



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 09/23/13)

Board Clerk Use Only

Meeting Date: 4/3/14
Agenda Item #: R.6
Est. Start Time: 10:20 am
Date Submitted: 3/24/14

Agenda Title: **Resolution Authorizing the Issuance and Sale of a Full Faith and Credit Financing Agreement, Series 2014**

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested

Meeting Date: April 3, 2014 Time Needed: 10 Minutes

Department: County Management Division: Finance & Risk Management

Contact(s): Mark Campbell

Phone: (503) 988-6229 Ext. X86229 I/O Address: 503/531

Presenter

Name(s) &

Title(s): Mark Campbell, Chief Financial Officer

General Information

1. What action are you requesting from the Board?

Approval of a resolution authorizing the County's Chief Financial Officer to enter into a financing agreement to refund the principal balance of the County's Series 2004 full faith and credit obligations.

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 advance full faith and credit refunding obligations 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 & Budget 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 staff's analysis it is likely a refinancing will result in savings of 8% to 10% - or approximately **\$1.8 to \$2.2 million**, based on the remaining principal and estimated interest rates.

Savings from this refinancing will be used for two purposes. Some of the savings in the first year (\$250,000) will be as "seed funding" for the new Asset Replacement Revolving Fund which was described during the FY 2014 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 purposes 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**

Director: Karyne Kieta \s\

Date: 3/19/14

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please insert date approved.