



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of September 25, 2010**

DATE: September 1, 2010

SUBJECT: Appropriate and allocate the 2010 General Obligation Public Improvement & Refunding Bond Proceeds

C. M. RECOMMENDATION:

Appropriate and allocate proceeds of \$139.285 million from the August 2010 General Obligation Public Improvement & Refunding Bond issue as follows:

- \$7,150,000 to the Street and Highway Bond Fund (314)
- \$8,170,000 to the Community Conservation Bond Fund (316)
- \$1,500,000 to the Parks and Recreation Bond Fund (324)
- \$7,542,000 to the Metro Bond Fund (333)
- \$4,000,000 to the Utility Water Bond Fund (525)
- \$14,350,000 to the Utility Water Pollution Control Plant Bond Fund (530)
- \$30,703,000 to the Schools Bond Fund (887)
- \$65,870,000 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 15, 2010 County Board recessed meeting, the County approved a bond sale for up to \$223.5 million, which included \$73.5 million for new capital projects, and up to \$150 million to refund current outstanding high interest rate bonds. Of this amount, market conditions permitted the issuance of \$65.87 million in refunding bonds, for a total bond issuance of \$139.285 million. The refunding bonds resulted in debt service savings of \$470,000 in fiscal year 2011, and \$3.3 million in total savings over the next 13 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:

\$7,150,000 to the Street and Highway Bond Fund (314) for various Transportation projects, including transit, arterial improvements (along Columbia Pike in addition to other areas), and bike and pedestrian improvements

County Manager:

County Attorney:

46.

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

\$8,170,000 to the Community Conservation Bond Fund (316) for Land Acquisition and Neighborhood Conservation projects

\$1,500,000 to the Parks and Recreation Bond Fund (324) for Land Acquisition

\$7,542,000 to the Metro Bond Fund (333) for the County's contribution to Metro's Capital Improvement Program

\$18,350,000 to the Utility Bond Funds (525) and (530) for improvements to the Water Pollution Control Plant and Gravity Main 3 replacement on Glebe road.

\$30,703,000 to the Schools Bond Fund (887) for funding of Yorktown High School construction, Thomas Jefferson Middle School improvements and Wakefield High School design.

BACKGROUND: Voter authorization for the new capital projects included in the 2010 General Obligation Public Improvement & Refunding Bond issue came from the previous referenda approved by voters in 2004, 2006 and 2008. To the extent possible, authorization from the oldest bond referenda year is used prior to using authority from more recent referenda years.

FISCAL IMPACT: The bonds being appropriated and allocated were rated AAA/AAA/Aaa and were issued at a true interest cost (TIC) of 2.70%, the County's lowest recorded rate (reliable records not available pre-1987.) The FY 2011 adopted budget includes sufficient funds to pay debt service on the bonds.