

**Priority:** Accountability  
**Program Offer Type:** Existing Operating  
**Related Programs:**

**Lead Agency:** Non-Departmental - All  
**Program Contact:** Mindy Harris

**Program Characteristics:**

**Executive Summary**

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

**Program Description**

The full faith and credit obligations consist of the \$54,235,000 Refunding Series 2004, \$9,615,000 Refunding Series 2003, \$61,215,000 Series 2000A and \$36,125,000 Series 1999A. The certificate of participation is the \$48,615,000 series 1998. There is also a 2002 capital lease for \$1,093,000 for the Sellwood Library.

The balance in carried forward from FY 2009 will smooth the remaining payments at about \$5.3 million per year for the remainder of the current debt schedules.

**Program Justification**

Managing debt carefully contributes to accountable, sound financial management. The full faith and credit obligations and certificates of participation have funded the following capital improvements/acquisitions: McCoy Building purchase and improvements, Mead Building Purchase and improvements, Multnomah Building purchase and improvements, Library Administrative Office improvement, Mid County Health Clinic, North Portland Health Clinic, South East County Health Clinic, Yeon Building, East County Health Building, Blanchard Building improvements, Justice Center Records Office improvements, Juvenile Justice Complex Building, Walnut Park Health Facility, Hooper Detox parking lot, North Portland Parole and Probation Building, 257th and Orient Dr road improvement and various computer applications. 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 programs.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Full Faith & Credit Moody's Rating Aa2	1	1	1	1
Outcome	Certificates of Participation Moody's Rating Aa3	1	1	1	1

**Performance Measure - Description**

Maintaining an investment grade bond rating limits the amount the County might otherwise have to pay towards annual debt service; (1)-indicates Moody's Aa2 or Aa3 rating, (0)-represents a rating lower than Aa2 or Aa3. All principal and interest payments are made on time in order to maintain an investment grade rating on the bond issue. The full faith and credit obligations not insured are rated Aa2 by Moody's and the Ambac insured obligation is rated Aaa by Moody's. The certificate of participation is rated Aa3. Multnomah County has never defaulted on a debt payment.

## Legal/Contractual Obligation

Principal and interest on the full faith and credit obligations, certificates of participation, capital lease 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	2009	2009	2010	2010
Contracts	\$0	\$75,000	\$0	\$0
Debt Service	\$0	\$11,982,616	\$0	\$20,449,172
Cash Transfer	\$24,200,000	\$0	\$0	\$0
Unappropriated & Contingency	\$0	\$24,336,915	\$0	\$14,943,730
Subtotal: Direct Exps:	<b>\$24,200,000</b>	<b>\$36,394,531</b>	<b>\$0</b>	<b>\$35,392,902</b>
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Total GF/non-GF:	<b>\$24,200,000</b>	<b>\$36,394,531</b>	<b>\$0</b>	<b>\$35,392,902</b>
Program Total:	<b>\$60,594,531</b>		<b>\$35,392,902</b>	
Program FTE	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$6,856,636	\$0	\$7,699,902
Other / Miscellaneous	\$0	\$29,537,895	\$0	\$27,693,000
Program Revenue for Admin	\$0	\$0	\$0	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$36,394,531</b>	<b>\$0</b>	<b>\$35,392,902</b>

## Explanation of Revenues

Revenues consist of service reimbursements from the Facilities Management Fund and other funds and cash transfers from various County funds.

## Significant Program Changes

**Last year this program was: #10017, Capital Debt Retirement Fund**  
The County paid off various energy loan agreements in FY 2009.