



Program #10026 - Capital Debt Retirement Fund 2/20/2019

Department: Nondepartmental **Program Contact:** Mark Campbell
Program Offer Type: Existing Operating Program **Program Offer Stage:** As Requested
Related Programs:
Program Characteristics: In Target

Executive Summary

This program offer accounts for principal and interest payments on various full faith and credit obligation bonds and intergovernmental agreements that were entered into in order to finance various capital improvements or capital acquisitions.

Program Summary

Multnomah County is currently making payments on the following obligations:

- Series 2010B (\$15 million) - Full Faith & Credit
- Oregon Investment Transportation Bank (OTIB) (\$3.2 million) - Intergovernmental Loan
- Series 2012 (\$128 million) - Full Faith & Credit
- Series 2014 Refunding (\$22.5 million) - Full Faith & Credit
- Series 2017 (\$164.4 million) - Full Faith & Credit

The outstanding debt issues have funded a number of capital improvements and acquisitions. These include, among others, purchase of the Multnomah, McCoy, and Mead buildings, construction of the East County Courthouse and the new Multnomah County Courthouse, the Sellwood Bridge replacement project, the new Health Department Headquarters building, and the implementation of a new ERP system. All binding obligations were approved by the Board of County Commissioners.

A new debt issues is planned for FY 2020 which will support the Burnside Bridge replacement project. Funding will provide for completion of the National Environmental Policy Act (NEPA) phase of the project.

Multnomah County's credit is rated AAA by Moody's Investors Services and AAA by Standard & Poor's - both represent the highest rating awarded for governmental debt. The firms cited Multnomah County's strong budget management, low debt, moderate pension burden, adequate reserves and large and growing tax base from a strong economy.

Performance Measures

Measure Type	Primary Measure	FY18 Actual	FY19 Purchased	FY19 Estimate	FY20 Offer
Output	Moody's Rating of Aa1 or Better	1	1	1	1
Outcome	Debt Service Payments Made as Scheduled	100%	100%	100%	100%

Performance Measures Descriptions

Maintaining an investment grade bond rating limits the amount the County might otherwise have to pay towards annual debt service. In 2017, Moody's and Standard & Poor's upgraded all Multnomah County full faith and credit debt to Aaa and AAA, respectively. (1)-indicates Moody's Aa1 (or better) rating, (0)-represents a rating lower than Aa1.

All principal and interest payments are made on time in order to maintain an investment grade rating on the bond issue. Multnomah County has never defaulted on a debt payment.

Legal / Contractual Obligation

Principal and interest on the full faith and credit obligations and intergovernmental agreements are a binding debt obligation of the County. All debt issues and refundings were approved by various resolutions adopted by the Board of County Commissioners.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2019	2019	2020	2020
Contractual Services	\$0	\$3,000	\$0	\$3,000
Debt Service	\$0	\$31,115,185	\$0	\$32,304,766
Cash Transfers	\$0	\$2,826,830	\$0	\$0
Unappropriated & Contingency	\$0	\$1,186,234	\$0	\$872,926
Total GF/non-GF	\$0	\$35,131,249	\$0	\$33,180,692
Program Total:	\$35,131,249		\$33,180,692	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues				
Intergovernmental	\$0	\$298,895	\$0	\$298,895
Other / Miscellaneous	\$0	\$28,263,430	\$0	\$31,856,471
Financing Sources	\$0	\$786,209	\$0	\$0
Interest	\$0	\$20,000	\$0	\$20,000
Beginning Working Capital	\$0	\$5,762,715	\$0	\$1,005,326
Total Revenue	\$0	\$35,131,249	\$0	\$33,180,692

Explanation of Revenues

Debt service payments are collected from departments through internal service reimbursements and passed through to the Capital Debt Retirement Fund.

Per House Bill 4093, a District Court surcharge on certain traffic and parking fines will support the Central Courthouse capital construction project.

Significant Program Changes

Last Year this program was: FY 2019: 10026-19 Capital Debt Retirement Fund