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## **DEBT SERVICE**

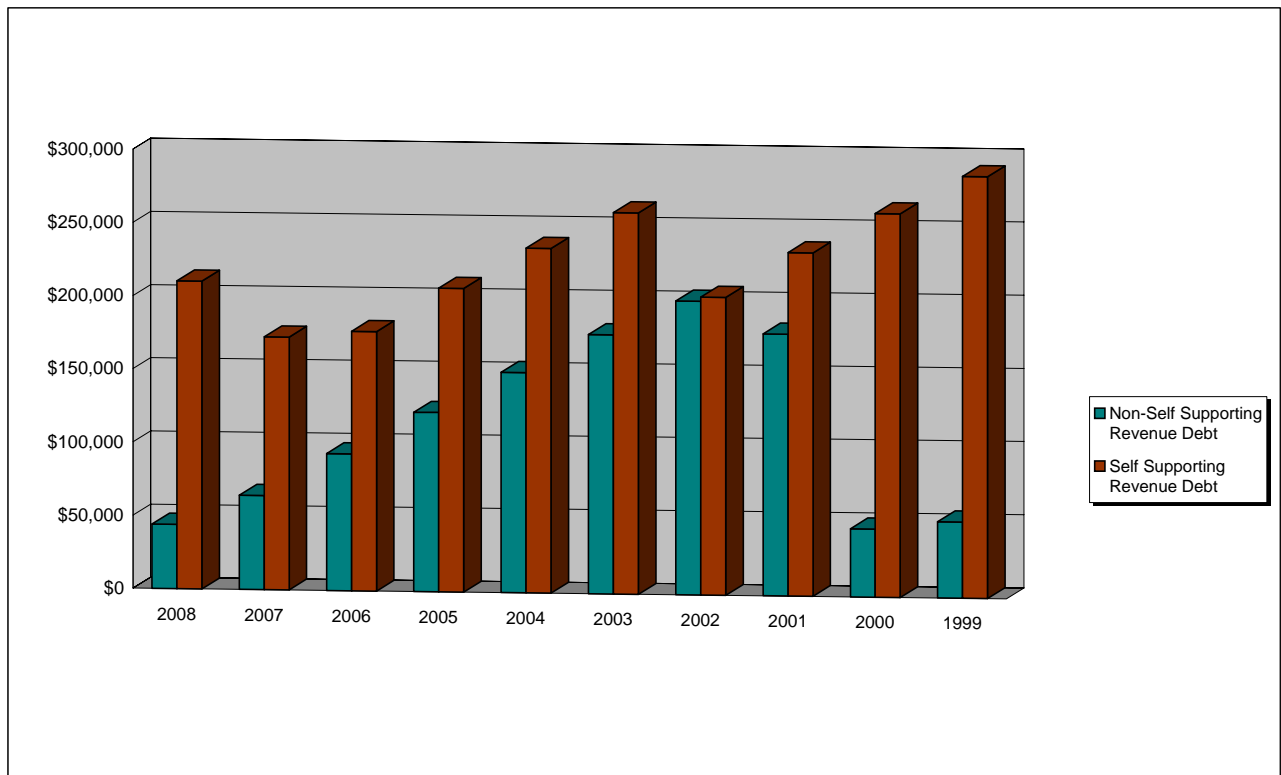
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Debt Service Costs include the annual payments of interest, principal and other fees on long term bond indebtedness. This section includes the budgeted debt service for obligations which provide a benefit to the community as a whole, as well as debt service schedules for all current bond issues. Debt service for specific user groups is included within the budgets of the specific department, such as the Water System.

## Pinellas County Bonded Debt

**Last ten years**  
(dollars in thousands)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Non-Self Supporting</b>											
<b>Supporting</b>	\$ 44,035	\$ 64,385	\$ 93,533	\$ 122,570	\$ 150,445	\$ 177,122	\$ 200,780	\$ 178,920	\$ 46,510	\$ 52,145	\$ 68,460
<b>Self Supporting</b>											
<b>Revenue Debt</b>	210,370	172,735	177,275	207,425	235,550	260,635	203,625	234,685	262,110	288,150	312,330
<b>Total Debt</b>	<u>\$254,405</u>	<u>\$237,120</u>	<u>\$270,808</u>	<u>\$329,995</u>	<u>\$385,995</u>	<u>\$437,757</u>	<u>\$404,405</u>	<u>\$413,605</u>	<u>\$308,620</u>	<u>\$340,295</u>	<u>\$380,790</u>



## 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: the Capital Improvement Revenue Bonds, Series 2000 and 2002.

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### 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

	FY08 Actual	Revised FY09	Projected FY09	Adopted FY10
DEBT SERVICE	\$23,102,975	\$23,076,400	\$23,076,400	\$23,136,830
RESERVES	\$0	\$112,970	\$0	\$112,620
<b>Total Operating Budget</b>	<b>\$23,102,975</b>	<b>\$23,189,370</b>	<b>\$23,076,400</b>	<b>\$23,249,450</b>

### 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 have been no new bond issues issued in the FY10 Budget.

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.

### **Summary of Existing and Anticipated Debt (including Enterprise Funds)**

There are presently seven outstanding debt issues for Pinellas County. There are two non-self supporting revenue bonds, the \$155,520,000 Capital Improvement Revenue Bonds, Series 2000, and the \$26,620,000 Capital Improvement Revenue Bonds, Series 2002. Currently, there are five self-supporting (Enterprise) revenue bonds, the \$104,795,000 Sewer Revenue and Revenue Refunding Bonds, Series 1998, the \$86,580,000 Sewer Revenue Bonds, Series 2003, the \$25,205,000 Sewer Revenue Refunding Bonds, Series 2006, the \$42,005,000 Sewer Revenue Bonds, Series 2008A, and the \$32,700,000 Sewer Revenue and Refunding Bonds, Series 2008B-1. The Sewer 2008A and Sewer 2008B-1 were issued as bank loans.

#### **Existing Debt: Current Non-Self Supporting Revenue Bonds:**

##### ***\$155,520,000 Capital Improvement Revenue Bonds, Series 2000***

These bonds were issued to finance the acquisition, expansion, construction, renovation, equipping and improvement to certain capital improvement projects, including certain judicial and general governmental projects, public safety and law enforcement projects, conservation and resource management projects, surface water management projects, transportation projects and cultural and recreation projects. These bonds are supported solely by a lien upon a pledge of the county's portion of the net proceeds of the discretionary infrastructure sales surtax (Penny for Pinellas), that was originally approved by a county-wide referendum held in November, 1989 and extended in March, 2007.

##### ***\$26,620,000 Capital Improvement Revenue Bonds, Series 2002***

These bonds were issued to finance all or a portion of the cost of certain land acquisition and infrastructure capital projects within the County. These bonds are supported solely by a lien upon a pledge of the county's portion of the net proceeds of the discretionary infrastructure sales surtax (Penny for Pinellas), that was originally approved by a county-wide referendum held in November, 1989 and extended in March, 2007.

**Non-Self Supporting Revenue Bonds (in thousands)**

<b>Debt Issue</b>		<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Final Fiscal Year of Debt Payments</b>
Capital Improvement Revenue Bonds, Series 2000	Principal	\$ 18,620	\$ 0	\$ 0	\$ 0	\$ 0	FY10
	Interest	\$ 442	\$ 0	\$ 0	\$ 0	\$ 0	
	Total	\$ 19,062	\$ 0	\$ 0	\$ 0	\$ 0	
Capital Improvement Revenue Bonds, Series 2002	Principal	\$ 3,980	\$ 0	\$ 0	\$ 0	\$ 0	FY10
	Interest	\$ 80	\$ 0	\$ 0	\$ 0	\$ 0	
	Total	\$ 4,060	\$ 0	\$ 0	\$ 0	\$ 0	

**Existing Debt: Current Self Supporting (Enterprise) Revenue Bonds:**

***\$104,795,000 Sewer Revenue and Revenue Refunding Bonds, Series 1998\****

These bonds were issued to refund all of the County's then outstanding Sewer Revenue Bonds, Series 1994, and to finance in part the up-grading and rehabilitating of the County's regional wastewater treatment facilities located in west central Pinellas County. Payments of principal and interest are supported by the net revenues derived from the operation of the County's Sewer System.

***\$86,580,000 Sewer Revenue Bonds, Series 2003\****

These bonds were issued to finance certain capital improvements to the County's Sewer System, to fund the reserve fund requirement for the Series 2003 Bonds through the purchase of a debt service reserve fund surety bond, and to pay related costs and expenses in connection with the issuance of the Series 2003 Bonds. Payments of principal and interest are supported by the net revenues derived from the operation of the County's Sewer System.

***\$25,205,000 Sewer Revenue Refunding Bonds, Series 2006\****

These bonds were issued to refund a portion of the County's outstanding Sewer Revenue and Revenue Refunding Bonds, Series 1998 and to pay the related costs and expenses in connection with the issuance of the Series 2006 Bonds. Payments of principal and interest are supported by the net revenues derived from the operation of the County's Sewer System.

***\$42,005,000 Sewer Revenue Bonds, Series 2008A\****

These bonds were issued to finance improvements at the South Cross and W.E. Dunn Facilities and various improvements to pump stations, force mains and the collection systems as well as the required deposit to the reserve fund and to pay related costs and expenses in connection with the issuance of the Series 2008 Bonds. Payments of principal and interest are supported by the net revenues derived from the operation of the County's Sewer System.

***\$32,700,000 Sewer Revenue Refunding Bonds, Series 2008B-1\****

These bonds were issued to refund a portion of the County's outstanding Sewer Revenue and Revenue Refunding Bonds, Series 1998. Payments of principal and interest are supported by the net revenues derived from the operation of the County's Sewer System.

\* Minimum annual debt service coverage of 115% required by the Bond Resolution.

**Self Supporting (Enterprise) Revenue Bonds (in thousands)**

<b>Debt Issue</b>		<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Final Fiscal Year of Debt Payments</b>
Sewer Revenue and Revenue Refunding Bonds, Series 1998	Principal	\$ 2,660	\$ 2,795	\$ 2,935	\$ 3,080	\$ 3,235	FY17
	Interest	\$ 1,271	\$ 1,138	\$ 998	\$ 851	\$ 697	
	Total	\$ 3,931	\$ 3,933	\$ 3,933	\$ 3,931	\$ 3,932	
Sewer Revenue Bonds, Series 2003	Principal	\$ 1,910	\$ 2,010	\$ 2,110	\$ 2,215	\$ 2,330	FY32
	Interest	\$ 3,561	\$ 3,466	\$ 3,365	\$ 3,260	\$ 3,144	
	Total	\$ 5,471	\$ 5,476	\$ 5,475	\$ 5,475	\$ 5,474	
Sewer Revenue Refunding Bonds, Series 2006	Principal	\$ 1,195	\$ 1,245	\$ 1,290	\$ 1,335	\$ 1,390	FY24
	Interest	\$ 977	\$ 929	\$ 882	\$ 834	\$ 784	
	Total	\$ 2,172	\$ 2,174	\$ 2,172	\$ 2,169	\$ 2,174	
Sewer Revenue Bonds, Series 2008A	Principal	\$ 330	\$ 335	\$ 355	\$ 375	\$ 385	FY28
	Interest	\$ 1,864	\$ 1,849	\$ 1,839	\$ 1,818	\$ 1,802	
	Total	\$ 2,194	\$ 2,184	\$ 2,194	\$ 2,193	\$ 2,187	
Sewer Revenue Refunding Bonds, Series 2008B-1	Principal	\$ 65	\$ 70	\$ 70	\$ 75	\$ 80	FY24
	Interest	\$ 1,403	\$ 1,400	\$ 1,401	\$ 1,394	\$ 1,391	
	Total	\$ 1,468	\$ 1,470	\$ 1,471	\$ 1,469	\$ 1,471	

## Comparison of Outstanding Bonded Debt and Debt Ratios with Other Florida Counties as of September 30, 2007

(most current data available)

	Pinellas County	Hillsborough County	Orange County	Palm Beach County	Duval County <sup>d</sup>
Population <sup>a</sup>	947,052	1,163,130	1,076,578	1,283,907	878,640
Per Capita Personal Income <sup>b</sup>	\$ 40,391	\$ 35,041	\$ 32,681	\$ 54,555	\$ 35,104
Taxable Assessed Property Value (000's)	\$ 75,505,063	\$ 87,682,000	\$ 91,811,758	\$ 146,612,589	\$ 61,436,184
General Bonded Debt	\$ -	\$ 34,065,000 <sup>c</sup>	\$ -	\$ 313,515,000	\$ -
General Bonded Debt per Capita	\$ -	\$ 29.29	\$ -	\$ 244.19	\$ -
General Bonded Debt as % of Personal Income, per Capita	0.00%	0.08%	0.00%	0.45%	0.00%
General Bonded Debt as % of Taxable Assessed Value	0.00%	0.04%	0.00%	0.21%	0.00%
Non-Self Supporting Revenue Debt	\$ 64,385,000	\$ 432,925,000	\$ 477,295,498	\$ 573,909,600	\$ 2,132,134,000
Non-Self Supporting Revenue Debt per Capita	\$ 67.98	\$ 372.21	\$ 443.35	\$ 447.00	\$ 2,426.63
Non-Self Supporting Revenue Debt as % of Personal Income, per Capita	0.17%	1.06%	1.36%	0.82%	6.91%
Non-Self Supporting Revenue Debt as % of Taxable Assessed Value	0.09%	0.49%	0.52%	0.39%	3.47%
Self Supporting Debt	\$ 172,735,000	\$ 307,635,000	\$ 1,032,525,000	\$ 591,244,818	\$ 57,560,000
Self Supporting Debt per Capita	\$ 182.39	\$ 264.49	\$ 959.08	\$ 460.50	\$ 65.51
Self Supporting Debt as % of Personal Income, per Capita	0.45%	0.75%	2.93%	0.84%	0.19%
Self Supporting Debt as % of Taxable Assessed Value	0.23%	0.35%	1.12%	0.40%	0.09%

(a) Most recent population information obtained from the Office of Economic & Demographic Research website (April 1, 2006).

(b) Most recent Personal Income provided by the Bureau of Economic Analysis of the U.S. Department of Commerce is 2006, which was applied to 2007 population estimates.

(c) Includes \$18,685,000 in limited ad valorem bonds.

(d) Duval County is a consolidated city/county political entity where all municipalities (except Jacksonville Beach, Atlantic Beach, Neptune Beach and the Town of Baldwin), authorities and public agencies (except Duval County School Board) were consolidated.

**Debt Per Capita**

