

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

The GO Bond Sinking Fund program accounts for the payment of General Obligation Bond principal and interest approved by the voters in May 1993 and May 1996. The 1993 GO Bond (issued in February 1994) to restore the historic Central Library and build the Midland Library. The 1996 GO Bond was issued in October 1996 to remodel, construct, or purchase various Library and Public Safety facilities and equipment. Revenue to pay the debt is derived from property taxes and interest earned on the cash balances.

Program Summary

Multnomah County's General Obligation debt was refinanced in FY 2010 to take advantage of historically low interest rates.

The 1994 and 1996 debt issues were rolled into one debt payment with the Series 2010 Refunding General Obligation Bonds. The savings to taxpayers as a result of this refinancing is estimated at \$5.2 million. Bond payments are made on time to maintain an investment grade rating on the bond issue. The careful management of debt has been noted as a key component in the County's most recent rating reviews.

Performance Measures

| Measure Type | Primary Measure | FY14 Actual | FY15 Purchased | FY15 Estimate | FY16 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. Moody's recently upgraded the rating on the County's General Obligation debt to Aaa. This is the highest rating assigned to municipal debt issues. (1)-indicates Moody's Aa1 rating, (0)-represents 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 voter approved General Obligation Bonds are a binding debt that the County must pay. The property tax levy used to pay the debt is outside of the property tax constitution limits imposed by State Ballot Measure #5 approved in 1990 and State Ballot Measure #50 approved in 1997. Multnomah County has never defaulted on any debt issues.

Revenue/Expense Detail

| | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses | 2015 | 2015 | 2016 | 2016 |
| Debt Service | \$0 | \$6,771,675 | \$0 | \$6,014,500 |
| Unappropriated & Contingency | \$0 | \$5,896,400 | \$0 | \$6,023,100 |
| Total GF/non-GF | \$0 | \$12,668,075 | \$0 | \$12,037,600 |
| Program Total: | \$12,668,075 | | \$12,037,600 | |
| Program FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| Program Revenues | | | | |
|---------------------------|------------|---------------------|------------|---------------------|
| Taxes | \$0 | \$6,094,322 | \$0 | \$6,078,331 |
| Interest | \$0 | \$35,000 | \$0 | \$35,000 |
| Beginning Working Capital | \$0 | \$6,538,753 | \$0 | \$5,924,269 |
| Total Revenue | \$0 | \$12,668,075 | \$0 | \$12,037,600 |

Explanation of Revenues

Revenue to pay the debt is derived from property taxes and interest earned on the cash balances.

Significant Program Changes

Last Year this program was: FY 2015: 10027 GO Bond Sinking Fund