



Special Revenue Debt Fund

- The Beaverton Building Debt



CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

**SPECIAL REVENUE DEBT FUND
SUMMARY OF REVENUES AND EXPENDITURES
AND OTHER FINANCING SOURCES & USES**

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Budgeted	FY 2018-19 Estimated	FY 2019-20 Adopted
Revenues:					
Right-of-Way fees	\$1,084,060	\$1,084,060	\$1,084,060	\$1,084,060	\$1,084,060
Interest on investments	1,755	2,605	4,800	3,000	3,500
Sub Total Revenues	<u>\$1,085,815</u>	<u>\$1,086,665</u>	<u>\$1,088,860</u>	<u>\$1,087,060</u>	<u>\$1,087,560</u>
Expenditures:					
Materials & services					
Sub Total Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Revenues Over/Under Expenditures	\$1,085,815	\$1,086,665	\$1,088,860	\$1,087,060	\$1,087,560
Other financing sources (uses):					
Transfers in	\$0	\$0	\$0	\$0	\$0
Transfers out	0	0	0	0	0
Debt Service - Principal	(991,344)	(1,014,488)	(1,038,173)	(1,038,173)	(1,062,410)
Debt Service - Interest	(92,713)	(69,569)	(45,885)	(45,885)	(21,648)
Debt Service Fees	0	0	0	0	0
Total Other Financing Sources (Uses):	<u>(\$1,084,057)</u>	<u>(\$1,084,057)</u>	<u>(\$1,084,058)</u>	<u>(\$1,084,058)</u>	<u>(\$1,084,058)</u>
Net Change in Fund Balance	\$1,758	\$2,608	\$4,802	\$3,002	\$3,502
Fund Balance/Working Capital Beginning of Year	<u>270,050</u>	<u>271,808</u>	<u>274,416</u>	<u>274,416</u>	<u>277,418</u>
Fund Balance (Contingency)/Working Capital End of Year	<u>\$271,808</u>	<u>\$274,416</u>	<u>\$279,218</u>	<u>\$277,418</u>	<u>\$280,920</u>

This fund accounts for the debt service on purchasing and remodeling the Beaverton Building to be used as a City Hall. The debt will be paid off over a 7 year period concluding in October 2020.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 202 SPECIAL REVENUE DEBT FUND	DEPARTMENT: FINANCE
DEPARTMENT HEAD: PATRICK O'CLAIRE	

MISSION STATEMENT:

Debt management of outstanding 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. There are no property taxes supporting the debt service for this borrowing so it is not subject to the \$10 governmental limit set by Measure 5.

REQUIREMENTS	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGETED	FY 2019-20 PROPOSED	FY 2019-20 ADOPTED
DEBT SERVICE	\$1,084,057	\$1,084,057	\$1,084,058	\$1,084,058	\$1,084,058
TRANSFERS					
CONTINGENCY	0	0	279,218	280,920	280,920
TOTAL	\$1,084,057	\$1,084,057	\$1,363,276	\$1,364,978	\$1,364,978

Funding Sources:	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2019-20
Beginning Working Capital	\$270,050	\$271,808	\$274,416	\$277,418	\$277,418
Franchise Fee Allocation from General Fund	1,084,060	1,084,060	1,084,060	1,084,060	1,084,060
Miscellaneous Revenue	1,756	2,605	4,800	3,500	3,500

This Revenue Bond is for improvements made to the City Hall at The Beaverton Building. 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. Approximately \$93,500 is transferred from the operating funds (i.e. Building, Water) with staff in The Beaverton Building to the General Fund as a contribution toward the annual debt service obligations.

The City Council pledges its ROW fees to fund the principle and interest. The annual ROW fees exceed \$10 million and annual debt service will require only a portion of that revenue stream. The terms of the borrowing require a debt service coverage ratio equal to at least 1.20% of annual debt service.

The debt service schedule achieves maturity with a final payment due October 1, 2020.

<u>FISCAL YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2019-20	21,648	1,062,410	1,084,058
2020-21	1,732	359,620	361,352
	<u>\$23,380</u>	<u>\$1,422,030</u>	<u>\$1,445,410</u>

These same revenue sources 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 this 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 Debt Service (Fund 904) for more information.