



Program #10027 - Library GO Bond FY 2024 Department Requested

Department: Nondepartmental **Program Contact:** Eric Arellano
Program Offer Type: Existing **Program Offer Stage:** Department Requested
Related Programs:
Program Characteristics: In Target

Executive Summary

The Library GO Bond Fund program accounts for the payment of General Obligation Bond principal and interest approved by the voters in November 2020, ballot measure 26-211. The County Library Project will enlarge and modernize eight libraries. The Library General Obligation Bonds were issued in January 2021 in two series (2021A & 2021B) totaling \$387 million. The bonds were delivered on January 26, 2021 and will fully mature in FY 2029. Revenue to pay the debt is derived from property taxes and interest earned on cash balances.

Program Description

In November 2020, the voters of Multnomah County approved ballot measure 26-211 for a County Library Capital Construction Project. The measure authorized the County to issue General Obligation Bonds not to exceed \$387 million and will be payable from taxes on property or property ownership that are not subject to the limits of section 11 and 11b, Article XI of the Oregon Constitution. The County Library Project will enlarge and modernize eight libraries. Build a flagship library in East County, expand/renovate/or construct seven branches including Albina, Belmont, Holgate, Midland, North Portland, Northwest, and St. Johns, create a central materials handling and distribution center, and provide high speed internet to all libraries.

The County issued debt in January 2021 in two series (2021A & 2021B) totaling \$387 million. The Bonds were delivered on January 26, 2021 and will fully mature in FY 2029. Revenue to pay debt is derived from property taxes and interest income. Bonds are double rated (Moody's - Aaa and S&P - AAA) and annual debt service began in December of 2021. The County has established a dedicated debt service fund (2003) to account for debt payments (principal and interest), all taxes levied, and accrued interest. The capital project will be managed in a separate capital fund (2517) in the Department of County Assets that accounts for bond proceeds, interest accrued on bond proceeds, and all capital expenditures.

Performance Measures

Measure Type	Primary Measure	FY22 Actual	FY23 Budgeted	FY23 Estimate	FY24 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 2021, Moody's and Standard & Poor's rated Library GO debt at 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

The County is authorized by ORS 287A.100 to issue general obligation bonds to finance capital costs if such financing is approved by a majority of the governing body. 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.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Department Requested General Fund	Department Requested Other Funds
Program Expenses	2023	2023	2024	2024
Debt Service	\$0	\$51,974,193	\$0	\$53,808,115
Unappropriated & Contingency	\$0	\$799,082	\$0	\$1,893,900
Total GF/non-GF	\$0	\$52,773,275	\$0	\$55,702,015
Program Total:	\$52,773,275		\$55,702,015	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues				
Taxes	\$0	\$52,419,815	\$0	\$53,808,115
Interest	\$0	\$100,000	\$0	\$175,000
Beginning Working Capital	\$0	\$253,460	\$0	\$1,718,900
Total Revenue	\$0	\$52,773,275	\$0	\$55,702,015

Explanation of Revenues

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

Significant Program Changes

Last Year this program was: FY 2023: 10027 Library GO Bond