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## **DEBT SERVICE**

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Debt Service Costs include the annual payments of interest, principal and other fees on long term bond indebtedness. The debt service reflected here relates only to debt obligations which provide a benefit to the community as a whole. Debt service for specific user groups is included within the budgets of the specific department and independent agencies, such as the Water System.

## DEBT SERVICE

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### Description

This section accounts for debt service that is not separately reported within the Enterprise section of the budget or elsewhere in the document. The specific bonds presented here are: Second Guaranteed Entitlement Revenue and Refunding Bonds Series 1996, Capital Improvement Revenue Bonds, Series 2000 and 2002, and Transportation Improvement Bonds Series 1993A, 1994 and 1998.

### Goals & Objectives

\* Minimize debt service costs through the judicious use of available debt instruments, consistent with the desirability of maintaining stable current tax rates and distributing the costs of certain long-lived facilities among all users, present and future.

\* Maintain a high credit rating while making attempts to strengthen credit rating; identify factors and strategies to address them.

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### Explanatory Notes

The Long Term Debt Structure for Pinellas County is presented on page B-15 of the Summary section of this document..

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### Operating Budget Comparison

	FY03 Actual	Revised FY04	Projected FY04	Adopted FY05
DEBT SERVICE	\$29,266,307	\$31,138,220	\$31,138,190	\$31,160,990
RESERVES	\$0	\$631,560	\$0	\$673,790
<b>Total Operating Budget</b>	<b>\$29,266,307</b>	<b>\$31,769,780</b>	<b>\$31,138,190</b>	<b>\$31,834,780</b>

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### Permanent Full Time Positions

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### Analysis

The County has historically assumed a "pay-as-you-go" philosophy in the funding of infrastructure. However, when circumstances have dictated that this is not a viable approach, the County has utilized the bond market to generate additional capital.

There are several categories of governmental debt:

General obligation bonds are backed by the full faith and credit of the local government, and they are required to be approved by voter referenda. Revenues collected from the ad-valorem taxes on real estate and other sources of general revenue are used to service the government's debt. Pinellas County has no general obligation bond issues outstanding at this time.

Self-supporting revenue bonds, unlike general obligation bonds, are financed by those directly benefiting from the capital improvement. Revenue obtained from the issuance of these bonds is used to finance publicly owned facilities, such as parking garages or electric power plants. Charges collected from the users of these facilities are used, in turn, to retire the bond obligations. In this respect, the capital project is self-supporting. These debt service payments for enterprise activities are budgeted in their respective funds and not included here.

Non-self-supporting revenue bonds, which pledge specific sources of revenue other than ad valorem taxes, are used to fund non-enterprise infrastructure needs. This section of the budget summarizes the debt service requirements for those bonds, which are listed in the description above. The specifics of the purpose, pledged revenue and security for these bonds are shown on the attached page.

The 2002 financing of the new voting technology equipment is shown under General Government in Section I.