

**FORM LB-1**

**Governing Body Name: City of Hillsboro**

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2020-21	Revised Budget This Year 2021-22	Proposed Budget Next Year 2022-23
Beginning Fund Balance/Net Working Capital	316,947,425	329,235,136	370,357,794
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	158,930,494	155,187,922	172,781,542
Federal, State & All Other Grants, Gifts, Allocations & Donations	22,920,410	26,651,770	22,564,411
Revenue from Bonds and Other Debt	10,000,000	108,995,000	202,800,000
Interfund Transfers / Internal Service Reimbursements	70,875,828	97,930,741	116,057,062
All Other Resources Except Current Year Property Taxes	48,313,130	75,035,118	68,035,712
Current Year Property Taxes Estimated to be Received	77,743,397	80,585,267	85,857,805
<b>Total Resources</b>	<b>705,730,684</b>	<b>873,620,954</b>	<b>1,038,454,326</b>

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	118,133,658	138,443,970	151,214,285
Materials and Services	42,166,596	64,964,347	70,272,850
Capital Outlay	75,167,522	399,624,676	554,754,695
Debt Service	14,271,191	26,020,310	13,278,162
Interfund Transfers	41,048,527	57,931,439	69,858,680
Contingencies	-	21,146,624	18,995,461
Special Payments	76,975,246	123,527,452	148,348,130
Unappropriated Ending Balance & Reserved for Future Expenditure	337,967,944	41,962,136	11,732,063
<b>Total Requirements</b>	<b>705,730,684</b>	<b>873,620,954</b>	<b>1,038,454,326</b>

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENTS (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program FTE for that unit or program			
Police	38,388,244	42,480,759	45,852,690
FTE	198.00	198.00	200.00
Fire and Rescue	27,508,046	29,166,494	32,397,099
FTE	123.00	123.00	131.00
Parks and Recreation	49,110,088	66,296,106	79,889,980
FTE	104.75	101.75	102.75
Library	10,086,294	12,892,406	13,978,277
FTE	76.90	76.00	76.48
Street Lighting	305,588	460,000	335,000
FTE	-	-	-
Non-Departmental	89,504,537	108,828,024	79,609,819
FTE	-	-	-
City Manager's Office	5,305,891	6,442,365	7,569,322
FTE	27.50	28.50	30.50
Human Resources	6,778,253	8,074,505	9,301,550
FTE	19.00	20.00	21.00
Information Services	8,563,153	12,641,760	13,708,640
FTE	31.00	33.00	35.00
Finance	4,306,222	5,368,875	5,881,735
FTE	28.00	29.00	30.00
Municipal Court	457,407	549,566	595,004
FTE	3.00	3.00	3.00
Public Works - Facilities and Fleet Division	44,070,881	50,588,455	100,963,676
FTE	31.00	37.00	40.00
Support Service Expenses	4,806,421	5,214,570	6,473,900
FTE	-	-	-
Economic Development	4,602,278	4,525,632	5,653,250
FTE	8.00	8.00	8.00
Community Development	56,791,735	82,087,143	64,893,164
FTE	74.00	75.00	75.00
Public Works	166,996,405	168,458,500	185,499,622
FTE	92.00	91.00	96.00
Water	176,208,242	234,553,729	339,058,521
FTE	84.00	85.00	94.00
Broadband	7,311,269	5,972,740	18,108,186
FTE	12.00	12.00	12.00
Special Assessments	4,620,001	29,009,500	28,675,056
FTE	-	-	-
Cemetery Trust	9,729	9,825	9,835
FTE	-	-	-
<b>Total Requirements</b>	<b>705,730,684</b>	<b>873,620,954</b>	<b>1,038,454,326</b>
<b>Total FTE</b>	<b>912.15</b>	<b>920.25</b>	<b>954.73</b>

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

Overall, changes to the budget include increases of \$22 million in charges for services led by revenue for water, transportation, sewer and surface water management. The budget includes System Development Charge decreases of \$2.8 million. Revenues budgeted for debt issuance increased \$68.6 million based on cash flow timing needs for the Water Department's Willamette Water Supply System, Ron Tonkin Field expansion and South Hillsboro Local Improvement District. Transfers budgeted are primarily to establish or increase capital reserves, fund specific projects, and to cover debt service payments out of the appropriate fund. Grant revenue is decreasing due to one-time revenues from the American Rescue Plan Act (ARPA) in the previous year. Property taxes are budgeted across the City at a 5% increase in assessed value from actual in 2021-22.

Increases in personnel services are a result of step increases and certain cost of living adjustments. A 4% COLA for general service employees is included. A 3.5% COLA for employees of Local 2210 International Association of Firefighters (IAFF) - Rank & File Bargaining Unit is included. Fire Battalion Chief IAFF, Hillsboro Police Officer Association and Library American Federation of State, County and Municipal Employees are all under negotiations at the time of budget preparation. Additionally, health related costs have been projected to increase 5%. All personnel services increases are a result of these factors, except for departments which added positions. A net of 34.5 new full-time equivalent positions are included in the proposed budget, 8 of which was added mid-fiscal year. Listed below are organizational unit changes, greater than \$10 million or about 1% of the Citywide budget (amounts are approximated):

**Parks and Recreation** - The leading increase in this department's budget is a \$7 million increase in capital outlay to a total of \$30.4 million. Fiscal year 2022-23 includes capital reserves for future projects of \$17.4 million. Notable budgeted projects include \$9 million for the inclusive playground at 53rd Ave. and \$2.5 million for South Hillsboro projects. Transfers also increased in this department by \$3.9 million to \$14.4 million. These transfers from the Parks SDC Fund and Parks Supplemental Fund SDC to the Parks Capital Projects Fund for the aforementioned capital projects.

**Nondepartmental** - Included in the nondepartmental organizational unit is the American Rescue Plan Act (Enabled) Fund, which included significant budgeted appropriations in the current fiscal year. As these funds are being spent, available amounts to appropriate in the budget have decreased substantially, and reflect the majority of the decrease in this category of \$7.5 million. Also included in this organizational unit is the Strategic Investment Program Fund, which included a one-time land acquisition budget of \$19 million in the current year. There is no comparable appropriation for this fund for FY 2022-23.

**Public Works Department - Facilities and Fleet Division** - The leading increase in this department's budget is \$47.9 million increase in capital outlay to a total of \$84.2 million. Notable budgeted projects include \$40 million for the Ron Tonkin Field expansion, \$11.9 million reserved for the future Police Headquarters, \$4.1 million for the South Hillsboro Fire Station, \$4.1 million for the Fleet Shop expansion and \$4 million for the Civic Center Development Services Remodel, and \$3 million for the Homeless Shelter build out. \$5.3 million is budgeted as capital reserve for future projects and vehicle acquisition.

**Community Development** - The leading decrease in this department is within the Building Division, where the budget is decreasing \$13.2 million. This is primarily due to a decrease in interfund loan activity of \$12.8 million. In the current fiscal year, an interfund loan was made from the Building Fund to the Strategic Investment Program fund for \$12.8 million for property acquisition. This loan will be paid back over time. This was one-time in nature, and thus, a resulting decrease.

**Public Works** - Budgeted capital outlay in the Public Works department increased by \$10 million to a total of \$111.8 million. Fiscal year 2022-23 includes capital reserves for future projects and equipment replacement of \$15.8 million. Budgeted projects in excess of \$1 million include \$4.2 million for Lincoln/2nd Street Improvements, \$1.4 million for the Shute Road Multi-Use Path, \$1.3 million for NE 28th Ave Improvements, and \$1.2 million for Minter Bridge to Meadow Lark.

**Water** - Budgeted capital outlay in the Water department increased by \$103.3 million to a total of \$275.7 million. Fiscal year 2022-23 includes capital reserves for future projects and equipment replacement of \$142.2 million. Budgeted projects in excess of \$1 million include \$139.5 million for the Willamette Water Supply, and \$2.6 million for Joint Venture Reimbursement. Unappropriated ending fund balance is budgeted at \$2.9 million.

**Broadband** - Budgeted capital outlay in the Broadband department increased by \$12.1 million due to the acceleration of building out the City's HiLight Broadband Network. Some of this acceleration is powered by ARPA-enabled transfers into the Fund.

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

**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	72,815,000	-
Other Borrowings	100,120,959	371,795,000
<b>Total</b>	<b>\$ 172,935,959</b>	<b>\$ 371,795,000</b>