ANNUAL DISCLOSURE INFORMATION

Pertaining to

City of Portland, Oregon

General Obligation Bonds

Limited Tax Revenue Bonds

Arena Limited Tax Revenue Bonds

Limited Tax Housing Revenue Bonds

Limited Tax Improvement Bonds

Limited Tax Pension Obligation Revenue Bonds

(as more fully defined herein)

February 15, 2014

SCHEDULES OF REMAINING MATURITIES:

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP

GENERAL OBLIGATION BONDS

$13,965,000
General Obligation Emergency Facilities Bonds, 2004 Series A
Dated January 28, 2004

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 15, 2014	$665,000	3.375%	736679PG0
	June 15, 2015	685,000	4.000%	736679PH8
	June 15, 2016	715,000	4.000%	736679PJ4
	June 15, 2017	740,000	4.000%	736679PK1
	June 15, 2018	770,000	4.000%	736679PL9
	June 15, 2019	805,000	4.000%	736679PM7
	June 15, 2020	835,000	4.000%	736679PN5
	June 15, 2021	870,000	4.000%	736679PP0
	June 15, 2022	905,000	4.125%	736679PQ8
	June 15, 2023	940,000	4.200%	736679PR6
	June 15, 2024	1,000,000	4.250%	736679PS4

$15,360,000
General Obligation Emergency Facilities Bonds, 2008 Series A
Dated December 3, 2008

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 1, 2014	$660,000	3.500%	736679RL7
	June 1, 2015	685,000	3.500%	736679RM5
	June 1, 2016	705,000	3.500%	736679RN3
	June 1, 2017	730,000	3.750%	736679RP8
	June 1, 2018	760,000	4.000%	736679RQ6
	June 1, 2019	790,000	4.150%	736679RR4
	June 1, 2020	825,000	4.250%	736679RS2
	June 1, 2021	860,000	4.500%	736679RT0
	June 1, 2022	895,000	4.500%	736679RU7
	June 1, 2023	935,000	4.500%	736679RV5
	June 1, 2024	980,000	4.500%	736679RW3
	June 1, 2025	1,025,000	4.700%	736679RX1
	June 1, 2026	1,070,000	4.750%	736679RY9
	June 1, 2027	1,120,000	4.750%	736679RZ6
	June 1, 2028	1,175,000	4.750%	736679SA0

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$14,560,000 **General Obligation Emergency Facilities Refunding Bonds, 2009 Series A** **Dated July 7, 2009**				
	June 1, 2014	$1,400,000	2.200%	736679SF9
	June 1, 2015	1,425,000	3.000%	736679SG7
	June 1, 2016	1,460,000	4.000%	736679SH5
	June 1, 2017	1,515,000	4.000%	736679SJ1
	June 1, 2018	1,585,000	4.000%	736679SK8
	June 1, 2019	1,650,000	4.000%	736679SL6
$19,960,000 **General Obligation Parks Refunding Bonds, 2010 Series A** **Dated April 15, 2010**				
	June 1, 2014	$4,145,000	4.000%	736679SW2
	June 1, 2015	4,310,000	4.000%	736679SX0
$25,835,000 **General Obligation Public Safety Bonds, 2011 Series A** **Dated May 19, 2011**				
	June 1, 2014	$1,485,000	4.000%	736679TJ0
	June 1, 2015	1,545,000	2.000%	736679TK7
	June 1, 2016	1,575,000	2.000%	736679TL5
	June 1, 2017	1,605,000	2.000%	736679TM3
	June 1, 2018	1,635,000	4.000%	736679TN1
	June 1, 2019	1,705,000	3.000%	736679TP6
	June 1, 2020	1,755,000	3.000%	736679TQ4
	June 1, 2021	1,805,000	3.000%	736679TR2
	June 1, 2022	1,860,000	3.000%	736679TS0
	June 1, 2023	1,915,000	3.250%	736679TT8
	June 1, 2024	1,980,000	3.375%	736679TU5
	June 1, 2025	2,045,000	4.000%	736679TV3
	June 1, 2026	2,130,000	4.125%	736679TW1

SCHEDULES OF REMAINING MATURITIES (Continued):

LIMITED TAX REVENUE BONDS

$18,058,888.25 Original Principal Amount ($39,475,000 Maturity Amount)
Limited Tax Revenue Bonds, 2001 Series B (Deferred Interest Bonds)
(Oregon Convention Center Completion Project)
Dated February 13, 2001

Due Date	Initial Principal Amount	Maturity Amount	Approximate Yield to Maturity	Price Per $5,000 Maturity	CUSIP
June 1, 2014	$1,463,112.00	$2,800,000.00	4.950%	$2,612.70	736740CT6
June 1, 2015	1,480,530.00	3,000,000.00	5.000%	2,467.55	736740CU3
June 1, 2016	1,626,940.00	3,500,000.00	5.070%	2,324.20	736740CV1
June 1, 2017	1,749,000.00	4,000,000.00	5.140%	2,186.25	736740CW9
June 1, 2018	1,645,720.00	4,000,000.00	5.200%	2,057.15	736740CX7
June 1, 2019	1,549,480.00	4,000,000.00	5.250%	1,936.85	736740CY5
June 1, 2020	1,457,480.00	4,000,000.00	5.300%	1,821.85	736740CZ2
June 1, 2021	1,031,250.00	3,000,000.00	5.330%	1,718.75	736740DA6
June 1, 2022	802,172.25	2,475,000.00	5.360%	1,620.55	736740DB4

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$22,480,000 Limited Tax Revenue Bonds, 2007 Series A (Enterprise Business Solution Project) Dated April 24, 2007				
	June 1, 2014	$3,095,000	4.250%	736740GG0
	June 1, 2015	3,230,000	4.250%	736740GH8
	June 1, 2016	740,000	4.250%	736740GJ4
$16,860,000 Limited Tax Revenue Bonds, 2007 Series B (Portland Mall Revitalization Project) Dated August 2, 2007				
	June 1, 2014	$1,770,000	4.250%	736740GR6
	June 1, 2015	1,845,000	4.500%	736740GS4
	June 1, 2016	1,930,000	4.000%	736740GT2
	June 1, 2017	2,005,000	4.000%	736740GU9

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$11,925,000				
Limited Tax Revenue Bonds, 2007 Series C				
(Archives Space Acquisition Project)				
Dated October 11, 2007				
	June 1, 2014	$485,000	4.000%	736740HW4
	June 1, 2015	505,000	4.000%	736740HX2
	June 1, 2016	525,000	4.000%	736740HY0
	June 1, 2017	545,000	4.000%	736740HZ7
	June 1, 2018	570,000	4.000%	736740JA0
	June 1, 2019	590,000	4.000%	736740JB8
	June 1, 2020	615,000	4.000%	736740JC6
	June 1, 2021	640,000	4.000%	736740JD4
	June 1, 2022	665,000	4.125%	736740JE2
	June 1, 2023	690,000	4.250%	736740JF9
	June 1, 2024	720,000	4.300%	736740JG7
	June 1, 2025	755,000	4.375%	736740JH5
	June 1, 2026	785,000	4.375%	736740JJ1
	June 1, 2027	820,000	4.400%	736740JK8
	June 1, 2028	855,000	4.500%	736740JL6
$17,725,000				
Limited Tax Revenue Refunding Bonds, 2008 Series A				
(Development Services Building)				
Dated June 24, 2008				
	April 1, 2014	$1,780,000	4.000%	736740JS1
	April 1, 2015	1,850,000	3.750%	736740JT9
	April 1, 2016	1,920,000	4.000%	736740JU6
	April 1, 2017	2,000,000	5.000%	736740JV4
	April 1, 2018	2,090,000	5.000%	736740JW2

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$21,450,000 **Limited Tax Revenue Refunding Bonds, 2009 Series A** **(Central City Streetcar Project)** **Dated May 21, 2009**				
	April 1, 2014	$1,275,000	2.500%	736740KB6
	April 1, 2015	1,310,000	2.500%	736740KC4
	April 1, 2016	1,340,000	2.500%	736740KD2
	April 1, 2017	1,370,000	4.000%	736740KE0
	April 1, 2018	1,425,000	4.000%	736740KF7
	April 1, 2019	1,485,000	4.000%	736740KG5
	April 1, 2020	1,550,000	4.000%	736740KH3
	April 1, 2021	1,600,000	4.000%	736740KJ9
	April 1, 2022	1,675,000	4.000%	736740KK6
	April 1, 2023	1,740,000	4.000%	736740KL4
	April 1, 2024	1,805,000	4.000%	736740KM2
$17,610,000 **Limited Tax Revenue Bonds, 2009 Series B** **Dated December 17, 2009**				
	June 1, 2014	$1,710,000	3.000%	736740KS9
	June 1, 2015	1,760,000	4.000%	736740KT7
	June 1, 2016	4,465,000	4.000%	736740KU4
	June 1, 2017	4,055,000	4.000%	736740KV2

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$7,745,000				
Limited Tax Revenue Refunding Bonds, 2010 Series A				
Dated April 22, 2010				
	April 1, 2014	$565,000	3.000%	736740KZ3
	April 1, 2015	585,000	3.000%	736740LA7
	April 1, 2016	605,000	3.000%	736740LB5
	April 1, 2017	620,000	3.000%	736740LC3
	April 1, 2018	640,000	3.000%	736740LD1
	April 1, 2019	440,000	3.000%	736740LE9
	April 1, 2020	455,000	3.125%	736740LF6
$67,015,000				
Limited Tax Revenue Refunding Bonds, 2011 Series A (Oregon Convention Center Completion Project)				
Dated October 6, 2011				
	June 1, 2014	**	**	**
	June 1, 2015	**	**	**
	June 1, 2016	200,000	5.000%	736740LL3
	June 1, 2017	95,000	5.000%	736740LM1
	June 1, 2018	160,000	5.000%	736740LN9
	June 1, 2019	490,000	5.000%	736740LP4
	June 1, 2020	860,000	5.000%	736740LQ2
	June 1, 2021	2,255,000	5.000%	736740LR0
	June 1, 2022	3,005,000	5.000%	736740LS8
	June 1, 2023	6,140,000	5.000%	736740LT6
	June 1, 2024	6,445,000	5.000%	736740LU3
	June 1, 2025	6,770,000	5.000%	736740LV1
	June 1, 2026	7,115,000	5.000%	736740LW9
	June 1, 2027	7,465,000	5.000%	736740LX7
	June 1, 2028	7,840,000	5.000%	736740LY5
	June 1, 2029	8,330,000	5.000%	736740LZ2
	June 1, 2030	8,750,000	5.000%	736740MA6

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$5,445,000 **Limited Tax Revenue Bonds, 2011 Series B** **(Emergency Coordination Center)** **Dated December 15, 2011**				
	June 1, 2014	$335,000	2.000%	736740MC2
	June 1, 2015	340,000	2.000%	736740MD0
	June 1, 2016	350,000	3.000%	736740ME8
	June 1, 2017	360,000	3.000%	736740MF5
	June 1, 2018	370,000	3.000%	736740MG3
	June 1, 2019	380,000	3.000%	736740MH1
	June 1, 2020	390,000	3.000%	736740MJ7
	June 1, 2021	405,000	2.375%	736740MK4
	June 1, 2022	415,000	2.500%	736740ML2
	June 1, 2023	425,000	2.625%	736740MM0
	June 1, 2024	435,000	2.875%	736740MN8
	June 1, 2025	450,000	3.000%	736740MP3
	June 1, 2026	460,000	3.000%	736740MQ1
$12,000,000 **Limited Tax Revenue Bonds, 2012 Series A** **(JELD-WEN Field Project) (Federally Taxable)** **Dated April 24, 2012**				
	June 1, 2024	$2,855,000	3.250%	736740MR9
	June 1, 2025	2,950,000	3.250%	736740MS7
	June 1, 2026	3,045,000	3.500%	736740MT5
	June 1, 2027	3,150,000	3.500%	736740MU2

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$21,865,000 Limited Tax Revenue and Refunding Bonds, 2012 Series B (Police Training Facility Project) Dated May 24, 2012				
	June 1, 2014	$3,275,000	3.000%	736740MW8
	June 1, 2015	3,370,000	3.000%	736740MX6
	June 1, 2016	3,475,000	3.000%	736740MY4
	June 1, 2017	1,300,000	3.000%	736740MZ1
	June 1, 2018	1,335,000	3.000%	736740NA5
	June 1, 2019	1,375,000	4.000%	736740NB3
	June 1, 2020	1,435,000	4.000%	736740NC1
	June 1, 2021	1,490,000	4.000%	736740ND9
	June 1, 2022	1,550,000	4.000%	736740NE7
$36,160,000 Limited Tax Revenue Bonds, 2012 Series C (Portland-Milwaukie Light Rail Project) Dated September 20, 2012				
	September 1, 2014	$1,300,000	3.000%	736740NG2
	September 1, 2015	1,350,000	4.000%	736740NH0
	September 1, 2016	1,405,000	4.000%	736740NJ6
	September 1, 2017	1,460,000	4.000%	736740NK3
	September 1, 2018	1,520,000	4.000%	736740NL1
	September 1, 2019	1,585,000	4.000%	736740NM9
	September 1, 2020	1,645,000	4.000%	736740NN7
	September 1, 2021	1,725,000	5.000%	736740NP2
	September 1, 2022	1,810,000	5.000%	736740NQ0
	September 1, 2023	1,885,000	3.000%	736740NR8
	September 1, 2024	1,940,000	3.000%	736740NS6
	September 1, 2025	2,000,000	3.000%	736740NT4
	September 1, 2026	2,060,000	3.000%	736740NU1
	September 1, 2027	2,125,000	3.000%	736740NV9
	September 1, 2028	2,190,000	3.000%	736740NW7
	September 1, 2029	2,255,000	3.000%	736740NX5
	September 1, 2030	2,325,000	3.000%	736740NY3
	September 1, 2031	2,395,000	3.000%	736740NZ0
	September 1, 2032	2,470,000	3.000%	736740PA3

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP

ARENA LIMITED TAX REVENUE BONDS

$17,810,000
Arena Limited Tax Revenue Refunding Bonds, 2005 Series B (Tax-Exempt)
Dated March 3, 2005

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 1, 2014	$3,015,000	5.000%	736679QR5
	June 1, 2015	3,285,000	5.000%	736679QS3
	June 1, 2016	3,575,000	5.000%	736679QT1
	June 1, 2017	1,855,000	5.000%	736679QU8

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP

LIMITED TAX HOUSING REVENUE BONDS

$10,480,000
Limited Tax Housing Revenue Bonds, 2005 Series A
(Headwaters Apartment Project)
Dated April 18, 2005

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	April 1, 2014	$255,000	3.930%	736704AG2
	April 1, 2015	270,000	4.030%	736704AH0
	**	**	**	**
	April 1, 2025	3,440,000	4.500%	736704AJ6
	**	**	**	**
	April 1, 2035	5,315,000	4.710%	736704AK3

$1,260,000
Limited Tax Housing Revenue Bonds, 2005 Series B
(Headwaters Apartment Project)
Dated April 18, 2005

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	April 1, 2035	$1,175,000	4.700%	736704AL1

$3,170,000
Limited Tax Housing Revenue Bonds, 2005 Series C (Federally Taxable)
(Housing Opportunity Program)
Dated June 21, 2005

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 1, 2014	$300,000	4.450%	736704AV9

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
$6,975,000 **Limited Tax Housing Revenue Bonds, 2005 Series D (Tax-Exempt)** **(Housing Opportunity Program)** **Dated June 21, 2005**				
	June 1, 2014	$165,000	5.000%	736704AW7
	June 1, 2015	485,000	4.250%	736704AX5
	June 1, 2016	505,000	4.250%	736704AY3
	June 1, 2017	525,000	4.000%	736704AZ0
	June 1, 2018	545,000	4.000%	736704BA4
	June 1, 2019	570,000	4.000%	736704BB2
	June 1, 2020	590,000	4.000%	736704BC0
	June 1, 2021	615,000	4.000%	736704BD8
	June 1, 2022	640,000	4.000%	736704BE6
	June 1, 2023	665,000	4.000%	736704BF3
	June 1, 2024	695,000	4.000%	736704BG1
	June 1, 2025	720,000	4.125%	736704BH9

SCHEDULES OF REMAINING MATURITIES (Continued):

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP

LIMITED TAX IMPROVEMENT BONDS

$21,430,000
Limited Tax Improvement Bonds, 2003 Series A
Dated May 22, 2003

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 1, 2023	$10,480,000	4.350%	736679NV9

$41,745,000
Limited Tax Improvement Bonds, 2007 Series A
Dated June 28, 2007

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 1, 2017	$11,210,000	5.000%	736679RC7
	**	**	**	**
	June 1, 2027	19,680,000	5.000%	736679RD5

$22,305,000
Limited Tax Improvement Bonds, 2010 Series A
Dated April 29, 2010

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 1, 2014	$1,310,000	3.000%	736679TB7
	June 1, 2015	1,145,000	3.000%	736679TC5
	**	**	**	**
	June 1, 2020	5,885,000	3.000%	736679TD3
	**	**	**	**
	June 1, 2030	9,950,000	4.125%	736679TE1

$3,400,000
Limited Tax Improvement Bonds, 2011 Series A
Dated December 13, 2011

Bond Issue	Due Date	Principal Amount	Interest Rate	CUSIP
	June 1, 2014	$215,000	3.000%	736679UA7
	June 1, 2015	220,000	3.000%	736679UB5
	June 1, 2016	215,000	3.000%	736679UC3
	**	**	**	**
	June 1, 2022	1,360,000	4.000%	736679UD1
	**	**	**	**
	June 1, 2032	1,120,000	4.000%	736679UE9

SCHEDULES OF REMAINING MATURITIES (Continued):

LIMITED TAX PENSION BONDS

$150,848,345.70
Limited Tax Pension Obligation Revenue Bonds, 1999 Series C

Current Interest Bonds Dated November 1, 1999

Due Date	Principal Amount	Interest Rate	CUSIP
June 1, 2022	94,820,000	7.701%	736679KX8

Capital Appreciation Bonds Dated November 10, 1999

Due Date	Initial Principal Amount	Maturity Amount	Approximate Yield to Maturity	Price Per $5,000 Maturity	CUSIP
June 1, 2023	$6,345,174.80	$39,640,000.00	7.930%	800.35	736679KZ3
June 1, 2024	6,105,422.50	41,225,000.00	7.930%	740.50	736679LA7
June 1, 2025	5,874,732.50	42,875,000.00	7.930%	685.10	736679LB5
June 1, 2026	5,652,228.40	44,590,000.00	7.930%	633.80	736679LC3
June 1, 2027	5,438,273.60	46,370,000.00	7.930%	586.40	736679LD1
June 1, 2028	5,232,955.00	48,230,000.00	7.930%	542.50	736679LE9
June 1, 2029	5,034,558.90	50,155,000.00	7.930%	501.90	736679LF6

$75,000,000
Limited Tax Pension Obligation Revenue Bonds, 1999 Series D (Federally Taxable)
Periodic Auction Reset Securities (PARS^{SM})
Dated November 10, 1999

Due Date	Principal Amount	Interest Rate	CUSIP
June 1, 2019	$75,000,000	Variable	736679MC2

$75,000,000
Limited Tax Pension Obligation Revenue Bonds, 1999 Series E (Federally Taxable)
Periodic Auction Reset Securities (PARS^{SM})
Dated November 10, 1999

Due Date	Principal Amount	Interest Rate	CUSIP
June 1, 2019	$75,000,000	Variable	736679MD0

CONTENTS

ANNUAL DISCLOSURE INFORMATION

Pertaining to:

General Obligation Bonds
Limited Tax Revenue Bonds
Arena Limited Tax Revenue Bonds
Limited Tax Housing Revenue Bonds
Limited Tax Improvement Bonds
Limited Tax Pension Obligation Revenue Bonds

Information Updated as of February 15, 2014

CITY FINANCIAL AND OPERATING INFORMATION

FINANCIAL OPERATIONS

Basis of Accounting

The governmental fund types, expendable trust funds and agency funds are maintained on the modified accrual basis of accounting. The accounting practices of the City conform to generally accepted accounting principles.

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 2012-13.

A complete copy of the City's FY 2012-13 audit is available on the City's web site at http://www.portlandoregon.gov/bfs/64083. The City's web site is listed for reference only, and is not part of this Annual Disclosure document. Excerpts of the City's audited financial statements for the City's General Fund on a Generally Accepted Accounting Principles (GAAP) basis are found in Appendix A.

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.

GENERAL FUND

Overview

The General Fund includes all activities of the City that are supported by property taxes and other non-dedicated revenues, including utility license fees, business license fees, transient lodging taxes, state shared revenues (from cigarette and liquor taxes), interest income, and miscellaneous revenues and beginning cash balances. General Fund resources are used to support such City services as police, fire and parks, as well as planning, community development and administrative support services.

No Material Liens

The City has not granted any material liens on amounts in the General Fund. The limited tax bonds of the City and the salaries and other expenses of the City that are paid from the General Fund all have an unsecured claim to amounts in the General Fund.

General Fund Revenues

Major categories of revenues that are accounted for in the General Fund are described below. Table 1, excerpted from the City's annual financial statements, presents a Schedule of Revenues and Expenditures on a budgetary basis.

Taxes. Taxes consist of two categories: property taxes and transient lodging taxes. Property taxes constitute the largest revenue source, representing 41.3 percent of total General Fund revenues in FY 2012-13. Property taxes consist of current year and prior year property taxes collected from the City's $4.577/$1,000 permanent rate levy ($197.5 million). See "PROPERTY TAX AND VALUATION INFORMATION – Section 11 – Permanent Tax Rate" herein.

The transient lodging tax is a tax on transient lodgers, which are daily or weekly renters at hotels, motels and other lodging establishments. The tax rate within Multnomah County currently is 11.5 percent. Of the 11.5 percent transient lodging tax collected within the City, 6.0 percent is allocated to the City, with 5.0 percent going to the City's General Fund and 1.0 percent going to Travel Portland (formerly the Portland Visitors Association). The remaining 5.5 percent is allocated to Multnomah County. Transient lodging taxes were 4.5 percent of General Fund revenues in FY 2012-13, or $21.6 million.

Licenses and Permits. Licenses and permits represented $159.8 million, or 33.5 percent of the General Fund revenues, in FY 2012-13. Within this category are business license fee revenues collected from firms doing business within the City. The City's business license fee is based upon net apportioned income, and must be paid in advance for each year of business. Utility license fees, which are paid by public utilities such as electric, natural gas, communications, and cable providers, doing business in Portland, are another major revenue source. Additionally, utility license fee revenues are derived from fees charged to their customers by the City's water and sewer utilities.

Intergovernmental Revenues. Intergovernmental revenues (5.6 percent of the FY 2012-13 General Fund revenues, or about $26.6 million) consist largely of State-shared revenues (including taxes on cigarettes and liquor), and also include revenues from Multnomah County and other local governments for their shares of expenses of specific programs or activities that are administered by the City. The City (along with the State and Multnomah County) also receives a share of revenues from traffic court fines, classified as local shared revenues.

Charges for Services. Charges for services were $18.5 million, or 3.9 percent of General Fund revenues in FY 2012-13. This category includes rents and reimbursements received for use of City-owned property such as City Hall, JELD-WEN Field and other facilities, and parks and recreation facilities fees.

Other Sources. The General Fund receives revenues from a variety of other sources. Approximately 5.0 percent of its revenues are received from City bureaus and agencies related to specific services that are paid from this fund. Additionally, all bureaus whose programs are supported by the General Fund pay a share of centralized service or overhead costs. In total, these overhead billings represented 5.1 percent of General Fund revenues in FY 2012-13. Other sources include investment earnings, payments in lieu of taxes, and General Fund intrafund revenue.

Table 1
CITY OF PORTLAND, OREGON
General Fund Statement of Revenues and Expenditures
(Actual Results Reported on a Budgetary Basis)

	FY 2008-09	FY 2009-10	FY 2010-11	2011-12	2012-13
REVENUES					
Taxes:					
Current/prior year property taxes	$180,169,233	$188,611,104	$192,368,379	$193,983,222	$197,507,101
Lodging taxes	19,643,852	14,224,430	16,011,008	17,836,176	21,616,835
Total taxes	199,813,085	202,835,534	208,379,387	211,819,398	219,123,936
Licenses and permits:					
Business licenses, net	68,824,823	59,803,972	65,624,418	72,926,005	78,214,550
Public utility licenses (1)	51,768,928	54,753,844	54,296,377	52,498,486	76,046,626
Other	4,383,071	4,199,758	4,032,214	4,708,014	5,547,990
Total licenses and permits	124,976,822	118,757,574	123,953,009	130,132,505	159,809,166
Intergovernmental					
Federal cost sharing	-	53,413	95,210	178,764	242,492
State sources	12,933,508	12,157,719	12,772,716	13,382,910	14,462,170
County sources	1,914,850	1,495,290	1,443,044	1,476,301	1,751,625
Local sources/other	14,439,774	15,392,016	11,072,092	10,009,481	10,165,246
Total intergovernmental	29,288,132	29,098,438	25,383,062	25,047,456	26,621,533
Charges for services:					
Rents and reimbursements	3,921,430	3,809,186	3,959,316	3,932,082	4,180,073
Parks and recreation facilities fees	9,286,171	9,968,315	9,978,134	11,047,035	11,320,567
Other	4,459,423	4,262,094	3,606,476	2,885,982	3,011,963
Total charges for services	17,667,024	18,039,595	17,543,926	17,865,099	18,512,603
Billings to other funds for services	29,569,803	20,299,663	20,827,898	23,330,723	24,081,119
Billings to other funds for general and overhea	22,962,943	24,377,463	21,642,330	24,653,330	24,239,120
Other	7,043,626	4,553,645	3,855,850	5,239,827	5,276,207
TOTAL REVENUES	$431,321,435	$417,961,912	$421,585,462	$438,088,338	$477,663,684

Table 1 (continued)
CITY OF PORTLAND, OREGON
General Fund Statement of Revenues and Expenditures
(Actual Results Reported on a Budgetary Basis)

EXPENDITURES	**FY 2008-09**	**FY 2009-10**	**FY 2010-11**	**FY 2011-12**	**FY 2012-13**
Public Safety	$241,028,654	$248,738,454	$245,806,746	$266,626,788	$261,898,496
Parks, Recreation and Culture	59,185,906	61,537,488	58,513,350	61,644,892	61,244,469
Community Development	42,885,951	42,063,934	31,821,045	35,402,450	34,957,090
Legislative/Admin. Support Services	63,243,312	62,589,145	66,736,869	72,205,989	79,643,695
Debt service and related costs	2,065	4,916,113	5,318,785	5,726,067	6,275,927
Capital outlay	358,618	3,369,952	1,681,931	830,082	2,242,769
TOTAL EXPENDITURES	406,704,506	423,215,086	409,878,726	442,436,268	446,262,446
Revenues Over / (Under) Expenditures	24,616,929	(5,253,174)	11,706,736	(4,347,930)	31,401,238
OTHER FINANCING SOURCES/(USES)					
Transfers from other funds (1)	27,178,016	26,512,123	25,060,023	20,265,184	3,392,120
Transfers to other funds	(59,082,312)	(47,166,753)	(32,484,221)	(35,751,260)	(34,582,631)
Internal loan proceeds/remittances	-	(8,506,660)	8,006,660	(3,351,000)	5,311,226
Sale of capital asset	1,202,998	6,787	5,653	2,998	21,307
TOTAL OTHER FINANCING					-
SOURCES / (USES)	(30,701,298)	(29,154,503)	588,115	(18,834,078)	(25,857,978)
Net Change in Fund Balance	(6,084,369)	(34,407,677)	12,294,851	(23,182,008)	5,543,260
Beginning Fund Balance, Budgetary Basis	75,205,021	69,120,652	34,712,975	47,007,826	23,825,818
Ending Fund Balance, Budgetary Basis	$69,120,652	$34,712,975	$47,007,826	$23,825,818	$29,369,078
Adjustments to GAAP basis:					
General Reserve Fund budgeted					
as separate fund	$63,622,146	$48,784,573	$46,294,375	$48,984,519	$49,930,120
Internal loans	-	8,506,660	500,000	3,851,000	1,150,000
Unrealized gain (loss) on investments	970,483	(178,800)	278,586	222,905	(50,589)
Inventories	-	-	-	367,454	352,483
Internal loans payable	-	-	-	-	(1,460,226)
Resources not available for spending:					
Petty cash	42,145	47,000	-	-	-
Ending Fund Balance, GAAP basis	$133,755,426	$91,872,408	$94,080,787	$77,251,696	$79,290,866

Notes:

(1) In FY 2013-14, utility license fees generated from sewer and water are now included in the Public Utility License category instead of as a transfer from the Sewer Operating Fund and the Water Fund.

Source: City of Portland.

CITY 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 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, the City created the Portland Utilities Review Board (the "PURB") in 1994. The PURB, an appointed body of nine interested citizens who provide independent and representative customer review of water, sewer, stormwater, and solid waste financial plans and rates, operates in an advisory capacity to Council. In January 2014, the City Council approved a five-year contract with the Citizens' Utility Board of Oregon, an independent consumer advocacy nonprofit organization, to provide input regarding the City's water and sewer bureaus on behalf of residential customers. The Citizens' Utility Board will provide recommendations to the City Council on capital spending, rates, and customer service issues.

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 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 Council no later than June 30. All committee meetings and budget hearings are open to the public.

INSURANCE

The City is self-insured for workers' compensation, general liability claims and certain employees' medical coverage in internal service funds. The Oregon Tort Claims Act (ORS 30.260 to 30.300) limits certain claims against the City for personal injury, death and property damage or destruction as described below. Claims under federal jurisdiction are not subject to such limitations.

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 assets). 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 Services and independent actuarial studies. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors. 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 fiscal year ending June 30, 2014 the expected rate of return used was 0.40 percent. For fiscal year ending June 30, 2015, the expected rate of return used was 0.50 percent and for subsequent years, the expected rate of return was 0.60 percent. The Bureau of Human Resources and the employee benefits consultant determines relevant employees' medical coverage estimates.

The City provides insurance coverage that the City deems to be adequate, appropriate, and actuarially sound to meet the City's anticipated settlements, obligations and outstanding liabilities as described above. Current levels of accrued claims and retained earnings are viewed as reasonable provisions for expected future losses. An excess liability coverage insurance policy covers occurrences in excess of $1,000,000 to policy limits for covered loss excluding law enforcement liability. Effective November 12, 2013, the excess liability for law enforcement requires a $2.5 million retention before insurance begins coverage. 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.

Personal Injury and Death Claim

Under ORS 30.272, the liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any single claimant for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed $633,300 for causes of action arising on or after July 1, 2013, and before July 1, 2014. This cap increases incrementally through June 30, 2015, to $666,700. The liability limits to all claimants for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence increases to $1,266,700 for causes of action arising on or after July 1, 2013, and before July 1, 2014, and incrementally to $1,333,300 through June 30, 2015.

For causes of action arising on or after July 1, 2015, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in ORS 30.272. The adjustment may not exceed three percent for any year.

Property Damage or Destruction Claim

Under ORS 30.273, the liability of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2013, and before July 1, 2014, are as follows: (a) $106,700 for any single claimant and (b) $533,400 to all claimants. These liability limits are adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in ORS 30.273. The adjustment may not exceed three percent for any year.

PENSION PLANS

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 Oregon Revised Statutes (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 contributions (currently 6 percent of salaries and 9 percent for police and fire employees) fund these pension programs. See "—Employer Contribution Rates and Amounts" and "—Fire and Police Disability and Retirement Plan" 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 an assumed earnings rate guarantee of 7.75 percent and a normal retirement age of 58. 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, 2013, the balance of this reserve was negative $0.3 million. As of June 30, 2013, there were 39,554 active members and 19,160 inactive members for a total of 58,714 Tier 1 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, 2013, there were 45,190 active members and 16,889 inactive members for a total of 62,079 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, 2013, there were 78,515 active members and 8,770 inactive members for a total of 87,285 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 PERS current actuary, Milliman, Inc. replaced the prior actuary, Mercer (US), Inc. ("Mercer") in January 2012. 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"). See "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. At its September 27, 2013 meeting, the PERS Board modified certain methods and assumptions, which are used beginning for the 2012 actuarial valuations. The following table shows methods and assumptions adopted by the PERS Board, which are the basis for the actuarial valuations.

Table 2
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Actuarial Assumptions and Methods

ASSUMPTION/METHOD	PREVIOUS (2004-2011 VALUATIONS)	CURRENT (2012 VALUATION)
Actuarial Cost Method:	Projected Unit Credit	Entry Age Normal
UAL Method:		
T1/T2 Programs	Level Percentage of Payroll over 20 years (fixed)	Level Percentage of Payroll over 20 years (fixed) (1)
OPSRP	Level Percentage of Payroll over 16 years (fixed)	Level Percentage of Payroll over 16 years (fixed)
Asset Valuation Method:	Market Value (2)	Market Value (2)
Investment Rate of Return:	8.00%	7.75%
Payroll Growth Rate:	3.75%	3.75%
Inflation Level:	2.75%	2.75%
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 80% and 120%. At a funded status of 70% or less, or 130% or more, the limitation doubles to 6% of payroll or 40% of the previous rate, whichever is greater. At a funded status between 70% and 80% or 120% and 130%, the limitation increases in increments between 3%-6% of payroll or 20%-40% of the previous rate, whichever is greater.	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.

Notes:

(1) Although the UAL amortization method remains unchanged, the PERS Board directed Milliman to re-amortize the UAL for the T1/T2 Programs from the 2007, 2009, and 2011 valuations to restart the 20-year amortization period for those UALs effective with the 2013 valuation report.
(2) 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 actuary released its 2011 valuation for the Statewide PERS System as of December 31, 2011 (the "2011 System Valuation") on October 26, 2012 and its 2012 valuation for the Statewide PERS System as of December 31, 2012 (the "2012 System Valuation") on December 13, 2013. These reports include system-wide actuarial valuations for the T1/T2 Pension Programs and OPSRP.

The PERS actuary released the City's individual 2011 valuation report as of December 31, 2011 (the "2011 City Report") on September 28, 2012, and its individual 2012 valuation as of December 31, 2012 (the "2012 City Report") on December 27, 2013. 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.

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

Table 3
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Summary of Statewide PERS System Funding Levels
($ in Millions) [1]

	STATEWIDE PERS SYSTEM			
Calendar Year	**Actuarial Value of Assets**	**Actuarial Liability**	**Unfunded Actuarial Liability**	**Funded Ratio**
2003	$42,753.3	$44,078.1	$1,324.8	97.0%
2004 [2][3]	45,708.3	47,398.6	1,690.3	96.4
2005 [4]	51,403.9	49,294.0	-2,109.9	104.3
2006	56,616.5	51,252.9	-5,363.6	110.5
2007	59,327.8	52,871.2	-6,456.6	112.2
2008	43,520.6	54,259.5	10,738.9	80.2
2009	48,729.2	56,810.6	8,081.4	85.8
2010	51,583.6	59,329.5	7,745.9	86.9
2011	50,168.2	61,198.4	11,030.2	82.0
2012[5]	54,784.1	60,405.2	5,621.1	90.7

Notes:

(1) Composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA. Includes side accounts resulting from employer supplemental deposits, including proceeds of pension obligation bonds.

(2) In 2003, the Oregon Legislative Assembly enacted significant changes to the System and created OPSRP. The 2003 legislative reforms were enacted in response to a growing UAL of the System and to increasing charges to public employers to fund the Statewide PERS System.

(3) Effective with the 2004 System valuation, the cost method changed from Entry Age Normal to Projected Unit Credit, and the actuarial value of assets was changed from a four-year smoothed value to market value among other changes.

(4) Assets and liabilities for OPSRP are first valued in the 2005 OPSRP Valuation.

(5) Reflects legislative changes in Senate Bill 822 adopted during the 2013 session of the Oregon State Legislature and assumptions and methods adopted by the PERS Board on September 27, 2013, and recent legislative changes in Senate Bills 861 and 862 adopted during the 2013 special session of the Oregon State Legislature. See "RECENT DEVELOPMENTS" below.

Source: Oregon Public Employees Retirement System.

Table 4
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Summary of City Funding Levels
($ in Millions) (1)

Calendar Year	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability	Funded Ratio
2003	$1,187.4	$1,159.2	($28.2)	102.4%
2004 (2) (3)	1,295.5	1,294.9	(0.6)	100.0
2005 (4)	1,459.9	1,367.1	(92.8)	106.8
2006	1,619.3	1,432.0	(187.3)	113.1
2007	1,635.0	1,410.8	(224.2)	115.9
2008	1,280.6	1,539.9	259.2	83.2
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(5)	1,624.8	1,744.3	119.5	93.2

Notes:

(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. Includes impact of pension obligation bonds.

(2) In 2003, the Oregon Legislative Assembly enacted significant changes to the Statewide PERS System and created OPSRP. The 2003 legislative reforms were enacted in response to a growing UAL of the System and to increasing charges to public employers to fund the Statewide PERS System.

(3) Effective with the 2004 System valuation, the cost method changed from Entry Age Normal to Projected Unit Credit, and the actuarial value of assets was changed from a four-year smoothed value to market value among other changes.

(4) Assets and liabilities for OPSRP are first valued in the 2005 OPSRP Valuation.

(5) Reflects legislative changes in Senate Bill 822 adopted during the 2013 session of the Oregon State Legislature and assumptions and methods adopted by the PERS Board on September 27, 2013 and recent legislative changes in Senate Bills 861 and 862 adopted during the 2013 special session of the Oregon State Legislature. See "RECENT DEVELOPMENTS" below.

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 5
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
City Payroll for PERS Members and Unfunded Actuarial Liability

Calendar Year	Payroll	Unfunded Actuarial Liability	Unfunded Liability to Payroll Ratio
2003	$201,036,519	($28,240,751)	-14%
2004	220,669,089	(587,340)	0%
2005	226,295,315	(92,818,145)	-41%
2006	242,259,162	(187,332,041)	-77%
2007	259,889,403	(224,199,619)	-86%
2008	289,371,762	259,241,423	90%
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%

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 fair market value as of June 30, 2012, is 43 percent public equity, 16 percent private equity, 25 percent debt securities, 11 percent real estate, and 5 percent alternative equity.

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

Table 6
OREGON PUBLIC EMPLOYEES RETIREMENT FUND
Oregon PERS Investment Returns (1)

Fiscal Year Ending	Net Returns (%)
2004	17.8
2005	13.9
2006	14.4
2007	18.6
2008	-3.5
2009	-22.2
2010	17.0
2011	22.3
2012	1.6
2013	12.7

Notes:

(1) Total fund performance, excluding variable account.

Source: "Oregon PERS Monthly Returns" as of June 30 of the respective fiscal year shown in the table, website of the Oregon State Treasurer, Investment Division, Oregon Public Employees Retirement Fund (OPERF) as of January 23, 2014.

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 7
OREGON PUBLIC EMPLOYEES RETIREMENT FUND
Annualized Investment Results (1)

	Annualized		
Periods Ending June 30, 2013	1-Year	3-Year	5-Year
Total Portfolio, Excluding Variable	12.7%	11.9%	5.0%

Notes:

(1) Total fund performance, excluding variable account.

Source: Comprehensive Annual Financial Report Oregon Public Employees Retirement System, An Agency of the State of Oregon.

Employer Contribution Rates and Amounts

The PERS Board is required by State statute to determine liabilities of the Statewide PERS System from time to time and to set contributions of participating employers at a level that ensures liabilities of the Statewide PERS System will be funded no more than 40 years after the date on which the determination is made. ORS 238.225 requires participating public employers to pay the amounts the PERS Board determines to be actuarially necessary to fund benefits provided to employees.

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.

At the end of each odd-numbered year, actuarial valuations determine the employer contribution rates that are officially set by the PERS Board. All employers participating in PERS are required to make their contribution to PERS based on the employer contribution rates set by the PERS Board. 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, including the 2013-15 biennium. See Table 2 for a summary of the Rate Collar in effect for the 2011 City Report and the 2012 City Report.

In 2013, the PERS Board and the Oregon Legislative Assembly took various actions that resulted in changes to the assumptions and methodologies for determining the employer contribution rates. Legislation was signed by the Governor on May 6, 2013 ("SB 822") that includes changes to compensation and benefits of PERS covered employees. SB 822 also includes a direction to the PERS Board to defer a 1.9% of payroll rate increase into future biennia. As a result of these actions, the employer contribution rates f or the 2013-15 biennium have been modified from those originally presented in the 2011 City Report. See "—Recent Developments" below.

The table below shows the City's current employer contribution rates, which incorporate the rate reduction resulting from passage of Senate Bill 822 and the accompanying budget note and were adopted by the PERS Board on May 31, 2013. The table also shows the City's advisory rates for the 2015-17 biennium as reported in the 2012 City Report. The advisory rates reflect the impact of legislation passed during the 2013 Oregon Legislature Special Session and are based on assumptions and methodologies adopted by the PERS Board at its September 27, 2013, meeting. See Table 2 for a summary of the assumptions and methodologies. Advisory rates are used by the City in projecting and planning for pension costs in future years. 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. 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.

Table 8
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Current and Future Employer Contribution Rates
Percentage of Covered Payroll (1)

Payrolls Paid	Current Rates 2013-15	Advisory Rates 2015-17
T1/T2	9.34%	12.94%
OPSRP General Services	7.52%	6.92%
OPSRP Police and Fire	10.25%	11.02%

Notes:

(1) For FY 2012-13, one percent of the City's covered payroll for the three pension benefit programs was approximately: $1,748,163 for T1/T2 Pension Programs; $1,026,965 for OPSRP general services; and $273,966 for OPSRP police and fire.

Source: City of Portland, Oregon Public Employees Retirement System, 2012 City Report prepared by Milliman.

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.

City Funding Policy

The City currently has no Council-approved policy regarding funding of its pension liability. However, 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. The final maturity of the fixed rate Pension Obligation Bonds is June 1, 2029. Pension Obligation Bonds issued as auction rate securities mature on June 1, 2019. Table 9 presents debt service on the City's Pension Obligation Bonds for the past ten fiscal years.

Proceeds of the Pension Obligation Bonds were deposited in an account with PERS. The City opted to amortize the original deposit ratably over the life of the bonds. Table 9 below shows the amount of bonds amortized annually and debt service paid by the City on its Pension Obligation Bonds. As of June 30, 2013, the remaining unamortized balance of the bond proceeds deposited with PERS was $141,138,188.

Total City Pension and RHIA 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, as well as contributions to RHIA. 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. See "—Fire and Police Disability and Retirement Fund" below. In FY 2012-13, 55.0 percent of the total cash contribution was for the employer share, 41.3 percent was for the employee share, and 3.6 percent of the total was for the City's contribution to RHIA.

The City made its required contribution for its pension obligation in all years. See "—Employer Contribution Rates and Amounts" above.

Table 9
CITY OF PORTLAND, OREGON
City Contributions to PERS and Total Pension-Related Contributions

Fiscal Year	Total City Required Contribution (1)	Amortization of Pension Obligation Bonds (2)	City's Cash Contribution to PERS (3)	Debt Service on Pension Obligation Bonds	Total Cash Contribution for Pension Costs
2004	$27,390,839	$8,579,719	$18,811,120	$10,255,372	$29,066,492
2005	28,857,496	8,579,719	20,277,777	11,987,632	32,265,409
2006	29,765,118	8,597,252	21,167,866	14,635,732	35,803,598
2007	31,172,696	8,597,252	22,575,444	18,990,492	41,565,936
2008	32,779,658	8,597,252	24,182,406	19,839,413	44,021,819
2009	43,924,072	8,597,252	35,326,820	22,049,937	57,376,757
2010	41,195,860	8,597,252	32,598,608	18,253,638	50,852,246
2011	42,219,332	8,597,252	33,622,080	16,413,710	50,035,790
2012	53,826,983	8,597,252	45,229,731	17,738,966	62,968,697
2013	53,875,808	8,597,252	45,278,556	19,432,611	64,711,167

Notes:

(1) Includes City's statutorily required employer contribution for T1/T2 and OPSRP pension programs, its pension contribution on behalf of employees, and its contribution to the RHIA.

(2) Change in amortization amounts between FY 2004-05 and FY 2005-06 reflects correction in amortization schedule.

(3) Includes contributions from FPDR property tax levy and other non-General Fund bureaus such as the Water Bureau and the Bureau of Environmental Services.

Source: City of Portland

Recent Developments

Changes to PERS During the 2013 Legislative Session

During the 2013 Legislative Session, the Legislative Assembly made changes to PERS by enacting Senate Bill 822 ("SB 822"), which was signed by the Governor on May 6, 2013, to further limit annual benefits cost of living adjustments ("COLAs") and eliminate a benefit increase for out-of-state retirees based on Oregon income tax. Expenditure reductions from these two changes reduced the required employer contribution amount to PERS from all employers by approximately $460 million for the 2013-2015 biennium. The changes are estimated to reduce the total accrued actuarial liability of the System by approximately $2.6 billion and reduced employer contribution rates by an average of 2.5 percent of payroll for the 2013-2015 biennium. Lawsuits challenging the constitutionality of the changes made by SB 822 have been filed in the Oregon Supreme Court. See "Litigation—Challenges to PERS Reforms" below.

A budget note attached to SB 822 (the "Budget Note") directed the PERS Board to defer a portion of the currently scheduled employer rate increase (up to an additional 1.9 percent of covered employer payroll) from the 2013-2015 biennium to future biennia. SB 822 is expected to produce employer contribution savings for the City for the 2013-2015 biennium. At its May 31, 2013 meeting, the PERS Board adopted a methodology by which all PERS employers received a reduction of up to the aggregate 4.4 percent of covered payroll in their employer contribution rates for the 2013-2015 biennium; however, no jurisdiction may pay less than the rate at which it paid in 2011-2013, excluding the impact of side accounts resulting from employer supplemental deposits (typically financed through issuance of pension obligation bonds) and other rate adjustments specific to individual employers.

Implementing the 1.9 percent of payroll employer contribution rate deferral of the 2013-2015 employer contribution rates is not expected to impact the actuarial accrued liability of the Statewide PERS System; it is, however, expected to create a contribution shortfall to the Statewide PERS System of approximately $350 million in the 2013-2015 biennium. As such, employer contribution rates would need to be increased by approximately 0.3 percent of covered payroll over a 20-year amortization period beginning in the 2015-2017 biennium to restore the contribution shortfall from the rate deferral and the associated foregone earnings over the applicable unfunded liability amortization period. However, see "—2013 Oregon Legislative Special Session" below.

2013 Oregon Legislative Special Session

The Governor called the Legislative Assembly into a special session that began on September 30, 2013, and concluded on October 2, 2013 (the "Special Session"). During the Special Session, the Legislative Assembly adopted Senate Bill 861 ("SB 861") and senate Bill 862 ("SB 862"), which were signed by the Governor on October 8, 2013. Included in these bills are provisions that adjust and limit cost-of-living benefit increases for retirees, exclude salary increases given to pay for insurance costs from the final average salary used to calculate pension benefits, and reduce legislators' participation in PERS. The changes from SB 861 and SB 862 are estimated to result in a reduction of approximately $2 billion in the accrued liability of the Statewide PERS System as reflected in the 2012 System Valuation Presentation provided by Milliman to the PERS Board on September 27, 2013. This reduction takes into account changes made during the 2013 Legislative Session from SB 822 as well as a reduction in employer contribution rates of approximately two percent (but does not take into consideration any rate collars or other PERS Board or legislative actions that could impact employer rates). The reduction in Statewide PERS System liabilities resulting from SB 861 is expected to be used to offset the 1.9 percent rate deferral ordered by the PERS Board in response to the budget note in SB 822. This will eliminate an anticipated 0.3 percent increase in employer rates that was expected to begin in the 2017-19 biennium to address the 1.9 percent rate deferral. See "—Changes to PERS During the 2013 Legislative Session" above. The City cannot predict whether any legislation related to PERS would withstand any legal challenges. See "Litigation—Challenges to PERS Reforms" below.

Litigation

Challenges to PERS Reforms

Several cases have been filed on behalf of PERS retirees and active employees challenging changes to PERS retirement benefits that were enacted by the Legislative Assembly in the 2013 Legislative Session and the 2013 Oregon Legislative Special Session. See "Recent Developments—Changes to PERS during the 2013 Legislative Session." The cases have been filed directly with the Oregon Supreme Court. The petitioners allege that SB 822 and SB 861 constitute a breach of contract as well as an impairment of contract and a taking of property rights in violation of the Oregon and United States constitutions. In the cases filed on behalf of several union retirees and employees, the petitioners have requested the appointment of a special master to gather evidence and establish findings of fact. They also have requested the issuance of a preliminary injunction enjoining the implementation of SB

822 and SB 861, a declaration that SB 822 and SB 861 are unconstitutional or, alternatively, damages in the amount of the difference between benefits paid with and without SB 822 and SB 861, and reimbursement of attorney fees and costs. The SB 822 and SB 861 challenges have been joined and the Supreme Court has referred them to a special master for fact finding. If SB 822 or SB 861 is enjoined or held unconstitutional, the anticipated savings from the PERS changes that were calculated as part of the City's adopted budget and plan may not be realized for the 2013-2015 biennium and future biennia. No challenges to SB 862 have been filed.

Fire and Police Disability and Retirement Fund

The following discussion pertains to the City's Fire and Police Disability and Retirement ("FPDR") Fund. Most of the fire and police sworn personnel are covered under the FPDR Plan. The FPDR Plan consists of three tiers, two of which are now closed to new employees. 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. FPDR Three participants are part of OPSRP for retirement benefits and are under the FPDR Plan for disability and death benefits. For information regarding OPSRP and the employee and employer contribution rates for OPSRP, see "PENSION PLANS – General," above. The authority for the FPDR Plan's vesting and benefit provisions is contained in the Charter of the City. A ballot measure approved by voters November 6, 2012, changed the eligibility for membership in the FPDR Plan of fire and police personnel from generally upon employment to after six months of continuous sworn employment. The FPDR Plan provides for service-connected disability benefits at 75 percent of salary, reduced by 50 percent of any wages earned in other employment with a 25 percent of salary minimum, for the first year of disability and 25 to 75 percent of salary in later years, depending on medical status and ability to obtain other employment. The FPDR Plan also provides for nonservice-connected disability benefits at zero to 50 percent of salary.

Effective July 1, 1990, the FPDR Plan was amended to create the FPDR Two tier, which provides for the payment of benefits upon termination of employment on or after attaining age fifty-five, or on or after attaining age fifty if the member has twenty-five or more years of service. Members become 100 percent vested after five years of service. Members enrolled in the FPDR Plan 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.

On November 7, 2006, voters in the City of Portland passed a measure that created the FPDR Three tier and changed the retirement plan benefits of new members to OPSRP. The FPDR levy pays the employee and employer portions of the OPSRP contribution. Performance audits have been implemented to assess the implementation of the FPDR Plan reforms. The initial and follow-up disability program audits have been performed, and a pension program audit was completed in January 2010.

Another ballot measure passed by the voters November 6, 2007, also made new retirees from active service eligible for payment by the FPDR Fund of medical and hospital expenses associated with their job-related injuries and illnesses accepted before retirement. The change is effective for retirees after January 1, 2007. New state legislation governing workers' compensation law requires that the FPDR Fund treat 12 cancers as presumptive occupational illnesses for firefighters effective January 1, 2010.

The November 6, 2012, ballot measure also clarified final pay calculations, eliminated a provision to increase vested termination benefits if the member was subsequently employed in PERS-covered service prior to FPDR retirement, and reduced the eligibility threshold for non-service connected death before retirement from ten years of service to five.

The FPDR Plan is funded by 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) not exempt from such levy. The FPDR property tax levy has been sufficient in all years to meet required annual benefit payments. In the event that funding for the FPDR Plan is less than the required payment of benefits to be made in any particular year, the FPDR Fund could receive advances from the FPDR Reserve Fund first and other City funds second, to make up the difference. Repayment of advances, if any, would be made from the special property tax levy in the succeeding year. In the event that the special property tax levy is insufficient to pay benefits because benefits paid exceed the two and eight-tenth mills limit, other City funds would be required to make up the difference. The FY 2013-14 levy of $136,383,540 required a tax rate of $2.7822 per $1,000 of assessed property value, or approximately $1.6227 per $1,000 of gross real market value.

In accordance with the Charter's provisions, there are no requirements to fund the Plan using actuarial techniques, and the Charter indicates that the City cannot pre-fund the FPDR Plan benefits. As required by the Charter, the FPDR Fund's Board of Trustees estimates the amount of money required to pay and discharge all requirements of the FPDR Fund for the succeeding fiscal year and submits this estimate to the City Council. The Council is required by Charter to annually levy a tax sufficient to provide amounts necessary to fund the estimated requirements for the upcoming year provided by the FPDR Fund's Board of Trustees. 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, City funds.

The FPDR Fund's Board periodically assesses the future availability of property tax revenues by having projections and simulations performed in connection with the actuarial valuation of the Fund. The most recent assessment was as of June 30, 2012. The Fund's Board believes that, under a wide range of simulated economic scenarios in the foreseeable future, the future FPDR Fund levy would remain under $2.80 per $1,000 of real market value, but reaching the $2.80 threshold has a five percent or greater probability level starting in fiscal year 2028 and an almost 10 percent probability in fiscal year 2030. The levy requirement is expected to begin declining in fiscal year 2031.

Recognizing that the economic conditions have changed significantly over the past few years, the City reviewed the discount rate and assumptions utilized in the calculations of the actuarial valuation, including actuarial accrued pension liabilities and net pension obligation, and determined they should be revised to more closely match the funding and investment returns that actually are achieved under existing investment. The City revised the rate for the June 30, 2012, valuation from 4.00 percent to 3.50 percent. This change increased the unfunded actuarial liability by $226 million. Overall the unfunded actuarial liability increased from $2.53 billion on July 1, 2010, to $2.88 billion on July 1, 2012.

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 2011 City Report, the City's allocated share of the RHIA program's UAL is $7,862,531 as of December 31, 2011, and according to the 2012 City Report, the City's allocated share of the RHIA program's UAL is $6,539,359 as of December 31, 2012.

The City's current total contribution rate to fund RHIA benefits for T1/T2 employees is 0.59 percent and for OPSRP general services employees and police and fire employees is 0.50 percent.

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"). GASB 45 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. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The valuation is 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 a 3.5 percent investment rate of return, and annual healthcare cost trend rates of one to 9.5 percent for health insurance, zero to six percent for dental insurance, and zero to three percent for vision. The City's unfunded actuarial accrued liability for OPEB is solely attributable to the Health Insurance Continuation Option and at the valuation date of July 1, 2011 (the date of the most recent actuarial valuation), is estimated to be $104,946,292. 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, 2013.

For FY 2012-13, the annual required contribution (the "ARC") of the employer to be recognized as the annual employer OPEB cost was $9,566,141. For fiscal year ended June 30, 2013, the City benefits paid on behalf of retirees exceeded the premiums they paid by $3,983,198. The City elected to not pre-fund the FY 2012-13 employer's ARC of $9,566,141. The amount unfunded in FY 2012-13 is $36,399,053, which is the OPEB obligation from the beginning of the fiscal year, plus the ARC for FY 2012-13, less payments made in relation to the FY 2012-13 ARC. The City expects to use a pay-as-you-go approach to fund its actuarial accrued liability and ARC, but will monitor its OPEB liability and assess whether a different approach is needed in future years.

OVERVIEW OF CITY INDEBTEDNESS

Debt Management Policy

In April 1984, the City Council adopted Resolution No. 33661, which places centralized responsibility for Debt Management in the Office of Management and Finance and establishes standards and procedures for the issuance of debt. The policy includes more restrictive limits on City debt issuance than required by State law. This policy has subsequently been updated and expanded. The most recent updates to the debt policy were included in Ordinance 181829, which was adopted by the City Council on May 14, 2008. Among the general provisions in the debt policy are types of debt that may be issued and limitations on their use, selection of finance professionals, methods of sale, structure and term of City indebtedness, issuance of conduit debt, and refunding outstanding debt.

Debt History

The City has met all principal and interest payments on its indebtedness in a timely manner and in the required amounts. In addition, the City has never been required to refinance any general obligation indebtedness to meet regular operating expenses.

Debt Limitation

Oregon statutes limit the amount of general obligation debt which an Oregon city may have outstanding at any time to three percent of the real market value of the taxable property within the City, although revenue bonds, general obligation improvement bonds, sewer and water bonds are among the types of bonds legally exempt from the debt limitation. The City is in compliance with all statutory debt limitations.

Outstanding Debt

The City issues a variety of debt types for the purpose of carrying out its capital financing activities. These various debt types are shown in the table below titled "Debt Statement." Outstanding debt amounts are as of February 1, 2014.

Unlimited Tax General Obligation Bonds

The City has $62.675 million of outstanding tax-supported general obligation bonds. These bonds were originally issued for the purpose of funding parks, emergency facility system, and public safety improvements. The City is authorized to levy unlimited *ad valorem* property taxes outside the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution to pay these bonds.

Bonds Paid and/or Secured by the General Fund

The following obligations are secured by the full faith and credit of the City. The City is obligated to pay these obligations from any taxes or other revenues available to the City that may legally be applied to pay them. The City is not authorized to levy *ad valorem* property taxes outside the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution to pay these obligations.

Non Self-Supporting General Fund Obligations

Non self-supporting General Fund obligations are either paid from Available General Funds or are otherwise considered to be non self-supporting based upon factors including, but not limited to, length of history of the payment revenue source, debt service coverage, revenue volatility and classification of such debt by bond rating agencies. Outstanding obligations that have been determined to be non self-supporting are as follows.

Limited Tax Revenue Bonds. The City had $67.045 million of outstanding limited tax revenue bonds that are paid primarily from General Fund resources. The City has issued limited tax revenue bonds to satisfy a variety of capital financing requirements.

Limited Tax Pension Obligation Revenue Bonds. The City issued $300.8 million of Limited Tax Pension Obligation Revenue Bonds in November 1999 to finance the City's December 31, 1997, unfunded actuarial accrued pension liability with the State of Oregon Public Employees Retirement System. Approximately forty percent of the debt service on these bonds is expected to be paid from resources of the General Fund. The remaining sixty percent is expected to be paid by non-General Fund bureaus of the City. (See "Self-Supporting General Fund Obligations" below.) Approximately $92.5 million of outstanding principal remains on the portion of the bonds projected to be repaid with General Fund resources.

Table 10
CITY OF PORTLAND, OREGON
Debt Statement (1)
as of February 1, 2014

Type of Obligation	Amount Outstanding
UNLIMITED TAX GENERAL OBLIGATION BONDS	
Tax Supported	
General Obligation Parks Bonds	$8,455,000
General Obligation Public Safety Bonds	23,040,000
General Obligation Emergency Facilities Bonds	31,180,000
Total Tax Supported G.O. Bonds	$62,675,000
BONDS PAID AND/OR SECURED BY THE GENERAL FUND	
Non Self-Supporting	
Limited Tax Revenue Bonds	$67,045,000
Limited Tax Pension Obligation Revenue Bonds (General Fund share)	92,497,432
Limited Tax Housing Revenue Bonds	17,420,000
Total Bonds Secured and Paid from the General Fund	$176,962,432
Self-Supporting	
Limited Tax Pension Obligation Revenue Bonds (Non-General Fund share)	$156,655,914
Limited Tax Revenue Bonds (Streetcar)	16,575,000
Limited Tax Revenue Bonds (Convention Center)	78,725,684
Limited Tax Revenue Bonds (PCPA)	1,060,000
Limited Tax Revenue Bonds (Civic Stadium)	21,915,000
Limited Tax Revenue Bonds (S. Waterfront)	1,925,481
Limited Tax Revenue Bonds (Arena)	11,730,000
Limited Tax Revenue Bonds (Transit Mall)	7,550,000
Limited Tax Revenue Bonds (JELD-WEN Field)	12,000,000
Limited Tax Revenue Bonds (Portland Milwaukie Light Rail)	35,445,000
Limited Tax Improvement Bonds	48,925,000
State Loans (Brookside)	198,761
FPDR Tax Anticipation Notes	26,685,000
Urban Renewal Lines of Credit	42,686,587
Local Improvement Districts Line of Credit	14,259,942
Transportation Line of Credit (2013)	859,682
Total Self-Supporting Bonds Secured by the General Fund	$477,197,051
REVENUE BONDS	
First Lien Sewer Revenue Bonds	$823,275,000
Second Lien Sewer Revenue Bonds	844,500,000
Sewer SRF Loans	18,021,799
First Lien Water Revenue Bonds	328,020,000
Second Lien Water Revenue Bonds	244,240,000
Parks SDC Revenue Bonds	759,100
Hydroelectric Revenue Bonds	6,635,000
Urban Renewal Bonds	519,785,000
Gas Tax Revenue Bonds	15,643,000
PBOT Parking Meter Lease	414,057
Transportation Line of Credit	3,062,200
Total Revenue Bonds	$2,804,355,156
TOTAL - ALL OUTSTANDING DEBT	$3,521,189,639

Notes:

(1) Excludes contingent loan agreements.

Source: City of Portland.

Limited Tax Housing Revenue Bonds. The City has outstanding a total of $17.42 million of Limited Tax Housing Revenue Bonds. This amount includes $10.4 million issued for the Headwaters Apartment Project and $7.02 million issued for the Housing Opportunity Program.

Contingent Loan Agreements. The City has made a limited, subject-to-appropriation, pledge of its General Fund to restore reserve fund balances on six conduit housing revenue bond issues. As of February 1, 2014, the City had not received any requests to appropriate funds to restore the reserve fund balances of these issues. The original par amount of these issues is $30.9 million, of which $24.4 million remains outstanding.

Self-Supporting General Fund Obligations

Self-supporting General Fund obligations are secured by Available General Funds, but paid from non-General Fund revenues that are considered to be stable and reliable. Outstanding self-supporting General Fund obligations are as follows.

Limited Tax Pension Obligation Revenue Bonds. Of the total outstanding Limited Tax Pension Obligation Revenue Bonds described above, approximately $156.656 million is expected to be fully self-supporting and paid from non-General Fund bureaus of the City.

Limited Tax Revenue Bonds (Visitor Development Initiative). The City has issued bonds pursuant to an intergovernmental agreement known as the Visitor Development Initiative for various projects. While ultimately secured by the General Fund, these bonds are expected to be repaid in whole or in part with revenues generated from surcharges on the transient lodging tax and the motor vehicle rental tax. The City has $78.7 million of outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project, $21.9 million of outstanding bonds for the Stadium Project, and $1.06 million of outstanding bonds for the Portland Center for Performing Arts ("PCPA") Project.

Limited Tax Revenue Bonds (Central City Streetcar Project). The City has $16.575 million of outstanding limited tax revenue bonds for the Central City Streetcar Project. These bonds are ultimately secured by the City's General Fund, but the City expects to pay the debt service on these bonds with revenues from the City's parking facilities and meters.

Limited Tax Revenue Bonds (Transit Mall Project). In August 2007, the City issued limited tax revenue bonds to provide a share of the local funding necessary for a light rail extension along the downtown transit mall between Union Station and Portland State University. These bonds are ultimately secured by the City's General Fund, but the City expects to pay the debt service with revenues from its parking meter revenues. The City has $7.55 million of these bonds outstanding.

Limited Tax Revenue Bonds (JELD-WEN Field Project). In April 2012, the City issued limited tax revenue bonds to refinance improvements for major league soccer at JELD-WEN Field (formerly known as PGE Park). While secured by the City's General Fund, the City expects to pay the debt service with revenues from its Spectator Facilities Fund. The City has $12.0 million of these bonds outstanding.

Limited Tax Revenue Bonds (Portland-Milwaukie Light Rail Project). In September 2012, the City issued limited tax revenue bonds to finance a portion of the Portland-Milwaukie Light Rail Project. While secured by the City's General Fund, the City expects to pay the debt service with transportation revenues, including parking revenues, gas tax revenues and system development charges. The City has $35.445 million of these bonds outstanding.

Limited Tax Improvement Bonds. The City has $48.925 million of outstanding limited tax improvement bonds. These bonds are issued for the purpose of financing local improvement projects. These bonds are expected to be fully self-supporting from assessment payments received from property owners benefiting from the improvement projects. In addition, the City has pledged its full faith and credit to pay the bonds, and the bonds are payable from all legally available revenues, taxes and other funds of the City.

Arena Limited Tax Revenue Bonds. The City currently has $11.730 million of Arena Limited Tax Revenue Bonds outstanding. These bonds are ultimately secured by the City's General Fund. However, the City expects to pay the debt service on these bonds from revenues received from the Oregon Arena Project.

Urban Renewal and Other Self-Supporting Lines of Credit. The City has established lines of credit for various programs that are secured in part by the City's full faith and credit. Lines of credit have been established for seven urban renewal areas. The City borrows on these lines of credit to provide interim financing for capital projects, then repays the debt with the proceeds of urban renewal and redevelopment bonds secured solely by the tax increment revenues of the districts for which the bonds are issued. The total balance on the urban renewal lines of credit as of January 1, 2014, was $42.7 million. Lines of credit secured by the

City's full faith and credit have also been established to fund projects in local improvement districts and to fund transportation projects. The balances on these lines of credit currently total $14.3 million and $0.9 million, respectively.

Other Obligations. The City has about $2.1 million in other obligations outstanding. These include a loan being repaid by the North Macadam Investors, LLC and a State loan being repaid by the Bureau of Environmental Services.

Revenue Bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements backed solely by the fees derived from the provision of certain services. Included among the purposes for which these types of revenue bonds have been issued are sewer system facilities, water system facilities, parking system facilities, golf facilities, environmental remediation activities, road improvements and hydroelectric generation facilities. In these cases, fees and charges are collected for the individual services provided, generally on the basis of usage. The types and amounts of outstanding revenue bonds are shown in the above table titled "Debt Statement."

Urban Renewal Bonds

A total of $519.785 million of Urban Renewal and Redevelopment Bonds are outstanding for nine urban renewal areas. All of these obligations are paid from tax increment revenues generated from the respective urban renewal areas. No additional City revenues are pledged to the repayment of these bonds.

Cash Flow Borrowings

The City may borrow for General Fund operating purposes through the issuance of short-term tax anticipation notes ("TANs"). State law limits the amount of TANs that a political subdivision may sell annually to no more than 80 percent of the amount of the annual tax levy, and all TANs must be retired within thirteen months after they were issued. In order to fund cash flow deficits in the FPDR Fund caused by the timing mismatch between when benefit payments are required to be made and when property tax collections are received, the City will issue TANs. On August 15, 2013, the City issued $26,685,000 of TANs to fund cash flow deficits in the FPDR Fund. These notes are scheduled to be repaid on June 25, 2014.

Conduit Financings

The City issues revenue bonds for certain private activities under specific statutory authority. This debt is payable solely from private sources and is not an obligation of the City. These bonds are not reported in this document.

Concurrent Debt Issues

The City of Portland is currently underway or planning for the issuance of additional debt over the next six months. The following table identifies issues that are presently under consideration, and includes the estimated issuance amounts, planned issue dates, and the expected type of issue. The City may also obtain lines of credit for various facilities and equipment in amounts to be determined. These plans are subject to change.

Table 11
CITY OF PORTLAND, OREGON
Future Expected Debt Issues (1)

Purpose	Estimated Amount	Expected Issue Date	Security
Special assessment financing	$15 million	Spring 2014	Full faith and credit
Sellwood Bridge improvements	$50 million	June 2014	Full faith and credit

Notes:

(1) Amounts and timing are indicative estimates and are subject to change. The City may issue additional debt that is not reflected in this table.

Source: City of Portland.

City General Obligation Debt

Tables 12-14 below set forth the City's general obligation capital debt ratios, the overlapping debt among various taxing districts in the City, and outstanding direct general obligation debt of the City incurred for capital purposes.

Table 12
CITY OF PORTLAND, OREGON
Debt Ratios
As of February 1, 2014

	Amount	Per Capita	Percent of Market Value	Percent of Assessed Value
July 1, 2013 Population	592,120			
2013-14 Market Value (Measure 5) (1)	$84,044,895,532	$141,939		
2013-14 Assessed Value (2)	$54,352,520,253	$91,793	64.67%	
Gross Bonded Debt (3)	$716,834,483	$1,211	0.85%	1.32%
Net Direct Debt (4)	$239,637,432	$405	0.29%	0.44%
Net Overlapping Debt (as of 6/30/2013) (5)	$1,167,922,719	$1,972	1.39%	2.15%
Net Direct and Overlapping Debt	$1,407,560,151	$2,377	1.67%	2.59%
FY 2013-14 General Fund Debt Service as a Percent of FY 2013-14 General Fund Budget (6)	5.0%			

Notes:

(1) Market Value reported in this table encompasses City of Portland values within Multnomah, Washington, and Clackamas Counties, including estimated urban renewal incremental real market values. Market Value reported in this table and in the table titled "Historical Trends in Assessed and Market Values" are "Measure 5 Values," which represent the real market value of properties that are not specially assessed; and the value of specially assessed properties, including farm and forestland and exempt property which are less than full real market value. In 2013-14, the Measure 5 Market Value represented about 82 percent of full real market value. For information regarding historical Market Value, see table titled "Historical Trends in Assessed and Market Values" herein.

(2) Includes urban renewal incremental assessed value. For information regarding historical assessed values, see table titled "Historical Trends in Assessed and Market Values" herein.

(3) Includes City's outstanding general obligation bonds, limited tax improvement bonds, and limited tax revenue bonds. Also includes general fund-supported lines of credit and tax anticipation notes.

(4) Net direct debt includes non self-supporting limited tax revenue bonds secured by the City's General Fund as well as general obligation bonds paid from a separate, unlimited *ad valorem* tax.

(5) See table entitled "Overlapping Debt" below for information on overlapping debt.

(6) Debt service amount includes all non self-supporting bonds paid and/or secured by the General Fund plus the General Fund share of pension obligation bonds.

Sources: Portland State University Population Research Center; Multnomah County Department of Assessment, Recording and Taxation; Municipal Debt Advisory Commission, Oregon State Treasury; City of Portland.

Table 13
CITY OF PORTLAND, OREGON
Overlapping Debt
As of June 30, 2013

TAXING DISTRICT	Real Market Value	Percent Overlapping	Overlapping Debt: Gross Property Tax Backed (1)	Overlapping Debt: Net Property Tax Backed (2)
Multnomah County School District 1J (Portland)	$70,607,795,585	97.66%	$574,230,564	$574,230,564
Multnomah County	94,492,460,809	85.04%	311,204,522	171,162,650
Metro	184,584,369,182	43.69%	123,567,627	108,464,892
Multnomah County School District 40 (David Douglas)	4,052,801,563	100.00%	105,987,481	105,987,481
Portland Community College	148,235,007,021	46.68%	240,928,922	82,369,860
Multnomah County School District 3 (Parkrose)	4,569,559,134	98.52%	60,543,244	60,543,244
Multnomah County School District 7 (Reynolds)	6,369,225,418	22.67%	30,373,679	30,373,679
Multnomah County School District 28J (Centennial)	2,547,267,447	53.53%	16,594,458	16,594,458
Mt Hood Community College	27,902,128,740	40.77%	28,910,076	10,642,249
Columbia County School District 1J (Scappoose)	1,626,092,062	7.53%	2,371,633	2,371,633
Clackamas County School District 12 (North Clackamas)	12,444,007,068	0.52%	1,762,260	1,762,260
Multnomah County School District 51J (Riverdale)	669,891,125	5.35%	1,417,798	1,417,798
Washington County School District 48J (Beaverton)	29,601,705,148	0.30%	1,334,769	1,334,769
Clackamas County	45,255,621,135	0.25%	280,468	266,428
Washington County School District 23J (Tigard-Tualatin)	11,856,989,446	0.09%	111,432	111,432
Multnomah County Drainage District 1	216,601,533	100.00%	3,135,000	110,000
Washington County	61,761,169,999	0.28%	289,926	75,156
Clackamas Community College	32,758,218,777	0.20%	146,726	53,635
Clackamas County School District 7J (Lake Oswego)	8,088,851,271	0.02%	25,539	25,539
Tualatin Hills Park & Recreation District	24,795,791,430	0.02%	21,769	21,760
Clackamas County ESD	42,890,152,354	0.15%	41,670	3,232
Multnomah ESD	95,867,106,973	83.82%	28,313,281	-
Northwest Regional ESD	79,896,802,227	0.28%	15,185	-
Port Of Portland	201,509,268,013	40.02%	27,243,313	-
Rockwood Water PUD	3,981,261,851	28.04%	1,722,904	-
			$1,560,574,246	$1,167,922,719

Notes:

(1) Gross Property-tax Backed Debt includes all unlimited-tax General Obligation bonds and Bonds Paid and/or secured by the General Fund.

(2) Net Property-tax Backed Debt is Gross Property-tax Backed Debt less Self-supporting Unlimited-tax General Obligation debt and less Self-supporting General Fund Obligations.

Source: Municipal Debt Advisory Commission, Oregon State Treasury.

Table 14
CITY OF PORTLAND, OREGON
Projected Debt Service on Outstanding General Fund Obligations (1)

	PAID FROM GENERAL FUND			SELF-SUPPORTING BONDS SECURED BY GENERAL FUND				
Fiscal Year Ending June 30	Limited Tax Revenue Bonds (2)	Limited Tax Pension Obligation Revenue Bonds (3)	Total Non-Self Supporting Bonds/ Gen. Fund	Limited Tax Improve. Bonds (4)	Arena Limited Tax Revenue Bonds (5)	Limited Tax Pension Obligation Revenue Bonds (6)	Other Limited Tax Revenue Bonds (7)	Total Self Supporting Bonds/ Gen. Fund
2014	$15,534,863	$10,338,770	$25,873,633	$3,773,185	$3,601,500	$17,509,993	$16,251,042	$41,135,721
2015	15,538,293	10,750,246	26,288,539	3,567,435	3,720,750	18,206,880	16,761,927	42,256,991
2016	15,558,568	11,184,169	26,742,737	2,376,485	3,846,500	18,941,782	17,256,980	42,421,746
2017	11,920,667	11,627,391	23,548,059	8,520,035	1,947,750	19,692,434	19,201,759	49,361,978
2018	7,404,601	12,095,163	19,499,764	1,836,785	-	20,484,663	15,405,526	37,726,974
2019	4,993,256	12,573,783	17,567,040	1,836,785	-	21,295,267	16,193,598	39,325,650
2020	4,994,376	13,081,663	18,076,040	5,886,785	-	22,155,425	16,465,572	44,507,781
2021	4,524,228	13,604,648	18,128,876	1,715,285	-	23,041,165	16,719,864	41,476,314
2022	4,525,429	14,150,222	18,675,651	2,760,285	-	23,965,162	16,593,963	43,319,409
2023	2,904,658	14,716,231	17,620,889	7,058,485	-	24,923,769	16,232,038	48,214,291
2024	2,906,461	15,304,658	18,211,119	1,439,238	-	25,920,342	16,724,513	44,084,092
2025	2,908,095	15,917,215	18,825,310	1,439,238	-	26,957,785	14,849,900	43,246,922
2026	2,143,764	16,553,904	18,697,668	1,439,238	-	28,036,096	14,856,425	44,331,759
2027	1,671,770	17,214,723	18,886,493	21,119,238	-	29,155,277	14,848,200	65,122,714
2028	1,670,605	17,905,243	19,575,848	455,238	-	30,324,757	11,591,925	42,371,920
2029	775,795	18,619,893	19,395,688	455,238	-	31,535,107	11,690,200	43,680,544
2030	778,225	-	778,225	10,405,238	-	-	11,692,025	22,097,263
2031	774,170	-	774,170	44,800	-	-	2,505,825	2,550,625
2032	773,865	-	773,865	1,164,800	-	-	2,505,025	3,669,825
2033	767,075	-	767,075	-	-	-	2,507,050	2,507,050
2034	769,035	-	769,035	-	-	-	-	-
2035	724,260	-	724,260	-	-	-	-	-
Total	$104,562,059	$225,637,923	$330,199,982	$77,293,813	$13,116,500	$382,145,905	$270,853,352	$743,409,570

Notes:

(1) Excludes debt service on the City's Unlimited Tax General Obligation Bonds, including the 2014 Series A Bonds, which are secured by *ad valorem* taxes on property within the City. Totals may not sum due to rounding.

(2) Includes Limited Tax Revenue Bonds paid from General Fund sources, Limited Tax Housing Revenue Bonds and Portland International Raceway loan. Excludes line of credit for Parks Maintenance Facility and contingent loan agreements.

(3) Reflects General Fund portion of the Limited Tax Pension Obligation Revenue Bonds, 1999 Series C, D & E. Amounts shown include projected debt service on the variable rate 1999 Series D & E Bonds and are subject to change.

(4) Actual debt service may differ substantially from schedule above due to optional and mandatory redemption provisions.

(5) Bonds are expected to be paid from Arena Project revenues.

(6) Reflects non-General Fund portion of the Limited Tax Pension Obligation Revenue Bonds, 1999 Series C, D & E. A portion of the debt service on the bonds is expected to be paid from capitalized interest. Amounts shown include projected debt service on the variable rate 1999 Series D & E Bonds (auction rate securities) and are subject to change.

(7) Includes debt service for bonds issued for the Central City Streetcar Project, Convention Center Expansion Project, Portland Mall Revitalization Project, improvements to the Portland Center for the Performing Arts ("PCPA"), the Stadium Project, JELD-WEN Field and Portland-Milwaukie Light Rail. The Central City Streetcar bonds are expected to be paid from parking facility and meter revenues. Bonds issued for Convention Center expansion, PCPA, and the Stadium Project will be repaid in whole or in part from transient lodging tax and vehicle rental tax surcharges imposed by Multnomah County. Bonds issued for Portland Mall Revitalization Project are expected to be repaid with meter revenues. Bonds issued for JELD-WEN Field are expected to be paid from Spectator Facilities Fund revenues. Bonds issued for Portland-Milwaukie Light Rail Project are expected to be repaid with transportation revenues. Also includes bonds for South Waterfront projects and excludes a $325,000 Oregon Economic Community Development loan for the Brookside project paid from sewer revenues.

Source: City of Portland.

TRENDS IN PROPERTY VALUATION AND TAXATION

The following tables present trends in property valuation and taxation for the City.

Table 15
CITY OF PORTLAND, OREGON
Historical Trends in Assessed and Market Values (1)
(000s)

Assessed Value

Fiscal Year	Inside Multnomah County	Outside Multnomah County	Urban Renewal Incremental Value	Total Assessed Value	Percent Change
2004-05	$34,214,710	$179,226	$4,093,296	$38,487,232	3.64%
2005-06	35,285,419	186,755	4,484,614	39,956,788	3.82%
2006-07	38,638,637	197,885	4,965,439	41,801,961	4.62%
2007-08	38,253,186	201,380	5,740,426	44,194,992	5.72%
2008-09	39,784,128	203,038	6,377,050	46,364,216	4.91%
2009-10	41,109,227	211,157	7,056,631	48,377,015	4.34%
2010-11	42,160,414	214,998	7,462,728	49,838,140	3.02%
2011-12	43,543,881	215,497	7,493,903	51,253,281	2.84%
2012-13	44,401,735	221,758	7,875,076	52,498,569	2.43%
2013-14	45,913,168	228,953	8,210,399	54,352,520	3.53%

Market Value (Measure 5) (2)

Fiscal Year	Inside Multnomah County	Outside Multnomah County	Total Market Value	Percent Change
2004-05	$58,600,225	$250,013	$58,850,238	6.05%
2005-06	65,033,250	275,930	65,309,180	10.98%
2006-07	72,566,725	336,963	72,903,688	11.63%
2007-08	83,935,421	355,558	84,290,979	15.62%
2008-09	90,002,463	355,981	90,358,444	7.20%
2009-10	88,691,826	330,284	89,022,110	-1.48%
2010-11	86,062,318	312,362	86,374,680	-2.97%
2011-12	80,872,627	290,808	81,163,435	-6.03%
2012-13	79,611,406	284,830	79,896,236	-1.56%
2013-14	83,745,200	299,696	84,044,896	5.19%

(1) Under the provisions of Ballot Measure 50, beginning with FY 1997-98, Real Market Value and Assessed Value are no longer the same. Measure 50 rolled back the Assessed Value of each property for tax year 1997-98 to its 1995-96 Real Market Value, less ten percent. The Measure further limits any increase in Assessed Value to three percent for tax years after 1997-98, except for property that is substantially improved, rezoned, or subdivided, or property which ceases to qualify for a property tax exemption. This property will be assigned a new Assessed Value equal to the Assessed Value of comparable property in the area.

(2) For explanation of Measure 5 Market Value, see footnote 1 of table entitled "Debt Ratios." Measure 5 Market Values are not calculated separately for urban renewal incremental value by the county assessor.

<u>Sources</u>: Multnomah County Division of Assessment, Recording and Taxation; City of Portland.

Table 16
CITY OF PORTLAND, OREGON
Consolidated Tax Rate: Fiscal Year 2013-14
Levy Code 201 (1)

Taxing District	Permanent Tax Rate Per $1,000 A.V.	Local Option And Other Tax Rates (1) Per $1,000 A.V.	General Obligation Debt Tax Rate Per $1,000 A.V.	Total Tax Rate Per $1,000 A.V.
CITY OF PORTLAND	$4.5770	$3.1848	$0.2183	$7.9801
Urban Renewal Special Levy	0.0000	0.2759	0.0000	0.2759
Multnomah County	4.3434	0.0500	0.1179	4.5113
Multnomah County Library (2)	1.1800	0.0000	0.0000	1.1800
Metro	0.0966	0.0960	0.2745	0.4671
Port of Portland	0.0701	0.0000	0.0000	0.0701
Tri-County Metropolitan Trans. Dist.	0.0000	0.0000	0.0000	0.0000
East Multnomah Soil & Conservation	0.1000	0.0000	0.0000	0.1000
Subtotal - General Government	10.3671	3.6067	0.6107	14.5845
Portland School District	5.2781	1.9900	1.0890	8.3571
Portland Community College	0.2828	0.0000	0.4514	0.7342
Multnomah Co. Education Svc. Dist.	0.4576	0.0000	0.0000	0.4576
Subtotal - Schools	6.0185	1.9900	1.5404	9.5489
Totals	$16.3856	$5.5967	$2.1511	$24.1334

Notes:

(1) Includes the City Fire and Police Disability and Retirement pension levy, the City children's local option levy, the Metro natural areas local option levy, the Multnomah County historical society levy, and the Portland Public Schools local option levy. Does not include impact of urban renewal division of tax rates. Does not include urban renewal special levy.

(2) In FY 2013-14, a new permanent rate for the Multnomah County library became effective, replacing a local option levy that had been in effect. In FY 2013-14, the new permanent rate levy was imposed at $1.18/$1,000 of Assessed Value.

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

State statutes limit taxes on any property to $10 per $1,000 of real market value for general government and $5 per $1,000 of real market value for education. If the amount of taxes to be raised, calculated by multiplying tax rates in each category by the assessed value of a property, exceeds these limits, then the tax burden for that property is reduced to fit within the limits. This reduction is known as Measure 5 compression. See "PROPERTY TAX AND VALUATION INFORMATION—SECTION 11B" herein. The following table provides a ten-year history of Measure 5 compression for the City's general levy and Fire and Police Disability and Retirement levy.

Table 17
CITY OF PORTLAND, OREGON
Historical Trends in Measure 5 Compression (1)

Fiscal Year	Taxes to Raise (2)	Loss due to Compression and Other Factors (3)	Percent Loss	Taxes Imposed (4)
2004-05	$250,729,764	($9,187,107)	3.7%	$241,542,657
2005-06	255,602,024	(7,853,812)	3.1%	247,748,212
2006-07	262,347,020	(7,253,411)	2.8%	255,093,609
2007-08	280,243,725	(7,583,824)	2.7%	272,659,901
2008-09	303,749,800	(9,066,710)	3.0%	294,683,091
2009-10	314,065,487	(9,943,163)	3.2%	304,122,325
2010-11	323,076,449	(11,822,996)	3.7%	311,253,452
2011-12	324,830,012	(15,998,964)	4.9%	308,831,048
2012-13	339,036,075	(21,536,768)	6.4%	317,499,307
2013-14	359,304,753	(34,707,746)	9.7%	324,597,007

Notes:

(1) Taxes shown are for the City's general levy and its Fire and Police Disability and Retirement levy. Results shown are taxes collected by the City from properties in Multnomah County only. The City also collects taxes from properties located in Washington and Clackamas Counties; historically, taxes from these counties represent less than one percent of total taxes.

(2) Before Measure 5 compression.

(3) Includes small losses due to miscellaneous adjustments made by the county assessor.

(4) Before losses due to delinquencies and discounts.

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

Table 18
CITY OF PORTLAND, OREGON
Tax Collection Record for the Last Ten Years (1)

Fiscal Year	Total Levy (000) (2)	Collected Yr. of Levy (3)	Collected as of 12/31/2013 (3)
2004-05	$333,044	97.11%	99.99%
2005-06	346,053	97.20%	99.99%
2006-07	363,073	97.29%	99.99%
2007-08	394,492	97.07%	99.98%
2008-09	397,822	96.43%	99.96%
2009-10	436,246	96.85%	99.57%
2010-11	445,239	97.22%	99.18%
2011-12	445,044	96.89%	98.62%
2012-13	452,453	97.26%	98.25%
2013-14	467,516	89.92% (4)	89.92% (4)

Notes:

(1) Tax collection information is for Multnomah County, which represents approximately 99.5% of the City's Assessed Value. Small portions of Washington and Clackamas Counties are also included in the City's Assessed Value.

(2) Includes urban renewal special levy and levy amounts allocated to urban renewal divide the taxes. Levy amounts shown are after Measure 5 compression. Also includes miscellaneous taxes, penalties, and corrections included in the fiscal year property tax receivable.

(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 associated with the 2013-14 tax levy represented about 2.9% of that year's levy. Discounts effectively reduce the amount of a fiscal year's levy remaining to be collected in future years.

(4) Partial year collection.

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

Table 19
CITY OF PORTLAND, OREGON
Assessed and Market Value of City Property in Multnomah County (1)
by Property Type (FY 2013-14)

Property Type	Assessed Value	Percent of Total	Market Value (Measure 5)	AV/RMV Ratio
Real Property				
Residential	$33,247,336,970	61.4%	$50,950,433,132	65.3%
Commercial/Industrial (County Assessed)	11,507,705,960	21.3%	20,792,254,030	55.3%
Industrial (State Assessed)	666,431,440	1.2%	716,437,540	93.0%
Multiple Family Housing	2,972,409,850	5.5%	5,278,603,580	56.3%
Other	63,756,150	0.1%	91,432,320	69.7%
Subtotal	48,457,640,370	89.5%	77,829,160,602	
Personal Property	2,006,227,859	3.7%	2,007,613,009	99.9%
Machinery and Equipment (2)	1,088,585,300	2.0%	1,109,517,390	98.1%
Manufactured Property	72,384,160	0.1%	86,809,800	83.4%
Utilities	2,498,729,379	4.6%	2,712,098,771	92.1%
Total	$54,123,567,068	100.0%	$83,745,199,572	

Notes:

(1) Excludes Clackamas and Washington County resulting in differences from other tables reporting Assessed Value and Market Value in this Official Statement. Beginning in FY 2012-13, Multnomah County reported property values for commercial and County-assessed industrial properties as a combined value and reported industrial property assessed by the State of Oregon separately. In prior disclosure documents, the County-assessed and State-assessed industrial property values have been combined, and commercial property value has been reported separately.

(2) Senate Bill 1529, which became effective in June 2012, required the Oregon Department of Revenue to establish a separate class for real property machinery and equipment effective with tax year 2012-13.

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

Table 20
CITY OF PORTLAND, OREGON
Principal Property Taxpayer Accounts (1)

Taxpayer Account	Type of Business	FY 2013-14 Assessed Value	Percent of Total Assessed Value
Total City Assessed Value		$54,352,520,253	100.00%
Portland General Electric Co.	Energy	318,697,840	0.59%
Pacificorp (PP&L)	Energy	310,512,000	0.57%
Weston Investment Co. LLC	Real estate (office)	241,178,820	0.44%
Comcast Corporation	Communications	229,076,200	0.42%
Evraz Inc., NA	Steel plate manufacturing	218,521,390	0.40%
Alaska Airlines Inc.	Airline	181,860,000	0.33%
CenturyLink	Communications	173,565,400	0.32%
AT&T Inc.	Communications	164,615,000	0.30%
CAPREF Lloyd Center LLC	Real estate (retail)	157,226,550	0.29%
555 SW Oak LLC	Real estate (office)	138,509,410	0.25%
Total		$2,133,762,610	3.93%

Notes:

(1) Excludes Assessed Value of various properties totaling about $541.67 million that are owned and leased by the Port of Portland to tenants subject to property taxation.

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

LITIGATION

Members of the public and advocacy groups from time to time assert that they intend to file a legal action against the City challenging certain programs, laws or actions that the City, its officers or bureaus have taken. Because the City cannot be certain as to whether such actions will actually be filed, the legal assertions that may be made in a potential action or the remedy sought in terms of the amount of damages or performance requested of the City, the City includes as threatened litigation only situations in which the City is engaged in active settlement negotiations with a person or group in order to pre-empt filing of a lawsuit.

The City discloses only pending or threatened litigation that the City has determined may have a materially adverse impact on the City's financial position. 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 City's Available General Funds.

There is no litigation pending or threatened against the City which impairs the City's ability to make principal and interest payments on the 2014 Series A Bonds when due. Except as noted in the following paragraphs, there is no litigation pending or threatened against the City which would materially and adversely affect the financial condition of the City.

On December 6, 2011, the City received a complaint in *Anderson et al. v. City of Portland*, Multnomah County Circuit Court case No. 1112-15957. The complaint challenges certain expenditures by the City's Water Bureau and Bureau of Environmental Services and asks for an order requiring the City to reimburse the Water Fund and Sewage Disposal Fund for those expenditures. The complaint does not allege the amount in dispute or the source of the reimbursement. The City is currently investigating the claims. Based on current incomplete information, the City estimates that if plaintiffs prevailed on all claims and a court ordered the relief requested, the reimbursement amount could exceed $50 million. The City has not identified potential sources of any court-ordered reimbursement, but such sources could include any legally available resources of the City, including the General Fund. The City will vigorously defend the lawsuit and believes that it is unlikely that the plaintiffs will prevail on the majority of the claims alleged. The first summary judgment hearing will be heard by the court in February 2014.

In December 2000, Portland Harbor was listed as a federal Superfund site and the City received General Notice Letters from the U.S. Environmental Protection Agency stating that the City may have liability for releases of hazardous substances, pollutants or contaminants in the Willamette River. The City may also have liabilities to Natural Resource Trustees of the Willamette River (including federal, state and tribal resource agencies) for damages to natural resources in Portland Harbor. The EPA has not selected a cleanup remedy for the site and the costs associated with the remedy have not been allocated among the numerous potentially liable parties. The Natural Resource Trustees have not determined the total damages to natural resources and those costs have not been allocated among the numerous potentially liable parties. The City believes that an estimate of maximum City exposure of the Portland Harbor cleanup cannot be made at this time. The City will defend against a significant allocation of liability to the City. The City has not identified potential sources of funding for costs allocated to the City, but such sources could include any legally available resources of the City, including the General Fund.

PROPOSED INITIATIVE TO AMEND CITY CHARTER

A citizen group, Portlanders for Water Reform, has expressed concern about recent utility rate increases, operational decisions, and spending priorities, and is sponsoring an initiative petition to refer a measure to amend the City Charter. The petition must obtain 29,786 signatures from eligible City voters by January 21, 2014, in order to be placed on the ballot for the May 20, 2014 election. On February 6, 2014, the City's Auditor's Office received statistical sampling reports from the Multnomah County Elections Office which estimate that the petition has 32,858 valid signatures of Portland registered voters and therefore qualifies for the ballot. Oregon law allows the measure to be approved by a majority of City voters who vote on the measure. If approved, the measure would transfer authority to operate and manage the City's sewer and water systems from the City Council to the "Portland Public Water District," a separate group that would be formed as part of the City but governed by a new, elected, seven-member board, and would take effect on January 1, 2015.

The City cannot predict whether City voters will approve the measure or whether there will be any impact to the General Fund.

PROPERTY TAX AND VALUATION INFORMATION

The property tax is used by Oregon cities, counties, schools and other special districts to raise revenue to partially defray the expense of local government. The State of Oregon has not levied property taxes for General Fund purposes since 1941 and obtains its revenue principally from income taxation.

Oregon voters changed the Oregon property tax system substantially when they approved Ballot Measure 50 in May of 1997. Ballot Measure 50 was a citizen initiative that substantially amended Article XI, Section 11 of the Oregon Constitution ("Section 11").

SECTION 11

Permanent Tax Rate

Section 11 of the Oregon Constitution grants all local governments that levied property taxes for operations in FY 1997-1998 a permanent tax rate that was based on the taxing authority of those governments before Ballot Measure 50 was adopted. Permanent tax rates cannot be increased. The City's permanent tax rate is $4.5770/$1,000 of Assessed Value. Revenues from permanent tax rate levies may be spent for any lawful purpose.

Assessed Value

Section 11 provides that property that was subject to *ad valorem* taxation in FY 1997-1998 will have an Assessed Value in that fiscal year which is equal to 90 percent of its FY 1995-96 estimated market value. Section 11 limits annual increases in Assessed Value to three percent for fiscal years after 1997-98, unless the property changes because it is substantially improved, rezoned, subdivided, annexed, or ceases to qualify for a property tax exemption.

In Oregon, the assessor's estimate of market value is called "Real Market Value." In conformance with Measure 5 (see "SECTION 11B" below), properties also are assigned a "Market Value," which adjusts the Real Market Value to reflect the value of specially assessed properties, including farm and forestland and exempt property. New construction and changed property is not assessed at its Real Market Value or its Market Value. Instead, it receives an Assessed Value that is calculated by multiplying the Market Value of the property by the ratio of Assessed Values of comparable property in the county to the Market Values of those properties. This produces an Assessed Value for new construction and changed property that approximates to the Assessed Value of comparable property in the area.

Other Property Taxes

Section 11 requires that new taxes be approved at an election that meets the voter participation requirements described below.

Local governments that have permanent tax rates cannot increase those rates. Local governments (including community colleges and school districts) can obtain the authority to levy "local option taxes." See "LOCAL OPTION LEVIES" below.

Section 11 limits property tax collections by limiting increases in Assessed Value, by preventing increases in permanent tax rates, and through its voter participation requirements. See "GENERAL OBLIGATION BONDS" below.

In November 2012, Multnomah County voters approved creation of a library district to pay for the central library and 18 neighborhood branches in Portland, Gresham, Troutdale and Fairview. The library district has a permanent rate limited to $1.24 per $1,000 of a property's assessed value. Historically, library services had been funded with local option levies. The Multnomah County Library District began levying taxes in FY 2013-14 at a rate of $1.18 per $1,000 of Assessed Value.

In addition to permanent rate levies and local option levies, Section 11 allows the following:

- Some urban renewal areas that existed when Measure 50 was adopted are authorized to impose an urban renewal special levy throughout the boundaries of their creating city or county. The City has four urban renewal areas with this taxing authority.

- The City is authorized to impose a levy to pay its fire and police pension and disability obligations. The City has the authority to levy up to $2.80/$1,000 of Real Market Value under this exemption.

- Local governments are authorized to impose taxes to pay voter-approved general obligation bonds (see "General Obligation Bonds" below).

SECTION 11B

A citizen initiative, which is often called "Measure 5," was added to the Oregon Constitution as Article XI, Section 11B ("Section 11B"). Section 11B limits property tax collections by limiting the tax rates (based on Market Value) that are imposed for government operations.

Section 11B divides taxes imposed upon property into two categories: "non-school taxes," which fund the operations of local governments other than schools, and "school taxes," which fund operations of the public school system and community colleges. Section 11B limits rates for combined non-school taxes to $10 per $1,000 of Market Value and rates for school taxes to $5 per $1,000 of Market Value.

If the combined tax rates within a category exceed the rate limit for the category, local option levies are reduced first, and then permanent rate levies, the FPDR levy, and the urban renewal special levy are reduced proportionately to bring taxes within the rate limit.

Taxes levied to pay general obligation bonds that comply with certain provisions are not subject to the rate limits of Section 11B.

In addition to limiting *ad valorem* property taxes, Section 11B also restricts the ability of local governments to impose certain other charges on property and property ownership.

LOCAL OPTION LEVIES

Local governments (including community colleges and school districts) may obtain voter approval to impose local option taxes. Local option taxes are limited to a maximum of 10 years for capital purposes, and a maximum of five years for operating purposes.

Local option levies are subject to the "special compression" under Section 11B. If operating taxes for non-school purposes exceed the $10/$1,000 limit, local option levies are reduced first to bring operating taxes into compliance with this limit. This means that local option levies can be entirely displaced by future approval of permanent rate levies for new governments, or by levies for urban renewal areas and the City's pension levy.

In November 2013, voters approved a measure to renew a five-year levy for the Children's Investment Fund at a rate of $0.4026 per $1,000 of Assessed Value, the same rate currently in effect, which extends through FY 2018-19. In May 2011, voters approved a five-year local option levy for Portland Public Schools at a rate of $1.9900 per $1,000 of Assessed Value. This local option levy began in FY 2011-12 and extends through FY 2015-16. The Multnomah County Historical Society has a local option levy of $0.0500 per $1,000 of Assessed Value, which extends through FY 2016-17. In May 2013, voters approved a local option levy for natural areas of $0.0960 per $1,000 of Assessed Value. This local option levy began in FY 2013-14 and extends through FY 2017-18.

ELIGIBLE ELECTIONS

New local option levies, taxes to pay general obligation bonds (other than refunding bonds), and permanent rate limits for governments that have not previously levied operating taxes must be approved at an election that is held in May or November, or at another election in which not less than 50 percent of the registered voters eligible to vote on the question cast a ballot.

GENERAL OBLIGATION BONDS

Levies to pay certain general obligation bonds are exempt from the limits of Sections 11 and 11B. The provisions of the Oregon Constitution that govern general obligation bonds have changed several times since 1990. Currently local government general obligation bonds can only be approved at an eligible election (described above), and can only be issued to finance assets having a useful life of more than one year, but only if the weighted average maturity of the bonds does not exceed the weighted average life of the assets that are financed with the bonds.

COLLECTION

The county tax collectors extend authorized levies, compute tax rates, bill and collect all taxes and make periodic remittances of collections to tax levying units. County tax collectors are charged with calculating public school and local government taxes separately, calculating any tax rate reductions to comply with tax limitation law, and developing percentage distribution schedules. Tax collectors then report to each taxing district within five days the amount of taxes imposed.

Tax collections are now segregated into two pools, one for public schools and one for local governments, and each taxing body shares in its pool on the basis of its tax rate (adjusted as needed with tax limitation rate caps), regardless of the actual collection experience within each taxing body. Therefore, in application, the amount for each taxing body becomes a pro rata share of the total tax collection record of all taxing bodies within the county. Thus, an overall collection rate of 90 percent of the county-wide levy translates into a 90 percent tax levy collection for each taxing body.

Taxes are levied and become a lien on July 1 and tax payments are due November 15 of the same calendar year. Under the partial payment schedule the first third of taxes are due November 15, the second third on February 15 and the remaining third on May 15. A three-percent discount is allowed if full payment is made by the due date, two-percent for a two-thirds payment. Late payment interest accrues at a rate of 1.33 percent per month. Property is subject to foreclosure proceedings four years after the tax due date.

A Senior Citizen Property Tax Deferral Program (1963) allows homeowners to defer taxes until death or sale of the home. Qualifications include a minimum age of 62 and household income under $19,500 for claims filed after January 1, 1991; $18,500 if filed during 1990; or $17,500 if filed prior to January 1, 1990. Taxes are paid by the State, which obtains a lien on the property and accrues interest at six percent.

PROPERTY TAX EXEMPTION PROGRAMS

City Programs

Various City housing programs provide property tax abatements as a means to encourage construction, rehabilitation, or conversion of housing units within the City. These programs are authorized by State statute and City Code. The City establishes specific criteria that meet statutory guidelines. Programs currently in effect are as follows:

- <u>Non-Profit Owners of Low Income Housing Tax Exemption</u>: This exemption is intended to promote housing for low-income renters, and allows charitable, non-profit owners or managers of residential property to apply for a tax exemption based upon the number of affordable housing units they maintain. The tax exemption is granted for one year, with annual renewals.

- <u>Rental Rehabilitation Program</u>: To preserve rental property, the City offers a ten-year tax abatement (subject to annual review) on improvements to existing rental housing or conversion of existing structures to rental housing. Property owners continue to pay taxes on the Assessed Value of the land and the original improvements to the property and such Assessed Value can not exceed the Assessed Value as it appeared in the most recent assessment roll prior to the application filing date. Property owners must designate a minimum number of units to remain affordable to low-income households during the exemption period.

- Owner-Occupied Rehabilitation Program: To encourage the rehabilitation of owner-occupied housing in designated distressed areas of the City, the City offers a ten-year property tax abatement on the increased Assessed Value of the property resulting from approved rehabilitation. Property owners continue to pay taxes on the Assessed Value of the land and the original improvements to the property, along with any increases to these values allowed under Measure 50.

- Transit Oriented Development Program: This program is intended to promote high-density residential and mixed use development in transit oriented areas. Property owners receive a tax exemption on the residential portion of new construction or conversion of existing structures for up to ten years.

- Single Family New Construction: To encourage the new development owner-occupied housing in designated distressed areas of the City, the City offers a ten-year property tax abatement on the Assessed Value of the new improvements resulting from the development or redevelopment of the land. Property owners continue to pay taxes on the Assessed Value of the land along with any increases to these values allowed under Measure 50.

- New, Multiple-Unit (Central City) Housing Program: This program provides a property tax exemption for newly constructed multiple-unit housing or conversion of existing structures into multiple-unit housing in the Central City and urban renewal areas for up to ten years.

Because the City views property tax exemption programs as important components of promoting affordable housing and economic development within the City, the City may seek to extend existing programs past their current expiration dates or to create new programs.

Oregon Enterprise Zone Program

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by the state statutes and the local sponsor. The Portland Development Commission is the local sponsor for the Portland Enterprise Zone program.

Other State Programs

State statutes authorize other property tax exemptions that are not directly controlled by the City. Among these are property tax exemptions for charitable, educational, and religious institutions; certain health care facilities; historic property; property owned by State, local, and certain federal government agencies; and exemptions for disabled veterans.

APPENDIX A
EXCERPTS FROM AUDITED FINANCIAL STATEMENTS

INTRODUCTION TO EXCERPTS OF FINANCIAL STATEMENTS

The financial statements of the City have been audited by independent certified public accountants for the fiscal years 2009, 2010, 2011, 2012 and 2013. Copies of these financial statements containing the reports of the independent certified public accountants are available on the City's website at:

http://www.portlandoregon.gov/bfs/26053

The following pages in this Appendix A are excerpted from the City's Comprehensive Annual Financial Reports of the City for Fiscal Years ending June 30, 2009 through June 30, 2013. The Notes that follow the tabular data have been prepared by the City and have not been reviewed by the independent auditor.

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
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Generally Accepted Accounting Principles Basis
for Fiscal Year Ended June 30

	2009	2010	2011	2012	2013
Revenues					
Taxes	$302,898,344	$310,913,493	$319,045,070	$316,581,372	$331,613,653
Payments in lieu of taxes	758,737	700,819	408,159	1,659,725	1,177,430
Rents and reimbursements	3,921,431	3,809,186	3,959,316	3,932,082	4,180,073
Licenses and fees (1)	141,974,295	135,753,548	141,302,069	147,754,216	159,809,166
Intergovernmental revenues	29,288,133	29,098,438	25,383,062	25,047,456	26,621,532
Charges for services(2)	60,736,199	53,859,288	48,250,025	57,318,510	58,068,110
Miscellaneous service charges	2,947,396	2,833,318	2,207,201	1,527,842	1,561,715
Investment earnings	5,219,844	846,571	1,621,034	1,151,688	1,013,161
Other miscellaneous revenues	3,509,891	2,958,004	2,876,120	2,988,051	3,421,091
Total revenues	551,254,270	540,772,665	545,052,056	557,960,942	587,465,931
Expenditures					
Public safety	340,683,111	353,868,421	355,237,833	371,736,806	375,692,965
Parks/recreation/cultural	55,051,936	61,469,945	61,497,188	66,789,435	66,046,161
Community development	35,991,649	41,784,300	31,448,667	35,570,444	35,332,633
Transportation and metered parking	-	-	2,819	-	-
Support svcs./legis./admin.	74,903,683	62,110,207	58,601,261	61,630,240	69,535,327
Capital outlay	358,618	3,590,728	1,756,789	1,510,673	3,159,762
Debt service and related costs (3)	2,065	4,916,113	5,318,785	5,726,067	6,275,927
Total expenditures	506,991,062	527,739,714	513,863,342	542,963,665	556,042,775
Revenues over (under) expenditures	44,263,208	13,032,951	31,188,714	14,997,277	31,423,156
Other Financing Sources (Uses)					
Transfers in	9,718,996	3,760,257	4,739,963	3,030,705	3,392,858
Transfers out	(52,369,567)	(58,683,013)	(34,258,943)	(34,860,071)	(32,798,151)
Proceeds from sale of capital assets	1,202,998	6,787	5,653	2,998	21,307
Total other sources (uses)	(41,447,573)	(54,915,969)	(29,513,327)	(31,826,368)	(29,383,986)
Net change in fund balances	2,815,635	(41,883,018)	1,675,387	(16,829,091)	2,039,170
Fund balance, beginning	130,939,791	133,755,426	91,872,408	94,080,787	77,251,696
Reclassifications					
Special revenue fund to general fund per GASB 54	-	-	532,992	-	-
Fund balances, ending	$133,755,426	$91,872,408	$94,080,787	$77,251,696	$79,290,866

Notes:

(1) Reflects internal and external utility license fees, business licenses, construction permits and other permits and penalties. Reductions in FY 2008-09 and FY 2009-10 are primarily as a result of the economic recession resulting in reductions to business license and construction permit charges.

(2) Reflects park and recreation fees, billing and overhead charges to other funds and inspection fees. The reductions in FY 2008-09 and FY 2009-10 are as a result of process improvements created by the City's new financial reporting system implemented in November 2008. Under the new system interagency revenue is no longer recognized because the charges are direct billed to the bureau receiving the service.

(3) Beginning in FY 2009-10 the general fund portion of the debt service on the 1999 Pension Bonds was paid directly from the general fund. Previously it was paid via a transfer out to the Pension Debt fund. This reclassification was to accommodate the City's new financial system.

Source: Derived from City of Portland audited annual financial statements.

CITY OF PORTLAND, OREGON
General Fund
Consecutive Balance Sheets as of June 30

	2009	2010	2011	2012	2013
ASSETS:					
Unrestricted:					
Cash and investments (1)	$117,073,956	$71,254,278	$75,817,940	$58,305,999	$53,324,870
Receivables:					
Taxes	18,519,259	18,871,533	11,517,113	13,823,796	13,832,534
Accounts, interest and advances (2)	29,740,044	24,183,060	23,885,800	22,085,392	32,916,876
Assessments	44,041	53,804	67,947	59,818	16,072
Due from other funds	9,203,475	49,758	28,234	28,234	28,234
Due from component units	261,186	794,924	534,328	457,599	474,444
Internal loans	-	8,506,660	500,000	3,851,000	1,150,000
Inventories	-	-	-	367,454	352,483
Prepaid Items	2,791,250	2,369,171	234,968	187,634	178,764
Restricted:					
Cash and investments (1)	-	-	5,458,561	5,633,446	5,785,176
Receivables:	-	-			
Taxes	-	-	6,555,139	7,658,565	7,770,556
Total assets	$177,633,211	$126,083,188	$124,600,030	$112,458,937	$115,830,009
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities payable from unrestricted assets:					
Accounts payable	$11,018,683	$9,362,421	$7,385,335	$8,268,080	$7,147,783
Deferred revenue	12,672,604	9,407,576	9,467,829	12,062,839	0
Unearned revenue (3)	4,900	30,918	64,114	193,644	121,292
Internal loans payable	-	-	-	-	1,460,226
Due to component unit	3,500,120	2,641,780	1,588,265	1,390,667	1,901,883
Due to fiduciary fund	6,569,936	6,782,859	-	-	-
Other liabilities	10,111,542	5,985,226	-	-	-
Liabilities payable from restricted assets:					
Due to fiduciary fund	-	-	6,555,139	7,658,565	7,770,556
Other liabilities	-	-	5,458,561	5,633,446	5,785,176
Total liabilities	43,877,785	34,210,780	30,519,243	35,207,241	24,186,916
Deferred inflows of resources					
Unavailable revenue - unrestricted	-	-	-	-	12,352,227
Unavailable revenue - restricted	-	-	-	-	-
Total deferrred inflows of resources	-	-	-	-	12,352,227
Fund balance					
Unreserved	133,755,426	91,872,408	-	-	-
Nonspendable	-	-	234,968	555,088	531,247
Committed	-	-	46,294,375	48,984,519	49,930,120
Assigned	-	-	23,588,446	5,415,881	314,562
Unassigned	-	-	23,962,998	22,296,208	28,514,937
Total fund balance	133,755,426	91,872,408	94,080,787	77,251,696	79,290,866
Total liabilities, deferred inflows of resources and fund balances	$177,633,211	$126,083,188	$124,600,030	$112,458,937	$115,830,009

Notes:

(1) In FY 2009-10 there was an $8.5 million loan to the grants fund. The year over year reductions are planned reductions and are primarily as a result of bureaus spending a greater portion of their budget.
(2) The increase in FY 2008-09 is caused by slower collections as a result of the recession, delays in year-end billings and large accruals being setup as a result of process changes with the implementation of the City's new financial system.
(3) The reductions in FY 2008-09 and FY 2009-10 are as a result of a restructuring of how business licenses fees are billed. Beginning in FY 2008-09 business license fees are billed in arrears. They were previously billed in advance.

Source: City of Portland audited annual financial statements.

CITY OF PORTLAND, OREGON
1851

APPENDIX B
ADDITIONAL INFORMATION PERTAINING TO:
ARENA LIMITED TAX REVENUE BONDS

ROSE QUARTER OPERATIONS

The Arena Limited Tax Revenue Refunding Bonds, 2005 Series B (Tax-Exempt) (the "2005 Bonds") are secured by the City's full faith and credit and the City is unconditionally obligated to pay the 2005 Bonds from any legally available funds. The City expects to pay the 2005 Bonds from its Rose Quarter revenues. Those revenues have been sufficient to pay the 2005 Bonds, and the City currently expects those revenues will continue to be sufficient to pay debt service on the 2005 Bonds in the future. If the Rose Quarter revenues are not sufficient to pay the debt service on the 2005 Bonds, the City has a contingency plan that commits gas tax revenues to pay up to about 88 percent of the annual debt service. The City has not pledged Rose Quarter revenues or gas tax revenues to pay the 2005 Bonds.

The following table shows revenues and expenditures for the Rose Quarter Operations for the past five years. The primary sources of revenue are parking revenues generated by three public parking facilities (two parking garages and a surface parking lot), a user fee equal to six percent of the ticket price for all tickets sold at the Moda Center (formerly, the Rose Garden), Veteran's Memorial Coliseum, or public plaza, and revenues associated with various lease rentals and other miscellaneous items.

CITY OF PORTLAND, OREGON
Historical Financial Results --Rose Quarter Operations

Fiscal Year Ending June 30	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**
REVENUES					
Parking Fees	$1,213,803	$1,355,191	$1,357,687	$1,254,833	$1,336,968
Rents/Reimbursement	3,661,114	4,303,592	4,192,764	3,404,828	3,564,334
Other	263,105	154,608	99,826	556,856	2,511,552
Total Revenues	$5,138,022	$5,813,391	$5,650,277	$5,216,517	$7,412,854
EXPENSES					
Personal Services	$0	$0	$0	$0	$144,042
Materials & Services	779,277	822,631	1,094,198	843,665	827,922
Capital	47,081	0	0	387,654	2,518,617
Internal Transfers/Miscellaneous	410,250	397,660	474,238	724,030	505,235
Total Expenses	$1,236,608	$1,220,291	$1,568,436	$1,955,349	$3,995,816
REVENUES OVER/(UNDER)					
EXPENSES (before Debt Service)	$3,901,414	$4,593,100	$4,081,841	$3,261,168	$3,417,038

Source: City of Portland.

APPENDIX C
ADDITIONAL INFORMATION PERTAINING TO:
LIMITED TAX REVENUE BONDS 2001 SERIES B AND
LIMITED TAX REVENUE REFUNDING BONDS, 2011 SERIES A

NET REVENUES OF THE VISITOR DEVELOPMENT INITIATIVE ("VDI")

The VDI is a consortium consisting of the City, Multnomah County (the "County"), the Metropolitan Service District, the Metropolitan Exposition-Recreation Commission and the tourism industry, in particular, Travel Portland (formerly, the Portland Oregon Visitors Association) and representatives of the hotel industry and the rental car industry. In accordance with the Visitor Facilities Intergovernmental Agreement signed by the governmental bodies participating in the VDI, 2.5 percent surcharges on the transient lodging tax and the motor vehicle rental tax were enacted by the County effective April 1, 2000. The two surcharges and earnings thereon, less the County's costs of collection and administration, constitute "Net Revenues" which are collected by the County and deposited into the Visitors Facilities Trust Account ("VFTA") held by the County. The first priority of expenditures from the VFTA is the repayment of the Limited Tax Revenue Bonds, 2001 Series B (Oregon Convention Center Completion Project) and the Limited Tax Revenue Refunding Bonds, 2011 Series A (Oregon Convention Center Completion Project).

The second priority of expenditures from the VFTA is the repayment of bonds issued to fund improvement to the Portland Center for Performing Arts ("PCPA"). The PCPA bonds were refunded in December 2011 with a loan privately placed with a commercial bank. This loan matures June 1, 2021 and currently has $1,200,000 outstanding.

The third priority of expenditures from the VFTA is the payment of a portion of the Limited Tax Revenue Bonds, 2001 Series D (Civic Stadium Project) (the "Stadium Bonds"). The Stadium Bonds were refunded in December 2013 with a loan privately placed with a commercial bank. This loan matures June 1, 2023 and is currently outstanding in the amount of $21,915,000. Once these and all other obligations of the Net Revenues are met, any excess is allocated to the Revenue Stabilization Subaccount ("RSS") through FY 2012-13. The following table shows the Net Revenues collected each fiscal year and the balance in the RSS.

CITY OF PORTLAND, OREGON
VDI Net Revenues
(FY 2003-04 through FY 2012-13)

Fiscal Year Ending June 30	VDI Net Revenues	RSS Balance
2004	$8,155,363	$0
2005	8,744,374	0
2006	9,666,812	206,986
2007	10,759,779	1,297,471
2008	11,821,842	3,128,056
2009	10,545,607	2,739,180
2010	9,939,689	1,970,055
2011	11,285,586	2,234,093
2012	12,268,542	4,098,244
2013	13,333,197	5,552,284

Source: Multnomah County.

RECENT CHANGES TO VISITOR FACILITIES TRUST AGREEMENT

Effective October 25, 2013 the parties involved in the VDI entered into an amended and restated Visitor Facilities Intergovernmental Agreement (the "VFIGA"). The amended VFIGA retains repayment of the City's bonds as the top three priorities as described above. Among other changes, the amended VFIGA replaces the RSS with a Restricted Reserve (the "RR") and a Bond Redemption Reserve (the "BRR"). The RR will be used to make disbursements in future years if Net Revenues are insufficient to pay all disbursements required under the VFIGA, including payment of the City's bonds. The minimum amount to be established and maintained in the RR shall be reviewed annually and is targeted to be equal to 1.5 times the maximum annual payments forecast to be expended for all required allocations (after payment of bonds) during the next five fiscal years. The anticipated minimum RR amount for FY 2013-14 is currently estimated at $8.8 million. The BRR shall be used exclusively to redeem bonds, including the City's bonds, prior to their stated maturity date and at their earliest optional redemption date in the same priority described above.

APPENDIX D

ADDITIONAL INFORMATION PERTAINING TO:
LIMITED TAX REVENUE REFUNDING BONDS,
2007 SERIES B
(PORTLAND MALL REVITALIZATION PROJECT)

PARKING METER FINANCIAL OPERATIONS

The Limited Tax Revenue Bonds, 2007 Series B Bonds (Transit Mall Revitalization Project) (the "2007 Series B Bonds") are secured by the City's full faith and credit. The City has not pledged the Available Net Meter Revenues to pay the 2007 Series B Bonds. However, the City has committed to pay the 2007 Series B Bonds from the Available Net Meter Revenues, as defined and provided in the Bond Declaration for the 2007 Series B Bonds.

Parking meter revenues are accounted for in the Transportation Operating Fund. Parking meter revenues include meter receipts, parking permit fees, and parking citation fines. Parking meter revenues support transportation related activities, including installation, operation, and maintenance of the meters, as well as regulation, enforcement, control, engineering and construction in connection with vehicle and pedestrian traffic within the City.

PARKING METER HISTORICAL FINANCIAL RESULTS

The following table shows historical financial results for the parking meter revenues. Between FY 2008-09 and FY 2012-13, Net Meter Revenues increased by an average annual rate of 11.58 percent. In addition to an improved economy, the growth in net revenue is attributable to hourly parking rate increases in FY 2005-06 and FY 2009-10. In addition to the changes in hourly rate in FY 2009-10, the hours of operation for the downtown meter area were extended by an hour from 6 p.m. to 7 p.m. for Monday through Saturday. Also, pay for parking on Sundays from 1:00 p.m. to 7:00 p.m. began. In FY 2012-13, the Multnomah County District Court increased the bail amount for a variety of citations and PBOT expanded two parking permit areas. The increases in revenue are used to finance the purchase/replacement of smart-meters, to pay additional operating costs and pay for the City's obligations for the Transit Mall project.

Replacement of single-space meters with multi-space meters (the "Smart Meters"), which began in FY 2002-03, continues to provide better customer service, reduced cash collection costs incurred by the City, improved revenue recovery performance and improved cash security.

Meter Operating Expenses grew over the five-year period by an average annual rate of 7.7 percent. The additional operating expenses are due primarily to the cost of the software used in the Smart Meters, the paper used for printing the parking validation receipt, bank transaction fees for customers using their credit or debit cards to pay for parking and staffing costs related to the expanded hours and permit areas. In FY 2012-13, PBOT re-organized its meter maintenance section bringing it into the Parking Operations division. The Historical Meter Revenue and Expenses table reflects this change in FY 2012-13. Also, in FY 2012-13, the Parking Enforcement program increased its staffing to accommodate the expanded permit areas and to provide more coverage in the meter district.

OTHER OBLIGATIONS

Net meter revenues are currently pledged to the City's outstanding Limited Tax Revenue Refunding Bonds, 2009 Series A (Central City Streetcar Project) (the "2009 Refunding Bonds"). The 2009 Refunding Bonds remain secured by a pledge of the net revenues of the Parking System. As of February 15, 2014, a total of $16,575,000 of the 2009 Refunding Bonds were outstanding.

Net meter revenues are not currently used to pay debt service on the 2009 Refunding Bonds. The debt service is paid from revenues of the City's parking garage system. However, if net meter revenues were required to pay these outstanding obligations, the net meter revenues would be used to pay the 2009 Refunding Bonds before they are used to pay the 2007 Series B Bonds.

CITY OF PORTLAND, OREGON
Historical Meter Revenues and Expenses
(Parking System)

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Gross Meter Revenues					
Meter Collections	$14,334,524	$18,631,593	$19,435,961	$20,146,109	$21,162,008
Citation Fines	3,701,318	4,355,713	5,134,633	5,572,913	6,692,495
Misc. Fees/Permit	2,320,386	2,538,292	2,471,088	2,780,263	3,783,613
Total	$20,356,228	$25,525,598	$27,041,682	$28,499,285	$31,638,116
Meter Operating Expenses					
Parking Patrol Program	$3,632,970	$3,861,181	$3,765,838	$4,134,431	$4,744,655
Parking Op./Mgt. Program	2,688,134	3,618,588	3,827,992	3,373,146	4,967,343
Meter Maintenance (1)	750,907	586,688	687,488	821,471	0
Total	$7,072,011	$8,066,457	$8,281,318	$8,329,048	$9,711,998
Net Meter Revenues	$13,284,217	$17,459,141	$18,760,364	$20,170,237	$21,926,118

Notes:

(1) In FY 2012-13, an organizational change transferred meter maintenance costs to the Parking Operations / Management Program.

Source: City of Portland.

CITY OF PORTLAND, OREGON

1851

APPENDIX E

ADDITIONAL INFORMATION PERTAINING TO: LIMITED TAX REVENUE REFUNDING BONDS, 2009 SERIES A (CENTRAL CITY STREETCAR PROJECT)

PARKING FACILITY AND METER FINANCIAL OPERATIONS

The primary revenue sources pledged to the repayment of the Limited Tax Revenue Refunding Bonds, 2009 Series A (Central City Streetcar Project) (the "2009 Series A Bonds") are Pledged Facilities Revenues and Pledged Meter Revenues (after payment of operating costs and debt service on Prior Facilities Obligations and Prior Meter Obligations as defined in Ordinance 173244).

Revenues from six City owned garages (the "Parking Facilities") are accounted for in the Parking System and are pledged to the repayment of the 2009 Series A Bonds. The budgetary and financial reporting activity for the City's Parking Facilities is accounted for in the City's Parking Facilities Fund. Each parking facility is accounted for separately within the fund.

Short-term parking rates are approved by the City Council. Commercial space rents are negotiated at current market rates. Until November 2008, all other rates had been set by the City's Office of Management and Finance, Facilities Services Division. Effective November 2008, the Parking Facilities are managed by the Portland Bureau of Transportation ("PBOT"), and PBOT assumed the responsibility of rate-setting for the Parking Facilities. Parking garage rates are established to encourage short-term parking. The rates are structured to provide annual revenues sufficient to pay operating and maintenance expenses of the Parking Facilities, to pay debt service on the 2009 Series A Bonds, to fund capital improvements and to meet other obligations (See "OTHER OBLIGATIONS" below).

Parking meter revenues are accounted for in the Transportation Operating Fund. Parking meter revenues include meter receipts, parking permit fees, and parking citation fines. Parking meter revenues support transportation related activities, including installation, operation, and maintenance of the meters, and regulation, enforcement, control, engineering and construction in connection with vehicle and pedestrian traffic within the City.

PARKING FACILITY AND METER HISTORICAL FINANCIAL RESULTS

The following table shows historical financial results for the Parking Facilities and parking meters. The table also shows debt service on the senior lien Parking System Revenue Bonds (fully redeemed in January 2011) and Pledged Parking Facilities and Pledged Meter Revenues remaining to pay debt service on the 2009 Series A Bonds.

From FY 2008-09 to FY 2012-13, Net Facilities Revenues increased by 10.7 percent. Contributing to the increased net revenues was increased oversight of operating expenditures by PBOT's Parking Garage Manager and the installation of an automated ticket collection system that accepts parking payments using bankcards only. This eliminates risks associated with cash handling and reduces the amount of staffing needed to operate the garages.

Included in the Net Facilities Revenue is rental income from commercial space at the Parking Facilities. This represents approximately five percent of total Parking Facilities annual revenues.

Between FY 2008-09 and FY 2012-13, Net Meter Revenues increased by an average annual rate of 11.58 percent. In addition to an improved economy, the growth in net revenue is attributable to hourly parking rate increases in FY 2005-06 and FY 2009-10. In addition to the changes in hourly rate in FY 2009-10, the hours of operation for the downtown meter area were extended by an hour from 6 p.m. to 7 p.m for Monday through Saturday. Also, pay for parking on Sundays from 1:00 p.m. to 7:00 p.m. began. In FY 2012-13, the Multnomah County District Court increased the bail amount for a variety of citations and PBOT expanded two parking permit areas. The increases in revenue are used to finance the purchase/replacement of smart-meters, to pay additional operating costs and pay for the City's obligations for the Transit Mall project.

Replacement of single-space meters with multi-space meters (the "Smart Meters"), which began in FY 2002-03, continues to provide better customer service, reduced cash collection costs incurred by the City, improved revenue recovery performance and improved cash security.

Meter Operating Expenses grew over the five-year period by an average annual rate of 7.7 percent. The additional operating expenses are due primarily to the cost of the software used in the Smart Meters, the paper used for printing the parking validation receipt, bank transaction fees for customers using their credit or debit cards to pay for parking and staffing costs related to the expanded hours and permit areas. In FY 2012-13, PBOT re-organized its meter maintenance section bringing it into the Parking Operations division. The Historical Meter Revenue and Expenses table reflects this change in FY 2012-13. Also, in FY 2012-13, the Parking Enforcement program increased its staffing to accommodate the expanded permit areas and to provide more coverage in the meter district.

OTHER OBLIGATIONS

In August 2007, the City issued the Limited Tax Revenue Bonds, 2007 Series B (Transit Mall Revitalization Project) (the "2007 Series B Bonds"). In August 2004, the City Council authorized PBOT to increase on-street parking meter rates in order to provide sufficient revenues to pay the debt service on the 2007 Series B Bonds. While the City expects to use the net Parking Meter revenues to repay the 2007 Series B Bonds, these revenues are not pledged to the 2007 Series B Bonds. The 2007 Series B Bonds are outstanding in the amount of $7,550,000 as of February 1, 2014, and have a final maturity of June 1, 2017.

CITY OF PORTLAND, OREGON
Historical Revenues and Expenses
(Parking System)

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Gross Facilities Revenues					
3rd & Alder	$2,827,103	$3,191,783	$3,124,577	$3,261,398	$3,398,688
10th & Yamhill	2,020,112	2,354,901	2,382,809	2,637,710	2,428,009
Naito & Davis	1,027,951	1,064,722	1,073,439	1,158,976	1,299,135
O'Bryant Square	195,257	208,915	207,824	249,551	235,036
4th & Yamhill	1,760,590	2,035,579	2,058,430	2,087,086	2,233,797
1st and Jefferson	2,495,553	2,366,924	1,759,013	2,077,262	2,583,368
Interest Income	341,284	78,951	60,412	52,005	18,316
Total	$10,667,850	$11,301,774	$10,666,504	$11,523,988	$12,196,349
Facilities Operating Expenses					
3rd & Alder	$1,433,367	$2,126,019	$1,322,111	$1,270,326	$1,130,013
10th & Yamhill	1,419,469	1,440,941	887,032	1,300,611	974,133
Naito & Davis	427,130	694,333	570,046	758,923	674,522
O'Bryant Square	217,146	230,119	225,109	297,796	299,686
4th & Yamhill	1,029,640	1,057,878	772,365	875,389	857,465
1st and Jefferson	1,270,103	1,302,518	909,676	974,944	787,561
General Fund Overhead	108,842	159,341	182,099	189,738	174,223
Total	$5,905,697	$7,011,149	$4,868,439	$5,667,726	$4,897,602
Net Facilities Revenues	$4,762,153	$4,290,625	$5,798,065	$5,856,262	$7,298,746
Gross Meter Revenues					
Meter Collections	$14,334,524	$18,631,593	$19,435,961	$20,146,109	$21,162,008
Citation Fines	3,701,318	4,355,713	5,134,633	5,572,913	6,692,495
Misc. Fees/Permit	2,320,386	2,538,292	2,471,088	2,780,263	3,783,613
Total	$20,356,228	$25,525,598	$27,041,682	$28,499,285	$31,638,116
Meter Operating Expenses					
Parking Patrol Program	$3,632,970	$3,861,181	$3,765,838	$4,134,431	$4,744,655
Parking Op./Mgt. Program	2,688,134	3,618,588	3,827,992	3,373,146	4,967,343
Meter Maintenance (1)	750,907	586,688	687,488	821,471	0
Total	$7,052,011	$8,066,457	$8,281,318	$8,329,048	$9,711,988
Net Meter Revenues	$13,284,217	$17,459,141	$18,760,364	$20,170,237	$21,926,118
Net Revenues	$18,046,370	$21,749,766	$24,558,430	$26,026,499	$29,224,864
Debt Service–Parking Revenue Refunding Bonds, 2001 Series A(2)(3)	$984,975	$981,375	$1,914,771	$0	$0
Available Revenues for Payment of 2009 Bonds	$17,061,395	$20,768,391	$22,643,659	$26,026,499	$29,224,864

Notes:

(1) In FY 2012-13, an organizational change transferred meter maintenance costs to the Parking Operations / Management Program.

(2) The Parking Revenue Refunding Bonds, 2001 Series A were fully redeemed on January 12, 2011 and are no longer outstanding.

(3) The Parking System Revenue Refunding Bonds 2001 Series A were secured by Net Facilities Revenues and Net Meter Revenues.

Source: City of Portland.

APPENDIX F
ADDITIONAL INFORMATION PERTAINING TO:
LIMITED TAX IMPROVEMENT BONDS

Table 1
CITY OF PORTLAND, OREGON
Schedule of Term Bond Redemptions
Limited Tax Improvement Bonds, 2003 Series A

	Term Bonds Maturing 6/1/13 Original Par Amount: $5,640,000		Term Bonds Maturing 6/1/23 Original Par Amount: $10,480,000	
Redemption Date	Bonds Redeemed	Balance After Redemption	Bonds Redeemed	Balance After Redemption
12/1/03	$2,500,000	$3,140,000	$0	$10,480,000
6/1/04	440,000	2,700,000	0	10,480,000
12/1/04	1,025,000	1,675,000	0	10,480,000
6/1/05	100,000	1,575,000	0	10,480,000
12/1/05	600,000	975,000	0	10,480,000
6/1/06	165,000	810,000	0	10,480,000
12/1/06	365,000	445,000	0	10,480,000
6/1/07	65,000	380,000	0	10,480,000
12/1/07	380,000	0	410,000	10,070,000
6/1/08			0	10,070,000
12/1/08			500,000	9,570,000
6/1/09			520,000	9,050,000
12/1/09			400,000	8,650,000
6/1/10			595,000	8,055,000
12/1/10			435,000	7,620,000
6/1/11			450,000	7,170,000
12/1/11			465,000	6,705,000
6/1/12			370,000	6,335,000
12/1/12			535,000	5,800,000
6/1/13			415,000	5,385,000
12/1/13			465,000	4,920,000

Source: City of Portland.

Table 2
CITY OF PORTLAND, OREGON
Schedule of Term Bond Redemptions
Limited Tax Improvement Bonds, 2007 Series A

	Term Bonds Maturing 6/1/17 Original Par Amount: $11,210,000		Term Bonds Maturing 6/1/27 Original Par Amount: $19,680,000	
Redemption Date	Bonds Redeemed	Balance After Redemption	Bonds Redeemed	Balance After Redemption
12/1/07	$705,000	$10,505,000	$0	$19,680,000
6/1/08	665,000	9,840,000	0	19,680,000
12/1/08	590,000	9,250,000	0	19,680,000
6/1/09	255,000	8,995,000	0	19,680,000
12/1/09	275,000	8,720,000	0	19,680,000
6/1/10	0	8,720,000	0	19,680,000
12/1/10	105,000	8,615,000	0	19,680,000
6/1/11	0	8,615,000	0	19,680,000
12/1/11	0	8,615,000	0	19,680,000
6/1/12	50,000	8,565,000	0	19,680,000
12/1/12	1,125,000	7,440,000	0	19,680,000
6/1/13	1,075,000	6,365,000	0	19,680,000
12/1/13	1,070,000	5,295,000	0	19,680,000

Source: City of Portland.

Table 3
CITY OF PORTLAND, OREGON
Schedule of Term Bond Redemptions
Limited Tax Improvement Bonds, 2010 Series A

	Term Bonds Maturing 6/1/20 Original Par Amount: $5,885,000		Term Bonds Maturing 6/1/30 Original Par Amount: $9,950,000	
Redemption Date	Bonds Redeemed	Balance After Redemption	Bonds Redeemed	Balance After Redemption
12/1/10	$915,000	$4,970,000	$0	$9,950,000
6/1/11	270,000	4,700,000	0	9,950,000
12/1/11	240,000	4,460,000	0	9,950,000
6/1/12	0	4,460,000	0	9,950,000
12/1/12	370,000	4,090,000	0	9,950,000
6/1/13	40,000	4,050,000	0	9,950,000
12/1/13	145,000	3,905,000	0	9,950,000

Source: City of Portland.

Table 4
CITY OF PORTLAND, OREGON
Schedule of Term Bond Redemptions
Limited Tax Improvement Bonds, 2011 Series A

	Term Bonds Maturing 6/1/22 Original Par Amount: $1,360,000		Term Bonds Maturing 6/1/32 Original Par Amount: $1,120,000	
Redemption Date	Bonds Redeemed	Balance After Redemption	Bonds Redeemed	Balance After Redemption
6/1/12	$195,000	1,165,000	0	1,120,000
12/1/12	240,000	925,000	0	1,120,000
6/1/13	0	925,000	0	1,120,000
12/1/13	95,000	830,000	0	1,120,000

Source: City of Portland.

CITY OF PORTLAND, OREGON
1851

APPENDIX G
ADDITIONAL INFORMATION PERTAINING TO:
LIMITED TAX PENSION OBLIGATION REVENUE BONDS

PAYMENT OF DEBT SERVICE ON THE LIMITED TAX PENSION OBLIGATION REVENUE BONDS, 1999 SERIES C, D & E BONDS (THE "BONDS")

To protect the City's general fund and the creditworthiness of existing and future full faith and credit obligations of the City, the City requires each bureau to budget and to pay that bureau's allocated share of the costs of debt service on the Bonds. The following table shows each bureau's share of the debt service and related expenses for FY 2012-13.

CITY OF PORTLAND, OREGON
Actual Bureau Share of FY 2012-13 Debt Service Payments and Related Expenses for the Limited Tax Pension Obligation Bonds, 1999 Series C, D & E Bonds

GENERAL FUND CONTRIBUTION	
Parks	$1,457,061
Police	1,412,885
Management & Finance	998,828
Fire	737,515
Planning/Community Development	347,418
Cable	35,940
Attorney	275,539
Auditor	251,579
Energy	37,437
Mayor/Commissioners	223,127
Licenses	160,232
Procurement Services	116,056
Office of Neighborhood Involv.	168,468
Intergovernmental Affairs	27,704
Transportation (general fund portion)	43,427
Emergency Comm. (general fund portion)	629,696
Buildings (general fund portion)	477,700
Internal Busines Services (general fund portion)	86,855
TOTAL	$7,487,467

NON-GENERAL FUND CONTRIBUTION	
Transportation	$3,667,928
Water	2,707,386
Environmental Services	2,606,744
Planning & Development (OPDR)	952,343
Portland Development Commission	547,643
Fleet Operating	381,341
Golf	163,248
Facilities Services	162,278
Printing/Distribution	129,228
Parks Construction	91,951
Refuse Disposal	50,694
Portland International Raceway	31,426
Hydroelectric Power	19,980
Technology Services	453,231
Emergency Communications	189,758
Local Improvement District Construction	67,928
Fire & Police Disability & Retirement	40,656
Insurance & Claims Operating	71,209
Worker's Compensation Operating	66,607
Spectator Facilities	14,925
Health Insurance Fund	30,132
Environmental Remediation	1,170.32
TOTAL	$12,447,807

Source: City of Portland

CITY OF PORTLAND, OREGON
1851

CITY OF PORTLAND, OREGON

1851