

HERMISTON CITY COUNCIL

Regular Meeting

March 28, 2022

Mayor Drotzmann called the regular meeting to order at 7:00pm. Present were Councilors Myers, Peterson, Spicerkuhn, Primmer, Barron (arrived at 8:33pm), Davis, and Hardin. Councilor Duron was excused. Also attending were Municipal Judge Creasing, as well as City staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Richard Tovey, Chief Edmiston, Finance Director Mark Krawczyk, Planning Director Clinton Spencer, Court Administrator Jillian Viles, and City Recorder Lilly Alarcon-Strong. Youth Advisory Member Elizabeth Doherty was also in attendance. The meeting was streamed live on YouTube. The pledge of allegiance was given.

Presentation- Youth Advisory Member Introductions

Hermiston High School Junior Elizabeth Doherty stated she is involved in FFA, Key Club, National Honor Society, Tennis, and Swim and is excited to be a part of this project as she believes it will be a good experience for her.

Mayor Drotzmann stated having youth advisors at City meetings is a new venture that will require patience from everyone during this learning period. There are another two Youth Advisors who will be attending future meetings. Mayor Drotzmann thanked Advisor Doherty and all youth advisors stating younger voices are important and should be heard as they may help shape policy that they have to live with someday.

Happy Birthday

City Manager Byron Smith, Mayor Drotzmann, and the Council thanked City Recorder Lilly Alarcon-Strong for all of the work she does for the City, presented her with flowers, and sang Happy Birthday as she turned "29 again". Mayor Drotzmann and the Council stated this was the first time Happy Birthday had been sung at a City Council meeting.

Citizen Input on Non-Agenda Items

Jackie Linton, 111 W Beach- Thanked the Council for the improvements at the Food Pod stating the area is awesome, full of vendors, and people are enjoying it.

Mayor Drotzmann agreed stating he continues to see many people at the Food Pod.

Bob Barton, 1695 NE Gillespie- Stated he is running for Umatilla County Commissioner Position #1. He is a Hermiston native who has raised a family here and has owned a business in Hermiston for the last 27 years. He hopes the Council and community will reach out to him if they have any questions regarding his candidacy.

Mayor Drotzmann thanked Mr. Barton for his introduction and wished him luck during his campaign.

Consent Agenda Items

Councilor Primmer moved and Councilor Davis seconded to approve Consent Agenda items A-F, to include:

- A. Public Notice of Election – Candidate Listing
- B. Committee Vacancy Announcements
- C. Recommendation to the Planning Commission: Positions, #3- Ben Doherty from 04/01/2022 to 03/31/2025
- D. Confirmation to the Planning Commission: Position #1, Annette Kirkpatrick and Position #2 Phillip Hamm, term from 04/01/2022 to 03/31/2025
- E. Liquor License Application for "Limited On-Premises", sales for Neighbor Dudes, located at 405 N 1st Street Suite 104.
- F. Minutes of the March 14th City Council and Urban Renewal Agency Meeting

Motion carried unanimously.

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Public Hearing- LID #322 Assessment (Ordinance 2338 below)

After Councilor Davis declared a conflict of interest City Manager Byron Smith read the hearing guidelines and Mayor Drotzmann opened the hearing at 7:12PM.

Assistant City Manager Mark Morgan presented the staff report (PowerPoint Presentation attached) and explained if approved, Ordinance 2338 would complete the Local Improvement District (LID) formation process for the South Hermiston Industrial Park (SHIP) improvements by placing a lien against the surrounding benefiting properties for the final remaining costs of the improvements.

Neutral Testimony

Louis Hanson, 2110 S. Hwy 395- Asked that the Council consider waving water and sewer line fees for existing properties and having the enterprise zone pay for these costs.

Opponent Testimony

John Patterson, stated the improvements being made are not benefiting his business, instead they are benefitting larger businesses that will be coming in. He has paid for all of his previous improvements, not the City, and believes he should not contribute to these improvements.

Jenna Evans, 5 SE Campbell- read a letter into the record as well as a copy of a previous City of Hermiston news release (attached) and stated the promised \$250,000 City of Hermiston contributions are not considered in the final remaining costs. Instead, power upgrades are being done, which is great, but should not be included in the LID Agreement as it is not fair to current property owners.

Craig Evans, 5 SE Campbell- stated he does not believe smaller businesses, like his, should have to pay for these improvements; these improvements should be paid for by the Billion/Trillion dollar businesses coming into the area. Asked that the Council be fair when imposing these costs.

Hearing no proponents who wished to speak, Mayor Drotzmann closed the hearing at 7:34pm.

Assistant City Manager Morgan explained that the News Release had a missed typo and explained that the contribution was reduced from \$250,000 to \$0 as the project had a significant cost reduction. That overall reduction allowed the City to re-allocate the \$250,000 contribution to other improvements like the power upgrade. The power upgrades do benefit all property owners in that area as it improves their power capacity and reliability.

After much discussion, Councilor Myers moved and Councilor Spicerkuhn seconded to approve the staff report as presented. Councilors Myers, Peterson, Spicerkuhn, Primmer, and Hardin voted in favor; Councilor Davis abstained. Motion carried unanimously.

Ordinance No. 2338- LID #322 Assessment

City Manager Smith stated the Ordinance was discussed earlier in the meeting during the Public Hearing.

Councilor Myers moved and Councilor Peterson seconded to table action on Ordinance No. 2338 and give staff more direction to move forward at the following City Council meeting. Councilors Myers, Peterson, Spicerkuhn, Primmer, and Hardin voted in favor; Councilor Davis abstained. Motion carried unanimously.

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Public Comment

Jenna Evans, 5 SE Campbell- stated property owners also received letters stating \$250,000 City contributions would help buy down the LID.

Craig Evans, 5 SE Campbell- stated he recently built a new building and had to pay the entire costs to bring in electricity, no one helped with these costs and feels like numbers are being inflated.

John Patterson- stated they should not have to pay for other people's mistakes.

City Manager Smith clarified that future developers will pay 100% of their utilities, to include: power, water, and sewer. Improvements for any large developments in that area are not being paid for by the City or current property owners.

After much discussion, the Council agreed that the City should contribute the entire \$250,000 and directed staff to bring the new ordinance with these updated numbers to the next meeting.

Resolution No. 2215 - Authorize Issuance of Pension Obligation Bonds

City Manager Smith presented information (PowerPoint presentation attached) regarding authorizing the issuance of Pension Obligation Bonds (POB) to address the City's unfunded pension liability and reduce the overall costs of ongoing PERS contributions with a potential interest rate cap at 4.5% and an expiration of the authorization at the end of 2022.

After some discussion, Councilor Davis moved and Councilor Hardin seconded to adopt Resolution No. 2215 and lay upon the record. Motion carried unanimously.

Discussion and Possible Action on the Implementation of Hermiston 2040

City Manager Smith spoke regarding the Hermiston 2040 project that developed a plan on how the community wants to see the City grow in the future and asked how the Council would like to implement the Hermiston 2040 Vision that was developed from this project.

After some discussion, the Council agreed that the City should continue implementation measures and directed City Manager Smith, Mayor Drotzmann, and City Recorder Alarcon-Strong to move forward with next steps.

February 2022 Financial Report

Finance Director Mark Krawczyk presented the February Financial Report.

(Councilor Roy Barron arrived 8:33pm)

Public Comment

Jackie Linton, 111 W Beach- asked for a Geer/Harper Road Update.

City Manager Smith stated the City is continuing to work with area property owners and the Railroad.

Councilor Primmer moved and Councilor Spicerkuhn seconded to accept the February 2022 Financial Report as presented by Finance Director Mark Krawczyk. Motion carried unanimously. Mayor Drotzmann questioned Councilor Barron's participation in the vote as he was not present throughout the presentation. Councilor

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Barron stated he was tuning into the meeting via YouTube and therefore felt comfortable participating in the vote.

Committee Reports

Hispanic Advisory Committee- Councilor Barron recognized the Hispanic Youth Advisory members, Jayson Gutierrez and Fernando Morales Garay and looks forward to their insight and participation. Councilor Barron stated the Committee also heard presentations from Oxford House, a Self-Help Drug and Alcohol Recovery Housing Program who is looking to start offering services in Hermiston but needs to find suitable housing, and the Hispanic Art Fair that is currently scheduled for June 12th. The Art Fair will feature art, music, food, and many other cultural items for the public to view and purchase.

Mayor's Report

Mayor Drotzmann spoke regarding:

- City Election Candidates. Thanked the community for their engagement in running for office
- Food Pod Improvements and future needed improvements such as additional seating, parking and shade as many people are enjoying the expansion of the Food Pod
- Umatilla County Charter Review Committee
- Free Community Recycling event on Saturday April 2nd from 9am to 1pm at EOTEC
- Lions Club is working on Tactile Map of Funland Park for the vision impaired
- April 21-22 LOC Spring Conference in Hermiston

Council Reports

Councilor Barron stated he appreciates the great technology that allowed him to participate in the meeting without needing to be physically present.

Councilor Peterson thanked the Chamber for all their work putting on the Job Fair as there were 47 employers and many job seekers.

Youth Advisory Report

Advisor Doherty gave School District updates to include:

- The Youth Advisors will be meeting regularly at school to report on their assigned committees
- The Dance Team's two state championship wins
- Spring sports

City Manager's Report

City Manager Smith spoke regarding:

- The HERMISTON LIVE Community Calendar
- Budget process

Recess for Executive Session

At 8:56pm Mayor Drotzmann announced the City Council of the City of Hermiston will now meet in Executive Session in the Community Center Altrusa/Rotary Room for the purpose of discussing matters pertaining to negotiating real property transactions. The Executive Session is held pursuant ORS 192.660 (2) (e) which allows the Council to meet in Executive Session to conduct deliberations with persons designated by the Council to negotiate real property transactions.

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Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are excluded. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No final decision may be made in executive session. At the end of the executive session, the council will return to open session which the audience may attend. The executive session will last approximately 10 mins.

Reconvene and Adjourn

There was no other City business and Mayor Drotzmann adjourned the meeting at 9:11pm.

SIGNED:

Dr. David Drotzmann, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC, City Recorder



LID #322 FINAL ASSESSMENT

City Council 3/28/2022



LID #322: South Hermiston Industrial Park

- Winter, 2018: Industrial Park Master Plan
- Spring, 2019: Phases/Costs Shared with Property Owners.
- Spring, 2019: Project scoped to \$2.9M with property owner feedback.



LID #322: South Hermiston Industrial Park

- Spring, 2019- Financing Plan for \$2.9M
 - *50% Grant: US EDA*
 - *\$50K: Umatilla County*
 - *\$250k: City of Hermiston*
 - *\$1.16M Remainder: Local Improvement District*



LID #322: South Hermiston Industrial Park

- July, 2019: Public Hearing
 - Published Projects included in LID (\$2.9M)
 - Water Lines
 - Sewer Lines
 - New Streets
 - Published Estimated costs per property
 - Total All Properties: \$1,161,600
 - Valid Remonstrances Received
 - 2/20



LID #322: South Hermiston Industrial Park

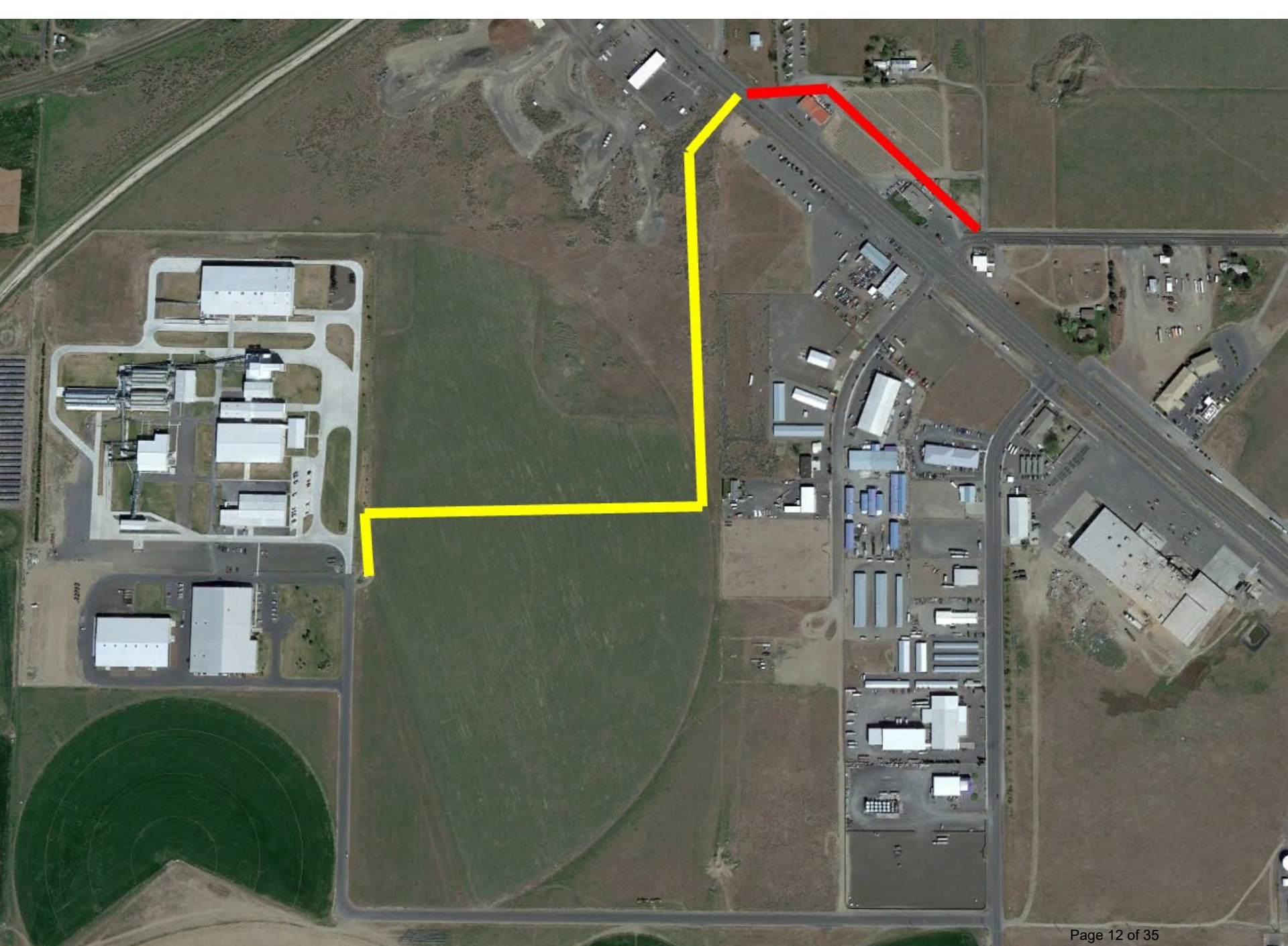
- Fall, 2020: US EDA Awards up to \$1.45M
 - 50% Reimbursement grant
 - Assumes eligible costs will be \$2.9M
- Spring, 2021: Bids Open Favorably
 - Still uncertainty in Supply Chains
 - Keep contingency for underground digging



LID #322: South Hermiston Industrial Park

- August, 2021: Contractor begins
 - Costs tracking well below original estimates
- Opportunity to add Power
 - Save costs while “Trench is Open”
 - Loop system to reduce outage times
 - Upgrade capacity for looped system





LID #322: South Hermiston Industrial Park

- Estimated \$2M Final W/S/S cost
 - \$1M- US EDA Grant
 - \$1M- Local Match
 - \$500K un-used federal match
- LID #322
 - Only for Water/Sewer/Streets
 - No Obligation for City to add \$250,000



LID #322: South Hermiston Industrial Park

- Fall, 2021: US EDA agrees to add power as eligible expense for 50% grant.
- Fall, 2021: Power added outside of LID Expenses, but reimbursed by US EDA



LID #322: South Hermiston Industrial Park



LID #322: South Hermiston Industrial Park- Final Accounting

- LID #322- Water / Sewer / Street
 - \$1,995,467.90
 - US EDA: \$997,734
 - LID #322: \$947,734
 - Umatilla County: \$50,000



LID #322: South Hermiston Industrial Park- Costs Over Time

Property Owner Assessments

- July 2019: \$1,161,600*
 - Final: \$947,734
- 18.4% Savings

*Included \$250,000 City Contribution to Water/Sewer/Streets





Process

- Adopt Final Assessments
- Payment Options
 - Lump-Sum within 30 Days
 - 10 Year Installment Plan





Questions?

Where Life is Sweet™

March 28, 2022

To: Hermiston City Council

RE: South Hermiston Industrial Park Local Improvement District- Final Assessment.

As property owners we have reviewed the March 16, 2022 correspondence letter, which contains a spreadsheet of the total costs of the project, the contribution of funds and assessments for each tax lot. Upon review it was noticed that the city did not contribute the \$150,000 they said in a press release for the project, but this amount has been added to the property owners final assessment. We do not see why we should have to pay the additional 15.6% tax essentially instead of the city meeting their stated obligation ($800,000/947,734=.842$ or 15.6% tax added onto our amounts)!

Some property owners reached out to the city for more information on this discrepancy. Mark Morgan was able to provide us answers and said, "However, we also identified that, since we would be able to come in under the amounts we quoted in the first version of the attached (including \$250k from the City), and would be leaving a good amount of Federal funds on the table, we identified some additional power-related upgrades we that we could get the EDA grant funding to cover." (see the email correspondence below in A)

In the current final assessment, it seems the city is charging the property owners for power upgrades that is not part of the LID agreement. Don't get us wrong, we think it's great that you were able to use the grant money towards upgrades for the area!

The city website also states that in the Fund 08: reserve fund/ Cash forward: Authorize transfer of \$585,000 from cash forward as a transfer to LID fund. Wouldn't that have provided for those additional upgrades of power as well?

It appears that the city is not honoring their part of this by not paying for the power upgrades itself and trying to get the property owners to pay for that, which again, is not part of the LID agreement! Under the 1998 irrevocable consent agreement, which the city used to create this LID states property owners obligation as follows: "later installation of improvements to then existing City specifications of curb, gutter, sidewalk and paving along S.E. Campbell Drive which abuts the frontage of the property". This contains no commitment that the property owners are to pay for additional upgrades.

We see this as unfair that the city would want to try and pass these additional fees along to the property owners, which is not part of the irrevocable agreement!

This is our written objection to the final assessment numbers that need one final adjustment. **The city to contribute \$150,000**, Umatilla County \$50,000 and the US EDA \$1,000,000, and the property owners \$800,000 for the \$2,000,000 completed project.

Thank you,

Craig and Jenna Evans, Louis and Larry Hanson, Jon Patterson, Chris Thomas

- A. In the attached, the figures in that "May '21 Estimate" column were using that \$2.366M estimate that we had at the time, and applying the City & County's contributions to that. That \$2.366M estimate still included a standard Contingency amount in the event that the contractor ran in to some significant unforeseen problems. As we got in to really rolling with the project, it became evident that we would really need almost no contingency, and that's why the final project cost came in at \$1.995M. However, we also identified that, since we would be able to come in under the amounts we quoted in the first version of the attached (including \$250k from the City), and would be leaving a good amount of Federal funds on the table, we identified some additional power-related upgrades that we could get the EDA grant funding to cover.
- i. Since the LID process was already started, and didn't include any power components, it didn't make much sense for us to try to reopen the LID process and muck up the works.
 - ii. Since it was looking like the final LID assessments would be able to come in below what that May '21 estimate were even if we included the City's contribution, it seemed easiest to simply instead use the funds that would have gone toward buying down the LID to go toward the power upgrades.

The utilities projects were funded from a variety of sources, including a \$1 million U.S. Economic Development Administration grant, \$800,000 from a Local Improvement District representing adjacent property owners, \$150,000 from the City of Hermiston and \$50,000 from Umatilla County. The EDA projects the activity will lead to 250 jobs and \$7 million in private development.

"This has been an excellent cooperation between public and private partners to set the table to attract new jobs and investment to the community and further diversify our local economy," said Mark Morgan, Assistant City Manager. "These

THE PORT OF UMATILLA (Port) hereby irrevocably consents and binds the real property described as follows:

Lots 1 and 2, Campbell Drive Addition
All located in the City of Hermiston, County of Umatilla and State of Oregon.

to the CITY OF HERMISTON (City) for purposes of assuring the Port's later installation of improvements to then existing City specifications of curb, gutter, sidewalk and paving along S.E. Campbell Drive which abuts the frontage of the property. If the Port does not accomplish all or any part of such improvements within six months of a request by the City, City shall accomplish all or that portion of the improvements which are incomplete. In the event that City completes all or a portion of the improvement, City's cost of the improvements shall be paid by the Port. If the Port does not pay these costs to City within three months of completion, City shall have a lien against the property for the costs of the improvements plus interest at the statutory rate until paid.

The Port hereby warrants having good title to said property and authority to execute this agreement binding said property, and this covenant shall run with the land. This agreement is to be binding upon the heirs and successors of the undersigned.

The Port further agrees that if it is necessary for the City to retain an attorney to enforce this agreement, to pay in addition to reasonable costs, reasonable attorney fees as may be allowed by the court including fees on appeal.

IN WITNESS WHEREOF, this agreement has been executed this 30 day of June, 1998.

Port of Umatilla

By: Forrest K. Starrett
Forrest K. Starrett
President, Port of Umatilla

Mailing Address: 505 Willamette Avenue
Umatilla, OR 97882

and

By: Marjorie Roff
Marjorie Roff
Secretary, Port of Umatilla

Mailing Address: 505 Willamette Avenue
Umatilla, OR 97882

STATE OF OREGON)
County of Umatilla)

On this 30 day of June, 1998, appeared before me Forrest K. Starrett and Marjorie Roff, both known to me as President and Secretary respectively, of the Port of Umatilla Commission; that they executed this document and acknowledged it to be the act of the Port of Umatilla.



Leslie A. Weimer
Notary Public for Oregon
My Commission Expires: 11/16/2000

Accepted - City of Hermiston

By: Edward Brookshier
Edward Brookshier, City Manager

AFTER RECORDING, RETURN TO:
City of Hermiston
180 N.E. 2nd Street
Hermiston, OR 97838
Attention: Clint Spencer



1998-3370415 2 of 2

State of Oregon)

County of Umatilla)

This instrument was received and recorded on
09-28-98 at 9:55

in the record of document code type DE-IRC

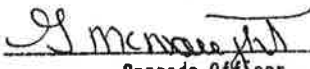
Location R337-0415

Document number 1998-3370415

Fee 10.00

Office of County Records

Received by


Records Officer

Transfer to Local Improvement District Fund
 Non-Departmental
 Debt Service
 Contingency

Revised Total Fund Resources 16,711,351

Revised Total Fund Requirements 10

Comments:

Authorize expenditure of \$15,000 from Contingency for increase in Building Maintenance for increased medical, dental, life coverage due to an empl change in plan coverage; Authorize expenditure of \$34,500 from Contingency for IGA with the city of Pendleton and the state of Oregon for Building Inspection for residential inspection services; Authorize \$30,000 from Contingency for Building Inspection roof replacement of Carnegie building; Aut \$10,000 from Contingency for Non-Departmental for a new VLA Exchange server system upgrade required for protection of city's IT operations; Auth \$2,000 from Contingency for Code Inspection/City Planner for leased vehicle payments for remainder of FY2021; Authorize \$2,500 from Contingency vehicle payments and \$3,000 for cleaning and painting expenses for Building Maintenance; Authorize \$1,450 from Contingency for Manager/City Pla license renewal for Phishing tests software license; Authorize \$10,000 from Contingency for programming assistance in OpenGov budget developm
 Authorize transfer of \$585,000 from Cash Forward as a transfer to LID fund; Authorize transfer of \$317,688 from Enterprise Zone fund for first princip interest payments for the City Hall bond issue due June 1. Increase Manage/Planning by \$3,450; Increase Building Inspection by \$64,500; Increase I Maintenance \$20,500; Increase Non-Departmental by \$337,688; Increase Contingency by \$20,393.

FUND 08: Reserve Fund

Resource	Amount	Expenditure	Amount
Cash Forward	6,248,833	Materials & Services	



Pension Obligation Bond Issuance Process



What are Pension Obligation Bonds (POBs)?

- Pension obligation bonds (POBs) are a particular kind of taxable bond where the proceeds are dedicated entirely to the jurisdiction's pension obligations.
- When a jurisdiction issues a POB, it is taking on fixed debt service to cover some or all of its current pension unfunded liabilities, which are variable over time.
- The goal is that the return on the proceeds that they have invested in the pension system will be higher than the interest cost on the related debt over the long run.
- When that happens, the POB issuance is financially favorable.



POB Issuance Process Flow

State Requirements

- As with other bonded debt, the City must duly authorize the POBs with a Resolution, and file appropriate forms.
- Additionally, the City must commission an economic study of the likelihood of success (done), make a public report of the findings (attached to the Resolution) and send such report to the State.

Other Steps

- **March/April** – Adopt Resolution, request UAL payoff calculation from PERS, Prepare Official Statement and Rating Presentation;
- **May** – City Council reviews Official Statement; City meets with Moody's for rating review; UAL payoff data received from PERS; POB structure determined; Rating received.
- **June/July** – If bond interest rate meets City target of 4.5% or lower, bonds sold, side account is funded and savings begin. New contribution rate is set July 1.



Flat Investment Rate Scenario

Flat Investment Rate - 6.9%			Annual Citywide PERS Contribution:		~\$2,100,000	
Fiscal Year	Side Account Balance July 1	Rate Credit (\$)	Investment Earnings	Side Account Balance June 30	Debt Service	Savings
2022	\$15,445,054	\$89,334	\$85,620	\$15,441,340	\$0	\$89,334
2023	\$15,441,340	\$1,091,648	\$1,025,277	\$15,374,969	\$836,690	\$254,958
2024	\$15,374,969	\$1,128,764	\$1,019,331	\$15,265,536	\$867,600	\$261,164
2025	\$15,265,536	\$1,167,142	\$1,010,368	\$15,108,762	\$896,050	\$271,092



Flat Investment Rate Scenario

Fiscal Year	Side Account Balance July 1	Deposit June 1, 2022	Rate Credit (\$)	Investment Earnings	Side Account Balance June 30	DOES NOT CHANGE Debt Service	Savings	Investment Rate Held Flat at 6.9%
2022	\$0	\$15,445,054	\$89,334	\$85,620	\$15,441,340	\$0	\$89,334	6.90%
2023	\$15,441,340		\$1,091,648	\$1,025,277	\$15,374,969	\$836,690	\$254,958	6.90%
2024	\$15,374,969		\$1,128,764	\$1,019,331	\$15,265,536	\$867,600	\$261,164	6.90%
2025	\$15,265,536		\$1,167,142	\$1,010,368	\$15,108,762	\$896,050	\$271,092	6.90%
2026	\$15,108,762		\$1,206,824	\$998,090	\$14,900,028	\$928,100	\$278,724	6.90%
2027	\$14,900,028		\$1,247,856	\$982,178	\$14,634,350	\$958,575	\$289,281	6.90%
2028	\$14,634,350		\$1,290,283	\$962,284	\$14,306,351	\$992,475	\$297,808	6.90%
2029	\$14,306,351		\$1,334,153	\$938,038	\$13,910,236	\$1,024,625	\$309,528	6.90%
2030	\$13,910,236		\$1,379,514	\$909,037	\$13,439,759	\$1,060,025	\$319,489	6.90%
2031	\$13,439,759		\$1,426,418	\$874,848	\$12,888,189	\$1,093,500	\$332,918	6.90%
2032	\$12,888,189		\$1,474,916	\$835,004	\$12,248,277	\$1,130,050	\$344,866	6.90%
2033	\$12,248,277		\$1,525,063	\$789,005	\$11,512,219	\$1,169,500	\$355,563	6.90%
2034	\$11,512,219		\$1,576,915	\$736,309	\$10,671,613	\$1,211,675	\$365,240	6.90%
2035	\$10,671,613		\$1,630,530	\$676,334	\$9,717,417	\$1,251,400	\$379,130	6.90%
2036	\$9,717,417		\$1,685,968	\$608,454	\$8,639,903	\$1,293,675	\$392,293	6.90%
2037	\$8,639,903		\$1,743,291	\$531,996	\$7,428,608	\$1,338,325	\$404,966	6.90%
2038	\$7,428,608		\$1,802,563	\$446,235	\$6,072,280	\$1,385,175	\$417,388	6.90%
2039	\$6,072,280		\$1,863,850	\$350,393	\$4,558,823	\$1,429,050	\$434,800	6.90%
2040	\$4,558,823		\$1,927,221	\$243,632	\$2,875,234	\$1,479,950	\$447,271	6.90%
2041	\$2,875,234		\$1,992,747	\$125,053	\$1,007,540	\$1,532,525	\$460,222	6.90%
2042	\$1,007,540		\$1,021,639	\$14,103	\$4	\$786,600	\$235,039	6.90%
TOTALS		\$15,445,054		\$14,161,589		\$22,665,565	\$6,941,074	
		FLAT RATE SCENARIO				PV Savings	\$4,657,388	



Historical Investment Rate Match Scenario (2002 – 2019)

		HISTORICAL	Annual Citywide PERS Contribution: ~\$2,100,000					
Fiscal Year	Side Account Balance July 1	Rate Credit (\$)	Investment Earnings	Side Account Balance June 30	Debt Service	Savings	Inv. Rate Historical	Investment Year
2022	\$15,445,054	\$89,334	\$85,620	\$15,441,340	\$0	\$89,334		2002
2023	\$15,441,340	\$1,091,648	\$3,271,626	\$17,621,318	\$836,690	\$254,958	22.00%	2003
2024	\$17,621,318	\$1,128,764	\$2,259,175	\$18,751,729	\$867,600	\$261,164	13.27%	2004
2025	\$18,751,729	\$1,248,052	\$2,485,905	\$19,989,582	\$896,050	\$352,002	13.74%	2005



Historical Investment Rate Match Scenario (2002 – 2019)

YEAR BASIS	Fiscal Year	Side Account Balance July 1	Deposit June 1, 2022	Rate Credit (\$)	Investment Earnings	Side Account Balance June 30	DOES NOT CHANGE Debt Service	Savings	Investment Rate Historical
2002	2022	\$0	\$15,445,054	\$89,334	\$85,620	\$15,441,340	\$0	\$89,334	
2003	2023	\$15,441,340		\$1,091,648	\$3,271,626	\$17,621,318	\$836,690	\$254,958	22.00%
2004	2024	\$17,621,318		\$1,128,764	\$2,259,175	\$18,751,729	\$867,600	\$261,164	13.27%
2005	2025	\$18,751,729		\$1,248,052	\$2,485,905	\$19,989,582	\$896,050	\$352,002	13.74%
2006	2026	\$19,989,582		\$1,290,485	\$2,983,317	\$21,682,414	\$928,100	\$362,385	15.45%
2007	2027	\$21,682,414		\$1,589,741	\$1,973,323	\$22,065,996	\$958,575	\$631,166	9.47%
2008	2028	\$22,065,996		\$1,643,792	(\$5,745,041)	\$14,677,163	\$992,475	\$651,317	-27.18%
2009	2029	\$14,677,163		\$1,975,456	\$2,608,200	\$15,309,907	\$1,024,625	\$950,831	19.12%
2010	2030	\$15,309,907		\$2,042,622	\$1,770,085	\$15,037,370	\$1,060,025	\$982,597	12.44%
2011	2031	\$15,037,370		\$1,514,407	\$314,350	\$13,837,313	\$1,093,500	\$420,907	2.21%
2012	2032	\$13,837,313		\$1,565,897	\$1,910,047	\$14,181,463	\$1,130,050	\$435,847	14.68%
2013	2033	\$14,181,463		\$1,672,354	\$2,074,849	\$14,583,958	\$1,169,500	\$502,854	15.60%
2014	2034	\$14,583,958		\$1,729,214	\$983,667	\$13,838,411	\$1,211,675	\$517,539	7.20%
2015	2035	\$13,838,411		\$1,971,871	\$242,798	\$12,109,338	\$1,251,400	\$720,471	1.90%
2016	2036	\$12,109,338		\$2,038,914	\$760,507	\$10,830,931	\$1,293,675	\$745,239	6.90%
2017	2037	\$10,830,931		\$2,217,459	\$1,478,300	\$10,091,772	\$1,338,325	\$879,134	15.30%
2018	2038	\$10,091,772		\$2,292,852	\$37,199	\$7,836,119	\$1,385,175	\$907,677	0.42%
2019	2039	\$7,836,119		\$2,426,862	\$888,702	\$6,297,959	\$1,429,050	\$997,812	13.56%
	2040	\$6,297,959		\$2,509,375	\$342,208	\$4,130,792	\$1,479,950	\$1,029,425	6.90%
	2041	\$4,130,792		\$2,862,944	\$179,661	\$1,447,509	\$1,532,525	\$1,330,419	6.90%
	2042	\$1,447,509		\$1,467,770	\$20,262	\$1	\$786,600	\$681,170	6.90%
	TOTALS		\$15,445,054		\$20,924,760		\$22,665,565	\$13,704,248	
			HISTORICAL RATE MATCH				PV Savings	\$8,875,485	



Historical “Mix” Rate Scenario – Worst Start (2008 losses in first year)

		HISTORICAL MIX		Annual Citywide PERS Contribution: ~\$2,100,000				
Fiscal Year	Side Account Balance July 1	Rate Credit (\$)	Investment Earnings	Side Account Balance June 30	Debt Service	Savings	Inv. Rate Historical	Inv. Year
2022	\$15,445,054	\$89,334	\$85,620	\$15,441,340	\$0	\$89,334		2007
2023	\$15,441,340	\$1,091,648	(\$4,029,273)	\$10,320,419	\$836,690	\$254,958	-27.18%	2008
2024	\$10,320,419	\$1,128,764	\$1,860,086	\$11,051,741	\$867,600	\$261,164	19.12%	2009
2025	\$11,051,741	\$960,378	\$1,311,614	\$11,402,977	\$896,050	\$64,328	12.44%	2010



Historical “Mix” Rate Scenario – Worst Start (2008 losses in first year)

YEAR BASIS	Fiscal Year	Side Account Balance July 1	Deposit June 1, 2022	Rate Credit (\$)	Investment Earnings	Side Account Balance June 30	DOES NOT CHANGE Debt Service	Savings	Investment Rate Historical
2007	2022	\$0	\$15,445,054	\$89,334	\$85,620	\$15,441,340	\$0	\$89,334	6.90%
2008	2023	\$15,441,340		\$1,091,648	(\$4,029,273)	\$10,320,419	\$836,690	\$254,958	-27.18%
2009	2024	\$10,320,419		\$1,128,764	\$1,860,086	\$11,051,741	\$867,600	\$261,164	19.12%
2010	2025	\$11,051,741		\$960,378	\$1,311,614	\$11,402,977	\$896,050	\$64,328	12.44%
2011	2026	\$11,402,977		\$993,031	\$240,219	\$10,650,165	\$928,100	\$64,931	2.21%
2012	2027	\$10,650,165		\$922,031	\$1,492,038	\$11,220,172	\$958,575	(\$36,544)	14.68%
2013	2028	\$11,220,172		\$953,380	\$1,671,984	\$11,938,776	\$992,475	(\$39,095)	15.60%
2014	2029	\$11,938,776		\$986,917	\$821,708	\$11,773,567	\$1,024,625	(\$37,708)	0.07%
2015	2030	\$11,773,567		\$1,020,472	\$213,279	\$10,966,374	\$1,060,025	(\$39,553)	1.90%
2016	2031	\$10,966,374		\$1,198,525	\$712,571	\$10,480,420	\$1,093,500	\$105,025	6.90%
2017	2032	\$10,480,420		\$1,239,275	\$1,503,560	\$10,744,705	\$1,130,050	\$109,225	15.30%
2018	2033	\$10,744,705		\$1,242,372	\$42,318	\$9,544,651	\$1,169,500	\$72,872	0.42%
2019	2034	\$9,544,651		\$1,284,613	\$1,202,217	\$9,462,255	\$1,211,675	\$72,938	13.56%
	2035	\$9,462,255		\$1,391,660	\$601,679	\$8,672,274	\$1,251,400	\$140,260	6.90%
	2036	\$8,672,274		\$1,438,976	\$545,429	\$7,778,727	\$1,293,675	\$145,301	6.90%
	2037	\$7,778,727		\$1,550,403	\$479,673	\$6,707,997	\$1,338,325	\$212,078	6.90%
	2038	\$6,707,997		\$1,603,117	\$403,853	\$5,508,733	\$1,385,175	\$217,942	6.90%
	2039	\$5,508,733		\$1,680,311	\$318,263	\$4,146,685	\$1,429,050	\$251,261	6.90%
	2040	\$4,146,685		\$1,737,442	\$222,179	\$2,631,422	\$1,479,950	\$257,492	6.90%
	2041	\$2,631,422		\$1,827,901	\$114,297	\$917,818	\$1,532,525	\$295,376	6.90%
	2042	\$917,818		\$930,576	\$12,757	-\$1	\$786,600	\$143,976	6.90%
	TOTALS		\$15,445,054	\$25,271,126	\$9,826,071		\$22,665,565	\$2,605,561	
			HISTORICAL RATE MIX CASE				PV Savings	\$1,701,304	

(This scenario is why we would establish/fund a POB reserve account)



Resolution

- Resolution 2215
 - Authorizes the issuance of POB.
 - Provides for a cap on the interest rate of the proposed POB of 4.5%.
 - Establishes December 31, 2022 as an end date of authority to issue POB.

