



2020-2021
FISCAL YEAR

CITY OF STAYTON, OREGON ANNUAL BUDGET



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Stayton
Oregon**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Movill

Executive Director

It is anticipated the Government Finance Officers Association of the United States and Canada (GFOA) will again, for the fourth consecutive year, present the Award for Distinguished Budget Presentation to the City of Stayton, Oregon for its annual budget for the fiscal year beginning July 1, 2019.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

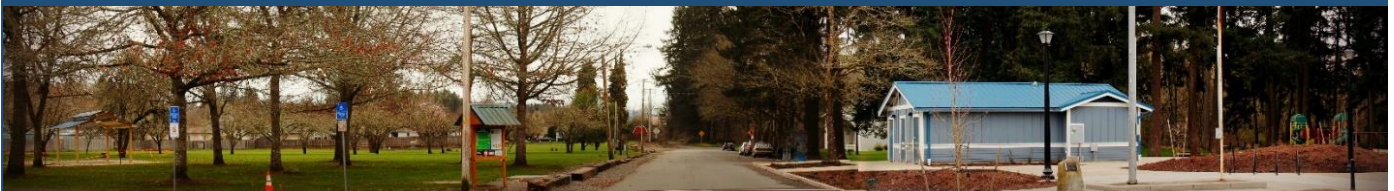
The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine eligibility for another award.



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BUDGET 2020-21



BUDGET COMMITTEE

ELECTED OFFICIALS

Mayor Henry Porter

Councilor Paige Hook

Councilor Ben McDonald

Councilor Christopher Molin

Councilor Jordan Ohrt

Councilor David Patty

CITIZENS

Luke Cranston

Connie Dominguez

Ralph Lewis

Brent Walker

Vacant

Vacant



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CITY MANAGERS BUDGET MESSAGE



May 4, 2020

Honorable Mayor Porter, members of the Stayton City Council, citizen members of the Budget Committee, and citizens of the City of Stayton:

It is my privilege to submit the proposed budget for the fiscal year ending June 30, 2021. This budget is the City's single most important policy document. Its purposes are to provide a comprehensive overview of all City funds and services, and to give residents a better understanding of the City's operating and fiscal programs. The proposed fiscal year 2020-21 City of Stayton budget totals \$24,925,430, with a proposed General Fund budget of \$6,104,100.

The City of Stayton's fiscal year 2020-21 budget has been prepared pursuant to Oregon Local Budget Law and the City's Financial Policies. It presents my recommendations as the City of Stayton's Budget Officer, setting standards and establishing action, operational and financial plans for the delivery of City services from July 1, 2020 through June 30, 2021.

This budget proposal includes a CPI adjustment, as per our fiscal policy, of 2.5% for the City's Utility Bill which includes wastewater, stormwater, and streets. There is a proposed 5% increase in the water portion of the utility bill.



Background

This will be the fifth year in a row the City has presented a budget document that follows the Government Finance Officers Association (GFOA) best practices in local budgeting. We continue to enhance the quality of our budget document by providing data, definitions, resources and long-term planning that is dedicated to the belief the City's budget will be accessible and understandable to the citizens of our community.

A budget should serve as:

- A policy document
- A financial plan
- An operations guide
- A communication device with stakeholders

The budget process should accomplish the following:

- Involve stakeholders
- Identify stakeholder issues and concerns
- Obtain stakeholder support for the overall budgeting process
- Achieve stakeholder acceptance of decisions related to goals, services, and resource utilization
- Report to stakeholders on services and resource utilization, and serve generally to enhance the stakeholders' view of government

The Twelve Elements of the Budget Process Establish Broad Goals to Guide Government Decision Making:

1. Assess community needs, priorities, challenges and opportunities
2. Identify opportunities and challenges for government services, capital assets, and management
3. Develop and disseminate broad goals Develop Approaches to Achieve Goals
4. Adopt financial policies
5. Develop programmatic, operating, and capital policies and plans
6. Develop programs and services that are consistent with policies and plans
7. Develop management strategies Develop a Budget Consistent with Approaches to Achieve Goals
8. Develop a process for preparing and adopting a budget
9. Develop and evaluate financial options
10. Make choices necessary to adopt a budget Evaluate Performance and Make Adjustments
11. Monitor, measure, and evaluate performance
12. Make adjustments as needed

Council Goals

On February 2, 2019, the City Council and staff held an all-day retreat to identify and set City Council Goals. The retreat was led by SSW Consulting. On April 1st, 2019, the City Council passed their goals. These goals set out a guidelines and expectations of priorities both in the short- and long-terms. The proposed budget sets forth continued efforts to accomplish these goals.

Goal: *“Develop economic development strategies through the economic development strategic plan development for marketing urban renewal, and infrastructure improvements”*

- The Economic Development Plan was completed in the 2019-2020 Fiscal Year. The 2020-21 budget proposes \$55,000 in the Planning and Development budget for implementation of policies, \$15,000 of which will be supported by Marion County. In addition, \$325,000 is budgeted to complete the Golf Club Road/Wilco Road/Shaff Road Roundabout design, of which \$182,000 will be supported by Street SDC Funds.

Goal: *“Conduct a (citywide) facility needs assessment” and “Address infrastructure needs at pool and community center”*

- The Facilities fund had \$100,000 budgeted in fiscal year 2019-20 to complete a Facility Needs Assessment. Initially, the Assessment was to be completed during the 2019-20 budget cycle. However, it has been delayed due to the COVID-19 pandemic. In order to complete the project, \$60,000 is being carried over into the 2020-21 budget.

Goal: *“Fund Emergency Management”*

- \$20,000 was adopted in the 2019-20 non-departmental budget for emergency management, with continued funding of \$20,000 for the 2020-21 fiscal year budget.

Goal: *“Completed updates of the sewer, water, storm water, and parks master plans”*

- \$175,000 was adopted in the 2019-20 Sewer Fund budget to complete the Wastewater Master Plan. The 2020-21 budget includes \$250,000 to complete the overall projected costs of \$350,000.

Goal: *“Search for a secondary water source”*

- Last year the City completed an analysis study on options for a secondary water source. The 2020-21 Water Fund budget includes \$154,000 for a matching grant from the State of Oregon for a Stayton Aquifer Storage and Recovery Feasibility Study.

Goal: *“Expand community and neighborhood grant programs”*

- \$20,000 was budgeted in 2019-20 in the Mayor-City Council budget to expand the Neighborhood Improvement Grant program. The City has increased the proposed budget to \$30,000 for the 2020-21 fiscal year. This program is designed to follow the Strong Towns model of small incremental investments, over a broad area, over of long period of time with the end goal of continuously improving and investing in the people who are invested in your community.

Goal: *“Develop a summary of communications/branding strategy”*

- \$10,000 was budgeted in the 2019-2020 Administration budget to complete a branding strategy analysis. The City went out to bid and was in negotiations for a contract when the project was delayed due to the COVID-19 pandemic. The City has budgeted \$25,000 in the proposed budget with the hope of completing this goal in the 2020-2021 fiscal year.

Summary

We have attempted to highlight several key components and issues of our budget. This message isn't intended to be all encompassing. Staff has worked hard to provide information, data, highlights, changes, and active transparency for all funds and departments. I encourage the reader to take the time to review and understand what their City is doing and how we are utilizing

our resources. The budget should define the values of our community; we want unselfish partners in this process. This is our fifth GFOA best practices budget. A comparison of this budget to our 2014-2015 fiscal year budget will show the significant growth, development, and evolution of our budget. Even in the GFOA framework, our budget continues to evolve and we continue to enhance the data and information.

This year our five year capital plans are combined with our fiscal policies to help us navigate both our short-term needs and long-term challenges. This reflects our commitment to ensuring decisions made today can be sustained in the next year and beyond. Our asset planning and management is a critical component of understanding the true costs of providing services and to allow for us to properly fund and maintain the infrastructure, materials, and equipment that are required and necessary to the functions and services of the community. This effort will continue to evolve as we update our infrastructure master plans, complete other studies, and respond to development and citizen input.

This budget should be examined, considered, discussed, and questioned. This budget is just a proposal, it is, until approved, merely a draft. Your input will only improve the quality of the final product. This budget should be the narrative and the reflection of the values of our community, and the approval of the Budget Committee is a statement the final and approved budget is a direct reflection of where we as a community are spending our time, energy, and resources.

The creation of a budget, even in relatively certain times, is challenging. Doing so, with so much uncertainty of the short- and long-term impacts of COVID-19, is extremely difficult. In the past we could predict with more confidence a realistic framework of the coming budget year. These standard assumptions cannot be done with the same level of confidence with this budget, and to try to do so would be disingenuous. We are not going to try to assume we know how the next few months, or years will transpire. Instead it is important to flatly state, this budget is a hedge; a preparation for a significant economic downturn, while also providing funding to projects and goals that allow us to move forward if the financial impact isn't as significant.

If the COVID-19 pandemic impacts are short in nature, then we will be in a better position to move forward in the coming years. If the financial impacts are longer in scope, our levels of spending will need to be significantly reduced.

We are obligated to present the budget and budget forecast to you now, and to receive approval before July 1st. It is important to note the spending authorities adopted in this budget will need to be evaluated throughout the budget year. Staff and the Governing Body will need to be mindful of the unfolding economic conditions, and be flexible and cautious in our approach. Time will provide more clarity, and we will need to be guided by the realities of the data during and after this pandemic.

In the short term we have flat lined estimated property tax revenue with the anticipation of a reduction in collections and potential long-term decreases in revenues. We have reduced

anticipated gas tax revenues to decrease from the 2018-19 actuals by 18%. We have done our best to estimate a volatile Consumer Price Index (CPI). We have carefully considered variable expenses. Every budget is a living breathing document and there should be no better example of this as we move forward in uncertain times.

Thank You

The Budget document in front of you is the culmination of five-years of work. The transition from a line item budget to a GFOA budget is a massive undertaking. The budget is the most critical document in local government, it lays out the goals and values of the community and we have an obligation to the stakeholders of our community to be as open and as transparent as we can in this budgeting process and to make the work product accessible to everyone in our community. I want to thank Susannah Sbragia for her significant contributions to the behind the scenes work on the data and formulas which comprise the heart of this document. I want to thank Summer Sears for her insight and perspectives, and Alissa Angelo for making the document user friendly. Additionally, I want to thank Lance Ludwick, Dan Fleishman, Janna Moser, and David Frisendahl, who have all actively contributed to the final document.

This work product shouldn't be taken for granted, nor should it be dismissed. Many of my colleagues and peers are genuinely shocked at the efforts and content of our budget. For a community our size, with our limited resources, we really are leading the way in transparency and communication to our stakeholders.

Finally, I want to thank the Governing Body who have supported and encouraged staff on this journey. I hope everyone is as proud of this document as I am; our budget is truly a benchmark for any community, of any size, in the country.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Keith D. Campbell". The signature is stylized with a large, sweeping initial "K" and "C".

Keith D. Campbell
City Manager

CITY OVERVIEW

ABOUT

Stayton is a city in Marion County in the Willamette Valley. Stayton is located 14 miles southeast of the state capital, Salem, on Oregon Route 22. It is south of Sublimity and east of Aumsville. Located on the North Santiam River, Stayton is a regional agricultural and light manufacturing center. The population was 7,870 in 2019. Established in 1872, it was incorporated in 1891.

FORM OF GOVERNMENT

The City of Stayton is governed by a Mayor and a 5-member City Council and is a Council/Manager form of government. With the passage of the 2018 City of Stayton Charter, the term lengths for Mayor and Council have been updated.

The Mayor serves a 4-year term and may serve no more than two consecutive terms of office. Councilors also serve 4-year terms. Council members are elected at large. The Mayor and Council members do not receive a salary for their service.

To be eligible for an elected City office, a candidate must be a registered voter and have resided in the City for at least one year immediately preceding the election. No person may be a candidate for the offices of Mayor and Council member at the same election. The Council is the final judge of the qualifications and election of its own members.

The Mayor presides over Council deliberations and is responsible for preserving order, enforcing the rules of the Council, and determining the order of business under the rules of the Council. The Mayor votes only when it becomes necessary to break a tie.

The Stayton City Council holds regular meetings the first and third Mondays of each month at 7:00 p.m. in the Council Chambers located at the Stayton Community Center, 400 W. Virginia Street.

The City Manager is appointed by the Mayor, and ratified by the City Council, to manage the affairs of the City. The City Manager's general responsibilities are attending all meetings of the Council and keeping the Council advised of the affairs and needs of the city, seeing that Council policy is implemented, seeing that all laws and ordinances are enforced, seeing that the provisions of all franchises, leases, contracts, permits and privileges granted by the City are observed, oversight and management of the annual City budget, as well as appointing and supervising all department managers and other employees except as otherwise provided by City Charter.

The Administrative Services Manager serves as the clerk of the City Council and is responsible for attending all meetings and preparing official minutes of their meetings. This position is responsible for preparation of the City Council agenda, maintaining ordinance and resolution

records, preparing official meeting and legal notices and processing and maintaining all official documents and minutes of the City. The Administrative Services Manager also serves as the City Elections Officer, Records Manager, and Human Resources Manager.

HISTORY

Stayton was founded by Drury Smith Stayton who purchased the town site in 1866 and built a carding mill and sawmill on a watercourse of the North Santiam River. In 1872, he platted the town site, and that same year the community received a post office. A ferry crossing on the Santiam River operated from 1876 until a bridge was constructed in 1888. By 1880, a laundry had been established by Kee Sing and Tom. The first newspaper, *The Stayton Sun*, was published in 1889 by T. H. McGill.

The founder of Stayton originally wanted to name the city after his daughter, Florence Stayton. After his petition was denied by the post office because another city in Oregon was named Florence, he chose Stayton and named a street after his daughter. The city was incorporated as the Town of Stayton in 1891, following a failed attempt in 1884.

CLIMATE

Stayton experiences a temperate climate that is usually described as oceanic with mild, damp winters and relatively dry, warm summers, like most of the Pacific Northwest.

Summers in Stayton are warm and relatively sunny but can, on occasion, be wet. The warmest month is August with a daytime average of 80.8°F (27.1°C) and an average low of 51°F (10.6°C). Because of its inland location, Stayton can experience heat waves, in July and August particularly, with air temperatures sometimes rising over 90°F (32°C).

Winters are described as somewhat mild and very wet. Cold snaps can occur and last for several days, and snowfall occurs a few times throughout the winter season; the city has been known to see major snow and ice storms. Spring can bring rather unpredictable weather, resulting from brief warm spells, to thunderstorms rolling off the Cascade Range. The lowest temperature ever recorded in Stayton was -7°F (-22°C) on December 8, 1972.

POINTS OF INTEREST

Local attractions include Pioneer Park with the Jordan Bridge, a covered bridge. A copy of the Jordan Bridge that spanned Thomas Creek east of Scio, it was moved to the park in 1988. Destroyed by fire in 1994, it was rebuilt and painted white. It is used for social occasions such as weddings. Kingston Prairie Preserve, 3 miles (5 km) southeast of Stayton, protects a remnant of the native prairie that was once common in the central Willamette Valley. Silver Falls State Park is northeast of Stayton; it is the largest state park in Oregon and a major tourist destination in the region, popular for its camping, and for its waterfalls.

GENERAL STAYTON OVERVIEW

STATISTICS

2000 Population (Census)	6,816
2010 Population (Census)	7,644
2019 Population (PSU)	7,870

Estimates show Stayton has grown at a rate of less than 1% since 2010. Both Marion County and the State of Oregon have grown at a rate of 3% during the same period.

2010 AGE DISTRIBUTION

Under 5	614	8%
5-19	1,713	22%
20-29	1,011	13%
30-49	1,925	25%
50-69	1,694	22%
70 and over	687	9%

2010 HOUSING STATISTICS

Occupied Housing Units	2,882	
Owner Occupied Housing Units	1,679	58%
Renter Occupied Housing Units	1,203	42%
Family Households	2,031	70%
Non-Family Households	851	30%
Householder 65 years and over	450	16%

2018 EDUCATIONAL ATTAINMENT

13.7% of Stayton's population has less than a high school diploma. The Marion County rate is 14.7% and it is 11.7% overall for the state of Oregon.

10.8% of Stayton's population has a bachelor's degree or higher as compared to 22.8% for Marion County and 32.6% for the state of Oregon.

BUSINESS OVERVIEW

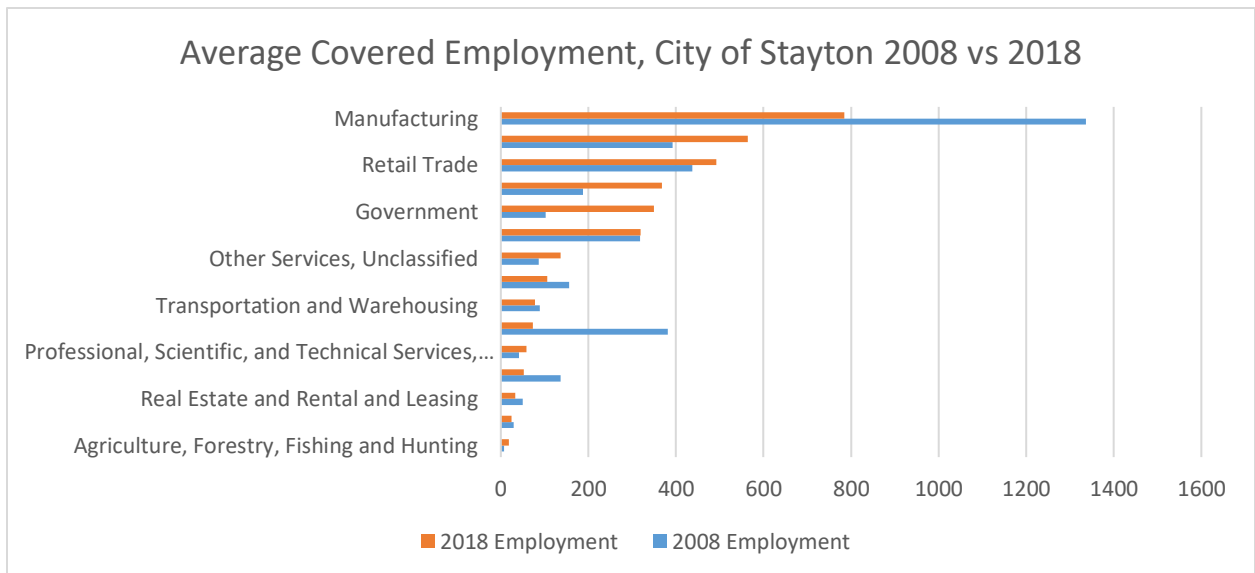
COVERED EMPLOYMENT – CITY OF STAYTON (2018)

Industry	Firms	Annual Employment	Payroll (\$)	Average Wage (\$)
<i>Total Employment</i>	296	3,464	140,480,078	40,554
<i>Total Private</i>	285	3,114	126,959,818	40,771
Agriculture, Forestry Fishing and Hunting	5	18	528,118	29,340
Construction	34	368	25,087,991	68,174
Manufacturing	12	784	32,243,093	41,126
Wholesale Trade	8	52	2,157,285	41,486
Retail Trade	34	492	13,326,459	27,086
Transportation and Warehousing	10	78	2,296,612	29,444
Information, Finance, Insurance, Real Estate, Rental and Leasing	20	106	5,334,221	50,323
Professional, Scientific, Technical Services, and Management of Companies	14	33	1,084,517	32,864

Administrative, Support, Waste Management, and Remediation Services	15	59	2,750,083	46,612
Private Health Care, Social Assistance, and Educational Services	10	25	378,771	15,151
Arts, Entertainment, Recreation, Accommodation, and Food Services	3	73	1,900,092	26,029
Other Services	24	564	31,480,123	55,816
Government	35	319	5,214,099	16,345

Firms 296
 Total Employment 3,464
 Total Private Employment 3,114
 % of Marion County Employment 2.1%

From 2008 to 2018, the City has lost over 300 jobs. Stayton’s total employment during that time declined by 8%. Manufacturing jobs showed the largest losses totaling 550 jobs.



PERSONNEL

SUMMARY

The budget includes a total of 52.9 full-time equivalent positions, a reduction of a net 1.8 FTEs. Due to an adjustment in weekly operating hours at the pool, pool staff has been reduced by 2.6 FTE. There was also a reduction of 0.10 FTE to Library staffing to account for staff funded by a local contribution. There is an addition of 0.60 FTE for a part-time position in Administration.

Through fiscal year 2020, the City maintained a steady workforce of approximately 42 full-time employees and 39 part-time employees.

Two unions represent City of Stayton employees: American Federation of State, County, and Municipal Employees (AFSCME), which represents public works and administrative personnel, and the Stayton Police Officers Association (SPOA), which represents police officers. The AFSCME contract expires June 30, 2021 and the SPOA agreement will expire June 30, 2022. A wage cost of living adjustment (COLA) of 2.5% effective July 1, 2020 is included in the budget for all employees.

FULL-TIME EQUIVALENT (FTE'S) EMPLOYEES

A schedule of the full-time equivalent positions by department for the past three years and proposed budget is presented below. Similar schedules are provided in each of the departmental budget.

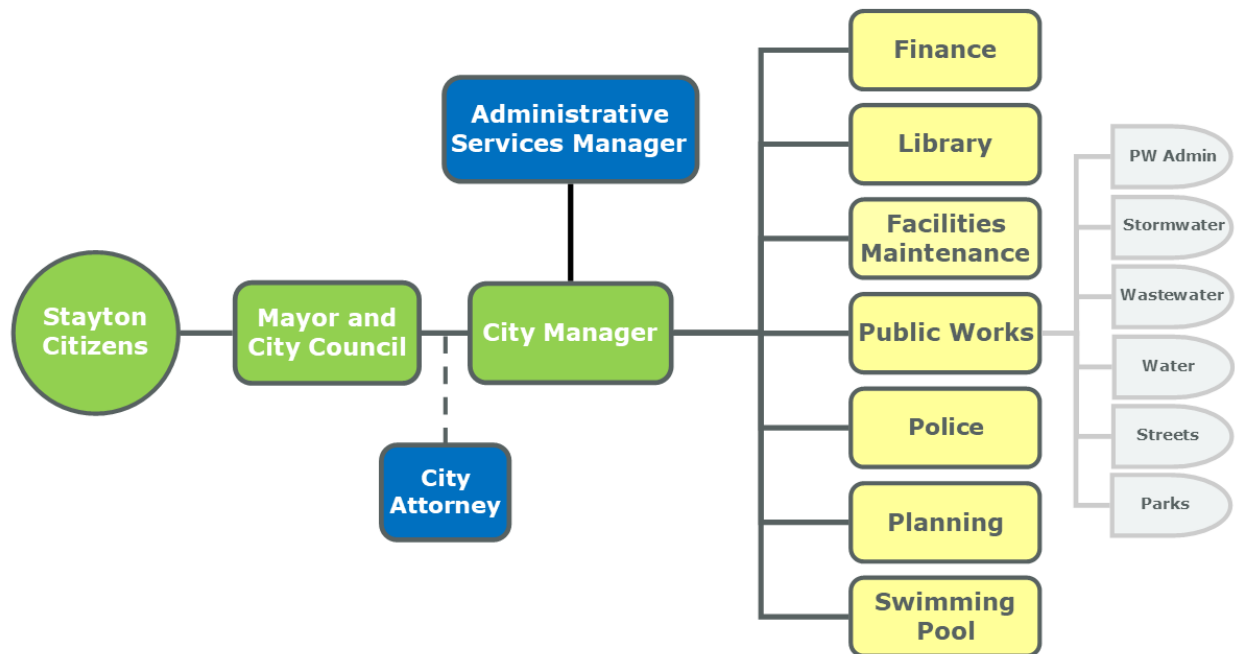
Department	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Police	15.5	15.5	14.4	14.7	14.7	14.7
Planning	1.0	1.0	1.0	1.5	1.5	1.5
Parks	1.7	2.0	2.0	1.7	1.7	1.7
Municipal Court	0.6	0.6	0.6	0.6	0.6	0.6
Administration	6.0	6.0	6.0	6.6	6.6	6.6
Street	1.0	1.0	1.0	1.5	1.5	1.5
Library	7.4	7.4	7.0	6.9	6.9	6.9
Pool	-	8.1	8.1	5.5	5.5	5.5
Water	4.0	4.0	4.0	3.6	3.6	3.6
Wastewater	6.8	5.8	5.8	5.8	5.8	5.8
Stormwater	0.5	0.5	0.5	0.5	0.5	0.5
Public Works Administration	3.0	3.0	4.0	4.0	4.0	4.0
Facilities Maintenance	0.3	0.3	0.3	0.3	0.3	0.3
Total FTE's - Citywide	46.1	54.9	54.7	53.2	53.2	53.2

CHANGES FROM PREVIOUS YEAR

Changes in personnel proposed:

- An Office Specialist position of 0.60 FTE was added in Administration.
- The Code Enforcement Officer position of 0.50 FTE was moved from the Police department to the Planning and Development department.
- There is a decrease for the Literacy Outreach Coordinator of 0.10 FTE, because the Library Foundation lowered their expectation of grant funding for the position.
- Pool Staffing was decreased by 2.6 FTE due to a reduction in the pool's hours of operation.

ORGANIZATIONAL STRUCTURE



SALARY SCHEDULE – FISCAL YEAR 2020/21

Position	Annual Salary	
	Minimum	Maximum
Library Page	23,338	26,291
Aquatics Instructor	24,502	31,990
Lifeguard	25,730	33,571
Library Aide	28,479	37,158
Library Assistant	31,327	40,874
Library Assistant - Youth Services	37,684	49,169
Pool Supervisor	37,690	49,171
Accounting Specialist	38,170	49,804
Office Specialist	38,170	49,804
Maintenance Worker 1	38,170	49,804
Utility Operator-in-Training	38,170	49,804
Library Assistant - Lead	39,945	52,120
Court Clerk/Office Specialist	39,945	52,120
Evidence Clerk/Records Specialist	39,945	52,120
Utility Operator I	41,743	54,465
Maintenance Worker II	41,743	54,465
Accounting Technician	43,642	56,943
Literacy Outreach Coordinator	43,642	56,943
Code Enforcement Officer	43,642	56,943
Utility Operator II	43,642	56,943
WWTP Operator I	43,642	56,943
WW & Storm Collection System Tech	45,824	59,790
Engineering Technician I	45,824	59,790
Police Officer	46,882	65,967
Administrative Services Manager	56,868	74,200
Aquatics Facility Manager	56,868	74,200
Engineering Technician II	56,868	74,200
WTP Chief Operator	56,868	74,200
Library Director	67,104	87,556
Public Works Supervisor - Sewer	67,104	87,556
Public Works Supervisor - Utilities	67,104	87,556
Police Sergeant	71,802	93,684
Assistant City Manager	73,956	96,495
Planning Director	73,956	96,495
Finance Director	82,830	108,075
Police Captain	82,830	108,075
Public Works Director	82,830	108,075
Police Chief	89,457	116,721
Public Works Director - Civil Engineer	89,457	116,721
City Manager	Established by contract	

BASIS OF BUDGETING

SUMMARY

The City budgets all funds on the modified accrual basis of accounting. Items such as depreciation, amortization, property taxes and other revenues that are not expected to be received in the current period or within sixty days of fiscal year end are not included in the budget. All expenditures forecast to occur during the year, such as principal, interest payments and capital acquisitions are budgeted. Expenditures for accrual of accrued leave and other payroll costs incurred are not budgeted.

Within the City’s audited financial statements, the General Fund, special revenue funds and debt service funds are accounted for using the modified accrual basis of accounting. The enterprise and internal service funds utilize the full accrual method of accounting. The primary difference between the two methods of accounting, relative to the budget basis used, is depreciation, acquisition of capital assets and principal payments on debt are handled differently, i.e., depreciation is not budgeted, acquisition of capital assets and principal payments are budgeted, but are not shown as expenditures in full accrual accounting.

Budget appropriations for authorized spending are provided for all of the funds noted below. The amounts of appropriations are presented in the “Adopted Budget” column of the budget summaries presented for each fund.

FUND ACCOUNTING

SUMMARY

For accounting purposes, a local government is not treated as a single, integral entity. Rather, a local government is viewed instead as a collection of smaller, separate entities known as “funds.” A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific activities and objectives. All of the funds used by a government must be classified into one of seven fund types within:

- Governmental-type (Governmental funds)
- General
- Special revenue
- Debt service
- Capital projects
- Business-type (Proprietary funds)
- Enterprise
- Internal service
- Fiduciary-type
- Fiduciary

GOVERNMENTAL FUNDS

Many government services are financed through taxes and intergovernmental revenues. These are often called non-exchange revenues because there is not normally a direct relationship between the cost of the service provided and the amounts being paid by either individual tax payers or other government agencies. When a service is largely funded through non-exchange revenues it can be called a governmental-type activity. The accounting for a governmental-type activity focuses on available spendable resources and the near-term demands upon them.

GENERAL FUND

The General Fund accounts for services generally supported by property taxes and other non-dedicated or restricted revenue. These services include police, municipal court, administration, planning, street lights, City Council and Council directed funding of outside agencies or other activities. General administrative costs are recovered through internal charges to the fund or department using these services. These costs include Administration and financial services, risk management, network computer and phone services, and legal. The distributed costs of these services are at full cost, including replacement cost, thereby providing more accurate costs of providing services.

SPECIAL REVENUE FUNDS

Special revenue funds are a fund type used when certain revenues have been earmarked or are legally restricted to expenditure for a specific purpose.

STREET FUND

The Street Fund provides the accounting of the City's street, bike lane, right of way, activities. Funding sources include local gas tax and state highway gas tax, street fees, and grant funding from various sources. Heavy equipment, vehicles and maintenance, engineering, project oversight, and public works administration and support services costs, are accounted for through transfers to internal service funds for the estimated costs of the provision of these services.

LIBRARY FUND

The Library Fund accounts for the activities of the City's Library. Funds for the program are provided through a voter approved local option property tax levy, Chemeketa Cooperative Regional Library System funding, program fees and a transfer from the City's general fund. Expenditures are for Library operations including staffing, program materials and building occupancy.

PARKS FUND

The Parks Fund accounts for the activities of the City's parks operations. Funds for the program are provided through a voter approved local option property tax levy and a transfer from the City's general fund. Expenditures are for parks maintenance including staffing, program materials and capital outlay as funding allows.

POOL FUND

This fund accounts for the activities of the City's pool. Funds for the program are provided through a voter approved local option property tax levy, program revenue, and a transfer from the City's general fund. Expenditures are for pool operations and maintenance including staffing, program activities and materials, maintenance and capital outlay as funding allows.

PENSION STABILIZATION FUND

This fund accounts for monies set aside to either invest in a PERS side account to reduce the City's unfunded actuarial liability (UAL) or transfer funds to the General Fund to offset PERS rate increases in later years. Funds for the program are provided through transfers from the police department and General Fund.

CAPITAL PROJECTS FUNDS

This fund type accounts for the accumulation of resources to construct capital improvements.

PARKS SDC FUND

This fund accounts for the City's collection and investment of parks system development charges (SDCs). The principal source of revenue is system development charges paid by builders and developers. Expenditures are for qualified system improvements. Monies are transferred to the Parks Fund to reimburse that fund for qualified costs.

STREET SDC FUND

This fund accounts for the City's collection and investment of parks system development charges (SDCs). The principal source of revenue is system development charges paid by builders and developers. Expenditures are for qualified system improvements. Monies are transferred to the Streets Fund to reimburse that fund for qualified costs.

DEBT SERVICE FUNDS

This fund type accounts for the accumulation of resources for the payment of debt principal and interest. The City of Stayton does not have any debt service funds.

PROPRIETARY FUNDS

Other government services are financed through user charges for which the cost to the individual, business or non-profit, is proportionate to the benefit received by the customer. When a fund receives a significant portion of its funding through user charges, it can be referred to as a business-type activity. The accounting for a proprietary fund focuses on cost and long-term cost recovery.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations financed and operated in a manner similar to private enterprises.

WATER FUND

This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees. Expenditures are for the operation, administration, maintenance, system betterments, and expansion of the system.

WATER SDC FUND

This fund accounts for the City's collection and investment of water system development charges (SDCs). The principal source of revenue is system development charges paid by builders and developers. Expenditures are for qualified system improvements. Monies are transferred to the Water Fund to reimburse that fund for qualified costs.

WASTEWATER FUND

This fund accounts for the operation of the City's sewage utility. The principal sources of revenue are user fees. Expenditures are for operation, administration, maintenance, system betterments, and expansion of the system.

WASTEWATER SDC FUND

This fund accounts for the City's collection and investment of wastewater system development charges (SDCs). The principal sources of revenues are system development charges paid by builders and developers. Expenditures are for qualified system improvements. Monies are transferred to the Wastewater Fund to reimburse that fund for qualified costs.

STORMWATER FUND

This fund accounts for the operation of the City's stormwater utility. The principal sources of revenue are user fees. Expenditures are for operation, administration, maintenance, system betterments, and expansion of the system.

STORMWATER SDC FUND

This fund accounts for the City's collection and investment of stormwater system development charges (SDCs). The principal sources of revenue are system development charges paid by builders and developers. Expenditures are for qualified system improvements. Monies are transferred to the Stormwater Fund to reimburse that fund for qualified costs.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis.

PUBLIC WORKS ADMINISTRATION FUNDS

Public works administration and support services are provided through this fund. Additionally, activity associated with vehicles and heavy equipment utilized by more than one public works division is accounted for in this fund. Revenues are generated through user charges for the cost of providing the services to the various benefitting funds. Expenditures are for administrative and supervisory staffing, operating support costs, and the public works building operation, maintenance, and debt service.

FACILITIES FUND

This fund accounts for the operation of several City building facilities. The principal sources of revenue are rent and internal transfers from departments that utilize space. Expenditures are for building maintenance.

FUND STRUCTURE

The City budgets sixteen funds. All funds with budgetary appropriations in the fiscal year 2020-21 budget are presented with the fund structure below. Major funds are noted with bold, black text.

Fund Structure				
Governmental Funds			Proprietary Funds	
General Fund	Special Revenue Funds	Capital Projects Fund	Enterprise Funds	Internal Service Funds
Fund Structure at a Glance	Street Fund	Parks SDC Fund	Water Fund	Public Works Administration Fund
	Library Fund	Street SDC Fund	Water SDC Fund	Facilities Fund
	Parks Fund		Wastewater Fund	
	Pool Fund		Wastewater SDC Fund	
	Pension Stabilization Fund		Stormwater Fund	
			Stormwater SDC Fund	

FUNCTIONAL UNITS

The following table provides where the City’s functional units are accounted for by fund type and fund. Additionally, the functional units/funds that are in bold are the City’s major funds. Major funds are those funds that meet certain accounting requirements relative to revenue and/or assets.

Functional Units				
Governmental Funds			Proprietary Funds	
General Fund City Council Public Safety Police Patrol Code Enforcement Emergency Management Planning/Zoning Municipal Court Outside Agency Funding Administration City Manager Human Resources Finance Information Technology City Recorder Economic Development Communications Street Lighting Community Center	<i>Special Revenue Funds</i>	<i>Capital Projects Funds</i>	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>
		Street Fund Street Maintenance Street Construction Sidewalks Bike Paths	Parks SDC Fund Parks Infrastructure Expansion	Water Fund System Operations Capital Investment Debt Service
	Library Fund Materials and Programming Building Occupancy	Street SDC Fund Streets Infrastructure Expansion	Water SDC Fund Water Infrastructure Expansion	Facilities Fund City Hall Police Station
	Parks Fund Parks Maintenance Trails Parks Construction Jordan Bridge		Wastewater Fund System Operations Capital Investment Debt Service	
	Pool Fund Swim Instruction Physical Therapy		Wastewater SDC Fund Wastewater Infrastructure Expansion	
	Pension Stabilization Fund PERS cost stabilization		Stormwater Fund System Operations Capital Investment Debt Service	
			Stormwater SDC Fund Stormwater Infrastructure Expansion	

BUDGET PROCESS

SUMMARY

A budget is defined by Oregon State Law (Oregon Revised Statutes, Chapter 294), as a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The City is required to budget all funds and for each fund to have a balanced budget.

The State of Oregon defines balanced budgets as one in which total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service, and any other requirements such as debt service reserves. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under Oregon Revised Statutes (ORS), a legally adopted budget is necessary to establish and justify a given rate and or amount of property taxes to be levied on the property within the city.

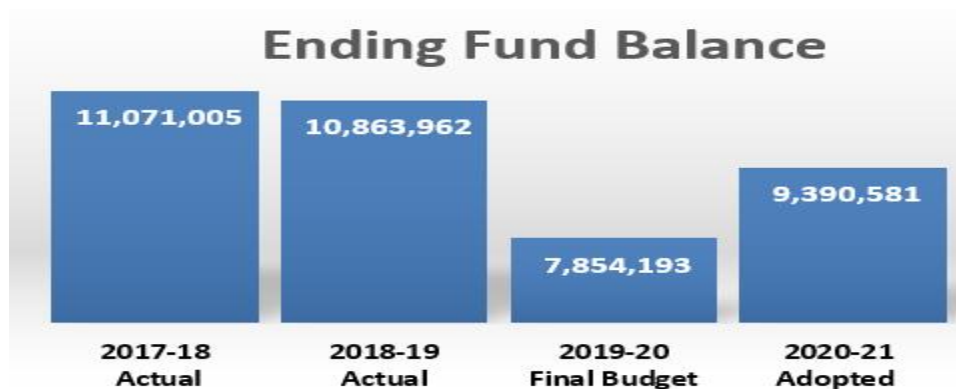
The City of Stayton prepares and adopts its annual budget in accordance with the city charter and Oregon Local Budget Law (ORS 294.305-294.555, and 294.565). The budget is presented by fund and department categories. The City Manager has responsibility for management of the overall City budget and maintaining budgetary control at the approved appropriation level. Finance and the respective operating department directors perform ongoing review and monitoring of revenues and expenditures.

The Citizens' Budget Committee consists of the governing body plus an equal number of legal voters appointed by the Stayton City Council. Accordingly, the City of Stayton has twelve budget committee members, with two vacancies, in which the votes of all members are equal. The first review of the budget occurs when the budget is presented to the Committee, at that time the budget is made publicly available, and the Committee begins their review. The Committee may approve the proposed budget intact, or change part or all of it prior to final approval. After notices and publications are filed according to local budget law, the budget is forwarded to the Council for formal adoption prior to June 30. Budget amendments may be made during the fiscal year through adoption of a supplemental budget. This process is similar to the regular budget including the use of public hearings, but excluding the Citizens' Budget Committee.

CONSOLIDATED SCHEDULE OF RESOURCES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ALL FUNDS – FISCAL YEARS 2017-18 THROUGH 2020-21

	2017-18 Actual	2018-19 Actual	2019-20 Final Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Current Year Resources						
Taxes	2,588,475	2,693,115	2,723,300	2,717,300	2,717,300	2,717,300
Intergovernmental	911,697	1,440,009	1,217,400	1,105,290	1,105,290	1,105,290
Franchise Fees	822,322	822,481	882,200	885,700	885,700	885,700
Charges for Services	5,779,335	5,745,192	5,987,000	5,657,700	5,657,700	5,657,700
Licenses and Permits	51,753	47,504	28,500	58,500	58,500	58,500
Miscellaneous	551,684	628,132	488,100	547,600	527,600	527,600
Transfers	2,748,900	2,666,425	2,605,632	2,839,500	2,829,500	2,829,500
Debt Proceeds	-	725,000	-	-	-	-
Total Current Year Resources	13,454,166	14,767,858	13,932,132	13,811,590	13,781,590	13,781,590
Expenditures						
Personnel	4,123,835	4,490,049	5,030,100	4,780,100	4,780,100	4,780,100
Materials and Services	3,338,112	3,788,489	4,395,132	4,486,549	4,486,549	4,486,549
Capital Outlay	653,523	2,978,508	3,265,056	2,204,300	2,204,300	2,204,300
Transfers	2,748,900	2,563,159	2,605,632	2,839,500	2,839,500	2,839,500
Debt Service	1,181,440	1,179,888	1,226,200	1,224,400	1,224,400	1,224,400
Total Expenditures	12,045,810	15,000,094	16,522,120	15,534,849	15,534,849	15,534,849
Resources over (under) expenditures	1,408,356	(232,236)	(2,589,988)	(1,723,259)	(1,753,259)	(1,753,259)
Beginning Fund Balance	9,662,649	11,096,198	10,444,181	11,143,840	11,143,840	11,143,840
Ending Fund Balance	11,071,005	10,863,962	7,854,193	9,390,581	9,390,581	9,390,581

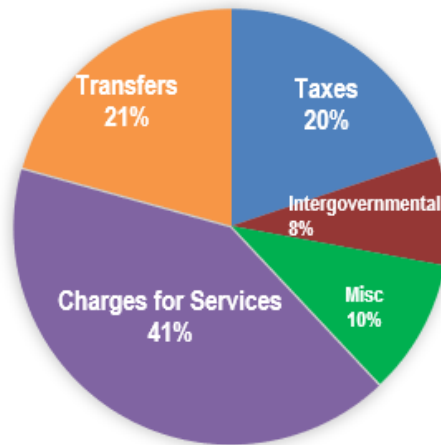


CONSOLIDATED SCHEDULE OF RESOURCES

ALL FUNDS – FISCAL YEARS 2017-18 THROUGH 2020-21

	17-18 Actual	18-19 Actual	19-20 Final Budget	20-21 Adopted
Taxes	19%	18%	20%	20%
Intergovernmental	7%	10%	9%	8%
Franchise fees	6%	6%	6%	6%
Charges for services	43%	39%	43%	41%
Licenses and permit	0%	0%	0%	0%
Miscellaneous	4%	4%	4%	4%
Transfers	20%	18%	19%	21%
Debt proceeds	0%	5%	0%	0%
Total Resources	100.0%	100.0%	100.0%	100.0%

20-21 REVENUE

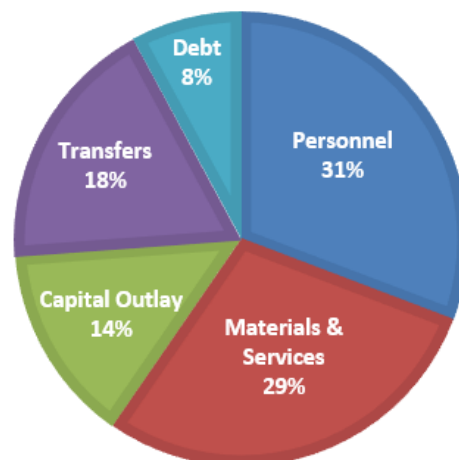


CONSOLIDATED SCHEDULE OF EXPENDITURES

ALL FUNDS – FISCAL YEARS 2017-18 THROUGH 2020-21

	17-18 Actual	18-19 Actual	19-20 Final Budget	20-21 Adopted
Personnel	34%	30%	30%	31%
Materials & service	28%	25%	27%	29%
Capital outlay	5%	20%	20%	14%
Transfers	23%	17%	16%	18%
Debt service	10%	8%	7%	8%
Total Expenditures	100%	100%	100%	100%

20-21 EXPENDITURES



FUND ACCOUNTING

ALL FUNDS – FISCAL YEAR 2020-21

The City's total budget for fiscal year 2020-21 is \$24,925,430. Planned spending totals \$15,534,849, which includes transfers between City funds of \$2,839,500.

Resources

Current Year Resources											
Fund	Beginning Fund		Intergovernmental	Franchise Fees	Charges for Services	Licenses & Permits	Miscellaneous	Transfers	Debt Proceeds	Total Current Year Resources	Total Resources
	Balance	Taxes									
General	1,468,700	2,167,000	420,500	885,700	8,100	28,500	233,400	892,200	-	4,635,400	6,104,100
Street	1,145,300	173,700	573,300	-	90,800	-	22,900	202,000	-	1,062,700	2,208,000
Parks	135,000	10,000	-	-	-	-	1,000	384,500	-	395,500	530,500
Library	157,800	183,600	111,490	-	3,100	-	43,500	177,400	-	519,090	676,890
Pool	241,000	183,000	-	-	167,000	-	3,700	60,000	-	413,700	654,700
Water	823,700	-	-	-	1,617,500	-	13,500	154,000	-	1,785,000	2,608,700
Sewer	4,200,000	-	-	-	3,095,400	-	78,900	250,000	-	3,424,300	7,624,300
Stormwater	278,940	-	-	-	305,000	-	4,400	-	-	309,400	588,340
Street SDC	725,000	-	-	-	68,100	-	5,000	-	-	73,100	798,100
Parks SDC	63,000	-	-	-	80,900	-	600	-	-	81,500	144,500
Water SDC	458,600	-	-	-	84,200	-	4,500	-	-	88,700	547,300
Sewer SDC	483,900	-	-	-	62,800	-	6,900	-	-	69,700	553,600
Stormwater SDC	74,900	-	-	-	74,800	-	1,500	-	-	76,300	151,200
Public Works Admin	186,900	-	-	-	-	-	73,700	543,600	-	617,300	804,200
Facilities Development	607,700	-	-	-	-	-	52,100	85,400	-	137,500	745,200
Pension Stabilization	93,400	-	-	-	-	-	2,000	90,400	-	92,400	185,800
Total Resources	11,143,840	2,717,300	1,105,290	885,700	5,657,700	28,500	547,600	2,839,500	-	13,781,590	24,925,430

Expenditures and Other Requirements

Current Year Expenditures										Other Requirements		Total Expenditures and Other Requirements
Fund	Personnel	Materials and Services	Capital Outlay	Transfers	Debt Service	Total Expenditures	Contingency	Reserved	Unappropriated	Total Other Requirements		
General	2,622,900	1,485,950	85,000	659,100	-	4,852,950	485,300	-	765,850	1,251,150	6,104,100	
Street	159,400	266,400	905,000	275,300	-	1,606,100	601,900	-	-	601,900	2,208,000	
Parks	111,100	71,528	275,000	32,200	-	489,828	40,673	-	-	40,673	530,500	
Library	383,100	140,900	10,300	32,900	-	567,200	109,690	-	-	109,690	676,890	
Pool	242,500	163,300	100,000	26,500	-	532,300	122,400	-	-	122,400	654,700	
Water	280,500	481,300	264,000	491,700	329,200	1,846,700	762,000	-	-	762,000	2,608,700	
Sewer	480,400	1,346,600	500,000	505,700	823,900	3,656,600	453,700	527,924	2,986,076	3,967,700	7,624,300	
Stormwater	41,100	143,500	65,000	65,600	71,300	386,500	201,840	-	-	201,840	588,340	
Street SDC	-	38,000	-	202,000	-	240,000	-	558,100	-	558,100	798,100	
Parks SDC	-	-	-	144,500	-	144,500	-	-	-	-	144,500	
Water SDC	-	45,800	-	154,000	-	199,800	-	347,500	-	347,500	547,300	
Sewer SDC	-	40,825	-	250,000	-	290,825	-	262,775	-	262,775	553,600	
Stormwater SDC	-	50,146	-	-	-	50,146	-	101,054	-	101,054	151,200	
Public Works Admin	444,100	152,300	-	-	-	596,400	207,800	-	-	207,800	804,200	
Facilities Development	15,000	60,000	-	-	-	75,000	670,200	-	-	670,200	745,200	
Pension Stabilization	-	-	-	-	-	-	185,800	-	-	185,800	185,800	
Total Expenditures and Other Requirements	4,780,100	4,486,549	2,204,300	2,839,500	1,224,400	15,534,849	3,841,303	1,797,353	3,751,926	9,390,582	24,925,430	

REVENUE

TAXES

Until fiscal year 2017-18, property taxes were the only significant taxes the City directly received. In May 2017, Stayton voters approved a local gas tax measure. Local gas taxes are projected to total approximately \$173,700 in fiscal year 2020-21. However, approximately \$2.53 million is projected to come from property, and other local taxes, \$2.15 million in the general fund, and \$376,600 from the City's local option tax.

The City's permanent tax rate per \$1,000 of taxable value is \$3.3280. The City also has a \$0.60 local option levy rate for library, parks, and pool operations, approved again by Stayton voters in 2016. Increases to taxable assessed property valuations are limited to a maximum of three percent (3.0%) per year for existing properties. New development and improvements to existing development provide additional property tax revenue. Stayton realized a slight increase in its property tax levy of approximately five percent (5.1%) in fiscal year 2020. Based on the uncertainties of what the effects of COVID-19 will be on the economy, the forecast for fiscal year 2020-21 shows a zero percent (0%) increase.

INTERGOVERNMENTAL

This category includes state gas taxes (\$485,300); funds for the City's library (\$111,490); allocations of the State's liquor, cigarette, state revenue sharing, and targeted grants for police programs. Along with the balance of the community development block grant funding of \$167,000, which brings the total Intergovernmental funding to \$1,105,290.

State gas taxes are projected to decrease based on the COVID-19 pandemic. Gas revenues for fiscal year 2020-21 show an 18% decrease in revenue.

Revenue from continuing sources in the general fund are anticipated to show a zero percent (0%) increases due to uncertainties of the economic effects of the current pandemic facing the United States.

FRANCHISE FEES

The City has five franchise agreements with utilities operating within the City's right-of-way. Revenue from these sources have remained steady during the past several years as inflation and rate adjustments have been very low and changes in customer behavior has been limited.

Franchise	Budget	%
Cable	\$ 39,800	4.5%
Telephone	28,100	3.2%
Sanitary Sewer	95,600	10.8%
Electricity	622,900	70.3%
Natural Gas	99,300	11.2%
	\$885,700	100.0%

Cable and telephone franchise revenue continues to decline as consumers move away from cable television to internet service and land line telephone service to cell phones. Electricity and natural gas revenue reflect inflationary increases and slight customer growth, and sanitary sewer revenue is increasing due to customer growth and inflation.

CHARGES FOR SERVICES

An estimated \$5.65 million in revenue from charges for services is budgeted in fiscal year 2020-21. Utilities generate the vast majority of charges:

Water	\$1.60 million (32.2%)
Sewer	\$3.10 million (61.7%)
Stormwater	\$0.31 million (6.1%)

System Development Charges for water, sewer, stormwater, streets, and parks total \$0.38 million (6.5%). The pool (\$0.1 million, 2.9%) and street fees (\$0.09 million, 1.6%), and various charges in the general fund (\$8,100, < 0.14%) and library (\$3,100, < 0.1%) make up the balance of charges for services budgeted.

Rate adjustments consistent with the change in the annual consumer price index for all consumers (CPI-W) for the year ended March 31, 2020 of 2.5% is budgeted for street fees, wastewater, and stormwater charges. Water charges are increased by the CPI rate of 2.5% plus 5.0% rate to address funding requirements for capital items. Pool charges are increased ten percent (10%). SDC funds are adjusted by EDU rates at 2% as of March 31, 2020.

LICENSES AND PERMITS

The Planning and Development department generates approximately \$16,000 in licenses and permit fees annually. Marion County processes building permits and inspections for the City.

MISCELLANEOUS

Citywide, approximately \$537,000 in revenue comes from miscellaneous sources, including interest income and building rental. Interest earnings are estimated based on 2.0% of cash balances, compared to rates of less than 1.0% prior to fiscal year 2019-20.

TRANSFERS

Transfers between funds total \$2,840,000 in fiscal year 2020-21. The City transfers monies from funds receiving benefits of services provided to the General Fund, Public Works Administration Fund, and the Facilities Fund, \$1,521,000. In fiscal year 2020-21, a transfer from the Police Department in the General Fund to the Pension Stabilization Fund, is budgeted at \$90,400. The Parks, Library, and Pool Funds receive transfers from the General Fund of \$240,000, \$177,400, and \$60,000, to support operations.

The Wastewater Fund budget includes a transfer of \$250,000 from the Wastewater SDC Fund for the Wastewater Facilities Master Plan. The Water Fund budget includes a transfer of \$154,000 from the Water SDC Fund for the Water System Master Plan. The Street Fund budget includes a transfer of \$202,000 from the Street SDC Fund for the Transportation System Master Plan (\$20,000) and Golf Club Road/Wilco Road/Shaff Road roundabout design (\$182,000). The Parks Fund budget includes a transfer of \$144,500 from the Parks SDC Fund for the Parks System Master Plan.

DEBT PROCEEDS

The fiscal year 2020-21 budget does not include any planned debt issues.

GENERAL FUND

SUMMARY

The General Fund accounts for the City's police, municipal court, planning, administration, city council, community center, street lighting, and discretionary non-departmental activities.

The primary revenue sources include property taxes, intergovernmental such as state shared revenues, cigarette and liquor taxes and various grants, franchise fees, licenses and permits, charges for services, transfers from other funds for administrative services benefitting those funds, and miscellaneous.

HIGHLIGHTS

Fund Balance

- The ending fund balance for June 30, 2019 is \$1,424,119 a decrease from the prior year of \$12,958 or -0.9%.
- The projected ending fund balance for June 30, 2020 is \$1,468,787, an increase of \$44,668, or 3.4%.
- The budgeted ending fund balance as of June 30, 2021 is \$1,251,150, a reduction of \$217,600, or -14.8%.
- The budgeted ending fund balance is estimated at nearly seven months (6.5) of working capital. This amount exceeds the minimum required balance sufficient to fund operations until property taxes are received.

Programs

- Community Development Block Grant funding of \$400,000 was awarded in fiscal year 2018-19. The completion of the program spending and revenue is budgeted in fiscal year 2020-21 of the remaining amount of \$167,000.
- Funding is included in the Planning and Development budget to implement economic development strategies resulting from the economic development study completed in fiscal year 2018-19.
- Continued funding is provided to modernize the City's computer system networks and related technology.
- Police Department expenditures have increased by 2.4%
- The Police Department budget continues to reflect a \$90,400, the equivalent of the starting salary for 1 FTE officer, transfer to the Pension Stabilization Fund to stabilize PERS costs during the next several years to provide sustainable staffing levels.

CHANGES FROM PREVIOUS YEARS

- Community Improvement Grant funding increased to \$30,000.
- Facilities study was unable to be completed in 2019-20 due to the COVID-19 outbreak. Planning to complete the study this fiscal year.

REVENUES

Overall, revenue for fiscal year 2020-21 is budgeted to show a 0% to 4% increase based on uncertainties of the economic effects of COVID-19 this fiscal year.

Property taxes are budgeted with a 0% increase in anticipation of other revenues being decreased from the effects of COVID-19. The City is making efforts to be proactive in these uncertain times. Franchise fees are also estimated at a 0% increase. Licenses, permits and fees are projected at 0% over the prior year budget, while charges for services are budgeted with a 0% increase. Miscellaneous income is budgeted to include the balance of the CDBG grant of \$167,000 that will end this fiscal year. Transfers are increased by eight percent (8%).

As was the case last fiscal year, revenue not expected to be received is not budgeted.

EXPENDITURES

Budgeted expenditures total \$4,852,950, an increase of \$391,000 or 8.8% over 2018-19 actuals. The primary drivers of the increase include:

- Increase in non-departmental (operations) spending \$664,400
 - CDBG grant remaining expenditures of \$167,000.
 - Decrease in transfers to the Library (-10%) and Parks (-5%).
- In all departments with personnel:
 - Cost of living adjustments of 2.5% for all personnel plus annual step increases.
 - Increase in medical related benefit costs budgeted at five percent (5%).
 - The contribution rate of the City's retirement plan is unchanged.
- The Police Department budget:
 - Includes an increase in salaries and PERS contribution rates of approximately 6.5%.
 - Increase of 18% in Contract Services for updated technology related to digital evidence recording, storage, and 911 services.
- The Administration budget:
 - One FTE vacant position filled in Administration
- Increase in Capital Outlay for ongoing updating of servers and the front office at City Hall to provide further safety for staff.

GENERAL FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimate	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	1,389,328	1,437,077	1,418,192	1,424,119	1,468,700	1,468,700	1,468,700
Taxes	2,044,158	2,117,685	2,130,100	2,179,000	2,167,000	2,167,000	2,167,000
Charges for Services	10,064	15,142	7,600	7,600	8,100	8,100	8,100
Franchise Fees	822,322	822,481	882,200	882,200	885,700	885,700	885,700
Licenses, Permits & Fees	51,753	47,504	28,500	28,500	28,500	28,500	28,500
Intergovernmental	238,267	310,106	449,500	334,500	420,500	420,500	420,500
Miscellaneous	307,376	289,281	211,300	213,300	233,400	233,400	233,400
Transfers	913,600	846,600	818,400	818,400	892,200	892,200	892,200
Total Resources	4,387,540	4,448,799	4,527,600	4,463,500	4,635,400	4,635,400	4,635,400
Expenditures							
Police	2,099,933	1,983,960	2,185,700	2,129,300	2,238,100	2,238,100	2,238,100
Planning	164,526	245,874	229,800	157,100	239,100	239,100	239,100
Community Center	60,664	41,803	55,500	45,700	53,650	53,650	53,650
Municipal Court	99,022	71,249	75,400	73,500	173,200	73,200	73,200
City Council & Admin	1,050,102	1,086,778	1,173,200	1,077,200	1,202,800	1,202,800	1,202,800
Non-Dept. (Operations)	-	146,924	220,000	105,000	187,000	187,000	187,000
Street Lights	112,822	112,201	115,900	110,000	115,000	115,000	115,000
Total Operating Expenditures	3,587,069	3,688,789	4,055,500	3,697,800	4,208,850	4,108,850	4,108,850
Capital Outlay							
Police	122,622	53,367	60,000	60,000	60,000	60,000	60,000
City Council & Admin	11,000	-	20,000	11,100	25,000	25,000	25,000
Total Capital Outlay	133,622	53,367	80,000	71,100	85,000	85,000	85,000
Transfers							
Police	39,000	191,400	135,900	135,900	135,900	135,900	135,900
Planning	19,400	19,500	19,600	19,600	20,600	20,600	20,600
Administration	19,300	19,900	24,900	24,900	24,900	24,900	24,900
Non-Dept. (Operations)	541,400	488,800	567,432	469,532	477,400	477,400	477,400
Total Transfers	619,100	719,600	747,832	649,932	658,800	658,800	658,800
Total Expenditures	4,339,791	4,461,756	4,883,332	4,418,832	4,952,650	4,852,650	4,852,650
Revenue over/(under) expenditures	47,749	(12,957)	(355,732)	44,668	(317,250)	(217,250)	(217,250)
Ending Fund Balance	1,437,077	1,424,119	1,062,460	1,468,787	1,151,450	1,251,450	1,251,450

POLICE

SUMMARY

It is the mission of the Stayton Police Department to provide visible, impartial, high-quality law enforcement services to reduce crime and the fear of crime. We work in partnership with the community, educational institutions, and regional law enforcement agencies to create a safe environment for the City of Stayton's citizens, businesses, and guests. To create a community they feel safe to live work and recreate in.

We accomplish our goal by providing the highest quality of law enforcement, community outreach, and in-person service. Our department is responsive to the public interest, transparent and inclusive of our operation, innovative in our ability to adapt to change, and conscientious in expending public funds. The Stayton Police Department has well-trained employees who are committed to service and teamwork. The department strives to create a satisfying work environment where employees are empowered, have a voice, and are a part of the community they serve.

Our department provides 24-hours a day, 7 days a week of uniformed response to emergency and non-emergency calls for service. The Police Department consists of a Chief, Captain, two Sergeants, and eight patrol officers. Additionally, the department is supported by one full-time records/evidence specialist and one part-time support specialist. The department also supports a Cadet and Reserve Officer program. In the previous fiscal year, our department oversaw two part-time code enforcement officers. Code Enforcement will now be overseen by Planning and Development.

The Stayton Police Department will continue to look for new ways to be innovative and partner with the citizenry, as well as public and private organizations. The police department looks to enhance public safety and be a proactive partner in local and regional municipal and county goals. Our department will continue to provide a high level of service to the Stayton community

ACCOMPLISHMENTS FOR 2019-20

- Upgrade completed to our Records Management System (RMS) with implementation of Mark 43. Mark 43 is a multi-agency paperless reporting system. The implementation of the RMS included training of sworn and non-sworn staff. The Stayton Police Department assisted with the regional implementation of Mark 43 by hosting and training neighboring law enforcement agencies.
- Property and Evidence staff converted the department's property and evidence over to a barcode system. Approximately 1,400 pieces of property and evidence were converted to the new system to enhance accountability, tracking and documentation of evidence.

- The Stayton Police Department responded to 8,601 incidents, an increase of approximately 400 incidents from the previous year. These incidents included everything from self-initiated officer activities like traffic stops, after-hours business checks, and drug investigations, to citizen reported incidents such as assaults, burglaries, elder abuse, and death investigations.
- METCOM answered more than 7,200 phone calls from the phone located in the Police Department's lobby and via our Police Administration line.
- The Stayton Police Department continued to improve the firearms range with the addition of an enclosed building in 2019. This building has a small classroom and several shooting bays. The firearms range is a regional law enforcement asset and is used by the State, County, and multiple municipal law enforcement agencies.
- Our department continued educating local school staff on the school threat response protocol program called "I Love You Guys."
- In 2019, Code Enforcement handled 840 code enforcement issues, an increase of 303 responses from the previous year.
- In late 2019, the Stayton Police Department filled the two patrol officer vacancies. In May 2020, the vacant Police Captain position will be filled. At this time, the Department's allotted sworn positions will all be filled.

CHANGES FROM PREVIOUS YEAR

- The Stayton Police Department entered into an agreement with Paws for Responders for the purchase and training of a comfort K9. Atlas was introduced to the department in March 2020. The training program is 20 months in duration and at the conclusions, Atlas and the primary handler will be certified through the Canine Good Citizen program.
- Our department purchased and installed Evidence.com from Axon which allows our department to store, catalog, share, and redact digital evidence online through a CJIS secured system. Axon will expand the department's capabilities to share digital evidence with local law enforcement and district attorneys' offices through secure hyperlinks. Axon will increase productivity by removing several steps in the creating, storing, and tracking of digital evidence.
- The department will continue our vehicle replacement plan by purchasing a new patrol vehicle to keep pace with an aging fleet as several of our current patrol vehicles are nearing the end of their service life.
- The department replaced previously issued Glock 40 caliber handguns with newer Glock 17 Gen5 9mm handguns, along with upgrading seven AR-15 patrol rifles.
- The Stayton Police Department partnered with Marion County NARCAN (Naloxone) Distribution Program this past year. Each officer and patrol vehicle has been outfitted with NARCAN which will allow officers the ability to administer life-saving medication at the scene of an opioid overdose.

POLICE FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Personnel Services	1,650,970	1,551,433	1,678,700	1,678,700	1,710,500	1,710,500	1,710,500
Materials and Services	448,963	432,527	507,000	450,600	527,600	527,600	527,600
Capital Outlay	122,622	53,367	60,000	60,000	60,000	60,000	60,000
Transfers	39,000	191,400	135,900	135,900	135,900	135,900	135,900
Total Requirements	2,261,555	2,228,729	2,381,600	2,325,200	2,434,000	2,434,000	2,434,000

PERFORMANCE MEASURES

Patrol Measure	2017	2018	2019
Police Activity	10,597	8,194	8,601
Offenses	5,008	2,238	1,827
Citations/Warnings	3,738	2,035	2,569
Arrests	897	643	375
Code Enforcement	670	537	840
Peer Court Cases	22	84	46

STAFFING

Position	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Chief of Police	1.0	1.0	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0	1.0	1.0
Sergeants	2.0	2.0	2.0	2.0	2.0	2.0
Police Officers	9.0	9.0	8.0	9.0*	9.0*	9.0*
Records Clerk	1.5	1.5	1.5	1.5	1.5	1.5
Code Enforcement	1.0	1.0	0.9	0	0	0
FTE's - Police	15.5	15.5	14.4	14.5	14.5	14.5

* 1 position being used as funding for Pension Stabilization fund.

CAPITAL OUTLAY

Patrol Vehicle	60,000
Total	\$60,000

PLANNING & DEVELOPMENT

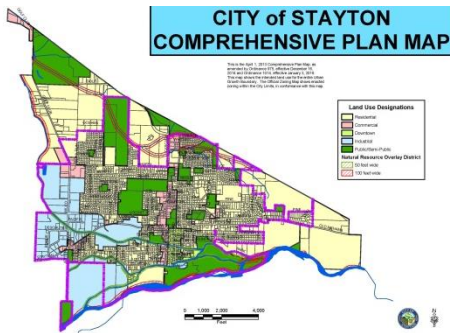
SUMMARY

The Planning & Development Department is a state-mandated function responsible for administering state land use laws and ordinances specific to the City of Stayton. The Department supports and advises the City Council and Planning Commission regarding all planning and land use matters, and is staffed by a full time Planning & Development Director.



Staff responsibilities include staffing Planning Commission and City Council meetings as needed, providing customer service and assistance in interpreting Stayton’s municipal codes and processing a wide variety of different land use applications and actions. Long range planning activities this past year have included updating the City’s Transportation System Plan, housing rehabilitation, and creation of economic development strategies. The Planning Department assumes responsibilities for management of the City’s Geographic Information System.

The Planning Department is responsible for long-range planning for the future of the City, preparation of amendments to land use regulations, and administration of land use ordinances for the City of Stayton. The department serves under the direction of the City Manager, City Council, and the Planning Commission. Some land use applications regularly handled by the Planning Department include annexation, comprehensive plan and zone map amendments, site plan review, conditional use, partitions, subdivisions and planned unit developments.



Long range planning programs currently in progress include fostering long-term sustainable economic development through implementation of the adopted Economic Development Strategies, and continued improvement of the Land Use and Development Code. The department is working with Revitalize Downtown Stayton to promote the vitality of the downtown area and is overseeing a state grant to plan for public infrastructure to promote the development of the Wilco Road industrial area.

The City administers a Housing Rehabilitation Loan Program to provide financing for home improvements to income-qualified owner occupied housing. This year the program was expanded to provide grants to owners of manufactured housing units that do not own the land on which the housing unit sits.

The department oversees the Community Improvement Grant program, now in its second year. This year six applications were funded to neighborhood groups and non-profit service providers. Support was provided to the Stayton Community Food Bank, Revitalize Downtown Stayton, and the Community Emergency Response Team. In addition, funding was provided for neighborhood improvements in the Sylvan Springs, Jefferson Place, and Westtown neighborhoods.

In the coming year, Code Enforcement operations will be shifted from the Police Department to the Planning & Development Department. Additionally, the department has been working with the Planning Commission on a rewrite of the residential zoning for the City.

Planning Commission Members & Terms

Jackie Carmichael	12/2020
Dixie Ellard	12/2021
Heidi Hazel	12/2020
Richard Lewis	12/2021
Ralph Lewis	12/2020

HIGHLIGHTS

- Neighborhood Improvement Grant program expanded to the Community Improvement Grants and includes neighborhoods and non-profit groups.
- Expanded Housing Rehabilitation Loan Program provides grants to owners of manufactured housing units.
- Economic Development Strategies and Transportation System Plan efforts completed and adopted by the City Council.

CHANGES FROM PREVIOUS YEAR

- Proposed budget includes funding for continued implementation of economic development strategies and plan.
- Personnel materials and services budgets increased to reflect absorption of code enforcement strategies.

PERFORMANCE MEASURES

Effectiveness Measures	2017-18 Actual	2018-19 Actual	2019-20 Projected	2020-21 Projected
% of land use applications processed within 120 days of the application being deemed complete	100%	100%	100%	100%
% of land use applications processed within 90 days (including final appeal, if any) of the applications being determined complete	n/a	75%	75%	75%

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed
Planning and Development Director	1.0	1.0	1.0	1.0
Code Enforcement Officer	0	0	0	0.5
Total FTE's - Planning	1.0	1.0	1.0	1.5

CAPITAL OUTLAY

There is no capital outlay in the Planning Department budget.

COMMUNITY CENTER

SUMMARY

The Community Center Complex consists of 7.65 acres of park located along the Salem Ditch off of N. First Avenue. This site contains the Community Center building, the Stayton Family Memorial Pool, three tennis courts, horseshoe pits, a playground, library, parking, a picnic area, and an open recreation field.



The City of Stayton Community Center was dedicated in 1979 and located at 400 W. Virginia St. near the Stayton Public Library. The Community Center is the official meeting place for the City Council and other groups. This facility brings people together for social and civic functions throughout the year. The Community Center's location and floor plan are available from links on the City's website.



The Community Center has a total of 3,337 square feet available for events. The hall can be divided into two portions. The north end has 1,112 square feet available and the south end has 2,224 square feet available. There is also a kitchen facility and restrooms. During business hours, a tour of the Community Center can be arranged through Public Works.

Materials and equipment available:

- Eighteen – 6-foot tables
- Two 8-foot tables
- Approximately 135 chairs
- 100-cup coffee pot (available upon request w/ \$25 deposit)
- Podium/microphone setup with rental of the entire community center
- Projection Screen with rental of the entire community center

The Community Center is available for dances, weddings, receptions, parties, meetings, and concerts as well as for other events. Under certain circumstances and with additional fees, alcoholic beverages may be served in the building. Security may be required at events and there is a \$25 key deposit required for the facility.

HIGHLIGHTS

- During the past year, the Community Center was rented 1,623 hours for private rentals which include fitness classes, birthday parties, health screenings, memorial services, wedding receptions, community fundraising events, and church services.
- The NorthWest Senior and Disability Services continues to serve the senior community with the Senior Meal Program for lunch every Monday, Wednesday, and Friday. They also prepare meals onsite that are delivered to local seniors through the Meals on Wheels Program.
- The Community Center also serves as the meeting center for various City meetings including City Council, Planning Commission, Budget Committee, and other meetings as necessary.

COMMUNITY CENTER FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Materials and Services	60,664	41,803	59,300	45,700	53,650	53,650	53,650
Total Requirements	60,664	41,803	59,300	45,700	53,650	53,650	53,650

STAFFING

- Staffing support is provided by Public Works Administration.

CAPITAL OUTLAY

- No capital outlay is planned.

MUNICIPAL COURT

SUMMARY

Stayton’s Municipal Court program was initiated in 2014 when Marion County closed the East Marion Justice Court. The Court has jurisdiction over traffic citations and violations of the Municipal Code. The Judge is appointed by the Mayor and works under contract for the City. This fund also covers the cost of a part-time Court Clerk.



HIGHLIGHTS

- 40 Court dates
- 43 Trials held
- 820 cases processed
- The Court will process an estimated \$169,000 in fine revenue for the City in fiscal year 2019-20.

CHANGES FROM PREVIOUS YEARS

- No changes from previous year.

PERFORMANCE MEASURES

Activity Measures	2017-18	2018-19	2019-20	Projected 2020-21
Ordinance Violations	74	58	24	54
Traffic Violations	902	969	735	927
Court Dates	40	40	40	40
Trials	39	41	43	49

MUNICIPAL COURT FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19 - 20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Personnel Services	30,484	32,347	35,500	35,500	26,700	26,700	26,700
Materials and Services	68,538	38,902	39,900	38,000	46,500	46,500	46,500
Total Requirements	99,022	71,249	75,400	73,500	73,200	73,200	73,200

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Court Clerk	0.5	0.5	0.5	0.5	0.5	0.5
Municipal Judge - contract	0.1	0.1	0.1	0.1	0.1	0.1
Total FTE's - Municipal Court	0.6	0.6	0.6	0.6	0.6	0.6

CAPITAL OUTLAY

No capital outlay is budgeted in Municipal Court.

ADMINISTRATION

SUMMARY

The Administration Department represents the core function of the City organization. Administration includes the Mayor and City Council, City Manager, Administrative Services Manager, Human Resources, Finance and Information Technology. A significant portion of the administration costs recorded in the General Fund are recovered through interfund transfers for services provided to those funds, consistent with a cost allocation reviewed and updated annually.



MAYOR AND CITY COUNCIL

The Mayor and City Council serve as the organizations “board of directors,” providing governance, appointing the City Manager, establishing rules and regulations, policy, approving contracts, adopting the budget and setting the direction of the organization.

HIGHLIGHTS

- Modified the application process and expanded funding for the Community Improvement Grant program.
- Continued funding for training and relationship development for Mayor and Councilors.

CHANGES FROM PREVIOUS YEAR

- Council stipends, which were not utilized in the fiscal year 2019-20 budget, have been removed from the fiscal year 2020-21 budget.

MAYOR AND CITY COUNCIL BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Memberships	5,800	5,322	6,000	6,100	6,100	6,100	6,100
Conferences -Council Expenses	2,835	11,179	9,000	2,000	6,000	6,000	6,000
Councilor/Mayor stipends	-	-	7,500	-	-	-	-
Neighborhood Improvement	4,955	7,848	20,000	20,000	30,000	30,000	30,000
Community Grant	-	5,000	4,000	4,000	-	-	-
Materials and Services	13,590	29,349	46,500	32,100	42,100	42,100	42,100
Total Requirements	13,590	29,349	46,500	32,100	42,100	42,100	42,100

CITY MANAGER

The City Manager is appointed by the Mayor, and ratified by the City Council, to manage the affairs of the City. The City Manager's general responsibilities include:

- Attending all meetings of the Council
- Keeping the Council advised of the affairs and needs of the City
- Seeing that Council policy is implemented
- Seeing that all laws and ordinances are enforced
- Seeing that the provisions of all franchises, leases, contracts, permits and privileges granted by the City are observed
- Oversight and management of the annual City budget
- Appointing and supervising all department managers and other employees except as otherwise provided by City Charter

ADMINISTRATIVE SERVICES MANAGER

The Administrative Services Manager serves as the clerk of the City Council and is responsible for attending all meetings and preparing official meeting minutes. The Recorder is responsible for preparation of the City Council agenda, maintaining ordinance and resolution records, prepares official meeting and legal notices and processes.

This position serves as the Records Manager, maintaining all official documents of the City. In addition, the Recorder oversees all public records requests submitted to the City. Processing, tracking, and releasing records in accordance with state mandated timelines.

The Administrative Services Manager also serves as the City Elections Officer and Human Resources Manager.

FINANCE

Finance related activities include City-wide support for budget development and preparation, accounting, financial reporting, billing and collection, accounts payable, and payroll. The City's annual financial statements are prepared and audited by an independent auditor.

HIGHLIGHTS

- The Government Finance Officers Association (GFOA) is reviewing the City's fiscal year 2019-20 budget document. The City expects to receive its fourth distinguished budget award notification prior to June 30, 2019.

- Updated five year forecasts for general, special revenue, and utility funds are included in the budget.
- Long Term compliance with adopted Fiscal Policy is included in the budget. This can be used to assist with long term budget planning.

CHANGES FROM PREVIOUS YEAR

- Addition of a part-time Office Specialist position in City Hall.

ADMINISTRATION FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Personnel Services	480,212	476,046	649,300	593,600	716,000	716,000	716,000
Materials and Services	556,300	581,383	481,400	451,500	444,700	444,700	444,700
Capital Outlay	11,000	-	20,000	11,100	25,000	25,000	25,000
Transfers	19,300	19,900	24,900	24,900	24,900	24,900	24,900
Total Requirements	1,066,812	1,077,330	1,175,600	1,081,100	1,210,600	1,210,600	1,210,600

PERFORMANCE MEASURES

City Manager and Administrative Services Manager

Activity Measures	2017-18 Actual	2018-19 Actual	2019-20 Projected	2020-21 Projected
City Council meetings	19	20	17	19
City Council executive sessions	4	7	4	5
City Council special sessions	3	0	1	1
Resolutions adopted	17	13	16	15
Ordinances adopted	11	12	7	10
City Council video views (YouTube)	888	797	1,400	1,028
Facebook page likes	2,984	3,528	3,693	4,000
Social media posts (Facebook)	119	111	160	130
StaytonOregon.gov Unique Visits	-	6,671*	19,000	15,000
Public record requests	249	321	300	290
Number of new hires/orientations	31	22	9	20

*Began tracking website analytics February 8, 2019; visits include homepage only

Finance

Performance Measures	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Projected
Timely filing of Annual Financial Report	Yes	Yes	Yes	Projected
Clean opinion from independent auditor	Yes	Yes	Projected	Projected
Timely completion of the budget	Yes	Yes	Yes	Projected
Timely and accurate processing of vendor payments	100%	100%	100%	100%
Timely and accurate processing of employee payments and tax filings	100%	100%	100%	100%
Timely and accurate processing of accounts receivable	100%	100%	100%	100%
Activity Measures				
Number of vendor checks issued (annually)	1,905	2,083	2,010	2,010
Number of employee checks issued (annually)	868	667	936	936
Number of accounts billed (annually)	37,224	36,624	33,000	32,400

STAFFING

Position	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
City Manager	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Services Manager / Assistant City Manager	1.0	1.0	1.0	1.0	1.0	1.0
Finance Director	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Finance Director	-	1.0	-	-	-	-
Accounting Technician**	1.0	-	1.0	1.0	1.0	1.0
Account Specialist*	1.0	2.0	2.0	2.0	2.0	2.0
Receptionist Cashier***	1.0	-	-	-	-	-
Office Specialist	-	-	-	0.6	0.6	0.6
Total FTE's - Administration	6.0	6.0	6.0	6.6	6.6	6.6

* Position name changed from Utility Billing Clerk to Account Specialist

** Position name changed from Accountant to Accounting Technician

*** Position combined into Account Specialist position

NON-DEPARTMENTAL (OPERATIONS)

SUMMARY

The Non-departmental (Operations) area of the General Fund accounts for transfers to other funds to support their operation and non-recurring expenditures not specific to a department or other specific fund.

HIGHLIGHTS

- \$20,000 in funding for emergency management.
- \$167,000 in CDBG funds are budgeted to complete the \$400,000 program that was originally approved in fiscal year 2018-19.
- Transfers to other funds including Pool, Library, and Parks are expected to total \$477,400.

CHANGES FROM PREVIOUS YEAR

- A transfer of \$60,000 to the Stayton Family Memorial Pool decreased from the prior year \$116,532; the change is due to a) a one-time transfer of restricted balances, and b) a \$10,000 increase in the General Fund's support of the pool.
- The transfer to the Library Fund includes a 10% decrease, thanks to an increase in Chemeketa Cooperative Regional Library Service (CCRLS) funding.
- The transfer to the Parks Fund has been decreased by 5% with a corresponding decrease in Parks operating contingency.

NON-DEPARTMENTAL BUDGET

Description	17-18	18 - 19	19-20	19-20	20-21	20-21	20-21
	Actual	Actual	Final Budget	Estimated	Proposed	Approved	Adopted
Personnel Services	-	70,000	-	-	-	-	-
Materials and Services	-	76,924	220,000	105,000	187,000	187,000	187,000
Transfers	541,400	488,800	567,432	469,532	477,400	477,400	477,400
Total Requirements	541,400	635,724	787,432	574,532	664,400	664,400	664,400

STREET LIGHTS

SUMMARY

The Street Light budget provides funds for maintenance and power costs related to Stayton's street lights. Pacific Power & Light maintains the street lights and the City pays a monthly fee for each street light, the amount of which is dependent on the type of street light installed.



HIGHLIGHTS

- None for the 2019-20 fiscal year.

CHANGES FROM PREVIOUS YEARS

- A slight increase in the budget to account for street lights planned housing developments.

STREET LIGHTS FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19 - 20 Final	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Materials and Services	112,822	112,201	115,900	110,000	115,000	115,000	115,000
Total Requirements	112,822	112,201	115,900	110,000	115,000	115,000	115,000

Note: Although not implemented by recent City Councils, the Stayton Municipal Code does provide for a "Street Light Service Charge" designed to recover the cost of this function.

OTHER REQUIREMENTS

SUMMARY

Contingency and unappropriated fund balances are included in other requirements.

The contingency amount budgeted is ten percent (10.0%) of general fund expenditures, including transfers out. The balance is unappropriated for carryover to fiscal year 2021-22.

The combined total of contingency and unappropriated amounts is in excess of the amount needed to fund General Fund operations without borrowing until property taxes are received in November. The total amount of \$1,251,150 exceeds, and therefore meets, the City's financial policies for minimum desired fund balance 5 months' net expenditures, calculated at \$958,100.

CHANGES FROM PREVIOUS YEARS

- The excess of total Other Requirements above minimum desired fund balance was \$293,000, an increase from 2019-20 budget of \$244,000.

OTHER REQUIREMENTS BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Contingency	-	-	455,300	-	485,300	485,300	485,300
Unappropriated Fund Balance	-	-	599,360	-	765,850	766,150	766,150
Total Other Requirements	-	-	1,054,660	1,054,660	1,251,150	1,251,450	1,251,450

LIBRARY FUND

SUMMARY

The Stayton Public Library fulfills a vital role in our community by keeping people connected, whether virtually or in person. The Library provides information and entertainment through our physical and electronic resources. We build relationships and advocate for lifelong learning while remaining visible and approachable regardless of the venue.



The Library supports people of all ages with curated content in a time of increasingly overwhelming information. Library staff are actively looking for new services and altering current practices so the Library can provide, from a distance, the community support that has always been a priority.

HIGHLIGHTS

- Adapted programming to provide virtual storytime experiences during the COVID-19 closure.
- Created online storytime snippets to supply parents with options for their own early literacy activities with their children.
- Started a virtual book club and a DIY craft video series.
- Hosted our 3rd Annual Art Show.
- Outreach storytime to over 3,000 children in preschool and kindergarten classrooms.
- Summer Storytime on the Go series drew an average of over 50 people per program.
- Received grant funding to provide enhanced cultural programming for all ages.
- Enriched interactive programming for teens and adults has been well received and continues to grow.
- Continued participation in Chemeketa Cooperative Regional Library Service (CCRLS) to enhance the Library's ability to meet community needs.



CHANGES FROM PREVIOUS YEARS

- Altered practices to continue to serve the public in this challenging time by providing virtual storytime, book club, and enhancing our online resources.
- Continued development of Library programming. In the past year, we split our family storytime into toddler and preschool sessions to accommodate increasing program growth. We added a pajama storytime, a teen un-book club, and increased our STEM programming to expand access to hands-on technology.
- Successful Storytime on the Go summer series in collaboration with the Stayton Public Library Foundation and the support of our community partners.



LIBRARY FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	206,773	182,299	211,849	235,000	157,800	157,800	157,800
Property Taxes	168,428	179,097	183,500	184,400	183,600	183,600	183,600
Charges for Services	3,756	3,422	3,100	2,600	3,100	3,100	3,100
Intergovernmental	84,867	90,263	97,800	97,800	111,490	111,490	111,490
Miscellaneous	23,003	33,354	42,100	42,100	43,500	43,500	43,500
Transfers	185,400	190,800	197,900	100,000	177,400	177,400	177,400
Total Resources	672,227	679,235	736,249	661,900	676,890	676,890	676,890
Requirements							
Personnel Services	292,063	295,104	384,100	337,708	383,100	383,100	383,100
Materials and Services	126,435	123,523	136,900	125,877	140,900	140,900	140,900
Capital Outlay	44,930	-	10,300	8,950	10,300	10,300	10,300
Transfers	26,500	25,000	31,500	31,500	32,900	32,900	32,900
Other Requirements	-	-	173,449	-	109,690	109,690	109,690
Total Requirements	489,928	443,627	736,249	504,035	676,890	676,890	676,890

PERFORMANCE MEASURES

Why are these performance measures important?

- Circulation is a traditional indicator of library use and helps to verify that local collection development is addressing community needs.
- Circulation of downloadable materials shows recognition of a current trend and the library's ability to meet that need. As well as the community's awareness and use of library services.
- Library visits show that the library's collection, outreach and programming are relevant and utilized by the community.

Activity Measures	2017-18 Actuals	2018-19 Actuals	2019-20 Projected	2020-21 Projected
Circulation of library materials	142,290	162,017	148,079	158,417
Circulation of downloadable materials	11,292	16,292	19,500	21,450
Library visits	83,881	87,911	57,573	85,169
% change in circulation – library materials	12.5%	13.9%	-8.6%	7.0%
% change in circulation – downloadable materials	13.9%	44.3%	19.7%	10.0%
% change in library visits	5.1%	4.8%	-34.5%	47.9%

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Library Director	1.0	1.0	1.0	1.0	1.0	1.0
Library Youth Services	0.8	0.7	0.8	0.8	0.8	0.8
Outreach Youth Services	0.6	0.5	0.6	0.5	0.5	0.5
Library Assistant II	0.6	1.0	1.0	1.0	1.0	1.0
Library Assistant I	2.3	1.2	1.2	1.2	1.2	1.2
Library Page	-	0.7	0.3	0.3	0.3	0.3
Library Aide	2.1	1.3	2.1	2.1	2.1	2.1
Total FTE's - Library	7.4	6.4	7.0	6.9	6.9	6.9

CAPITAL OUTLAY

A furnace at the Library is at the end of its life expectancy and replacement at a cost of \$10,000 is planned in the next fiscal year.

POOL FUND

SUMMARY



The Swimming Pool Fund accounts for the operations of Stayton’s indoor swimming pool located at 333 W. Burnett Street. The pool budget provides annual operation and maintenance objectives (chemicals, pump repair, supplies, electrical, gas expenses, etc.).

Revenues are received from a combination of local option tax levy funds, user fees, memberships, and General Fund subsidy. Since July 2017, the City has managed the day to day operations of the pool facility.

Swim lessons are one of the most popular classes, filling up quickly each session. The pool staff is currently working to enhance our current swim lesson format and train instructors so more classes can be offered in the upcoming fiscal year.

The Friends of the Stayton Pool offer tremendous support to the Stayton Family Memorial Pool. The Friends host fundraisers which benefit the Pool, including their annual Spaghetti Feed and Rummage Sale. Donations over the past year include swim fins to aid in swim lessons, fins and hand paddles for the Stayton Manta Rays Swim Team, water aerobic fitness equipment, and the proceeds from their rummage sale contributed to the purchase of three new water heaters.

HIGHLIGHTS

- Memberships have risen to 537 in 2020, which includes residents, non-residents, Silver & Fit, Silver Sneakers, and AARP – Medicare members
- Over 3,191 swim lessons taught since July 2019
- Weekly lap swims average 149 swimmers per week
- Water Movement classes average 152 swimmers per week
- Water Aerobic Classes average 559 participants per week
- The pool is rented an average of 6 times per month
- Attendance at open swim averages 138 people per month

CHANGES FROM PREVIOUS YEAR

- Fees and charges are increased by ten percent (10%).
- Oregon minimum wage increase.
- Reduction of weekly Pool operating hours from 88 to 63.
- The updated cost allocation includes increased recognition of administrative time spent on pool activities.

POOL FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	62,156	153,822	184,222	207,700	241,000	241,000	241,000
Property Taxes	171,228	181,769	182,700	182,700	183,000	183,000	183,000
Charges for Services	161,796	181,203	181,500	135,000	167,000	167,000	167,000
Miscellaneous	2,092	6,427	33,700	33,700	3,700	3,700	3,700
Transfers	70,000	50,000	116,532	116,532	60,000	60,000	60,000
Total Resources	467,272	573,221	698,654	675,632	654,700	654,700	654,700
Requirements							
Personnel Services	191,635	230,825	303,200	250,700	242,500	242,500	242,500
Materials and Services	114,315	124,938	154,632	138,810	163,300	163,300	163,300
Capital Outlay	-	-	80,000	30,000	100,000	100,000	100,000
Transfers	7,500	9,700	14,300	14,300	26,500	26,500	26,500
Other Requirements	-	-	146,522	-	122,400	122,400	122,400
Total Requirements	313,450	365,463	698,654	433,810	654,700	654,700	654,700

PERFORMANCE MEASURES

Activity Measures	2017-18	2018-19	2019-20	Projected 2020-21
Total patrons	51,882	55,335	33,300	43,250
Memberships				
City resident	86	89	168	170
Non-resident	121	125	141	140
Silver Fit program	70	72	164	160
AARP	n/a	n/a	30	30
Silver Sneakers program	n/a	n/a	16	15
Lessons				

Ages 6 months to 18 years	621	1,119	656	450
Special classes	25,033	25,910	14,949	22,200
Kiwanis 3 rd grade swim lessons	2,012	1,878	890	1,800
SCDC swim lessons (daycare)	2,018	2,069	1,645	2,000
Open swim	6,542	8,717	5,136	5,800
Lap / water movement swim	15,656	15,642	10,025	11,000
Hours of operation	4,576	4,576	4,576	3,276

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Aquatics Facility						
Manager	1.0	1.0	1.0	1.0	1.0	1.0
Pool Staff Supervisor	1.0	1.0	1.0	0.5	0.5	0.5
Lifeguards	3.6	3.6	3.6	3.15	3.15	3.15
Instructors	2.5	2.5	2.5	0.85	0.85	0.85
Total FTE's - Pool	8.1	8.1	8.1	5.5	5.5	5.5

CAPITAL OUTLAY

Pool Repair	<u>100,000</u>
Total	\$100,000

PARKS FUND

SUMMARY

The City of Stayton owns and maintains pedestrian trails, mini-parks, neighborhood parks, community parks, and natural open spaces. The City maintains 13.7 acres of neighborhood parks, 2.4 acres of community parks, 2.1 acres of mini-parks, and 104.2 acres of open space parks. The City's parks system is highly valued by residents and visitors because they contribute to the livability of Stayton.



Pioneer Park

Stayton's Pioneer park, located at 450 N. 7th Avenue, is a must see destination for those visiting our community, as well as those who live in Stayton. The Jordan Bridge is located within the park, along with a playground, picnic shelters, and a concessions area.

The Jordan Bridge is a beautiful location for events such as weddings, receptions, and family reunions. The Bridge underwent a renovation/maintenance project during the winter months of 2020. Renovations included: Replacement of structural members, replacement of rotten siding, cleaning and treating the roof, and painting the entire bridge.

Both the Jordan Bridge and the concessions area can be reserved for a minimum of 3 hours for \$100 with each additional hour at \$20 per hour. Under certain circumstances and with additional fees, alcoholic beverages may be served in a designated area and security may be required. Electricity is also available.

Park Shelter Rentals

Many of Stayton's parks have covered picnic shelters. These covered picnic shelters are available on a first come, first serve basis. If you wish to use the shelter, you or a person from your group, need to be present at the shelter at all times and items may not be left unattended.

Community Center Park

The Community Center Complex consists of 7.65 acres of park located along the Salem Ditch off of First Avenue. This site contains the Community Center building, Stayton Family Memorial Pool, three tennis courts, horseshoe pits, a playground, the library, parking, a picnic area, and an open recreation field.

Community Garden

The Community Garden was relocated in 2018, in partnership with NORPAC Foods, Inc., to property owned by NORPAC, to Evergreen Street, south of the Salem Ditch. The Garden has 15 plots available to rent, and a garden area designated for the Stayton Community Food Bank.

Parks and Recreation Board Members and Terms

Dan Brummer	12/2020
Richard Lewis	12/2020
David Nielson	12/2020
Pam Pugsley	12/2021
Richard Vos	12/2021
AJ Westlund	12/2021
Vacant	12/2021

HIGHLIGHTS

- The City submitted a grant application to the Oregon Parks and Recreation Department (OPRD) for a large grant to assist with the development of Mill Creek Park. If the City is a recipient of a grant, we will have a match of up to 40% (up to \$240,000).

CHANGES FROM PREVIOUS YEAR

- There is no maintenance scheduled for the Jordan Bridge during the next fiscal year.
- Potential 40% match for OPRD grant application if awarded.
- Purchase of a new mower for Riverfront Park and the Mill Creek Detention Basin.

ACTIVITY MEASURES

Activity Measures	2017-18	2018-19	2019-20
Total area of neighborhood, community and open space parks (acres)	203	203	203
Number of restrooms maintained daily	3	3	3
Playground equipment repairs	11	26	37
Dog waste bags supplied	12,000	12,500	12,800
Irrigation repairs	50	29	127
Parks mowed and edged per week	7	7	7
Debris cleaned from parks (tons)	15	24	25
Playground equipment inspection / repair (hours)	-	35	54
Path and trail maintenance (hours)	-	28	114
Garbage collection in parks (cubic yards)	-	143	102
Irrigation and park structure maintenance (hours)	-	98	347
Vandalism repairs (each)	-	12	45

PARKS FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	(32,689)	63,593	196,893	208,300	135,000	135,000	135,000
Property Taxes	10,317	10,164	10,000	10,000	10,000	10,000	10,000
Miscellaneous	-	1,371	-	2,200	1,000	1,000	1,000
Transfers	331,000	355,000	253,000	253,000	384,500	384,500	384,500
Total Resources	308,628	428,757	459,893	471,300	530,500	530,500	530,500
Requirements							
Personnel Services	77,326	83,914	103,500	95,000	111,100	111,100	111,100
Materials and Services	73,226	61,871	75,650	70,550	71,528	71,528	71,528
Capital Outlay	65,683	45,139	150,000	140,000	275,000	275,000	275,000
Transfers	28,800	30,900	30,700	30,700	32,200	32,200	32,200
Other Requirements	-	-	100,043	-	40,672	40,972	40,972
Total Requirements	245,035	221,824	459,893	336,250	530,500	530,500	530,500

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Maintenance Worker II	1.0	1.0	1.0	1.0	1.0	1.0
Weekend Operator	0.4	0.4	0.4	0.4	0.4	0.4
Seasonal Maintenance Worker I	-	0.3	0.3	0.3	0.3	0.3
Total FTE's - Parks	1.4	1.7	1.7	1.7	1.7	1.7

CAPITAL OUTLAY

OPRD Large Grant	240,000
Equipment	35,000
Total	\$275,000

STREET FUND

SUMMARY

The City of Stayton maintains 34.6 miles of streets. There are 26.3 miles of fully improved streets (curb and gutter on both sides, partially improved), 3.1 miles of partially improved streets (only one curb and gutter), and 3.87 miles of unimproved streets (paving, but no curb or gutter).



In May 2017, the voters of Stayton approved a local gas tax of \$0.03 per gallon of gas sold in Stayton. The net revenue of the gas tax is to be used only for activities related to the construction, reconstruction, improvement, repair, and maintenance of public highways, roads, and streets within the City.

Since 2015, the Public Works Department has been rating the condition of Stayton's street pavement using the PASER Street Rating System. The streets are rated from 1 to 10 based on their condition, with 1 being the worst.

Experience has shown us there are three useful steps in managing our local streets:

- 1) Inventory of all local roads and streets
- 2) Periodically evaluate the condition of all pavements
- 3) Use the condition evaluations to set priorities for projects and select alternative treatments

This is the process the City has been using since 2015. However, there is an additional step we use to evaluate the priorities for projects here in Stayton. This additional step requires staff to determine what other types of infrastructure a street needs before we put it on the paving schedule. It may be that a street also requires a new storm system in order to allow for drainage and avoiding flooding issues. There are a number of streets in the downtown area that are either undersized or have no storm system at all. The same can be said for the water and sanitary sewer systems in our streets.

Each year the City receives a portion of state gasoline taxes (\$500,000 per year) to help pay for the ongoing maintenance of the City's street system. State gas taxes pay for personnel, materials, vehicles, the public works shop facility, and administrative and capital expenses related to the 34.6 miles of City-owned streets within Stayton city limits. The City has 1.5 full-time public works employees assigned to street operations and maintenance. Services include regular street sweeping, traffic signal maintenance, sign installation and replacement, striping, sanding, and minor street repair and improvements.

For the upcoming fiscal year, the City has projected an 18% decrease in the State Gas Tax revenue due to COVID-19. Staff has forecasted this in our budget and shown the reduction for both the State Gas Tax and Local Gas Tax revenue.

Annually, the City spends approximately \$135,000 for gravel and paved street maintenance, and approximately \$400,000 annually for street overlay projects.

For the 2019-20 fiscal year, the City joined the Marion County Slurry Seal Contract to perform slurry sealing throughout the Sylvan Springs subdivision. The City continues to see a huge benefit by the cost reductions due to the amount of work in the contract.

The City also started work on the Kindle Way street improvements. All the electrical power along Kindle Way were moved from overhead wires to underground, and streetlights are scheduled to be installed in May 2020. The design of the Kindle Way Street improvements was completed this fiscal year and we will be budgeting for the construction of Kindle Way in the near future.

For the 2020-21 fiscal year, the City is planning a mill and overlay of Rogue, Deschutes and Willamette Avenues. This will be the first year the City will join Marion County's Overlay contract. This has been a multiyear effort between Marion County Public Works and the City to find ways where we can save our citizens tax dollars by using the economies of scale to reduce contractor pricing. The unit pricing for asphalt alone for this project provided a 31% savings from last year's unit pricing. Basically, the City can do approximately 43% more work for the same money, which gives us "More Bang for the Buck!"

The City joined the Marion County annual Slurry Seal contract again for 2020-21. This will save the City up to 50% of the normal cost for slurry seals due to the economies of scale. The streets of the Pioneer Meadows subdivision will have slurry seals applied during the summer of 2020. The City will be performing crack sealing in both subdivision areas prior to the slurry seal applications.

The City will be putting out a Request for Proposals/Qualifications for a roundabout design and construction plan preparation for the Golf Club Road/Shaff Road intersection. This was a priority one project in the 2019 Transportation System Plan update. Staff believes the City could benefit from having shovel ready plans and specifications prepared so we can take advantage of any State or Federal Infrastructure Stimulus programs.

A brand-new street has the expected service life of between 20 to 40 years, which is how long the street will hold up before full reconstruction is typically needed. However, with proper application of pavement maintenance processes (such as crack sealing, slurry sealing or grind/inlay) at the proper time, the service life can be extended two to three times longer. Once a street deteriorates to the point that it requires major repairs, it's typically six times costlier to fix it than to do timely pavement maintenance. And even though pavement maintenance is done on more frequent intervals than reconstruction, it still saves money. You can best understand

why pavement maintenance is so important by understanding how a street deteriorates. Vehicle traffic and weather break down the surface of a street, causing cracks to appear. The cracks allow water to get below the surface, to the structure of the street, weakening it and breaking it down. As the subsurface erodes, “alligator” cracks appear on the surface, indicating the foundation is beginning to fail. When the damage reaches the critical stage, potholes appear, meaning the subsurface has fallen apart causing the surface to collapse. Even though temporary pothole patches are done, by the time potholes appear, the surrounding paving and subsurface are so deteriorated that patching materials won’t properly adhere or withstand traffic loads, and the patches quickly fail. Regular pavement maintenance can add life to a street by repairing the surface layer to prevent water from getting to the substructure below. And since pavement maintenance costs a fraction of street reconstruction, action now saves a lot of money later.

The Transportation Maintenance Fee (TMF) is charged monthly to every utility customer in Stayton. The key concept of a TMF is that everyone benefits from the transportation system (we all use city streets) and everyone should pay part of the cost of preserving them. The amount of the fee is based on the impact a property has on the transportation system. For example, a single family home generates an average of 10 vehicle trips per day in and out of a house; an apartment generates 6 vehicle trips per day. A typical business would pay more than a residence because it generates more traffic and has more of an impact on the system. The City Council agreed a single family home should pay \$2.00 per month and the TMF for commercial, industrial and non-residential uses should be capped at \$20 per month.

HIGHLIGHTS

- The City will be paving Rogue, Deschutes, and Willamette Avenues in the 2020-21 fiscal year.
- The City will put out a Request for Proposals/Qualifications for the design of a Roundabout at Golf Club Road and Shaff Road.
- We will be performing a System Development Charge analysis using the new Transportation System Plan and suggested priority projects.

CHANGES FROM PREVIOUS YEAR

- Streets in the Pioneer Meadows subdivision will have a slurry seal applied to the road surface.
- Partnered with Marion County on their Mill and Overlay Contract.

STREET FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19 - 20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	711,283	1,120,577	1,025,584	1,165,567	1,145,300	1,145,300	1,145,300
Taxes	194,344	204,400	217,000	190,000	173,700	173,700	173,700
Charges for Services	88,124	88,744	90,800	90,800	90,800	90,800	90,800
Intergovernmental	588,563	658,316	670,100	670,100	573,300	573,300	573,300
Miscellaneous	18,331	36,472	20,500	20,500	22,900	22,900	22,900
Transfers	275,100	95,700	48,100	48,100	202,000	202,000	202,000
Total Resources	1,875,745	2,204,209	2,072,084	2,185,067	2,208,000	2,208,000	2,208,000
Requirements							
Personnel Services	89,278	176,182	92,700	89,250	159,400	159,400	159,400
Materials and Services	173,654	205,746	275,700	246,117	266,400	266,400	266,400
Capital Outlay	383,229	509,214	470,000	442,500	905,000	905,000	905,000
Transfers	134,200	147,500	261,900	261,900	275,300	275,300	275,300
Other Requirements	-	-	971,784	-	601,900	601,900	601,900
Total Requirements	780,361	1,038,642	2,072,084	1,039,767	2,208,000	2,208,000	2,208,000

PERFORMANCE MEASURES

Activity Measures	2017-18	2018-19	2019-20
Streets paved – overlays (lane miles)	0.62	1.0	-
Slurry seal application (lane miles)	-	1.77	2.26
Street signs replaced/installed (each)	-	153	16
Streets cleaned / swept (curb miles)	2,126	2,312	1,930
Street sweeping debris hauled to Coffin Butte (cubic yards)	42	190	180
ADA ramps constructed (each)	12	12	16
Asphalt cold mix used for pothole repair (pounds)	11,530	2,730	5,470
Gravel applied to gravel roads (cubic yards)	-	7	56
Dust control applied to gravel roads (gallons)	5,500	-	5,743
Fall cleanup debris received (cubic yards)	125	100	100
Food donated to food bank (pounds)	473	297	478
Food bank donations (\$)	\$25	\$105	\$169
Striping of parking stalls (each)	8	-	303
Striping curb (feet)	181	-	2,290

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Utility Operator	1.0	1.0	1.0	1.1	1.1	1.1
Public Works Supervisor	-	-	-	0.4	0.4	0.4
Total FTE's - Streets	1.0	1.0	1.0	1.5	1.5	1.5

CAPITAL OUTLAY

Street Reconstruction – Overlays	\$500,000
Transportation System Plan SDC Update	\$ 20,000
5 th Avenue Street Design	\$ 60,000
Shaff Road – Golf Club Road Roundabout Design	\$325,000
Total	\$905,000

WATER FUND

SUMMARY



The Water Department provides water treatment and delivery of clean drinking water to residential, commercial, and industrial customers. Fresh water is delivered from the North Santiam River via the Stayton Power Canal, into the City's slow sand filtration system. Once the water is treated, it is then delivered to residential, commercial, and industrial customers through 44.5 miles of water distribution lines.

This budget provides funding to meet annual maintenance objectives (line repairs; meter reading; replacement and new installation of meters; repair, maintenance, and replacement of hydrants; treatment plant maintenance; pump repair; slow sand filter cleaning; treatment chemicals; tracking and billing water charges, etc.).

The City experienced a significant loss to Water Fund revenues with the closure of NORPAC. In the past, NORPAC accounted for approximately 19% of customer receipts. We have reduced expenditures to meet the new revenue projections. In summer 2019, Public Works had an employee retire who was paid out of the Water Fund. This position is still shown in staffing this year but we will not fill the position until the void from the NORPAC revenue is filled.

Due to the lack of revenue in the Water fund, we have postponed the Resanding of Pond #2 at the Water Treatment Plant until fall 2021.

Revenues for this fund are received from water utility fees. Staff includes two Utility Operator positions, a Chief Water Treatment Plant Operator, Public Works Supervisor, a part time Utility Operator (weekends) and portions of the salaries for the Accounting Specialists.

HIGHLIGHTS

- Oregon Association of Water Utilities named the City of Stayton's water the "Best Tasting Surface Water" for the fourth consecutive year.
- The City was the recipient of a \$154,000 grant from the Oregon Water Resource Department for an Aquifer Storage and Recovery Feasibility Study (Secondary Water Source).

CHANGES FROM PREVIOUS YEAR

- Allocation of \$154,000 for Aquifer Storage and Recovery Feasibility Study.
- Increase in Contract Services for annual system inspections, bleach and soda ash deliveries.

WATER FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	856,112	1,184,822	673,122	650,400	823,700	823,700	823,700
Revenue							
Charges for Services	1,765,474	1,843,880	1,925,000	1,703,000	1,617,500	1,617,500	1,617,500
Miscellaneous	18,620	35,400	13,500	13,500	13,500	13,500	13,500
Transfers	139,400	95,300	28,000	28,000	154,000	154,000	154,000
Total Resources	2,779,606	3,159,402	2,639,622	2,394,900	2,608,700	2,608,700	2,608,700
Requirements							
Personnel Services	368,817	487,350	378,300	338,750	280,500	280,500	280,500
Materials and Services	444,287	451,357	558,900	382,000	481,300	481,300	481,300
Capital Outlay	8,357	749,515	149,000	53,400	264,000	264,000	264,000
Debt Service	330,823	329,748	328,600	328,600	329,200	329,200	329,200
Transfers	442,500	491,000	468,400	468,400	491,700	491,700	491,700
Other Requirements	-	-	756,422	-	762,000	762,000	762,000
Total Requirements	1,594,784	2,508,969	2,639,622	1,571,150	2,608,700	2,608,700	2,608,700

PERFORMANCE MEASURES

- Produce clean, great tasting potable water.
- Operate and maintain sand filter water treatment plant.
- Operate and maintain 44.5 miles of water lines.
- Repair water lines, water meters, replace fire hydrants, repair leaking lines, flush lines, and meter reading.

ACTIVITY MEASURES

	2017-18	2018-19	2019-20
Potable water production (gallons)	786,888,000	686,443,000	624,602,000
Water Usage Billed (gallons)	698,136,000	628,638,000	581,185,000
Water meters replaced (each)	93	77	69
New water meters installed	28	26	4
Fire hydrants repaired	3	1	2
Water service lines repaired / replaced	14	9	6
Sand filter beds cleaned	5	7	7

ACTIVITY MEASURES

	2017-18	2018-19	2019-20
Potable water production (gallons)	786,888,000	686,443,000	624,602,000
Water Usage Billed (gallons)	698,136,000	628,638,000	581,185,000
Water meters replaced (each)	93	77	69
New water meters installed	28	26	4
Fire hydrants repaired	3	1	2
Water service lines repaired / replaced	14	9	6
Sand filter beds cleaned	5	7	7

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed
Public Works Supervisor	1.00	1.00	1.00	0.60
Chief Water Treatment Plant Operator	1.00	1.00	1.00	1.00
Public Works Utility Operator	2.50	2.50	2.50	1.97*
Total FTE's Water	4.50	4.50	4.50	3.57

**Includes vacant Utility Operator position*

CAPITAL OUTLAY

Fire Hydrant Replacement	\$25,000
WTP Shutoff Valve/Vault	\$75,000
Aquifer Storage and Recovery Feasibility Study	\$154,000
Equipment	\$10,000
	\$264,000

SEWER FUND

SUMMARY

The Sewer Enterprise Fund provides funding to transport and treat raw sewage for residential, commercial, and industrial customer in Stayton and Sublimity. Sewage is delivered to the Wastewater Treatment Plant via 33 miles of sanitary sewer collection lines and 4 sanitary sewer lift stations in Stayton. Annual maintenance objectives include sewer line cleaning, televising, repair, replacement, lift station maintenance, treatment plant maintenance, pump maintenance, sludge disposal, tracking and billing sewer charges, etc. Revenues for this fund are received from Stayton sewer user fees as well as monthly flow-related fees from the City of Sublimity.

The Sewage Collection System

Sewage collection systems are designed to collect and transport raw sewage from residences and businesses to the municipality's wastewater treatment facility. The City of Stayton has a collection system that consists of a conventional gravity collection system and 4 lift stations serving about 10,800 people from Stayton and Sublimity.

As collection systems age, the pipes develop cracks, allowing the infiltration of groundwater. The entry of groundwater into the collection system is known as infiltration and inflow (or I & I). All the groundwater that gets into the sewer system gets treated with the rest of the sewage, thereby costing taxpayers money to clean water that should not be cleaned.

In the Willamette Basin Total Maximum Daily Load (TMDL) Implementation Plan, the City of Stayton is listed as a Designated Management Agency (DMA) because it is bordered by Mill Creek and the North Santiam River, which are Willamette River tributaries. As a DMA, Stayton is responsible for water quality within its jurisdiction and is required to submit a TMDL Implementation Plan Annual Report to the Oregon Department of Environmental Quality (DEQ).

The City's TMDL Implementation Plan identifies requirements and milestones the City must meet to improve water quality. In an effort to reduce the I & I and become proactive with our maintenance responsibilities, the City awarded a contract for Television Inspection (CCTV), Cleaning and Repairs to Spartan Environmental Services LLC (Spartan) in 2020 for \$404,900. Spartan CCTV inspects approximately 6.7 miles of sanitary sewer line annually looking for groundwater intrusions, broken or leaking service line connections, and crushed pipe. The City repairs as many of the problem areas as the maintenance budget will allow for.

The Wastewater Treatment Plant

The Wastewater Treatment Plant (WWTP) is designed to treat 2.7 million gallons per day of sanitary sewer influent that the plant was designed for. On April 5, 2019, the WWTP experienced 5 MGD of influent. That is 186% more influent than the plant was designed for. Since 2016, we have experienced 143 days of 3.0 MGD or more of influent to our plant. These periods of high influent coincide with high rainfall amounts. This would indicate either groundwater intrusions into the collection system or illegal taps from gutters or drains from homes and businesses in

the City. The City is paying to treat and clean groundwater and stormwater in addition to sewage. If the City is to reduce the I & I going to the WWTP, an increase in the budget for maintenance will be needed in the future.

Keller Associates has been conducting flow monitoring during the winter/spring 2020 as part of the Wastewater Master Plan Update. From the data we receive, staff will be able to determine where the I & I is coming from, then develop a plan to reduce the I & I from entering the sanitary sewer system.

HIGHLIGHTS

- 6.4% increase in the Plant Operating Expense to help meet NPDES permit requirements.
- 258% increase in NPDES permit due to DEQ requirement for permit renewal every five years. The increase is for application preparation and increased testing for the permit.
- Phase 2 of the Wastewater Master Plan Update to include an I & I abatement study.

CHANGES FROM THE PREVIOUS YEAR

- The Public Works Department has started a pilot program to give our Class A Biosolids away to the public. Potential cost savings to the City of \$75,000.
- Eliminated system improvements until Master Plan is complete.
- Replacing positive displacement blower with turbo blower at a cost of \$250,000.

SEWER FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	3,144,321	3,789,185	3,508,085	3,909,500	4,200,000	4,200,000	4,200,000
Resources							
Charges for Services	2,953,598	2,989,967	3,084,900	3,084,900	3,095,400	3,095,400	3,095,400
Miscellaneous	55,382	100,733	77,200	77,200	78,900	78,900	78,900
Transfers	207,400	141,700	216,800	216,800	250,000	250,000	250,000
Total Resources	6,360,701	7,021,585	6,886,985	7,288,400	7,624,300	7,624,300	7,624,300
Requirements							
Personnel Services	449,937	534,357	508,200	458,700	480,400	480,400	480,400
Materials and Services	885,632	1,133,622	1,183,000	965,350	1,346,600	1,346,600	1,346,600
Capital Outlay	-	187,619	175,000	175,000	500,000	500,000	500,000
Debt Service	825,547	825,100	825,300	825,300	823,900	823,900	823,900
Transfers	410,400	431,300	592,900	663,900	500,000	500,000	500,000
Other Requirements	-	-	3,602,585	3,600,285	3,973,400	3,973,400	3,973,400
Total Requirements	2,571,516	3,111,998	6,886,985	6,688,535	7,624,300	7,624,300	7,624,300

PERFORMANCE MEASURES

- Operate and maintain 33 miles of sanitary sewer collection lines, and 4 sanitary sewer lift stations.
- Operate and maintain Wastewater Treatment Plant.
- Sewer pipes are cleaned, inspected, and repaired.
- Manhole repairs.

ACTIVITY MEASURES

Output Measures	2017-18	2018-19	2019-20
Wastewater Treated (gallons)	590,220,000	686,443,000	638,332,000
Wastewater Treated from Sublimity (gallons)	-	-	58,600,000
Biosolids Produced (tons)	140	179	160
Manholes cleaned, sealed, repaired (each)	28	17	69
Sanitary Sewer Lines Cleaned (lineal feet)	23,760	37,410	35,406
Sanitary Sewer Lines CCTV'd (lineal feet)	23,760	36,776	35,406
Pipe Repairs (each)	30	149	111
Sewer Locates per One Call Requests (each)	-	-	264

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Sewer System Supervisor	1.0	1.0	1.0	1.0	1.0	1.0
Chief Operator	1.0	1.0	-	-	-	-
Wastewater Treatment Operators Wastewater & Storm Collection	4.5	3.5	3.5	4.34	4.34	4.34
System Operator	0.3	0.3	0.3	0.50	0.50	0.50
Total FTE's - Wastewater	6.8	5.8	4.8	5.84	5.84	5.84

CAPITAL OUTLAY

Wastewater Master Plan Update	\$250,000
Replace PD Blower with Turbo Blower at Wastewater Treatment Plant)	<u>\$250,000</u>
Total	\$500,000

STORMWATER FUND

SUMMARY

The Stormwater Fund accounts for the City’s storm water utility activities. Annual maintenance objectives include catch basins and storm line cleaning, repair, replacement, tracking, and billing storm charges, etc. Revenues for this fund are received from Stayton stormwater user fees.

HIGHLIGHTS

- Additional expense of \$26,000 for annual fee to the Santiam Water Control District for usage of ditches for stormwater discharge per the 2014 Memorandum of Understanding.

CHANGES FROM PREVIOUS YEAR

- \$26,000 annual fee to the Santiam Water Control District for usage of ditches for stormwater discharge.

STORMWATER FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	111,895	182,779	220,179	298,500	278,940	278,940	278,940
Charges for Services	295,689	302,913	311,500	305,000	305,000	305,000	305,000
Miscellaneous	2,462	5,496	4,400	4,400	4,400	4,400	4,400
Transfers	10,700	7,300	2,100	2,100	-	-	-
Total Resources	420,746	498,488	538,179	610,000	588,340	588,340	588,340
Requirements							
Personnel Services	38,881	36,806	45,600	31,550	41,100	41,100	41,100
Materials and Services	61,414	29,134	137,350	129,260	143,500	143,500	143,500
Capital Outlay	17,702	34,180	65,000	34,800	65,000	65,000	65,000
Debt Service	25,070	24,840	72,300	72,300	71,300	71,300	71,300
Transfers	94,900	75,000	63,100	63,100	65,600	65,600	65,600
Other Requirements	-	-	154,829	-	201,840	201,840	201,840
Total Requirements	237,967	199,960	538,179	331,010	588,340	588,340	588,340

PERFORMANCE MEASURES

Output Measures	2017-18	2018-19	2019-20
Percentage of regulatory submittals completed timely	100%	100%	100%
Lineal feet of storm drains cleaned/inspected	14,520	6,000	25,094
Number of swales/detention facilities maintained	4	4	6
Lineal feet of drainage ditches cleaned	370	-	730
Number of manholes cleaned	15	51	56
.	50	130	126
Number of active accounts	2,634	2,683	2,922
Efficiency Measures			
Customers per FTE	5,268	5,366	5,844

STAFFING

Position	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Wastewater & Storm Collection System Operator	0.5	0.5	0.5	0.5	0.5	0.5
Total FTE's – Stormwater	0.5	0.5	0.5	0.5	0.5	0.5

CAPITAL OUTLAY

Pollution Control Manholes	\$55,000
Storm System Improvements	\$10,000
Total	\$65,000

PUBLIC WORKS ADMINISTRATION INTERNAL SERVICE FUND

SUMMARY

The Public Works Administration Fund receives funding from the Water, Sewer, Stormwater, Parks and Street funds to pay for management and support services. Administration duties include building permits, contracts, master planning, pavement management, development review and inspection, council staff reports, engineering services, and general administration of the water, sewer, stormwater and street utilities and parks maintenance and construction.

HIGHLIGHTS

During the 2019-20 fiscal year, the Public Works Administration staff performed a variety of duties. Below is summary of the highlights:

- The Public Works staff designed and prepared construction plans, performed contract administration, and provided inspection services for the following:
 - Sidewalk replacement project
 - 10th Avenue and Evergreen Avenue water quality manhole projects
 - Scenic View Drive Road widening / sidewalk project
 - Jordan Bridge Rehabilitation Project
 - Water Treatment Plant butterfly valve installation project
- Staff worked with Marion County to join their slurry seal contract to perform slurry seal maintenance on the streets in the Sylvan Springs subdivision.
- Public Works staff coordinated with the City Engineer to review site plans and final construction plans for private development in the City. Those projects include the Lambert Place subdivision, Virginia Terrace subdivision, Pacific Court site development, Taco Bell site development, and the Washington Street Industrial site development.
- Staff has prepared Request for Proposals (RFP) and contract documents for the Wastewater Master Plan update, Facilities Master Plan update, and for all City sponsored public works projects.
- Provided plan review and construction inspection services for land development projects, building and right-of-way permit projects.
- Continue a marketing campaign to promote Santiam Green, the City's biosolids created at the Wastewater Treatment Plant.
- Staff manages the facility rentals of the Community Center, Jordan Bridge, and Pioneer Park concessions building.

CHANGES FROM PREVIOUS YEAR

- Increase in Contract Services of \$50,000 for Utility Rate Study.

PUBLIC WORKS ADMINISTRATION FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	229,149	184,342	180,542	178,000	186,900	186,900	186,900
Miscellaneous	4,570	4,040	3,600	3,600	73,700	73,700	73,700
Transfers	415,400	440,700	495,800	495,800	543,600	543,600	543,600
Total Resources	649,119	629,082	679,942	677,400	804,200	804,200	804,200
Requirements							
Personnel Services	315,109	375,153	448,500	408,100	444,100	444,100	444,100
Materials and Services	74,668	75,577	90,000	82,400	152,300	152,300	152,300
Other Requirements	-	-	141,442	-	207,800	207,800	207,800
Total Requirements	464,777	450,730	679,942	490,500	804,200	804,200	804,200

PERFORMANCE MEASURES

	2017-18	2018-19	2019-20
Plans Examined for Public Works Requirements			
Structural permits	33	21	29
Building permits – new single family dwellings	34	13	3
Mechanical permits	-	2	7
Plumbing permits	-	-	3
Right-of-Way permits reviewed / inspected (annually)	-	41	30
Event Permits reviewed (annually)	-	-	10
Water quality / detention / retention plan reviews (annually)	-	-	13
Water line taps / sanitary sewer taps	-	-	3
Backflow tests processed	394	326	313
Facility rentals (hours rented)	1,564	1,296	1,306

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Public Works Director	1.0	1.0	1.0	1.0	1.0	1.0
Senior Engineering Technician	1.0	1.0	1.0	1.0	1.0	1.0
Engineering Technician	-	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	1.0
Total FTE's	3.0	4.0	4.0	4.0	4.0	4.0

CAPITAL OUTLAY

No capital items budgeted in fiscal year 2020-21.

PARKS SDC FUND

SUMMARY

The Park System Development Fund receives revenues from parks System Development Charges (SDC) assessed against residential development only, as outlined in Chapter 13.12 of the Stayton Municipal Code. Residential developers pay a flat fee SDC in an amount based on the adopted Parks System Master Plan.

HIGHLIGHTS

- Approximately \$12,800 collected in Parks SDCs in fiscal year 2019-20.
- The City projects collection of \$80,900 in Parks SDCs in fiscal year 2020-21.

CHANGES FROM PREVIOUS YEAR

- May transfer \$143,436 to Parks Fund for 40% match of OPRD Grant for Mill Creek Park Development.

PARKS SDC FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	75,626	154,836	59,336	49,964	63,000	63,000	63,000
Licenses, Permits and Fees	101,838	47,670	83,500	12,800	80,900	80,900	80,900
Miscellaneous	2,372	2,458	600	600	600	600	600
Total Resources	179,836	204,964	143,436	63,364	144,500	144,500	144,500
Requirements							
Capital Outlay	-	-	143,436	-	-	-	-
Transfers	25,000	155,000	-	-	144,500	144,500	144,500
Total Requirements	25,000	155,000	143,436	-	144,500	144,500	144,500

STREET SDC FUND

SUMMARY

The Street System Development Fund accounts for the activity associated with Street System Development Charges (SDC), as outlined in Chapter 13.12 of the Stayton Municipal Code. Builder's pay street SDCs based on the adopted Transportation System Master Plan and the City invests collected funds consistent with the Plan.

HIGHLIGHTS

- During fiscal year 2019-20, the City collected \$15,000 in street SDCs and estimate we will collect \$68,100 during the 2020-21 fiscal year.
- Developer reimbursements for the Shaff Road improvements are estimated to be \$25,000; and Developer reimbursements for Virginia Street will be \$15,000.
- The 2020-21 fiscal year budget includes a transfer of \$202,000 to the Street Fund to conduct a Transportation SDC study and for the design of the roundabout at the Golf Club Road/ Shaff Road intersection.

CHANGES FROM PREVIOUS YEAR

- No changes from previous year.

STREET SDC FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-12 Proposed	20-12 Approved	20-12 Adopted
Resources							
Beginning Fund Balance	636,969	581,045	697,045	718,000	725,000	725,000	725,000
Charges for Services	93,375	122,952	70,300	15,000	68,100	68,100	68,100
Miscellaneous	10,385	14,558	7,000	12,000	5,000	5,000	5,000
Total Resources	740,729	718,555	774,345	745,000	798,100	798,100	798,100
Requirements							
Materials and Services	24,684	-	-	-	38,000	38,000	38,000
Capital Outlay	-	-	754,345	-	-	-	-
Transfers	135,000	-	20,000	20,000	202,000	202,000	202,000
Total Requirements	159,684	-	774,345	20,000	798,100	798,100	798,100

WATER SDC FUND

SUMMARY

The Water System Development Fund accounts for the activity associated with Water System Development Charges (SDC), as outlined in Chapter 13.12 of the Stayton Municipal Code. Builders pay Water SDCs based on the adopted Water System Master Plan and the City invests the collected funds consistent with the Plan.

HIGHLIGHTS

- The City collected approximately \$15,000 in SDCs in fiscal year 2019-20.
- In fiscal year 2020-21, collection of water SDCs is projected at \$84,200.
- Proposed budget includes \$45,800 for developer/builder credits for a 10-inch waterline that was constructed during the Lambert Place Development Project.

CHANGES FROM PREVIOUS YEAR

- No changes from previous year.

WATER SDC FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	284,005	378,047	485,547	440,600	458,600	458,600	458,600
Resources							
Charges for Services	110,258	54,021	86,900	15,000	84,200	84,200	84,200
Miscellaneous	5,575	8,566	4,900	3,000	4,500	4,500	4,500
Total Resources	399,838	440,634	577,347	458,600	547,300	547,300	547,300
Requirements							
Materials and Services	21,791	-	55,000	-	45,800	45,800	45,800
Capital Outlay	-	-	522,347	-	-	-	-
Transfers	-	-	-	-	154,000	154,000	154,000
Other Requirements	-	-	-	-	347,500	347,500	347,500
Total Requirements	21,791	-	577,347	-	547,300	547,300	547,300

SEWER SDC FUND

SUMMARY

The Sewer System Development Fund accounts for the activity associated with Sewer System Development Charges (SDC), as outlined in Chapter 13.12 of the Stayton Municipal Code. Builders pay a Sewer SDC based on the adopted Sewer System Master Plan and the City invests the collected funds consistent with the Plan.

HIGHLIGHTS

- The City collected approximately \$30,000 in SDC fees in fiscal year 2019-20.
- We project the City will collect \$62,800 in SDC revenue in fiscal year 2020-21.

CHANGES FROM PREVIOUS YEAR

- Developer reimbursements of up to \$40,825 for constructing a 12-inch sanitary sewer line as part of the Lambert Place subdivision. The reimbursement will come in the form of credits during the building permit process and will be reflected in the amount of SDCs the builder will pay the City for each building permit.
- The City will transfer up to \$250,000 from the Sewer SDC fund to the Sewer fund for the Wastewater Master Plan and I & I Abatement Study.

SEWER SDC FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	461,539	568,336	678,336	632,900	483,900	483,900	483,900
Charges for Services	101,886	50,699	64,700	30,000	62,800	62,800	62,800
Miscellaneous	4,911	13,929	6,800	6,000	6,900	6,900	6,900
Total Resources	568,336	632,964	749,836	668,900	553,600	553,600	553,600
Requirements							
Materials and Services	-	-	65,000	10,000	40,825	40,825	40,825
Capital Outlay	-	-	509,836	-	-	-	-
Transfers	-	-	175,000	175,000	250,000	250,000	250,000
Other Requirements	-	-	-	-	262,775	262,775	262,775
Total Requirements	-	-	749,836	185,000	553,600	553,600	553,600

STORMWATER SDC FUND

SUMMARY

The Stormwater System Development Fund accounts for the activity associated with Stormwater System Development Charges (SDC), as outlined in Chapter 13.12 of the Stayton Municipal Code. Builders pay a Stormwater SDC based on the adopted Stormwater System Master Plan and the City invests the collected funds consistent with the Plan.

HIGHLIGHTS

- The City collected approximately \$9,000 from Stormwater SDCs in fiscal year 2019-20.
- The City estimates it will collect \$74,800 SDCs from new development.
- Budget includes funds for reimbursements for qualified public improvements constructed by a private developer. Estimated reimbursements up to \$51,000 for stormwater infrastructure improvements constructed during the Virginia Terrace subdivision improvement project.

CHANGES FROM PREVIOUS YEAR

- No changes from the previous year.

STORMWATER SDC FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19-20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	51,023	88,350	76,892	66,000	74,900	74,900	74,900
Charges for Services	93,477	44,379	77,200	9,000	74,800	74,800	74,800
Miscellaneous	1,065	122	1,700	1,700	1,500	1,500	1,500
Total Resources	145,565	132,851	155,792	76,700	151,200	151,200	151,200
Requirements							
Materials and Services	7,214	-	-	-	50,146	50,146	50,146
Capital Outlay	-	-	155,792	-	-	-	-
Transfers	50,000	68,159	-	-	-	-	-
Other Requirements	-	-	-	-	101,054	101,054	101,054
Total Requirements	57,214	68,159	155,792	-	151,200	151,200	151,200

FACILITIES FUND

SUMMARY

This fund accounts for rent received for City facilities housing City Administration, Finance, and Police Department personnel and payments via transfers for personnel costs associated with maintaining City facilities.

Rent is intended to reflect the costs of occupying office space with accumulated funds anticipated to be used to help fund future building requirements and/or refurbish existing facilities.

HIGHLIGHTS

- A comprehensive needs assessment for City facilities including office space, pool, community center, and the Jordan Bridge project has been completed.

CHANGES FROM PREVIOUS YEAR

- The City has budgeted \$60,000 to finish the Facilities Master Plan that is currently in progress with Mackenzie. The Plan was initially scheduled to be completed in the 19-20 budget but was delayed due to COVID-19.

FACILITIES FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19 -20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	497,335	511,357	632,957	527,963	607,700	607,700	607,700
Miscellaneous	54,529	52,867	59,800	59,800	52,100	52,100	52,100
Transfers	70,900	73,900	84,000	84,000	85,400	85,400	85,400
Total Resources	622,764	638,124	776,757	671,763	745,200	745,200	745,200
Requirements							
Personnel Services	11,407	10,160	13,700	13,900	15,000	15,000	15,000
Materials and Services	-	100,000	100,000	50,000	60,000	60,000	60,000
Capital Outlay	-	-	-	-	-	-	-
Transfers	100,000	-	-	-	-	-	-
Other Requirements	-	-	663,057	-	670,200	670,200	670,200
Total Requirements	111,407	110,160	776,757	63,900	745,200	745,200	745,200

STAFFING

Position	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Proposed	2020-21 Approved	2020-21 Adopted
Facilities Maintenance	0.25	0.25	0.25	0.25	0.25	0.25
Total FTE's – Facilities	0.25	0.25	0.25	0.25	0.25	0.25

PENSION STABILIZATION FUND

SUMMARY

The Pension Stabilization Fund was established in fiscal year 2018-19 to provide a framework to stabilize PERS retirement contribution costs for the City's Police Department. The City has an approximate \$1.89 million unfunded actuarial liability (UAL) as of December 31, 2018. PERS contribution rates will increase effective July 1, 2019 by 21.9% for Tier I/II members (from 24.07% to 29.33%) and by 26.1% for Oregon Public Service Retirement Plan (OPSRP) members (from 17.84% to 22.5%). Similar percentage increases are projected July 1, 2021, and future increased each biennium are expected until rates stabilize in 2025.

The City's ongoing efforts to address the unfunded actuarial liability (UAL) are listed below.

1. Transfer \$90,400 from the General Fund in fiscal year 2020-21 from the Police Department Budget to the Pension Stabilization Fund.
2. The City has invested \$250,000 into the PERS Side Account. These funds will be calculated into the December 31, 2019 valuation and the rate offset will be effective July 1, 2021.
3. The City also has applied for the matching funds grant from the State of Oregon Employers Incentive Fund. We are currently number 30 on the waitlist and will be notified when more funds become available for us to award the 25% matching funds.

HIGHLIGHTS

- The fund is established to smooth out forecast increased PERS costs while funding police at sustainable levels.

PENSION STABILIZATION FUND BUDGET

Description	17-18 Actual	18 - 19 Actual	19 - 20 Final Budget	19-20 Estimated	20-21 Proposed	20-21 Approved	20-21 Adopted
Resources							
Beginning Fund Balance	-	-	150,000	150,000	93,400	93,400	93,400
Miscellaneous	-	-	1,000	3,000	2,000	2,000	2,000
Transfers	-	150,000	190,400	190,400	90,400	90,400	90,400
Total Resources	-	150,000	341,400	343,400	185,800	185,800	185,800
Requirements							
Personnel Services	-	-	250,000	250,000	-	-	-
Materials and Services	-	-	2,000	-	-	-	-
Other Requirements	-	-	89,400	-	185,800	185,800	185,800
Total Requirements	-	-	341,400	250,000	185,800	185,800	185,800

CLOSED FUNDS

STORMWATER CONSTRUCTION FUND

Project completed in fiscal year 2018-19.

Description	17-18 Actual	18 - 19 Actual	19-20 Final	20-21 Proposed
Total Resources	120,129	1,408,373	-	-
Requirements				
Materials and Services	33,105	31,532	-	-
Capital Outlay	-	1,376,841	-	-
Total Requirements	33,105	1,408,373	-	-

VEHICLE REPLACEMENT FUND

Fund closed fiscal year 2019-20

Description	17-18 Actual	18 - 19 Actual	19 - 20 Final Budget	19 - 20 Estimated	20-21 Proposed
Resources					
Beginning Fund Balance	987,695	428,706	45,400	45,400	-
Miscellaneous	41,011	24,430	-	-	-
Transfers	-	-	154,600	154,600	-
Total Resources	1,028,706	453,136	200,000	200,000	-
Requirements					
Transfers	600,000	410,000	200,000	200,000	-
Total Requirements	600,000	410,000	200,000	200,000	-

CAPITAL OUTLAY - ALL FUNDS

FISCAL YEAR 2020-21

SUMMARY

The following schedules summarize the various capital investments, by fund, for fiscal year 2020-21. A description of the project, funding source(s), priority on a scale of 0 – continued from previous year to 3 – identified but not funded, amount, and impact on operating budget (and whether debt service is incurred) is noted.

With respect to anticipated impact on operating budget, the following terms are used:

Terms utilized	Definition
Replacement – reduced	Notes items that will be acquired to replace aging assets; operating costs are anticipated to decrease
None	Item does not create any maintenance costs
Limited	Items are anticipated to increase operating costs, however the impact is expected to be marginal
Modernization – nominal	Costs are anticipated to increase, however, the impact is not anticipated to be increased beyond normal inflationary adjustments
Sustain	Improvements are part of regular maintenance program

Where estimates of operating cost impacts have been identified, amounts have been provided.

General Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Police vehicles	General	1	60,000	Replacement - reduced
Network improvements	General	1	25,000	Replacement - reduced
			85,000	

Parks Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Equipment	Property taxes & General	1	35,000	Replacement - none
Improvements	SDCs	0	240,000	Replacement - none
			275,000	

Street Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Transportation System Plan	SDCs	0	20,000	None
Street modernization – Deschutes – Wilco to Rogue	Gas taxes, street fees	1	500,000	Modernization - nominal
5 th Avenue Design	Gas taxes, street fees	1	60,000	Modernization - nominal
Roundabout Design	Gas taxes, street fees	1	325,000	Modernization - nominal
			905,000	

Water Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Equipment	Rates	1	10,000	Replacement – none
Secondary Water Study	SDCs	1	154,000	Modernization – nominal
New waterline	Rates	1	100,000	Modernization – nominal
			264,000	

Wastewater Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
System Master Plan	SDCs	1	250,000	None
System Improvements	Rates	1	250,000	Replacement - none
			500,000	

Stormwater Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
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Storm system improvements	Rates	1	10,000	Modernization – nominal
Water quality manholes	Rates	1	55,000	None
			65,000	

Library Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Repairs	Property tax	1	10,300	Replacement – none

Pool Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Repairs	Property tax	1	100,000	Replacement – none

CITY-WIDE TOTAL \$2,204,300

DEBT SCHEDULES

SUMMARY

The schedules below reflect the City's total outstanding debt, debt payments in fiscal year 2020-21, outstanding debt for the next five fiscal years, estimated debt per capita for the next five years and debt capacity.

As of June 30, 2020, the City's debt limitation is \$33,854,041. State law limits debt to three percent (3%) of real market value of property within the city boundaries. Debt repaid from dedicated revenue, such as utility charges, is not subject to the debt limitation. All of the City's existing debt is repaid from utility revenue and is therefore not subject to limitation.

Debt Summary – Fiscal Year 2020-21

Debt Issue	Fund	Original Issue	Balance June 30, 2020	Principal	Interest	Total Payment
2013 Full Faith and Credit Refunding	Sewer	5,810,000	3,185,000	\$375,000	\$103,150	\$478,150
USDA Sewer Revenue Bonds	Sewer	8,316,000	7,565,492	141,174	204,273	345,447
	Sewer	\$14,126,000	\$10,613,096	\$516,174	\$307,423	\$823,597
2016 Full Faith and Credit Refunding	Water	3,945,000	3,150,000	215,000	114,136	329,136
2019 Full Faith and Credit	Storm	725,000	699,213	26,738	19,768	46,506
	TOTALS	\$18,796,000	\$14,462,309	\$757,912	\$441,327	\$1,199,239

Outstanding Debt Fiscal Years Ending June 30, 2021 – 2025

Debt issue	Fund	2021	2022	Balance June 30,		
				2023	2024	2025
2013 Full Faith and Credit Refunding	Sewer	2,810,000	2,245,000	2,025,000	1,615,000	1,195,000
USDA Sewer Revenue Bonds	Sewer	7,286,922	7,141,865	6,992,819	6,839,675	6,682,675
	Sewer	\$10,096,922	\$9,566,865	\$9,017,819	\$8,454,675	\$7,877,675
2016 Full Faith and Credit Refunding	Water	2,935,000	2,715,000	2,485,000	2,250,000	2,010,000
2019 Full Faith and Credit	Storm	672,475	644,823	616,226	586,651	556,151
	TOTALS	13,704,397	12,926,688	12,119,045	11,291,326	10,443,826

Population	7,890	7,930	7,971	8,012	8,053
Debt per capita	1,737	1,630	1,520	1,409	1,297

Debt Limitation

Real Market Value	1,128,468,045
Factor	3.0%
Debt Limit	33,854,041
City Debt Subject to Limitation	–
Debt Capacity	33,854,041

FIVE-YEAR FINANCIAL FORECASTS

SUMMARY

Five-year financial forecasts have been updated for the City's General Fund, utility funds, special revenue funds, and Public Works Administration Fund. The General Fund is the primary fund for the City's administration and police activities; the utility and special revenue funds are the City's other primary operating funds and may include significant capital investment.

Please note, these forecasts are completed amidst the City's uncertainty in how revenue will be impacted over the next 12 months by the COVID-19 virus outbreak and related economic impacts. The City also has, on the May 2020 voter ballot, a Library, Pool & Park operating levy with an increased rate from the existing (expiring) levy. Revenue does not reflect any changes in operating levy funding, other than a 3.0% estimated annual increase in property values. The City intends to update its water and stormwater master plan over the succeeding two to three years.

Capital infrastructure replacement costs and expansion - Previous plans anticipated considerable growth that has not occurred. This, combined with the financial impacts of the Great Recession that deferred necessary rate adjustments, have results in uncertainty as to the appropriate amount and timing of investment in capital infrastructure replacement costs and expansion. As plans are developed, these forecasts may change considerably.

ASSUMPTIONS

ALL FUNDS

- Salaries – 2% COLA increase per year, plus an additional 1% for employees with steps
- Health Insurance – 5% increase per year
- City Retirement – 3% increase per year
- PERS Retirement – 5% in fiscal years ending in odd numbers, 8% in fiscal years ending in even numbers (PERS rates are adjusted biannually)
- Materials and Services – 2% – 3% increase per year
- Transfers for Services – 2% - 4% increase per year
- Capital Projects have been reviewed and scheduled
- Inflation – 2% per year
- Interest earnings rate – 2%
- Population Growth – 0.5% per year

GENERAL FUND

Descriptions	Projection				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	1,468,700	1,251,150	1,046,950	870,950	717,250
Taxes	2,167,000	2,233,000	2,317,000	2,404,000	2,494,000
Charges for Services	8,100	8,300	8,500	8,700	8,900
Franchise Fees	885,700	910,200	935,600	961,800	988,900
Licenses, Permits and Fees	28,500	28,900	29,300	29,700	30,100
Intergovernmental	420,500	259,300	265,200	271,400	277,700
Miscellaneous	233,400	236,100	238,800	241,600	244,400
Transfers	892,200	919,000	947,000	975,000	1,004,000
Total Revenue	4,635,400	4,594,800	4,741,400	4,892,200	5,048,000
Total General Fund Resources	6,104,100	5,845,950	5,788,350	5,763,150	5,765,250
Expenditures					
City Council	42,100	42,300	42,500	42,700	42,900
Administration	1,210,600	1,234,600	1,266,600	1,299,700	1,333,700
Police	2,434,000	2,498,000	2,573,500	2,642,300	2,724,200
Planning	260,000	266,300	257,700	264,400	271,200
Community Center	53,650	54,600	55,500	56,400	57,300
Municipal Court	73,200	74,400	75,700	77,000	78,300
Street Lights	115,000	117,300	119,600	122,000	124,400
Operations Non-Dept	664,400	511,500	526,300	541,400	557,100
Total Operating Expenditures	4,852,950	4,799,000	4,917,400	5,045,900	5,189,100
Revenue over (under) Expenditures	(217,550)	(204,200)	(176,000)	(153,700)	(141,100)
Ending Fund Balance	1,251,150	1,046,950	870,950	717,250	576,150
Minimum fund balance analysis					
Five months expenditures	1,986,600	1,963,700	2,012,400	2,065,300	2,124,300
Five months Revenue/excluding property taxes	1,028,500	984,100	1,010,200	1,036,800	1,064,200
Net five months working capital	958,100	979,600	1,002,200	1,028,500	1,060,100
Ending fund balance meets policy	Yes	Yes	No	No	No

Assumptions – General Fund

- Property Taxes – 3% annual increases the 2nd year then a 3.8% the following 3 years.
- Franchise Fees – range of -2.0% for telephone to 5.0% for sanitary sewer
- All other recurring revenue – 0.0% to 3.0%

LIBRARY FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	157,800	109,690	90,350	80,750	77,200
Property Taxes	183,600	190,200	197,000	204,100	211,400
Charges for Services	3,100	3,100	3,100	3,100	3,100
Intergovernmental	111,490	113,700	115,900	118,200	120,500
Miscellaneous	43,500	43,900	44,300	44,700	45,100
Transfers	177,400	216,300	227,100	238,500	250,400
Total Revenue	519,090	567,200	587,400	608,600	630,500
Total Resources	676,890	676,890	677,750	689,350	707,700
Expenditures					
Personnel Services	383,100	395,200	407,400	420,200	433,500
Materials and Services	140,900	147,040	144,200	145,450	148,700
Capital Outlay	10,300	10,300	10,300	10,300	10,300
Transfers	32,900	34,000	35,100	36,200	37,400
Total Expenditures	567,200	586,540	597,000	612,150	629,900
Resources over (under) Expenditures	(48,110)	(19,340)	(9,600)	(3,550)	600
Ending Fund Balance	109,690	90,350	80,750	77,200	77,800
Desired fund balance					
Minimum net five months cash flow	92,300	83,000	81,800	82,200	83,500
Estimated ending fund balance	109,690	90,350	80,750	77,200	77,800
Ending fund balance over/(under) minimum desired	17,390	7,350	(1,050)	(5,000)	(5,700)
Meets policy	Y	Y	N	N	N

Assumptions – Library Fund

- Charges for Services and Intergovernmental resources increases 2% each year
- Capital Outlay remains at next 5 years for updating 8 HVAC systems throughout the building

POOL FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	241,000	122,400	8,900	(98,700)	(205,600)
Property Taxes	183,000	188,500	194,200	200,100	206,100
Charges for Services	167,000	177,000	187,700	193,300	199,100
Miscellaneous	3,700	3,800	3,900	4,000	4,100
Transfers	60,000	63,000	66,200	69,500	73,000
Total Revenue	413,700	432,300	452,000	466,900	482,300
Total Resource	654,700	554,700	460,900	368,200	276,700
Expenditures					
Personnel Services	242,500	251,200	260,200	269,500	279,100
Materials and Services	163,300	167,300	171,300	175,400	197,600
Capital Outlay	100,000	100,000	100,000	100,000	-
Transfers	26,500	27,300	28,100	28,900	29,800
Total Expenditures	532,300	545,800	559,600	573,800	506,500
Revenue over (under) Expenditures	(118,600)	(113,500)	(107,600)	(106,900)	(24,200)
Ending Fund Balance	122,400	8,900	(98,700)	(205,600)	(229,800)
Desired fund balance					
Minimum net five months cash flow					
Ending fund balance over/(under)	84,000	80,000	79,900	81,900	172,500
minimum desired	122,400	8,900	(98,700)	(205,600)	(229,800)
Meets policy					
minimum desired	38,400	(71,100)	(178,600)	(287,500)	(402,300)
Meets policy	Y	N	N	N	N

POOL FUND (continued)

Facilities Maintenance Plan

Scope of Work	2020-21	2021-22	2022-23	2023-24	2024-25
**HV-AC Replace Opt. B			\$500,000		
**HV-AC Repair Opt. A		\$100,000			
Pool Pump Rotation Rebuild	\$3,000	\$3,000	\$3,000	\$3,000	3,000
Pool Main Filter					
Pool Resurface				\$30,000	
**Surge Pit-Needs soon	\$30,000				
**Boiler					
**Roof		\$165,000			
Roof Gutters		\$3,000			
Hot Water Heaters (3)					\$18,000
**Exterior Paint Building				\$50,000	
** Glass Front Doors				\$40,000	
** Set Double Doors #1					
** Set Double Doors #2	\$10,000				
**Set Double Doors #3		\$10,000	\$40,000		
**Fire Alarm					
Gen Maint Repair >\$1,500	\$10,000	\$10,300	\$10,600	\$10,900	\$11,300
Total Facilities Maint Plan	\$53,000	\$291,300	\$553,600	\$133,900	\$32,300

** Capital Outlay Projects

Assumptions – Pool Fund

- Charges for services for pool use/memberships revenue are expected to increase by 6.0% for the next 2 years; 3% after that.
- General Fund support estimated to increase 5.0% per year.
- Salaries and related taxes and benefits expected to increase 3.5%, with exception of 5.0% increase in health/dental benefits.

Additional Comments – Pool Fund

- Substantial pool maintenance and repairs are needed, but funding does not exist. Pool hours have been reduced, but funding continues to be an issue.

PARKS FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	135,000	40,672	42,072	43,472	44,972
Property Taxes	10,000	10,000	10,000	10,000	10,000
Miscellaneous	1,000	1,200	1,200	1,200	1,200
Transfers	384,500	247,200	254,600	262,200	260,100
Total Revenue	395,500	258,400	265,800	273,400	271,300
Total Resources	530,500	299,072	307,872	316,872	316,272
Expenditures					
Personnel Services	111,100	114,800	118,600	122,500	126,500
Materials and Services	71,528	73,600	75,800	78,000	80,300
Capital Outlay	275,000	36,100	37,200	38,300	39,400
Transfers	32,200	32,500	32,800	33,100	33,500
Total Expenditures	489,828	257,000	264,400	271,900	279,700
Resources over (under) Expenditures	(94,328)	1,400	1,400	1,500	(8,400)
Ending Fund Balance	40,672	42,072	43,472	44,972	36,572
Desired fund balance					
Minimum two months expenditures	35,805	36,817	37,867	38,933	40,050
Estimated ending fund balance	40,672	42,072	43,472	44,972	36,572
Ending fund balance over/(under) minimum desired	4,867	5,255	5,605	6,039	(3,478)
Meets policy	Y	Y	Y	Y	N
Capital Improvement Plan					
Improvements	35,000	36,100	37,200	38,300	39,400
Equipment	240,000	-	-	-	-
Total Capital Improvement Plan	275,000	36,100	37,200	38,300	39,400

PUBLIC WORKS ADMINISTRATION FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	186,900	207,800	268,700	319,300	358,800
Miscellaneous	73,700	75,200	76,700	78,000	79,000
Transfers	543,600	549,000	554,500	560,000	565,600
Total Revenue	617,300	624,200	631,200	638,000	644,600
Total Resource	804,200	832,000	899,900	957,300	1,003,400
Expenditures					
Personnel Services	444,100	459,000	474,300	490,200	506,500
Materials and Services	152,300	104,300	106,300	108,300	110,300
Total Expenditures	596,400	563,300	580,600	598,500	616,800
Resources over (under) Expenditures	20,900	60,900	50,600	39,500	27,800
Ending Fund Balance	207,800	268,700	319,300	358,800	386,600
Desired fund balance					
Minimum one months expenditures	49,700	46,900	48,400	49,900	51,400
Estimated ending fund balance	207,800	268,700	319,300	358,800	386,600
Ending fund balance over/(under) minimum desired	158,100	221,800	270,900	308,900	335,200
Meets policy	Y	Y	Y	Y	Y

STREET FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	1,145,300	601,900	50,200	141,900	231,900
Taxes	173,700	175,000	176,000	177,000	177,000
Charges for Services	90,800	92,600	94,500	96,400	98,300
Intergovernmental	573,300	583,500	598,900	614,700	630,500
Miscellaneous	22,900	23,400	23,900	24,400	24,400
Transfers	202,000	-	-	-	-
Total Revenue	1,062,700	874,500	893,300	912,500	930,200
Total Resources	2,208,000	1,476,400	943,500	1,054,400	1,162,100
Expenditures					
Personnel Services	159,400	164,100	168,900	173,800	173,800
Materials and Services	326,400	334,800	343,300	352,000	352,000
Capital Outlay	845,000	645,000	-	-	675,000
Transfers	275,300	282,300	289,400	296,700	296,700
Total Expenditures	1,606,100	1,426,200	801,600	822,500	1,497,500
Resources over (under) Expenditures	(543,400)	(551,700)	91,700	90,000	(567,300)
Ending Fund Balance	601,900	50,200	141,900	231,900	(335,400)
Desired fund balance					
Two months operating expenses	126,900	130,200	133,600	137,100	137,100
Capital Reserve	250,000	250,000	250,000	250,000	250,000
Total Desired fund balance	376,900	380,200	383,600	387,100	387,100
Ending fund balance over/(under) minimum desired	225,000	(330,000)	(241,700)	(155,200)	(722,500)
Meets policy	Yes	No	No	No	No

STREET FUND (continued)

Capital Improvement Plan

	2020-21	2021-22	2022-23	2023-24	2024-25
Street System Improvements					
Transportation System Plan Update	20,000				
Kindle Way - Shaff Rd to Junco St					
Deschutes - Wilco to Rogue	500,000				
5th Avenue- Washington to Hobson		645,000			
High Street - 1st Ave to west end			650,000		
Westtown: Locust to Shaff				675,000	675,000
West Water- First ot west end					
Roundabout design	325,000				
Street Sweeper	250,000				
Total Capital Improvements Plan	1,095,000	645,000	650,000	675,000	675,000

Assumptions – Street Fund

- Effects of the COVID-19 virus outbreak on revenues are uncertain
- Estimated Local gas tax decreased by 18% first year and 0.5% increase FY23 through FY25
- Additional funding is needed for the City to maintain its capital improvement plans.
Purchase of Street Sweeper (\$250,000) has deferred indefinitely until funding becomes available.

WATER FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	823,700	762,000	373,500	310,500	(56,700)
Charges for Services	1,617,500	1,735,700	1,863,500	2,000,900	2,148,500
Miscellaneous	13,500	15,200	7,500	6,200	(1,100)
Transfers	154,000	-	138,000	-	-
Total Revenue	1,785,000	1,750,900	2,009,000	2,007,100	2,147,400
Total Resources	2,608,700	2,512,900	2,382,500	2,317,600	2,090,700
Expenditures					
Personnel Services	280,500	285,900	295,500	305,600	316,000
Materials and Services	481,300	477,500	492,000	506,800	522,100
Capital Outlay	264,000	540,000	430,000	695,000	950,000
Debt Service	329,200	329,600	332,900	329,700	330,000
Transfers	491,700	506,400	521,600	537,200	553,200
Total Expenditures	1,846,700	2,139,400	2,072,000	2,374,300	2,671,300
Resources over (under) Expenditures	(61,700)	(388,500)	(63,000)	(367,200)	(523,900)
Ending Fund Balance	762,000	373,500	310,500	(56,700)	(580,600)
Desired fund balance					
Two months operating expenditures	209,000	212,000	218,000	225,000	232,000
Debt Service	329,200	329,600	332,900	329,700	330,000
Capital Reserve	200,000	200,000	200,000	200,000	200,000
Total Desired fund balance	738,200	741,600	750,900	754,700	762,000
Ending fund balance over/(under) minimum desired	23,800	(368,100)	(440,400)	(811,400)	(1,342,600)
Meets policy	Yes	No	No	No	No

WATER FUND (continued)

Capital Improvement Plan	2020-21	2021-22	2022-23	2023-24	2024-25
Water System Improvements					
Shaff Road- Deer Ave to 500 feet			300,000		
Shaff Road- Deer Ave to 500 feet				300,000	
5th Avenue- Washington to Hollister, High Street - 1st Ave to Cherry;			100,000	220,000	
Ida St. - Evergreen to First - 10-inch waterline					300,000
Fire Hydrants/ new waterline	100,000				
Secondary water source study	154,000				
New Truck for performing rounds			30,000		
Total System Improvements	254,000	-	430,000	520,000	300,000
Water Treatment Plant Improvements					
Schedule M Rehab				100,000	
Slow Sand Filter#1		540,000			
Air Conditioning in Control Room	20,000				
UPS Uninterruptable Power Supply	40,000				
Sand Stockpile Area Const, (Paving)	22,000				
Slow Sand Filter No. 2			625,000		
Slow Sand filter No. 3				-	650,000
Shut off Valve	10,000			75,000	
Total Water Plant Improvements	92,000	540,000	625,000	175,000	650,000
Total Capital Improvement Plan	346,000	540,000	1,055,000	695,000	950,000

Assumptions – Water Fund

- Rate increases – 5% plus 2.5% CPI for FY21 – FY25
- No increase in revenue collected for FY21 based on uncertainty of COVID-19 effects
- Additional funding is needed for the City to maintain its capital improvement plans.

WASTEWATER FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	4,200,000	3,967,700	3,758,350	3,232,000	2,232,550
Charges for Services	3,095,400	3,157,300	3,231,400	3,307,200	3,384,800
Miscellaneous	78,900	103,800	99,400	88,600	68,400
Transfers	250,000	-	-	-	-
Total Revenue	3,424,300	3,181,700	3,255,600	3,331,200	3,408,500
Total Resources	7,624,300	7,149,400	7,013,950	6,563,200	5,641,050
Expenditures					
Personnel Services	480,400	496,000	512,100	528,700	545,800
Materials and Services	1,346,600	1,380,600	1,415,200	1,450,800	1,487,100
Capital Outlay	500,000	175,000	500,000	982,500	690,000
Debt Service	823,900	818,650	818,250	816,250	815,500
Transfers	505,700	520,800	536,400	552,400	568,900
Total Expenditures	3,656,600	3,391,050	3,781,950	4,330,650	4,107,300
Revenue over (under) Expenditures	(232,300)	(209,350)	(526,350)	(999,450)	(698,800)
Ending Fund Balance	3,967,700	3,758,350	3,232,000	2,232,550	1,533,750
Desired fund balance					
Two months operating expenditures	389,000	400,000	411,000	422,000	434,000
Debt Service	823,900	818,650	818,250	816,250	815,500
Capital Reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Desired fund balance	2,212,900	2,218,650	2,229,250	2,238,250	2,249,500
Ending fund balance over/(under) minimum desired	1,754,800	1,539,700	1,002,750	(5,700)	(715,750)
Meets policy	Yes	Yes	Yes	No	No

WASTEWATER FUND (continued)

Capital Improvement Plan

	2020-21	2021-22	2022-23	2023-24	2024-25
Sanitary Sewer System Improvements					
Force Main and paving Jettters Way	680,000	-			
WWTP & Collection System Master PLN		175,000	250,000		
Jettters Way Force Main				800,000	
Gardner Lift Station Removal					550,000
Douglas - Washington to Locust - 12-inch					
Total Water System Improvements	680,000	175,000	250,000	800,000	550,000
Waste Water Treatment Plant Improvements					
Intake Flume Upsizing	150,000				
Intake Flume Upsizing				150,000	
Replace PD Blower with Turbo	-		250,000		
Upgrade Grit Removal System					140,000
Dust Control/loading system for dried solids					
Replace WWTP 304				32,500	
Total WW Treatment Plant Improvements	150,000	-	250,000	182,500	140,000
Total of Capital Improvement Plan	830,000	175,000	500,000	982,500	690,000

Assumptions – Wastewater Fund

- Rate increases (CPI) 2.5% FY 2020-21: 2.0% thereafter
- No increase in revenue collected for FY21 based on uncertainty of COVID-19 effects
- Additional funding is needed for the City to maintain its capital improvement plans.

STORMWATER FUND

Description	Projections				
	2020-21	2021-22	2022-23	2023-24	2024-25
Resources					
Beginning Fund Balance	278,940	278,940	533,340	520,840	501,840
Customer Receipts	305,000	314,200	323,600	333,300	343,300
Charges for Services	305,000	314,200	323,600	333,300	343,300
Miscellaneous	4,400	4,400	4,500	4,600	4,700
Total Revenue	614,400	632,800	651,700	671,200	691,300
Total Resources	893,340	911,740	1,185,040	1,192,040	1,193,140
Expenditures					
Personnel Services	41,100	42,400	43,700	45,000	46,500
Materials and Services	143,500	144,300	147,000	149,700	152,500
Capital Outlay	65,000	55,000	335,000	355,000	255,000
Debt Service	71,300	71,100	71,000	70,900	70,600
Transfers	65,600	65,600	67,500	69,600	71,700
Total Expenditures	386,500	378,400	664,200	690,200	596,300
Resources over (under) Expenditures	227,900	254,400	(12,500)	(19,000)	95,000
Ending Fund Balance	506,840	533,340	520,840	501,840	596,840
Desired fund balance					
Two months operating expenses	42,000	42,000	43,000	44,000	45,000
Debt Service	71,300	71,100	71,000	70,900	70,600
Capital Reserve	80,000	80,000	80,000	80,000	80,000
Total Desired fund balance	193,300	193,100	194,000	194,900	195,600
Ending fund balance over/(under) minimum desired	313,540	340,240	326,840	306,940	401,240
Meets policy	Yes	Yes	Yes	Yes	Yes

STORMWATER FUND (continued)

Capital Improvement Plan

	2020-21	2021-22	2022-23	2023-24	2024-25
Storm Drainage System Improvements					
Water Quality Manholes	55,000	55,000	55,000	55,000	55,000
5th Avenue Storm Improvements; from Washington to Hollister High Street - First to West end, Alder, Birch, Cherry to Ida			280,000		
Hollister/ Pine Storm Line Replacement Equipment	10,000			300,000	200,000
Total Capital Improvement Plan	65,000	55,000	335,000	355,000	255,000

Assumptions – Stormwater Fund

- Rate increases – 0.5% plus 2.5% CPI for FY21 – FY25
- No increase in revenue collected for FY21 based on uncertainty of COVID-19 effects

APPENDIX

Glossary

Fiscal policies

Annual Budget Calendar

GLOSSARY

Actual

Actual, as used in the fund summaries, revenue summaries, and department and division summaries within the budget document, represents the actual costs as the result of operations. This category is presented on a budgetary basis, and thus excludes depreciation and amortization and includes principal payments on debt.

Ad Valorem Tax

A tax based on the assessed value of a property.

Adopted Budget

Adopted, as used in the fund and department summaries within the budget document, represents the final budget *adopted* by City Council. The adopted budget becomes effective July 1. Subsequent to adoption; the City Council may make changes throughout the year.

Approved Budget

Approved, as used in the fund and department summaries, represents the proposed budget with changes made by the budget committee, if any.

Appropriations

Legal authorization granted by the City Council to spend public funds. Spending authority is limited to the amount of appropriations, which expire at the end of the fiscal year. The City Council may adjust the amount of appropriations, within limits, via resolution during the fiscal year.

Assessed Valuation

The value set on taxable property as a basis for levying property taxes. A tax initiative passed in 1997 that reduced AV below real market value and set a three percent maximum annual growth rate in the TAV (taxable assessed value), exclusive of certain improvements.

Assets

Resources having a monetary value and that are owned or held by an entity.

Audit

An examination of the financial records and financial report of the City by a licensed, independent third-party certified public accountant. As a rule the audit shall contain a statement of the scope of the audit, explanatory comments concerning exceptions of the auditor as to the

application of generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, and sometime statistical tables, supplemental comments and recommendations.

Base Budget

Cost of continuing the existing levels of service in the current budget year. Base budget is also referred to as a status quo budget.

Beginning Fund Balance

The beginning balance is the residual non-restricted funds brought forward from the previous financial year (ending balance).

Bond or Bond Issue

Bonds are debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Budget

A budget is a plan of financial operation embodying an estimate of expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a singled fiscal year.

Budget Calendar

A schedule of key dates followed by a government in the preparation and adoption of the budget.

Budget Committee

A group comprised of the elected officials plus an equal number of appointed citizens for the purpose of reviewing the proposed budget and recommending changes leading to an approved budget.

Budget Document

A written report that shows a government's comprehensive financial plan for a specified period, usually one year, that includes all funds of the City.

Budget Message

Written explanation of the budget and the City's financial priorities for the next fiscal year; prepared by the city manager.

Budgetary Basis

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception that neither depreciation nor amortization are budgeted for proprietary funds, and bond principal in the enterprise funds is subject to appropriation.

Capital Budget

The City's budget for projects, major repairs, improvements and additions to the City's fixed assets (streets, sidewalks, roads, sewers, storm water, parks, and buildings). Capital items must have a cost of \$5,000 or greater.

Capital Improvement

A term defined in the ORS 310.410 (10) to include land, structures, facilities, machinery, equipment, or furnishings having a useful life of longer than one year.

Capital Improvement Project

Any project having assets of significant value and having a useful life of greater than one year. Capital improvements include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as parks, streets, bridges, drainage, street lighting, water and sewer systems and master planning.

Capital Outlay

Includes the purchase of land, the purchase and/or construction of buildings, structures and facilities of all types, in addition to machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating as an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) have a unit cost of \$10,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as capital outlay under the same code as the original purchase. Replacement or repair parts are classified under materials and services.

Cash Management

Management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest income. Cash management refers to the activities of forecasting inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest return available for temporary cash balances.

Charges for Service

Includes a wide variety of fees charged for services provided to the public and other agencies such as water, sewer, stormwater, street fees, and planning fees.

Comprehensive Annual Financial Report

The annual audited results of the City's financial position and activity.

Comprehensive Plan

An official statement of the goals, objectives and physical plan for the development of the City. Contains a narrative of goals, objectives and policies that describe the desired form, nature and rate of city development.

Consumer Price Index

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Cost Allocation

Various administrative services including city management, finance, human resources, public works staffing and their related costs are allocated to the various funds that receive the benefit of these services via a cost allocation methodology.

Cost Center

An organizational budget/operating unit within each City department.

Debt Service

Interest and principal on outstanding bonds due and payable during the fiscal year.

Department

Led by a general manager, this combination of divisions of the City share specific and unique sets of goals and objectives (i.e., Administration, Library, Planning, Police, Pool, Public Works, etc.).

Division

A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives, such as water, street, sewer, and stormwater

Depreciation

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy, or obsolescence.

Elderly and Disabled

Provides funding for transportation alternatives for seniors and persons with disabilities. This includes taxi and bus services for employment, medical, shopping, and other necessary trips.

Employee Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the City's share of costs for social security, medicare, pension, medical, disability, and life insurance plans.

Encumbrance

Amount of money committed and set aside, but not yet expended, for the purchases of specific goods or services.

Ending Fund Balance

The residual, non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

Enterprise Funds

Established to account for operations, including debt service that are financed and operated similarly to private businesses – where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.

Estimated

A projection of the revenue or expenditure, as appropriate, to be recognized during the current fiscal period.

Expenditures

Represents decreases in net financial resources. They include current operating expenses, which require the current or future use of net current assets, debt services, and capital outlays.

Fees

Charges for specific services levied by local government in connection with providing a service, permitting an activity, or imposing a fine or penalty.

Fiscal Management

A government's directive with respect to revenues, spending, reserves and debt management as these relate to governmental services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of governmental budgets and its funding.

Fiscal Year

A 12-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Stayton's fiscal year is July 1 through June 30.

Five-Year Financial Plan

An estimation of revenues and expenses of the City's operations for the next five-year period.

Fixed Assets

Includes equipment, vehicles, furniture and fixtures, computer hardware and software with a cost basis in excess of \$5,000.

Franchise Fee

Charged to all utilities operating within the City and is a reimbursement to the general fund for the utility's use of City's right of ways.

Full-Time Equivalent

A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The fulltime equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Fund

A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities, or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance

The balance of net financial resources that is spendable or available for appropriation.

General Fund

This is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government.

General Long-term Debt

Represents debt payable that is not classified as a liability of a given fund or secured by a specific revenue source other than the general revenues or property taxes of the issuer. General Obligation (GO) bonds are secured by the full faith and credit of the issuer. GO bonds issued by local units of government are secured by a pledge of the issuer's property taxing power (secondary portion). Usually this is issued to pay for general capital improvements such as parks and City facilities.

Goal

The result or achievement toward which effort is directed; aim; end.

Grant

A contribution that is made by a government or non-profit to the City. The contribution is usually made to aid in the support of a specified function or project such as crosswalk or seatbelt enforcement, or a stormwater detention facility.

Infrastructure

Public domain fixed assets such as roads, bridges, streets, sidewalks, and similar assets that are immovable.

Intergovernmental Revenues

Revenue received from other governments, such as the Federal Government, State of Oregon, or Marion County.

Levy

Gross amount of property taxes imposed on taxable property. The net amount received by a government will be less than the levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Line Item

Describes an individual type of expense or revenue, such as salaries, medical insurance, electricity, operating supplies, etc.

Local Improvement District

Created for the purposes of making improvements desired by a majority of property owners within a given area desiring public improvements to their properties. Debt is usually issued to finance these improvements, which are repaid by assessments on property within the local improvement district (LID). LID debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit those properties.

Local Option Levy

Under Measure 50, local governments and special districts were given the ability to ask voters for temporary authority to increase taxes through approval of a local option levy. The maximum length of time for a local option levy is 5 years. A local option levy must be approved by a majority of voters at a general election or an election with a 50 percent voter turnout.

Materials and Services

Expendable items purchased for delivery and city services. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Measure 5

In November 1990, State of Oregon voters passed a constitutional limit on property taxes. The law sets a maximum \$10 tax rate on individual properties for the aggregate of all non-education taxing jurisdictions. The maximum tax rate for education jurisdictions is limited to \$5.

Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year 1995-96 and limits future annual increases to three percent, except for major improvements. Tax rates are now fixed and not subject to change. Local voters may approve

local initiatives, i.e. local option tax levies, above the permanent rates provided a majority approves at either (1) a general election in an even numbered year; or (2) at any other election in which at least 50 percent of registered voters cast a ballot.

Mission

Defines the primary purpose of the City and is intended to guide all organizational decisions, policies and activities (internal and external) on a daily basis.

Non-Operating Budget

Part of the budget composed of the following items: Reserves, contingencies, capital projects, and debt service payments.

Objective

A target to be accomplished in specific, well defined and measurable terms, and that is achievable within a specific time frame.

Operating Budget

The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Revenue

Funding received by the government as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services, capital outlay, and debt service.

Ordinance

A formal legislative decree enacted by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of the law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time which resulted from borrowing.

Performance Measure

Data collected to determine how effective or efficient a program is in achieving its objectives.

Permanent Tax Rate

Under Measure 50, each school district, local government, and special district was assigned a permanent tax rate limit in fiscal year 1998. This permanent rate applies to property taxes for operations.

Personnel Services

Personnel services is an appropriation category consisting of the aggregated costs of salaries and wages paid to employees, and fringe benefits such as retirement, social security, and health and workers' compensation insurance paid by the City.

Property Tax

In Oregon, property taxes are a major revenue source for the General Fund of the City. Taxes are based upon the taxable assessed value of the property. Property taxes received by the City of Stayton include the City's permanent tax rate, \$3.3280 and a local option levy of \$0.6000.

Project Manager

An individual that is responsible for budgeting and managing projects to their completion.

Proposed Budget

A financial document that combines operating, non-operating and resource estimates prepared by the Budget Officer, which is submitted to the public, budget committee and City Council for review and approval by the Budget Committee and adoption by the City Council.

Resolution

A special or temporary order of the City Council.

Resources

Includes revenue, inter-fund transfers, borrowing proceeds and beginning fund balance.

Retained Earnings

An equity account that reflects the accumulated earning of an enterprise or internal service fund.

Revenue

Funds received by the City from either tax or non-tax sources.

Revenue Bonds

Bonds payable from a specific source of revenue, which does not pledge the taxing authority of the issuer. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Special Assessment

A compulsory assessment made against certain properties to defray all or part of the cost of a capital improvement or services deemed to be beneficial primarily to those properties. (See Local Improvement District)

Special Revenue Funds

A fund established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Supplemental Budget

Appropriations established to meet needs not anticipated at the time the budget was originally adopted. A supplemental budget cannot increase the tax levy.

System Development Charges

Charges paid by developers and builders to fund expansion of infrastructure systems necessary due to increased usage. Such charges are collected for water, sewer, storm drains, streets, and parks and are paid by developers and builders as part of the permit process.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Tax Levy

The total amount of property taxes needed to pay for General Fund operations and for principal and interest on bonds.

Tax Rate

The amount of tax levied for each \$1,000 of assessed valuation.

Tax Revenue

Includes property taxes, hotel and motel room tax, and marijuana taxes.

Tax Roll

The official list showing the amount of taxes levied against each property.

Transfers

Appropriation category used in the City's budget, which includes amounts distributed from one fund to pay for services provided by another fund. The general fund may also transfer funds to any other fund if desired by the City Council.

Trust Funds

A fund established to administer resources received and held by the City as the trustee or agent for others. Uses of these funds facilitate the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Unappropriated Ending Fund Balance

An account which records a portion of the fund balance for future use and is not available for current appropriation or expenditure.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose. It is available for general appropriation.

User Fees

The fee charged for services to the party or parties who directly benefits. They are also referred to as Charges for Service.

FISCAL POLICIES

Purpose

The City of Stayton is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Fiscal Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the City Council as the basic framework for overall financial management of the City, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Provide an adequate financial base to sustain the desired level of municipal services to maintain the social wellbeing and physical conditions of the City.
2. Deliver cost effective and efficient services to citizens.
3. Provide and maintain essential public facilities, utilities, and capital equipment.
4. Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing and assure taxpayers and the financial community that the City is well managed and financially sound.
5. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents and businesses.
6. Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other professional standards.
7. Fully comply with finance related legal mandates, laws and regulations.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, pension funding, accounting and financial reporting, reserves and internal controls. These policies are reviewed annually by management, the Finance Committee, and City Council and amended as necessary, as part of the budget process.

Policies are addressed in ten areas:

- **Revenue**, which deals with taxes, user fees and other revenues by which the city generates income to fund programs and services.
- **Operating expenditures**, which relates to budgeting guidelines.
- **Expenditure control**, which addresses the City's efforts to ensure spending is consistent with the City's fiscal plans.
- **Capital equipment and improvements**, which relates to establishing a 5-year capital equipment and improvement plans for all major equipment and infrastructure systems provided and maintained by the city.

- **Accounting and financial reporting**, which relates to accounting and reporting financial transactions and preparing financial reports.
- **Financial planning**, addresses longer term financial forecasting to help inform decisions.
- **Debt**, which addresses long-term financing of the city's capital needs and maintaining its bond rating.
- **Pension funding**, addresses the funding policies of the City's pension obligations.
- **Reserves**, establishes minimum working capital balances, required reserves and operating contingency as needed for routine cash flow and responding to unexpected expenditures or increases in service delivery costs.
- **Management of fiscal policy**, sets forth the administration of fiscal policies on a continuing basis.

1 Revenue Policies

- 1.1. The City will strive for and maintain diversified and stable revenue sources to prevent undue or unbalanced reliance on any one source of funds. Diversified revenue sources will also reduce risk to the City from short-term fluctuations in any one revenue source.
- 1.2. Significant one-time and or temporary revenue sources will not be used to fund continuing programs and services, but rather to fund one-time expenditures or fund reserves.
- 1.3. The maximum allowable system development charges (SDCs), for each of the public infrastructure systems the City operates and is allowed by state law to impose, shall be determined on a periodic basis (approximately each five years).
 - 1.3.1. The Council will determine what amount of SDCs to impose.
- 1.4. The City will use users' charges in lieu of property taxes and subsidies from other non-obligated (i.e., generally available) City funds, for services that can be identified and where costs are directly related to the level of service provided.
 - 1.4.1. Charges for providing utility services shall be sufficient to finance all operating, capital outlay and debt service expenses of the City's utility funds, including operating contingency, reserve requirements, and capital replacement. Consideration will be given to return on investment and existing and or anticipated debt to insure debt coverage ratios are sufficient to meet or exceed requirements of lenders and rating agencies to maintain desired credit rating.
 - 1.4.2. User charges shall be sufficient to finance all City costs to perform development review and building activities. User charges include, but are not limited to, land use, engineering inspection, building permit and building inspection fees.

- 1.4.3. Other reimbursable work performed by the City (full labor costs, overhead, contracted services, equipment and other indirect expenses) shall be billed at total actual or estimated total actual cost.
- 1.4.4. Charges for services shall accurately reflect the total actual or estimated total cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The City shall maintain a current schedule of fees, indicating when the fees were last reviewed and/or recalculated.
- 1.5. The City shall pursue a timely and firm policy of collecting delinquent accounts. When necessary, discontinuing service, small claims court, collection agencies, foreclosure, liens and other methods of collection, such as imposing penalties, collection and late charges, may be used.
- 1.6. All potential grants that require matching funds, on-going resource requirements, or include new or additional continuing compliance requirements shall be evaluated and considered before submittal of the application. Grant applications will be approved as follows prior to their submittal: a. By the City Manager for grants that require matching funds up to the amount of the City Manager's spending authority, and b. By the City Council for grants with matching requirements above the City Manager's spending authority. The City Council will be provided the evaluation with the request for their acceptance of the grant.
- 1.7. Revenues will be estimated realistically and prudently. Revenue of a volatile nature will be estimated conservatively. The City will estimate its revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association.

2 Operating Budget Policies

- 2.1 The City will prepare an annual budget guided by City Council goals and work plan to accomplish goals. Budget development will be coordinated with all departments and will incorporate Government Finance Officers Association (GFOA) recommendations relative to budgeting for results and outcomes.
 - 2.1.1 The amount of funding available will be determined for each fund. The budget will be built on expected revenues. This includes base revenues, any new revenue sources, and the potential use of existing resources.
 - 2.1.2 Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
 - 2.1.3 Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.
 - 2.1.4 The City shall maintain an automated accounting system to monitor expenditures and revenues, relative to budget, on a monthly basis, with a thorough analysis and adjustment (if required) no less than quarterly.

- 2.2 All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and 2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.
- 2.3 The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
- 2.4 The cost allocation plan, previously developed, will be reviewed and updated annually and serve as the basis for distributing general government and internal service costs to other funds and capital projects.
- 2.5 The City Council shall adopt the budget at the fund, departmental or program level as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
- 2.6 Long-term debt or bond financing may be used for the acquisition of land, capital improvements, vehicles, and equipment with a cost greater than \$100,000, if current and or existing resources are insufficient. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- 2.7 Every City fund, department, program or activity shall start each year's budget cycle with no predetermined appropriation amount. Budget appropriation decisions and the allocation of resources shall be based on direction provided by the City Council and implementation of that direction by the City Manager.
- 2.8 The City will submit the Adopted Budget Document to the Government Finance Officers Association (GFOA) to obtain the Award for Distinguished Budget Presentation.
- 2.9 A budget calendar will be prepared detailing the key elements in the development of the budget. (Please see exhibit 1).

3 Expenditure Control Policies

- 3.1 Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. Each Department or Division Manager or Director will be responsible for the administration of his/her department/program budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limitations.
- 3.2 The City Manager is to administer budgetary expenditure control at the appropriation level. Any increase in a budget appropriation requires City Council approval.

- 3.3 All purchases of goods and services must comply with the City's Purchasing Policies, guidelines and procedures and with State laws and regulations.
- 3.4 All compensation planning and collective bargaining will include analyses of total cost of compensation, which includes analysis of salary increases, health benefits, pension contributions, and other fringe benefits. City management will only propose operating personnel costs that can be supported by continuing operating revenues.
- 3.5 City staff shall make every effort to control expenditures to ensure City services and programs provided to its citizens and taxpayers are cost effective and efficient. Expenditures that will reduce future costs will be encouraged.

4 Capital Improvement Policies

- 4.1 Annually, the City will approve a 5-year Capital Improvement Plan (CIP), congruent with the adoption of its annual budget. The CIP shall provide details on each capital project: its estimated costs, sources of financing and a description, including a statement identifying: (a) the needs, conditions and circumstances that have caused the project's creation and (b) the expected results if the project is approved and implemented.

5 Accounting and Financial Reporting Policies

- 5.1 The City shall establish and maintain its accounting systems according to generally accepted accounting practices and shall adhere to generally accepted accounting principles and standards promulgated by the Government Finance Officers Association (GFOA) and Government Accounting Standards Board (GASB).
- 5.2 An annual audit shall be performed by an independent public accounting firm, which will issue an opinion on the annual financial statements, along with a management letter identifying areas needing improvement, if necessary.
- 5.3 Full disclosure shall be provided in the financial statements and bond representations.
 - 5.3.1 Upon request, all departments will provide notice of all significant events and financial and related matters to the Finance Director for the City's annual disclosures to the municipal markets as required by SEC Regulation 15-C-2-12. Full disclosure will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the City's bonds, adverse tax opinions or events affecting the tax exempt status of bonds, the release, substitutions or sale of property securing repayment of bonds and other events having a significant impact on the City's finances and outstanding bonds. The Finance Director will notify all Nationally Recognized Municipal Securities Information Repositories of these significant events.
 - 5.3.2 The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond one year. Capital assets costing less than \$10,000 or having a useful life of one year or less will be treated as operating expenditures.

- 5.4 Up-to-date accounting and budgeting information is available online to all management and authorized support staff. Quarterly actual-to-budget reports showing the current status of revenues and expenditures shall be prepared and distributed to appropriate legislative, staff and management personnel in a timely manner and made available for public inspection.

6 Financial Planning Policies

- 6.1 The Finance Department, collaborating with other departments, will prepare a long-term financial plan for each fund to promote responsible planning for the use of resources. The long-term financial plans will include projected revenues, expenditures and reserve balances for the next five years for all funds, except the water, wastewater and stormwater funds, which shall include twenty-year financial plans.
- 6.2 The City's financial plans should be strategic, reflecting the City Council and community priorities for service while providing resources that fund desired service levels.
- 6.3 Long-term projections of revenues and expenditures will be based upon disclosed assumptions, and prepared consistent with best practices established by the Government Finance Officers Association.
- 6.4 The long-term financial plans will be integral to the development of the annual budget.

7 Debt Policy

- 7.1 The City may use debt proceeds to finance costs associated with capital infrastructure, equipment, vehicles and other purposes that provide long-term benefits to the community, i.e., benefits that extend more than one year.
- 7.2 Capital projects financed through the issuance of bonds shall not be financed for a period which (a) exceeds the expected useful life of the project or (b) is less than five years.
- 7.3 Financing for non-capital purposes shall not extend beyond the amortization period available for the respective type of obligation, e.g., retirement unfunded liabilities include an amortization period of twenty-five years.
- 7.4 The Finance Director will structure all debt issuances and oversee the on-going management of all City debt. Debt includes general obligation bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, equipment financing agreements and any other contractual arrangements that obligate the City to make future principal and interest payments.
- 7.5 No debt shall be issued for which the City has not identified specific revenue sources sufficient for repayment. Such revenue sources can include internal sources, such as charges to personnel costs that are transferred to a debt service fund for debt repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.

- 7.6 The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that can be funded from current resources, unless the use of debt is otherwise determined to be in the best interest of the City.
- 7.7 The City may utilize short-term debt or inter-fund loans as permitted, to cover temporary cash flow deficiencies due to timing of cash flows, such as may result from delay in receipting grant proceeds or other revenues and delay in issuance of long-term debt.
- 7.8 When issuing long-term debt, the City will ensure that the debt is soundly financed by:
 - 7.8.1 Incurring debt only when necessary for capital improvements too large to be financed from current available resources.
 - 7.8.2 Insuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project.
 - 7.8.3 Determining that the benefits of the project financed exceed the cost of financing including interest costs.
 - 7.8.4 Analyzing the source of repayment, debt coverage ratios and the impact of debt service on annual fixed costs prior to issuance of long-term debt.
- 7.9 All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.
- 7.10 The City shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.

8 Pension Funding Policies

- 8.1 The City participates in two separate retirement programs: The Police Department participates in the State of Oregon Public Employees Retirement System (PERS) and is a member of the State and Local Government Rate Pool. All other eligible City employees participate in a Defined Benefit Plan.

The City will fund its required pension contributions to each plan timely.

9 Reserve Policies

- 9.1 The City shall maintain adequate working capital reserves in all funds.
 - 9.1.1 The general fund shall maintain sufficient working capital to allow the City to adequately fund operations until property taxes are received in November of each year, without borrowing.

- 9.1.2 The City's utility funds shall maintain, at a minimum, a working capital balance sufficient for sixty days operating expenses, together with an adequate emergency repair reserve and required debt service reserves.
 - 9.1.3 The City's internal service funds shall maintain, at a minimum, a working capital balance sufficient for thirty days operating expenses and any required debt service reserves.
 - 9.1.4 The City's debt service funds shall maintain adequate working capital to pay required debt service without borrowing and fund required debt service reserves.
 - 9.1.5 The City's other operating funds shall maintain a minimum working capital balance sufficient for sixty days operating expenses and any required debt service reserves.
 - 9.1.6 The City shall establish a contingency budget to provide for unanticipated expenditures of a nonrecurring nature. The contingency shall be a minimum of five percent (5%) of a fund's operating and capital expenditure estimates for the fiscal year. The budgeted contingency does not apply to debt service, internal service, trust and agency, capital projects, serial levy, temporary or certain special purpose funds.
- 9.2 The City may use reserves on a one-time or temporary basis for purposes described above. In the event that reserve funds are presently or decrease to levels below the levels desired by this policy, City management will develop a plan to restore reserves to the desired levels.

10 Management of Fiscal Policy

- 10.1 Fiscal policies and changes in policies shall be approved by the City Council and adopted by resolution after a public hearing is held (the approval may be inclusive of the annual budget adoption process and the associated resolutions to that process).
- 10.1.1 The City Manager or designee shall prepare a report explaining the substantive impact of all recommendations and their impact on the City's operations, service levels and/or finances.
 - 10.1.2 The Audit Committee shall review the City's fiscal policies annually.
- 10.2 The City Manager shall implement fiscal policies and monitor compliance.
- 10.2.1 If the City Manager discovers a material deviation from policy, he/she shall report it in writing to the City Council in a timely manner.
 - 10.2.2 As a part of the City's annual budget document, the City Manager's budget message shall identify: (a) all major changes in policy since the previous budget year and (b) any material variations from policy in the ensuing year's budget.

Definition of Terms

Budget Committee – is a committee consisting of the mayor and six city councilors and an equal number of citizen members appointed by the city council.

Government Finance Officers Association (GFOA) – is the national finance officers organization whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Category level – for budget control purposes, categories include personal services, materials and services, capital outlay, debt service, transfers, contingency, reserves and unappropriated.

Program level – for budget control purposes, programs may include library services, community services, administration, finance, human resources, etc.

Divisional level – for budget control purposes, divisional level would include water, street, storm water, and wastewater divisions within the public works department. Other divisions may include the police field services, police administration, and police support services within the police department.

Capital Improvement Plan (CIP) – The CIP is a schedule of capital projects including estimated cost and timing. There is a separate CIP for each major infrastructure system in the City, e.g., water, streets, sidewalks, storm water, wastewater, information technology, City facilities and vehicles.

Debt Coverage Ratio (DCR) – represents the ratio of “net revenues” available to pay scheduled debt service. A ratio of 1.0 reflects “net revenues” equal to scheduled debt service. A ratio greater than 1.0 reflects “net revenues” in excess of scheduled debt services and a ratio less than 1.0 indicates “net revenue” is less than scheduled debt service.

Oregon Revised Statutes (ORS) – Oregon’s compilation of state laws including rules of civil procedure.

All work assigned to a specific job title is the responsibility of that organization position. In absence the duties would fall on the direct supervisor of the position. The City Manager has the responsibility and oversight of these policies.



Annual Budget Calendar

Fiscal Year 2020-21

Description	Parties	Dates
Initiate Budget development - distribute draft calendar	City Manager and management team	February 14, 2020
Budget calendar - distribute draft	Mayor, Council, City Manager	February 24, 2020
Desired positions, position changes provided finance director	Management team	March 1, 2019
Orientation for new Budget Committee members - introduce to budget process, review 19-20 budget, forecasts and discuss significant budget issues	Mayor, Council, City Manager and management team	week of March 9, 2020
Estimate current year-end revenue and expenditures	Management team	March 16, 2020
Preliminary revenue forecasts, review goal setting issues and budget priorities.	City Manager and management team	March 16, 2020
Update salary schedule and total compensation costs, distribute to management for review and approval	Finance	March 16, 2020
Departments provide the following to finance: Review personnel costs and provide amounts for materials and services, current year capital outlay	Management team	March 30, 2020
Department meetings with City Manager and finance	Management team	April 6, 2020
Budget narratives completed and submitted to Administrative Services Manager	Management team	April 13, 2020
Complete 5-year template information request form including Updated Capital Improvement Plan (CIP)	Management team	April 13, 2020
Provide and publish "Notice of Budget Committee Meeting" (ORS 294.426)	Finance	week of April 15, 2020
Final budget document complete for Department Review	Finance	April 20, 2020
Final budget document for print	Finance	April 29, 2020
First Budget Committee meeting - Read budget message and release budget (ORS 294.408 and 294.426)	Budget Committee, City Manager and management team	5/4/2020
Additional Budget Committee meetings (ORS 294.428) Budget Committee approves budget (ORS 294.428)		week of May 13
Submit Notice of Budget Hearing to Stayton Mail	Finance Director	May 15, 2020
Publish "Notice of Budget Hearing" (ORS 294.438, 294.448)	Finance Director	May 20, 2020
Public hearing; adopt budget; levy taxes (ORS 294.456)	City Council	June 1, 2020
Adopted Budget goes into effect	City-wide	July 1, 2020
Adopted Budget submitted to County Assessor and Department of Revenue (ORS 294.558)	Finance Director	July 1, 2020

Color Guide

Council
Budget Committee
Management team
City Administrator or Finance