



**CITY OF BEAVERTON**

**BUDGET TREND ANALYSIS - FY 2015-16 TO FY 2018-19**

With Explanations on Significant Changes between Budgeted 2017-18 and Recommended 2018-19

Fund:	<b>Water Debt Service</b>					% Change
CLASS	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18	Estimated FY 2017-18	Recommended FY 2018-19	Budgeted Vs. Recommended
Debt Service	\$2,121,909	\$1,499,208	\$748,426	\$748,426	\$2,293,004	206.38%
SUB-TOTAL	\$2,121,909	\$1,499,208	\$748,426	\$748,426	\$2,293,004	
Contingency			71,954		72,854	
TOTAL	\$2,121,909	\$1,499,208	\$820,380	\$748,426	\$2,365,858	

**Explanation of item(s) that are significant (10% and greater than \$10,000):**

***Debt Service:***

FY 2018-19 reflects the issuance of \$21 million in water revenue bonds and the corresponding increase in principal and interest debt service payments.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2018-19 BUDGET

<b>FUND:</b> 504 WATER DEBT SERVICE	<b>DEPARTMENT:</b> FINANCE
	<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE

**MISSION STATEMENT:**

Amounts budgeted in this fund are for payment of maturing principal and interest of the Water Revenue and Refunding Bond Series 2016, a Series 2018 Water Revenue Bond and a loan from the State of Oregon Infrastructure Financing Authority (Drinking Water Revolving Fund). Transfer expenditures are for the unspent water revenue bond proceeds and are contributed to the construction fund for the uncompleted water projects included in the bond sale, if any. Contingency is the unappropriated excess of resources over expenditure requirements.

REQUIREMENTS	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGETED	FY 2018-19 PROPOSED	FY 2018-19 ADOPTED
<b>POSITION</b>					
DEBT SERVICE	\$2,121,909	\$1,499,208	\$748,426	\$2,293,004	\$0
TRANSFERS					
CONTINGENCY	0	0	71,954	72,854	0
<b>TOTAL</b>	<b>\$2,121,909</b>	<b>\$1,499,208</b>	<b>\$820,380</b>	<b>\$2,365,858</b>	<b>\$0</b>

Funding Sources:	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2018-19
Beginning Working Capital	\$69,556	\$70,879	\$68,321	\$71,954	\$0
Miscellaneous Revenue	1,323	1,490	600	900	0
Transfers from Water Fund	2,121,909	1,495,160	751,459	2,293,004	0

**WATER BONDS**

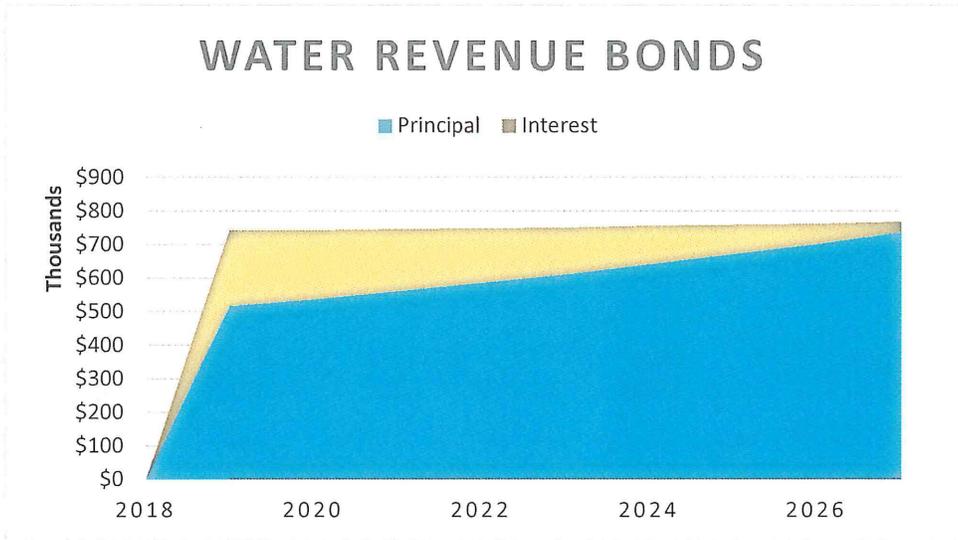
Water Revenue and Refunding Bonds Series 2016 were issued in November 2016, with an interest rate of 1.84% in an original amount of \$5,615,000. The refunding resulted in net present value savings of approximately \$611,104. The proceeds of the initial series 2006 Water Revenue Bond were used to finance the costs of additions, replacements, expansions and/or improvements to the City's Water System, and the acquisition of all real and personal property necessary, useful or convenient thereto and the City's share of the Joint Water Commission capital expansion project. The remaining principal and interest payments for Water Revenue and Refunding Bonds Series 2016 are as follows:

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018-2019	590,000	92,644	682,644
2019-2020	600,000	81,788	681,788
2020-2021	610,000	70,748	680,748
2021-2022	625,000	59,524	684,524
2022-2023	635,000	48,024	683,024
2023-2024	645,000	36,340	681,340
2024-2025	660,000	24,472	684,472
2025-2026	670,000	12,328	682,328
Total	<u>\$5,035,000</u>	<u>425,868</u>	<u>\$5,460,868</u>

In June 2018, the City is planning to issue up to \$21,000,000 in Water Revenue Bonds. The bond proceeds will be used to finance the costs of infrastructure construction in the new South Cooper Mountain area: a second 5.5mg reservoir at the existing Cooper Mountain Reservoir site with applicable transmission and distribution lines and opportunity projects with other jurisdictions that would result in savings to the City based on the timing of construction. Since the City expects to issue late in fiscal year, there would be no principal or interest payments in FY 17-18. The debt service schedule will appear in the FY 2018-19 budget document.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2018-19 BUDGET

<b>FUND:</b> 504 WATER DEBT SERVICE	<b>DEPARTMENT:</b> FINANCE
	<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE



Current Debt Service Projections (2016 Series)

**SAFE DRINKING WATER REVOLVING LOAN**

The City entered into a financing contract with the State of Oregon, acting by and through the Oregon Infrastructure Finance Authority (IFA), for the financing of the Aquifer Storage and Recovery Well Number 5. The loan is federal financial assistance under Capitalization Grants for Drinking Water State Revolving Funds and is pass-thru financing from the State. The IFA provides the City with a 20 year non-revolving loan with an interest rate of 2.96% in the amount of \$5,000,000 of which \$750,000 is a forgivable loan, leaving a remaining loan of \$4,250,000. The allowance of a \$750,000 “forgivable” portion of the loan brings the net interest rate to nearly zero.

The terms of the loan include that the project be completed within 36 months of the date of the contract which was entered into on 12/9/2015. Repayment starts 90 days after the earlier of the project completion date or 36 month deadline and are due and payable each December 1. Repayment is expected to begin sometime in FY 17-18 and the schedule is dependent on the rate of expenditure and draw-down of funds. Future budgets will contain detail on these obligations.

<b>Performance Measures:</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budgeted/Revised</b>	<b>Proposed</b>
Water Revenue Bond Debt Service	3.88	4.38	7.54 / 7.35	7.0
Ratio Coverage				

**BUDGET PREPARATION WORKSHEET SUMMARY**

FUND: 504 WATER DEBT SERVICE FUND

DEPT: 03 REVENUE

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018 YTD	2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	ACT AMT	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE
CLASS: 05 BEGINNING WORKING CAPITAL														
301 BEGINNING WORKING CAPITAL														
	-69,556		-70,879		-68,321		-68,321	-68,321	-71,954		-71,954			
TOTAL CLASS: 05 BEGINNING WORKING CAPITAL														
	-69,556		-70,879		-68,321		-68,321	-68,321	-71,954		-71,954			
CLASS: 35 MISCELLANEOUS REVENUES														
384 INVESTMENT INTEREST EARNINGS														
	-1,323		-1,490		-600		-93	-600	-900		-900			
TOTAL CLASS: 35 MISCELLANEOUS REVENUES														
	-1,323		-1,490		-600		-93	-600	-900		-900			
CLASS: 40 INTERFUND TRANSFERS/LOANS														
419 TRSFERS FROM WATER FUND														
	-2,121,909		-1,495,160		-751,459		-116,768	-751,459	-2,293,004		-2,293,004			
TOTAL CLASS: 40 INTERFUND TRANSFERS/LOANS														
	-2,121,909		-1,495,160		-751,459		-116,768	-751,459	-2,293,004		-2,293,004			
TOTAL DEPARTMENT: 03 REVENUE														
	-2,192,788		-1,567,529		-820,380		-185,182	-820,380	-2,365,858		-2,365,858			

**BUDGET PREPARATION WORKSHEET SUMMARY**

FUND: 504 WATER DEBT SERVICE FUND

DEPT: 85 PUBLIC WORKS - OPERATIONS

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018 YTD	2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	ACT AMT	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

CLASS: 20 DEBT SERVICE

708	BOND PRINCIPAL 2006													
	470,000		425,000											
719	2018 BOND PRINCIPAL WTR REV BOND								705,250		705,250			
720	2018 BOND INTEREST WTR REV BOND								840,000		840,000			
741	BOND PRIN 2014 WATER REV BONDS													
	1,292,024		751,225											
742	BOND INTRST 2014 WTR REV BONDS													
	30,240		11,118											
1034 743	2016 BOND PRIN - REFUND 2006 REV BONDS				580,000			580,000	590,000		590,000			
744	2016 BOND INT - REFUND 2006 REV BONDS													
			58,259		103,316		51,658	103,316	92,644		92,644			
755	BOND INTEREST 2006													
	264,535		127,096											
798	CONTRACTUAL DEBT													
	65,110		65,110		65,110		65,110	65,110	65,110		65,110			
799	DEBT SERVICE FEES													
			61,400											
TOTAL CLASS: 20 DEBT SERVICE														
	2,121,909		1,499,208		748,426		116,768	748,426	2,293,004		2,293,004			

CLASS: 30 FUND BAL/CONTINGENCY/RESERVES

992 UNAPPROPRIATED ENDING FUND BAL

**BUDGET PREPARATION WORKSHEET SUMMARY**

FUND: 504 WATER DEBT SERVICE FUND      DEPT: 85 PUBLIC WORKS - OPERATIONS

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018 YTD	2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	ACT AMT	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE
					71,954				72,854		72,854			
TOTAL CLASS: 30 FUND BAL/CONTINGENCY/RESERVES														
					71,954				72,854		72,854			
TOTAL DEPARTMENT: 85 PUBLIC WORKS - OPERATIONS														
	2,121,909		1,499,208		820,380		116,768	748,426	2,365,858		2,365,858			

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**BP WORKSHEET & JUSTIFICATION**

FUND: 504 WATER DEBT SERVICE FUND  
 DEPT: 03 REVENUE  
 PROGRAM: 0000 UNRESTRICTED

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

CLASS: 05 BEGINNING WORKING CAPITAL

301 BEGINNING WORKING CAPITAL

69,556	70,879	68,321	68,321	71,954	71,954
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TOTAL CLASS: 05 BEGINNING WORKING CAPITAL

69,556	70,879	68,321	68,321	71,954	71,954
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CLASS: 35 MISCELLANEOUS REVENUES

384 INVESTMENT INTEREST EARNINGS

1,323	1,490	600	600	900	900
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TOTAL CLASS: 35 MISCELLANEOUS REVENUES

1,323	1,490	600	600	900	900
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CLASS: 40 INTERFUND TRANSFERS/LOANS

419 TRSFERS FROM WATER FUND

2,121,909	1,495,160	751,459	751,459	2,293,004	2,293,004
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TOTAL CLASS: 40 INTERFUND TRANSFERS/LOANS

2,121,909	1,495,160	751,459	751,459	2,293,004	2,293,004
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TOTAL PROGRAM: 0000 UNRESTRICTED

2,192,788	1,567,529	820,380	820,380	2,365,858	2,365,858
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TOTAL DEPARTMENT: 03 REVENUE

2,192,788	1,567,529	820,380	820,380	2,365,858	2,365,858
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OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

301 BEGINNING WORKING CAPITAL

384 INVESTMENT INTEREST EARNINGS

INTEREST EARNINGS IS BASED ON AVAILABLE CASH BALANCES AND INTEREST RATES:  
 FY 15-16 BUDGETED INTEREST EARNINGS ARE BASED UPON .50%  
 FY 16-17 BUDGETED INTEREST EARNINGS ARE BASED UPON .55%  
 FY 17-18 BUDGETED INTEREST EARNINGS ARE BASED UPON 1.10%  
 FY 18-19 BUDGETED INTEREST EARNINGS ARE BASED UPON 1.75%

419 TRSFERS FROM WATER FUND

FY 2015-16 AND FY 2016-17 COVERS DEBT SERVICE FOR:  
 2006 WATER REVENUE BONDS  
 2014 WATER REVENUE AND REFUNDING BONDS  
 BUREAU OF RECLAMATION FOR 2 WATER RIGHTS CONTRACTS TOTALING 4,000 AC FT IN THE  
 SCOGGINS RESERVOIR AND DAM.  
 FY 2017- 18 COVERS DEBT SERVOCE FOR:  
 2016 WATER REFUNDING BOND (REFUNDING THE 2006 BOND ISSUE)  
 BUREAU OF RECLAMATION FOR 2 WATER RIGHTS CONTRACTS TOTALING 4,000 AC FT IN THE  
 SCOGGINS RESERVOIR AND DAM.  
 FY 2018-19 COVERS DEBT SERVICE FOR:  
 2016 WATER REFUNDING BOND (REFUNDING THE 2006 BOND ISSUE)  
 BUREAU OF RECLAMATION FOR 2 WATER RIGHTS CONTRACTS TOTALING 4,000 AC FT IN THE  
 SCOGGINS RESERVOIR AND DAM.  
 2018 NEW \$21 MILLION WATER REVENUE BOND ISSUE

**BP WORKSHEET & JUSTIFICATION**

FUND: 504 WATER DEBT SERVICE FUND  
 DEPT: 85 PUBLIC WORKS - OPERATIONS  
 PROGRAM: 0001 DEBT SERVICE

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE
CLASS: 20 DEBT SERVICE													
708	BOND PRINCIPAL 2006												
	470,000		425,000										
719	2018 BOND PRINCIPAL WTR REV BOND								705,250		705,250		
720	2018 BOND INTEREST WTR REV BOND								840,000		840,000		
741	BOND PRIN 2014 WATER REV BONDS												
	1,292,024		751,225										
742	BOND INTRST 2014 WTR REV BONDS												
	30,240		11,118										
743	2016 BOND PRIN - REFUND 2006 REV BONDS				580,000		580,000	590,000		590,000			
744	2016 BOND INT - REFUND 2006 REV BONDS												
			58,259		103,316		103,316	92,644		92,644			
755	BOND INTEREST 2006												
	264,535		127,096										
798	CONTRACTUAL DEBT												
	65,110		65,110		65,110		65,110	65,110		65,110			
799	DEBT SERVICE FEES												
			61,400										
TOTAL CLASS: 20 DEBT SERVICE													
	2,121,909		1,499,208		748,426		748,426	2,293,004		2,293,004			
CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
992	UNAPPROPRIATED ENDING FUND BAL												
					71,954			72,854		72,854			
TOTAL CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
					71,954			72,854		72,854			
TOTAL PROGRAM: 0001 DEBT SERVICE													
	2,121,909		1,499,208		820,380		748,426	2,365,858		2,365,858			
TOTAL DEPARTMENT: 85 PUBLIC WORKS - OPERATIONS													
	2,121,909		1,499,208		820,380		748,426	2,365,858		2,365,858			
TOTAL FUND: 504 WATER DEBT SERVICE FUND													
	2,121,909		1,499,208		820,380		748,426	2,365,858		2,365,858			

OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

708	BOND PRINCIPAL 2006 PRINCIPAL PAYMENT 2006 BOND ISSUE.
719	2018 BOND PRINCIPAL WTR REV BOND BOND PRINCIPAL 2018 WATER REVENUE BONDS \$705,250
720	2018 BOND INTEREST WTR REV BOND BOND INTEREST 2018 WATER REVENUE BONDS \$840,000
741	BOND PRIN 2014 WATER REV BONDS PRINCIPAL PAYMENT 2014 WATER REVENUE REFUNDING BONDS; THESE BONDS WERE ISSUED TO REFUND THE OUTSTANDING 2004 AND 2004B WATER REVENUE BONDS
742	BOND INTRST 2014 WTR REV BONDS INTEREST 2014 WATER REVENUE REFUNDING BONDS; THESE BONDS WERE ISSUED TO REFUND THE OUTSTANDING 2004 AND 2004B WATER REVENUE BONDS
743	2016 BOND PRIN - REFUND 2006 REV BONDS
744	2016 BOND INT - REFUND 2006 REV BONDS
755	BOND INTEREST 2006 INTEREST PAYMENT 2006 BOND ISSUE
798	CONTRACTUAL DEBT DEBT ON SCOGGINS DAM
799	DEBT SERVICE FEES DEBT SERVICE FEES FOR BOND PAYING AGENT SERVICES
992	UNAPPROPRIATED ENDING FUND BAL