



Budget in Brief Fiscal Year 2021-22

City of Hillsboro, Oregon

2021–22 Budget Highlights



To my Hillsboro neighbors and friends,

Thank you for taking the time to review the City of Hillsboro’s Fiscal Year (FY) 2021-22 Budget. Each year, the City of Hillsboro produces a budget that reflects City Council priorities and guiding principles, the City’s Equity Statement, the goals of the Hillsboro 2035 Community Plan, and our City’s core values.

The City’s long-term commitment to maintaining a fiscally conservative budget has helped us adjust and manage to the challenges and changes associated with the COVID-19 pandemic and provide support to small businesses and households needing assistance. As our community moves forward in our continued recovery, we will continue to help support our residents and small businesses.

This year’s \$904,787,039 million budget will provide critical services, such as public safety, water, and infrastructure for the more than 104,000 community members who call Hillsboro home. The budget maintains the long-term financial health of our General Fund and other critical City Funds. Assessed values (AV) in the City of Hillsboro grew by 4.57% (including Urban Renewal) in FY 2020-21, and the City projects a 4% increase in AV for FY 2021-22.

This budget was prepared in alignment with the Council’s 2021 priorities, which include:

- Racial equity
- COVID-19 response & recovery
- HiLight
- Police advancement & review
- Housing & homelessness
- Economic development
- Community engagement & outreach
- Environmental sustainability

I want to thank Hillsboro Budget Committee members, City of Hillsboro staff, and community members for working together to develop a fiscally responsible budget that meets our growing community’s needs.

The City Council is committed to fostering an equitable and diverse community where all residents feel supported and included. This budget helps to ensure Hillsboro continues to responsibly and effectively prepare for the future in serving all community members.

Sincerely,
Mayor Steve Callaway
City of Hillsboro



Growing Great Things



Innovation, high-tech, and creative urban gathering places meet hometown values, green spaces, and family-friendly tradition.

That’s Hillsboro, Oregon.

Hillsboro’s 104,000 residents enjoy award-winning neighborhoods; exceptional educational, recreational, and cultural experiences; a strong economy; and, one of the state’s most diverse populations. We celebrate our hometown values and agricultural roots, while growing our reputation as the “high-tech hub of Oregon” with some of the best land, power, and water resources in the country.

With the Pacific Ocean to the west and the beautiful Cascade Mountains and Columbia River Gorge to the east, Hillsboro residents are ideally located. Hillsboro is home to the state’s fourth-largest school district, two higher-education campuses, and 35 parks with more than 1,500 acres of designated green spaces, including Jackson Bottom Wetlands Preserve.

Our thriving cultural arts scene includes a community arts center, art galleries, musical groups, and live theater. Hillsboro is also home to the Hillsboro Hops — the three-time Northwest League Champions and the Portland metro area’s only professional baseball team. Annual community events include one of the Northwest’s largest 4th of July parades, the Washington County Fair, and the Celebrate Hillsboro Cultural festival.

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On the Cover: Lighttopia

The City of Hillsboro proudly brought Lighttopia, an illuminated journey, to the Gordon Faber Recreation Complex during the 2020-21 holiday season. The festive, half-mile drive-through attraction featured thousands of feet of lights and season vignettes, delighting folks young and old.

Adopted Budget

\$904,787,039

July 1, 2021 - June 30, 2022



About the City

Hillsboro, Oregon

While we greatly respect tradition, we are not your traditional City government here in Hillsboro.

We are a financially conservative, yet innovative and forward-thinking, full-service city. We self-identify as a progressive and visionary organization. We appreciate the richness that the diversity of our community offers, and we welcome and value each resident, business, and guest by providing exceptional and equitable public services.

Bold and optimistic, we are growing thoughtfully and with a purpose — to be the best City government in the universe. Together with community partners and residents, we work to carefully plan for and grow Hillsboro’s future.

We are home to Oregon’s largest employer, Intel Corporation, as well as other high technology leaders and hundreds of smaller companies. Continuing to be a leader in attracting new businesses and opportunities to Hillsboro is critical. We value our business partners because when businesses thrive they create jobs and economic opportunity.

We are guided by the Hillsboro 2035 Community Plan, which is modeled after Hillsboro’s original award-winning visioning effort, the Hillsboro 2020 Vision and Action Plan, and City Council priorities. See more information on the Hillsboro 2035 Community Plan on page 6.

As Hillsboro continues to grow and diversify, we will continue to partner and plan for success, so this great community grows by choice, not by chance.



South Hillsboro

Growing Great Things

Full-time budgeted positions: 896.25

Part-time/temporary positions: 358

City Departments: 12

- City Manager’s Office •
- Economic Development • Finance
- Public Works • Human Resources • Library
- Parks & Recreation • Fire & Rescue
- Information Services • Police • Water •
- Community Development (building, planning, and transportation system divisions)

Form of Government

Hillsboro operates with a Councilor/City Manager form of government. Voters elect the City Council, including six Councilors and a Mayor: each serves a four-year term, subject to a charter-imposed limitation of two consecutive terms. The City Council provides community leadership, develops policies to guide the City in delivering services and achieving community goals, and encourages citizen awareness and involvement,

The City Council appoints the City Manager who, in turn, serves as the administrative head of the City government. The City Manager is responsible for ensuring Council policies are implemented using resources appropriated by the Council to achieve desired service results in the community.

Doing Business in Hillsboro

As a result of availability of some of the best land, power, and water resources in the country, many high-tech and advanced manufacturing companies put down roots in Hillsboro. We continue to attract new investment from these and other industries around the world.

Hillsboro is particularly attractive for its manufacturing infrastructure; technologically skilled workforce; proximity to airports, major highways, and interstates; and business-friendly climate. We also offer incentives through urban renewal, enterprise zones, and strategic investment programs that help businesses looking to locate or expand in Hillsboro.



Council Priorities & Guiding Principles

The Hillsboro City Council establishes an annual list of Priorities that are not ranked or ordered by importance and are not an exhaustive list of all City of Hillsboro priorities. The annual priorities are steered by the Council's guiding principles that are also reviewed annually and may be updated.

To read the Council's Guiding Principles, visit [Hillsboro-Oregon.gov/Council](https://hillsboro-oregon.gov/Council)

Council priorities are ongoing. They can be created and completed within one or two years; they may have specific budget implications for the coming fiscal year; or they may be long-range projects and programs that benefit from strong City Council participation and support. The Council's annual list of priorities is developed from the Hillsboro 2035 Community Plan, City departments' Strategic Plans, and other major focus areas for the City, as identified by staff and supported by the Council.

Racial Equity

Build diversity, equity and inclusion (DEI) competencies in City leadership, including City Council and City boards and commissions, to utilize an equity lens and institutionalize equity in the delivery of City services and policymaking • Remove unintentional recruitment barriers with the goal of increasing the number of qualified applicants from historically underrepresented communities for City employment opportunities; and the number ultimately hired by the City • Develop a supplier diversity procurement program to enhance local economic opportunities for minority-owned, women-owned, service-disabled veteran-owned businesses, and emerging small businesses

COVID-19 Response and Recovery

Continue to provide immediate support and to plan for long-term recovery in the areas of rent relief, utility assistance, food stability, and small business support • Explore opportunities to provide focused support to childcare and elder care providers to reduce barriers for people to return to work

HiLight

Continue to develop Hillsboro's municipal broadband utility, HiLight, to deliver reliable and affordable high-speed internet connections to Hillsboro residents, businesses, and schools • Explore the feasibility of expediting the build out of HiLight to expand the delivery of high-speed internet access

Police Advancement & Review

Continue grassroots engagement to involve community perspectives on policing and public safety • Implement the Police-Community Advisory Group to engage community perspectives on police department policy and practice with the goal to provide an ongoing forum for transparent community dialogue • Implement the Internal Use-of-Force Review Board to provide multiple perspectives on use-of-force incidents, and to ensure they align with law, training, policy, and objective reasonableness

Housing and Homelessness

Make capital investments to provide long-term support to unhoused community members • Continue evaluating policies and opportunities to provide strategic housing development to address both homelessness and affordable housing needs • Improve connections and collaboration with service providers, community partners, and impacted stakeholders to address homelessness regionally • Implement House Bill 2001 (Middle Housing) and continue exploring middle housing opportunities • Continue implementing the Metro Affordable Housing Bond measure and Hillsboro Affordable Housing Implementation Plan, and identify new opportunities to deliver affordable housing

Economic Development

Continue focusing investment in the North Hillsboro Industrial Area and Technology Park, Downtown Hillsboro, and the 10th Avenue corridor • Expand workforce training and internship opportunities with a focus on post-pandemic needs

Community Engagement & Outreach

Develop a Citywide framework with goals for active community engagement, including project-specific engagement

Environmental Sustainability

Continue to support the Environmental Stewardship Committee to advance the actions identified in the Hillsboro 2035 Community Plan



Citywide Strategic Projects

Hillsboro 2035 Community Plan

The Hillsboro 2035 Community Plan is our shared vision for Hillsboro's future and a detailed action plan for working toward that collective vision. The ideas in the plan are based on input from thousands of community members in cooperation with local organizations who have agreed to share implementation responsibilities.

The first five-year update of the Hillsboro 2035 Community Plan was adopted by City Council in August 2020. A total of 134 new actions were added to the Plan, including 45 Environmental Stewardship actions. In the year following Council approval of the Plan update, vision partners have started or implemented eighty-two percent of the adopted actions with the assistance of more than one hundred support organizations.

For more information: Hillsboro2035.org



HiLight

Hillsboro's fiber optic broadband system –HiLight– continues to expand, delivering affordable high-speed internet and digital voice services to residents, businesses, and schools in the community.

The first HiLight phase has been completed in neighborhoods around Shute Park, and service will be expanded to more neighborhoods and businesses in Southwest Hillsboro, as well as recently developed areas of South Hillsboro.

True to its commitment to offer affordable high-speed internet access to everyone in Hillsboro, the City has introduced the Bridge program. With support from community partners, HiLight offers Gig-speed connectivity within reach of Hillsboro's low-income families.

For more information: Hillsboro-Oregon.gov/HiLight

Inclusive Playground Coming to Hillsboro

Hillsboro is designing a new inclusive playground to be built adjacent to Hidden Creek Community Center. 53rd Avenue Community Park West will be an inclusive park and playground for all, which means it will be designed for people of all ages, all abilities, all backgrounds, all orientations, and all of the other alls that connect, create, and strengthen our vital Hillsboro community.

For more information: 53rdAveParkWest.com

Support for Housing Solutions

Encouraging and supporting innovative housing solutions is a City Council priority. The City has dedicated funding to support programs that promote housing and homelessness services. Some examples include the temporary Wood Street Camp, a sanctioned camping space managed by a local non-profit partner with the goal of providing a safer, more secure environment with access to basic services. Funds to support additional outreach and drop-in services to run-away homeless youth and to support day center and outreach services for adults experiencing homelessness were also provided. In addition, the Community Services department coordinator position was created to lead city initiatives around homelessness, increasing city support and leadership in this area.

The FY 2021–22 budget includes \$18 million in Metro Affordable Housing Bonds for the affordable housing project to be located on 53rd Avenue. The new housing development will be conveniently located near the new Hidden Creek Community Center and 53rd Avenue park.



HiLight



Citywide Strategic Projects

Advocacy for Diversity, Equity, and Inclusion in City Policymaking and Service Delivery

The City continues its commitment to diversity, equity, and inclusion (DEI) with the prioritization of racial equity. In alignment with the City's Equity statement, the City intends to utilize an equity lens to institutionalize DEI into the development of City policies and programs, as well as the delivery of City services.

As part of that commitment, the City is developing a Strategic Equity Plan, reviewing and revising City staff recruitment and selection strategies, promotion, discipline, and termination practices to achieve equitable and inclusive outcomes. The City's cross-department Equity team continues to serve as a resource for all City staff and City Council. DEI education continues for all City staff and the City Council.

Willamette Water Supply System

The Willamette Water Supply System (WWSS) is a partnership between the cities of Hillsboro and Beaverton and the Tualatin Valley Water District. This \$1.3 billion construction project is scheduled to be completed in 2026. The project includes a raw water pipeline from the Willamette River, a water treatment plant, reservoirs, and 30+ miles of water lines. Hillsboro's share of the total project is about \$460 million.

For more information: ourreliablewater.org

Additional Efforts

- Maximize use of American Rescue Plan funding to assist community in recovery from Covid-19
- Jackson School Pedestrian and Road project
- Identify and purchase land for a new police station
- Expanding workforce development efforts
- Sanitary Sewer Master Plan
- Expansion and continuation of Lightopia
- Begin construction to expand the City's Fleet facility

The Role of the Strategic Investment Program & Gain Share

The Strategic Investment Program (SIP), authorized by the Oregon State Legislature in 1993, increases Oregon's ability to attract capital-intensive industry, particularly high-tech firms. For example, in 2014, Intel partnered with the City of Hillsboro and Washington County for a 30-year SIP agreement for up to \$100 billion of investment over concurrent 15-year periods. As with past agreements, Intel is required to pay the equivalent of full property taxes on all land and buildings associated with each SIP project, while partially saving on property taxes related to machinery and equipment. SIP funding is used for one-time capital projects and funding for the Pavement Management Program.

Gain Share was enacted by the Oregon State Legislature in 2007 and is tied directly to an active SIP agreement. SIP agreements reduce property taxes collected locally, while increasing personal income tax revenues collected by the State of Oregon. Gain Share makes the SIP program a win/win for both local governments and the State by sharing in the growth of State income tax collections. Gain Share funds are calculated as a direct result of job growth spurred by local investment from a SIP. Gain Share funding is primarily being used for pedestrian safety projects around schools, and community resources like HiLight.



The Budget Process

Hillsboro's Budget Process

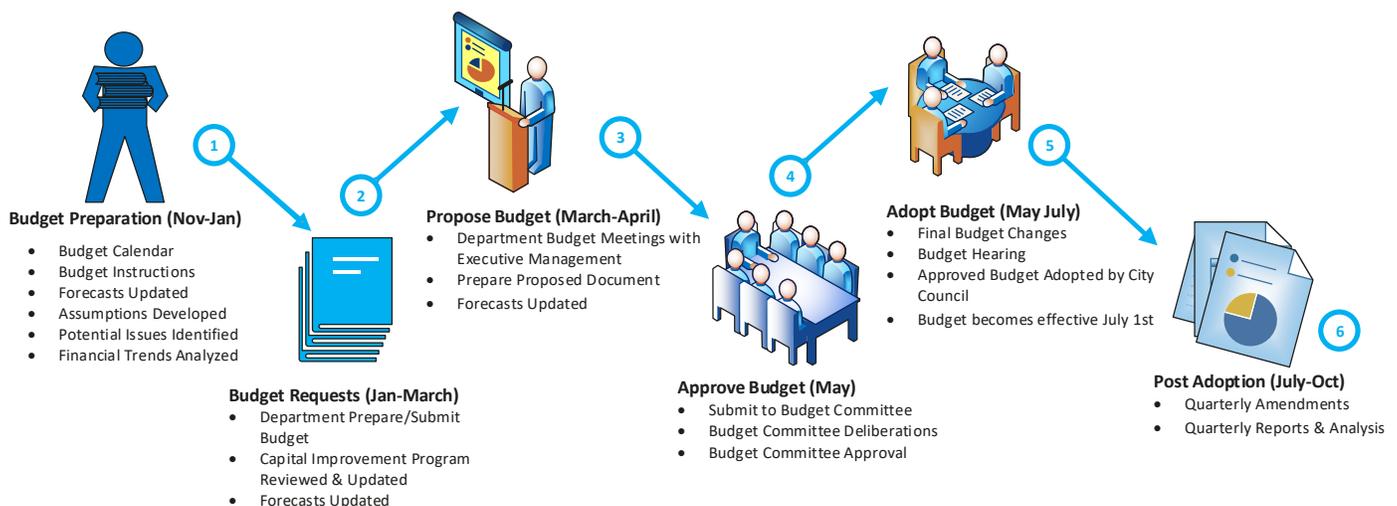
The process followed in the preparation of the budget complies with Oregon Local Budget Law established by Oregon Revised Statutes. City management seeks and welcomes public input, participation and deliberation throughout the process.

Budget Committee meetings are open to the public and are advertised on the City's website, social media channels, and in Hillsboro's local newspapers. The proposed budget is submitted to the Budget Committee in May and the approved budget is submitted to the City Council in June for adoption. Both are available to the public prior to each meeting.

City departments work with the Finance Department to compile their budget and capital requests between

November and March each year. This information is then reviewed by City management. During the same time frame, Finance and City management review revenue and expenditure forecasts, as well as financial trends. All of this information is compiled, prepared and presented to the Budget Committee as the proposed budget.

After the Budget Committee reviews and deliberates over the proposed budget and makes any appropriation changes, the Committee then approves and forwards the budget to the City Council. After a public hearing, the Council takes action on any final changes deemed appropriate, and adopts the budget in mid June. The adopted budget becomes effective July 1. The final adopted budget is available on the City's website.





Budget Committee

The Budget Committee consists of the seven City Council members, and seven community members appointed by the City Council. Community members on the Budget Committee serve three-year terms. Meetings occur approximately twice per year in the evening at the Civic Center. The Committee has the legal authority to change any portion of the proposed budget and is responsible for approving the budget. Visit the City's website at Hillsboro-Oregon.gov to see the map of Hillsboro's three wards and to learn more about Hillsboro's Mayor and City Councilors.



Steve Callaway
Mayor



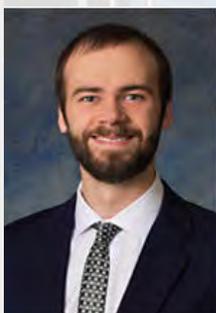
Beach Pace
Councilor
Ward 1



Rick Van Beveren
Councilor
Ward 1



Kyle Allen
Council President
Ward 2



Anthony Martin
Councilor
Ward 2



Olivia Alcaire
Councilor
Ward 3



Gina Roletto
Councilor
Ward 3

Community Members

Olga Acuña - Director of Federal Programs, Hillsboro School District

Taylor Moore - Finance Supply Chain Lead, Intel

Zuhair Gafur - Engineering Operations Strategy Consultant, Gafur Consulting

David Judah - Community Member

Dan Mason - Community Manager, MG Properties

Darell Lumaco - Ophthalmology Physician

Salvatore Bianco - Community Member



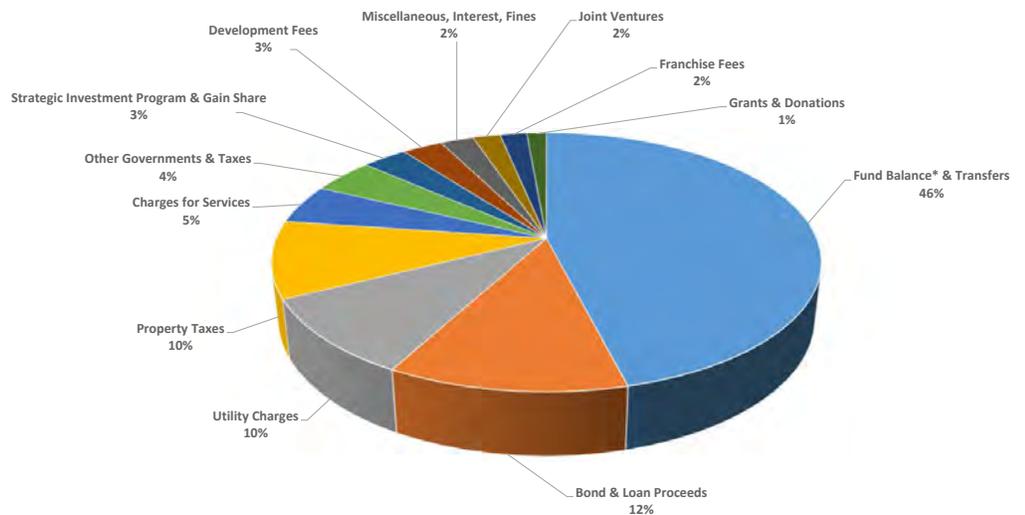
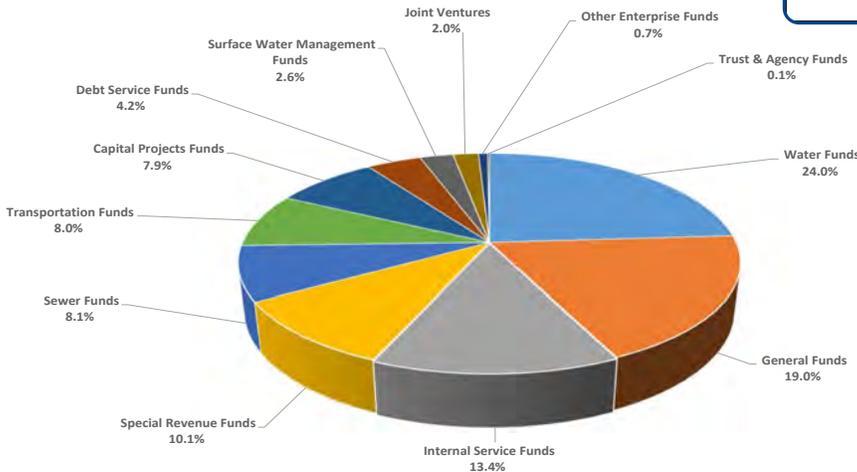
Where the Money Comes From

City Resources

| Resources by Fund Group | |
|--------------------------------|-----------------------|
| Water Funds | \$ 216,890,470 |
| General Funds | 171,650,763 |
| Internal Service Funds | 121,490,187 |
| Special Revenue Funds | 91,419,720 |
| Sewer Funds | 72,873,650 |
| Transportation Funds | 72,374,354 |
| Capital Projects Funds | 71,763,385 |
| Debt Service Funds | 37,879,200 |
| Surface Water Management Funds | 23,140,996 |
| Joint Ventures | 17,663,259 |
| Other Enterprise Funds | 6,391,440 |
| Trust & Agency Funds | 1,249,615 |
| Total Resources | \$ 904,787,039 |

| Resources of All Funds Combined by Category | |
|---|-----------------------|
| Fund Balance* & Transfers | \$ 416,406,660 |
| Bond & Loan Proceeds | 107,685,000 |
| Utility Charges | 87,473,685 |
| Property Taxes | 86,880,267 |
| Charges for Services | 44,544,652 |
| Other Governments & Taxes | 39,542,943 |
| Strategic Investment Program & Gain Share | 28,570,000 |
| Development Fees | 25,744,800 |
| Miscellaneous, Interest, Fines | 21,099,868 |
| Joint Ventures | 17,400,794 |
| Franchise Fees | 16,975,000 |
| Grants & Donations | 12,463,370 |
| Total Resources | \$ 904,787,039 |

*Many funds, like Transportation, Water, Sewer and Building have dedicated resources which can only be expended on these programs and services. Reserves may be higher in these programs due to saving for future large capital projects.



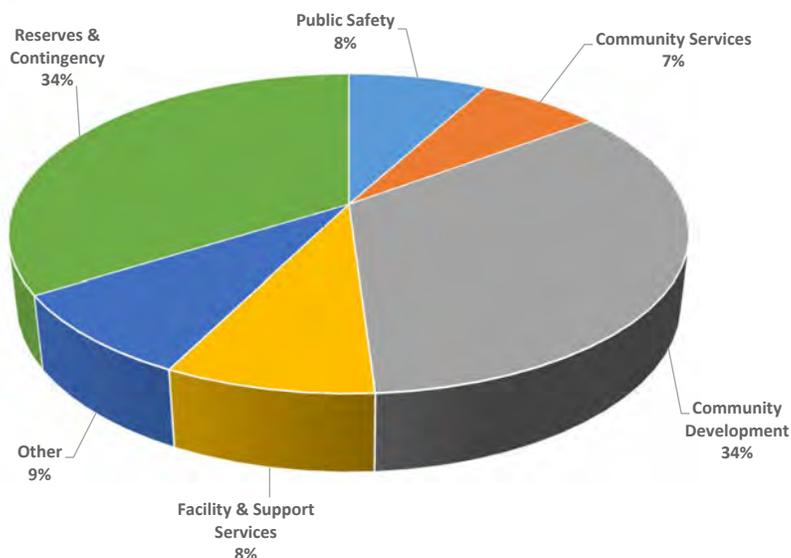
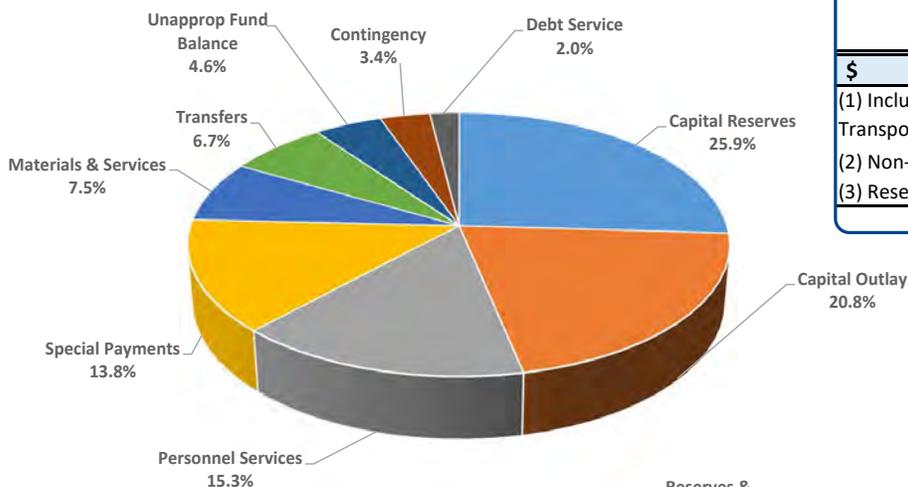


Where the Money Goes

City Expenditures

| Expenditures of All Funds Combined by Category | |
|--|-----------------------|
| Capital Reserves | 234,301,010 |
| Capital Outlay | 188,176,845 |
| Personnel Services | 138,593,305 |
| Special Payments | 124,411,052 |
| Materials & Services | 67,469,347 |
| Transfers | 60,931,439 |
| Unappropriated Fund Balance | 41,962,136 |
| Contingency | 30,842,324 |
| Debt Service | 18,099,581 |
| Total Expenditures | \$ 904,787,039 |

| Expenditures by Service Area | | |
|------------------------------|--------------------|---|
| \$ | 41,501,954 | Police |
| | 549,566 | Municipal Court |
| | 28,775,533 | Fire & Rescue |
| | 390,961 | Emergency Management |
| | 71,218,014 | Public Safety |
| | 12,892,406 | Library |
| | 49,712,446 | Parks and Recreation |
| | 62,604,852 | Community Services |
| | 39,500,617 | Community Development Dept ⁽¹⁾ |
| | 22,220,416 | Economic Development |
| | 5,745,400 | HiLight |
| | 149,644,044 | Water |
| | 92,196,791 | Public Works |
| | 309,307,268 | Community Development |
| | 6,442,365 | City Manager's Office |
| | 7,004,505 | Human Resources/Risk Management |
| | 11,808,025 | Information Services |
| | 4,779,025 | Finance |
| | 46,185,155 | Facilities & Fleet |
| | 76,219,075 | Facility & Support Services |
| | 78,332,360 | Other ⁽²⁾ |
| | 307,105,470 | Reserves & Contingency ⁽³⁾ |
| \$ | 904,787,039 | Total Expenditures |



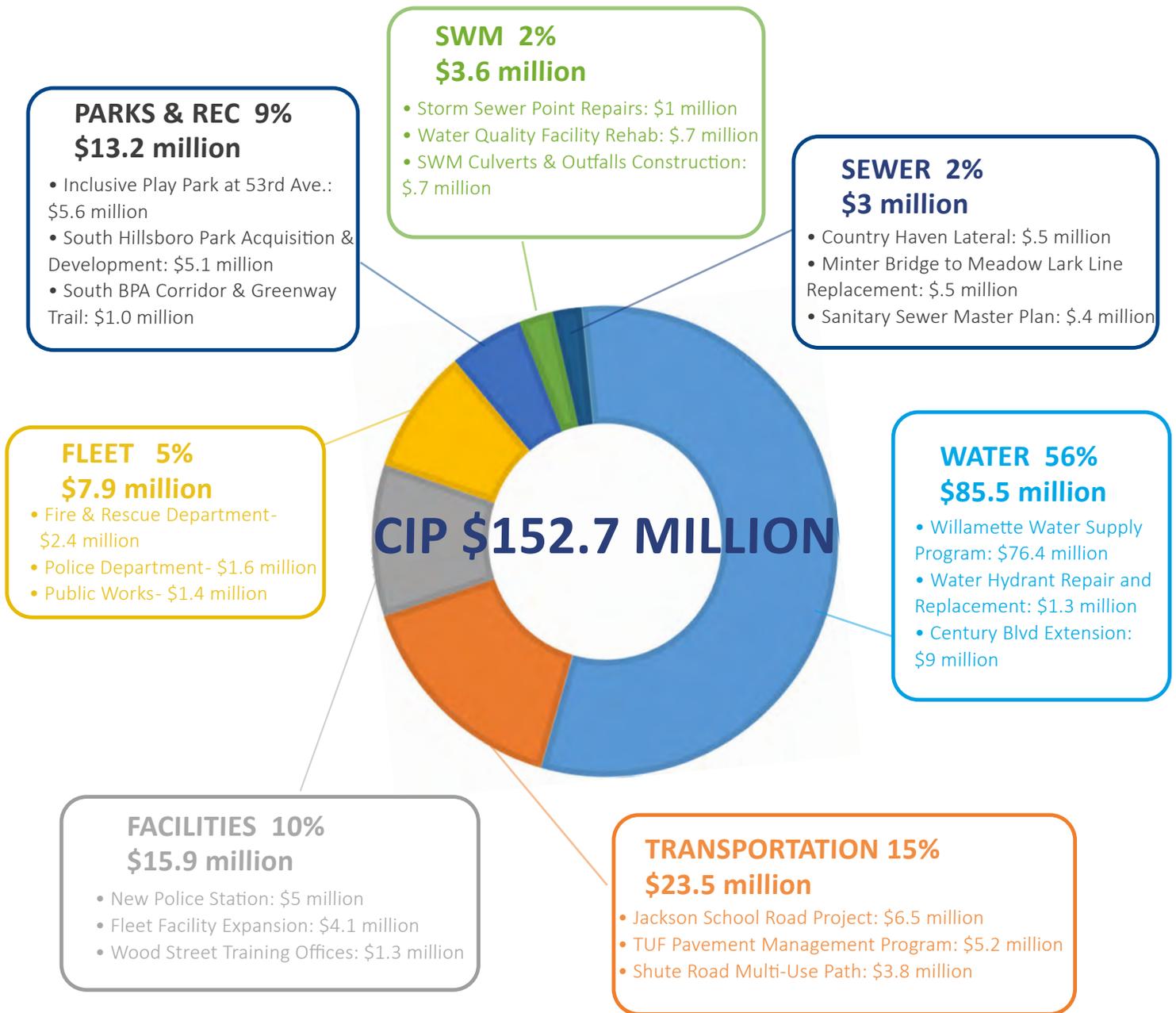
(1) Includes Community Development Administration, Planning, Transportation Systems, and Building
 (2) Non-Department Expenditures
 (3) Reserves for all Departments



Capital Improvement Program

The Capital Improvement Program (CIP) section of the budget shows the City's investment in any project that adds, improves, and extends the life of the City's infrastructure. The City budgets major construction and acquisition activities in one of seven capital improvement project categories. Generally, projects with a total cost of \$25,000 or more are included in the CIP. In addition to capital projects, fleet vehicles are included in the CIP.

The total cost for the six-year CIP covering FY 2022-27 is just over \$580 million. This amount includes \$10 million of projects that have no funding source identified at this time. The FY 2021-22 CIP amount of \$152.7 million is broken down as follows, with examples of the top projects listed in each CIP section.



Debt Service

Debt Service Overview

The City issues debt to pay for long-term capital improvements. The City only issues debt where the repayment schedule does not exceed the useful life of the capital investment. The City has a limited amount of debt and no outstanding general obligation debt.

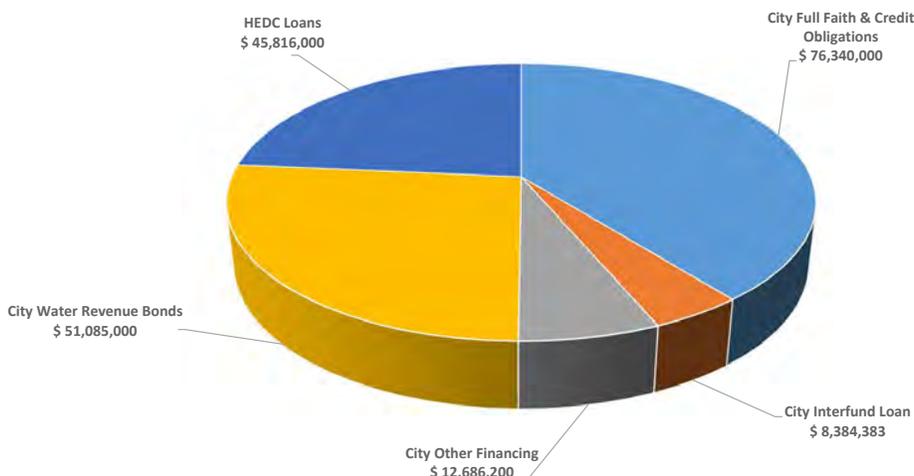
Debt service appropriations provide for the payment of principal and interest on bonds and special obligation notes. The City has revenue bonds, full faith and credit obligations, private loans, and two interfund loans currently outstanding. Full faith and credit obligations are backed by the City's General Fund revenues; however, they may be repaid from other resources such as Strategic Investment Program revenues.

Revenue bonds are used to finance enterprise-related capital to sustain the increasing demands of the system. Revenue bonds are repaid through user fees that are reviewed annually to meet operational and debt service requirements.

Interfund loans are used to loan money from one fund to another fund. Interfund loans must be authorized by official resolution or ordinance of the governing body. Interfund loans can either be for operations or capital expenses. Operating loans must be repaid within one year of the original loan date and capital loans must be repaid within 10 years.

The City's Full Faith and Credit Obligation debt rating provided by Moody's Investors Service is currently Aa1. The City's Water Revenue Bonds Debt rating by Moody's Investors Service is currently Aa2.

The City fulfills its obligation for continuing disclosure requirements under the Securities and Exchange Commission Rule 15c2-12 by filing its audited financial reports and other required disclosures with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) database service which is available at emma.msrb.org.



In September 2020, the City worked with the U.S. Environmental Protection Agency (EPA) to re-execute its \$250.5 million Water Infrastructure Finance and Innovation Act (WIFIA) loan to receive a lower interest rate. The EPA allowed this as the City had not yet drawn on its WIFIA loan. The loan interest rate was reduced from 1.98% to 1.36% saving water ratepayers about \$50 million in interest expenses over the life of the loan. The City made its first draw of \$10 million on the WIFIA loan in April 2021. The City's North Hillsboro Urban Renewal Agency issued \$25.286 million in new debt in June 2021 for land acquisition.

For future debt issuances, the City plans to issue approximately \$24.8 million for the South Hillsboro Local Improvement District in 2022. The City is also likely to issue debt for construction of a new Police Station. The City's Downtown Urban Renewal Agency is likely to issue new debt in FY 2021-22 to fund projects to spur redevelopment in the Downtown area.



The City's General Funds

The City has six funds that are considered General Funds for reporting purposes. The City's primary General Fund accounts for all revenues and expenditures of a general nature that are not required to be recorded in another fund. General Fund revenue is derived from property taxes, charges for services, franchise fees, grants, and transfers from other funds.

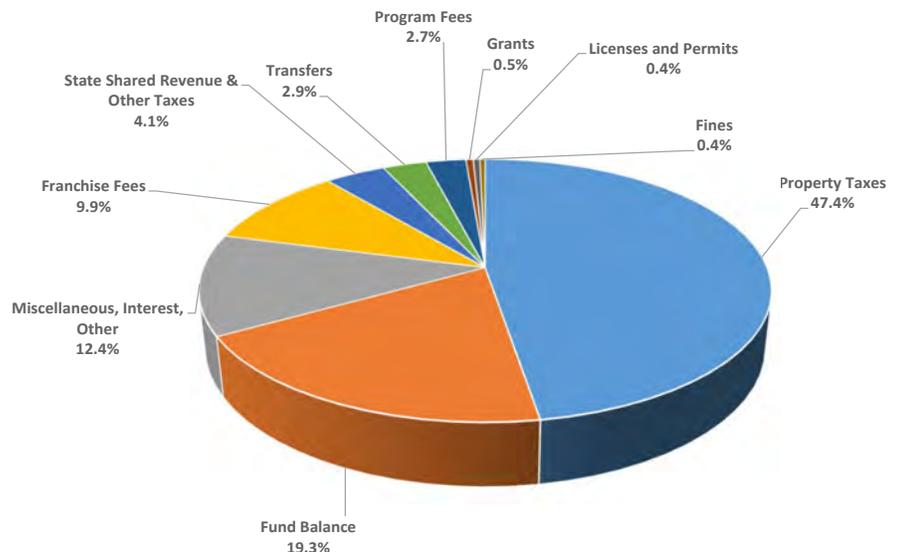
The Economic Development Fund, also grouped with the General Funds, accounts for all economic development activities. Sources of revenue for Economic Development include certain Strategic Investment Program resources, Enterprise Zone revenues, and General Fund support. Economic Development resources fund activities to attract new businesses to Hillsboro, facilitate their transition to the area, revitalize the City, and enhance our community's livability.

The four remaining funds are the General Depreciation Fund, Affordable Housing Fund, Public Arts Fund, and the PERS Stabilization Fund. General Fund resources pay for Police, Fire & Rescue, Parks & Recreation, Library, Planning, Transportation Systems, Municipal Court, and Economic Development services.

The graphs on the following page represent where the General Fund resources come from and what they are spent on.

General Funds Resources & Expenses

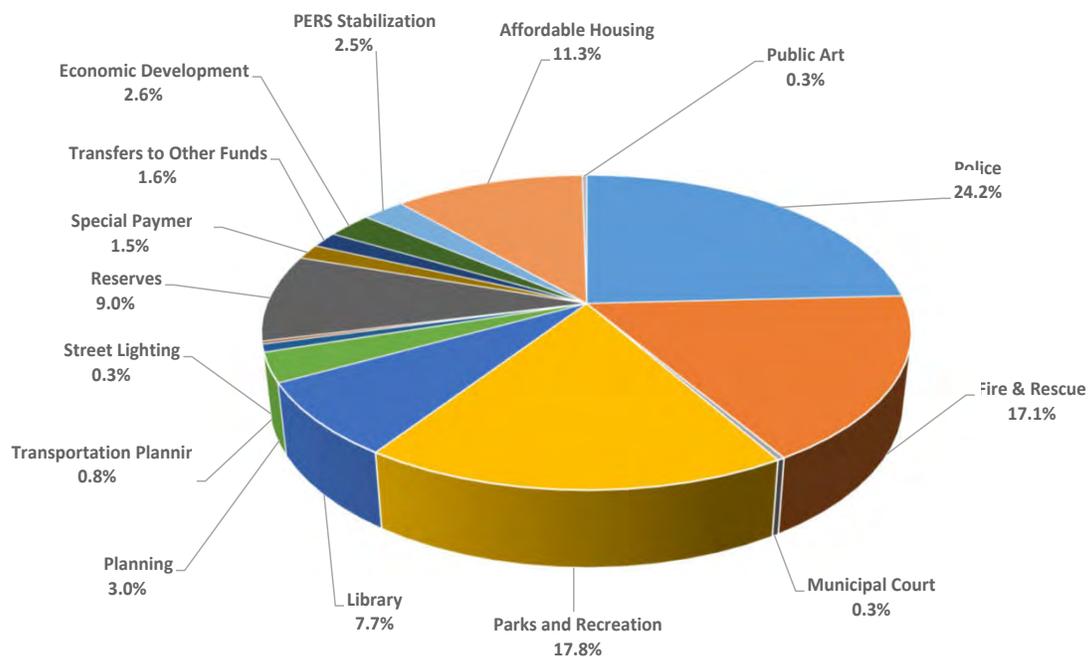
| General Funds Resources by Category | |
|-------------------------------------|-----------------------|
| Property Taxes | \$ 81,385,267 |
| Fund Balance | 33,191,576 |
| Miscellaneous, Interest, Other | 21,324,570 |
| Franchise Fees | 16,975,000 |
| State Shared Revenue & Other Taxes | 6,962,400 |
| Transfers | 5,020,000 |
| Program Fees | 4,584,350 |
| Grants | 837,600 |
| Licenses and Permits | 765,000 |
| Fines | 605,000 |
| Total | \$ 171,650,763 |





The City's General Funds

| General Funds Expenses by Department & Fund | | |
|---|-----------|--------------------|
| Police | \$ | 41,281,709 |
| Fire & Rescue | | 28,775,533 |
| Municipal Court | | 549,566 |
| Public Safety | \$ | 70,606,808 |
| Parks & Recreation | | 30,114,606 |
| Library | | 12,892,406 |
| Community Services | \$ | 43,007,012 |
| Planning | | 5,171,400 |
| Transportation Systems | | 1,392,090 |
| Street Lighting | | 460,000 |
| Reserves | | 13,648,313 |
| Special Payments | | 2,651,344 |
| Transfers to Other Funds | | 2,780,400 |
| Total General Fund | \$ | 139,717,367 |
| General Depreciation | | 3,271,526 |
| Economic Development | | 4,525,632 |
| PERS Stabilization | | 4,327,000 |
| Affordable Housing | | 19,347,238 |
| Public Art | | 462,000 |
| Total | \$ | 171,650,763 |





Property Taxes

Property Taxes

The City's General Fund operating budget relies on property taxes for approximately 45% of its total budget. Measure 50 created a state property tax system which moved local governments from a dollar-based tax system to a rate-based tax system. The City currently has a permanent tax rate of \$3.6665 per \$1,000 of assessed property value. The City tax rate funds City services. Other agencies, including the County and schools, also have tax rates for their services. All of these rates combine to represent a full property tax assessment that is reflected in the annual property tax statements provided by Washington County Assessment and Taxation.

Local Option Levy

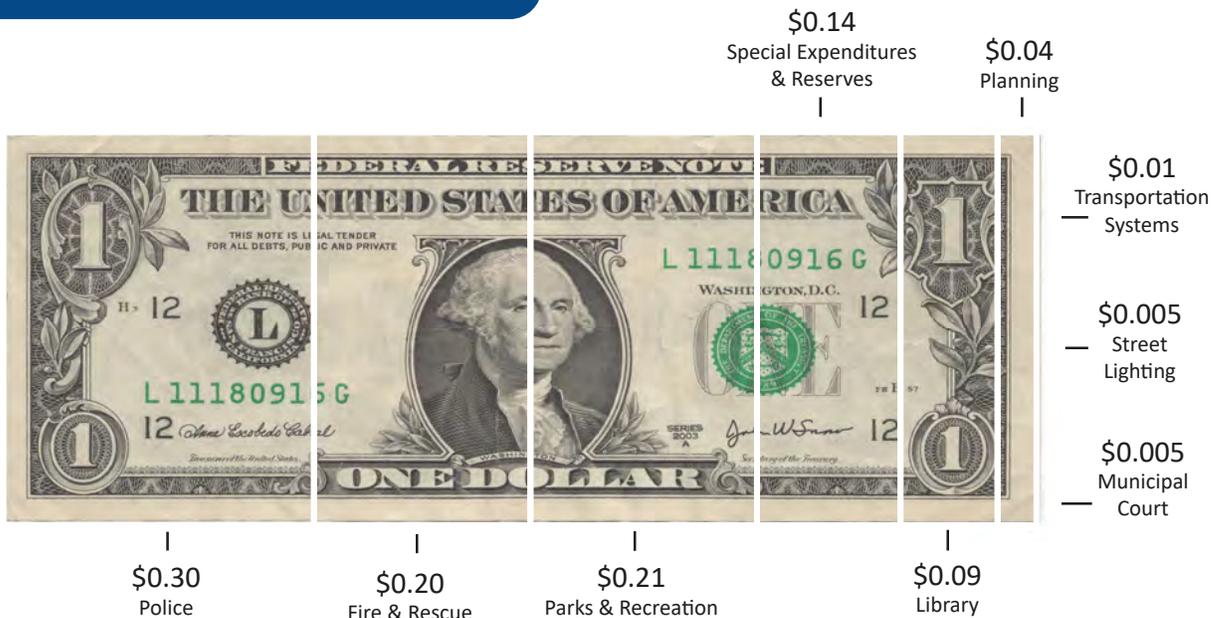
The City has a voter approved five-year Local Option Tax Levy of \$1.72 per \$1,000 of assessed property value specifically for Police, Fire & Rescue, and Parks & Recreation maintenance services. The total tax rate, including the Local Option Levy for City services, is \$5.3865 per \$1,000 of assessed value. Local option operating levies are five-year levies. The levy was first approved by voters in 1998 and was last renewed in the May 2017 election by 82.7% of voters. The renewed levy goes through FY 2022-23. A renewal will likely come before voters in May 2022.

Washington County Cooperative Library Services Levy

Washington County Cooperative Library Services (WCCLS) was established in 1976 with the passage of the first countywide tax measure to fund library services. At that time, over half of the county population did not have access to a public library. Currently, the County, nine cities and two non-profit organizations are part of this cooperative structure. In May 2020, the levy was renewed for another five years at the current rate of \$0.22 per \$1,000 of assessed value. The levy went into effect on July 1, 2021. The City receives a share of these funds annually to help maintain Library services.

For more information visit: wccls.org.

Your Tax Dollars at Work in Hillsboro

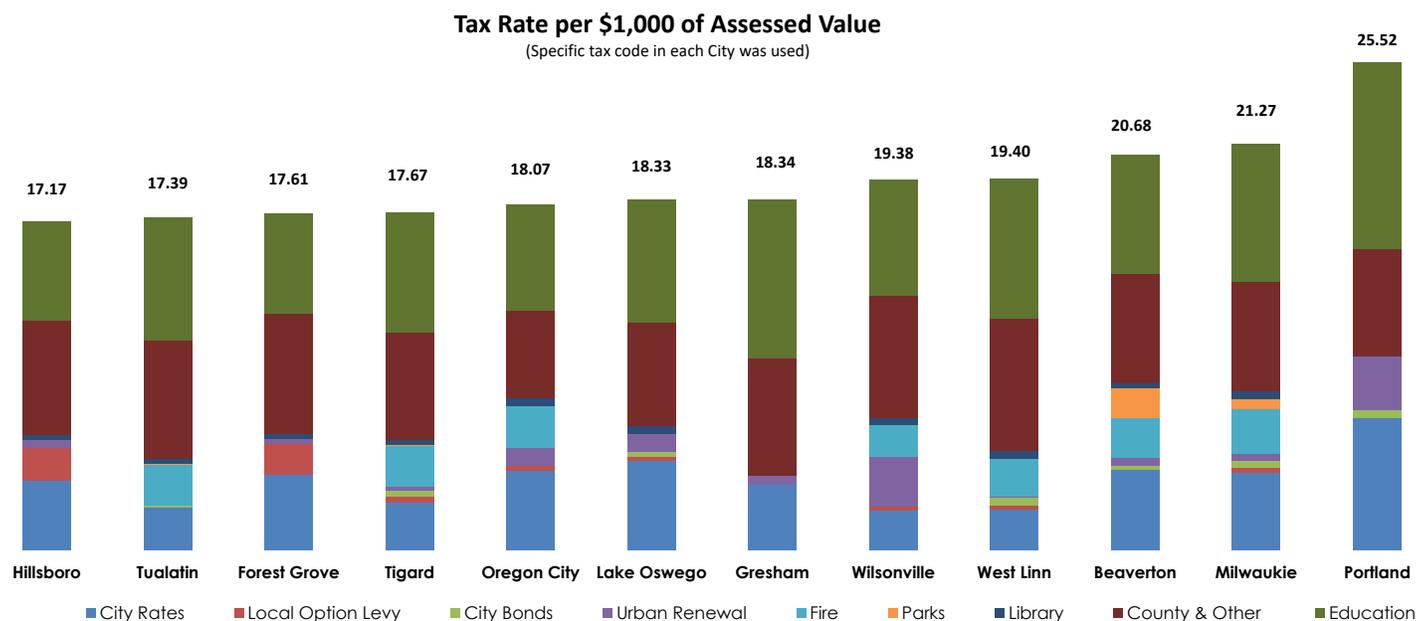




Tax Comparisons

Tax Comparisons

The City of Hillsboro is a full-service city providing police, fire & rescue, parks & recreation, library, and other general services. The chart below compares the City of Hillsboro tax rates to other cities in the metro region. In order to make this table comparable from one agency to another, it is necessary to add services provided by special service districts like Tualatin Valley Fire & Rescue and Tualatin Hills Park & Recreation District.



City's Assessed Value

Annual property taxes are calculated using the assessed value (AV), as opposed to the market value of the property. Taxes are calculated by taking a property's AV divided by 1,000 and multiplied by the rate for the tax code where the property resides (subject to Measure 5 limitations).

The City represents approximately 20% of Washington County's total AV but has disproportionately more of the total industrial property and machinery & equipment value

in the County. A reliance on the industrial sector brings more risk of significant shifts in AV, which can equate to more volatility in annual property tax assessments. Due to how quickly this type of property depreciates, continued reinvestment is important in maintaining AV. The City's AV annual growth has been healthy. The budget assumes a 4% increase in AV for FY 2021-22. Tax rolls are certified by the County on or before the end of October of each fiscal year.



Service Delivery Highlights

PUBLIC SAFETY

Police Department

Responded to 63,727 calls for service in the community

- Officers opened 10,042 cases
- Completed 208 DUII arrests
- 1,049 cases investigated by Detectives
- Trained an additional 16 Domestic Violence Resource Team

Fire & Rescue Department

Responded to 12,257 emergency incidents

- Extinguished 393 fires
- Responded to 739 motor vehicle crashes
- Technical Rescue Team established

Municipal Court Division

Municipal Court processed approximately 2,600 traffic offenses, 35 City ordinance violations and 2,900 parking citations

- Due to COVID and temporary moratoriums pertaining to enforcement of certain violations, cases decreased from previous years

COMMUNITY SERVICES

Parks & Recreation Department

In South Hillsboro, Tamarack Park took shape with construction of the skate part, shelter, restrooms, bocce court, and pathways

- The Hillsboro Arts & Culture Council voted to suspend its regular grant program in favor of offering \$52,750 in emergency operating support to Hillsboro-based arts and cultural nonprofit organizations during COVID-19
- The Hillsboro Community Senior Center partnered with many community groups to reach seniors during the pandemic (Library in the Pen Pals program; Washington County to mail art kits; and Pacific University to connect older adults and psychology students for weekly social phone calls)
- Outpost entered its 15th year of serving our community handing out 14,437 meals in 2020

Hillsboro Public Library

Started "Surprise" book bundles in June 2020 to provide patrons access to library materials while buildings were closed

- Circulated Wi-Fi hotspots for internet access
- Expanded Summer Reading and Outreach: visited 26 parks and locations, provided 7,588 summer reading giveaways
- Provided books at partner agency sites, including Washington County, Hillsboro Police, Community Action Network, and Prosperidad

COMMUNITY DEVELOPMENT

Planning Division

Processed 440 land use permits and initiated several significant long-range planning efforts

- Supported the ongoing development of the North Hillsboro Technology Park and South Hillsboro Development
- Completed year-long participation in State House Bill (HB) 2001 rulemaking and initiated the Housing Hillsboro Phase 2 with a focus on Middle Housing and compliance with HB 2001

Transportation Systems Division

Positioned 185th Light Rail Grade Separation and Downtown Central Transit Center 2-Way Conversion for federal earmarks

- Initiated cutting edge research with Portland State University to map emissions of Sunset Highway Corridor and establish correlation between rising and falling traffic volumes with resulting CO2 and particulate emissions
- Prepared Transportation Needs and Financing Plan for Jackson East Urban Growth Boundary inclusion into the City's Comprehensive Plan

Building Division

Administered projects valued at over \$753 million in FY 2020-21

- Issued over 4,000 permits from July 2020 through March 2021. This number includes 1,100 building structural permits, 433 of which are new single-family homes
- Over 1,300 residential units issued to date in the South Hillsboro neighborhood developments, with 331 units issued in FY 2020-21

Economic Development Department

Assisted 31 companies with real estate options, incentives, and access to resources resulting in 10 successful traded-sector expansion/recruitment projects and 1 new startup project. These successful projects resulted in over \$1.05 billion in new investment and 115-new and 267-retained jobs (for calendar year 2020)

- Sponsored the Techcet Critical Materials Conference, a virtual global conference, from Hillsboro with an audience of over 150 participants
- Oversaw small business grant program using CARES funding



Service Delivery Highlights

Broadband Division (HiLight)

Completed first fiber hut in Shute Park • Completed fiber construction to over 1,300 addresses passed in Shute Park Phase 1a • Completed staff training on billing system, voice platform, and equipment • Completed pre-launch Friendlies testing • Launched HiLight service to first customers

- Connected close to 100 residential and commercial subscribers, of which approximately 16% are Bridge service users
- Generated over \$40,000 in HiLight subscription service revenue

Water Department

Staff participated in a grant-funded partnership project with the Hillsboro School District and the Chicas Program, operated by Adelante Mujeres. The Chicas Program provides leadership opportunities to young Latinas in Washington County • Began a pilot project focused on water main cleaning to remove hydraulically mobile deposits in distribution systems. This pilot has been completed and will proceed to the planning phase in FY 2021-22 • The Willamette Water Supply System will be constructing two large, finished water storage tanks (15 million gallons each) near the water treatment plant, designed to withstand a large earthquake. Construction is scheduled for late 2021 through 2024. This \$143.7 million project is currently in the design phase

Public Works Department

Painted 43.6 miles of roadway lines (center lines, bike lanes, and barrier lines) including 1.9 miles of new bike lanes and 1.7 miles of upgraded bike lanes • Maintained 24.1 miles of City streets — 6.9 miles repaved, and 17.2 miles received surface treatments- or approximately 10% of the roadway system • Began construction of the NE Jackson School Road Improvement Project

SUPPORT SERVICES

City Manager's Office

Launched the Spanish-language Ciudad de Hillsboro Facebook page • Hosted online cultural celebrations and educational resources for Black History Month, Women's History Month, Asian American and Pacific Islander Heritage Month, Juneteenth, and more • Partnered with Project Homeless Connect to fund a day center for unhoused community members • Partnered to fund dedicated outreach services to Hillsboro youth living in homelessness

Human Resources Department

The Recruitment team is actively reviewing current recruitment and selection practices to remove any unintentional barriers • Successfully negotiated a successor agreement with Local 2210 International Association of Firefighters Rank & File Bargaining Unit

- During a partial hiring freeze for much of FY 2020-21, managed over 90 recruitments with approximately 4,200 applications received

Information Services Department

Implemented Microsoft Teams for collaboration

- Deployed technology in support of opening Hidden Creek Community Center
- Launched COVID-19 related Business Grant technology for application rounds 3, 4, and 5 for the local business community
- Implemented a new centralized online learning management system (LMS) to support employee training programs. The LMS system enables content creation, documentation, tracking, and administration

Finance Department

Earned the Government Finance Officers Association (GFOA) Distinguished Budget Award • Earned the GFOA Certificate of Achievement Award for the Comprehensive Annual Financial Report • Finalized and implemented a new paperless accounts payable software system and process • Worked with other City departments to administer Coronavirus Aid, Relief and Economic Security Act (CARES) federal funds, including Community Development, to disburse \$3.2 million in emergency business grants over five rounds of grant application programs

Facilities & Fleet Division

Provided support services for more than one million square feet of City facilities and more than 500 City vehicles • Completed construction of the fire training burn tower at the Wood Street Training Facility • Implemented a new program to sell surplus fleet via auctions recouping value from fleet vehicles • Completed construction of Human Resources office expansion • Started remodel of coffee court at Brookwood Library • Oversaw and coordinated the construction of the Hidden Creek Community Center

Connect & Get Involved

Join us in working to enhance this great place we all share!

Whether you want to learn about or weigh in on a current public project, help restore a local park, share your skills with us on a committee or board, or participate in one of many other opportunities to make Hillsboro an even better place, **we want to hear from you!**



Volunteer with us

Volunteers provide a positive and meaningful impact on our community and play an important role in the success of the City's many programs. Individual contributions of time, energy, and talents help make our hometown a great place to live, work, and play.



Apply to join a board or commission

The City of Hillsboro seeks volunteers to serve on our various standing boards, commissions, and committees. These appointed positions are filled by Hillsboro citizens who are interested in public decision-making and civic commitment. Check out our Commission, Committees & Boards webpage for more information and application forms.



Subscribe to our "Happening in Hillsboro" email updates

Sign up at Hillsboro-Oregon.gov/Happening to receive our free, twice per month email newsletter to keep up on what's happening in Hillsboro, including events, activities, and news.



Attend a City Council meeting

Community members have the opportunity to speak to the City Council at every Council meeting during public comment time. Check our website calendar for current Council meeting information.



We're here to help: Contact us!

Ideas or questions can be sent directly to City staff or City Council. Contact information and easy-to-use feedback forms are on the City website. And, of course, you're welcome to call us!

Visit Hillsboro-Oregon.gov or call 503-681-6100