

**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>Revised Budget</b>	<b>Proposed Budget</b>
	<b>Fiscal Year 2021-22</b>	<b>This Fiscal Year 2022-23</b>	<b>Next Biennium 2023-25</b>
Beginning Fund Balance/Net Working Capital	337,967,944	375,497,594	413,384,924
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	192,365,375	172,781,542	376,438,540
Federal, State & All Other Grants, Gifts, Allocations & Donations	35,278,270	22,721,411	43,033,913
Revenue from Bonds and Other Debt	47,810,000	202,800,000	199,103,385
Interfund Transfers / Internal Service Reimbursements	76,501,406	116,057,062	245,696,669
All Other Resources Except Current Year Property Taxes	69,778,859	68,035,712	299,393,681
Current Year Property Taxes Estimated to be Received	81,875,558	85,857,805	187,021,705
<b>Total Resources</b>	<b>841,577,412</b>	<b>1,043,751,126</b>	<b>1,764,072,817</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b>			
Personnel Services	128,672,976	151,214,285	349,951,110
Materials and Services	44,520,477	70,957,250	123,213,235
Capital Outlay	95,473,739	559,367,095	803,064,624
Debt Service	25,645,313	13,278,162	42,920,772
Interfund Transfers	42,034,603	69,858,680	142,220,371
Contingencies	-	18,995,461	33,425,162
Special Payments	108,775,727	148,348,130	256,050,791
Unappropriated Ending Balance & Reserved for Future Expenditure	396,454,577	11,732,063	13,226,752
<b>Total Requirements</b>	<b>841,577,412</b>	<b>1,043,751,126</b>	<b>1,764,072,817</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	41,234,507	45,852,690	99,820,572
FTE	198.00	200.00	202.50
Fire and Rescue	28,967,982	32,397,099	71,915,022
FTE	123.00	131.00	141.00
Parks and Recreation	63,873,216	79,889,980	132,126,675
FTE	101.75	102.75	109.75
Library	11,154,327	14,098,677	30,379,794
FTE	76.00	76.48	76.60
Street Lighting	295,025	335,000	600,000
FTE	-	-	-
Non-Departmental	119,912,331	79,853,819	159,641,776
FTE	-	-	-
City Manager's Office	6,167,420	7,569,322	15,716,522
FTE	28.50	30.50	29.50
Human Resources	7,317,630	9,301,550	20,579,905
FTE	20.00	21.00	24.00
Information Services	9,925,169	14,971,040	31,214,730
FTE	33.00	35.00	41.00
Finance	5,171,823	5,881,735	12,413,132
FTE	29.00	30.00	31.00
Municipal Court	497,055	595,004	1,358,539
FTE	3.00	3.00	3.00
Public Works - Facilities and Fleet Division	52,689,162	103,707,676	278,718,247
FTE	37.00	40.00	45.00
Support Service Expenses	5,653,794	6,473,900	6,731,993
FTE	-	-	-
Economic Development	5,951,176	5,653,250	13,255,550
FTE	8.00	8.00	8.00
Community Development	84,029,093	65,050,164	122,495,358
FTE	75.00	75.00	80.00
Public Works	188,513,952	185,799,622	306,102,283
FTE	91.00	96.00	109.00
Water	195,330,899	339,527,521	437,707,730
FTE	85.00	94.00	115.00
Broadband	7,236,355	18,108,186	20,492,462
FTE	12.00	12.00	12.00
Special Assessments	7,646,685	28,675,056	2,792,415
FTE	-	-	-
Cemetery Trust	9,811	9,835	10,112
FTE	-	-	-
<b>Total Requirements</b>	<b>841,577,412</b>	<b>1,043,751,126</b>	<b>1,764,072,817</b>
<b>Total FTE</b>	<b>920.25</b>	<b>954.73</b>	<b>1,027.35</b>

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

This is the City of Hillsboro's first Biennial Budget. Previous budgets were on an annual basis so the current year and actuals only reflect one fiscal year of appropriation for comparisons. The changes to the budget include increases of \$21 million over the biennium in charges for services led by revenue for water, transportation, sewer and surface water management. The budget includes System Development Charge increase of \$1.6 million. Proceeds budgeted for debt issuance decreased by \$112 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 at a 5% increase in assessed value from actual in 2022-23.

Increases in personnel services are a result of step increases and certain cost of living adjustments. A COLA of 4.0% for 23-24 is included for general services employees. A 4% COLA plus a 2% wage adjustment for employees of the Fire Battalion Chief IAAF is included for 23-24, and a 3% COLA plus a 1% wage adjustment is included for 24-25. A COLA of 4% for 23-24 and for 24-25 is included for employees of the Hillsboro Police Officer Association. A COLA of 3.5% is included for 23-24 for employees of the Library American Federation of State, County and Municipal Employees. Local 2210 International Association of Firefighters (IAFF) - Rank & File Bargaining Unit is under negotiations at the time of budget preparation. Expected COLAs other than those in negotiated contracts for 24-25 are not formally established in this proposed budget, but placeholders have been included accordingly. Additionally, health related costs have been projected to increase by 14% beginning Jan 1, 2024 and 12.6% effective Jan 1, 2025. Additionally, FY 2023-24 is the 1st year of the PERS biennium, with increases in Tier 1 & 2 from 23.46% to 24.68%, and OPSRP from 17.45% to 18.60% and OPSRP Police and Fire from 21.81% to 23.39%. All personnel services increases are a result of these factors, except for departments which added positions. A net of 72.62 new full-time equivalent positions are included in the proposed budget. Listed below are organizational unit changes, greater than \$10 million between or about 1% of the Citywide budget (amounts are approximated):

**Nondepartmental** - Included in the nondepartmental organizational (org) unit is the American Rescue Plan Act (Enabled) Fund, which included significant budget appropriations for FY 22-23. As funds are being spent, available amounts to appropriate in the budget have decreased substantially and reflect the majority of the decrease of \$9.7 million over the biennium. In 23-24, there is an increase in transfers from the nondepartmental org unit Gainshare to the Broadband Fund in the amount of \$3.97 million to facilitate the buildout of HiLight's broadband network. In addition, Strategic Investment Program (SIP) Fund includes transfers to the Facilities Management Fund for notable projects such as the Brookwood Fire Station land purchase in the amount of \$1.7 million and the South Hillsboro Fire Station in the amount of \$13 million for the biennium. In addition, there are transfers from ARPA Fund in the amount of \$3 million in 23-24 and SIP Fund in 24-25 in the amount of \$8.5 million to replenish the General Fund reserve balance due to lost revenues during the COVID pandemic and meet the City's minimum reserve balance of 15% at the end of the biennium.

**Public Works Department - Facilities and Fleet Division** - The leading increase in the department's budget is in capital outlay. Notable budgeted projects include \$120 million for the Ron Tonkin Field expansion (\$102 million of which will be funded by the Hillsboro Hops), \$51.3 million for the construction of a new Police Headquarters, \$18.2 million for the construction of the new South Hillsboro Fire Station, \$14.1 million for the Homeless Shelter build out, \$5.8 million for the Civic Center Development Services remodel, \$2.9 million for the Fleet Shop expansion, and \$6.7 million is budgeted as capital reserve for future projects and vehicle acquisition.

**Public Works** - Budgeted capital outlay in the Public Works department increased by \$23.6 million in 23-24 and the capital reserves decreased by \$10.7 million for the biennium. Budgeted projects in excess of \$1 million include \$7.15 million for replacing and repairing sanitary sewer access points, \$5.7 million for Minter Bridge to Meadow Lark, \$5.6 million for the Shute Road Multi-Use path, \$4.8 million for Majestic joint driveway consolidation, \$4.6 million for Lincoln/2nd Street improvements, \$3 million for downtown road repair, \$2.1 million for Huffman Rd extension, \$3.4 million for Country Haven Sanitary Sewer upgrade, and \$2.3 for Minter Bridge stormwater replacement.

**Water** - Budgeted capital outlay in the Water department decreased by \$123.5 million over the biennium for a total of \$146.5 million. Budgeted projects in excess of \$1 million over the biennium include Joint Venture Reimbursements in the amount of \$226.9 million (primarily the Willamette Water Supply Program), \$2 million for JWC emergency replacement acquisitions, \$1 million for upper system design, and \$1 million for Century Blvd extension.

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	130,090,000	-
Other Borrowings	153,712,844	265,457,049
<b>Total</b>	\$ 283,802,844	\$ 265,457,049