

FY 2020-21 Pre-Budget Review

Key Indicators

Revenue	FY 2019-20	FY 2020-21
General Fund		
Property Taxes	On Target	3% Reduction
Franchise Fees	On Target	2% to 5% Reduction
Permits and Fees	On Target	5% Reduction
Court Fines	On Target	2 to 3% Reduction
Interest Earnings	On Target	50% Reduction
Value of Reductions \$1.3 Million		
Street Fund		
Gas Taxes	38% Reduction Last three months	38% Reduction First Three Months
Value of Reductions \$1.5 Million		

Key Indicators

Revenue	FY 2019-20	FY 2020-21
Building Fund		
Permits and Fees	5% Reduction	10% Reduction
Value of Reductions \$1 Million		
Transient Lodging Tax Fund		
Lodging Taxes	25% Reduction	40% Reduction
Value of Reductions \$1.6 Million		
Library Fund		
Property Taxes	On Target	3% Reduction
WCCLS	On Target	3% Reduction
Fines	35% Reduction	48% Reduction
• Value of Reductions \$270,000		

Key Indicators

Revenue	FY 2019-20	FY 2020-21
Water Fund		
Charges for Services	3% Reduction	4% Reduction
Value of Reductions \$1.1 Million	plus reduction in FY 2019-20 revenues due to weather \$1.1 Million	
Sewer Fund		
Charges for Services	3% Reduction	4% Reduction
Value of Reductions \$300,000		
Storm Fund		
Charges for Services	3% Reduction	4% Reduction
Value of Reductions \$358,000	but Increase in SDC's this year for a net increase of \$300,000	

Cost of Labor Changes

- **COLA Adjustments -**
 - **Management 2.60% - \$640,509**
 - **SEIU 2.60% - \$640,278**
 - **BPA 1.50% each July 1st and January 1st - \$498,008**
- **BPA 2% Deferred Compensation Contribution Per CBA \$270,190**

Cost of Labor Changes

- **PERS Rate reflects continuing increase of 2.84% of Payroll \$1.2 Million**
 - **FY 16-17 Contributions at 17.61% of Payroll - \$7.7 Million**
 - **FY 17-18 Contributions at 21.42% - \$9.3 Million**
 - **FY 18-19 Contributions at 21.42% - \$9.9 Million**
 - **FY 19-20 Contributions at 24.26% - \$11.1 Million**
 - **FY 20-21 Contributions at 23.58% - \$12.0 Million**
- **PERS Reserve Balance at 6/30/2021 \$4.2 Million**
- **Medical Plans: MODA 0% increase Kaiser 11.9% increase = \$635,124**

Property Taxes

- **Expecting 3.23% increase in assessed valuation (AV net of BURA)**
- **Current year's AV increase was 3.59% and last year's was 3.35%**
- **BURA's Proposed AV growth rate is projected at 15.6%, This year's AV increase was 15.4% and last year's growth was 21.7%**

Property Taxes

Proposing zero property tax rate increase

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund	\$3.8643	\$3.8643	\$0.0000
Library Fund	0.3617	0.3617	0.0000
Subtotal Operations	\$4.2260	\$4.2260	\$0.0000
Public Safety Bond	0.1927	0.1983	0.0056
Grand Total Tax Rate	\$4.4187	\$4.4243	\$0.0056

Property Taxes

- **Bonded debt for the Public Safety Building remains at about 20 cents as stated in the levy election**
- **FY 2020-21 Public Safety Bond Issue Payment is \$2,006,171. Debt Increases each year by approximately 3%. FY 2022 \$2,074,171**

Property Taxes

- **\$4.6180 City's Permanent Rate Levy Authority**
- **\$4.2260 Proposed Levy for FY 2020-21**
- **\$0.3920 Unused portion of Permanent Rate**
- **\$4,182,000 value of the unused portion of the Permanent Rate**
- **Each penny levied generates a net \$101,348 in property tax revenues.**

Proceeds From Financing Activities

- **April 9th closed on \$28.5 Million Water Revenue Bond Issued receiving \$33.7 Million in proceeds. Water rates are proposed to increase by 66 cents effective December 1 2020, to pay the debt service on these bonds.**
- **\$2,452,355 budgeted drawdown on the \$5 Million Loan from the State of Oregon's Infrastructure Finance Authority for the Water Fund's ASR Well Number 5 construction. Previous drawdowns:**
 - **FY 2016-17 \$750,000 (forgivable portion of loan)**
 - **FY 2016-17 \$347,645**
 - **FY 2019-20 \$1,450,000 (estimate)**

Proceeds From Financing Activities

- **90 Million Special Revenue Bond to be issued in June 2020:**
 - **\$55 Million for BURA operations and capital projects repaid from BURA Tax Incremental Revenues**
 - **\$21 Million for Patricia Reser Center for the Arts building construction**
 - **Up to \$14 Million for other City Projects:**
 - **\$6 to \$7 Million funding gap on the Public Safety Building**
 - **\$3 to \$4 Million City Park Fountain Replacement**
 - **\$1 Million for Central Plant infrastructure to serve PRCA and Parking Garage**
 - **\$1 to \$2 Million for Railroad Quietzone Improvements**
 - **\$2 Million to reimburse the General Fund for the Shell Station Purchase and Plaza Construction**

New Positions

Total New FTE – 6.50

General Fund – 1.5 FTE

- **0.5 FTE Human Resources Assistant**
- **1.0 FTE Human Resources Specialist**
- **<.20> FTE Reduction in Assistant Finance Director**
- **.20 FTE Support Specialist 2 in City Attorney's Office**

Street (50%) Sewer (25%) and Storm (25%)

- **1.0 FTE Public Works Supervisor**

Lodging Tax Fund

- **<1.0> Reduction of PRCA General Manager Position**

New FTE Positions

Water Utility

- **1 FTE Water Distribution Technician 2**

Garage Fund

- **1 FTE Fleet Services Technician 1**

Information Systems Fund

- **1 FTE Computer Services Technician Lead (City-wide Support)**
- **1 FTE Systems Analyst (Matrixed to CDD DRP Project)**
- **1 FTE Information Services Specialist (Matrixed to BPD)**

Other Budget Items

- **New Fund Entitled WIFIA Water Construction Fund** (Federal Loan Program - Water Infrastructure Finance and Innovation Act)
 - **Up to \$80 Million in low cost revenue for water projects over next 7 years to fund 49% of eligible projects**
 - **\$10 Million loan from State Infrastructure Financing Authority for the North Transmission Line**
 - **\$10 Million Special Public Works Fund Loan also for the North Transmission Line**
- **Moved Web Services Program from the Information Systems Fund to the Mayor's Office Programs in the General Fund**

Other Budget Items

- **Water Rate Increases**
 - **10 cent increase to the consumption rate for system operations and 56 cents for debt service on the recently issued \$28.5 Million Water Revenue Bond Issue.**
 - **Current rate is $\$3.57 + 66\text{¢} = \4.23 . Effective December 2020.**
 - **\$1.00 increase in the monthly water demand charge from the current \$16.00 per month to \$17.00. Also effective December 2020**
- **New Program BURA Administration Program in the General Fund's CDD Dept.**

Other Budget Items

- **New Building Operations Program in Library Fund to account the cost of operating the main Library Building - previously in the Library Fund's Admin. Program**
- **FY 2020-21 a full year's operations of the new public safety building is budgeted at \$625,464.**

Future Items

- **The Supplemental Budget will include significant transfers to move CIP Projects from the Water Construction Fund 505 to the WIFIA Water Construction Fund 506**
- **Griffith Building Modifications after the Police move to the new PSC**
- **City's Share in projects funded through the Metro Affordable Housing Bond Program.**

Budget Committee Meetings

- **Monday May 11**
- **Thursday May 14**
- **Thursday May 21**
- **All Meetings @ 6:00 p.m. – most likely remotely**
- **Expect budget document delivery on May 5**
 - **IPad and/or 1-3 volumes**