

Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT**  
**For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator B. Jonas Biery, Debt Manager <i>JB</i>		2. Telephone No. (503) 823-4222	3. Bureau/Office/Dept : OMF/Debt Management
4a. To be filed (date): February 9, 2012	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: February 2, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**

\*Authorize limited tax revenue refunding bonds (Ordinance)

**2) Purpose of the Proposed Legislation:**

The Ordinance authorizes the issuance of limited tax revenue refunding bonds (the "Bonds") in an amount sufficient to currently refund any or all of the City's \$11,120,000 outstanding Limited Tax Revenue Bonds, 2004 Series A (the "2004 Bonds"). The purpose of the refunding is to achieve debt service savings.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |   |                                    |                                    |                                |
|---|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional                | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast                            | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                                 |                                    |                                    |                                |
| <input checked="" type="checkbox"/> Internal City Government Services |                                    |                                    |                                |

**FINANCIAL IMPACT**

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

There will be no new revenue coming to the City as a result of this Ordinance.

**5) Expense:** What are the costs to the City related to this legislation? What is the source of

**funding for the expense?** *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

While the final amount of savings from the refunding of the 2004 Bonds will not be determined until the sale date of the Bonds, annual debt service savings from the refunding, based upon current market conditions and expectations, is expected to be about \$100,000 with a total net present value savings of about \$400,000 over four years. The savings will allow the general fund to reduce the amount transferred to the Facilities Services Fund for debt service on the Bonds.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No positions will be eliminated or created as a result of this Ordinance.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No positions will be eliminated or created in the future as a result of this Ordinance.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

There are no changes in appropriations. The reduced debt service amounts will be handled through the normal budget process.

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- ☐ YES: Please proceed to Question #9.  
☒ NO: Please, explain why below; and proceed to Question #10.

This ordinance is carrying out an administrative function that will reduce debt service on existing bonds.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is expected.



Richard F. Goward Jr.,  
BUREAU DIRECTOR



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DATE: February 1, 2012

TO: Mayor Sam Adams

FROM: Jonas Biery, Debt Manager *JB*

RE: \*Authorize limited tax revenue refunding bonds (Ordinance)

**FOR MAYOR'S OFFICE USE ONLY**

Reviewed by Bureau Liaison \_\_\_\_\_

1. INTENDED THURSDAY FILING DATE: February 9, 2012
2. REQUESTED COUNCIL AGENDA DATE: February 15, 2012
3. CONTACT NAME & NUMBER: Jonas Biery, Debt Manager, x3-4222
4. PLACE ON:  X  CONSENT   REGULAR
5. BUDGET IMPACT STATEMENT ATTACHED:  X  Y   N   N/A
6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:   Yes   No  ✓  N/A

**7. BACKGROUND/ANALYSIS**

**Introduction and History** – Attached is an emergency Ordinance for Council consideration and approval on February 15, 2012. The Ordinance authorizes the issuance of limited tax revenue refunding bonds (the “Bonds”) in an amount sufficient to currently refund any or all of the City’s Limited Tax Revenue Bonds, 2004 Series A (the “2004 Bonds”). The purpose of the refunding is to achieve debt service savings.

The 2004 Bonds have a current outstanding balance of \$11,120,000 and are secured by a pledge of the City’s legally available general funds. The 2004 Bonds are paid primarily from a general fund allocation to the Facilities Services fund. The Bonds will retain the security pledge of the 2004 Bonds and other than a reduction in interest cost to the general fund, there will be no significant changes to the terms.

The Ordinance delegates to the Debt Manager certain tasks including preparing and executing one or more Bond Declarations; establishing the final principal amounts, maturity schedules, interest rates, and other terms related to the sale of the bonds; purchasing municipal bond insurance or other forms of credit enhancement; and executing documents.

If approved by the Council, the City plans to sell the Bonds through a competitive bidding process in the first half of calendar year 2012.

**Legal Issues** – The City is authorized by the Oregon Revised Statutes to issue bonds to refund outstanding bonds.

**Link to Current City Policies** – The proposed refunding is being done in conformance with the City’s debt policy, which requires total net present value savings of at least \$100,000 for a current refunding.

**Controversial Issues – None**

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**Citizen Participation – Not Applicable**

**Other Government Participation – None**

**8. FINANCIAL IMPACT**

Based on current market conditions, it is estimated the proposed refunding will produce annual debt service savings of approximately \$100,000 annually in FY 2012-13 through FY 2015-16. Net present value savings is projected to be approximately \$400,000, or approximately 4.3% of the par amount of the refunding bonds.

There will be no other financial impact to the City as a result of issuing the Bonds.

**9. RECOMMENDATION/ACTION REQUESTED**

It is recommended that the City Council approve the Ordinance in order to provide debt service cost savings on the outstanding limited tax revenue bonds.