



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of September 26, 2009**

DATE: September 14, 2009

SUBJECT: Appropriate and allocate the 2009 General Obligation Public Improvement & Refunding Bond Proceeds

C. M. RECOMMENDATION:

Appropriate and allocate proceeds of \$80.48 million from the July 2009 General Obligation Public Improvement & Refunding Bond issue as follows:

- \$4,817,322 to the Community Conservation Bond Fund (316)
- \$2,050,000 to the Parks and Recreation Bond Fund (324)
- \$8,000,000 to the Metro Bond Fund (333)
- \$24,350,000 to the Schools Bond Fund (887)
- \$41,262,678 placed in escrow for the refunding of previous bond issues

ISSUES: As standard practice, after general obligation bonds are sold, the County Board appropriates and allocates the bond proceeds by bond fund.

SUMMARY: At the June 13, 2009 County Board meeting, the County approved a bond sale for up to \$139.2 million, which included \$39.22 million for new capital projects, and up to \$100 million to refund current outstanding high interest rate bonds. Of this amount, market conditions permitted the issuance of \$41.26 million in refunding bonds, for a total bond issuance of \$80.48 million. The refunding bonds resulted in debt service savings of \$971,000 in fiscal year 2010, and \$3.1 million in total savings over the next 10 years. The savings will be split among the General Fund, Schools, and the Utilities Fund.

DISCUSSION: The following is a detail of the projects included in the bond proceeds by fund:

\$4,817,322 to the Community Conservation Bond Fund (316) for Community Infrastructure and Neighborhood Conservation projects and the planned acquisition of a parcel for the Nauck Town Center project

\$2,050,000 to the Parks and Recreation Bond Fund (324) for funding of Fairlington Community Center Phase 2, other parks improvements and Washington-Lee pool improvements

County Manager: _____

County Attorney: _____

Staff: Jason Friess, Department of Management and Finance – Financial Services Unit

\$8,000,000 to the Metro Bond Fund (333) for our contribution to Metro Matters capital improvement program

\$24,350,000 to the Schools Bond Fund (887) for funding of Yorktown construction and design of Career Center and Wakefield improvements

BACKGROUND: Voter Authorization for the new capital projects included in the 2009 General Obligation Public Improvement & Refunding Bond issue came from the previous referenda listed below:

2004 Voter Authorization		
(\$ Millions)		
Amount Authorized		\$208.003
	Partial Sales	
May 05	67.465	
March 06	48.713	
May 07	25.444	
June 08	42.823	
July 09	<u>2.817</u>	
Sub Total Sold	\$187.262	
Unsold Portion		\$20.741

2006 Voter Authorization		
(\$ Millions)		
Amount Authorized		\$207.062
	Partial Sales	
May 07	72.008	
June 08	66.343	
July 09	<u>12.050</u>	
Sub Total Sold	\$150.401	
Unsold Portion		\$56.661

2008 Voter Authorization		
(\$ Millions)		
Amount Authorized		\$170.225
	Partial Sales	
July 09	<u>24.350</u>	
Sub Total Sold	\$24.350	
Unsold Portion		\$145.875

FISCAL IMPACT: The bonds being appropriated and allocated were rated AAA/AAA/Aaa and were issued at a true interest cost (TIC) of 3.075%, the County's lowest recorded rate (reliable records not available pre-1987.) The FY 2010 adopted budget includes sufficient funds to pay debt service on the bonds.