

15J - PENSION OBLIGATION BONDS DEBT SERVICE

Operational Summary

Description:

This fund is used to record the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. These bonds are a General Fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about \$288.3 million, and then cancelled them. The cost of the purchase was about \$179.0 million.

The remaining Pension Obligation Bonds with a par value of \$350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full, of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2003-2004 budget for this fund contains appropriations to record the debt service payments made by the bond trustee from the defeasance escrow fund. There is no "out-of-pocket" payment required from the County.

At a Glance:

Total FY 2002-2003 Actual Expenditure + Encumbrance:	26,060,158
Total Final FY 2003-2004 Budget:	165,485,945
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- To record debt service payments made by the trustee on the defeased Pension Obligation Bonds.

Fiscal Year FY 2002-2003 Key Project Accomplishments:

- Made required debt service payments on a timely basis.

Budget Summary

Final Budget and History:

Sources and Uses	FY 2001-2002 Actual Exp/Rev	FY 2002-2003 Budget As of 6/30/03	FY 2002-2003 Actual Exp/Rev ⁽¹⁾ At 6/30/03	FY 2003-2004 Final Budget	Change from FY 2002-2003 Actual	
					Amount	Percent
Total Revenues	186,983,137	181,470,726	190,025,576	165,485,945	(24,539,631)	-12.91
Total Requirements	13,934,987	181,470,726	26,066,488	165,485,945	139,419,457	534.86
Balance	173,048,150	0	163,959,088	0	(163,959,088)	-100.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2002-03 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bonds Debt Service in the Appendix on page 584.