



Program #10026 - Capital Debt Retirement Fund 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

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 Description

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 2017 (\$164.1 million) - Full Faith & Credit
- Series 2019 (\$16.075 million) - Full Faith & Credit (Bank Placement)
- Series 2021 (\$89.58 million) - Full Faith & Credit (Refunding - Sellwood Bridge Bonds)
- Series 2022 (\$25.095 million) - Full Faith & Credit (Bank Placement)

The outstanding debt issues have funded a number of capital improvements and acquisitions. These include the construction of the East County Courthouse and the new Multnomah County Courthouse, the Sellwood Bridge replacement project, the new Health Department Headquarters building, the implementation of a new ERP system, and the NEPA/Design/Right of Way phases of the Burnside Bridge replacement project. All binding obligations were approved by the Board of County Commissioners.

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.

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 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

	Adopted General Fund	Adopted Other Funds	Department Requested General Fund	Department Requested Other Funds
Program Expenses	2023	2023	2024	2024
Contractual Services	\$0	\$3,000	\$0	\$3,000
Debt Service	\$0	\$29,467,603	\$0	\$30,703,930
Unappropriated & Contingency	\$0	\$2,724,647	\$0	\$1,171,700
Total GF/non-GF	\$0	\$32,195,250	\$0	\$31,878,630
Program Total:	\$32,195,250		\$31,878,630	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues				
Intergovernmental	\$0	\$237,730	\$0	\$212,600
Other / Miscellaneous	\$0	\$28,231,873	\$0	\$22,710,330
Financing Sources	\$0	\$0	\$0	\$6,783,000
Interest	\$0	\$50,000	\$0	\$60,000
Beginning Working Capital	\$0	\$3,675,647	\$0	\$2,112,700
Total Revenue	\$0	\$32,195,250	\$0	\$31,878,630

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.

In FY24, General Fund one-time only resources will be used pay for last year of debt service for the ERP portion of the FFC Series 2017 Bond.

Significant Program Changes

Last Year this program was: FY 2023: 10026 Capital Debt Retirement Fund

In September of 2022, the County financed a portion (30%) of the Design and Right of Way phase of the Burnside Bridge Replacement Project totaling \$25.095 million. The financing was a FFC Direct Bank Placement and will fully mature in fiscal year 2032.