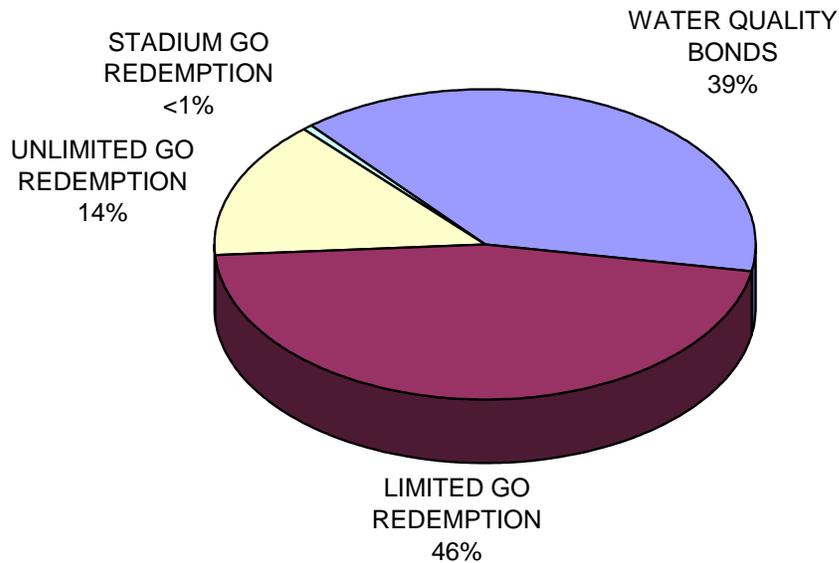
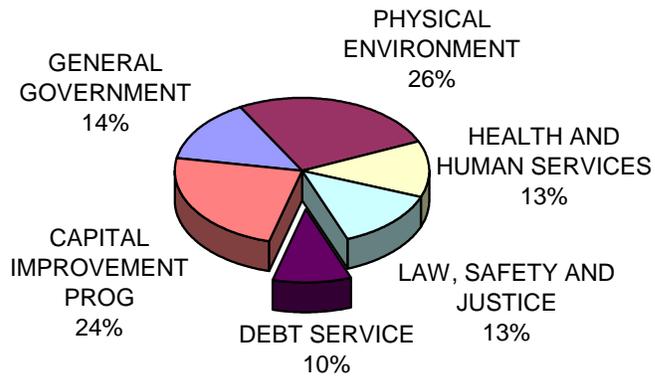


Debt Service \$334 Million



Issues and Priorities

The 2006 debt service budget for Limited General Obligation Bond Redemption is proposed to increase from the 2005 levels by approximately \$22 million. This increase is primarily due to the \$13 million of proposed additional contingent budget authority to allow flexibility to make early principal payments on the Safeco debt. The amount of the defeasing payment will be determined during the year based on the availability of revenue pledged to the payment of Safeco debt. The other cause for a net increase in Limited General Obligation Bond Redemption budget is the payment schedule requirements associated with Wastewater Division debt issued in 2005.

The next debt issuance for Current Expense funded debt is projected to occur in late 2007. The repayment schedule is likely to start in 2008. In addition to debt to be issued in support of the Integrated Security Project, a proposed Jail Health project and the ITR project previously approved by Council, this debt issuance is proposed to include \$7 million for housing initiatives proposed in the 2006 budget, a Jail Health Phase 2 project that will be proposed in a 2006 supplemental ordinance and, if necessary, a debt issuance in support of space planning proposals to be evaluated in 2006 and 2007. The Current Expense Fund share of the Limited G.O. Bond payment amount will remain below the 5% debt cap based on Current Expense fund revenue collections despite the fiscal effect of these proposed debt issuance additions.

The Unlimited General Obligation Bond debt payment budget authority proposed for 2005 is slightly higher due to technical adjustments associated with recently issued Harborview Medical Center debt.

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.

DEBT SERVICE PROGRAM PLAN

Limited G.O. Bond Redemption 8400/0465

Code/ Item Description	Expenditures	FTEs *	TLTs
Program Area			
<i>DS</i>			
2005 Adopted	131,871,975	0.00	0.00
Status Quo **	0	0.00	0.00
Status Quo Budget	131,871,975	0.00	0.00
Technical Adjustment			
TA01 Safeco Debt Defeasance Contingency	13,000,000	0.00	0.00
TA02 Wastewater Debt Issuance: 2005	9,934,900	0.00	0.00
TA03 Other Technical Adjustments	(725,225)	0.00	0.00
	22,209,675	0.00	0.00
2006 Proposed Budget	154,081,650	0.00	0.00
% Change over Adopted	16.84%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 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	Expenditures	FTEs *	TLTs
Program Area			
<i>DS</i>			
2005 Adopted	43,475,972	0.00	0.00
Status Quo **	0	0.00	0.00
Status Quo Budget	43,475,972	0.00	0.00
Technical Adjustment			
TA01 Harborview Additional Debt Payment	3,791,325	0.00	0.00
TA02 Other Technical Adjustments	197,427	0.00	0.00
	3,988,752	0.00	0.00
2006 Proposed Budget	47,464,724	0.00	0.00
% Change over Adopted	9.17%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 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	Expenditures	FTEs *	TLTs
Program Area			
<i>DS</i>			
2005 Adopted	2,217,162	0.00	0.00
Status Quo **	0	0.00	0.00
Status Quo Budget	2,217,162	0.00	0.00
Technical Adjustment			
TA01 Adjustment from 2005 Adopted	(4,012)	0.00	0.00
	(4,012)	0.00	0.00
2006 Proposed Budget	2,213,150	0.00	0.00
% Change over Adopted	-0.18%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 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	Expenditures	FTEs *	TLTs
Program Area			
<i>DS</i>			
2005 Adopted	120,492,000	0.00	0.00
Status Quo **	9,418,000	0.00	0.00
Status Quo Budget	129,910,000	0.00	0.00
Technical Adjustment			
TA01 Technical Adjustments	43,011	0.00	0.00
	43,011	0.00	0.00
2006 Proposed Budget	129,953,011	0.00	0.00
% Change over Adopted	7.85%		

* FTEs do not include Temporaries and overtime.

** This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

DEBT SERVICE PROGRAM PLAN

Debt Service Program Area

	2004 Adopted	2005 Adopted	2006 Proposed
WQ REV BONDS & OTH DEBT SVC	110,082,000	120,492,000	129,953,011
LIMITED G O BOND REDEMPTION	125,270,279	131,871,975	154,081,650
UNLIMITED G O BOND REDEMPTION	43,001,224	43,475,972	47,464,724
STADIUM G O BOND REDEMPTION	2,211,976	2,217,162	2,213,150
Total Debt Service	280,565,479	298,057,109	333,712,535