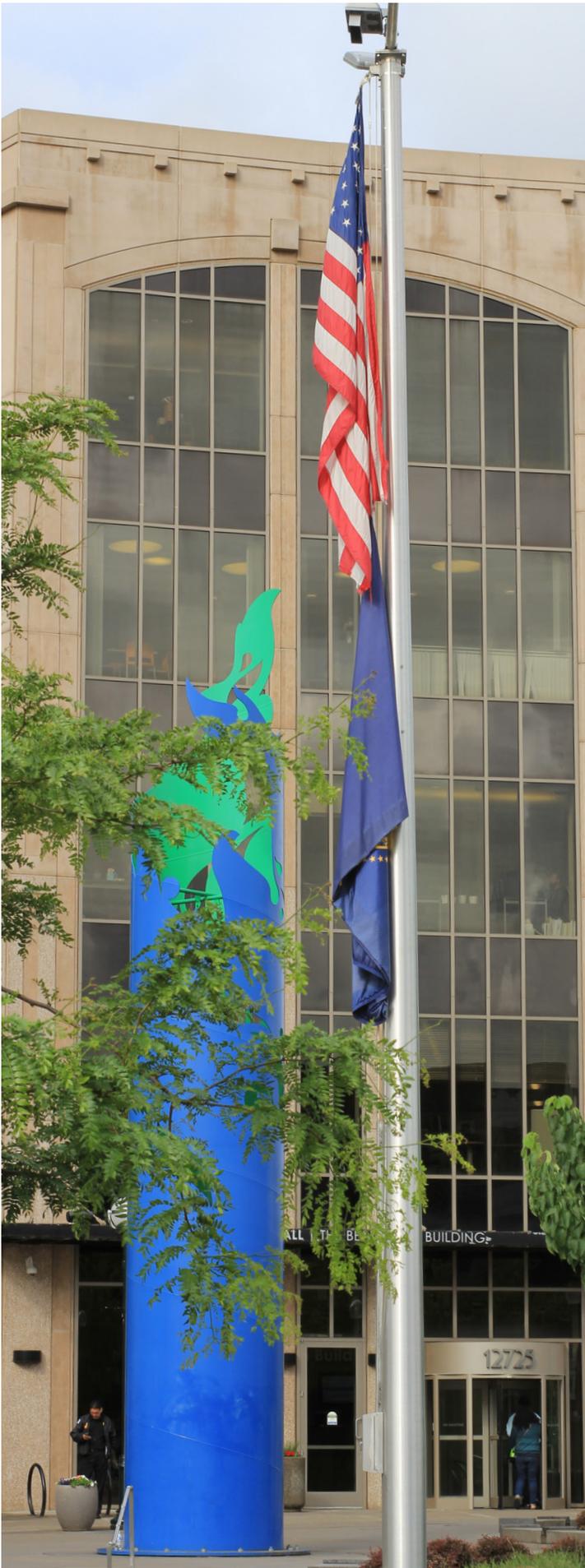


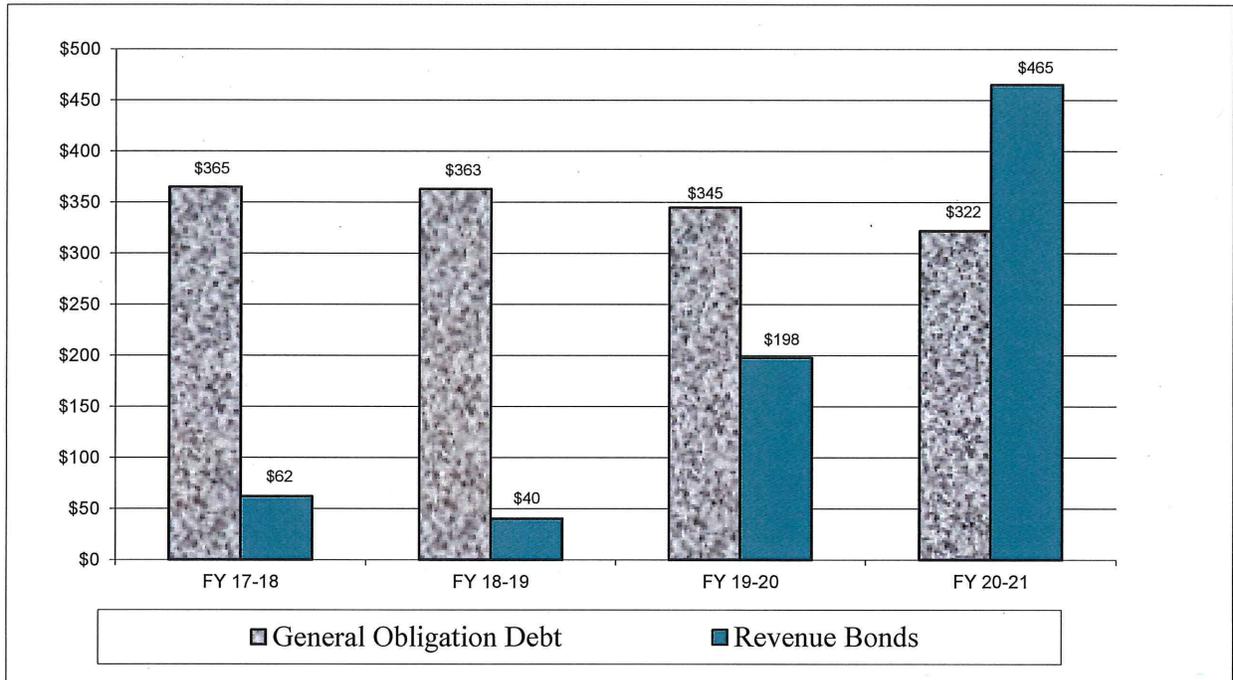
Debt Information

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

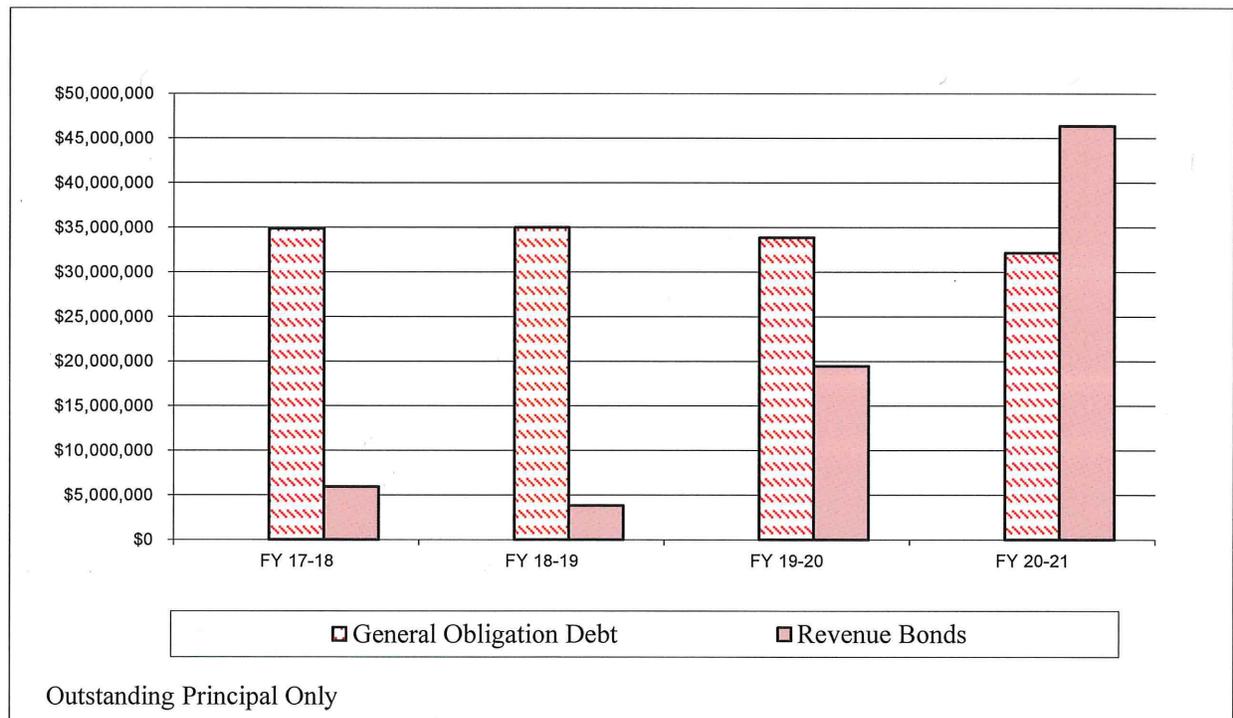


CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

TOTAL DEBT SERVICE PER CAPITA



SUMMARY OF DEBT SERVICE BY TYPE



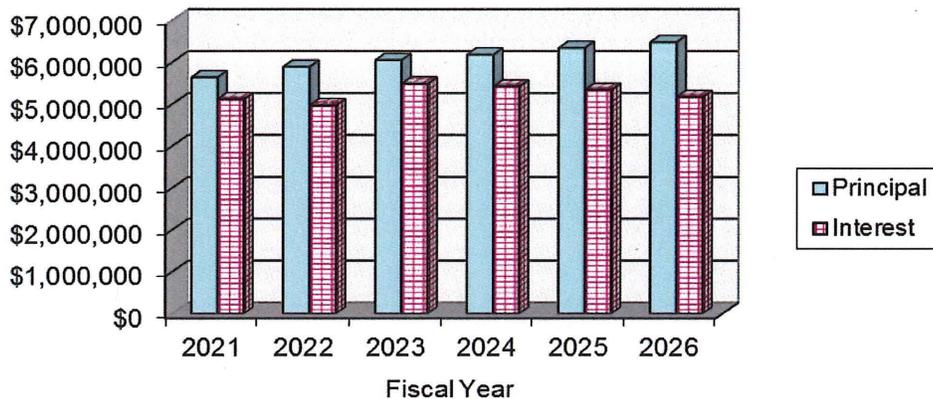
CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

SCHEDULE OF BONDS PAYABLE
For the Fiscal Year Ended June 30, 2019

	Interest Rate	Initial Call Date	Year of Maturity	Interest Date	Amount of Original Issue	Outstanding June 30, 2018	Bonds Issued During Year	Bonds Matured/Refunded During Year	Outstanding June 30, 2019
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
									1,073,027
									1,015,286
					Total 2017 GO Bonds				34,860,286
					33,845,000	34,918,027	-	-	34,860,286
08/16/2005	5.00%	N/A	2019	J-D	13,575,000	1,000,000		1,000,000	-
									Unamortized discount
									(2,726)
					Total 2005 GO Bonds				-
					13,575,000	997,274	-	1,000,000	-
Special Revenue Bonds									
10/08/2013	2.31%	N/A	2021	Monthly	7,000,000	2,460,203		1,038,173	1,422,030
					Total Bonds, Governmental Activity				36,282,316
					\$54,420,000	\$38,375,504	-	\$2,038,173	\$60,978,832
Water Revenue Bonds issued (1):									
11/08/2016 (20	1.84%	N/A	2026	J-D	\$5,615,000	\$5,035,000		\$590,000	4,445,000
06/28/2018 (20	5.00%	04/01/29	2038	A-O	18,125,000	18,125,000		750,000	17,375,000
									Unamortized premium
									3,027,912
									2,876,516
					Total Water Revenue Bonds, Series 2018				20,251,516
					21,152,912	21,152,912	-	901,396	20,251,516
					Total Water Revenue Bonds				24,696,516
					\$26,767,912	\$26,187,912		\$1,491,396	24,696,516
TOTAL BONDS PAYABLE									\$60,978,832

(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 2020-21 BUDGET

DEBT INFORMATION SECTION

The City uses bond debt financing to construct or purchase public purpose facilities (such as a Library, Performing Arts Center, or Parking Garage) or construct utility infrastructure for its Water, Wastewater or Storm Water Utilities. The City currently has one General Obligation Bond Issues, two Special Revenue Bond Issues, three Water Revenue Bond issues and a Water Infrastructure Loan through the State of Oregon. 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, FY 2017-18 and FY 2019-20 and it 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 (repaid in FY 2019-20)

FY 2018-17:

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

FY 2019-20:

- Water Revenue Bonds, Series 2020 - \$28.485 million
- Special Revenue Bonds Series 2020A - \$28.310 million
- Special Revenue Bonds Series 2020B - \$55 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 and for the most recently issued 2020 \$90 Million Special Revenue Bond Issue, Moody’s has assigned a Aa3. 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 Service
- Fund 904 BURA Debt Service

GENERAL OBLIGATION DEBT SERVICE FUND 201

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>
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

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2025-2026	1,465,000	890,621	2,355,621
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	\$33,030,000	\$11,526,003	\$44,556,003

SPECIAL REVENUE BOND DEBT SERVICE FUND 202

Series 2020A Tax-Exempt

The Special Revenue Bonds Series 2020A were issued in June 2020, with a true interest cost rate of 2.216% in a Par amount of \$28,310,000 as the bonds were issued at a premium. The \$35 Million in proceeds will be used to finance the following projects:

1. \$21 Million for the Patricia Reser Center for the Arts (PRCA) construction program CIP Number 3521 with the annual debt service for this portion of the bond issue funded by transfer from the Transient Lodging Tax Fund 107.
2. \$7 Million for the funding gap in the Public Safety Center's construction program CIP Number 3509.
3. \$2.5 Million for the City Park Fountain reconstruction program CIP Number 3522
4. \$1.64 Million for the Plaza Entrance and Gateway construction program CIP 3523
5. \$1.2 Million for the Central Plant to extend HVAC services to the PRCA and Parking Garage.
6. \$1.66 Million for other City CIP Projects such as Griffith Park Building Remodel or Rail Road Quite Zones.

The annual debt service payments for items 2 through 6 will be funded by a transfer from the City's General Fund 001

The following table represents the annual debt service on the \$21 million portion of the bonds that were issued to fund the City's portion of the PRCA's construction costs which is funded by a transfer from the City's Transient Lodging Tax Fund. The bonds were sold a premium so the original Par Amount of the issue was \$16,920,000.

<u>FISCAL YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2020-21	\$747,073	\$0	\$747,073
2021-22	784,100	0	784,100
2022-23	784,100	605,000	1,389,100
2023-24	753,850	635,000	1,388,850
2024-25	722,100	670,000	1,392,100
2025-26	688,600	700,000	1,388,600
2026-27	653,600	735,000	1,388,600
2027-28	616,850	775,000	1,391,850
2028-29	578,100	810,000	1,388,100
2029-30	537,600	855,000	1,392,600
2030-31	494,850	895,000	1,389,850

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

<u>FISCAL YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2031-32	450,100	940,000	1,390,100
2032-33	403,100	985,000	1,388,100
2033-34	353,850	1,035,000	1,388,850
2034-35	302,100	1,090,000	1,392,100
2035-36	247,600	1,145,000	1,392,600
2036-37	201,800	1,145,000	1,391,800
2037-38	154,200	1,235,000	1,389,200
2038-39	104,800	1,285,000	1,389,800
2039-40	53,400	1,335,000	1,388,400
	<u>\$9,631,773</u>	<u>\$16,920,000</u>	<u>\$26,551,773</u>

The following table represents the annual debt service on the \$14 million portion of the Series 2020A bonds that were issued to fund the City's portion the other CIP Projects identified above as items 2 through 6 which is funded by a transfer from the City's General Fund. The bonds were sold a premium so the original Par Amount of the issue was \$11,390,000.

<u>FISCAL YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2020-21	\$505,544	\$370,000	\$875,544
2021-22	512,100	365,000	877,100
2022-23	493,850	385,000	878,850
2023-24	474,600	400,000	874,600
2024-25	454,600	420,000	874,600
2025-26	433,600	445,000	878,600
2026-27	411,350	465,000	876,350
2027-28	388,100	490,000	878,100
2028-29	363,600	510,000	873,600
2029-30	338,100	535,000	873,100
2030-31	311,350	560,000	871,350
2031-32	283,350	595,000	878,350
2032-33	253,600	620,000	873,600
2033-34	222,600	655,000	877,600
2034-35	189,850	685,000	874,850
2035-36	155,600	715,000	870,600
2036-37	127,000	750,000	877,000
2037-38	97,000	780,000	877,000
2038-39	65,800	805,000	870,800
2039-40	33,600	840,000	873,600
	<u>\$6,115,194</u>	<u>\$11,390,000</u>	<u>\$17,505,194</u>

WATER DEBT SERVICE FUND 504

Water Revenue 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:

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

Water Revenue and Refunding Bonds Series 2016

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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

Water Revenue 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>
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	\$16,805,000	\$9,073,000	\$25,878,000

Water Revenue Bond Series 2020

Water Revenue Bonds Series 2020 were issued in April 2020, with a true interest cost rate of 2.96% in an original amount of \$28,485,000. The proceeds will be used to finance the costs of additions, replacements, expansions and/or improvements to the City's Water System including the participation in the Willamette Water Supply System. The principal and interest payments for Water Revenue Bonds Series 2020 are as follows:

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

Water Revenue Bonds Series 2020

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2020-2021	\$ 925,000	\$ 1,321,027	\$ 2,246,027
2021-2022	940,000	1,304,800	2,244,800
2022-2023	990,000	1,257,800	2,247,800
2023-2024	1,040,000	1,208,300	2,248,300
2024-2025	1,090,000	1,156,300	2,246,300
2025-2026	1,115,000	1,034,500	2,249,500
2026-2027	1,170,000	1,078,750	2,248,750
2027-2028	1,225,000	1,020,250	2,245,250
2028-2029	1,290,000	959,000	2,249,000
2029-2030	1,350,000	894,500	2,244,500
2030-2031	1,380,000	867,500	2,247,500
2031-2032	1,450,000	798,500	2,248,500
2032-2033	1,520,000	726,000	2,246,000
2033-2034	1,595,000	650,000	2,245,000
2034-2035	1,675,000	750,250	2,245,250
2035-2036	1,760,000	486,500	2,246,500
2036-2037	1,850,000	398,500	2,248,500
2037-2038	1,940,000	306,000	2,246,000
2038-2039	2,040,000	209,000	2,249,000
2039-2040	2,140,000	107,000	2,247,000
Total	\$28,485,000	\$16,454,477	\$44,939,477

Water 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.

BEAVERTON URBAN REDEVELOPMENT AGENCY DEBT SERVICE FUND 904

Series 2020B Federally Taxable

The Special Revenue Bonds Series 2020B were issued in June 2020, with a true interest cost rate of 2.9201% in an original amount of \$55 Million which was used as follows:

1. \$19 Million to repay the line of credit.
2. \$34 Million deposited into the BURA Capital Projects Fund for current and future BURA Capital Projects.
3. \$1 Million deposited into the BURA Program and Activities fund for the cost of issuance and to fund grant funds for capital improvements on properties within the agency district.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

The annual debt service payment is funded by a transfer from the BURA Tax Increment Fund 901. The following table represents the annual debt service on the \$55 Million bond issue over a 30 year period.

<u>FISCAL YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2020-21	\$1,353,938	\$1,410,000	\$2,763,938
2021-22	1,409,213	1,355,000	2,764,213
2022-23	1,396,490	1,365,000	2,761,490
2023-24	1,381,652	1,380,000	2,761,652
2024-25	1,364,168	1,400,000	2,764,168
2025-26	1,345,030	1,415,000	2,760,030
2026-27	1,321,739	1,440,000	2,761,739
2027-28	1,296,596	1,465,000	2,761,596
2028-29	1,267,648	1,495,000	2,762,648
2029-30	1,236,612	1,525,000	2,761,612
2030-31	1,203,428	1,560,000	2,763,428
2031-32	1,167,922	1,595,000	2,762,922
2032-33	1,130,025	1,630,000	2,760,025
2033-34	1,089,666	1,670,000	2,759,666
2034-35	1,047,482	1,715,000	2,762,482
2035-36	1,003,304	1,760,000	2,763,304
2036-37	956,260	1,805,000	2,761,206
2037-38	907,002	1,855,000	2,762,002
2038-39	855,507	1,905,000	2,760,507
2039-40	800,090	1,960,000	2,760,090
2040-41	743,074	2,020,000	2,763,074
2041-42	680,272	2,080,000	2,760,272
2042-43	615,605	2,145,000	2,760,605
2043-44	548,917	2,215,000	2,763,917
2044-45	480,052	2,280,000	2,760,052
2045-46	409,167	2,350,000	2,759,167
2046-47	332,581	2,430,000	2,762,581
2047-48	253,387	2,510,000	2,763,387
2048-49	171,586	2,590,000	2,761,586
2049-50	87,178	2,675,000	2,762,178
	<u>\$27,855,539</u>	<u>\$55,000,000</u>	<u>\$26,551,773</u>

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2020-21 BUDGET

COMPUTATION OF LEGAL DEBT MARGIN
July 1, 2020

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:

	<u>Base Meter Charge</u>	<u>Consumption Charges</u>
FY 2018-19	7.14%	3.26%
FY 2019-20	6.67%	12.62%
FY 2020-21	6.25%	11.20%

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 2019-20) (1)		\$ 17,223,986,439
		<u>3%</u>
	Bond Issue	\$ 516,719,593
CITY'S GROSS BONDED DEBT AS OF JUNE 30, 2020	<u>Outstanding</u>	
General Obligation Bonds Series 2017 Public Safety Center	\$ 33,030,000	
Special Revenue Bonds Series 2020A Tax Exempt - PRCA	16,920,000	
Special Revenue Bonds Series 2020A Tax Exempt - Other City Projects	11,390,000	
Special Revenue Bonds Series 2020 B Federally Taxable - BURA	55,000,000	
Water Revenue Bonds Series 2016	3,845,000	
Water Revenue Bonds Series 2018	16,805,000	
Water Revenue Bonds Series 2020	28,485,000	
Subtotal Issued Bonded Debt Outstanding	<u>\$ 165,475,000</u>	
LESS LEGAL DEDUCTIONS:		
Special Revenue Bonds (Paid From Dedicated Special Revenues)		
Special Revenue Bonds Series 2020A Tax Exempt - PRCA	\$ (16,920,000)	
Special Revenue Bonds Series 2020A Tax Exempt - Other City Projects	(11,390,000)	
Water Revenue Bonds (Paid from Water Revenues)	(55,000,000)	
Water Revenue Bonds Series 2016	(3,845,000)	
Water Revenue Bonds Series 2018	(16,805,000)	
Water Revenue Bonds Series 2020	(28,485,000)	
	<u>\$ (132,445,000)</u>	
NET GENERAL OBLIGATION DEBT	\$ 33,030,000	<u>(33,030,000)</u>
LEGAL DEBT MARGIN - AMOUNT AVAILABLE FOR FUTURE INDEBTEDNESS		<u>\$483,689,593</u>

(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 2020-21 BUDGET

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2019
(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	\$76,498,613	39.89 %	\$30,515,297
Beaverton School District No. 48J	996,146,084	33.98	338,490,439
Tualatin Valley Fire and Rescue District	26,055,000	17.40	4,533,570
Washington County	228,769,717	16.44	37,609,741
Portland Community College	602,297,900	6.55	39,450,512
Metro	819,020,000	5.22	42,752,844
Multnomah County School District 1J	<u>867,455,242</u>	12.94	<u>112,248,708</u>
Total overlapping debt	3,616,242,556		605,601,112
City of Beaverton, net direct debt	<u>41,763,867</u> (1)		<u>41,763,867</u>
Total direct and overlapping debt	<u><u>\$3,658,006,423</u></u>		<u><u>\$647,364,979</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.