

# **ANNUAL DISCLOSURE INFORMATION**

**Pertaining to  
City of Portland, Oregon**



**River District  
Urban Renewal and Redevelopment Bonds**

**\$24,250,000**

**2012 Series A (Federally Taxable)  
Dated July 10, 2012**

**\$34,140,000**

**2012 Series B (Tax-Exempt Refunding and Governmental Purpose)  
Dated July 10, 2012**

**\$15,275,000**

**2012 Series C (Tax-Exempt Non-AMT Private Activity)  
Dated July 10, 2012**

**December 31, 2019**

**MATURITY SCHEDULES**

**\$24,250,000\***  
**River District**  
**Urban Renewal and Redevelopment Bonds**  
**2012 Series A (Federally Taxable)**

<b><u>Due</u></b> <b><u>June 15</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>CUSIP No.</u></b> <b><u>73674N</u></b>
2020	\$1,865,000	3.530%	BK6
2021	1,930,000	3.730	BL4
2022	2,005,000	3.780	BM2
2023	2,080,000	3.980	BN0
2024	2,165,000	4.130	BP5
2025	2,255,000	4.280	BQ3
2026	455,000	4.430	BR1
	<u>\$12,755,000</u>		

\_\_\_\_\_  
\*Original par amount.

**\$34,140,000\***  
**River District**  
**Urban Renewal and Redevelopment Bonds**  
**2012 Series B (Tax-Exempt Refunding and Governmental Purpose)**

<b><u>Due</u> <u>June 15</u></b>	<b><u>Principal</u> <u>Amount</u></b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>CUSIP No.</u> <u>73674N</u></b>
2020	\$3,625,000	5.000%	BX8
2021	3,805,000	4.000	BY6
2022	3,960,000	5.000	BZ3
2023	4,155,000	5.000	CA7
**	**	**	**
2031	175,000	4.000	CB5
2032	<u>3,130,000</u>	4.000	CC3
	<u>\$18,850,000</u>		

**\$15,275,000\***  
**River District**  
**Urban Renewal and Redevelopment Bonds**  
**2012 Series C (Tax-Exempt Non-AMT Private Activity)**

<b><u>Due</u> <u>June 15</u></b>	<b><u>Principal</u> <u>Amount</u></b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>CUSIP No.</u> <u>73674N</u></b>
2026	\$1,895,000	5.000%	CD1
2027	1,000,000	3.750	CE9
2027	1,465,000	5.000	CK5
2028	2,570,000	5.000	CF6
2029	2,700,000	5.000	CG4
2030	2,835,000	5.000	CH2
2031	<u>2,810,000</u>	5.000	CJ8
	<u>\$15,275,000</u>		

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\*Original par amount.

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## RIVER DISTRICT URBAN RENEWAL AREA TAX INCREMENT INFORMATION

### HISTORICAL TRENDS IN REAL MARKET VALUES AND ASSESSED VALUES

The table below presents a five-year history of Real Market Value and Assessed Value in the Area.

**Table 1**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**HISTORICAL TRENDS IN REAL MARKET AND ASSESSED VALUES**  
**BY PROPERTY TYPE**  
**(FY 2015-16 through FY 2019-20)**

Property Type	REAL MARKET VALUE				
	FY 2015-16	FY 2016-17 <sup>(1)</sup>	FY 2017-18	FY 2018-19	FY 2019-20
Real	\$5,195,580,800	\$5,455,126,370	\$6,768,827,070	\$8,105,251,500	\$8,265,184,560
Personal	140,065,125	140,796,915	133,534,950	137,432,720	151,339,840
Machinery/Equip.	12,934,660	6,199,330	6,383,450	7,714,870	6,804,100
Manufactured	10,220	10,730	13,020	35,160	33,420
Utility	264,844,488	295,793,758	286,027,315	319,830,722	276,538,864
<b>Total</b>	<b>\$5,613,435,293</b>	<b>\$5,897,927,103</b>	<b>\$7,194,785,805</b>	<b>\$8,570,264,972</b>	<b>\$8,699,900,784</b>
<i>% Change</i>	<i>13.0%</i>	<i>5.1%</i>	<i>22.0%</i>	<i>19.1%</i>	<i>1.5%</i>
Property Type	ASSESSED VALUE ("AV")				
	FY 2015-16	FY 2016-17 <sup>(1)</sup>	FY 2017-18 <sup>(2)</sup>	FY 2018-19 <sup>(2)</sup>	FY 2018-19 <sup>(2)</sup>
Real	\$2,107,584,110	\$1,892,081,340	\$2,291,164,100	\$2,245,125,130	\$2,519,147,770
Personal	137,876,345	139,059,785	131,689,170	135,548,380	148,752,410
Machinery/Equip.	12,298,840	6,199,330	6,383,450	7,714,870	6,804,100
Manufactured	8,280	--	--	--	--
Utility	254,932,550	295,091,600	285,192,588	319,573,400	276,470,300
<b>Total</b>	<b>\$2,512,700,125</b>	<b>\$2,332,432,055</b>	<b>\$2,714,429,308</b>	<b>\$2,707,961,780</b>	<b>\$2,951,174,580</b>
<i>% Change</i>	<i>10.1%</i>	<i>-7.2%</i>	<i>16.4%</i>	<i>-0.2%</i>	<i>9.0%</i>
Less: Frozen Base	(\$461,577,974)	(\$432,292,135)	(\$432,292,135)	(\$432,292,135)	(\$432,292,135)
Incremental AV	\$2,051,122,151	\$1,900,139,920	\$2,282,137,173	\$2,275,669,645	\$2,518,882,445
<i>% Change</i>	<i>12.7%</i>	<i>-7.4%</i>	<i>20.1%</i>	<i>-0.3%</i>	<i>10.7%</i>

(1) Reflects impact of Plan amendment that reduced the acreage and Assessed Value of the Area.

(2) The River District Urban Renewal Area's FY 2017-18 reported Assessed Value included an overstatement of value for certain properties. These values were subsequently corrected for the FY 2018-19 reports resulting in a negative year-to-year assessed value growth rate.

Source: Multnomah County Division of Assessment, Recording and Taxation

The table below shows Assessed Value (“AV”) from FY 2010-11 through FY 2019-20.

**Table 2**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**ASSESSED VALUE GROWTH AND DIVIDE THE TAXES REVENUES**

Fiscal Year	Assessed Value			Incremental AV % Change	Divide the Taxes Revenues to be Raised <sup>(1) (5)</sup>	Divide the Taxes Revenues Imposed <sup>(2) (5)</sup>	Compression Loss <sup>(3)</sup>
	Total	Base	Incremental				
2010-11 <sup>(4)</sup>	1,950,172,853	461,577,974	1,488,594,879	5.5%	31,896,866	29,883,737	6.3%
2011-12	2,064,385,655	461,577,974	1,602,807,681	7.7%	34,977,373	31,571,279	9.7%
2012-13	2,123,227,549	461,577,974	1,661,649,575	3.7%	35,462,368	31,307,650	11.7%
2013-14	2,224,463,411	461,577,974	1,762,885,437	6.1%	37,584,731	32,611,642	13.2%
2014-15	2,281,476,271	461,577,974	1,819,898,297	3.2%	33,056,770 <sup>(6)</sup>	29,808,542	9.8%
2015-16	2,512,700,125	461,577,974	2,051,122,151	12.7%	32,413,237 <sup>(6)</sup>	30,600,151	5.6%
2016-17 <sup>(7)</sup>	2,332,432,055	432,292,135	1,900,139,920	-7.4%	39,472,367 <sup>(8)</sup>	37,649,099	4.6%
2017-18	2,714,429,308	432,292,135	2,282,137,173	20.1%	40,846,953	38,901,101	4.8%
2018-19	2,707,961,780	432,292,135	2,275,669,645	-0.3%	49,539,229	47,314,743	4.5%
2019-20	2,951,174,580	432,292,135	2,518,882,445	10.7%	49,014,494	46,748,274	4.6%

(1) Prior to Measure 5 Compression.

(2) After Measure 5 Compression.

(3) Also includes miscellaneous, minor adjustments by county assessor.

(4) Reflects amendment of Area boundaries to include property formerly in Downtown Waterfront and South Park Blocks urban renewal areas.

(5) Divide the Taxes Revenues to Be Raised and Divide the Taxes Revenues Imposed include the effects of “revenue sharing” as required by Oregon Revised Statutes 457.470. See “OTHER FACTORS AFFECTING DIVIDE THE TAXES REVENUES—Revenue Sharing” herein.

(6) In FY 2014-15 and FY 2015-16, the City made a policy decision to request less Incremental Assessed Value in the calculation of River District Divide the Taxes Revenues than was required by Revenue Sharing statutes in order to return more revenues to overlapping taxing jurisdictions. The reductions were made in conformance with a proposed amendment to Bond covenants as described in the First Supplemental Declaration dated as of July 10, 2012, allowing the City to make a one-time reduction in Divide the Taxes Revenues if the reduction does not cause the Divide the Taxes Revenues to fall below 1.10% of Maximum Annual Debt Service on Outstanding Bonds.

(7) Reflects reduction of Area boundaries due to Plan amendment.

(8) Increase in Divide the Taxes Revenues is due to revenue sharing statutes, which lag effect of Plan amendment. See “REVENUE SHARING” herein.

Sources: Multnomah County Division of Assessment, Recording and Taxation; Washington County Department of Assessment and Taxation; Clackamas County Department of Assessment and Taxation; City of Portland

## Property Types and Values

The Assessed Value for new construction and changed property is calculated by multiplying the Real Market Value of the property by the ratio of the Assessed Values to the Real Market Values of comparable properties in a county (the “Changed Property Ratio”). This produces an Assessed Value for new construction and changed property that approximates the Assessed Value of comparable existing properties in an area. The following table presents a five-year history of Changed Property Ratios for Multnomah County for various property classifications.

**Table 3**  
**CITY OF PORTLAND, OREGON**  
**History of Changed Property Ratios by Property Type**  
**(Multnomah County)**

Property Type	Fiscal Year Ending June 30				
	2015-16	2016-17	2017-18	2018-19 <sup>(1)</sup>	2019-20
Residential	0.5941	0.5379	0.5004	0.4900	0.4900
Commercial/Local Industrial	0.5535	0.4812	0.4466	0.3870	0.3920
State Industrial	1.0000	1.0000	1.0000	1.0000	1.0000
Multi-Family	0.4917	0.3967	0.3297	0.3500	0.3520
Recreational	0.8679	0.7867	0.7572	0.7160	0.7160
Machinery and Equipment	1.0000	1.0000	1.0000	1.0000	1.0000
Miscellaneous	0.6911	0.6409	0.6588	0.7410	0.7270
Personal Property	1.0000	1.0000	1.0000	1.0000	1.0000

(1) In 2017, the Oregon Legislature passed House Bill 2088, which allows cities, if the majority of the population of the city resides in a county with a population greater than 700,000, the option of computing the Changed Property Ratio based upon a city area rather than using the existing law framework of the countywide Changed Property Ratio. Beginning in FY 2018-19, the cities of Gresham and Wood Village opted to have a Changed Property Ratio separate from Multnomah County.

Source: Multnomah County Division of Assessment, Recording and Taxation

The following table shows Assessed Value, Real Market Value, and Assessed Value/Real Market Value Property ratios for types of property in the Area. For purposes of calculating Divide the Taxes Revenues, property taxes are levied on all property types shown in the table.

**Table 4**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**ASSESSED AND REAL MARKET VALUE BY PROPERTY TYPE**  
**(FY 2019-20)**

<b>Property Class</b>	<b>Assessed Value</b>	<b>% of Total</b>	<b>Real Market Value</b>	<b>AV/RMV Ratio</b>
Real Property				
Residential	\$927,241,460	31.4%	\$1,625,933,590	57.0%
Commercial/Industrial (County Assessed)	1,088,668,480	36.9%	4,781,574,060	22.8%
Multi-Family	503,237,830	17.1%	1,857,676,910	27.1%
Subtotal	2,519,147,770	85.4%	8,265,184,560	
Personal Property	148,752,410	5.0%	151,339,840	98.3%
Machinery/Equipment	6,804,100	0.2%	6,804,100	100.0%
Manufactured Property	0	0.0%	33,420	0.0%
Utilities	276,470,300	9.4%	276,538,864	100.0%
<b>Total</b>	<b>\$2,951,174,580</b>	<b>100.0%</b>	<b>\$8,699,900,784</b>	

*Source: "Table 7a – TAXABLE ASSESSED VALUE AND REAL MARKET VALUE BY PROPERTY CLASS, Tax Year 2019-20," River District Urban Renewal District, Multnomah County Division of Assessment, Recording and Taxation*



The following table shows the Assessed Value and Real Market Value ratios by ratio category for all property types in the Area. As established by the Oregon Constitution, Assessed Value for existing properties, absent of improvements, may grow at an annual rate of three percent to an upper limit of the Real Market Value.

**Table 5**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**ASSESSED TO REAL MARKET VALUE RATIOS**  
**(FY 2019-20)**

<b>AV/RMV Ratio</b>	<b>Assessed Value</b>	<b>Percent of Total</b>	<b>Cumulative Percent of Total</b>
Under 30%	\$442,715,530	15.00%	15.00%
30 - 39%	996,747,390	33.78%	48.78%
40 - 49%	310,793,740	10.53%	59.31%
50 - 59%	412,508,150	13.98%	73.29%
60 - 69%	263,351,830	8.92%	82.21%
70 - 79%	57,553,110	1.95%	84.16%
80 - 89%	5,710,900	0.19%	84.35%
90 - 99%	27,541,580	0.93%	85.28%
100%	434,252,350	14.72%	100.00%
<b>Total</b>	<b>\$2,951,174,580</b>	<b>100.00%</b>	

*Source: Multnomah County Division of Assessment, Recording and Taxation*

### Principal Area Taxpayers

The top ten property taxpayer accounts in the Area are listed in the following table.

**Table 6**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**TOP TEN PROPERTY TAXPAYER ACCOUNTS**

<b>Company Name</b>	<b>Type of Business</b>	<b>2019-20 Assessed Value</b>	<b>% of Total Assessed Value</b>
Total River District		\$2,951,174,580	100.0%
AT&T Inc.	Communications	140,356,000	4.8%
SPF Brewery Blocks LLC	Commercial mixed use	117,035,820	4.0%
CenturyLink	Communications	85,144,000	2.9%
Block 17 Holdings LLC	Multifamily housing	46,734,960	1.6%
MEPT Brewery Block 2 LLC	Commercial mixed use	43,319,280	1.5%
Pioneer Place Limited Partnership	Retail	41,768,650	1.4%
MCREP 1420 Pearl Development LLC	Multifamily housing	40,836,330	1.4%
1261 NW Overton St. Apartments Investors	Multifamily housing	40,439,470	1.4%
GS Waterline LLC	Multifamily housing	35,855,140	1.2%
Field Office Property LLC	Real estate (office)	35,407,900	1.2%
		<b>\$626,897,550</b>	<b>21.2%</b>

*Source: Multnomah County Division of Assessment, Recording and Taxation*

## OTHER FACTORS AFFECTING TAX COLLECTIONS

### Property Tax Rates

The Divide the Taxes Revenues are calculated by multiplying the Incremental Assessed Value of the Area by the consolidated billing tax rate, which is the sum of the tax rates of taxing districts that overlap the Area, excluding the urban renewal special levy. In July 2013, House Bill 2632 was signed, which generally excludes local option taxes approved after January 1, 2013, from the consolidated billing tax rate for purposes of computing urban renewal division of taxes for standard rate urban renewal plans, including the Area.

The following tables show the consolidated billing tax rate for the past five years, and the breakdown of tax rates attributable to each underlying taxing entity for FY 2019-20.

**Table 7**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**CONSOLIDATED TAX RATE**

<b>Fiscal Year</b>	<b>Consolidated Billing Tax Rate<sup>(1)</sup></b>
2015-16 <sup>(2)</sup>	\$20.8809
2016-17	20.7734
2017-18 <sup>(3)</sup>	22.2212
2018-19	22.5543
2019-20	22.5714

(1) Rate per \$1,000 of Assessed Value.

(2) Decline in consolidated billing tax rate reflects loss of new local option levies, including Portland Public School local option levy of \$1.99/\$1,000 of Assessed Value, due to passage of House Bill 2632.

(3) Higher consolidated billing tax rate reflects increase in tax rate for Portland Public Schools general obligation bonds issued in 2017.

*Source: Multnomah County Division of Assessment, Recording and Taxation*

**Table 8**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**CONSOLIDATED TAX RATE: FY 2019-20 <sup>(1)</sup>**

<b>Taxing District</b>	<b>Permanent Tax Rate Per \$1,000 A.V.</b>	<b>Local Option And Other Tax Rates<sup>(2)</sup> Per \$1,000 A.V.</b>	<b>General Obligation Debt Tax Rate Per \$1,000 A.V.</b>	<b>Total Tax Rate Per \$1,000 A.V.</b>
City of Portland	\$4.5770	\$2.6674	\$0.2357	\$7.4801
Multnomah County	4.3434	n/a	0.0000	4.3434
Multnomah County Library	1.2100	n/a	0.0000	1.2100
Metro	0.0966	n/a	0.4702	0.5668
Port of Portland	0.0701	n/a	0.0000	0.0701
West Multnomah Soil & Conservation	0.0750	n/a	0.0000	0.0750
Subtotal - General Government	10.3721	2.6674	0.7059	13.7454
Portland School District	5.2781	n/a	2.4053	7.6834
Portland Community College	0.2828	n/a	0.4022	0.6850
Multnomah Co. Education Svc. Dist.	0.4576	n/a	0.0000	0.4576
Subtotal - Schools	6.0185	0.0000	2.8075	8.8260
<b>Totals</b>	<b>\$16.3906</b>	<b>\$2.6674</b>	<b>\$3.5134</b>	<b>\$22.5714</b>

(1) Excludes urban renewal special levy as provided in Oregon Revised Statutes Chapter 457.

(2) Reflects impacts of House Bill 2632, which generally excludes local option taxes approved after January 1, 2013, from the consolidated billing tax rate for purposes of computing urban renewal division of taxes for certain urban renewal plans, as indicated by "n/a." Rate shown for the City is for the Fire and Police Disability and Retirement Fund.

Source: Multnomah County Division of Assessment, Recording and Taxation

## **OTHER FACTORS AFFECTING DIVIDE THE TAXES REVENUES**

### **Revenue Sharing**

ORS 457.470 requires the City to share annual increases in tax increment revenue collections for the Area with overlapping taxing jurisdictions. Beginning in FY 2010-11, the City must attempt to limit annual increases in tax increment revenues for the Area to 75% of the amount they would have otherwise increased. In addition, when annual limited tax increment revenue collections reach \$48,950,000, annual tax increment collections in future years will be capped at \$48,950,000, or ten percent of the Area's maximum indebtedness limit.

In conformance with the methodology set by State of Oregon ("State") law, the City instructed the assessor to use an Incremental Assessed Value that resulted in more tax increment revenues for the Area in certain fiscal years than the amount permitted under the sharing formula, as shown in the table below. Historically, the City interpreted State law to require the City to reduce the Incremental Assessed Value certified to the Multnomah County Assessor in the following year, when over-collection of tax revenues occurred, by an amount estimated to make up for the excess collections. The City's bond counsel has determined that the City is not required to true up for over-collections for the Area, which was reflected in the City's certification to the county assessor for the tax year beginning in FY 2016-17.

In FY 2014-15 and FY 2015-16, the City instructed the assessor to use an Incremental Assessed Value that produced less tax increment revenues than would have resulted by using the methodology established in State revenue sharing statutes in order to return more revenues to overlapping taxing jurisdictions. The reduction was made in conformance with an amendment to bond covenants as described in the First Supplemental Declaration dated as of July 10, 2012, allowing the City to make a one-time reduction in Divide the Taxes Revenues if the reduction does not cause the Divide the Taxes Revenues to fall below 1.10% of Maximum Annual Debt Service on Outstanding Bonds.

In FY 2016-17, the City returned to the revenue sharing calculation methodology prescribed in State statutes. Because that methodology uses a formula tied to prior year Assessed Value and Incremental Assessed Value growth, the resulting tax increment revenues do not fully capture the impact of the Plan reduction. The City estimated that the FY 2017-18 calculation would produce a decline in tax increment revenues because of the reduction in the Area's Assessed Value and Incremental Assessed Value in FY 2016-17; however, an increase in the consolidated tax rate for the Area offset the impact of the reduction in Incremental Assessed Value. As a result, the tax increment revenues for the Area in FY 2017-18 were higher than the prior fiscal year. Beginning in FY 2019-20, the revenue sharing methodology prescribed by state law is expected to produce a relatively fixed amount of tax increment revenues of approximately \$48,950,000, prior to delinquencies, discounts and Measure 5 compression, annually.

**Table 9**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**IMPACT OF REVENUE SHARING ON AREA TAX COLLECTIONS<sup>(1)</sup>**

<b>Fiscal Year Ending</b>	<b>Divide the Taxes Revenues To be Raised</b>	<b>Target Divide the Taxes Revenues to Area Based on Statutory Formula</b>
2010-11	\$31,896,867	\$33,482,246
2011-12	34,977,373	34,827,105
2012-13	35,462,368	36,979,463
2013-14	37,584,731	37,416,585
2014-15 <sup>(2)</sup>	33,056,770	37,667,334
2015-16 <sup>(2)</sup>	30,600,151	37,904,402
2016-17	39,472,367	42,372,611
2017-18	40,846,953	37,413,847
2018-19	49,539,229	49,008,349
2019-20	49,014,494	48,950,000

(1) Prior to Measure 5 compression. Note that this table has been revised from prior Annual Disclosure documents to present information used to calculate revenue sharing as described in Oregon Revised Statutes Chapter 457.

(2) The reduced revenues in FY 2014-15 and FY 2015-16 were due to a decision by the City Council to request less Incremental Assessed Value than would have been permitted by State statute in order to simulate a planned reduction to the Plan area.

*Source: City of Portland*

## **OTHER FACTORS AFFECTING DIVIDE THE TAXES REVENUES**

### **Divide the Taxes Revenue Reductions Due to Measure 5 Compression**

Divide the Taxes Revenues may be reduced by Measure 5 compression effects. In FY 2019-20, Measure 5's tax rate cap of \$10/\$1,000 of Measure 5 market value was the primary factor in reducing the projected Divide the Taxes property tax collections in the Area to \$46,748,274 from the authorized amount of \$49,014,494 as shown in Table 2 above.

### **Divide the Taxes Revenue Reductions Due to Delinquencies**

Property tax collections are also reduced by delinquencies and discounts. The following table shows property tax collections over the past ten fiscal years. In recent years, taxes collected in the year in which they were levied have generally exceeded 95 percent. Note that, under current State law, tax collections at the county level are pooled, and each taxing jurisdiction (including urban renewal areas) receives a *pro rata* distribution of county-wide collections. This practice has the effect of spreading delinquent payments county-wide.

**Table 10**  
**CITY OF PORTLAND, OREGON**  
**Tax Collection Record for the Last Ten Years**

<b>Fiscal Year</b>			
<b>Ending</b>	<b>Total</b>	<b>Collected</b>	<b>Collected as of</b>
<b>June 30</b>	<b>Levy (000)<sup>(1)</sup></b>	<b>Yr. of Levy<sup>(2)</sup></b>	<b>6/30/2019<sup>(3)</sup></b>
2010	\$436,246	96.8%	100.0%
2011	445,239	97.1%	100.0%
2012	445,044	96.8%	99.8%
2013	452,453	97.2%	100.0%
2014	467,516	97.3%	100.0%
2015	490,540	97.6%	100.0%
2016	516,334	97.8%	99.8%
2017	551,135	98.0%	99.7%
2018	600,155	98.4%	99.2%
2019	634,371	98.5%	98.5%

(1) Tax collection information is for Multnomah County, which represents approximately 99.6% of the City's Assessed Value. Small portions of Washington and Clackamas Counties are also included in the City's Assessed Value.

(2) Amount is collected all counties. Includes urban renewal special levy and levy amounts allocated to urban renewal divide the taxes. Levy amounts shown are after Measure 5 compression.

(3) Collections are calculated as payments received less adjustments for cancellation of taxes and allowed discounts, plus taxes added to tax roll due to omissions and corrections. Discounts currently represent the largest adjustment to the tax levy. Discounts currently represent the largest adjustment to the tax levy. Discounts associated with the FY 2018-19 tax levy represented about 2.6% of that year's levy. Discounts effectively reduce the amount of a fiscal year's levy remaining to be collected in future years.

*Sources: Multnomah County Division of Assessment, Recording and Taxation and City of Portland*

## HISTORICAL FINANCIAL RESULTS

### Tax Increment Collections and Annual Debt Service

The following table shows historical collections of Divide the Taxes Revenues in the River District Urban Renewal Area Debt Redemption Fund (the "Tax Increment Fund") on a budgetary basis. Financial information presented on a Generally Accepted Accounting Principles (GAAP) basis is shown in the Appendix.

**Table 11**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**REVENUE COLLECTIONS IN THE TAX INCREMENT FUND**  
**AND ANNUAL DEBT SERVICE (PARITY INDEBTEDNESS)**  
**(Budgetary Basis)**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>Revenues</b>					
Taxes <sup>(1)</sup>	\$28,947,188	\$29,732,592	\$36,365,090	\$37,381,282	\$46,806,228
Investment/interest income	100,566	144,344	256,096	362,582	600,904
Total Revenues	\$29,047,754	\$29,876,936	\$36,621,186	\$37,743,864	\$47,407,132
<b>Debt Service</b> (Parity Indebtedness)	\$7,617,999	\$7,616,278	\$7,616,983	\$7,616,720	\$7,615,793

(1) Includes collections from current and prior tax years.

Source: City of Portland

The following table presents a summary of historical property values, consolidated tax rates, current year Divide the Taxes collections and Annual Debt Service on the Bonds.

**Table 12**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**SUMMARY OF RIVER DISTRICT PROPERTY VALUE, TAX INCREMENT REVENUE**  
**COLLECTIONS, AND DEBT SERVICE**

Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Real Market Value</b>	\$4,966,099,285	\$5,613,435,293	\$5,897,927,103	\$7,194,785,805	\$8,570,264,972
<b>Assessed Value:</b>					
Frozen Base	\$461,577,974	\$461,577,974	\$432,292,135	432,292,135	432,292,135
Incremental Assessed Value	1,819,898,297	2,051,122,151	1,900,139,920	2,282,137,173	2,275,669,645
Total Assessed Value	\$2,281,476,271	\$2,512,700,125	\$2,332,432,055	\$2,714,429,308	\$2,707,961,780
<b>Consolidated Tax Rate</b>	\$23.2010	\$20.8809	\$20.7734	\$22.2212	\$22.5543
<b>Taxes on Increment</b>	\$42,223,460	\$42,829,277	\$39,472,367	\$50,711,827	\$51,326,136
Less Shared Revenue	(9,166,690)	(10,416,040)	-	(9,864,874)	(1,786,907)
<b>Taxes to be Raised</b>	\$33,056,770	\$32,413,237	39,472,367	40,846,953	49,539,229
Less Compression	(3,248,228)	(1,813,086)	(1,823,268)	(1,948,489)	(2,224,486)
<b>Taxes Imposed</b>	\$29,808,542	\$30,600,151	\$37,649,099	\$38,898,464	\$47,314,743
Less Delinquencies/ Discounts	(1,457,131)	(1,426,120)	(1,687,979)	(1,998,877)	(1,827,556)
<b>Net Divide the Taxes Revenues</b>	\$28,351,411	\$29,174,031	\$35,961,120	\$36,899,587	\$45,487,187
<b>Debt Service:</b>					
2003 Bonds	\$681,855	\$0	\$0	\$0	\$0
2012 Bonds	6,936,144	7,616,278	7,616,983	7,616,720	7,615,793
Total	\$7,617,999	\$7,616,278	\$7,616,983	\$7,616,720	\$7,615,793
Debt Service Coverage (x)	3.72	3.83	4.72	4.84	5.97

Source: Multnomah County Division of Assessment, Recording and Taxation and City of Portland



## Outstanding Indebtedness

As of December 31, 2019, the City had \$46,880,000 of outstanding long-term debt for the River District Urban Renewal Area.

**Table 13**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**OUTSTANDING LONG-TERM DEBT AS OF DECEMBER 31, 2019**

Issue Name	Dated Date	Maturity Date	Amount Issued	Amount Outstanding
River District Urban Renewal and Redevelopment Bonds, 2012 Series A	7/10/2012	6/15/2026	\$24,250,000	\$12,755,000
River District Urban Renewal and Redevelopment Bonds, 2012 Series B	7/10/2012	6/15/2032	\$34,140,000	\$18,850,000
River District Urban Renewal and Redevelopment Bonds, 2012 Series C	7/10/2012	6/15/2031	\$15,275,000	\$15,275,000
<i>Total</i>			<u>\$73,665,000</u>	<u>\$46,880,000</u>

*Source: City of Portland*

As of the date of this Annual Disclosure document, a total \$32,124,166 was outstanding on a line of credit secured solely by the Divide the Taxes Revenues of the Area and no additional capacity remains. The line of credit expires on June 1, 2021. Additionally, \$33,770,366 was outstanding on a \$36,000,000 line of credit secured by the City's full faith and credit, which has \$2,229,634 of additional financing capacity and expires on June 30, 2021. This line of credit is expected to be repaid from proceeds of the sale of property purchased by the Portland Development Commission (also known as Prosper Portland) from the U.S. Postal Service.

## MAXIMUM INDEBTEDNESS

The Maximum Indebtedness amount for the Area is \$489,500,000. The table below shows the Maximum Indebtedness amount remaining as of December 31, 2019.

**Table 14**  
**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area**  
**MAXIMUM INDEBTEDNESS, AMOUNTS ISSUED, AND AMOUNTS REMAINING**  
**(as of December 31, 2019)**

Maximum Indebtedness Amount	\$489,500,000
Less: Long-Term Debt Issued <sup>(1)</sup>	(138,393,473)
Taxable Short-Term Debt Issued <sup>(2)</sup>	<u>(327,015,000)</u>
Remaining Maximum Indebtedness	<u>\$24,091,527</u>

(1) Includes aggregate line of credit draws and/or long-term bonds.

(2) To comply with requirements that tax increment revenues be spent on bonded indebtedness, the City issues bonds with very short maturities (typically overnight). These bonds, known as "du jour bonds" are typically sold to commercial banks. All such bonds possess a lien on the Central Eastside Tax Increment Revenues that is subordinate to the lien of all other Parity Indebtedness.

*Source: City of Portland*

## **CITY FINANCIAL AND OPERATING INFORMATION**

### **BASIS OF ACCOUNTING**

The governmental fund types are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The economic resources measurement focus and the accrual basis of accounting is used for all proprietary fund and fiduciary fund financial statements. The City's accounting practices conform to Generally Accepted Accounting Principles (GAAP) as interpreted by the Governmental Accounting Standards Board (the "GASB"). The Tax Increment Fund is a governmental fund of the City.

### **FISCAL YEAR**

July 1 to June 30.

### **AUDITS**

The Oregon Municipal Audit Law (ORS 297.405 - 297.555) requires an audit and examination be made of the accounts and financial affairs of every municipal corporation at least once each year. The audit shall be made by accountants whose names are included on the roster prepared by the State Board of Accountancy. Moss Adams LLP has performed auditing services for FY 2002-03 through FY 2018-19.

A complete copy of the City's FY 2018-19 audit is available on the EMMA system for municipal securities disclosure established by the MSRB and accessible at <http://emma.msrb.org>.

Excerpts of the City's audited financial statements for the Tax Increment Fund on a GAAP basis are found in the Appendix.

### **FINANCIAL REPORTING AND BUDGETING**

#### **Financial Reporting**

The City has been awarded the Government Finance Officers Association ("GFOA") Certificate of Achievement for Excellence in Financial Reporting every year since 1982. According to the GFOA, the Certificate of Achievement is the "highest form of recognition in the area of governmental financial reporting." To be awarded the certificate, a governmental unit must publish an easily readable and efficiently organized comprehensive financial report whose content conforms to program requirements and satisfies both generally accepted accounting principles and applicable legal requirements.

#### **Budget Process**

The City prepares annual budgets for all its bureaus and funds in accordance with provisions of Oregon Local Budget Law. The law provides standard procedures for the preparation, presentation, administration, and public notice for public sector budgets. At the outset of the process, the Mayor or the full City Council reviews overall goals, establishes priorities, and provides direction to bureaus. The City Council conducts an extensive public information process to obtain direct public input on City service priorities, and most bureaus include key stakeholders in developing their budget requests.

In addition to this public outreach process, in January 2014, the City Council approved a five-year contract with the Citizens' Utility Board of Oregon (the "CUB"), an independent consumer advocacy nonprofit organization, to provide input regarding the City's water and sewer bureaus on behalf of residential customers. The City Council renewed the partnership agreement with the CUB in 2019. The CUB provides recommendations to the City Council on capital spending, rates, and customer service issues. On June 10, 2015, the City Council approved creation of the Portland Utility Board, a new citizen oversight panel that replaced the Portland Utility Review Board and budget advisory committees for the Portland Water Bureau and Bureau of Environmental Services. The Portland Utility Board, which is staffed by a dedicated financial analyst, advises the City Council regarding operations of the two utility bureaus, including development of bureau budgets and financial plans, capital spending, and rate setting.

A five-year General Fund financial forecast, which serves as the basis for determining resources available for budgeting, is also provided to the City Council along with budget requests. Major City bureaus generally prepare and submit five-year financial plans and capital improvement plans. The City Budget Office, which was created by the City Council in December 2012, coordinates the budget development process.

Bureau budget requests are reviewed by the Mayor and Council members, as well as a panel of community advisors. The Mayor develops a Proposed Budget that addresses City Council priorities, public input, and balancing requirements. Following presentation of the Proposed Budget, a community hearing is scheduled wherein public testimony is taken. A budget summary and notice of hearing are published prior to the hearings. The City Council, sitting as the Budget Committee, considers the testimony from the community and can alter the budget proposal before voting to approve the budget.

The City Council transmits the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission (the "TSCC"), an oversight board appointed by the governor, for public hearing and review for compliance with budget law. Upon certification by the TSCC, the City Council holds a final public hearing prior to adoption. Final adoption of the City's budget is required to be through a vote of the City Council no later than June 30. All committee meetings and budget hearings are open to the public.

## **INSURANCE**

The City is exposed to various risks of loss related to theft, damage and destruction of assets, tort claims (general and fleet liability), injuries to employees, acts of terrorism, and natural disasters. The City is self-insured for workers' compensation, fleet and general liability claims and certain employees' medical coverage in internal service funds.

The City estimates liability for incurred losses for reported and unreported claims for workers' compensation, general and fleet liability and employee medical coverage (included in accrued self-insurance claims in the combined statement of net position). Workers' compensation, general and fleet liability estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the City's Risk Management Division and independent actuarial studies. Liabilities are based on an estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors. The estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine present value of the liability. For FY 2018-19, the expected rate of return used was 2.1 percent. For FY 2019-20, and subsequent years, the expected rate of return used was 2.3 percent and 2.35 percent respectively. The Bureau of Human Resources and the employee benefits consultant determines relevant employees' medical coverage estimates.

The City provides insurance coverage deemed as adequate, appropriate, and actuarially sound. It meets all the City's anticipated settlements, obligations and outstanding liabilities. An excess liability coverage insurance policy covers individual claims in excess of \$1 million to policy limits, police law enforcement claims in excess of \$2.5 million for claims occurring after November 12, 2013, to policy limits and an excess workers' compensation coverage insurance policy covers claims in excess of \$850,000 for occurrences after July 1, 2012. The City purchases commercial insurance for claims in excess of coverage provided by the self-insurance fund. The City's limits of coverage on the excess liability policy is \$10 million per claim above the self-insurance retention for covered torts. The City does not have any claims reserved above the current self-insurance retention and excess layer. In the City's last three excess renewals, there have been no material changes in retention, coverage or conditions. Furthermore, current levels of accrued claims and case reserve estimates are viewed as reasonable provisions for expected future losses.

Per Oregon Revised Statute ("ORS") 30.272 limitations on liability of public bodies for personal injury to any single claimant for causes of action arising on or after July 1, 2019, and before July 1, 2020, limitations are \$749,000 for single claimant and \$1.498 million for multiple claimants.

Per ORS 30.273 limitations on liability of public bodies for property damage arising on or after July 1, 2019 and before July 1, 2020, limitations are \$122,900 for single claimant and \$614,300 for multiple claimants.

Liabilities are reported in the applicable fund when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated for effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether any are allocated to specific claims. Estimated recoveries, from salvage or subrogation for example, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	<b>FY 2018-19</b>	<b>FY 2017-18</b>
Balance, beginning of fiscal year	\$31,721,400	\$28,068,818
Incurring claims and adjustments	66,624,554	64,839,071
Claim cash payments	(65,925,043)	(61,186,489)
Unpaid claims, end of fiscal year	<u>\$32,420,911</u>	<u>\$31,721,400</u>

## **CYBERSECURITY**

The City, like other large public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s information technology systems to misappropriate assets or information or to cause operational disruption and damage.

To reduce and mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the City has invested in multiple forms of cybersecurity and operational safeguards, including adopting the National Institute of Standards and Technology Cybersecurity Framework to support, maintain, and prioritize securing critical infrastructure and data systems, manage risk, and improve cybersecurity event detection and remediation. Under the leadership of the City’s Chief Information Security Officer, the City’s Bureau of Technology Services has established a cybersecurity team which is responsible for identifying, evaluating, responding, and reporting on information security risks in a manner that meets compliance and regulatory requirements, and which aligns with and supports the cybersecurity risk posture of the City. Additionally, all information security related standards, policies and administrative rules are reviewed annually.

As a recipient and provider of personal and confidential information, the City has been the subject of cybersecurity incidents that have resulted in, or could have resulted in, adverse consequences to the City’s confidential information and technologies and that required a response action to mitigate potential consequences. For example, during 2018, the City was subject to several phishing attacks against the City’s Microsoft-hosted email system which briefly disrupted some email services and exposed several employee e-mail accounts to unauthorized entities or individuals. The scope of impact was limited to a small number of accounts and the attacks were quickly contained and mitigated. The City has no evidence that any City or individual’s confidential information was exfiltrated, but there is a possibility of exfiltration. The City has thoroughly investigated these incidents and where appropriate, has offered the potentially impacted individuals a year of free credit monitoring. Since the occurrence of those attacks, the City has implemented additional information security controls to reduce the likelihood of success of future phishing attacks.

The City’s cybersecurity and operational safeguards are periodically internally tested and assessed by external auditors, however the City cannot assure that these measures will prevent all potential cybersecurity attacks, and accompanying disruptions and costs. To offset some of the potential financial costs and risks associated with a breach, the City’s Risk Management Division obtained a cyber-liability insurance policy. The policy offers liability coverage, as well as coverage for certain business expenses related to cybersecurity incidents, such as business interruption expenses and costs to recover, restore or replace lost data. The policy does not cover “social engineering losses,” such as losses resulting from bad actors manipulating people into performing actions such as wiring finances to banks. These claims are covered separately under the City’s Crime Policy.

## **LABOR RELATIONS**

The City employs approximately 6,637 full-time equivalent personnel. Of these, 4,554 are represented by collective bargaining units.

The City is currently negotiating successor agreements with the Portland Fire Fighters Association (“PFFA”) and the Bureau of Emergency Communications (“BOEC”). Each of the current agreements expired on June 30, 2019. Neither union is permitted to strike, but each has the option of taking contract negotiations to binding arbitration. The PFFA declared a bargaining impasse on November 1, 2019, and filed a declaration of impasse with the State Employment Relations Board as negotiations had occurred for at least 150 days, been mediated for at least 15 days, and no agreement had been reached. The City is scheduling dates for arbitration, which currently are expected to occur beginning in April 2020. Additionally, negotiations between the City and BOEC have occurred for at least 150 days and the union has now requested to move to mediation. The first session occurred on December 17, 2019, and a second session has been scheduled for March 2020.

**Table 15**  
**CITY OF PORTLAND, OREGON**  
**Bargaining Units and Contract Status**

<b>Collective Bargaining Unit</b>	<b>Number of Employees<sup>(1)</sup></b>	<b>Contracts &amp; MOUs Expire</b>
District Council of Trade Unions (DCTU) <sup>(2)</sup>	1,173	June 30, 2020
Portland Police Association	830	June 30, 2020
Professional and Technical Employees Local 17	836	June 30, 2021
Portland Fire Fighters Association	653	June 30, 2019 <sup>(3)</sup>
Laborers' International Union of North America Local 483 - Portland City Laborers	630	June 30, 2021
Laborers' International Union of North America Local 483 - Parks and Recreation	204	June 30, 2021
Bureau of Emergency Communications - PPA	108	June 30, 2019 <sup>(3)</sup>
Laborers' International Union of North America Local 483 - Seasonal Maintenance Workers	91	June 30, 2022
Portland Police Commanding Officers Association (PPCOA)	29	June 30, 2022

(1) Number of employees refers to number of filled full-time equivalent positions.

(2) DCTU includes DCTU IBEW Local 48; DCTU- Auto Mechanics, District Lodge 24; DCTU-Operating Engineers Local 701; DCTU-Painters and Allied Trades, District Council 5; and DCTU Plumbers Local 290.

(3) Currently in negotiation.

Source: *City of Portland*

## **PENSION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

### **Overview**

The Oregon Public Employees Retirement System (“PERS” or “the Statewide PERS System”) provides statewide defined benefit retirement plans for units of state government, political subdivisions, community colleges, and school districts. Most public employers in Oregon, including the City, participate in PERS. PERS is administered under ORS Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a) by the Public Employees Retirement Board (the “PERS Board”). The PERS Board is responsible for setting policies and for providing administrative direction to PERS. Benefits provided through PERS are paid from the Oregon Public Employees’ Retirement Fund (“OPERF”). PERS is a cost-sharing, multiple-employer public employee retirement system.

City employees (other than certain fire and police personnel), after six months of employment, participate in one of three retirement pension benefit programs provided through PERS as described below. The three PERS pension programs include two closed defined benefit programs and one program that has features of both defined benefit and defined contribution plans. In a defined benefit plan, the investment risk for the plan assets is borne by the employer. In a defined contribution plan, the investment risk for the plan assets is borne by the employee. A combination of participating employer contributions (determined by the PERS Board based upon the results of actuarial valuations), investment earnings and employee-paid contributions (currently, for the City, six percent of salaries and nine percent for police and fire employees) fund these pension programs. See “—Employer Contribution Rates and Amounts” and “—PENSION PLANS: FIRE AND POLICE DISABILITY AND RETIREMENT FUND” below.

### **Benefit Programs**

Employees hired before January 1, 1996, are known as “Tier 1” participants. The retirement benefits applicable to Tier 1 participants are based on a defined benefit model. Tier 1 has a normal retirement age of 58 and, effective January 1, 2018, an assumed earnings rate guarantee of 7.20 percent. PERS maintains a “Tier One Rate Guarantee Reserve” which is credited with investment earnings in excess of the assumed earnings rate guarantee and used to offset the effects of investment earnings below the assumed earnings rate guarantee. As of June 30, 2019, the balance of this reserve was \$448.8 million. As of June 30, 2019, there were 18,971 active plan members, 128,177 retired plan members or their beneficiaries currently receiving benefits, and 7,655 inactive plan members entitled to but not yet receiving benefits, and 3,410 inactive plan members eligible for the refund value of their account only, for a total of 158,213 Tier One members in the Statewide PERS System.

Employees hired on or after January 1, 1996, and before August 29, 2003, are known as “Tier 2” participants. The Tier 2 program also provides a defined benefit but with lower expected costs to employers than under the Tier 1 benefit. There is no

assumed earnings rate guarantee and Tier 2 has a higher normal retirement age of 60. As of June 30, 2019, there were 32,441 active plan members, 15,567 retired plan members or their beneficiaries currently receiving benefits, and 5,778 inactive plan members entitled to but not yet receiving benefits, and 9,788 inactive plan members eligible for the refund value of their account only, for a total of 63,574 Tier 2 members in the Statewide PERS System.

Employees hired on or after August 29, 2003, are participants in a successor retirement program to the Tier 1 and Tier 2 retirement programs (the “T1/T2 Pension Programs”) known as the Oregon Public Service Retirement Plan (“OPSRP”). OPSRP consists of a defined benefit plan and also offers the Individual Account Program (“IAP”), which offers a defined contribution benefit. As of June 30, 2019, there were 124,915 active plan members, 5,642 retired plan members or their beneficiaries currently receiving benefits, 5,868 inactive plan members entitled to but not yet receiving benefits, and 16,287 inactive plan members not eligible for refund or retirement, for a total of 152,712 OPSRP Pension Program members.

Effective January 1, 2004, all active Tier 1 and Tier 2 employees also became members of the IAP. Tier 1 and Tier 2 employees retain their existing T1/T2 Pension Program account, but member contributions are now deposited into the member’s IAP account, not into the member’s PERS account.

### **Apportionment of City Assets and Liabilities**

The City is pooled with the State of Oregon and other Oregon local government and community college public employers for its T1/T2 Pension Programs (the “State and Local Government Rate Pool” or “SLGRP”), and the SLGRP’s assets and liabilities are pooled. These assets and liabilities are not tracked or calculated on an employer basis or allocated to individual employers. The City’s portion of the SLGRP’s assets and liabilities is based on the City’s proportionate share of SLGRP’s pooled covered payroll. OPSRP’s assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis or allocated to individual employers. The City’s share of OPSRP’s assets and liabilities is based on the City’s proportionate share of OPSRP’s pooled covered payroll. The City’s proportionate liability of the T1/T2 Pension Programs and OPSRP may increase if other pool participants fail to pay their full employer contributions.

### **Employer Asset Valuation and Liabilities**

Oregon statutes require an actuarial valuation of the Statewide PERS System by a competent actuary at least once every two years. The current PERS actuary is Milliman, Inc. (“Milliman”). Under current practice, actuarial valuations are performed annually, but only valuations as of the end of each odd-numbered year are used to determine annual required employer contribution rates that employers will be required to pay to fund the obligations of T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account Plan (“RHIA”). For a description of RHIA, see “OTHER POST-EMPLOYMENT RETIREMENT BENEFITS” below. Valuations are released approximately one year after the valuation date.

An employer’s unfunded actuarial liability (“UAL”) is the excess of the actuarially determined present value of the employer’s benefit obligations to employees over the existing actuarially determined assets available to pay those benefits. The following table shows certain methods and assumptions adopted by the PERS Board, which are the basis for the actuarial valuations.

**Table 16**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Actuarial Assumptions and Methods**

ASSUMPTION/METHOD	2016 & 2017 VALUATIONS <sup>(1)</sup>	2018 & 2019 VALUATIONS <sup>(2)</sup>
Actuarial Cost Method:	Entry Age Normal	Unchanged
UAL Method: T1/T2 Programs	Level Percentage of Payroll over 20 years (fixed)	Unchanged
OPSRP	Level Percentage of Payroll over 16 years (fixed)	Unchanged
Asset Valuation Method:	Market Value <sup>(3)</sup>	Unchanged
Investment Rate of Return:	7.20%	Unchanged%
Payroll Growth Rate:	3.50%	Unchanged
Inflation Level:	2.50%	Unchanged
Contribution Rate Stabilization Method:	Contribution rate may increase or decrease by 3% of payroll or by 20% of the previous rate; whichever is greater, when an employer's funded status is between 70% and 130%. At a funded status of 60% or less, or 140% or more, the limitation doubles to 6% of payroll or 40% of the previous rate, whichever is greater. At a funded status between 60% and 70% or 130% and 140%, the limitation increases in increments between 3%-6% of payroll or 20%-40% of the previous rate, whichever is greater.	Unchanged

- (1) Assumptions and methods adopted by the PERS Board on July 28, 2017, that apply to actuarial valuations as of December 31, 2016, and December 31, 2017.
- (2) Assumptions and methods adopted by the PERS Board on October 4, 2019 that apply to actuarial valuations as of December 31, 2018 and as of December 31, 2019 when released in the fall of 2020. See information regarding the one-time amortization of the unfunded actuarial liability as of December 31, 2019 as described in "PENION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM – Recent Developments Related to PERS."
- (3) Market value of assets reduced by value of assets in statutory reserves (contingency, capital preservation and rate guarantee reserves).

*Source: Oregon Public Employees Retirement System*

The PERS Board adopted the final actuarial assumptions and methods for the 2018 and 2019 actuarial valuations on October 4, 2019. Such adopted actuarial assumptions and methods remain largely unchanged from the actuarial assumptions and methods used for the 2016 and 2017 actuarial valuations, with the exception of the amortization of the 2019 UAL as described in Milliman released its 2016 valuation for the Statewide PERS System as of December 31, 2016 (the "2016 System Valuation") on December 6, 2017, its 2017 valuation for the Statewide PERS System as of December 31, 2017 (the "2017 System Valuation") on September 28, 2018, and its 2018 valuation for the Statewide PERS System as of December 31, 2018 (the "2018 System Valuation") on December 12, 2019. These reports include system-wide actuarial valuations for the T1/T2 Pension Programs and OPSRP.

Milliman released the City's individual 2016 valuation as of December 31, 2016, (the "2016 City Valuation") on December 7, 2017, and its 2017 valuation as of December 31, 2017, (the "2017 City Valuation") on October 17, 2018, and the City's individual 2018 valuation as of December 31, 2018 (the "2018 City Valuation") on December 12, 2019. These valuation reports provide the City's portion of (a) the SLGRP based on the City's proportionate share of the total SLGRP covered payroll as of the valuation date, (b) OPSRP based on the City's proportionate share of total OPSRP covered payroll as of the valuation date, and (c) the RHIA based on the City's proportionate share of the total RHIA covered payroll as of the valuation date.

The tables below provide historical summary valuation information for the Statewide PERS System and for the City.

**Table 17**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Summary of Statewide PERS System Funding Levels**  
**(\$ in Millions) <sup>(1)</sup>**

<b>STATEWIDE PERS SYSTEM</b>				
<b>Calendar Year</b>	<b>Actuarial</b>	<b>Unfunded</b>		
	<b>Value of Assets (2)</b>	<b>Actuarial Liability</b>	<b>Actuarial Liability</b>	<b>Funded Ratio (%)</b>
2009	\$43,238.8	\$56,810.6	\$13,571.8	76.1
2010	46,004.4	59,329.5	13,325.1	77.5
2011	43,238.8	61,198.4	17,959.6	76.1
2012 <sup>(3)</sup>	49,265.9	60,405.2	11,139.3	81.6
2013 <sup>(3)</sup>	54,090.1	62,593.6	8,503.5	86.4
2014 <sup>(4)</sup>	55,518.2	73,458.9	17,940.7	75.6
2015	54,365.8	76,196.6	21,830.8	71.3
2016	55,670.2	80,970.3	25,300.1	68.8
2017	61,764.9	84,056.1	22,291.2	73.5
2018	59,593.0	86,574.7	26,981.7	68.8

- (1) Composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA.
- (2) Does not take into account offsets for deposits made by individual employers from bond proceeds or cash on hand in side accounts
- (3) Reflects the legislative changes enacted by the Oregon Legislative Assembly in 2013 (the “2013 PERS Bills”) to reduce future benefit payments, resulting in a reduction of the PERS unfunded actuarial liability by approximately \$5 billion.
- (4) In April 2015, the Oregon Supreme Court announced a decision on lawsuits challenging the provisions of the 2013 PERS Bills. The decision upheld the elimination of a benefit increase for out-of-state retirees but declared other benefit reductions unconstitutional as applied to benefits earned prior to the June 1, 2013 effective date of the 2013 PERS Bills.

*Source: Oregon Public Employees Retirement System*



**Table 18**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Summary of City Funding Levels**  
**(\$ in Millions)<sup>(1)</sup>**

<b>Calendar Year</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Liability</b>	<b>Unfunded Actuarial Liability</b>	<b>Funded Ratio (%)</b>
2009	\$1,424.0	\$1,606.0	\$182.0	88.7
2010	1,499.8	1,672.5	172.7	89.7
2011	1,459.0	1,724.2	265.3	84.6
2012 <sup>(2)</sup>	1,624.8	1,744.3	119.5	93.2
2013 <sup>(2)</sup>	1,762.8	1,804.7	41.9	97.7
2014 <sup>(3)</sup>	1,844.1	2,210.1	366.0	83.4
2015	1,820.6	2,335.5	514.9	78.0
2016	1,891.4	2,540.2	648.8	74.4
2017	2,171.1	2,776.3	605.2	78.2
2018	2,202.1	3,048.8	846.8	72.2

- (1) Composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA. City information is calculated separately for the SLGRP and OPSRP using the City's payroll as a percentage of combined payroll of the respective rate pools. SLGRP values include pre-SLGRP and transition liabilities/surpluses created when the City joined the prior local government rate pool and the SLGRP.
- (2) Reflects the legislative changes enacted by the Oregon Legislative Assembly in 2013 (the "2013 PERS Bills") to reduce future benefit payments, resulting in a reduction of the PERS unfunded actuarial liability by approximately \$5 billion.
- (3) In April 2015, the Oregon Supreme Court announced a decision on lawsuits challenging the provisions of the 2013 PERS Bills. The decision upheld the elimination of a benefit increase for out-of-state retirees but declared other benefit reductions unconstitutional as applied to benefits earned prior to the June 1, 2013 effective date of the 2013 PERS Bills

*Source: Oregon Public Employees Retirement System*

The following table presents a history of the City’s member payroll, unfunded actuarial liability and ratio of unfunded actuarial liability to payroll.

**Table 19**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**City Payroll for PERS Members and Unfunded Actuarial Liability**

<b>Calendar Year</b>	<b>Payroll</b>	<b>Unfunded Actuarial Liability</b>	<b>Unfunded Liability to Payroll Ratio</b>
2009	\$303,851,551	\$182,019,126	60%
2010	307,538,429	172,726,579	56%
2011	303,508,135	265,267,189	87%
2012	311,688,601	119,477,128	38%
2013	313,291,592	41,882,231	13%
2014	335,113,826	365,964,877	109%
2015	350,158,915	514,861,639	147%
2016	362,850,562	648,861,639	179%
2017	384,409,335	605,231,941	157%
2018	434,168,788	846,761,641	195%

*Source: Oregon Public Employees Retirement System*

The funded status of the pension programs may change depending on the market performance of the securities that the OPERF is invested in, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS. Additionally, the market value of the investments held in the OPERF is determined using various sources.

### **State Investment Policy**

The Oregon State Treasury is the investment officer for the state of Oregon. Investment standards are established in ORS 293.726 and require funds to be managed as a prudent investor would do. The Oregon Investment Council (“OIC”) establishes policies for the investment and reinvestment of moneys in PERS investment funds. Policies are established based on the primary investment asset class of each investment manager. The OIC has approved the following asset classes for the OPERF: Short-Term Investing, Fixed Income, Real Estate, Public and Private Equities, and Alternative Investments. In addition, OPERF invests in the Opportunity Portfolio, which may be populated with investment approaches across a wide range of investment opportunities with no limitation as to asset classes or strategies. The target investment portfolio mix at market value was revised at the OIC meeting of April 24, 2019, to 32.5 percent global equity, 17.5 percent private equity, 20 percent fixed income, 12.5 percent real estate, 7.5 percent alternatives – illiquid, 7.5 percent alternatives – diversifying strategies and 2.5 percent risk parity.

The following table presents a 10-year history of investment returns for the OPERF.

**Table 20**  
**OREGON PUBLIC EMPLOYEES RETIREMENT FUND**  
**Oregon PERS Investment Returns<sup>(1)</sup>**

<b>Fiscal Year</b>	<b>Net</b>
<b>Ending June 30</b>	<b>Returns (%)</b>
2010	17.0
2011	22.3
2012	1.6
2013	12.7
2014	16.6
2015	4.3
2016	1.2
2017	11.9
2018 <sup>(2)</sup>	9.4
2019	6.5

(1) Total fund performance, excluding variable account.

(2) The Oregon Investment Council has reported that for the calendar year ending December 31, 2018, net returns were 0.5 percent. See “—Recent Developments Related to PERS” herein.

*Source: Oregon Public Employees Retirement Fund System Comprehensive Annual Financial Report for FYs 2009-10 through 2018-19*

The following table presents annualized investment returns over the most recent 1-year, 3-year and 5-year periods. Calculations were prepared using a time-weighted rate of return based on market rates in accordance with the Global Investment Performance Standards performance presentation standards.

**Table 21**  
**OREGON PUBLIC EMPLOYEES RETIREMENT FUND**  
**Annualized Investment Results<sup>(1)</sup>**

Periods Ending June 30, 2019	<b>Annualized</b>		
	1-Year	3-Year	5-Year
Total Portfolio, Excluding Variable	6.5%	9.3%	6.7%

(1) Total fund performance, regular account. Excludes variable account.

*Source: Oregon Public Employees Retirement Fund System Comprehensive Annual Financial Report for FY 2018-19*

## Employer Contribution Rates and Amounts

At the end of each odd-numbered year, actuarial valuations determine the employer contribution rates that are officially set by the PERS Board. Pursuant to ORS 238.225 all employers participating in PERS are required to make their contribution to PERS based on the employer contribution rates set by the PERS Board.

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates are based upon the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including known and anticipated investment performance of the OPERF.

The City’s employer contribution rates were derived using a rate stabilization methodology (the “Rate Collar”) designed to cap rate increases and reduce large fluctuations in employer contribution rates. Such rate increases are shifted to future biennia. See Table 16 for a summary of the Rate Collar in effect. Because of the Rate Collar, the PERS Board-approved employer contribution rates for some employers, including the City, are currently less than the actuarially required contribution (“ARC”).

T1/T2 Pension Programs employees and OPSRP employees are required by state statute to contribute six percent of their annual salary to the respective programs. Employers are allowed to pay the employees’ contribution in addition to the required employers’ contribution. The City has elected to make the employee contribution. An employer also may elect via written employment policy or agreement to make additional employer contributions to its employees’ IAP accounts in an amount that can range from not less than one percent of salary to no more than six percent of salary and must be a whole percentage. Employers may make this policy or agreement for specific groups of their employees. The City has elected to make an optional contribution to the IAP accounts of public safety employees hired after January 1, 2007, of an additional three percent of their annual salary.

The table below shows the City’s employer contribution rates for the 2017-19 biennium that ended on June 30, 2019. The table also shows the City’s current employer contribution rates for the 2019-21 biennium that began on July 1, 2019, as reported in the 2017 City Valuation and the City’s advisory-only, employer contribution rates for the 2021-23 biennium as reported in the 2018 City Valuation. The City’s actual employer contribution rates for the 2021-23 biennium will be based on the City’s actuarial valuation as of December 31, 2019. The rates reported in the table do not include the six percent and nine percent employee contribution rates for contributions to the IAP paid by the City.

**Table 22**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**Employer Contribution Rates for the City**  
**Percentage of Covered Payroll<sup>(1)(2)</sup>**

<b>Payrolls Paid</b>	<b>Past Rates 2017-2019</b>	<b>Current Rates 2019-21</b>	<b>Advisory-Only 2021-2023<sup>(3)</sup></b>
T1/T2	17.62%	21.86%	24.25%
OPSRP General Services	10.69	15.53	19.98
OPSRP Police and Fire	15.46	20.16	24.35

(1) Includes contribution rates to fund RHIA. See “OTHER POST-EMPLOYEE RETIREMENT BENEFITS – PERS Program.” For FY 2018-19, one percent of the City’s covered payroll for the three pension benefit programs was approximately: \$1,306,567 for T1/T2 Pension Programs; \$2,471,260 for OPSRP general services; and \$642,432 for OPSRP police and fire.

(2) Includes adjustments for side accounts and pre-SLGRP liabilities.

(3) Advisory-only, employer contribution rates for the 2021-2023 biennium are based on the 2018 City Valuation. The City’s actual employer contribution rates for the 2021-23 biennium will be based on the City’s actuarial valuation report as of December 31, 2019.

Source: City of Portland, Oregon Public Employees Retirement System

The City’s contribution rates may increase or decrease due to a variety of factors, including the investment performance of the OPERF, the use of pension-related reserves, further changes to system valuation methodology and assumptions and decisions by the PERS Board, and changes in benefits resulting from legislative modifications. The City cannot predict whether any legislation or related actions will attempt to further modify the PERS System or whether such attempts would withstand legal challenge.

The City’s financial plan has been updated to incorporate higher growth assumptions for PERS employer rates. For each of the next two biennia (FYs 2019-20 and 2020-21 and FYs 2021-22 and 2022-23), the financial plan assumes increases in rates for both T1/T2 and OPSRP of approximately five percentage points.

### **City Funding Policy**

In August 2014, the City Council approved a policy regarding funding of its PERS pension liability. The policy requires the City to make contributions at no less than the rate established by the PERS Board and required by ORS 238.225. The City has always funded its full employer contribution as required by ORS 238.225. See “—Employer Contribution Rates and Amounts” above.

### **Pension Obligation Bonds**

In addition to their PERS contribution, City bureaus in existence as of November 10, 1999, (the issue date of the bonds) are required to make a contribution to pay debt service on outstanding Limited Tax Pension Obligation Revenue Bonds (the “Pension Obligation Bonds”), which were issued to fund the City’s share of the unfunded actuarial liabilities of PERS as of December 31, 1997. The Pension Obligation Bonds were issued in three series: one series of fixed rate bonds in an amount of \$150,848,346 and two series of auction rate securities in an aggregate amount of \$150,000,000. Pension Obligation Bonds issued as auction rate securities were fully repaid on June 1, 2019. The final maturity of the fixed rate Pension Obligation Bonds is June 1, 2029. Proceeds of the Pension Obligation Bonds were deposited with PERS. Table 23 below shows the debt service paid by the City on its Pension Obligation Bonds.

### **Total City Pension Contribution**

The following table shows the amount of City contributions paid to PERS for the three pension programs including amounts paid by the City for the employee contribution. Contributions include the payments from the Fire and Police Disability and Retirement Fund for pensions of police and firefighters participating in the T1/T2 Pension Programs and OPSRP. Fire and Police Disability and Retirement Fund contributions are funded from a dedicated Citywide property tax levy (the “FPDR levy”). See “—PENSION PLANS: FIRE AND POLICE DISABILITY AND RETIREMENT FUND” below. In FY 2018-19, approximately 68 percent of the total cash contribution was for the employer share and 32 percent was for the employee share. The City made its required contribution for its pension obligation in all years. See “—Employer Contribution Rates and Amounts” above.

**Table 23**  
**CITY OF PORTLAND, OREGON**  
**City Contribution Related to PERS**

<b>Fiscal Year Ending June 30</b>	<b>City's Required Cash Contribution to PERS <sup>(1)</sup></b>	<b>Debt Service on Pension Obligation Bonds</b>	<b>Total Cash Contribution for Pension Costs</b>
2010	\$32,598,608	\$15,223,638	\$47,822,246
2011	33,622,080	16,416,215	50,038,295
2012	45,229,731	17,740,796	62,970,527
2013	45,278,556	19,433,725	64,712,281
2014	45,868,558	21,129,361	66,997,919
2015	46,969,145	23,074,692	70,043,837
2016	55,530,023	25,350,317	80,880,340
2017	58,637,409	27,853,142	86,490,551
2018	76,185,383	30,540,190	106,725,574
2019	86,437,805	33,027,629	119,465,434

(1) Includes City's statutorily required employer contribution for T1/T2 and OPSRP pension program and its pension contribution on behalf of employees. Includes contributions from the FPDR levy and other non-General Fund bureaus such as the Water Bureau and the Bureau of Environmental Services.

*Source: Oregon Public Employees Retirement System and City of Portland; Oregon*

### **Recent Developments Related to PERS**

In 2019, the Legislature adopted and the Governor signed Senate Bill 1049 ("SB 1049"), which makes certain modifications to the amortization of the UAL and benefits provided to employees retiring after December 31, 2019. Such modifications include: a one-time re-amortization of the UAL associated with Tier 1 and Tier 2 benefits that is measured as of December 31, 2019 and extending that amortization to 22 years; redirecting a portion of the 6 percent contributions currently made to the IAP to an "Employee Pension Stability Account" ("EPSA") within the PERS fund when an employee's salary exceeds \$2,500 per month (indexed annually); removing all current hourly limitations on retirees who work for a PERS employer after retirement, while mandating that such employer shall continue to make pension contributions at the previous employer rate; and capping the annual salary used in the calculation of certain retirement packages for all tiers to \$195,000 (indexed annually). According to the Legislative Fiscal Office, the re-amortization of the T1/T2 UAL from 20 years to 22 years is expected, under current actuarial assumptions, to extend the retirement of the UAL by approximately six years to 2041.

On August 9, 2019, a petition was filed with the Oregon Supreme Court challenging the constitutionality of certain portions of SB 1049. The City cannot predict whether the petitioners will be successful in whole or in part nor what the impact of a successful challenge may be. Further, the City cannot predict whether SB 1049 will be subject to additional legal challenges that could affect some or all of its provisions.

## **PENSION PLANS: FIRE AND POLICE DISABILITY AND RETIREMENT PLAN**

### **Overview**

The following discussion pertains to the City's Fire and Police Disability, Retirement and Death Benefit Plan (the "FPDR Plan"). The FPDR Plan was established in 1942 to provide disability, retirement and death benefits for sworn members of the City's Bureaus of Fire and Police and their survivors. The FPDR Plan is governed by a Board of Trustees (the "FPDR Board"), composed of the Mayor or Mayor's designee, two active members of the Fire and Police Bureaus and two citizens appointed by the Mayor and confirmed by the City Council. The Fire and Police member trustees are elected by the active members of the Fire Bureau and Police Bureau, respectively. The citizen trustees must have relevant experience in pension or disability matters. The FPDR Plan is administered by the Bureau of Fire and Police Disability and Retirement, led by the Fund Administrator.

The FPDR Plan's authority for vesting and benefit provisions is provided by Chapter 5 of the City Charter. Most amendments require majority approval of the voters in the City. Ten revisions have been passed by the voters since the creation of the plan. The most recent voter revision, comprised of eleven different plan amendments, was passed November 6, 2012. City Council may provide by ordinance any additional benefits that the City is required by law to extend to the members and may also change benefits by ordinance to maintain the FPDR Plan's tax-qualified status. The most recent amendments by the City Council occurred in 2016.

### **Benefit Programs**

The FPDR Plan consists of three tiers, two of which are now closed to new employees. The retirement plans for FPDR One, the original plan, and FPDR Two, in which most active fire and police personnel participate, are single-employer, defined-benefit plans administered by the FPDR Board. In addition to retirement benefits for FPDR One and FPDR Two members, the FPDR Plan provides service-connected, nonservice-connected, and occupational disability benefits for FPDR One, FPDR Two and FPDR Three members. FPDR Plan members do not participate in Social Security and do not receive Social Security benefits for their years of service.

**FPDR One.** Sworn members of the Police and Fire Bureaus subject to the FPDR Plan as constituted prior to July 1, 1990, are included in the FPDR One tier. All FPDR One members are now retired or receiving long-term disability benefits. Under FPDR One, retirement benefits are provided upon termination of employment on or after attaining age 50 (with 25 or more years of service) or 55 (with 20 years or more of service). Retirement benefits are paid to members at two percent of current top-step pay for a police officer or firefighter for each year of service (up to 60 percent); therefore, FPDR One members receive postretirement benefit increases equal to increases in current top-step police officer or firefighter pay.

**FPDR Two.** Sworn members of the Police and Fire Bureaus subject to the FPDR Plan as constituted after June 30, 1990, and first sworn before January 1, 2007, are included in the FPDR Two tier. Under FPDR Two, retirement benefits are provided upon termination of employment on or after attaining age 55, or on or after attaining age 50 if the member has 25 or more years of service. Members become 100 percent vested after five years of service. Benefits are paid using a formula tied to years of service and the highest one-year base pay the member received during the final three years of employment. The FPDR Board has the authority to grant postretirement benefit increases to FPDR Two members, so long as the increases do not exceed increases awarded to sworn retirees of PERS. Members enrolled in the FPDR Plan and still working prior to July 1, 1990, were required to make an election as to whether they wished to fall under the provisions of the FPDR Plan as constituted prior to July 1, 1990 (now called FPDR One) or become subject to the new FPDR Two provisions after June 30, 1990.

**FPDR Three.** Sworn members of the Police and Fire Bureaus hired on or after January 1, 2007, are included in the FPDR Three tier; those sworn on or after January 1, 2013, become FPDR Three members after six months of service. These participants are part of OPSRP for retirement benefits and are under the FPDR Plan for disability and pre-retirement death benefits, offset by any benefits received on account of disability or death under OPSRP. Retirement benefits for these participants are pre-funded, and the FPDR levy pays the employee and employer portions of the OPSRP contribution. For information regarding OPSRP and the employee and employer contribution rates for OPSRP, see "PENSION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM," above.

### **Funding**

The FPDR levy is a special property tax levy which cannot exceed two and eight-tenth mills on each dollar of valuation of property (\$2.80 per \$1,000 of Real Market Value) that is not exempt from such levy. The FPDR levy has been sufficient in all years to meet required annual benefit payments. In the event that collections from this special property tax levy are less than

the amount required for payment of benefits in any particular year, the FPDR Fund could receive advances from the FPDR Reserve Fund first and then from other City funds to make up the difference. While the FPDR Fund has not experienced any funding shortfalls to date, future funding is dependent on the availability of property tax revenues and, in the absence of sufficient property tax revenues, other legally available City funds.

Although the City Charter provides the FPDR Plan with dedicated property tax levy authority, the Oregon state constitution caps each property’s general government taxes at \$10 per \$1,000 of Real Market Value. After reaching this point, all levies, including the FPDR levy, are subject to compression under the State Constitution (“Measure 5 compression”) to fit within the \$10 limit. For this reason, it is unlikely that FPDR could collect the full \$2.80 per \$1,000 of Real Market Value on each property. In FY 2019-20, the tax loss due to Measure 5 compression was \$7.77 million, or 4.6 percent of the FPDR levy.

**Retirement Plan Asset Valuation and Liabilities**

The table below shows key assumptions for the most recent valuation of the FPDR Plan. Mortality and other assumptions are regularly reviewed and updated as needed. The discount rate is equal to the June 30 value of the Bond Buyer General Obligation 20-Bond Municipal Bond Index each year, in accordance with the requirement of Governmental Accounting Standards Board Statement No. 67 (“GASB 67”) that plans use a risk-free discount rate for the portion of the plan’s liability that is not prefunded.

**Table 24**  
**CITY OF PORTLAND, OREGON**  
**FPDR Plan -- Actuarial Assumptions and Methods**  
**For the June 30, 2018, Valuation**

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Market Value
Funding Policy	Pay-As-You-Go
Discount Rate	3.87%
Payroll Growth Rate	3.75%

*Source: Milliman Inc., City of Portland Fire & Police Disability & Retirement (FPDR) Fund, Pension Actuarial Valuation Report as of June 30, 2018, dated January 15, 2019*

As distinguished from the pension plan for FPDR Three members, assets generally are not accumulated in the current year to pay for benefit payments in future years for the FPDR Plan. The table below shows funding levels for the FPDR Plan over the past ten fiscal years. In accordance with the Charter’s provisions, there are no requirements to fund the FPDR Plan using actuarial techniques. The FPDR Plan is funded on a pay-as-you-go basis. Each year’s benefits and expenses are paid for with employer contributions derived from dedicated property tax revenue received during that year. Because of the FPDR Plan’s pay-as-you-go funding basis, the unfunded actuarial accrued pension liability and net pension liability (the new terminology per GASB 67 implemented by the City effective June 30, 2014), do not reflect the value of dedicated future revenues from the property tax levy. See “—Levy Adequacy” below. As reflected in the City’s CAFR for its fiscal year ended June 30, 2019, and required by GASB 68, the net pension liability for the FPDR Plan is a primary factor in the City’s unrestricted net position deficit for governmental activities for FY 2018-19, and contributed to the City’s total net position decrease from FY 2012-13 to FY 2013-14, when GASB 68 was implemented. See table entitled “Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)” on page 390 of the City’s CAFR for its fiscal year ended June 30, 2019.



**Table 25**  
**CITY OF PORTLAND, OREGON**  
**FPDR Plan --Summary of Funding Levels <sup>(1)</sup>**

<b>Fiscal Year</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Liability</b>	<b>Unfunded Actuarial Liability <sup>(1)</sup></b>	<b>Funded Ratio <sup>(2)</sup></b>
2009 (3)	\$11,571,074	\$2,279,923,000	\$2,268,351,926	0.51%
2010	16,542,896	2,549,479,088	2,532,936,192	0.65%
2011 (3)	25,648,253	2,610,360,794	2,584,712,541	0.98%
2012 (3)	20,287,803	2,674,072,175	2,653,784,372	0.76%

<b>Fiscal Year <sup>(3)</sup></b>	<b>Plan Net Position, Ending</b>	<b>Total Pension Liability</b>	<b>Net Pension Liability <sup>(2)</sup></b>	<b>Net Position as Percent of Total Liability <sup>(2)</sup></b>
2013	\$17,155,015	\$2,517,096,534	\$2,499,941,519	0.68%
2014	20,532,924	2,473,970,866	2,453,437,942	0.83%
2015	21,876,942	2,896,894,767	2,875,017,825	0.76%
2016	17,425,353	3,391,461,315	3,374,035,962	0.51%
2017	14,150,087	3,367,105,729	3,352,955,642	0.42%
2018	17,790,774	3,295,142,974	3,277,352,200	0.54%
2019	20,001,298	3,568,635,904	3,548,634,606	0.56%

(1) Table reflects transition to new accounting classifications as required by the Governmental Accounting Standards Board beginning with FY 2012-13.

(2) Does not include value of future dedicated FPDR property tax collections.

(3) Amounts are calculated by rolling forward prior actuarial valuations. See Table 26 below for a summary of the June 30, 2016, and June 30, 2018, valuations.

Source: City of Portland audited financial statements

Overall the net pension liability decreased from \$3.67 billion on June 30, 2016, to \$3.31 billion on June 30, 2018, as shown in Table 26 below. Note that these valuations differ from results shown in Table 25 above because they are based on actual results prepared by Milliman and are not roll-forward amounts of prior valuations.

**Table 26**  
**CITY OF PORTLAND, OREGON**  
**FPDR Plan--Summary of Most Recent Actuarial Valuations**

<b>Fiscal Year Ending June 30</b>	<b>Plan Assets</b>	<b>Total Pension Liability</b>	<b>Net Pension Liability</b>
2016	\$17,425,353	\$3,689,965,110	\$3,672,539,757
2018	17,790,776	3,323,733,057	3,305,942,281

*Source: Milliman Inc., City of Portland Fire & Police Disability & Retirement (FPDR) Fund, Pension Actuarial Valuation Report as of June 30, 2018, dated January 15, 2019*

The primary reason for the reduction in the plan’s pension liability is the increase in the discount rate (the June 30 value of the Bond Buyer General Obligation 20-Bond Municipal Bond Index each year). The rate rose from 2.85 percent on June 30, 2016 to 3.87 percent on June 30, 2018, dropping the pension liability by \$554 million. In addition, projected longevity declined for some participant types as a result of changes in mortality assumptions, which decreased the pension liability by a relatively small \$35 million. Mortality assumptions are routinely updated to reflect the experience of the larger and more statistically valid Oregon PERS sworn population. Partially offsetting these reductions were increases caused by divergence between recent experience and long-term assumptions, particularly with respect to active participant salary growth.

**FPDR Fund and Levy Adequacy**

A critical measure of the FPDR Fund’s financial health is whether the dedicated property tax will ever be insufficient to fully cover benefit expenditures both for the pay-as-you-go FPDR Plan and contributions to the pre-funded OPSRP plan. The table below compares the certified tax levy for FPDR Plan contributions (for FPDR One and FPDR Two participants) and OPSRP contributions (for FPDR Three participants) with the amount authorized based on the \$2.80/\$1,000 Charter limitation. Between FY 2010-11 and FY 2019-20, Real Market Value of property subject to taxation has grown by a compounded annual rate of approximately 6.5 percent.

**Table 27**  
**CITY OF PORTLAND, OREGON**  
**FPDR Fund--Certified Levies Compared with Maximum Levies Authorized**

<b>FYE</b> <b>June 30</b>	<b>Tax Levy</b> <b>per \$1,000 RMV</b>	<b>Certified</b> <b>Tax</b> <b>Levy <sup>(1)</sup></b>	<b>Maximum Levy</b> <b>Authorized</b> <b>(\$2.80/1,000 RMV)</b>	<b>Amount Available</b> <b>to be Certified from</b> <b>Authorized Levy</b>
2011	\$1.37	\$118,526,184	\$241,849,105	\$123,322,921
2012	1.41	114,264,711	227,257,618	112,992,907
2013	1.55	123,564,952	223,709,460	100,144,508
2014	1.62	136,383,540	235,325,707	98,942,167
2015	1.48	136,883,230	259,331,341	122,448,111
2016	1.30	133,795,013	287,358,793	153,563,780
2017	1.15	138,900,728	338,199,473	199,298,745
2018	1.13	155,553,793	384,951,394	229,397,601
2019	1.09	163,748,624	419,138,031	255,389,407
2020	1.10	168,768,476	427,766,153	258,997,677

(1) Before Measure 5 Compression, delinquencies and discounts.  
*Source: City of Portland*

The table below shows historical taxes imposed (after Measure 5 compression) and historical expenditures for retirement benefits and death and disability benefits. As fire and police retirement benefits transition from a pay-as-you-go system to a pre-funded system through OPSRP, the FPDR levy will be funding pensions for two generations of FPDR members simultaneously: FPDR One and FPDR Two members who are funded on a pay-as-you-go basis during their retirement years and FPDR Three members whose retirement benefits are pre-funded through OPSRP during their working careers. Costs for disability benefits will continue to be paid on a pay-as-you go basis. As described below, higher costs are expected over approximately the next 20 years, with the potential for higher tax levy rates.

**Table 28**  
**CITY OF PORTLAND, OREGON**  
**FPDR Fund--Imposed Levies and Expenditures for**  
**Pension Benefits and Death/Disability Benefits**

<b>Fiscal Year Ending June 30</b>	<b>Imposed Tax Levy<sup>(1)</sup></b>	<b>FPDR One &amp; Two Pension Benefits</b>	<b>FPDR Three OPSRP Contributions</b>	<b>Disability &amp; Funeral Benefits</b>	<b>Total FPDR Benefit Contributions</b>
2010	\$111,376,678	\$89,038,110	\$2,210,250	\$9,075,988	\$100,324,348
2011	114,217,070	90,464,611	2,865,737	7,938,636	101,268,984
2012	108,666,428	94,708,986	4,735,637	7,064,187	106,508,810
2013	115,752,880	99,417,595	5,265,815	6,725,710	111,409,120
2014	123,304,615	103,506,696	5,998,321	7,410,977	116,915,994
2015	126,777,805	103,355,638	6,952,685	6,219,646	116,527,969
2016	126,376,817	107,074,899	8,699,501	6,420,506	122,194,906
2017	132,477,613	113,826,622	9,672,695	6,525,351	130,024,668
2018	148,214,877	119,616,359	13,318,516	6,050,635	138,985,510
2019	156,454,895	124,145,879	15,515,328	6,587,313	146,248,520

(1) Amount after Measure 5 Compression but not adjusted for delinquencies and discounts.

Source: *City of Portland*

The FPDR Board assesses the FPDR Plan’s long-term financial condition in part by projecting the future availability of revenues from the dedicated property tax (the “Levy Adequacy Analysis”), which are the source of employer contributions under the Charter. The most recent Levy Adequacy Analysis, completed by an independent actuary in connection with the actuarial valuation of the fund, was as of June 30, 2018. The Levy Adequacy Analysis found that, under a wide range of simulated economic scenarios over the next 20 years, the future FPDR levy would remain under \$2.80 per \$1,000 of Real Market Value, but the levy exceeded the \$2.80 threshold in at least one year in approximately one percent of modeled scenarios. This represents a decline from about three percent of modeled scenarios in the prior analysis as of June 30, 2016. Continued growth in real market values in the City’s tax base has further increased the likelihood that the FPDR levy will be sufficient to fund benefits and expenses for the entire life of the FPDR Plan. Plan costs peak in FY 2036-37 in nominal terms; the peak on an inflation-adjusted basis is in FY 2031-32.

The table below shows projected levy rates and taxes levied at the 50<sup>th</sup> and 5<sup>th</sup> percentiles of scenarios for FY 2018-19 through FY 2037-38 as included in the 2018 Levy Adequacy Analysis. Note that the actual levy rate per \$1,000 of Real Market Value was \$1.09 for FY 2018-19 and \$1.10 for FY 2019-20.

**Table 29**  
**CITY OF PORTLAND, OREGON**  
**FPDR Fund--Projected Levy Rate, Taxes and Requirements<sup>(1)</sup>**

<b>Fiscal Year Ending June 30</b>	<b>Levy Rate at 50<sup>th</sup> Percentile</b>	<b>Taxes Levied at 50<sup>th</sup> Percentile</b>	<b>Levy Rate at 5<sup>th</sup> Percentile</b>	<b>Taxes Levied at 5<sup>th</sup> Percentile</b>
2019	\$1.08	\$161,900,000	\$1.08	\$161,900,000
2020	1.09	171,900,000	1.09	172,000,000
2021	1.10	180,100,000	1.23	181,700,000
2022	1.16	198,600,000	1.37	203,000,000
2023	1.17	208,900,000	1.43	214,600,000
2024	1.19	222,900,000	1.54	235,700,000
2025	1.20	235,900,000	1.60	250,600,000
2026	1.22	251,700,000	1.70	272,200,000
2027	1.24	266,400,000	1.77	289,700,000
2028	1.25	281,700,000	1.85	311,300,000
2029	1.26	296,800,000	1.89	329,900,000
2030	1.32	324,700,000	2.03	363,800,000
2031	1.32	339,900,000	2.06	383,200,000
2032	1.32	354,900,000	2.11	404,400,000
2033	1.31	369,600,000	2.14	423,000,000
2034	1.29	380,700,000	2.18	442,600,000
2035	1.27	391,900,000	2.17	457,600,000
2036	1.18	381,100,000	2.10	455,000,000
2037	1.15	388,400,000	2.07	466,700,000
2038	1.02	358,900,000	1.89	440,800,000

(1) Results are expressed as a probability distribution. Amounts shown in table are median values within percentile categories. Actual rates for FY 2017-18 and FY 2018-19 are found in the table titled “FPDR Fund—Certified Levies Compared with Maximum Levies Authorized.”

Source: Milliman, Inc., *FPDR Levy Adequacy Analysis as of June 30, 2018, dated January 22, 2019*

The current analysis extends through FY 2037-38 and encompasses all facts, decisions and conditions pertaining to the FPDR Plan known at the time the analysis was completed. Future actuarial measurements may differ significantly from the measurements presented herein due to factors such as changes in economic or demographic assumptions (including changes in Real Market Value); changes related to PERS, performance of investments, and changes in FPDR Plan benefit provisions or applicable law.

#### **OTHER POST-EMPLOYMENT RETIREMENT BENEFITS (“OPEB”)**

The City’s OPEB liability includes two separate plans. The City provides a contribution to the State of Oregon PERS cost-sharing multiple-employer defined benefit plan and an implicit rate subsidy for retiree Health Insurance Continuation premiums.

#### **PERS Program**

Retirees who receive pension benefits through the T1/T2 Pension Programs and are enrolled in certain PERS-administered health insurance programs may also receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premiums under the RHIA program. RHIA’s assets and liabilities are pooled on a system-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The City’s allocated share of the RHIA program’s assets and liabilities is based on the City’s proportionate share of the program’s pooled covered payroll. According to the 2018 City Valuation, the City’s allocated share of the RHIA program’s UAL was (\$6,363,951) as of December 31, 2018.

The City’s current employer contribution rates to fund RHIA benefits during the 2019-21 biennium for T1/T2 employees is 0.06 percent and for OPSRP general services and police and fire employees is 0.00 percent. According to the 2018 City Valuation, the advisory-only rates to fund RHIA benefits during the 2021-23 biennium for T1/T2 employees is 0.05 percent and for OPSRP general services and policy and fire employees is 0.00 percent. These employer contribution rates to fund

RHIA are included in the rates described in Table 22 above. Actual employer contribution rates to fund RHIA for the 2021-23 biennium will be based on the City’s actuarial valuation report as of December 31, 2019.

### Health Insurance Continuation Option

Distinct from the PERS program, Oregon municipalities, including the City, are required to allow retirees and their dependents to continue to receive health insurance by paying the premiums themselves at a rate that is blended with the rate for current employees until retirees and spouses are eligible for federal Medicare coverage and until children reach the age of 18 (the “Health Insurance Continuation Option” or “HIC”). GASB 75 refers to this as an implicit subsidy and therefore requires the corresponding liability to be determined and reported.

The OPEB liability associated with the Health Insurance Continuation Option is an actuarially-determined amount calculated in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The City’s annual OPEB cost is calculated based on the actuarially-determined service cost, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded liability over a period of 30 years. The City’s estimated unfunded actuarial accrued liability for OPEB as of July 1, 2018 was \$100,197,951. The valuation was prepared using the Entry Age Normal actuarial cost method and amortized over an open period of 30 years using the level percentage of projected pay. Other assumptions include of a discount rate of 3.90 percent, 2.2 percent inflation rate, annual healthcare cost trend rates of 4.5 to 7.5 percent, and retirees’ share of benefit-related costs of 26 percent of estimated program costs.

For FY 2018-19, the changes to the total OPEB liability is calculated as follows:

Balance at 6/30/18	\$100,197,951
Changes for the year:	
Service cost	3,675,148
Interest	3,640,097
Changes of assumptions	(2,777,647)
Benefit payments	(5,567,867)
Net Changes	(1,030,269)
Balance at 6/30/19	\$99,167,682

Actuarial valuations for the Health Insurance Continuation Option are undertaken every two years. A new valuation study will be undertaken for reporting the OPEB liability as of July 1, 2019.

The City expects to use a pay-as-you-go approach to fund its actuarial accrued liability and OPEB obligation, but will monitor its OPEB liability and assess whether a different approach is needed in future years.

### Implementation of Governmental Accounting Standards Board Statement No. 75

Beginning in its CAFR for FY 2017-18, the City implemented Governmental Accounting Standards Board Statement No. 75, which changed employer reporting of OPEB for state and local governments. Under this new standard, for FY 2018-19, the City has reported in its CAFR the following balances:

	Deferred		OPEB Expense
	Outflow/(Inflow) of Resources	Net OPEB Liability/(Asset)	
RHIA	\$779,521	(\$4,177,752)	(\$410,434)
HIC	(\$1,650,289)	\$99,167,682	\$5,979,579
Total	(\$870,768)	\$94,989,930	\$5,569,145

See the City’s CAFR for the fiscal year ended June 30, 2019, which is posted on the EMMA website.

## LITIGATION

The City discloses only pending or threatened litigation that the City has determined may have a materially adverse impact on the City's or Portland Development Commission's (now doing business as Prosper Portland) financial position relating to the Area's Tax Increment Revenues; the current level of materiality involves litigation where the damages or performance sought has a reasonable probability of imposing liability of \$5 million or more against the Area's Tax Increment Revenues. Except as noted in the following paragraph, there is no litigation pending or threatened against the City or the Portland Development Commission which would materially and adversely affect the financial condition of the Tax Increment Fund of the Area.

In 2000, Portland Harbor, a 10-mile industrial stretch of the Lower Willamette River outside of the City's urban center, was listed by the EPA as a Superfund site. The EPA notified the City that it may have liability for releases of contaminants in the Willamette River. The City may also have liabilities to Natural Resource Trustees of the Willamette River (including tribes, and federal and state resource agencies) for damages to natural resources in Portland Harbor.

In 2017, the EPA issued its Record of Decision for the cleanup plan for the Portland Harbor Superfund Site. For purposes of comparing relative cleanup costs of different remedies, the EPA prepared rough (-30% to +50%) cost estimates of remedy costs. Using this method, the EPA estimated capital costs to implement the selected remedy of approximately \$1.05 billion in 2017 dollars, estimated by the EPA to be \$1.7 billion in actual future dollars. Since the issuance of the Record of Decision, the EPA has required an additional phase of environmental sampling before remedy implementation. The additional work and EPA's interpretation of remedy requirements may change the expected costs of the remedy. The costs associated with the remedy have not been allocated among the numerous potentially liable parties.

The Natural Resource Trustees have not made a final determination of the total damages to natural resources and those costs have not been allocated among the numerous potentially liable parties.

The City is participating in voluntary, negotiated settlement processes to determine how cleanup costs can be allocated among all responsible parties. These processes cannot be concluded until the parties reach agreement or the liabilities are litigated. The City will defend against a significant allocation of liability to the City for cleanup and natural resource damages. Under Superfund law, responsible parties that fail to enter into agreements to remediate and restore Superfund sites become subject to legal action by the EPA for cleanup and restoration, including imposition of fines. Once initiated, the remedial design and implementation phase is expected to be conducted and funded over many years. The City expects to have an extended period to identify funding strategies and to fund its share of the remedy.

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**APPENDIX**  
**AUDITED FINANCIAL STATEMENTS**

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## INTRODUCTION TO EXCERPTS OF FINANCIAL STATEMENTS

The financial statements of the City have been audited by independent certified public accountants for the fiscal years 2015, 2016, 2017, 2018 and 2019. Copies of these financial statements containing the reports of the independent certified public accountants are available on the on the MSRB's EMMA system for municipal securities disclosure at <http://emma.msrb.org>. and the City's website at <http://www.portlandoregon.gov/bfs/26053>.

The following pages in this Appendix are excerpted from the City's Comprehensive Annual Financial Reports of the City for Fiscal Years ending June 30, 2015 through June 30, 2019.

**A CONSENT OF THE INDEPENDENT AUDITOR WAS NOT REQUESTED. THE AUDITOR WAS NOT REQUESTED TO PERFORM AND HAS NOT PERFORMED ANY SERVICE IN CONNECTION WITH THIS DISCLOSURE DOCUMENT AND IS THEREFORE NOT ASSOCIATED WITH THIS DISCLOSURE DOCUMENT.**

**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area Debt Redemption Fund**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Generally Accepted Accounting Principles Basis**

	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>Revenues</b>					
Taxes	\$28,947,188	\$29,732,592	\$36,365,090	\$37,381,282	\$46,806,228
Investment earnings	96,948	179,570	185,765	314,725	749,211
Total revenues	29,044,136	29,912,162	36,550,855	37,696,007	47,555,439
<b>Expenditures</b>					
Current:					
Debt service and related costs:					
Principal	4,575,000	4,700,000	4,865,000	5,070,000	5,290,000
Interest	3,043,298	2,916,695	3,176,270	3,255,072	3,309,270
Debt issuance costs	--	--	--	--	--
Total expenditures	7,618,298	7,616,695	8,041,270	8,325,072	8,599,270
Revenues over (under) expenditures	21,425,838	22,295,467	28,509,585	29,370,935	38,956,169
<b>Other Financing Sources (Uses)</b>					
Transfers in	--	--	--	--	--
Transfers out	(21,500,000)	(20,000,000)	(27,100,000)	(32,000,000)	(28,000,000)
Bonds and notes issued	--	--	--	--	--
Refunding bonds issued	--	--	--	--	--
Bond and note premium	--	--	--	--	--
Total other financing sources/uses	(21,500,000)	(20,000,000)	(27,100,000)	(32,000,000)	(28,000,000)
Net change in fund balances	(74,162)	2,295,467	1,409,585	(2,629,065)	10,956,169
<b>Fund balances -- beginning</b>	8,147,813	8,073,651	10,369,118	11,778,703	9,149,638
<b>Fund balances -- ending</b>	\$8,073,651	\$10,369,118	\$11,778,703	\$9,149,638	\$20,105,807

Source: City of Portland audited financial statements

**CITY OF PORTLAND, OREGON**  
**River District Urban Renewal Area Debt Redemption Fund**  
**CONSECUTIVE BALANCE SHEETS**  
**As of June 30**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>ASSETS</b>					
Restricted:					
Cash and investments	\$7,650,100	\$9,931,242	\$11,298,052	\$8,639,324	\$19,437,719
Receivables:					
Taxes	2,077,048	1,886,977	2,380,689	2,769,102	1,867,150
Accrued interest	35,945	55,432	58,554	78,491	145,712
Total assets	<u>\$9,763,093</u>	<u>\$11,873,651</u>	<u>\$13,737,295</u>	<u>\$11,486,917</u>	<u>\$21,450,581</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Deferred inflows of resources:					
Unavailable revenue - restricted	\$1,689,442	\$1,504,533	\$1,958,592	\$2,337,279	\$1,344,774
Total deferred inflow of resources	<u>1,689,442</u>	<u>1,504,533</u>	<u>1,958,592</u>	<u>2,337,279</u>	<u>1,344,774</u>
Fund balances:					
Restricted	8,073,651	10,369,118	11,778,703	9,149,638	20,105,807
Total fund balances	<u>8,073,651</u>	<u>10,369,118</u>	<u>11,778,703</u>	<u>9,149,638</u>	<u>20,105,807</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$9,763,093</u>	<u>\$11,873,651</u>	<u>\$13,737,295</u>	<u>\$11,486,917</u>	<u>\$21,450,581</u>

Source: City of Portland audited financial statements