

Program # 10024 - GO Bond Sinking Fund

Version 2/23/2012 s

Lead Agency: Nondepartmental - All

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Program Offer Type: Existing Operating

Related Programs:

Program Characteristics: In Target

Executive Summary

The GO Bond Sinking Fund program accounts for the payment of General Obligation Bond principal and interest approved by the voters in May 1993 and May 1996. The 1993 GO Bond (issued in February 1994) to restore the historic Central Library and build the Midland Library. The 1996 GO Bond was issued in October, 1996 to remodel, construct, or purchase various Library and Public Safety facilities and equipment. Revenue to pay the debt is derived from property taxes and interest earned on the cash balances.

Program Description

Multnomah County's General Obligation debt was refinanced in FY 2010 to take advantage of historically low interest rates. The 1994 and 1996 debt issues were rolled into one debt payment with the Series 2010 Refunding General Obligation Bonds. The savings to taxpayers as a result of this refinancing is estimated at \$5.2 million.

Bond payments are made on time to maintain an investment grade rating on the bond issue. The careful management of debt has been noted as a key component in the County's most recent rating reviews.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY10-11)	Current Year Purchased (FY11-12)	Current Year Estimate (FY11-12)	Next Year Offer (FY12-13)
Output	Moody's Rating of Aa1 or Better	1	1	1	1
Outcome		0	0	0	0

Performance Measure - Description

Maintaining an investment grade bond rating limits the amount the County might otherwise have to pay towards annual debt service. Moody's recently upgraded the rating on the County's General Obligation debt to Aaa. This is the highest rating assigned to municipal debt issues.

(1)-indicates Moody's Aa1 rating, (0)-represents rating lower than Aa1.

Legal/Contractual Obligation

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. Multnomah County has never defaulted on any debt issues.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2012	2012	2013	2013
Debt Service	\$0	\$8,469,675	\$0	\$8,162,550
Unappropriated & Contingency	\$0	\$7,920,213	\$0	\$7,827,200
Total GF/non-GF:	\$0	\$16,389,888	\$0	\$15,989,750
Program Total:	\$16,389,888		\$15,989,750	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Taxes	\$0	\$8,735,000	\$0	\$8,000,000
Other / Miscellaneous	\$0	\$7,654,888	\$0	\$7,989,750
Total Revenue:	\$0	\$16,389,888	\$0	\$15,989,750

Explanation of Revenues

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

Significant Program Changes

Last year this program was: #10024, GO Bond Sinking Fund