

Lead Agency: Non-Departmental - All

Program Contact: Mark Campbell

Program Offer Type: Existing Operating

Related Programs:

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 and \$9,615,000 Refunding Series 2003. There is also a 2002 capital lease for \$1,093,000 for the Sellwood Library.

The fund balance carried forward from FY 2010 will smooth the remaining payments at about \$5.3 million per year for the remainder of the current debt schedules.

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 (FY08-09)	Current Year Purchased (FY09-10)	Current Year Estimate (FY09-10)	Next Year Offer (FY10-11)
Output	Moody's Rating of Aa3 or Better	1	1	1	1
Outcome	Debt Service Payments Made as Scheduled	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	2010	2010	2011	2011
Contracts	\$0	\$0	\$0	\$5,000
Debt Service	\$0	\$20,449,172	\$0	\$19,187,381
Unappropriated & Contingency	\$0	\$14,943,730	\$0	\$11,589,131
Total GF/non-GF:	\$0	\$35,392,902	\$0	\$30,781,512
Program Total:	\$35,392,902		\$30,781,512	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Fees, Permits & Charges	\$0	\$7,699,902	\$0	\$16,062,852
Other / Miscellaneous	\$0	\$27,693,000	\$0	\$14,718,660
Total Revenue:	\$0	\$35,392,902	\$0	\$30,781,512

Explanation of Revenues

Debt service payments are collected from departments in their facilities charges and passed through to the Capital Lease Retirement Fund.

The fund balance represents the remaining portion of the \$24.2 million General Fund transfer that was made in FY 2009.

Significant Program Changes

Last year this program was: #10023, Capital Debt Retirement Fund