

DEBT SERVICE SUMMARY

The city has two types of debt currently outstanding.

- Three general obligation bonds secured by the city’s voter approved authority to levy property taxes;
- Water revenue debt used to pay for the city’s water agreement with the City of Lake Oswego. The water revenue debt is in four pieces: an original 2012 \$97.7 million water revenue bond, the 2020 \$86.6 million restructure of the 2012 bond, a 2015 \$30.8 million water revenue bond and a 2012 \$2.4 million ARRA loan.
- Also, the city has the authority to issue short term bond anticipation notes secured by the city’s full faith and credit and the ability to assess property owners when the related project is complete.

The city’s current outstanding debt payments (principal plus interest) are as follows:

Fiscal Year	General Obligation	Water Revenue Debt	Total
FY 21-22	2,451,653	7,204,247	9,655,899
FY 22-23	2,550,243	7,204,447	9,754,690
FY 23-24	2,652,187	7,209,947	9,862,133
FY 24-25	2,757,869	7,207,147	9,965,016
FY 25-26	2,434,708	7,207,647	9,642,354
FY 27-46	-	145,382,633	145,382,633
Total	\$ 12,846,660	\$ 181,416,066	\$ 194,262,726

The most recent general obligation bond rating occurred in May 2017 when Moody’s upgraded the city’s general obligation unlimited tax (GOULT) bond rating to Aa1. This rating from Moody’s was reaffirmed in April 2020. The city’s rating from Standard and Poor’s was raised to AA+ in March 2014. Both of these ratings are the second highest rating a city can receive.

In 2012, the city received its first revenue bond ratings for its water revenue bond. The city received ratings of A1 by Moody’s and AA- by Standard and Poor’s. For the 2015 Water Revenue Bond, the city’s AA-rating from Standard & Poor’s was affirmed and in April 2017 Moody’s upgraded Tigard to a Aa3 rating. This rating from Moody’s was reaffirmed in April 2020.

Legal Debt Limit

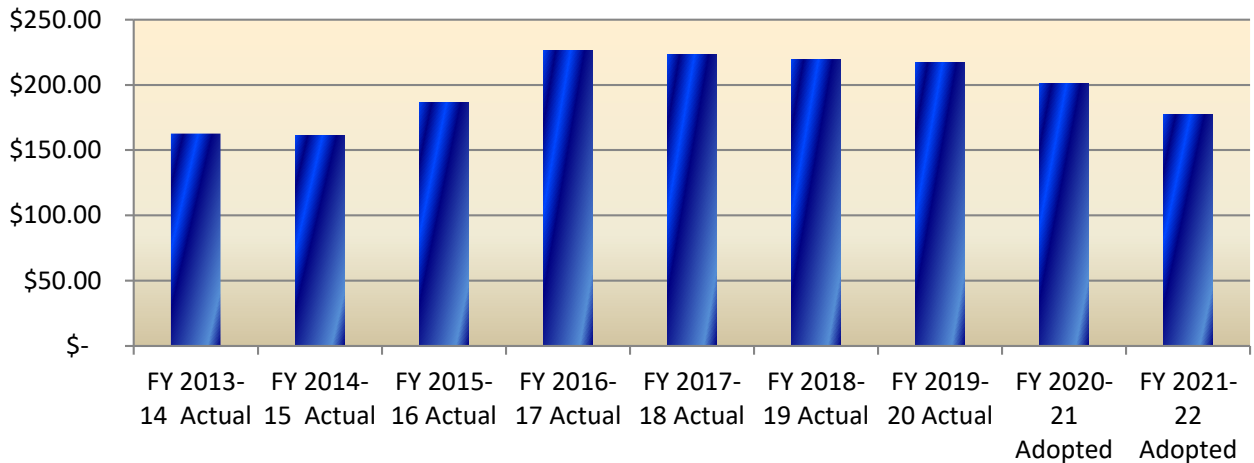
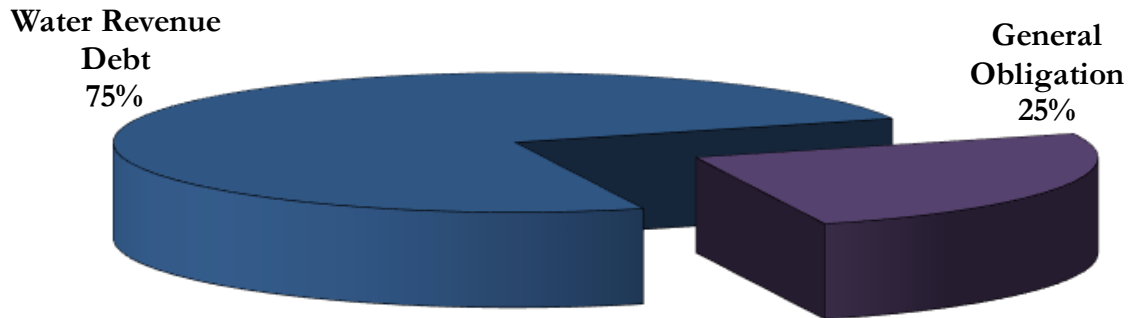
Oregon statutes ORS 287A.050 limits general obligation debt to a maximum of 3% of the city’s total real market property value. The limit for FY 2021-22 will be \$383,710,880 based upon the estimated market value of \$12,790,362,675 as provided by the Washington County Assessor’s Office in the FY2020-21 assessment report. The current general obligation debt of \$12,846,660 represents 3.3% of the city’s legal maximum.

The following tables and graphs depict future debt service requirements in total and by debt service type. These figures also present schedules detailing required debt service expenditures for FY 2021-22.

DEBT SERVICE SUMMARY

		FY 2021-22 Debt Service
GENERAL OBLIGATION BONDS-		
Paid from property taxes	Parks Bond	\$ 1,032,650
	Library Bond	902,400
	2020 GO Restructure Bond	516,603
	Total General Obligation Bonds	\$ 2,451,653
 WATER REVENUE BONDS		
Paid primarily from Water Rates & SDCs	2012 Water Revenue Bond	\$ 2,415,100
	2015 Water Revenue Bond	1,666,300
	2020 Water Revenue Bond	\$ 2,961,663
	ARRA Loan	161,184
	Total Water Revenue Bonds	\$ 7,204,247
TOTAL FY 2021-22 DEBT SERVICE		\$ 9,655,899

Annual Debt Service by Type



OUTSTANDING DEBT ISSUES

Issue	Original Amount	Original Interest Rate	Original Issue Date	Principal Outstanding	Final Maturity	Source of Payment
GENERAL OBLIGATION BONDS						
Library Bond	\$8,655,000	2.92%	02/03/11	\$ 1,735,000	12/01/22	Property Taxes
Parks Bond	\$17,000,000	4.15%	02/03/11	\$ 4,570,000	06/01/26	Property Taxes
2020 GO Restructure Bond	\$5,981,000	1.34%	04/25/20	\$ 5,642,000	06/01/26	Property Taxes
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING				\$ 11,947,000		
WATER REVENUE DEBT						
2012 Water Revenue Bond	\$97,720,000	4.04%	05/01/12	\$ 4,640,000	08/01/22	Water User Fees & Water SDC's
2015 Water Revenue Bond	\$30,810,000	4.09%	03/03/15	\$ 29,955,000	08/01/45	Water User Fees & Water SDC's
2020 Water Revenue Bond	\$86,575,000	2.51%	10/20/20	\$ 86,575,000	08/01/42	Water User Fees & Water SDC's
ARRA Loan	\$2,398,000	3.00%	03/06/12	\$ 1,472,030	12/01/31	Water User Fees & Water SDC's
TOTAL WATER REVENUE DEBT OUTSTANDING				\$ 122,642,030		
GRAND TOTAL - CITY OF TIGARD DEBT OUTSTANDING				\$ 134,589,030		

**DEBT SERVICE SCHEDULE
GENERAL OBLIGATION BOND—LIBRARY**

The Tigard Public Library general obligation bond was authorized by voters on May 21, 2002. The initial bond was purchased in whole by the State of Oregon through the Oregon Economic and Community Development Department. In 2011, the initial bond was refunded at the same time that Tigard sold the Parks bond. The new issue saved Tigard property tax payers \$863,289 over the remaining life of the bond. Bond proceeds were used to purchase a 14.7 acre parcel and construct a two-story 47,500 square foot library. The new library opened in August 2004.

Amount Issued:	\$8,655,000
Issue Date:	2/3/2011
Original Issue True Interest Rate (TIC):	2.923%
Principal Outstanding as of July 1, 2021:	\$1,735,000

<u>Fiscal Year</u>	<u>Payment Due</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
FY 21-22	12/01/21	4.00%	850,000	34,700	884,700
	06/01/22			17,700	17,700
FY 22-23	12/01/22	4.00%	885,000	17,700	902,700
Total			\$1,735,000	\$70,100	\$1,805,100

DEBT SERVICE SCHEDULE GENERAL OBLIGATION BOND—PARKS

The Tigard Parks general obligation bond was authorized by voters on November 2, 2010. Bond proceeds are being used to purchase and develop parks in Tigard. At least 80 percent of the proceeds will be used to purchase land and the remainder can be used to develop parks. In addition, 10 percent can be used in Downtown Tigard.

In April 2020, these bonds were restructured. The restructure lowered the interest rate in FY 21 through FY 26 and removed the payments from FY 27 through FY 31. The removed payments were restructured at a lower interest rate and will be made using the capacity in the FY2020-21 property tax rate of \$0.3385/\$1,000 Assessed Value and the capacity created by the Library Bond being paid off starting in FY 24. The restructure saved property tax payers \$1.25 million in net present value.

Amount Issued:	\$17,000,000
Issue Date:	2/3/2011
Original Issue True Interest Rate (TIC):	4.148%
Principal Outstanding as of July 1, 2021:	\$4,570,000

<u>Fiscal Year</u>	<u>Payment Due</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
FY 21-22	12/01/21			93,825	93,825
	06/01/22	1.34%	845,000	93,825	938,825
FY 22-23	12/01/22			76,925	76,925
	06/01/23	1.34%	875,000	76,925	951,925
FY 23-24	12/01/23			59,425	59,425
	06/01/24	1.34%	910,000	59,425	969,425
FY 24-25	12/01/24			41,225	41,225
	06/01/25	1.34%	950,000	41,225	991,225
FY 25-26	12/01/25			21,038	21,038
	06/01/26	1.34%	990,000	21,038	1,011,038
	Total		\$4,570,000	\$584,875	\$5,154,875

2020 GENERAL OBLIGATION RESTRUCTURE

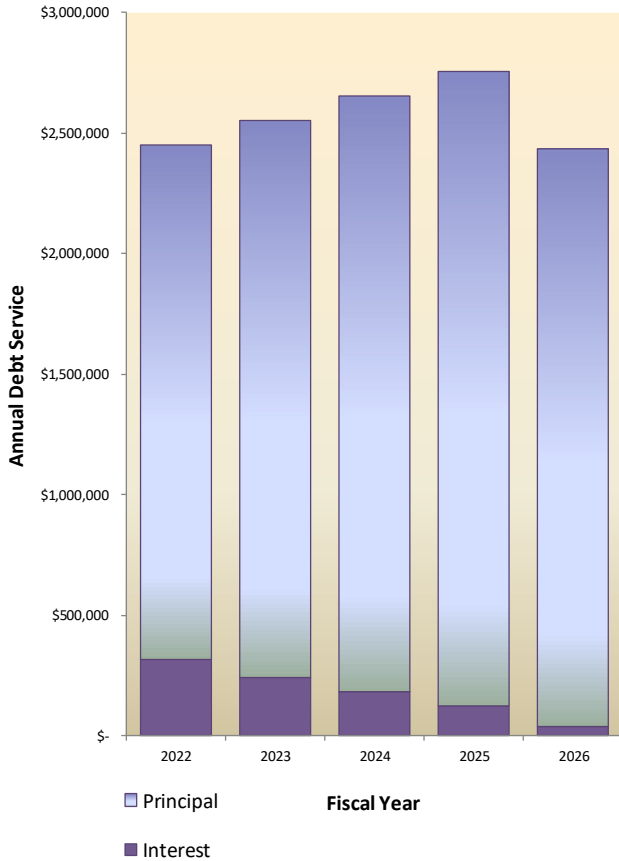
In April 2020, the Parks Bonds were restructured. The restructure lowered the interest rate in FY 21 through FY 26 and removed the payments from FY 27 through FY 31. The removed payments were restructured at a lower interest rate and will be made using the capacity in of the FY2020-21 property tax rate of \$0.3385/\$1,000 Assessed Value and the capacity created by the Library Bond being paid off starting in FY 24. The restructure saved property tax payers \$1.25 million in net present value.

Amount Issued:	\$5,981,000
Issue Date:	4/25/2020
Original Issue True Interest Rate (TIC):	1.340%
Principal Outstanding as of July 1, 2021:	\$5,642,000

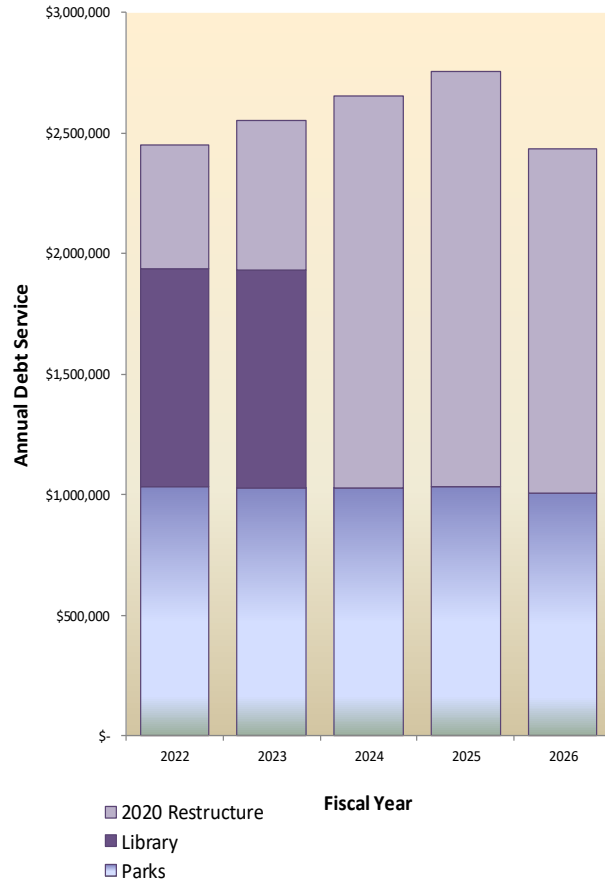
<u>Fiscal Year</u>	<u>Payment Due</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
FY 21-22	12/01/21			37,801	37,801
	06/01/22	1.34%	441,000	37,801	478,801
FY 22-23	12/01/22			34,847	34,847
	06/01/23	1.34%	549,000	34,847	583,847
FY 23-24	12/01/23			31,168	31,168
	06/01/24	1.34%	1,561,000	31,168	1,592,168
FY 24-25	12/01/24			20,710	20,710
	06/01/25	1.34%	1,684,000	20,710	1,704,710
FY 25-26	12/01/25			9,427	9,427
	06/01/26	1.34%	1,407,000	9,427	1,416,427
	Total		\$5,642,000	\$267,906	\$5,909,906

GENERAL OBLIGATION BOND SUMMARY

**Projected Annual Debt Service
by Total Principal and Interest**



**Projected Annual Debt Service
by Issuance**



FY 2021-22 debt service on the outstanding General Obligation Bonds is as follows:

General Obligation Bonds	Date	Interest	Principal	Total
2011A Issue - Parks Bond	12/01/21	\$ 93,825	\$ -	\$ 93,825
	06/01/22	\$ 93,825	\$ 845,000	\$ 938,825
2011B Issue - Library Building	12/01/21	\$ 34,700	\$ 850,000	\$ 884,700
	06/01/22	\$ 17,700	\$ -	\$ 17,700
2020 GO Bond Restructure	12/01/21	\$ 37,801	\$ -	\$ 37,801
	06/01/22	\$ 37,801	\$ 441,000	\$ 478,801
Total General Obligation Bond Debt Service		\$ 315,653	\$ 2,136,000	\$ 2,451,653

WATER REVENUE BOND 2012A

The Water Revenue Bond was issued in May 2012. This is the first revenue bond issue that will pay for Tigard's water infrastructure and securing a water source for Tigard through the Lake Oswego / Tigard Water Partnership. The Partnership expanded the capacity of the Lake Oswego Water Treatment Plant, providing Tigard with 18 million gallons of water per day. The bonds will be repaid by water usage rates and is eligible to be repaid using Water SDCs as well. Tigard began receiving water from the plant in 2016, when water purchases from Portland ended. The debt service is set up to make interest only payments through 2015 with higher annual debt service payments that include principal starting in 2016 when Portland water is no longer being purchased.

This Water Revenue Bond was restructured in October 2020 with an advance refunding leaving only payments in FY 22 and FY23 remaining. All other future payments were restructured. This restructure saved rate payers approximately \$1.4M annually in interest costs on the LOTWP and other bond funded projects.

Amount Issued:	\$97,720,000
Issue Date:	5/1/2012
Original Issue True Interest Rate (TIC):	4.042%
Principal Outstanding as of July 1, 2021:	\$4,640,000

Fiscal Year	Payment Due	Rate	Principal Due	Interest Due	Service
FY 21-22	08/01/21	4.00%	2,275,000	92,800	2,367,800
	02/01/22			47,300	47,300
FY 22-23	08/01/22	4.00%	2,365,000	47,300	2,412,300
	02/01/23			0	0
Total			\$4,640,000	\$187,400	\$4,827,400

WATER REVENUE BOND 2015A

The second Water Revenue Bond was issued in March 2015 to pay for Tigard's continuing water infrastructure needs and securing a water source for Tigard through the Lake Oswego / Tigard Water Partnership. The first Water Revenue Bond was issued in May 2012. The Partnership expanded the capacity of the Lake Oswego Water Treatment Plant, providing Tigard with 18 million gallons of water per day. The bonds will be repaid by water usage rates and is eligible to be repaid using Water SDCs as well.

Tigard began receiving water from the plant in 2016, when water purchases from Portland ended. The debt service was set up to make interest only payments through fiscal year 2016 with higher annual debt service payments that include principal starting in fiscal year 2017.

Amount Issued:	\$30,810,000
Issue Date:	3/3/2015
Original Issue True Interest Rate (TIC):	4.090%
Principal Outstanding as of July 1, 2021:	\$29,955,000

Fiscal Year	Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service
FY 21-22	08/01/21	4.00%	190,000	740,050	930,050
	02/01/22			736,250	736,250
FY 22-23	08/01/22	4.00%	200,000	736,250	936,250
	02/01/23			732,250	732,250
FY 23-24	08/01/23	4.00%	210,000	732,250	942,250
	02/01/24			728,050	728,050
FY 24-25	08/01/24	4.00%	215,000	728,050	943,050
	02/01/25			723,750	723,750
FY 25-26	08/01/25	4.00%	225,000	723,750	948,750
	02/01/26			719,250	719,250
FY 26-27	08/01/26	4.00%	235,000	719,250	954,250
	02/01/27			714,550	714,550
FY 27-28	08/01/27	5.00%	245,000	714,550	959,550
	02/01/28			708,425	708,425
FY 28-29	08/01/28	5.00%	255,000	708,425	963,425
	02/01/29			702,050	702,050
FY 29-30	08/01/29	5.00%	270,000	702,050	972,050
	02/01/30			695,300	695,300
FY 30-31	08/01/30	3.25%	280,000	695,300	975,300
	02/01/31			690,750	690,750
FY 31-32	08/01/31	5.00%	290,000	690,750	980,750
	02/01/32			683,500	683,500
FY 32-33	08/01/32	5.00%	305,000	683,500	988,500
	02/01/33			675,875	675,875
FY 33-34	08/01/33	5.00%	325,000	675,875	1,000,875
	02/01/34			667,750	667,750
FY 34-35	08/01/34	5.00%	340,000	667,750	1,007,750
	02/01/35			659,250	659,250
FY 35-36	08/01/35	5.00%	360,000	659,250	1,019,250
	02/01/36			650,250	650,250
FY 36-37	08/01/36	5.00%	375,000	650,250	1,025,250
	02/01/37			640,875	640,875
FY 37-38	08/01/37	5.00%	395,000	640,875	1,035,875
	02/01/38			631,000	631,000
FY 38-39	08/01/38	5.00%	420,000	631,000	1,051,000
	02/01/39			620,500	620,500
FY 39-40	08/01/39	5.00%	440,000	620,500	1,060,500
	02/01/40			609,500	609,500
FY 40-41	08/01/40	5.00%	455,000	609,500	1,064,500
	02/01/41			598,125	598,125
FY 41-42	08/01/41	5.00%	485,000	598,125	1,083,125
	02/01/42			586,000	586,000
FY 42-43	08/01/42	5.00%	510,000	586,000	1,096,000
	02/01/43			573,250	573,250
FY 43-44	08/01/43	5.00%	7,265,000	573,250	7,838,250
	02/01/44			391,625	391,625
FY 44-45	08/01/44	5.00%	7,635,000	391,625	8,026,625
	02/01/45			200,750	200,750
FY 45-46	08/01/45	5.00%	8,030,000	200,750	8,230,750
Total			\$29,955,000	\$31,417,800	\$61,372,800

WATER REVENUE BOND 2020 RESTRUCTURE

This Water Revenue Bond was issued in October 2020 as an advance refunding that restructured the bonds issued in 2012. This restructure saved rate payers approximately \$1.4M annually in interest costs on the LOTWP and other bond funded projects.

Amount Issued:	\$86,575,000
Issue Date:	10/20/2020
Original Issue True Interest Rate (TIC):	2.510%
Principal Outstanding as of July 1, 2021:	\$86,575,000

Fiscal Year	Payment Due	Rate	Principal Due	Interest Due	Service
FY 21-22	08/01/21	2.00%	950,000	1,010,581	1,960,581
	02/01/22			1,001,081	1,001,081
FY 22-23	08/01/22	2.00%	970,000	1,001,081	1,971,081
	02/01/23			991,381	991,381
FY 23-24	08/01/23	2.00%	3,430,000	991,381	4,421,381
	02/01/24			957,081	957,081
FY 24-25	08/01/24	2.00%	3,500,000	957,081	4,457,081
	02/01/25			922,081	922,081
FY 25-26	08/01/25	2.00%	3,570,000	922,081	4,492,081
	02/01/26			886,381	886,381
FY 26-27	08/01/26	2.00%	3,640,000	886,381	4,526,381
	02/01/27			849,981	849,981
FY 27-28	08/01/27	2.00%	3,715,000	849,981	4,564,981
	02/01/28			812,831	812,831
FY 28-29	08/01/28	2.00%	3,790,000	812,831	4,602,831
	02/01/29			774,931	774,931
FY 29-30	08/01/29	2.00%	3,865,000	774,931	4,639,931
	02/01/30			736,281	736,281
FY 30-31	08/01/30	2.00%	3,945,000	736,281	4,681,281
	02/01/31			696,831	696,831
FY 31-32	08/01/31	2.00%	4,025,000	696,831	4,721,831
	02/01/32			656,581	656,581
FY 32-33	08/01/32	2.10%	4,110,000	656,581	4,766,581
	02/01/33			613,426	613,426
FY 33-34	08/01/33	2.20%	4,195,000	613,426	4,808,426
	02/01/34			567,281	567,281
FY 34-35	08/01/34	2.30%	4,290,000	567,281	4,857,281
	02/01/35			517,946	517,946
FY 35-36	08/01/35	2.40%	4,390,000	517,946	4,907,946
	02/01/36			465,266	465,266
FY 36-37	08/01/36	2.50%	4,505,000	465,266	4,970,266
	02/01/37			408,954	408,954
FY 37-38	08/01/37	2.60%	4,620,000	408,954	5,028,954
	02/01/38			348,894	348,894
FY 38-39	08/01/38	2.65%	4,740,000	348,894	5,088,894
	02/01/39			286,089	286,089
FY 39-40	08/01/39	2.70%	4,870,000	286,089	5,156,089
	02/01/40			220,344	220,344
FY 40-41	08/01/40	2.75%	5,005,000	220,344	5,225,344
	02/01/41			151,525	151,525
FY 41-42	08/01/41	2.90%	5,150,000	151,525	5,301,525
	02/01/42			76,850	76,850
FY 42-43	08/01/42	2.90%	5,300,000	76,850	5,376,850
Total			<u>\$86,575,000</u>	<u>\$26,894,619</u>	<u>\$113,469,619</u>

WATER ARRA LOAN

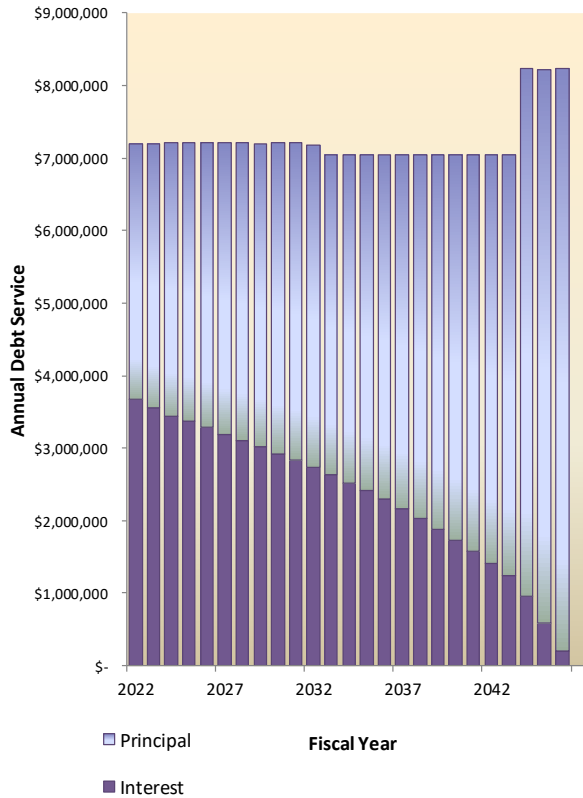
As part of the American Recovery and Reinvestment Act of 2009, Tigard received a grant and a loan to rehabilitate the water pump and seismic upgrades at our 10 mil water reservoir. The loan became set with the completion of the project in March 2012. The debt is being repaid with water user fees.

Amount Issued:	\$2,398,000
Issue Date:	3/6/2012
Original Issue True Interest Rate (TIC):	3.000%
Principal Outstanding as of July 1, 2021:	\$1,472,030

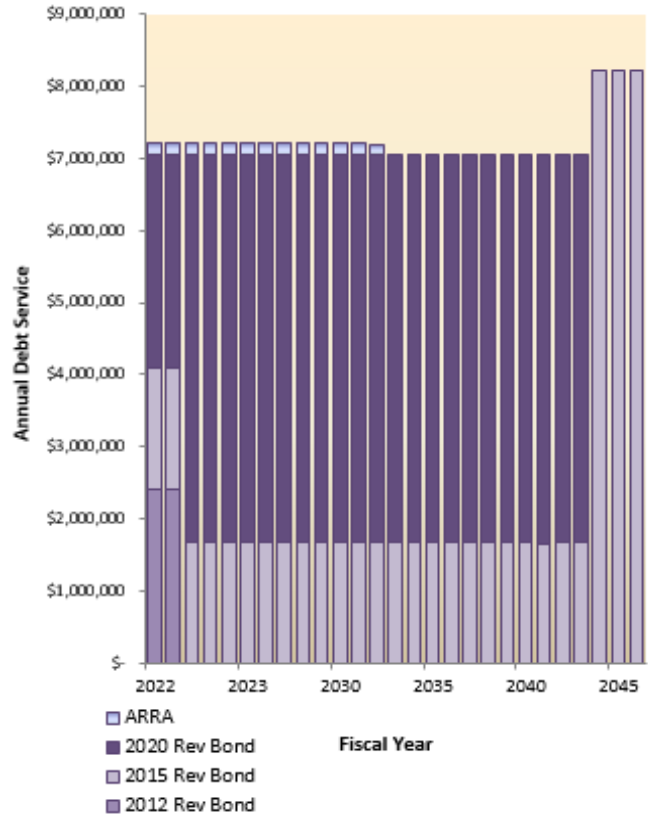
<u>Fiscal Year</u>	<u>Payment Due</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
FY 21-22	12/01/21	3.00%	117,023	44,161	161,184
FY 22-23	12/01/22	3.00%	120,534	40,650	161,184
FY 23-24	12/01/23	3.00%	124,150	37,034	161,184
FY 24-25	12/01/24	3.00%	127,874	33,310	161,184
FY 25-26	12/01/25	3.00%	131,710	29,474	161,184
FY 26-27	12/01/26	3.00%	135,663	25,521	161,184
FY 27-28	12/01/27	3.00%	139,732	21,452	161,184
FY 28-29	12/01/28	3.00%	143,923	17,261	161,184
FY 29-30	12/01/29	3.00%	148,241	12,943	161,184
FY 30-31	12/01/30	3.00%	152,688	8,496	161,184
FY 31-32	12/01/31	3.00%	130,492	3,915	134,407
Total			\$1,472,030	\$274,217	\$1,746,247

WATER REVENUE DEBT

**Projected Annual Debt Service
by Principal and Interest**



**Projected Annual Debt Service
by Issuance**



FY 2021-22 debt service on the outstanding Water Revenue Debt is as follows:

Water Revenue Debt	Date	Interest	Principal	Total
Water Revenue Bond 2012	08/01/21	\$ 92,800	\$ 2,275,000	\$ 2,367,800
	02/01/22	\$ 47,300	-	\$ 47,300
Water Revenue Bond 2015	08/01/21	\$ 740,050	\$ 190,000	\$ 930,050
	02/01/22	\$ 736,250	-	\$ 736,250
Water Revenue Bond 2020	08/01/21	\$ 1,010,581	\$ 950,000	\$ 1,960,581
	08/01/21	\$ 1,001,081	-	\$ 1,001,081
ARRA Loan	12/01/21	\$ 44,161	\$ 117,023	\$ 161,184
Total Water Revenue Debt Service		\$ 3,672,224	\$ 3,532,023	\$ 7,204,247