

**FORM LB-1**

**Governing Body Name: City of Hillsboro**

<b>FINANCIAL SUMMARY - RESOURCES</b>			
<b>TOTAL OF ALL FUNDS</b>	<b>Actual Amount</b>	<b>Adopted Budget</b>	<b>Proposed Budget</b>
	<b>2018-19</b>	<b>This Year 2019-20</b>	<b>Next Year 2020-21</b>
Beginning Fund Balance/Net Working Capital	234,972,485	211,100,031	303,242,931
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	144,652,653	127,616,501	149,842,296
Federal, State & All Other Grants, Gifts, Allocations & Donations	13,913,399	14,784,778	14,916,589
Revenue from Bonds and Other Debt	-	91,658,200	20,515,000
Interfund Transfers / Internal Service Reimbursements	80,344,376	81,487,119	82,806,828
All Other Resources Except Current Year Property Taxes	51,155,299	46,062,427	67,886,391
Current Year Property Taxes Estimated to be Received	71,282,904	74,480,000	77,432,300
<b>Total Resources</b>	<b>596,321,116</b>	<b>647,189,056</b>	<b>716,642,335</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b>			
Personnel Services	107,387,449	122,946,460	130,146,920
Materials and Services	37,284,470	50,836,660	52,796,524
Capital Outlay	71,959,026	277,611,474	315,894,876
Debt Service	12,262,386	17,245,317	14,281,589
Interfund Transfers	53,286,942	49,204,211	47,279,572
Contingencies	-	12,635,020	21,179,483
Special Payments	77,081,983	77,852,355	89,046,115
Unappropriated Ending Balance & Reserved for Future Expenditure	237,058,856	38,857,559	46,017,256
<b>Total Requirements</b>	<b>596,321,112</b>	<b>647,189,056</b>	<b>716,642,335</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENTS (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *</b>			
<b>Name of Organizational Unit or Program</b>			
<b>FTE for that unit or program</b>			
Police	36,149,218	38,658,741	40,435,882
FTE	192.00	194.00	198.00
Fire and Rescue	24,776,762	26,722,196	27,101,519
FTE	121.00	123.00	123.00
Parks and Recreation	39,939,312	42,767,160	58,517,692
FTE	93.75	96.75	104.75
Library	9,825,040	11,751,357	12,104,658
FTE	75.90	76.90	76.90
Street Lighting	605,699	610,000	460,000
FTE	-	-	-
Special Expenditures	75,516,011	68,149,036	67,338,615
FTE	-	-	-
City Manager's Office	5,538,059	6,595,720	5,991,139
FTE	26.50	27.50	27.50
Human Resources	5,999,065	6,820,060	7,336,595
FTE	18.00	18.00	19.00
Information Services	7,807,125	9,680,895	9,351,655
FTE	36.00	43.00	31.00
Finance	3,672,447	4,377,900	5,079,285
FTE	27.00	28.00	28.00
Municipal Court	590,039	587,234	516,610
FTE	3.00	3.00	3.00
Public Works - Facilities and Fleet Division	46,673,583	79,324,366	45,787,877
FTE	25.00	29.00	31.00
Support Service Expenses	6,875,592	2,462,280	4,576,650
FTE	-	-	-
Economic Development	5,034,096	4,043,507	4,231,451
FTE	7.00	8.00	8.00
Community Development	36,226,703	34,864,462	60,042,617
FTE	72.00	74.00	74.00
Public Works	155,946,791	138,171,851	169,432,297
FTE	85.00	91.00	92.00
Water	130,614,762	163,420,301	189,717,942
FTE	77.00	82.00	84.00
Broadband	3,947,832	7,721,000	6,223,600
FTE	-	-	12.00
Special Assessments	355,183	206,000	2,386,591
FTE	-	-	-
Library Board	218,378	245,500	-
FTE	-	-	-
Cemetery Trust	9,415	9,490	9,660
FTE	-	-	-
<b>Total Requirements</b>	<b>596,321,112</b>	<b>647,189,056</b>	<b>716,642,335</b>
<b>Total FTE</b>	<b>859.15</b>	<b>894.15</b>	<b>912.15</b>

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \***

Overall, changes to the budget include increases of \$9.9 million to revenue for water, transportation, sewer and surface water management charges for services. The budget includes System Development Charge increases of \$8.2 million. Revenues budgeted for debt issuance decreased \$71.1 million based on cash flow timing need for the Water Department's Willamette Water Supply project and the Hidden Creek Community Center project. Transfers budgeted are primarily to establish or increase capital reserves, fund specific projects, and to cover debt service payments out of the appropriate fund. Other income is up primarily from expected proceeds from the Metro Affordability Housing Program of \$18 million. Property taxes are budgeted across the City at a 4% increase in assessed value from actual in 2019-20.

Increases in personnel services are a result of step increases and certain cost of living adjustments. A 2.5% COLA for general service employees is included. A 2.5% COLA and a 2.0% Wage Adjustment for Local 2210 International Association of Firefighters - Battalion Chiefs Unit is included as part of their collective bargaining agreement (CBA). A 2.75% COLA for employees of the Hillsboro Police Officers' Association is included as part of their CBA. Employees of Local 2210 International Association of Firefighters - Rank & File Bargaining Unit are in CBA negotiations at the time of the budget proposal, and no COLA has been included. PERS contribution rates remain the same as last year, as the City is in the second year of the current biennium. Additionally, health related costs have been projected to increase between 0% and 8%, depending on the plan. All personnel services increases are a result of these factors, except for departments which added positions. 18 new full-time equivalent positions are included in the proposed budget, 3 of which were added mid-fiscal year. Listed below are department changes, greater than \$7 million or about 1% of the Citywide budget (amounts are approximated):

**Parks and Recreation** - With the anticipated opening of the Hidden Creek Community Center, this department has added 7 full time positions and additional funds for part-time staff at a 25.25 FTE. These additional positions have increased the budget by approximately \$1.9 million. Capital reserves for future park system expansion is budgeted at an increase of \$9.1 million from the current year, driven primarily by anticipated SDC revenues collected but not programmed.

**Public Works - Facilities and Fleet Division** - Budgeted capital outlay in the Facilities and Fleet Division decreased by \$29.5 million to a total of \$32.7 million. This is primarily due to the substantial construction completed on the Hidden Creek Community Center in the current year. Significant budgeted projects for FY 2020-21 include \$7 million for the completion of the Hidden Creek Community Center and vehicle replacements of \$4.4 million. Capital reserves for future projects and equipment replacement of \$5.6 million as well as an additional \$11.4 million remains designated for police station expansion.

**Community Development** - This department includes the consolidation of some divisions previously aggregated otherwise: Planning, Transportation Planning, Building and Affordable Housing Programs. The leading increase to this department are \$18 million for use of the Metro Affordable Housing Program funds. Additionally, increased reserves are included in this department for Building Inspection activities, approximately \$4.5 million more than the previous year.

**Public Works** - Budgeted capital outlay in the Public Works department increased by \$23.7 million to a total of \$102.9 million. Fiscal year 2020-21's budget includes capital reserves for future projects and equipment replacement of \$76.9 million. Budgeted projects in excess of \$1 million feature \$6.6 million for the Jackson School Road Widening Project, \$5.2 million for construction of NE 30th Ave and Huffman Street (Reimbursement District in North Hillsboro), \$1.7 million for 1911/1936 Sanitary Sewer Abatement, \$1.6 million for NE 28th Avenue Improvements, and \$1.3 million for Lincoln/2nd Street Improvements. Special payments have increased by \$6 million, primarily due to the \$5.3 million increase in pass through payments to Clean Water Services for Sewer and Surface Water Management fee and SDC collection.

**Water** - Budgeted capital outlay in the Water department increased by \$20.4 million to a total of \$126.8 million. Fiscal year 2020-21's budget includes capital reserves for future projects and equipment replacement of \$56.9 million. Budgeted projects in excess of \$1 million feature \$55.4 million for the Willamette Water Supply, \$2.2 million for Joint Venture Reimbursement, \$2.8 million allocated for large system repairs and replacement, \$1.6 million for unidentified pipeline expansion, and \$1.2 million for cooperative capital projects. JWC budgeted projects include \$2 million allocated for emergency replacement and acquisition. Unappropriated ending fund balance is budgeted for \$14.1 million.

For more information about changes to the City's budget, please visit the City's website at: [www.hillsboro-oregon.gov](http://www.hillsboro-oregon.gov)

**PROPERTY TAX LEVIES**

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (rate limit 3.6665 per \$1,000)	3.6665	3.6665	3.6665
Local Option Levy	1.72	1.72	1.72
Levy For General Obligation Bonds	-	-	-

**STATEMENT OF INDEBTEDNESS**

LONG TERM DEBT	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$ -	\$ -
Other Bonds	131,730,000	-
Other Borrowings	16,322,297	250,523,385
<b>Total</b>	\$ 148,052,297	\$ 250,523,385