

COUNTY LONG TERM DEBT

The following discussion relates to long-term debt backed by the full faith and credit of the County's General Fund⁽¹⁾. Other long term debt of County entities, such as that of the County's Flood Control District and the County's Special Districts, are found later in this section of the budget book.

The County's outstanding long term debt has been issued for the following purposes:

- To finance or refinance construction and improvement of County structures.
- To refinance County pension obligations.

The County finances such projects with a variety of debt instruments. For construction and improvement projects, the County has utilized lease obligations with a non-profit public benefit corporation. Such obligations are in the form of Certificates of Participation and, for the 2012 refinancing of the West Valley Detention Center, a Private Placement with a financial institution. For pension obligations, the County has issued Pension Obligation Bonds.

As of June 30, 2015, the County's long term obligations include debt issued to finance or partially finance the following projects:

- Construction and equipping of the ARMC,
- Construction of the West Valley Detention Center,
- Construction of the Foothill Law and Justice Center and hangars at the Chino Airport, and
- Refinancing of a portion of the County's Unfunded Accrued Actuarial Liability in the years 1995, 2004 and 2008.

(1) In June of 2007 the County privately placed \$18.4 million of revenue bonds for Courthouse improvements. These bonds are secured solely by a surcharge on civil filings that is collected by the local courts. These bonds are not backed by the County's General Fund and are, therefore, not included in this discussion. For more information on the surcharge revenues see the 'Courthouse Seismic Surcharge' budget unit found in the Law and Justice section of this budget book.



County of San Bernardino
 Outstanding General Fund Certificates of Participation and Pension Obligation Bonds
 Budgetary Basis

| Fiscal Year Ending June 30 | Pension Obligation Bonds | | | | | | Certificates of Participation | | Private Placement | | Total Outstanding General Fund Debt | Fiscal Year Ending June 30 |
|-------------------------------------|---|-------------------|--|-------------------|---|--------------------|--|----------------|---|------------------|--|-------------------------------------|
| | 2008 | | 2004 | | 1995 | | 2002 | | 2012 | | | |
| | Pension Obligation Bonds \$160,900,000 | | Pension Obligation Bonds ⁽¹⁾ \$463,895,000 | | Pension Obligation Bonds \$386,265,591 | | Justice Center Refunding \$68,100,000 | | WVDC Refunding ⁽²⁾ \$51,585,000 | | | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | |
| 2016 | 1,035,000 | 9,359,445 | 23,355,000 | 12,918,239 | 12,035,880 | 40,619,120 | 6,205,000 | 310,250 | 7,375,000 | 699,099 | 113,912,032 | 2016 |
| 2017 | 1,060,000 | 9,296,385 | 27,025,000 | 11,491,751 | 11,673,496 | 43,711,504 | - | - | 7,565,000 | 505,305 | 112,328,440 | 2017 |
| 2018 | 1,130,000 | 9,230,466 | 31,015,000 | 9,825,205 | 11,361,080 | 46,888,920 | - | - | 7,755,000 | 306,581 | 117,512,252 | 2018 |
| 2019 | 19,990,000 | 8,594,754 | 16,235,000 | 8,453,186 | 11,054,980 | 50,205,020 | - | - | 7,940,000 | 102,994 | 122,575,933 | 2019 |
| 2020 | 15,860,000 | 7,515,669 | 25,000,000 | 7,179,750 | 10,753,631 | 53,666,369 | - | - | - | - | 119,975,419 | 2020 |
| 2021 | 20,880,000 | 6,409,795 | 25,000,000 | 5,584,250 | 10,507,053 | 57,227,947 | - | - | - | - | 125,609,045 | 2021 |
| 2022 | 26,200,000 | 4,992,687 | 25,000,000 | 3,988,750 | 9,790,585 | 58,119,415 | - | - | - | - | 128,091,437 | 2022 |
| 2023 | 31,875,000 | 3,244,630 | 25,000,000 | 2,393,250 | - | - | - | - | - | - | 62,512,880 | 2023 |
| 2024 | 37,960,000 | 1,142,596 | 25,000,000 | 797,750 | - | - | - | - | - | - | 64,900,346 | 2024 |
| 2025 | - | - | - | - | - | - | - | - | - | - | - | 2025 |
| 2026 | - | - | - | - | - | - | - | - | - | - | - | 2026 |
| 2027 | - | - | - | - | - | - | - | - | - | - | - | 2027 |
| 2028 | - | - | - | - | - | - | - | - | - | - | - | 2028 |
| 2029 | - | - | - | - | - | - | - | - | - | - | - | 2029 |
| Totals | 155,990,000 | 59,786,426 | 222,630,000 | 62,632,129 | 77,176,704 | 350,438,296 | 6,205,000 | 310,250 | 30,635,000 | 1,613,979 | 967,417,784 | Totals |

(1) Debt schedules for variable rate issues are based on the estimated average interest rate at the time of issuance and do not reflect amounts budgeted for the 2015-16 fiscal year.
 (2) West Valley Detention Center

Debt Service Budget Information:

The 1995, 2004 and 2008 Pension Obligation Bonds are budgeted in individual department budgets as a portion of salary and benefit expense.

The General Fund Certificates of Participation, and the Private Placement, are budgeted in the Administration Section of this budget book in the Capital Facilities Leases budget.



County of San Bernardino
Outstanding Enterprise Fund Certificates of Participation
Budgetary Basis

Certificates of Participation

| Fiscal Year Ending June 30 | Arrowhead Refunding County Medical Center Series 2009 \$288,730,000 | | County Medical Center Series 1996 \$65,070,000 | | County Medical Center Series 1995 \$147,565,000 | | County Medical Center Series 1994 \$213,605,000 | | Total Outstanding Enterprise Fund Debt | Fiscal Year Ending June 30 |
|-------------------------------------|--|------------|--|------------|---|-----------|---|------------|---|-------------------------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | |
| | 2016 | 11,905,000 | 12,203,638 | 445,000 | 3,129,844 | 4,225,000 | 743,113 | 4,695,000 | | |
| 2017 | 12,445,000 | 11,605,400 | 465,000 | 3,105,956 | 4,505,000 | 459,388 | 4,965,000 | 5,369,088 | 42,919,831 | 2017 |
| 2018 | 13,090,000 | 10,972,838 | 490,000 | 3,081,500 | 4,815,000 | 156,488 | 5,235,000 | 5,088,588 | 42,929,413 | 2018 |
| 2019 | 24,405,000 | 10,035,463 | 515,000 | 3,056,375 | | | | 4,944,625 | 42,956,463 | 2019 |
| 2020 | 25,685,000 | 8,774,650 | 545,000 | 3,029,875 | | | | 4,944,625 | 42,979,150 | 2020 |
| 2021 | 15,015,000 | 7,711,050 | 570,000 | 3,002,000 | | | 12,180,000 | 4,518,325 | 42,996,375 | 2021 |
| 2022 | 16,330,000 | 6,860,250 | 600,000 | 2,972,750 | | | 12,570,000 | 3,746,350 | 43,079,350 | 2022 |
| 2023 | 17,165,000 | 5,985,113 | 630,000 | 2,942,000 | | | 13,290,000 | 3,035,200 | 43,047,313 | 2023 |
| 2024 | 32,355,000 | 4,718,766 | 665,000 | 2,909,625 | - | - | | 2,669,725 | 43,318,116 | 2024 |
| 2025 | 34,065,000 | 3,016,753 | 695,000 | 2,875,625 | - | - | | 2,669,725 | 43,322,103 | 2025 |
| 2026 | 22,935,000 | 1,541,794 | 735,000 | 2,839,875 | - | - | 13,060,000 | 2,343,225 | 43,454,894 | 2026 |
| 2027 | 17,900,000 | 469,875 | 7,120,000 | 2,643,500 | - | - | 13,725,000 | 1,673,600 | 43,531,975 | 2027 |
| 2028 | - | - | 24,030,000 | 1,864,750 | - | - | 13,675,000 | 1,005,694 | 40,575,444 | 2028 |
| 2029 | - | - | 25,280,000 | 632,000 | - | - | 14,335,000 | 340,456 | 40,587,456 | 2029 |
| Totals | 243,295,000 | 83,895,588 | 62,785,000 | 38,085,675 | 13,545,000 | 1,358,988 | 107,730,000 | 47,983,963 | 598,679,213 | Totals |

Debt Service Budget Information: The 1994, 1995, 1996 and 2009 Medical Center Certificates of Participation are budgeted in the Arrowhead Regional Medical Center section of this budget book in the Medical Center Lease Payments budget.

Effects of Existing Debt Levels on Current and Future Operations

Debt service on the Certificates of Participation and Pension Obligation Bonds referenced in the previous schedules will not negatively affect current or future operations of the County. In aggregate, current required debt service expenditures remain relatively level (increasing less than 4% per year) for all fiscal years through 2021-22 and then drop significantly in succeeding years.

Other County Long Term Debt

The County Library has a note payable to the California Infrastructure and Economic Development Bank for funds borrowed to finance the construction of a library in Apple Valley. This note is backed by the full faith and credit of the General Fund; however it is paid from and budgeted in the County Library budget, found in the Operations and Community Services section of this budget book. The outstanding principal amount of this note as of June 30, 2014, the last date for which audited information is available, was \$1,384,682. Annual debt service on this obligation is approximately \$109,000 per year through fiscal year 2030-31.

