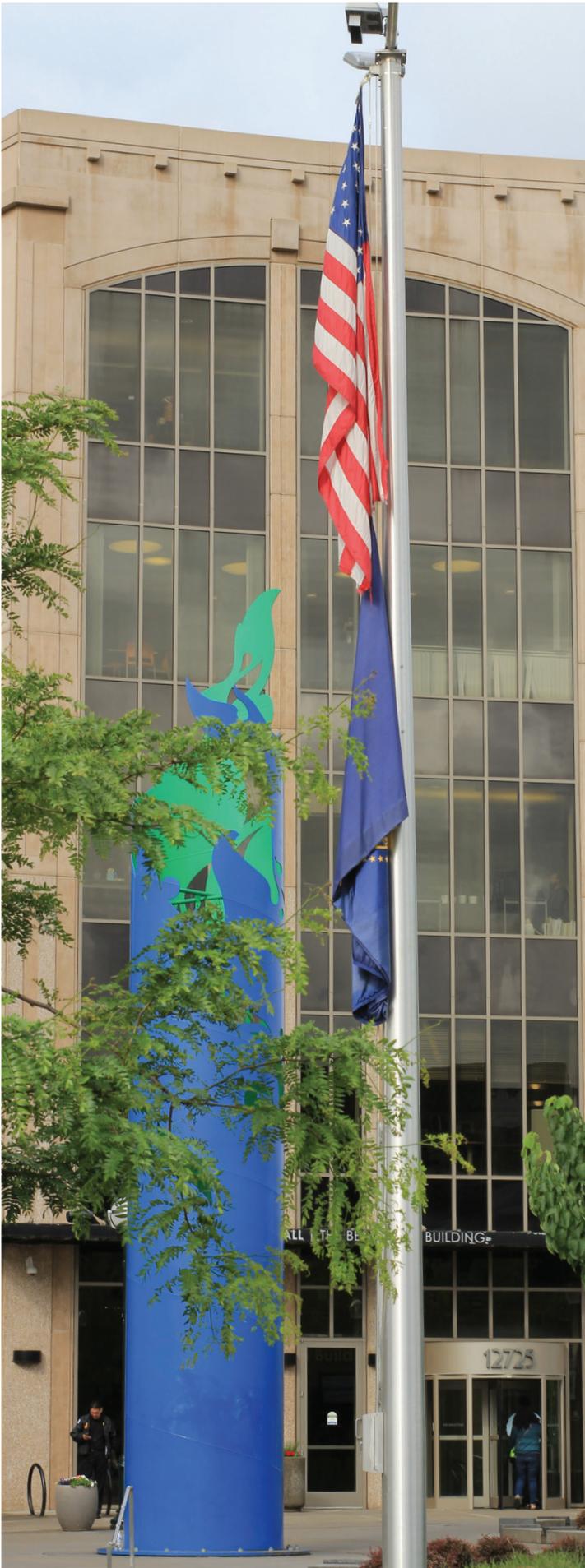


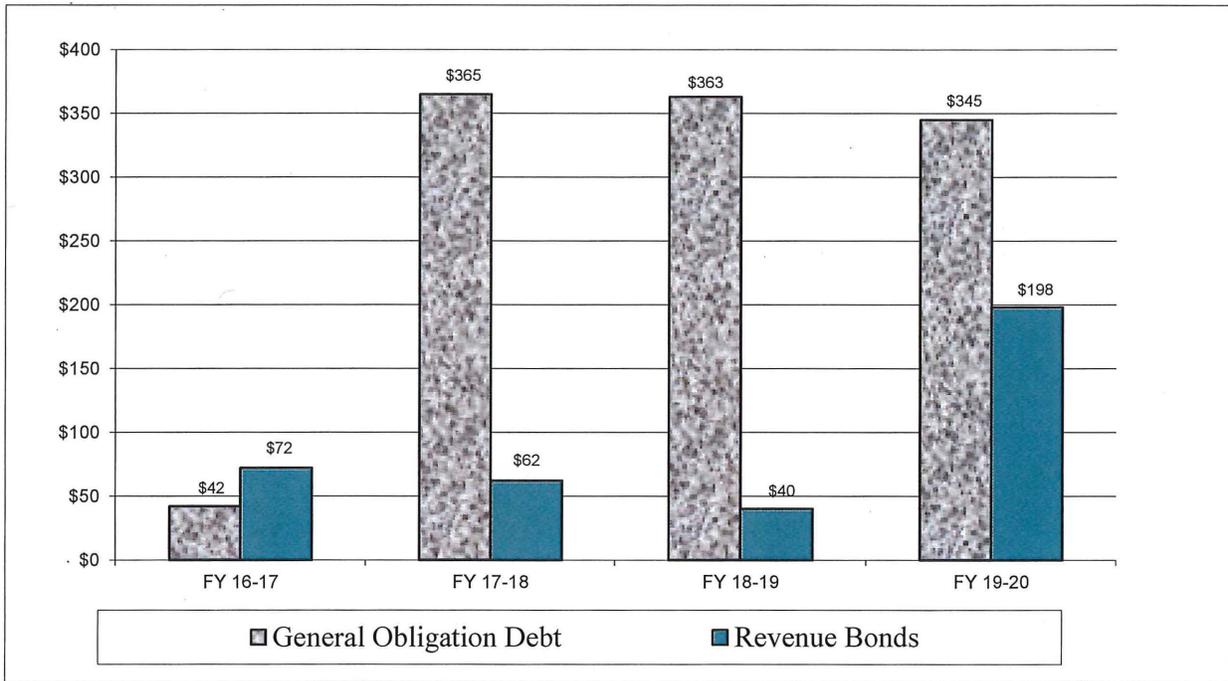
Debt Information

- Debt Service Per Capita
- Schedule of Bonds Payable
- Debt Information Section
- Computation of Legal Debt Margin
- Computation of Direct and Overlapping Bonded Debt

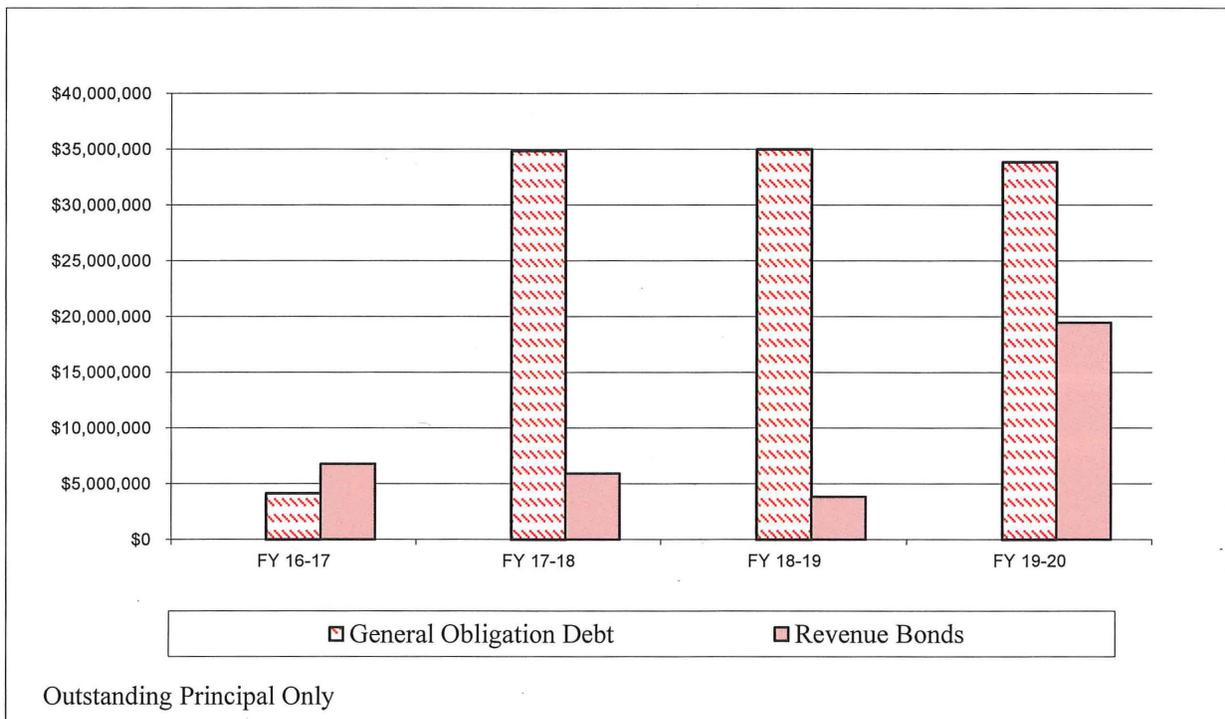


CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

TOTAL DEBT SERVICE PER CAPITA



SUMMARY OF DEBT SERVICE BY TYPE



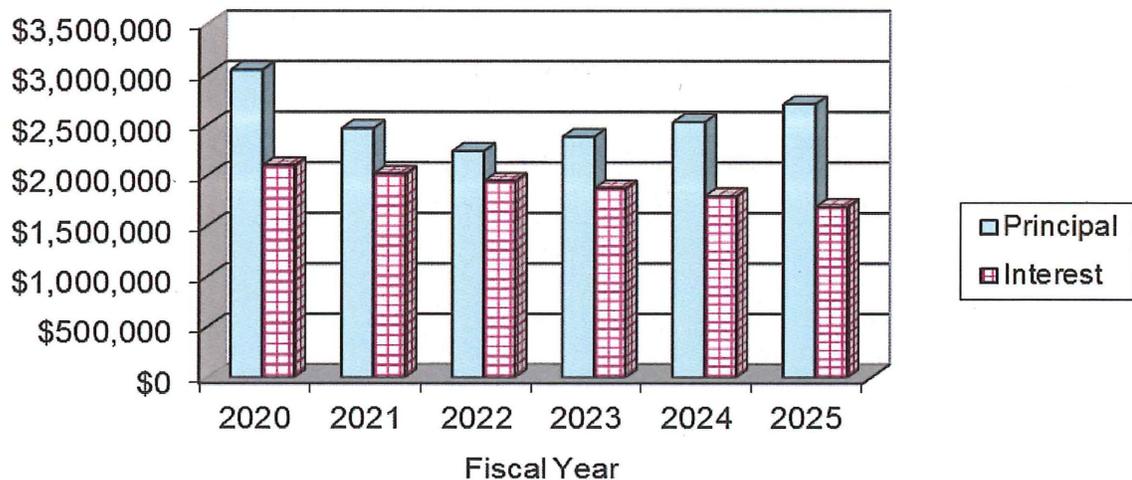
**CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET**

**SCHEDULE OF BONDS PAYABLE
For the Fiscal Year Ended June 30, 2018**

	Interest Rate	Initial Call Date	Year of Maturity	Interest Date	Amount of Original Issue	Outstanding June 30, 2017	Bonds Issued During Year	Bonds Matured/Refunded During Year	Outstanding June 30, 2018
General Obligation Bonds:									
General Obligation Bonds:									
02/08/2017	3.00 to 5.00%	N/A	2037	J-D	\$33,845,000	\$33,845,000			\$33,845,000
					Unamortized premium	1,130,769			1,073,027
Total 2017 GO Bonds					<u>33,845,000</u>	<u>34,975,769</u>	<u>-</u>	<u>-</u>	<u>34,918,027</u>
08/16/2005	5.00%	N/A	2019	J-D	13,575,000	2,480,000		1,480,000	1,000,000
					Unamortized discount	(5,447)			(2,726)
Total 2005 GO Bonds					<u>13,575,000</u>	<u>2,474,553</u>	<u>-</u>	<u>1,480,000</u>	<u>997,274</u>
Special Revenue Bonds									
10/08/2013	2.31%	N/A	2021	Monthly	7,000,000	3,474,691		1,014,488	2,460,203
Total Bonds, Governmental Activity					<u>\$54,420,000</u>	<u>\$40,925,013</u>	<u>-</u>	<u>\$2,494,488</u>	<u>38,375,504</u>
Water Revenue Bonds issued (1):									
11/08/2016 (2016)	1.84%	N/A	2026	J-D	\$5,615,000	\$5,615,000		\$580,000	5,035,000
06/28/2018 (2018)	5.00%	04/01/29	2038	J-D			\$18,125,000		18,125,000
					Unamortized premium				3,027,912
Total Water Revenue Bonds, Series 2018					<u>-</u>	<u>-</u>	<u>18,125,000</u>	<u>-</u>	<u>21,152,912</u>
Total Water Revenue Bonds					<u>\$5,615,000</u>	<u>\$5,615,000</u>	<u>\$18,125,000</u>	<u>\$580,000</u>	<u>\$26,187,912</u>
TOTAL BONDS PAYABLE									<u><u>\$64,563,416</u></u>

(1) Principal and interest on all water revenue bonds are payable from net water revenues and amounts in the Water Debt Service Fund.

Total Bond Interest and Principal Payments



CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

DEBT INFORMATION SECTION

The City uses bond debt financing to construct or purchase public purpose facilities (such as a Library) or construct utility infrastructure for its Water, Wastewater or Storm Water Utilities. The City currently has two General Obligation Bond Issues and one Water Revenue Bond. In addition, there are two Special Revenue Bonds repaid from non-property tax sources. The City has not issued bonded debt for either the Wastewater or Storm Water utilities.

The City has been unusually active in the bond market to raise capital during FY 2016-17 and FY 2017-18 that will continue into future years. The Mayor and City Council, and the Board of the Beaverton Urban Redevelopment Agency (BURA), issued these bonds during the years:

FY 2016-17:

- Water Revenue Refunding Bond, Series 2016 - \$5.6 million
- Public Safety Center General Obligation Bond, Series 2017 - \$35 million
- Special Revenue Bond – Urban Renewal Line of Credit, Series 2017 - \$19 million

FY 2018-17:

- Water Revenue Bonds, Series 2018 - \$18 million

The City maintained its bond ratings on its most recent bond issue, the Public Safety Center General Obligation Bond, Series 2017. Standard and Poor’s rates the City’s General Obligation debt as AA+ in a new review in January 2017. Moody’s Investor Services has assigned underlying ratings of Aa1 for the city’s General Obligation bonds and Aa2 for the Water Revenue Bonds. The City expects to issue additional bonded debt in 2019 or 2020 for additional capital improvements of water system infrastructure and a special revenue bond for the construction of the Public Safety Building and the Pat Reser Center for the Arts building. The following tables summarize the current outstanding bond issues. See also these program descriptions for additional details:

- Fund 201 General Bonded Debt
- Fund 202 Special Revenue Debt
- Fund 504 Water Debt
- Fund 904 BURA Line of Credit Debt

General Obligation Debt

Bond Series 2017

General Obligation Bonds Series 2017 were issued February 2017, with interest rates from 3% to 5% in an original amount of \$33,845,000. The bonds are for the construction of an approximately 90,000 square foot public safety center. The facility will house the City’s police department, emergency management division, and other public safety services. This bond was authorized by the voters at the November 2016 General Election. The remaining principal and interest payments are as follows:

2017 GO Public Safety Center Bonds

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019-2020	815,000	1,130,621	1,945,621
2020-2021	900,000	1,106,172	2,006,172
2021-2022	995,000	1,079,171	2,074,171
2022-2023	1,090,000	1,049,321	2,139,321
2023-2024	1,195,000	1,016,622	2,211,622
2024-2025	1,325,000	956,871	2,281,871
2025-2026	1,465,000	890,621	2,355,621

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

2026-2027	1,615,000	817,372	2,432,372
2027-2028	1,755,000	752,771	2,507,771
2028-2029	1,890,000	700,121	2,590,121
2029-2030	2,030,000	643,421	2,673,421
2030-2031	2,175,000	582,521	2,757,521
2031-2032	2,330,000	517,271	2,847,271
2032-2033	2,490,000	447,371	2,937,371
2033-2034	2,660,000	372,671	3,032,671
2034-2035	2,845,000	289,546	3,134,546
2035-2036	3,035,000	200,640	3,235,640
2036-2037	3,235,000	103,520	3,338,520
Total	\$33,845,000	\$12,656,624	\$46,501,624

Water Utility Revenue Bonds

Bond Series 2016

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:

Water Revenue and Refunding Bonds Series 2016

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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	\$4,445,000	\$333,224	\$4,778,224

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

Bond Series 2018

Water Revenue Bonds Series 2018 were issued in June 2018, with a true interest cost rate of 3.217% in an original amount of \$18,125,000. The proceeds will be used to finance the costs of additions, replacements, expansions and/or improvements to the City's Water System, The principal and interest payments for Water Revenue Bonds Series 2018 are as follows:

Water Revenue Bonds Series 2018

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019-2020	570,000	868,750	1,438,750
2020-2021	600,000	840,250	1,440,250
2021-2022	625,000	810,250	1,435,250
2022-2023	660,000	779,000	1,439,000
2023-2024	690,000	746,000	1,436,000
2024-2025	725,000	711,500	1,436,500
2025-2026	760,000	675,250	1,435,250
2026-2027	800,000	637,250	1,437,250
2027-2028	840,000	597,250	1,437,250
2028-2029	885,000	555,250	1,440,250
2029-2030	925,000	511,000	1,436,000
2030-2031	975,000	464,750	1,439,750
2031-2032	1,020,000	416,000	1,436,000
2032-2033	1,075,000	365,000	1,440,000
2033-2034	1,125,000	311,250	1,436,250
2034-2035	1,185,000	255,000	1,440,000
2035-2036	1,240,000	195,750	1,435,750
2036-2037	1,305,000	133,750	1,438,750
2037-2038	1,370,000	68,500	1,438,500
Total	<u>\$17,375,000</u>	<u>\$9,941,750</u>	<u>\$27,316,750</u>

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 by October 2019. Repayment starts 90 days after the project completion date and are due and payable each December 1. Repayment is expected to begin in FY 2019-20 after the project is completed. Future budgets will contain detail on these obligations.

SPECIAL REVENUE BONDS

The bonded debt of this fund is for the "tenant improvements" of City Hall (The Beaverton Building). Payments of the principal and interest are funded through an annual appropriation and transfer of a portion of the Right of Way (ROW) fees from the General Fund. The City purchased the building in April 2012 from cash reserves. The City Council authorized the issuance of Revenue Bonds for the improvements in June 2013. The interest rate is 2.31%. The amount borrowed was \$7 million and matures in seven years. Occupancy occurred in August 2014. The debt service schedule achieves maturity with a final payment due October 1, 2020. The remaining principal and interest payments are as follows:

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

Special Revenue Bond Series 2013

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2019-2020	1,062,410	21,648	1,084,058
2020-2021	359,620	1,732	361,352
Total	\$1,422,030	\$23,380	\$1,445,410

BEAVERTON URBAN REDEVELOPMENT AGENCY (BURA) LINE OF CREDIT

These same revenue sources described for the “tenant improvements” also serve as secondary security for a Line of Credit (revenue bond) issued to the Beaverton Urban Redevelopment Agency (BURA) on a parity basis with the 2013 Special Revenue Bond. BURA intends to pay the principal and interest on the Line of Credit from tax increment earned in the urban renewal area. Interest only payments are required until maturity in FY 2020-21. See BURA Fund 95 for more information.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

COMPUTATION OF LEGAL DEBT MARGIN
July 1, 2019

The following schedule computes how much General Obligation debt the City can issue. The maximum amount of debt is set by the Oregon Constitution in Section 287.004. For the City, the maximum amount is equal to 3% of the City's real market valuation. The amount of General Obligation debt outstanding is deducted from the maximum amount set by the constitution. The resulting figure is the amount of additional General Obligation that the City can issue.

Water Revenue Debt is payable from the net revenues of the City's water system. The water system's rates are reviewed annually as part of the budget process. The rate increases over the past two years and this year are:

	Base Meter Charge	Consumption Charges
FY 2017-18	7.69%	3.37%
FY 2018-19	7.14%	3.26%
FY 2019-20	6.67%	12.62%

The future net water revenues are sufficient to pay the existing debt obligations plus the future debt obligations. General Obligation Debt is voter approved and a separate tax amount is levied each year for the annual debt principal and payment.

TRUE CASH VALUE (Real Market Value FY 2018-19) (1)		\$16,537,837,240
		3%
		496,135,117
CITY'S GROSS BONDED DEBT AS OF JUNE 30, 2019	\$57,087,030	
LESS LEGAL DEDUCTIONS:		
WATER BONDS (Paid from Water Revenues)		
SERIES 2016	(4,445,000)	
SERIES 2018	(17,375,000)	
SPECIAL REVENUE BONDS (Paid from Right of Way Fees)	(1,422,030)	
NET GENERAL OBLIGATION DEBT	33,845,000	(33,845,000)
LEGAL DEBT MARGIN - AMOUNT AVAILABLE FOR FUTURE INDEBTEDNESS		\$462,290,117

(1) True cash value information obtained from Washington County Assessment and Taxation Department. All other information obtained from general purpose financial statements.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2018
(Unaudited)

<u>Taxing Jurisdiction</u>	<u>Total Net Property-tax Backed Debt</u>	<u>Percent Real Market Value of the City</u>	<u>City's Pro-Rata Share</u>
Tualatin Hills Park and Recreation District	\$77,707,133	40.07 %	\$31,137,248
Beaverton School District No. 48J	1,035,618,531	33.86	350,660,435
Tualatin Valley Fire and Rescue District	30,635,000	18.55	5,682,793
Washington County	219,115,761	16.25	35,606,311
Portland Community College	461,071,466	6.50	29,969,645
Metro	205,735,000	5.19	10,677,647
Multnomah County School District 1J	<u>982,119,880</u>	12.95	<u>127,184,524</u>
Total overlapping debt	3,012,002,771		590,918,603
City of Beaverton, net direct debt	<u>43,371,540</u> (1)		<u>43,371,540</u>
Total direct and overlapping debt	<u><u>\$3,055,374,311</u></u>		<u><u>\$634,290,143</u></u>

(1) Total general obligation bonds backed by property tax, special revenue bonded debt, and loans payable.

Note: Overlapping taxing jurisdictions are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Beaverton.

Information from the Oregon Municipal Debt Advisory Commission.