



FY 2017 Recommended Budget Budget Question

Board Question #: 70

BUDGET QUESTION: Do the County's debt ratios include all debt – specifically transportation debt?

RESPONSE: Following are the County's debt ratio policies:

- Net debt as a percentage of estimated taxable market value should not exceed 3%;
- The ratio of debt service expenditures as a percentage of governmental fund expenditures should not exceed 12%. The County will work towards reducing this ratio to not more than 10% by the end of FY 2025;
- The County's 10-year tax-supported debt and lease payout ratio should be maintained at or above 65% at the end of each adopted five-year CIP; and
- Debt on special service districts for which the County can demonstrate revenue from special taxes is available to pay 100% of the associated debt service will be excluded from the calculation of these target debt ratios.

The calculations of the debt ratios include all debt other than Utilities debt/debt service and that portion of the transportation debt/debt service that is for the two service districts (Harrison Crossing and Massaponax) that have consistently been self-supporting through special taxes. Therefore, yes, the vast majority of transportation debt is included in the calculation of the debt ratios.

Note that the County has separate policies/debt ratios and legal requirements for Utilities debt.