

# Non-Departmental

## Non-Departmental Expenditures

	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
General Obligation Debt Service: WMATA	\$0	\$903,335	\$1,048,013
General Obligation Bond Debt Service: City and Schools <sup>1</sup>	\$38,479,349	\$42,278,674	\$47,210,231
Northern Virginia Transportation District (NVTD) Bond Debt Service	\$256,070	\$256,070	\$256,070
<b>Subtotal Debt Service</b>	<b>\$38,735,419</b>	<b>\$43,438,079</b>	<b>\$48,514,314</b>

### Debt Service:

• Total debt service costs are budgeted to increase by \$5.1 million, or 11.7 percent. Included in the \$48.5 million in total budgeted debt service is \$1.05 million for debt service related to the City's issuance of lower cost debt in June 2010 instead of a WMATA debt issuance; \$47.2 million for General Obligation Debt Service and \$0.26 million for Northern Virginia Transportation District Debt Service. Recently, the City has issued bonds to provide significant funding for the new Alexandria Police Department facility, the new Fire Station 210 (Eisenhower Valley)/Impound Lot and Alexandria City Public School facilities improvements at historically low interest rates. The City has utilized the federal Build America Bonds program in 2009 and 2010 to keep the cost of debt low. The increase in FY 2013 is primarily attributable to the manner in which the City structured its bond principal repayment. In June 2010, the City issued \$72.3 million in debt, which resulted in \$5.2 million in debt service requirements in FY 2013. In July 2011, the City issued \$69.95 million in debt at an overall fixed rate interest cost of 3.18 percent, which results in \$3.72 million in debt service in FY 2013. Although payments on previously issued debt are declining, the increases due to these issuances are significantly greater, including:

- \$43,833,213 in debt service on \$415.7 million in 1999 through 2012 General Obligation (GO) Bonds and \$68.1 million in planned FY 2013 GO bonds. This total includes \$1,048,013 in WMATA debt service.
- \$758,404 in debt service for \$10.0 million in debt issued in November of 2004 for open space purposes. This amount is equal to approximately 0.2 percent of the estimated real estate tax.
- \$1,821,125 in debt service for \$20.0 million in total previously issued taxable bonds for affordable housing.
- \$1,845,502 in debt service (including new FY 2013 planned issuance) for various GO bonds issued that represent the portion of those issues devoted to sanitary sewer capital projects. This amount is paid from a transfer into the Sanitary Sewer Enterprise Fund (established in FY 2006).
- \$117,688 is FY 2013 planned debt service for GO Bonds for projects included in the City's Transportation Improvement Program (TIP). Funding for this debt service payment will be provided from the reserved 2.2 cents or the base real estate tax rate and additional cash capital approved in FY 2012 for transportation improvement projects. The funding for this, is budgeted in Transportation and Environmental Services.
- \$256,070 for the City's share of debt service for the Northern Virginia Transportation District bonds. The City's share of debt service for these bonds is funded from General Fund revenues generated by the right-of-way telecommunications tax which was authorized by the 1998 General Assembly.

<sup>1</sup> During FY 2011, City Council in the context of a Supplemental Appropriations Ordinance appropriated \$393,652 in additional debt service resulting from the June 2010 issuance of Build America Bonds. The increased debt service was funded by an increase in Intergovernmental Revenue for the subsidy payment from the federal government. Together with the June 2009 issuance of Build America Bonds the total subsidy from the federal government for both bonds was \$1,713,303 in FY 2012.