

Program #10026 - Capital Debt Retirement Fund

Program Contact: Mark Campbell

Department: Nondepartmental **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

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, health clinic equipment and improvements, deferred capital maintenance, construction of the East County Courthouse, road improvements to 223rd Street, and the Sellwood Bridge replacement project. All binding obligations were approved by the Board of County Commissioners. The facilities and equipment purchased with these bond issues support many of the County's direct service programs. Careful management of debt obligations contributes to sound financial management practices. Debt payments are recovered from departments who benefit from specific projects via internal service reimbursements.

Performance Measures									
Measure Type	Primary Measure	FY16 Actual	FY17 Purchased	FY17 Estimate	FY18 Offer				
Output	Moody's Rating of Aa2 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 2013, Moody's upgraded all Multnomah County full faith and credit debt to Aa1. (1)-indicates Moody's Aa1, or Aa2 rating, (0)-represents a rating lower than Aa2.

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.

2/17/201

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	2017	2017	2018	2018
Contractual Services	\$0	\$3,000	\$0	\$2,000
Debt Service	\$0	\$17,580,217	\$0	\$15,791,619
Unappropriated & Contingency	\$0	\$1,107,376	\$0	\$514,204
Total GF/non-GF	\$0	\$18,690,593	\$0	\$16,307,823
Program Total:	\$18,690,593		\$16,307,823	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues									
Intergovernmental	\$0	\$298,985	\$0	\$298,664					
Other / Miscellaneous	\$0	\$16,694,182	\$0	\$14,895,206					
Interest	\$0	\$10,000	\$0	\$10,000					
Beginning Working Capital	\$0	\$1,687,426	\$0	\$1,103,953					
Total Revenue	\$0	\$18,690,593	\$0	\$16,307,823					

Explanation of Revenues

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

Significant Program Changes

Last Year this program was: FY 2017: 10026 Capital Debt Retirement Fund

Full Faith and Credit Series 2010A (\$9.8 million) debt obligation will fully mature on 6/1/2017

GO Refunding Bond Series 2010 (\$45 million) fully matured on 10/1/2016