



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(revised 12/31/09)

Board Clerk Use Only

Meeting Date: 6/27/13
Agenda Item #: R.6
Est. Start Time: 10:20 am
Date Submitted: 6/12/13

Agenda Title: **Resolution Authorizing the Issuance of Full Faith & Credit Refunding Bonds, Series 2013**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date:	<u>June 27, 2013</u>	Amount of Time Needed:	<u>10 Minutes</u>
Department:	<u>County Management</u>	Division:	<u>Finance/Risk Management</u>
Contact(s):	<u>Mark Campbell</u>		
Phone:	<u>988-6229</u>	Ext.	<u>86229</u>
Presenter(s):	<u>Mark Campbell</u>		
I/O Address:	<u>503/531</u>		

General Information

1. What action are you requesting from the Board?

Approve the resolution to authorize the issuance of full faith and credit refunding bonds originally issued in 2004.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The County issued **\$54,235,000** in full faith and credit refunding bonds in October, 2004. These bonds refunded a number of previous certificates of participation (COPs) issued to support a wide variety of projects including purchase of the Multnomah Building, implementation of the SAP system, construction of the Multnomah County East building, and deferred maintenance capital projects.

Debt service on these bonds is supported by service reimbursements charged to the County departments who benefited from use of the bond proceeds. Staff has performed analysis of the bonds based on existing market conditions and has determined it is advisable to pursue a refinancing at this time to take advantage of the low interest rate environment.

The County's Financial Policies state that refinancing will be considered where present value savings equal or exceed 3%.

3. Explain the fiscal impact (current year and ongoing).

Based on the analysis we have done it is likely a refinancing will result in savings of 6% to 8% - or approximately **\$1.6 to \$2 million** based on the remaining principal and estimated interest rates.

Savings from this refinancing will be used for two purposes. About half the savings in the first year (approximately \$250,000) will be as “seed funding” for the new Asset Replacement Revolving Fund which was described during the budget process. The balance of the savings will be used to reduce service reimbursements that are scheduled to cover debt service payments beginning in FY 2015. Any savings above what is necessary for these uses can be returned to the General Fund.

4. Explain any legal and/or policy issues involved.

State law allows for the refinancing of bonds (ORS 287A.360).

5. Explain any citizen and/or other government participation that has or will take place.

N/A

Required Signature

**Elected Official or
Department/
Agency Director:**

Mark Campbell

Date: 6/12/13