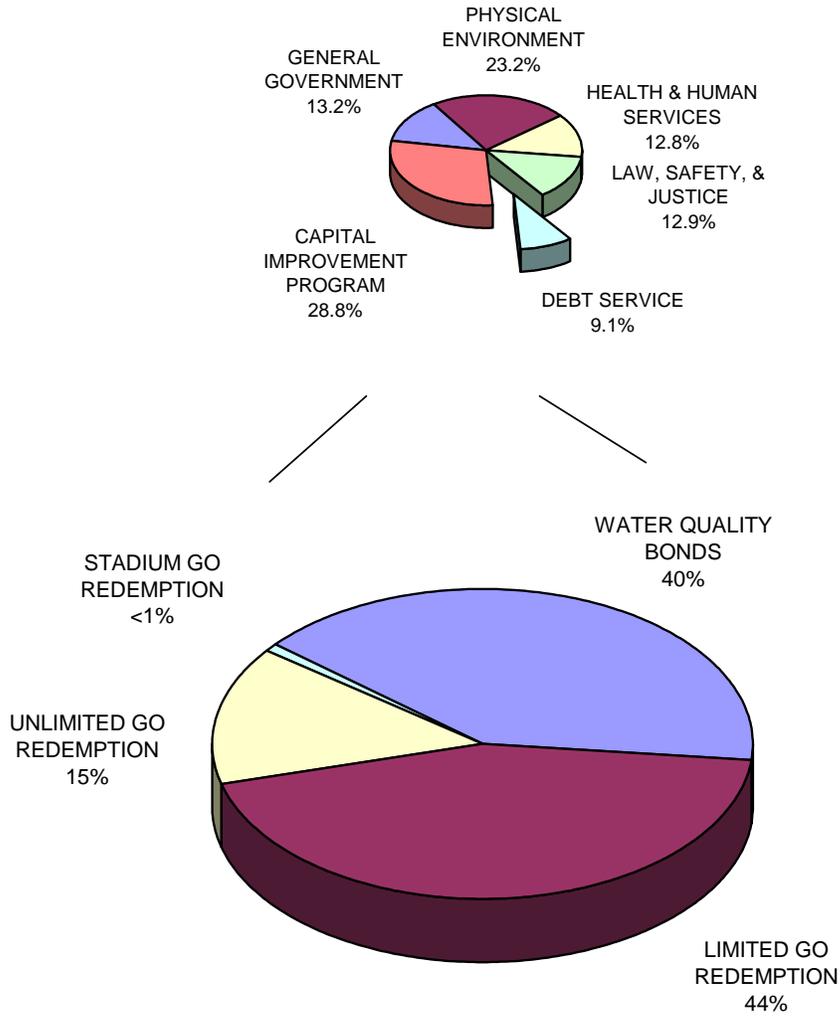


# **Debt Service**

# Debt Service \$298 Million



### **Issues and Priorities**

The 2005 debt service budget for Limited General Obligation Bond Redemption is adjusted from the 2004 levels is increased by approximately \$6.6 million. This increase is due to the November 2004 issuance of \$82 million of debt for the Courthouse Seismic Project including the earthquake repair costs incurred as a result of the 2001 Nisqually Earthquake. The bond interest rate of 4.2% results in a \$700,000 debt payment reduction from the payment projections based on a 5% interest rate. The next debt issuance for Current Expense funded debt is projected to occur in late 2006 or early 2007. This bond financing will involve three projects at the King County Correctional Facility. The Integrated Security Project, a proposed Jail Health project and the ITR project approved by Council in 2004 will convert from Bond Anticipation Note financing to permanent financing in the next debt issuance. To limit issuance costs per dollar bonded the Current Expense bond financing will be timed to coincide with county-wide technology project financing and Road Services project financing likely in 2006 or 2007. The Road Services capital project bond financing is based on the 2004 Council adoption of a Roads Services capital plan that included the Novelty Hill project.

The Unlimited General Obligation Bond and Stadium Bond payment budget authority proposed for 2005 is only one percent higher than 2004 due to technical adjustments based on the established repayment schedule.

The difference between Limited General Obligation Bond Financing and the Unlimited General Obligation Bond Financing is that Unlimited is approved by the voters while Limited is approved by the King County Council. The Current Expense Fund share of the Limited G.O. Bond payment amount remains below the 5% debt cap based on Current Expense revenue collections.

### ***Council Adopted Budget***

*No Council changes to Executive Proposed Budget*

**DEBT SERVICE PROGRAM PLAN**

---

---

**Limited G.O. Bond Redemption 8400/0465**

Code/Item #	Description	0465	Expenditures	FTEs*	TLPs
<b>Program Area</b>		2004 Adopted	125,270,279	0.00	0.00
		Status Quo **	0	0.00	0.00
<b>DS</b>		<b>Status Quo Budget</b>	<b>125,270,279</b>	<b>0.00</b>	<b>0.00</b>
		0	0		

*Detail below shows crosswalk from 2004 adopted to 2005 adopted.*

<b>Technical Adjustment</b>					
TA02	2004 Debt Issuance Courthouse		6,545,219	0.00	0.00
TA01	Repayment Schedule Update		56,477	0.00	0.00
			<b>6,601,696</b>	<b>0.00</b>	<b>0.00</b>
		<b>2005 Adopted Budget</b>	<b>131,871,975</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries and overtime.

\*\* This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DEBT SERVICE PROGRAM PLAN**

---

**Unlimited G.O. Bond Redemption 8500/0466**

Code/Item #	Description	0466	Expenditures	FTEs*	TLPs
<b>Program Area</b>		2004 Adopted	43,001,224	0.00	0.00
		Status Quo **	0	0.00	0.00
<b>DS</b>		<b>Status Quo Budget</b>	<b>43,001,224</b>	<b>0.00</b>	<b>0.00</b>
		0	0		

*Detail below shows crosswalk from 2004 adopted to 2005 adopted.*

<b>Technical Adjustment</b>				
TA11	Revenue Adjustment		0	0.00
TA01	Payment Schedule adjustment		474,748	0.00
			<b>474,748</b>	<b>0.00</b>
		<b>2005 Adopted Budget</b>	<b>43,475,972</b>	<b>0.00</b>

\* FTEs do not include temporaries and overtime.

\*\* This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DEBT SERVICE PROGRAM PLAN**

---

**Stadium G.O. Bond Redemption 8510/0467**

Code/Item #	Description	0467	Expenditures	FTEs*	TLPs
<b>Program Area</b>		2004 Adopted	2,211,976	0.00	0.00
		Status Quo **	0	0.00	0.00
<b>DS</b>		<b>Status Quo Budget</b>	<b>2,211,976</b>	<b>0.00</b>	<b>0.00</b>
		0	0		

*Detail below shows crosswalk from 2004 adopted to 2005 adopted.*

<b>Technical Adjustment</b>					
TA01	Principal and Interest Adjustment		5,186	0.00	0.00
TA11	Revenue Adjustment		0	0.00	0.00
			<b>5,186</b>	<b>0.00</b>	<b>0.00</b>
		<b>2005 Adopted Budget</b>	<b>2,217,162</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries and overtime.

\*\* This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DEBT SERVICE PROGRAM PLAN**

---

**Wastewater Treatment Debt Service 4610/4999M**

Code/Item #	Description	4999M	Expenditures	FTEs*	TLPs
<b>Program Area</b>		2004 Adopted	110,082,000	0.00	0.00
		Status Quo **	10,476,000	0.00	0.00
<b>DS</b>		<b>Status Quo Budget</b>	<b>120,558,000</b>	<b>0.00</b>	<b>0.00</b>
		0	0		

*Detail below shows crosswalk from 2004 adopted to 2005 adopted.*

<b>Technical Adjustment</b>					
TA01	Technical Adjustment		(66,000)	0.00	0.00
			<b>(66,000)</b>	<b>0.00</b>	<b>0.00</b>
		<b>2005 Adopted Budget</b>	<b>120,492,000</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries and overtime.

\*\* This includes revised 2004 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DEBT SERVICE PROGRAM PLAN**

---

---

**Debt Service Program Area**

	<b>2003 Adopted</b>	<b>2004 Adopted</b>	<b>2005 Adopted</b>
WQ REV BONDS & OTH DEBT SVC	103,214,000	110,082,000	120,492,000
LIMITED G O BOND REDEMPTION	137,125,712	125,270,279	131,871,975
UNLIMITED G O BOND REDEMPTION	36,112,278	43,001,224	43,475,972
STADIUM G O BOND REDEMPTION	2,214,976	2,211,976	2,217,162
<b>Total Debt Service</b>	<b>278,666,966</b>	<b>280,565,479</b>	<b>298,057,109</b>