

CITY OF BEAVERTON

BUDGET TREND ANALYSIS - FY 2017-18 TO FY 2020-21

With Explanations on Significant Changes between Budgeted 2019-20 and Recommended 2020-21

Fund:	Water Debt Service					% Change Budgeted Vs. Recommended
	Actual FY 2017-18	Actual FY 2018-19	Budget FY 2019-20	Estimated FY 2019-20	Recommended FY 2020-21	
CLASS						
Debt Service	\$748,426	\$2,184,994	\$2,185,648	\$2,185,648	\$4,432,135	102.78%
SUB-TOTAL	\$748,426	\$2,184,994	\$2,185,648	\$2,185,648	\$4,432,135	
Contingency			70,318		69,490	
TOTAL	\$748,426	\$2,184,994	\$2,255,966	\$2,185,648	\$4,501,625	

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

Debt Service:

FY 2020-21 reflects additional principle and interest charges for the \$33.5 Million 202 Water Revenue Bond issuance.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

FUND: 504 WATER DEBT SERVICE	DEPARTMENT: FINANCE
DEPARTMENT HEAD: 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. Additional Water Revenue bonds were sold in April 2020 for an approximate amount of \$33 million.

REQUIREMENTS	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION					
DEBT SERVICE	\$748,426	\$2,184,994	\$2,185,648	\$4,432,135	\$0
TRANSFERS					
CONTINGENCY	0	0	70,318	69,490	0
TOTAL	\$748,426	\$2,184,994	\$2,255,966	\$4,501,625	\$0

Funding Sources:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21
Beginning Working Capital	\$68,321	\$69,298	\$69,972	\$69,438	\$0
Miscellaneous Revenue	978	673	1,000	52	0
Transfers from Water Fund	748,426	2,184,994	2,184,994	4,432,135	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:

Water Revenue and Refunding Bonds Series 2016			
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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	\$3,845,000	\$251,436	\$4,096,436

In June 2018, the City issued \$21,000,000 in Water Revenue Bonds at a premium of approximately \$3 million. The bond proceeds are being 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 associated transmission and distribution lines and opportunity projects with other jurisdictions that would result in savings to the City based on the timing of construction.

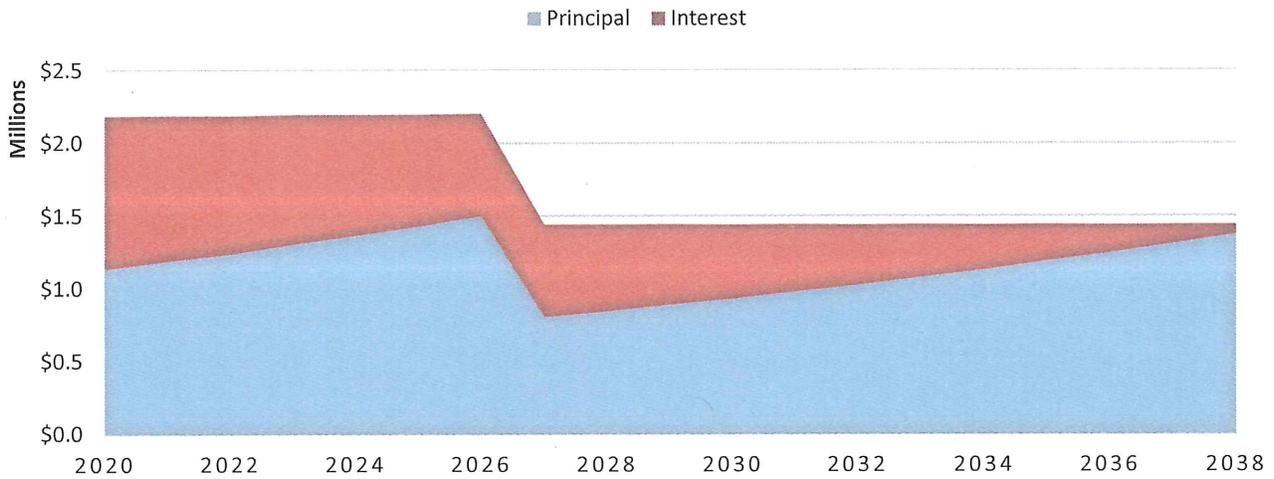
CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

FUND: 504 WATER DEBT SERVICE	DEPARTMENT: FINANCE
DEPARTMENT HEAD: PATRICK O'CLAIRE	

Water Revenue Bonds Series 2018

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2020-21	600,000	840,250	1,440,250
2021-22	625,000	810,250	1,435,250
2022-23	660,000	779,000	1,439,000
2023-24	690,000	746,000	1,436,000
2024-25	725,000	711,500	1,436,500
2025-26	760,000	675,250	1,435,250
2026-27	800,000	637,250	1,437,250
2027-28	840,000	597,250	1,437,250
2028-29	885,000	555,250	1,440,250
2029-30	925,000	511,000	1,436,000
2030-31	975,000	464,750	1,439,750
2031-32	1,020,000	416,000	1,436,000
2032-33	1,075,000	365,000	1,440,000
2033-34	1,125,000	311,250	1,436,250
2034-35	1,185,000	255,000	1,440,000
2035-36	1,240,000	195,750	1,435,750
2036-37	1,305,000	133,750	1,438,750
2037-38	1,370,000	68,500	1,438,500
Total	\$16,805,000	\$9,073,000	\$25,878,000

WATER REVENUE BONDS



Combined Debt Service Projections (2016 + 2018 Series)

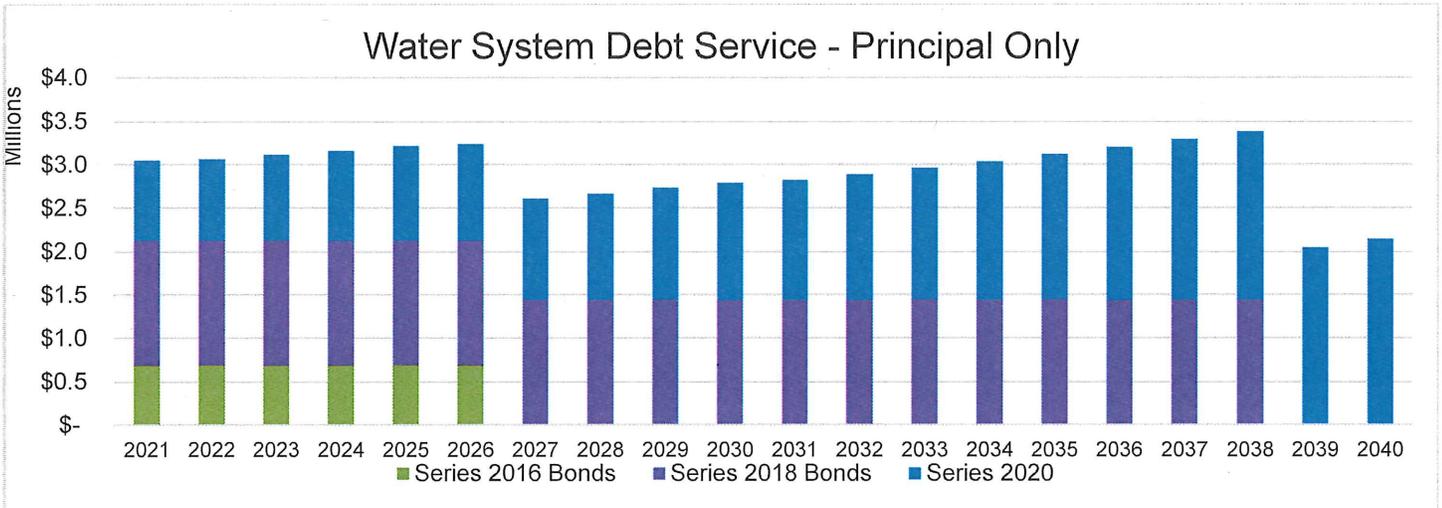
CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

FUND: 504 WATER DEBT SERVICE	DEPARTMENT: FINANCE
DEPARTMENT HEAD: PATRICK O’CLAIRE	

2020 Water Bonds

The City sold a \$33.5 million water revenue bond to finance reservoir, ASR and pumping station improvements as well as a portion of the City’s obligation as a junior member of the Willamette Water Supply System (WWSS). The sale concluded in April 2020 with annual principal and interest payments on April 1 and October 1 of each year, commencing October 1, 2020.

The following graph illustrates the principal amounts due on the three outstanding water revenue bonds.



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.

Repayment starts 90 days after the project completion date and are due and payable each December 1. Repayment is expected to begin sometime in FY 20-21 and the schedule is dependent on the rate of expenditure and draw-down of funds. Future budgets will contain detail on these obligations.

There may be an additional loan sought from the IFA in FY 2019-20. The purpose of the loan is to supplement the resources of the City for its portion of capital costs for joining the Willamette Water Supply System, Willamette intake project and related reservoirs, pump stations and mains.

EPA – Water Infrastructure and Innovation Act (WIFIA)

The City will likely enter into an additional loan agreement for approximately \$58 million from the federal Environmental Protection Agency for water system improvements during FY 2019-20. The purpose of the loan is to develop several of the components of the water system such as a connection to the JWC North Transmission Line which currently represents an unused/stranded-asset. Other projects include Cooper Mountain Reservoir #2 (and related pumping and transmission improvements), transmission mains on Scholls Ferry Road and connections to the Willamette Water Supply System at two locations.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

FUND: 504 WATER DEBT SERVICE	DEPARTMENT: FINANCE
DEPARTMENT HEAD: PATRICK O'CLAIRE	

Performance Measures:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Actual	Budgeted/Revised	Proposed
Water Revenue Bond Debt Service Ratio Coverage	9.90	3.33	3.35	1.97

BUDGET PREPARATION WORKSHEET SUMMARY

FUND: 504 WATER DEBT SERVICE FUND DEPT: 03 REVENUE

OBJ	2018 - ACTUAL		2019 - ACTUAL		2020 BUDGETED		2020 YTD	2020	2021 - PROPOSED		2021 - RECOMD		2021 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														
	-68,321		-69,298		-69,972		-69,972	-69,972	-69,438		-69,438			
TOTAL CLASS: 05 BEGINNING WORKING CAPITAL														
	-68,321		-69,298		-69,972		-69,972	-69,972	-69,438		-69,438			
CLASS: 35 MISCELLANEOUS REVENUES														
384 INVESTMENT INTEREST EARNINGS														
	-978		-673		-1,000		-77	-120	-100		-52			
TOTAL CLASS: 35 MISCELLANEOUS REVENUES														
	-978		-673		-1,000		-77	-120	-100		-52			
CLASS: 40 INTERFUND TRANSFERS/LOANS														
419 TRSFERS FROM WATER FUND														
	-748,426		-2,184,994		-2,184,994		-1,544,754	-2,184,994	-4,536,568		-4,432,135			
TOTAL CLASS: 40 INTERFUND TRANSFERS/LOANS														
	-748,426		-2,184,994		-2,184,994		-1,544,754	-2,184,994	-4,536,568		-4,432,135			
TOTAL DEPARTMENT: 03 REVENUE														
	-817,725		-2,254,965		-2,255,966		-1,614,803	-2,255,086	-4,606,106		-4,501,625			

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BUDGET PREPARATION WORKSHEET SUMMARY

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

OBJ	2018 - ACTUAL		2019 - ACTUAL		2020 BUDGETED		2020 YTD	2020	2021 - PROPOSED		2021 - RECOMD		2021 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	ACT AMT	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

CLASS: 20 DEBT SERVICE

719	2018 BOND PRINCIPAL WTR REV BOND		750,000		570,000		570,000	570,000	600,000		600,000			
720	2018 BOND INTEREST WTR REV BOND		687,240		868,750		868,750	868,750	840,250		840,250			
721	2020 BOND PRINCIPAL WTR REV BOND								1,181,060		925,000			
722	2020 BOND INTEREST WTR REV BOND								1,169,000		1,321,027			
743	2016 BOND PRIN - REFUND 2006 REV BONDS		580,000		590,000		600,000	600,000	610,000		610,000			
744	2016 BOND INT - REFUND 2006 REV BONDS		103,316		92,644		81,788	40,894	81,788	70,748	70,748			
798	CONTRACTUAL DEBT		65,110		65,110		65,110	65,110	65,110		65,110			

TOTAL CLASS: 20 DEBT SERVICE			748,426		2,184,994		2,185,648	1,544,754	2,185,648	4,536,168		4,432,135		
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CLASS: 30 FUND BAL/CONTINGENCY/RESERVES

992	UNAPPROPRIATED ENDING FUND BAL				70,318				69,938		69,490			
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TOTAL CLASS: 30 FUND BAL/CONTINGENCY/RESERVES					70,318				69,938		69,490			
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TOTAL DEPARTMENT: 85 PUBLIC WORKS - OPERATIONS			748,426		2,184,994		2,255,966	1,544,754	2,185,648	4,606,106		4,501,625		
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City of Beaverton - Finance
 Budget Preparation - 2021

BP WORKSHEET & JUSTIFICATION

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

OBJ	2018 - ACTUAL		2019 - ACTUAL		2020 BUDGETED		2020 EST AMT	2021 - PROPOSED		2021 - RECOMD		2021 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE		AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

CLASS: 05 BEGINNING WORKING CAPITAL

301 BEGINNING WORKING CAPITAL

68,321	69,298	69,972	69,972	69,438	69,438
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TOTAL CLASS: 05 BEGINNING WORKING CAPITAL

68,321	69,298	69,972	69,972	69,438	69,438
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CLASS: 35 MISCELLANEOUS REVENUES

384 INVESTMENT INTEREST EARNINGS

978	673	1,000	120	100	52
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TOTAL CLASS: 35 MISCELLANEOUS REVENUES

978	673	1,000	120	100	52
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CLASS: 40 INTERFUND TRANSFERS/LOANS

419 TRSFRS FROM WATER FUND

748,426	2,184,994	2,184,994	2,184,994	4,536,568	4,432,135
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TOTAL CLASS: 40 INTERFUND TRANSFERS/LOANS

748,426	2,184,994	2,184,994	2,184,994	4,536,568	4,432,135
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TOTAL PROGRAM: 0000 UNRESTRICTED

817,725	2,254,965	2,255,966	2,255,086	4,606,106	4,501,625
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TOTAL DEPARTMENT: 03 REVENUE

817,725	2,254,965	2,255,966	2,255,086	4,606,106	4,501,625
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BP WORKSHEET & JUSTIFICATION

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

OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

301 BEGINNING WORKING CAPITAL

384 INVESTMENT INTEREST EARNINGS

INTEREST EARNINGS IS BASED ON AVAILABLE CASH BALANCES AND INTEREST RATES:
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%
FY 19-20 BUDGETED INTEREST EARNINGS ARE BASED UPON 3.00% FY 20-21 BUDGETED INTEREST EARNINGS ARE BASED UPON 1.40% \$52

419 TRSFERS FROM WATER FUND

FY 2019-20 COVERS DEBT SERVICE FOR:
2016 WATER REFUNDING BOND (REFUNDING THE 2006 BOND ISSUE) \$681,738
2018 \$21 MILLION WATER REVENUE BOND ISSUE \$1,438,750
BUREAU OF RECLAMATION FOR 2 WATER RIGHTS CONTRACTS TOTALING 4,000 AC FT IN THE SCOGGINS RESERVOIR AND DAM. \$65,110
FY 2020-21 COVERS DEBT SERVICE FOR
2016 WATER REFUNDING BOND (REFUNDING THE 2006 BOND ISSUE) \$680,748
2018 \$21 MILLION WATER REVENUE BOND ISSUE \$1,440,250
2020 \$33 MILLION WATER REVENUE BOND ISSUE \$2,246,027
BUREAU OF RECLAMATION FOR 2 WATER RIGHTS CONTRACTS TOTALING 4,000 AC FT IN THE SCOGGINS RESERVOIR AND DAM. \$65,110 \$65,110

City of Beaverton - Finance
 Budget Preparation - 2021

BP WORKSHEET & JUSTIFICATION

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

OBJ	2018 - ACTUAL		2019 - ACTUAL		2020 BUDGETED		2020	2021 - PROPOSED		2021 - RECOMD		2021 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE
CLASS: 20 DEBT SERVICE													
719	2018 BOND PRINCIPAL WTR REV BOND		750,000		570,000		570,000	600,000		600,000			
720	2018 BOND INTEREST WTR REV BOND		687,240		868,750		868,750	840,250		840,250			
721	2020 BOND PRINCIPAL WTR REV BOND							1,181,060		925,000			
722	2020 BOND INTEREST WTR REV BOND							1,169,000		1,321,027			
743	2016 BOND PRIN - REFUND 2006 REV BONDS		580,000		590,000		600,000	600,000		610,000		610,000	
744	2016 BOND INT - REFUND 2006 REV BONDS		103,316		92,644		81,788	81,788		70,748		70,748	
798	CONTRACTUAL DEBT		65,110		65,110		65,110	65,110		65,110		65,110	
TOTAL CLASS: 20 DEBT SERVICE													
748,426 2,184,994 2,185,648 2,185,648 4,536,168 4,432,135													
CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
992	UNAPPROPRIATED ENDING FUND BAL				70,318			69,938		69,490			
TOTAL CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
70,318 69,938 69,490													
TOTAL PROGRAM: 0001 DEBT SERVICE													
748,426 2,184,994 2,255,966 2,185,648 4,606,106 4,501,625													
TOTAL DEPARTMENT: 85 PUBLIC WORKS - OPERATIONS													
748,426 2,184,994 2,255,966 2,185,648 4,606,106 4,501,625													
TOTAL FUND: 504 WATER DEBT SERVICE FUND													
748,426 2,184,994 2,255,966 2,185,648 4,606,106 4,501,625													

BP WORKSHEET & JUSTIFICATION

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

OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

- 719 2018 BOND PRINCIPAL WTR REV BOND
 BOND PRINCIPAL 2018 WATER REVENUE BONDS. PRINCIPAL PAYMENTS BEGAN FY2018-19 AND WILL
 END IN FY 2037-38
 FY 2019-20 PRINCIPAL PAYMENT \$570,000
 FY 2019-20 PRINCIPAL PAYMENT \$600,000
- 720 2018 BOND INTEREST WTR REV BOND
 BOND INTEREST 2018 WATER REVENUE BONDS. INTEREST PAYMENTS BEGAN IN FY2018-19 AND WILL
 END IN FY 2037-38
 FY 2019-20 BOND INTERST PAYMENT \$868,750
 FY 2020-21 BOND INTERST PAYMENT \$840,250
- 721 2020 BOND PRINCIPAL WTR REV BOND
- 722 2020 BOND INTEREST WTR REV BOND
- 743 2016 BOND PRIN - REFUND 2006 REV BONDS
 BOND PRINCIPAL 2016 WATER REVENUE REFUNDING BONDS. THIS BOND ISSUE REFUNDED THE
 REMAINING 2006 BONDS. THE PRINCIPAL PAYMENTS BEGAN IN FY2017-18 AND WILL END
 IN FY 2025-26
 FY 2019-20 BOND PRINCIPAL PAYMENT \$600,000
 FY 2020-21 BOND PRINCIPAL PAYMENT \$610,000
- 744 2016 BOND INT - REFUND 2006 REV BONDS
 BOND INTEREST 2016 WATER REVENUE REFUNDING BONDS. THIS BOND ISSUE REFUNDED THE
 REMAINING 2006 BONDS. THE PRINCIPAL PAYMENTS BEGAN IN FY2016-17 AND WILL END
 IN FY 2025-26
 FY 2019-20 BOND INTEREST PAYMENT \$81,788
 FY 2020-21 BOND INTEREST PAYMENT \$70,748
- 798 CONTRACTUAL DEBT
 DEBT ON SCOGGINS DAM WATER RIGHTS \$65,110
 PAYMENTS TO FEDERAL BUREAU OF RECLAMATION MATURE IN 2036



992 UNAPPROPRIATED ENDING FUND BAL

