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Memorandum Date: August 4, 2009

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: David Suchart, Management Services Director

AGENDA ITEM TITLE: IN THE MATTER OF AUTHORIZING PROJECTS TO BE FINANCED THROUGH FULL FAITH AND CREDIT OBLIGATIONS

I. MOTION

None. This is a discussion item and the associated order will be presented on August 5, 2009.

II. AGENDA ITEM SUMMARY

The Board has authorized certain projects to be financed through debt issuance and this discussion is to develop a finalized the list of approved projects, to be included with the Board Order authorizing the financing.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

In March 2007 the Board of County Commissioners authorized debt funding for the acquisition and capital improvements to the Charnelton Place building (Order No. 07-3-14-5 and 07-3-13-6).

In August 2008 the Board determined that it would be advantageous to utilize internal financing on a short term basis and delay debt issuance. The Board authorized an interfund loan for capital improvements to the Charnelton Place building (Order No. 08-6-11-5), an interfund loan for the AIRS system upgrade (Order No. 08-6-11-6), and authorized reimbursement of expenditures for the AIRS system with obligation proceeds (Order No. 08-6-11-7).

In May 2009 the Board authorized acquisition of property for the Riverstone Community Health Center.

The Charnelton Place building original purchase included a contract with a balloon

payment due November 1, 2009. The interfund loans authorized in August 2008 also have payoff dates of November 1, 2009 in anticipation of debt financing prior to that date. In order to close a bond sale prior to November 1, 2009, the authorizing Order needs to be executed within the next week.

B. Policy Issues

This item is consistent with debt management policy in Lane Manual 4.025.

C. Board Goals

This item supports the goals of providing efficient and effective financial and administrative support and systems and allocating resources strategically.

D. Financial and/or Resource Considerations

The County has committed to debt financing for the projects mentioned above. It is in the best interest of the County to combine outstanding projects into one debt issuance, to avoid additional issuance costs on individual projects.

E. Analysis

Following are projects targeted for financing with the debt issuance:

Charnelton Place		
Health & Human Service functions, primarily Public Health	Acquisition payoff	6,300,000
	Capital Improvements	12,000,000
Area Information Records System		
Conversion/upgrade of the system	Software Development	2,200,000
Riverstone Clinic		
FQHC primary clinic	Acquisition	2,150,000
	Capital Improvements	4,000,000
Jail HVAC Upgrade		
Steam energy conversion at Correction facility	Capital Improvements	2,600,000
Richardson Park Marina		
Replace and expand marina	Capital Construction	1,000,000
Total		30,250,000

Additional capacity is needed to cover issuance costs, OID if applicable and refunding costs, if applicable

F. Alternatives/Options

1. Determine if any of the above listed projects should be removed from the debt financing.

IV. RECOMMENDATION

The Management Service Director recommends approval of the above listed projects.

V. TIMING/IMPLEMENTATION

The approved projects will be included in a Board Order for adoption on August 5, 2009.

VI. FOLLOW-UP

Management Services staff will work with our financial advisors and bond counsel to issue the debt.

VII. ATTACHMENTS

None.