

City of Stayton, Oregon
Annual Budget
Fiscal Year 2017-2018



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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, 2016

Executive Director



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City of Stayton, Oregon

Fiscal Year 2017-2018 Budget



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Councilor Mark Kronquist

Councilor Jennifer Niegel

Councilor Brian Quigley

Councilor Joe Usselman

Citizen Members

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Tadd Humphreys

Alan Kingsley

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Vacant



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City Administrator's Budget Message



May 1, 2017

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

I submit for your consideration the proposed 2017-18 City of Stayton Budget, with a General Fund budget of \$5,221,585 and a total City-wide budget of \$22,322,756.

For the 2016-2017 we made a significant transition from our budget document and budget presentation. The goal was to move toward a Government Finance Officers Association (GFOA) award winning budget document. A GFOA award winning budget reflects the highly regarded best practices of local budgeting. A commitment to the GFOA budget reflects the commitment of the Governing Body, the Budget Committee, and staff to meet the highest principles of governmental budgeting. The guidelines for a GFOA budget mandate criteria to assure that a budget serves as:

- A policy document
- A financial plan
- An operations guide
- A communication devise

The changes in our budgeting practices were substantial. I am pleased to say that the City of Stayton was awarded the Distinguished Budget Presentation Award for the 2016-17 annual budget. This award is the highest form of recognition in governmental budgeting. For 2016-2017 only seventeen Oregon municipalities and two County governments were given this prestigious award. Including Stayton, only three municipalities received the award with populations less than 10,000 people.

We can still do better.

As part of the GFOA review the City received quality feedback in areas where we can continue to enhance and improve our budget to meet and exceed the mandated criteria. This budget continues the progress with additional improvements and enhancements. This should be our continuous goal moving forward.

I want to share again the approach that I would ask that you take in reviewing and adopting our community's budget.

A good budget process is far more than the preparation of a legal document that appropriates funds for a series of line items. Good budgeting is a broadly defined



process that has political, managerial, planning, communication, and financial dimensions. The following definition recognizes the broad scope of the budget process and provides a base for improvement of the budget process. The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets. A good budget process is characterized by several essential features.

A good budget process:

- *Incorporates a long-term perspective*
- *Establishes linkages to broad organizational goals*
- *Focuses budget decisions on results and outcomes*
- *Involves and promotes effective communication with stakeholders*
- *Provide incentives to government management and employees.*

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

The mission of a good budget process identifies the central goal of the budget process. It incorporates both political and managerial aspects, as well as a responsibility to report and account for the provision of services and use of resources. Communication and involvement with citizens and other stakeholders is stressed. The broad nature of the mission allows issues to be addressed that have limited the success of budgeting in the past.

The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. While governments that are not in touch and do not have involved citizens may remain in business, the results are often not pleasant for the citizens or the government

The budget should be the centerpiece of a thoughtful, ongoing, decision-making process for allocating resources and setting priorities and direction.

The principles of the budget process follow. The Four Principles of the Budget Process:

1. ***Establish Broad Goals to Guide Government Decision Making:*** *A government should have broad goals that provide overall direction for the government and serve as a basis for decision making.*



2. **Develop Approaches to Achieve Goals:** A government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals.
3. **Develop a Budget Consistent with Approaches to Achieve Goals:** A financial plan and budget that moves toward achievement of goals, within the constraints of available resources, should be prepared and adopted.
4. **Evaluate Performance and Make Adjustments:** Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals. Each of the principles of the budget process incorporates components or elements that represent achievable results. These elements help translate the guiding principles into action components. Individual budgetary practices are derived from these and are a way to accomplish the elements. The elements of each guiding principle are identified on the following page. The principles and elements provide a structure to categorize budgetary practices. A more detailed explanation of the principles and elements is provided in the appendix.

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*

I don't want this budget to be rubber stamped. I want it to be examined, considered, and questioned. This budget is just a proposal; it is, until approved, a draft. Your thoughts and feedback 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 the approval that this budget is working to address the values of our community. Reading a budget should be a window into the values of our community. It isn't so much as what we say our values are, where we spend our money is the true reflection of values. Adoption of this budget is our public declaration of what our values are as a community.

Stated Council Goals

While the City Council Goals have yet to be finalized, the budget was able to begin addressing clearly stated objectives from the goal-setting sessions:

- Planning Department has \$95,000 to fund a comprehensive Economic Development Study
- Street Maintenance Fund has \$135,000 to fund an update to our Transportation Master Plan
- Police Budget has increased funding for Code Enforcement from .3 FTE to 1.0 FTE
- Planning Department has \$5,000 to support Friends of Old Town Stayton in their continued efforts to revitalize our historic downtown.

Improving the conditions of our roads is a clear priority. Unknown before completion of this budget is the electors' decision on the proposed .03 cent per gallon Gas Tax. The Gas Tax income was not placed in the proposed budget. However, the measure did pass, and an adjustment was made to invest the funds received on improving our roads.

Since the year 2000, we have spent approximately \$137,000 per year on street construction and overlay projects. This budget nearly doubles that average to \$250,000, prior to the approval of the local gas tax measure. With approval of the Gas Tax, this investment increases to \$399,000, with sustainable annual funding of approximately \$400,000. Although the outcome of the Gas Tax vote was positive, we will need to continue to be aggressive and creative in attempting to identify ways to improve the conditions of our streets. There is no quick fix for this issue. It will require time, patience, and dedication.

Carryover

Our budget should be aggressive and challenging to staff. There are two budget items that were approved in the 2016-2017 budget that are requested to carry forward in 2017-2018. Both projects have completed bid documents, and work continues on both projects, but the reality is that neither of these projects will be completed prior to the end of 2016-2017 budget cycle. As such, this budget requests continued funding for:



- Parks Fund has \$100,000 to complete repair work on the Jordan Bridge
- Facilities Development & Maintenance Fund has \$25,000 to complete a Needs Assessment

Pool

The City will resume the management of the Stayton Memorial Pool at the beginning of the 2017-18 Fiscal Year. While this is not the first time the City has assumed all operational duties, creating a budget with limited and antiquated data available is challenging. The proposed budget is aggressive on expenses and conservative on revenues. It will be important to monitor this fund closely throughout the budget year.

Marijuana

This budget shows for the first time revenues related to Oregon's "legalization" of marijuana. This budget conservatively estimates \$18,500 in revenue from the elector approved 3% tax on local sales. While overall sales in Oregon have far exceeded initial estimates, there has still been no indication of when or how those tax revenues will be distributed back to local governments. Under all metrics, we should receive some share of these sales. When and how much is still very much in the air, and as such we have not budgeted any expected income from the state on marijuana sales.

Highlights

This budget begins to take advantage of the work that is being done to have detailed five-year capital improvement projects lists and five-year capital maintenance project lists. Currently our water fund and sewer funds in stasis, however we know expenses are looming, this budget accounts for rate studies to be done so that we can begin to address the long term needs of these funds.

There was a significant across the board increase in personnel costs. A good portion of these increase can be attributed to retirement benefits. The police officers are part of PERS with the rest of city staff being part of the city's defined benefit plan. PERS costs increased significantly to account for the ongoing long-term solvency challenges of PERS. The retirement costs for other employees increased due to the changes made to more conservative approach in our actuarial assumptions. We need to continue to closely monitor our defined benefit plan to avoid a situation similar to the challenges that PERS is continuing to face.

This budget continues to try to address the significant computer and network deficiencies throughout the City. This budget accounts for a large-scale replacement and upgrade of hardware and software. Going forward an ongoing replacement plan would be beneficial to avoid large unexpected costs.



An improved economy means construction, which leads to SDC revenue and reimbursements. Multiple home builders have aggressive plans for build out. Our SDC estimates take a conservative approach.

Notable Capital Projects included in the proposed budget that have not already been discussed:

Library:	A new roof
Park:	Funding for Lambert/Putney Master Plan
Water:	16-inch water line on Shaff Road
Stormwater Construction:	Phase I of the Lambert/Putney Facility

Vehicle Replacement Fund

This budget proposes the elimination of the Vehicle Replacement Fund. The Fund set essentially idled last year as staff considered options. A year end estimate shows \$987,000 with \$207,000 receivable from Stormwater. This budget proposes transferring approximately one-half of these monies back to these funds based off previous allocations.

- \$102,000 General Fund
- \$140,000 Street Fund
- \$139,000 Water Fund
- \$207,000 Sewer Fund
- \$ 11,000 Stormwater Fund

After these transfers the remaining balance of the fund will be \$387,000 plus the \$207,000 receivable from the Stormwater Fund. This balance could be transferred into reserves or used to pay down the City's unfunded actuarial pension liability.

Acknowledgments

I want to thank each of the Budget Committee members for the time and energy you are giving to be part of this important process. The budget should tell the story of the City, and it should be a reflection of the values of our community. Your input, questions, and your approval of the final budget is critical to the success of our community. The service that you are providing is done as a volunteer, and as a leader of our community, your time and effort is greatly appreciated.

Last year we discussed the significant changes we were making to our budget and budget process. We moved our budget to the Government Finance Officers Association (GFOA) best practices guidelines. The budget is presented in a direct and concise manner, focusing on the key components of each fund. For those so inclined, the entire line item budget is presented in its entirety at the back of this document. It is important to make



the budget accessible to all stakeholders in your community so that everyone can understand and remain knowledgeable and informed about the City's finances and operations.

GFOA has provided feedback to continue to enhance and improve our budget. Work has been done to continue to improve our budget document. This budget is a continued enhancement of the work that was started last year. The City intends to submit this budget to the GFOA for continued consideration of their Distinguished Budget Award

I want to personally thank Andy Parks, the Interim Finance Director for his knowledge, skill, and understanding of not judging where we are at, but helping us to begin to move toward where we want to go. I want to thank the staff who worked so hard to put this budget together, Police Chief Rich Sebens and Lieutenant Charlie Button, Public Works Director Lance Ludwick, Planner Dan Fleishman, Library Director Janna Moser, Deputy City Recorder Alissa Angelo, and Associate Accountant Cindy Chauran.

Respectfully submitted,



Keith D. Campbell
City Administrator





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City Overview

About

Stayton is a city in Marion County. It is located at the confluence of the Santiam Canyon and the Willamette Valley, 12 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 7,846 in 2014. 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. The Mayor is elected for a 2-year term and may serve no more than three consecutive terms of office.

Council members are elected at large, with three positions up for election every two years. The two receiving the highest number of votes serve for a 4-year term and the one receiving the third highest number of votes serves for a 2-year term. 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 during the 30 days 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 St.

The City Administrator is appointed by the Mayor, and ratified by the City Council, to manage the affairs of the City. The City Administrator'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 Deputy City Recorder serves as the clerk of the City Council and is responsible for attending all meetings and preparing official minutes of their meetings. The Recorder 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 Deputy City Recorder also serves as the City Elections Officer and Records 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 of 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 after 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 Stayton-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
2015 Population Estimate (PSU)	7,725

Since 2010, Stayton’s estimated growth rate is 1%. 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	1,001	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%

2014 Educational Attainment

17.5% of Stayton’s population has less than a high school diploma. The Marion County rate is 16.3% and it is 10.6% overall for the state of Oregon.

16.2% of Stayton’s population has a bachelor’s degree or higher as compared to 21.8% for Marion County and 30.1% for the state of Oregon.



Covered Employment, City of Stayton: 2014

Industry	Firms	Annual		
		Employment	Payroll	Avg. Wage
Total Employment	316	3,733	\$ 124,388,508	\$ 33,319
Agriculture, Forestry, Fishing and Hunting	15	137	\$ 3,503,700	\$ 25,559
Construction	51	369	\$ 20,149,356	\$ 54,667
Manufacturing	14	1,064	\$ 33,977,114	\$ 31,933
Wholesale Trade	12	54	\$ 1,773,411	\$ 32,639
Retail Trade	32	466	\$ 10,790,008	\$ 23,175
Transportation and Warehousing	8	70	\$ 2,096,893	\$ 30,171
Finance and Insurance	19	68	\$ 2,743,712	\$ 40,103
Real Estate and Rental and Leasing	17	44	\$ 1,032,302	\$ 23,686
Professional, Scientific, and Technical Services	13	45	\$ 1,793,410	\$ 39,488
Administrative and Support and Waste Management and Remediation Services	9	43	\$ 708,851	\$ 16,646
Educational Services	7	324	\$ 10,445,367	\$ 32,239
Health Care and Social Assistance	26	459	\$ 22,381,954	\$ 48,754
Arts, Entertainment, and Recreation	4	61	\$ 344,774	\$ 5,691
Accommodation and Food Services	26	293	\$ 3,897,816	\$ 13,303
Other Services	51	108	\$ 2,361,547	\$ 21,900
Public Administration	5	68	\$ 3,024,875	\$ 44,813

Business Overview

Firms	316
Total Employment	7,333
% of Marion County Employment	2.7%

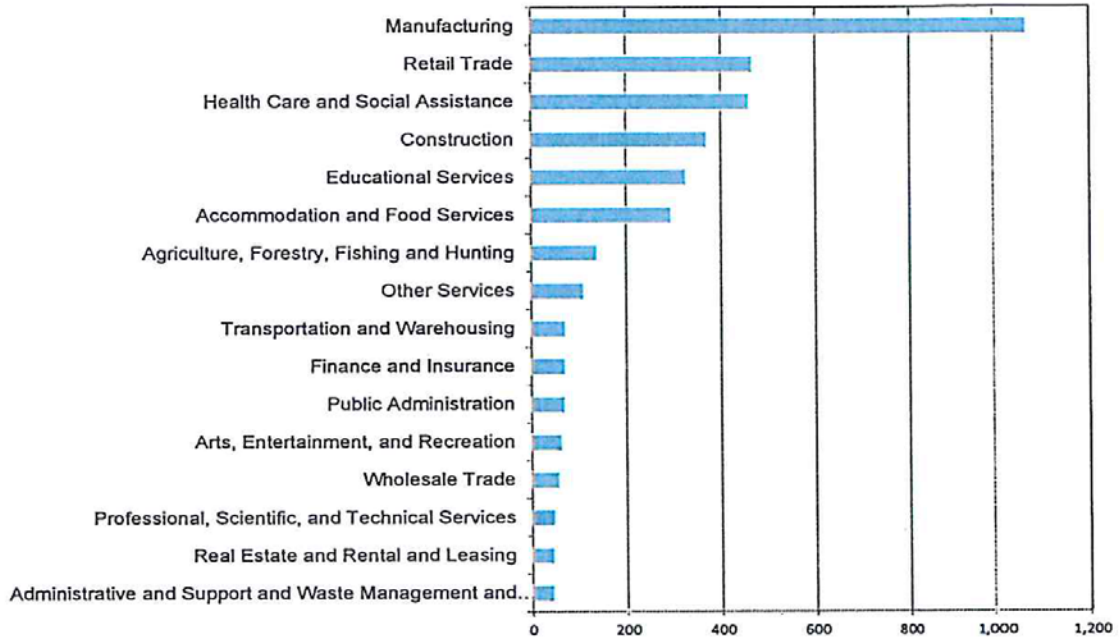
From 2006 to 2014, the City has lost nearly 850 jobs. Stayton's total employment during that time declined by 18%. Manufacturing jobs showed the largest losses totaling 730 jobs.

Firms with less than 5 employees comprise more than half the firms in Stayton and account for 7% of total employment.

Large employers, businesses with 50 or more employees, consisting of 13 firms accounted for 48% of all employment.



**Average Covered Employment, City of Stayton, 2014
(Total Employment: 7,333)**

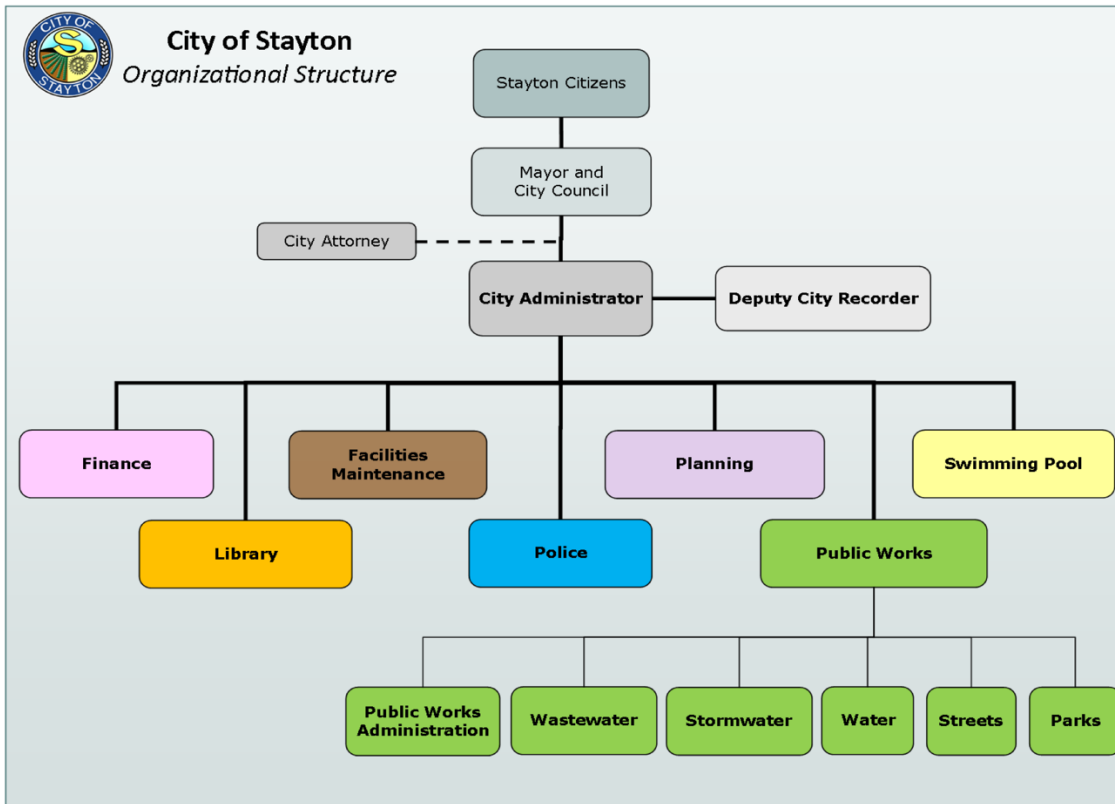




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Personnel



Summary

The City has maintained a steady full-time equivalent work force of approximately forty-six employees for the past few years. In our efforts to right-size the organization, the proposed budget eliminates a Wastewater Plant Operator position after the resignation of an employee. After evaluation, the engineering position held but unfunded has been eliminated for fiscal year 2018. An increase in code enforcement staffing from a 0.3 full-time equivalent position (FTE) to 1.0 FTE is budgeted. The staffing represents two part-time positions to provide coverage throughout the week. Lastly, with the City Council’s decision to assume responsibility for the operation of the Stayton Memorial Pool, staffing to maintain the pool operation at current hours is budgeted, an increase of 8.1 FTEs.

Two unions represent City of Stayton employees; AFSCME, which represents public works employees and administrative personnel, and the Stayton Police Officers Association, which represents police officers. The AFSCME contract expired June 30, 2016, while the SPOA agreement expires June 30, 2018. The SPOA agreement includes a wage cost of living (COLA) increase of 2.0% effective July 1, 2016 and July 1, 2017. The City and



AFSCME came to an agreement in July 2017. Consistent with the City's proposal, a COLA for AFSCME employees of 1.0% retroactive to July 1, 2016 and a 2.0% COLA effective July 1, 2017 were budgeted. The COLA for July 1, 2018, includes a CPI adjustment with a minimum of 1.0% and maximum of 2.0%. The same percentage adjustments, i.e., 1.0% and 2.0%, in salary schedules was budgeted for management and non-represented 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 budgets.

Full-time Equivalent (FTE's) Employees

Department	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Police	14.5	14.5	14.8	15.5	15.5	15.5
Planning	1.0	1.5	1.0	1.0	1.0	1.0
Parks	1.9	1.0	1.7	1.7	1.7	1.7
Municipal Court	-	0.6	0.6	0.6	0.6	0.6
Administration	4.0	4.0	6.0	6.0	6.0	6.0
Street	1.0	1.0	1.0	1.0	1.0	1.0
Library	6.3	6.3	7.4	7.4	7.4	7.4
Pool	-	-	-	8.1	8.1	8.1
Water	5.5	5.5	4.3	4.3	4.3	4.3
Wastewater	8.0	7.8	6.8	5.8	5.8	5.8
Stormwater	0.5	0.5	0.5	0.5	0.5	0.5
Public Works Administration	4.0	4.0	3.0	3.0	3.0	3.0
Facilities Maintenance	-	-	0.3	0.3	0.3	0.3
Total FTE's - Citywide	46.7	46.7	47.4	55.2	55.2	55.2

Changes from previous year

Additional personnel:

- 0.7 FTE – code enforcement
- 8.1 FTE – pool staffing

Reduced personnel:

- 1.0 FTE – Wastewater Plant Operator

A schedule of the City's various positions, including their minimum and maximum annual salaries are presented below.



Consolidated Schedule of Resources, Expenditures and Changes in Fund Balance

All Funds

Fiscal Years 2014-15 through 2017-18

	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Budget
Resources				
Taxes	2,110,991	2,168,485	2,228,800	2,439,600
Intergovernmental	861,265	695,911	2,170,400	1,217,100
Franchise fees	855,286	821,997	829,200	834,800
Charges for services	5,334,895	5,266,043	5,409,125	5,899,400
Licenses and permits	25,767	19,646	13,000	14,000
Miscellaneous	349,242	602,506	591,094	383,800
Transfers	1,342,607	1,430,257	1,526,400	2,748,900
Debt proceeds	-	4,491,212	-	-
Total resources	10,880,054	15,496,057	12,768,019	13,537,600
Expenditures				
Personnel	3,653,629	3,908,931	3,871,000	4,582,800
Materials and services	2,746,308	3,164,400	3,302,260	3,787,710
Capital outlay	653,447	1,381,436	2,267,200	2,410,000
Transfers	1,342,607	1,430,257	1,526,400	2,748,900
Debt service	1,187,498	5,685,985	1,182,597	1,181,570
Total expenditures	9,583,489	15,571,009	12,149,457	14,710,980
Resources over (under) expenditures	1,296,565	-74,952	618,562	-1,173,380
Beginning fund balance	7,093,981	8,390,546	8,315,594	8,934,156
Ending fund balance	8,390,546	8,315,594	8,934,156	7,760,776



Consolidated Schedule of Resources

All Funds

Fiscal Years 2014-15 through 2017-18

	2014-15 Actual	2015-16 Actual	2016-17 Estimated	2017-18 Budget
Resources				
Taxes	19.4%	14.0%	17.5%	18.0%
Intergovernmental	7.9%	4.5%	17.0%	9.0%
Franchise fees	7.9%	5.3%	6.5%	6.2%
Charges for services	49.0%	34.0%	42.4%	43.6%
Licenses and permits	0.2%	0.1%	0.1%	0.1%
Miscellaneous	3.2%	3.9%	4.6%	2.8%
Transfers	12.3%	9.2%	12.0%	20.3%
Debt proceeds	0.0%	29.0%	0.0%	0.0%
Total resources	100.0%	100.0%	100.0%	100.0%

Consolidated Schedule of Expenditures

All Funds

Fiscal Years 2014-15 through 2017-18

Expenditures				
Personnel	38.1%	25.1%	31.9%	31.2%
Materials and service	28.7%	20.3%	27.2%	25.7%
Capital outlay	6.8%	8.9%	18.7%	16.4%
Transfers	14.0%	9.2%	12.6%	18.7%
Debt service	12.4%	36.5%	9.7%	8.0%
Total expenditures	100.0%	100.0%	100.0%	100.0%



City-Wide Budget Summary Schedules

All Funds

Fiscal Year 2017-18

The City's total budget for fiscal year 2017-18 is \$22,471,756. Planned spending totals \$14.7 million, which includes transfers between City funds of \$2,798,900.

Resources

Current Year Resources

Fund	Current Year Resources									Total Resources
	Beginning Fund Balance	Taxes	Intergovernmental	Franchise Fees	Charges for Services	Licenses and Permits	Miscellaneous	Transfers	Total Current Year Resources	
General	1,093,385	1,941,000	195,500	834,800	10,900	14,000	218,400	913,600	4,128,200	5,221,585
Street	548,771	149,000	570,000	-	90,300	-	6,000	275,100	1,090,400	1,639,171
Parks	30,500	10,000	-	-	-	-	-	331,000	341,000	371,500
Library	154,131	168,500	85,300	-	4,000	-	17,000	185,400	460,200	614,331
Pool	64,917	171,100	-	-	193,000	-	500	70,000	434,600	499,517
Water	826,574	-	-	-	1,786,300	-	9,300	139,400	1,935,000	2,761,574
Sewer	2,998,562	-	-	-	3,080,500	-	31,000	207,400	3,318,900	6,317,462
Stormwater	62,240	-	-	-	274,900	-	600	10,700	286,200	348,440
Stormwater Construction	3,700	-	366,300	-	50,000	-	-	130,000	546,300	550,000
Street SDC	602,176	-	-	-	75,000	-	6,000	-	81,000	683,176
Parks SDC	78,633	-	-	-	90,000	-	800	-	90,800	169,433
Water SDC	277,492	-	-	-	93,000	-	2,800	-	95,800	373,292
Sewer SDC	457,725	-	-	-	69,000	-	4,600	-	73,600	531,325
Stormwater SDC	40,284	-	-	-	82,500	-	400	-	82,900	123,184
Public Works Administration	217,616	-	-	-	-	-	2,200	415,400	417,600	635,216
Facilities Development	490,437	-	-	-	-	-	51,300	70,900	122,200	612,637
Vehicle Replacement	987,013	-	-	-	-	-	32,900	-	32,900	1,019,913
Total Resources	8,934,156	2,439,600	1,217,100	834,800	5,899,400	14,000	383,800	2,748,900	13,537,600	22,471,756

Expenditures and Other Requirements

Current Year Expenditures

Other Requirements

Fund	Current Year Expenditures						Other Requirements				Expenditures and Other Requirements
	Personnel	Materials and Services	Capital Outlay	Transfers	Debt Service	Total Expenditures	Contingency	Reserved	Unappropriated	Total Other Requirements	
General	2,445,200	1,228,150	106,000	619,100	-	4,398,450	439,800	-	383,335	823,135	5,221,585
Street	95,600	206,300	534,000	134,200	-	970,100	669,071	-	-	669,071	1,639,171
Parks	83,500	75,500	145,000	28,800	-	332,800	38,700	-	-	38,700	371,500
Library	338,200	128,500	50,000	26,500	-	543,200	71,131	-	-	71,131	614,331
Pool	273,000	149,300	-	7,500	-	429,800	69,717	-	-	69,717	499,517
Water	426,300	513,900	265,000	442,500	330,900	1,978,600	277,900	-	505,074	782,974	2,761,574
Sewer	533,100	982,960	765,000	410,400	825,600	3,517,060	512,200	527,924	1,760,278	2,800,402	6,317,462
Stormwater	41,200	71,800	45,000	94,900	25,070	277,970	70,470	-	-	70,470	348,440
Stormwater Construction	-	50,000	500,000	-	-	550,000	-	-	-	-	550,000
Street SDC	-	100,000	-	135,000	-	235,000	448,176	-	-	448,176	683,176
Parks SDC	-	-	-	25,000	-	25,000	144,433	-	-	144,433	169,433
Water SDC	-	50,000	-	-	-	50,000	323,292	-	-	323,292	373,292
Sewer SDC	-	100,000	-	-	-	100,000	431,325	-	-	431,325	531,325
Stormwater SDC	-	25,000	-	50,000	-	75,000	48,184	-	-	48,184	123,184
Public Works Administration	334,200	81,300	-	75,000	-	490,500	144,716	-	-	144,716	635,216
Facilities Development	12,500	25,000	-	100,000	-	137,500	475,137	-	-	475,137	612,637
Vehicle Replacement	-	-	-	600,000	-	600,000	419,913	-	-	419,913	1,019,913
Total Expenditures and Other Requirements	4,582,800	3,787,710	2,410,000	2,748,900	1,181,570	14,710,980	4,584,165	527,924	2,648,687	7,760,776	22,471,756





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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, license and permits, charges for services, transfers from other funds for administrative services benefitting those funds, and miscellaneous.

Highlights

Fund balance

- The ending fund balance June 30, 2016 is \$1,194,804, a decrease of \$13,420, or -1.1%.
- The projected ending fund balance June 30, 2017 is \$1,093,385, a decrease of \$101,420, or -8.5%.
- The budgeted ending fund balance as of June 30, 2018 is \$823,135, a reduction of \$270,250, or -24.7%.
- The budgeted ending fund balance is estimated to be at four and one half months of working capital. This amount meets the minimum required balance sufficient to fund operations until property taxes are received.
- A transfer of \$80,000 to the Construction Project Fund for gap funding for the Lambert/Puntney Phase I improvements will be repaid to the General Fund, increasing working capital to five months.

Staffing

- There is an increase of 0.7 FTE positions, with a 0.3 FTE code enforcement position increased to 1.0 FTE (two part-time positions).

Programs

- Funding is included in the Planning budget to evaluate and analyze various economic development strategies and create a plan for the City.
- An increase in funding is provided to address deficiencies in the City's computer system networks and related technology.
- A Cadet Program that is grant-funded is included in the Police Department.



Changes from previous year

- Funding for an economic development study and plan of \$100,000.
- Cadet Program funding in the amount of \$15,000 – grant funded.
- A one-time transfer, to be repaid to the Construction Fund, of \$80,000 to provide gap funding for the project.
- A one-time increase in funding for the Pool, \$55,000 increase in the transfer to the Pool, to adequately fund the operation with the transition to City operations. Sustainable funding and or changes to operations will need to be considered and addressed during fiscal year 2017-18.

Revenue

Overall, revenue for fiscal year 2018 is budgeted to increase \$355,500, or 35.1%. The primary driver of this increase is transfers from other funds, which is increased by \$237,400. The increase is primarily attributable to a transfer from the Vehicle Replacement Fund in the amount of \$102,400 and a transfer from Public Works Administration Fund of \$75,000 to provide a portion of the funding for the economic analysis and plan.

Property taxes are estimated to increase 3.0%, which is the average during the past three years. Franchise fees are estimated for a small *decrease* of 1.5%, representing the average during the past three years. Licenses, permits and fees are projected to increase 7.7% over the prior year budget, while charges for services are budgeted with a 7.6% *reduction*. This is due to no longer recognizing payments received that are due other organizations as revenue. Miscellaneous and grants and contributions are budgeted consistent with the prior year.

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

Expenditures

Budgeted expenditures total \$4,398,450, an increase of \$350,750, or 8.7%. The primary drivers of the increase include:

- In all departments with personnel:
 - Increase in PERS and City Retirement Plan contribution rates
 - Cost of living adjustments for all personnel
 - Increase in medical related benefit costs
- Department specific:
 - Police – \$111,800 (5.6%)
 - Police Cadet Program (grant funded)



- Planning – \$104,550 (71.3%)
 - Inclusion of \$100,000 for an economic development strategies and plan
- City Council and Administration – \$51,800 (5.3%)
 - Computer replacement and Information Technology investment
- Non-departmental (Operations) Transfers - \$146,400 (42.9%)
 - Increased funding for Pool – increase of \$55,000
 - Gap funding for Stormwater project - \$80,000



General Fund Budget

	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Current year resources							
Property taxes	1,789,003	1,839,796	1,875,100	1,890,700	1,941,000	1,941,000	1,941,000
Charges for services	18,802	20,428	29,300	11,800	10,900	10,900	10,900
Grants and contributions	-	-	-	18,000	-	-	-
Franchise fees	855,286	821,997	847,600	829,200	834,800	834,800	834,800
Licenses, permits & fees	25,767	19,646	13,000	13,000	14,000	14,000	14,000
Intergovernmental	190,868	172,968	179,000	232,000	195,500	195,500	195,500
Miscellaneous	136,469	216,591	152,500	218,400	218,400	218,400	218,400
Transfers	347,335	357,595	676,200	676,200	913,600	913,600	913,600
Current year resources	3,363,530	3,449,021	3,772,700	3,889,300	4,128,200	4,128,200	4,128,200
Expenditures							
Police	1,883,060	1,873,837	2,009,400	1,948,400	2,121,200	2,121,200	2,121,200
Planning	133,772	142,511	146,700	140,825	251,250	251,250	251,250
Community Center	52,509	54,525	62,600	54,300	62,300	62,300	62,300
Parks Maintenance	123,222	136,972	-	-	-	-	-
Municipal Court	80,605	89,022	99,700	98,500	101,500	101,500	101,500
City Council and Administration	457,819	470,836	968,300	1,025,095	1,020,100	1,020,100	1,020,100
Non-departmental (Operations)	71,933	318,650	60,000	-	-	-	-
Street Lights	107,252	90,490	115,000	111,600	117,000	117,000	117,000
Total operating expenditures	2,910,172	3,176,843	3,461,700	3,378,720	3,673,350	3,673,350	3,673,350
Capital Outlay							
Police	8,897	55,573	78,000	106,000	56,000	56,000	56,000
Community Center	-	21,445	-	-	-	-	-
Parks Maintenance	-	-	-	-	-	-	-
City Council and Administration	-	-	35,000	33,000	50,000	50,000	50,000
Non-departmental (Operations)	6,362	8,580	-	-	-	-	-
Total Capital Outlay	15,259	85,598	113,000	139,000	106,000	106,000	106,000
Transfers							
Police	-	-	39,000	39,000	39,000	39,000	39,000
Planning	-	-	20,300	20,300	19,400	19,400	19,400
Administration	-	-	18,700	18,700	19,300	19,300	19,300
Non-departmental (Operations)	295,000	200,000	395,000	395,000	541,400	541,400	541,400
Total Transfers	295,000	200,000	473,000	473,000	619,100	619,100	619,100
Total Expenditures	3,220,431	3,462,441	4,047,700	3,990,720	4,398,450	4,398,450	4,398,450
Revenue over/(under) expenditures	143,099	(13,420)	(275,000)	(101,420)	(270,250)	(270,250)	(270,250)
Beginning fund balance	1,065,126	1,208,225	1,057,258	1,194,805	1,093,385	1,093,385	1,093,385
Ending fund balance	1,208,225	1,194,805	782,258	1,093,385	823,135	823,135	823,135



Police

Summary

The Stayton Police Department is a full-service, 24 hours a day law enforcement organization providing police services and records management to the city of Stayton. Our top priority is the preservation of life and property.

We strive to be relevant in our community by providing essential police services, supporting a detective unit, maintaining a school resource officer, connecting with the community, offering an enhanced traffic safety program, and making computer crimes a priority. In addition to these six goals, other projects include:

- Foot, motorcycle, and bicycle patrols
- Crime prevention
- Drug investigations
- A variety of investigative assignments



The department's current staff consists of 13 sworn FTE, 1.8 civilian FTE, and 10 volunteers. Our numbers represent a Chief, Lieutenant, two Patrol Sergeants, eight Patrol Officers, one Detective, one and a half time Records staff, .3 FTE Ordinance Officer, and our narcotic canine named "Brodie". We also have a public relations canine named "Dallas".

Our volunteer staff is comprised of reserve police officers and civilian volunteers. The Stayton Police Department relies heavily on the volunteer staff to augment patrol.

As a member of a growing community, the police participate in the support of the community through area programs including "National Night Out," "Coffee with a Cop," a citizen Police Advisory Board, the Stayton Friends of the Family, among many others.

The Department also proudly sponsors and participates in many youth related programs. These programs include child car seat inspections, free bicycle helmets for kids, youth peer court, and the Junior Police Fishing Derby.



Highlights

- This past year, Department expanded our electronic citation program in conjunction with the Stayton Municipal Court.
- Implemented an equipment replacement program including updating of the patrol vehicle computer system.
- Implemented and refurbished training equipment at the firearms range.
- Continue to improve our seven goals and priorities for the Department.
 - Provide 24 hour police services
 - Support our Detective Unit
 - Keep a Police Officer in the schools
 - Connect with the community
 - Support a strong Reserve Officer Program
 - Enhanced traffic safety
 - Making solving computer crimes a priority

Changes from previous year

- The Code Enforcement position is increased from .3 FTE to two .5 FTE positions.
- The Department will continue our vehicle replacement plan by purchasing another vehicle.
- The Department will continue our equipment replacement program for items such as body cams, Tasers, computers, and ballistic vests.
- An \$18,000 grant received from Oregon Community Foundation will fund a newly implemented Cadet program.
- Utilization of e-ticketing will improve Officer and Court staff efficiency.

Police Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Personnel Services	1,450,600	1,497,338	1,585,800	1,554,600	1,679,800	1,679,800	1,679,800
Materials and Services	432,460	376,498	423,600	393,800	441,400	441,400	441,400
Capital Outlay	8,897	55,573	78,000	106,000	56,000	56,000	56,000
Transfers	-	-	39,000	39,000	39,000	39,000	39,000
Total Requirements	1,891,957	1,929,410	2,126,400	2,093,400	2,216,200	2,216,200	2,216,200



Performance Measures

Patrol Measure	2014	2015	2016
Police Activity	8796	9510	9485
Investigated Incidents	3926	3248	3570
Citations/Warnings	1923	3182	3527
Traffic Accidents	82	103	117
Juvenile Abuse	48	33	38
Arrests	559	498	662
Volunteer Hours	3009	4502	3041
Peer Court Cases	54	48	22

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Chief of Police	1.0	1.0	1.0	1.0	1.0	1.0
Lieutenants	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	9.0	9.0	9.0	9.0
Records Clerk	1.5	1.5	1.5	1.5	1.5	1.5
Code Enforcement	-	-	0.3	1.0	1.0	1.0
FTE's - Police	14.5	14.5	14.8	15.5	15.5	15.5

Capital Outlay

Patrol vehicle \$ 56,000





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Planning

Summary

The Planning 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, the Department is staffed by a full time Planning 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 include periodic updates of the City's Comprehensive Plan and special projects such as commercial or multi-family design standards and code improvements. 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 Administrator, City Council, and the Planning Commission.

Long range planning programs currently in progress include fostering long term sustainable economic development and continued improvement of the Land Use and Development Code. The department is working with the Friends of Old Town 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.

Some land use applications regularly handled by the Planning Department include annexations, comprehensive plan and zone map amendments, site plan reviews, conditional uses, variances, subdivisions and planned unit developments.

Planning Commission Members & Terms

Ellen Nunez (Chair)	12/2017
Dixie Ellard	12/2017
Jackie Carmichael	12/2018
Ralph Lewis	12/2018
Heidi Hazel	12/2018

Highlights

- Proposed funding to implement Council goal of economic development plan.



Changes from previous year

- Proposed budget includes funding of \$100,000 for development of Economic Development Strategies and Plan.

Planning Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Personnel Services	122,247	128,402	127,300	126,200	134,300	134,300	134,300
Materials and Services	11,525	14,109	19,400	14,625	116,950	116,950	116,950
Transfers	-	-	20,300	20,300	19,400	19,400	19,400
Total Requirements	133,772	142,511	167,000	161,125	270,650	270,650	270,650

Performance Measures

- Timely land use decisions.

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
City Planner	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement Officer	-	0.5	-	-	-	-
Total FTE's - Planning	1.0	1.0	1.0	1.0	1.0	1.0

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 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 a 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:

- Twenty 6-foot tables
- Two 8-foot tables
- Approximately 150 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

- The Community Center was rented 111 times.
- Continues to serve Senior Community with Senior Meal Program.

Changes from previous year

No changes from the previous year.



Community Center Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Materials and Services	52,509	54,525	62,600	54,300	62,300	62,300	62,300
Capital Outlay	-	21,445	-	-	-	-	-
Total Requirements	52,509	75,970	62,600	54,300	62,300	62,300	62,300

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 as 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
- 57 Trials held
- 1,015 cases processed
- The Court processed \$170,000 in fine revenue for the City in fiscal year 2016-17.

Changes from previous year

The Police Department is acquiring digital ticketing technology in fiscal year 2016-17 that will significantly benefit the Municipal Court operation.

Performance Measures

- Timely prosecution of cases
- Timely adjudication of cases
- Timely collection of fines

Municipal Court Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Personnel Services	22,932	26,792	28,700	29,000	30,500	30,500	30,500
Materials and Services	57,674	62,231	71,000	69,500	71,000	71,000	71,000
Capital Outlay	-	-	-	-	-	-	-
Total Requirements	80,605	89,022	99,700	98,500	101,500	101,500	101,500



Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 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's organization. Administration includes the Mayor and City Council, City Administrator's Office, City Recorder, Human Resources, Finance, and Information Technology.

Mayor and City Council

The Mayor and City Councilors serve as the organization's "board of directors," providing governance, appointing the City Administrator, establishing rules, regulations, and policy, approving contracts, adopting the budget and setting the direction of the organization.

Highlights

- Continuing funding for Community Grant program is provided.
- Continuing funding for training and relationship development for Mayor and Councilors.

Changes from the previous year

- No changes from the previous year. (2016-17 first year separated from Operations)

Mayor and City Council Budget

Description	<i>Information only - included in GF Operations</i>						
	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Memberships	5,938	6,103	6,000	6,000	6,000	6,000	6,000
Conferences - Council Expenses	951	597	6,000	6,000	6,000	6,000	6,000
Community Grant Program	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Election Expense	-	296	-	-	-	-	-
Materials and Services	11,889	11,995	17,000	17,000	17,000	17,000	17,000
Total Requirements	11,889	11,995	17,000	17,000	17,000	17,000	17,000



City Administrator

The City Administrator is appointed by the Mayor, and ratified by the City Council, to manage the affairs of the City. The City Administrator'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

Deputy City Recorder

The Deputy City Recorder serves as the clerk of the City Council and is responsible for attending all meetings and preparing official minutes of their meetings. The Recorder is responsible for preparing the City Council agenda, maintaining ordinance and resolution records, preparing official meeting and legal notices and processes and maintaining all official documents and minutes of the city. The Deputy City Recorder also serves as the City Elections Officer, Records Manager, and Human Resources Manager.

Human Resources

Human resources are managed by the Deputy City Recorder with assistance from outside consultants.

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 City of Stayton earned the Government Finance Officers Association (GFOA) distinguished budget award for the fiscal year 2016-17 budget document.
- Outsourced utility billing; reducing billing costs and staff time associated with billing.



Changes from previous years

- Funding to replace outdated computers and office furniture for City Hall employees.
- Contract IT Services increased to include Pool IT services.
- City outsourced utility billing printing; made changes for customers who pay online.
- Changes to utility account collection efforts to increase efficiency and effectiveness.
- Implement five-year financial forecasts for General, Parks, Library and utility funds.

Administration Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Requested	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Personnel Services	414,473	424,515	596,500	477,600	600,600	600,600	600,600	600,600
Materials and Services	43,346	46,321	371,800	547,495	402,500	402,500	402,500	402,500
Capital Outlay	-	-	35,000	33,000	50,000	50,000	50,000	50,000
Transfers	-	-	18,700	18,700	19,300	19,300	19,300	19,300
Total Requirements	457,819	470,836	1,022,000	1,076,795	1,072,400	1,072,400	1,072,400	1,072,400

Performance measures

- Timely completion of Annual Financial Report and clean opinion from independent auditor.
- Timely completion of Budget.
- Timely and accurate processing of vendor payments.
- Timely and accurate processing of payroll, including federal and state reporting.
- Timely and accurate billing and collection of utilities and other accounts.

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
City Administrator	1.0	1.0	1.0	1.0	1.0	1.0
Deputy City Recorder	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
Senior Accountant	-	-	-	1.0	1.0	1.0
Associate Accountant	1.0	1.0	1.0	-	-	-
Utility Billing Clerk*	-	-	1.0	1.0	1.0	1.0
Receptionist Cashier*	-	-	1.0	1.0	1.0	1.0
Total FTE's - Administration	4.0	4.0	6.0	6.0	6.0	6.0

* Positions budgeted in Water and Wastewater prior to fiscal year 2016-17.





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Non-departmental (Operations)

Summary

The Non-departmental area of the General Fund budget accounts for transfers to other funds to support their operation and non-recurring expenditures not specific to a department or fund. It accounts for a variety of expenses that tend to be common to the entire fund and many may not be easily identifiable in respect to any specific department.

Changes from previous year

- Expenses that are specific to a department and managed by that department are recognized in that department

Highlights

- \$70,000 is budgeted for a transfer to the Pool Fund to provide sufficient funding for the change to City operation.
- An \$80,000 transfer (advance) to the Construction Fund is budgeted to fill an anticipated funding gap for the construction of a \$500,000 phase I project. The advance is to be repaid from Stormwater SDCs in future years.

Non-departmental Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Materials and Services	71,933	318,650	60,000	-	-	-	-
Capital Outlay	6,362	8,580	-	-	-	-	-
Transfers	295,000	200,000	395,000	395,000	541,400	541,400	541,400
Total Requirements	373,295	527,230	455,000	395,000	541,400	541,400	541,400





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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

- Three street lights in Pioneer Park on Park Avenue, were rewired to be powered from underground powerlines, eliminating overhead wires.
- Began to review LED streetlight replacement program with Pacific Power.

Changes from previous years

No changes from 2016-2017 budget.

Street Lights Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Materials and Services	107,252	90,490	115,000	111,600	117,000	117,000	117,000
Total Requirements	107,252	90,490	115,000	111,600	117,000	117,000	117,000

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 service.





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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. The balance is unappropriated for carryover to fiscal year 2018-19.

The combined totals of contingency and unappropriated amounts are in excess of the amount needed to fund general fund operations without borrowing until property taxes are received in November.

Changes from previous year

- Contingency is 10.0% of overall general fund expenditures, increase from 5.0%.
- Unappropriated fund balance is intended to be the minimum carryover for the subsequent fiscal year.

Other Requirements Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Contingency		173,100	201,200	-	439,800	439,800	439,800
Unappropriated Fund Balance	1,224,958	1,021,705	604,058	-	383,335	383,335	383,335
Total Other Requirements	1,224,958	1,194,805	805,258	-	823,135	823,135	823,135





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Library Fund

Summary



The mission of the Stayton Public Library is to bring people, information and ideas together. Approximately 115,000 items, including books, periodicals, DVDs, books on CD, music CDs and electronically downloadable items are available at Stayton Public Library. As a member of the Chemeketa Cooperative Regional Library System (CCRLS), the library provides access to over 2 million items held among the 18 member libraries through an online catalog. The library is open six days per week.

Highlights

- We had 80,146 visits to the library last year.
- We have programming for people of all ages.
- We continue to make progress in the use of modern technology. We are 90% complete with a transition to RFID tags on our materials.
- Our children's programming continues to meet high standards and be well attended. We added a *Read to the Dog* program in January 2017.
- We have hosted six authors as part of our Oregon author series. The series is funded by a grant from the Marion Cultural Development Corporation and the Friends of the Stayton Library.
- We are very fortunate to have the support of both The Library Foundation and The Friends of the Stayton Library. The Foundation funds our Early Literacy Outreach position.
- The Early Literacy Outreach position presents story times twice a month in 22 classrooms and serves over 400 children.

Changes from previous year

- As part of CCRLS, we are 90% complete with a transition to RFID tags on all our materials. RFID provides a different way of managing our collection.
- We continue to develop our programming. This year we added a *Read to the Dog* program for children and a quarterly *Bad Art Night* for adults.



Library Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	88,935	120,543	134,344	139,531	154,131	154,131	154,131
Property Taxes	153,430	157,820	164,100	162,500	168,500	168,500	168,500
Charges for Services	10,913	10,715	13,000	3,500	4,000	4,000	4,000
Intergovernmental	65,002	66,577	83,300	81,500	85,300	85,300	85,300
Miscellaneous	40,117	34,381	35,400	28,100	17,000	17,000	17,000
Transfers	139,500	119,500	180,000	180,000	185,400	185,400	185,400
Total Resources	497,896	509,536	610,144	595,131	614,331	614,331	614,331
Requirements							
Personnel Services	266,923	258,342	368,100	279,100	338,200	338,200	338,200
Materials and Services	108,429	111,663	129,351	134,200	128,500	128,500	128,500
Capital Outlay	-	-	-	-	50,000	50,000	50,000
Transfers	2,000	-	27,700	27,700	28,800	28,800	26,500
Contingency	-	-	84,993	-	68,831	68,831	71,131
Total Requirements	377,353	370,005	610,144	441,000	614,331	614,331	614,331

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Library Director	1.0	1.0	1.0	1.0	1.0	1.0
Library Youth Services	0.8	0.8	0.8	0.8	0.8	0.8
Outreach Youth Services	0.5	0.5	0.6	0.6	0.6	0.6
Library Assistant II	1.0	1.0	0.6	0.6	0.6	0.6
Library Assistant I	1.5	1.5	2.3	2.3	2.3	2.3
Library Aide	1.5	1.5	2.1	2.1	2.1	2.1
Total FTE's - Library	6.3	6.3	7.4	7.4	7.4	7.4

Capital Outlay

Library roof replacement - \$50,000.



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 12.7 acres of neighborhood parks, 7.65 acres of community parks, and 106 acres of open space parks. The City's parks system is highly valued by residents and visitors because they help make Stayton a livable community.

Jordan Bridge

The Jordan Bridge is located in Stayton's Pioneer Park at 450 N. 7th Avenue and is a beautiful location for events such as weddings, receptions, and family reunions.

The Bridge can be reserved for a minimum of 3 hours for \$100 with each additional hour at \$20. 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

The covered picnic shelters are available on a first-come, first-served 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, the Stayton Family Memorial Pool, three tennis courts, horseshoe pits, a playground, library, parking, a picnic area, and an open recreation field.

Parks and Recreation Board Members and Terms

Dan Brummer	12/2018
Cherie Douglas	12/2017
Scott West	12/2017
Kathy Hampton	12/2018
Richard Lewis	12/2018
Pam Pugsley	12/2017



Highlights

- The City purchased 26 acres of undeveloped park land north of Shaff Road. The Park land is known as the Puntney Property.
- The City also received 3 acres of open space as part of the Wildlife Meadows Planned Development.
- The City received a \$78,000 grant from Oregon Parks and Recreation Department for Pioneer Foot Bridge.



Changes from previous year

- The City will invest \$25,000 for a Parks Master Plan of the Puntney property in an effort to obtain grant funding for park development.

Performance Measures

- 7.08 acres of neighborhood parks.
- 17 acres of community parks.
- 179 acres of open space parks.
- Mows and edges all parks, the library and courthouse lawns.
- Daily cleaning of maintenance of 3 restrooms.
- Monthly park play equipment inspections.
- Maintain trails and paths in parks.
- Maintain of outdoor basketball, handball and tennis courts.
- Maintain picnic shelters.
- Maintain irrigations systems in all the parks, community center, library, courthouse and community garden.



Parks Fund Budget

Description	<i>amounts included in general fund - parks department</i>		16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
	14 -15 Actual	15 -16 Actual					
Beginning Fund Balance	-	-	-	-	30,500	30,500	30,500
Property Taxes	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Intergovernmental Transfers	-	-	-	78,000	-	-	-
	113,222	126,973	325,000	225,000	331,000	331,000	331,000
Total Resources	123,222	136,973	335,000	313,000	371,500	371,500	371,500
Requirements							
Personnel Services	79,056	74,662	79,200	76,400	83,500	83,500	83,500
Materials and Services	44,166	62,311	65,900	75,300	75,500	75,500	75,500
Capital Outlay	-	-	125,000	103,000	145,000	145,000	145,000
Transfers	-	-	27,800	27,800	28,800	28,800	28,800
Contingency	-	-	37,100	-	38,700	38,700	38,700
Total Requirements	123,222	136,973	335,000	282,500	371,500	371,500	371,500

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Senior Maintenance Worker	1.0	1.0	1.0	1.0	1.0	1.0
Seasonal - contract services	0.9	-	0.7	0.7	0.7	0.7
Total FTE's - Parks	1.9	1.0	1.7	1.7	1.7	1.7

Capital Outlay

Puntney Property Master Plan	\$ 25,000
Jordan Bridge	100,000
Equipment	<u>20,000</u>
Total	\$ 145,000





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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 13.2 of the Stayton Municipal Code. Residential developers pay a flat fee SDC in an amount based on the adopted Parks System Master Plan.

Highlights

- Projected increase in Parks SDCs to \$90,000 in fiscal year 2017-18.
- Transfer \$25,000 to the Parks Fund for a Master Plan for Puntney Property.

Changes from the previous year

- The administrative portion of the SDC fee is recognized directly in the General Fund, eliminating the transfer to the General Fund

Parks SDC Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	55,241	51,197	75,197	72,633	78,633	78,633	78,633
Resources							
Licenses, Permits and Fees	25,991	21,362	25,000	30,000	90,000	90,000	90,000
Miscellaneous	365	474	400	1,000	800	800	800
Total Resources	81,597	73,033	100,597	103,633	169,433	169,433	169,433
Requirements							
Transfers	30,400	400	25,000	25,000	25,000	25,000	25,000
Contingency	-	-	75,597	-	144,433	144,433	144,433
Unappropriated	-	-	-	-	-	-	-
Contingency	-	-	75,597	-	144,433	144,433	144,433
Total Requirements	30,400	400	100,597	25,000	169,433	169,433	169,433





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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. As of July 1, 2017, the City will begin management of day-to-day operations and programs for the pool facility.

Highlights

- The City is assuming full responsibility for the Pool operation effective July 1, 2017.

Changes from previous year

- The budget includes all revenue and expenditures for pool operations at current hours.

Pool Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	127,076	32,703	49,476	65,517	64,917	64,917	64,917
Resources							
Property Taxes	158,559	160,869	166,800	165,600	171,100	171,100	171,100
Charges For Services	-	133	-	-	193,000	193,000	193,000
Miscellaneous	25,279	482	100	300	500	500	500
Transfers	15,000	15,000	15,000	15,000	70,000	70,000	70,000
Total Resources	325,913	209,187	231,376	246,417	499,517	499,517	499,517
Requirements							
Personnel Services	-	-	-	3,900	273,000	273,000	273,000
Materials and Services	150,825	143,670	160,200	158,900	149,300	149,300	149,300
Capital Outlay	142,385	-	-	11,200	-	-	-
Transfers	-	-	7,500	7,500	7,500	7,500	7,500
Contingency	-	-	63,676	-	69,717	69,717	69,717
Total Requirements	293,210	143,670	231,376	181,500	499,517	499,517	499,517



Staffing

Position	2014-15	2015-16	2016-17	2017-18	2017-18	2017-18
	Actual	Actual	Budget	Proposed	Approved	Adopted
Aquatics Facility Manager	0.0	0.0	0.0	1.0	1.0	1.0
Pool Staff Supervisor	0.0	0.0	0.0	1.0	1.0	1.0
Lifeguards	0.0	0.0	0.0	3.6	3.6	3.6
Instructors	0.0	0.0	0.0	2.5	2.5	2.5
Total FTE's - Pool	0.0	0.0	0.0	8.1	8.1	8.1

Note: Staffing for the pool was previously provided and managed by the YCMA.



Street Fund

Summary

The City of Stayton maintains 33.3 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).



Stayton's Mayor and City Council have agreed that Stayton's streets need to be improved. In fact, every City Council since 1984 has identified "Street Maintenance" as a priority. In 2007, the City completed a pavement management study which evaluated the condition of every street in the city. The report recommended the City spend \$350,000 to \$500,000 annually to preserve the city's street system and prevent further deterioration of the pavement. Existing revenues don't generate enough money to make this level of investment. In a 2009 community survey, more than half of Stayton residents rated the city's streets as "poor" or "very poor" and 75% agreed the City should spend more money on street maintenance. This sentiment was reaffirmed again in the spring of 2015 when in a City Survey 7 of 10 Stayton residents answered Street Maintenance should be one of Stayton's top three priorities. The challenge has been finding funds to pay for routine street maintenance and reconstruction. The Mayor and City Council have considered several funding options including a local gas tax, bond issues, and local option tax levies. In December 2010, the Council adopted the Transportation Maintenance Fee to raise \$80,000 to \$90,000 annually for street maintenance.

Each year, the City receives a portion of state gasoline taxes (\$400,000/year) to help pay for the on-going maintenance of the City's street system. Gas taxes pay for personnel, materials, vehicles, public works shop facility, administrative and capital expenses related to the 34.6 miles of City-owned streets inside the city limits. The City has one full-time Public Works employee assigned to street operations and maintenance. Services include regular sweeping, traffic signal maintenance, sign installation and replacement, striping, sanding, and minor street repair and improvements. The City spends about \$135,000 annually for gravel and paved street maintenance. The City spends about \$175,000 annually for street overlay projects. The City has, for example, in 2016 repaved (overlaid) Western Avenue from Gardner west to the end of Western Place.

For a brand-new street, the expected service life is 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 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

- Completed the Marion Street Overlay.
- The budget includes an update to Transportation System Plan (TSP), SDC funded.



Changes from previous year

- A proposed increase of 2.5 percent (2.5%, or change in CPI) to the Maintenance Fee (\$0.05/month per single-family home) *Note: This fee has been deferred with the passage of the local gas tax*
- Reconstruct/Overlay Regis Street from First Avenue to Evergreen Street.
- The City will partner with a developer to construct Shaff Road to an arterial standard.

Street Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	262,968	547,463	636,451	571,471	548,771	548,771	548,771
Resources							
Taxes	-	-	-	-	-	-	149,000
Charges For Services	85,969	86,429	87,000	87,200	90,300	90,300	90,300
Intergovernmental	605,396	456,365	535,000	601,200	570,000	570,000	570,000
Miscellaneous	5,766	11,189	1,900	7,300	6,000	6,000	6,000
Transfers	-	-	-	-	275,100	275,100	275,100
Total Resources	960,099	1,101,446	1,260,351	1,267,171	1,490,171	1,490,171	1,639,171
Requirements							
Personnel Services	81,521	83,785	88,600	90,000	95,600	95,600	95,600
Materials and Services	80,359	159,449	201,900	197,300	206,300	206,300	206,300
Capital Outlay	127,818	161,429	300,000	300,000	385,000	385,000	534,000
Transfers	122,937	125,312	131,100	131,100	136,500	136,500	134,200
Contingency	-	-	538,751	-	666,771	666,771	669,071
Total Requirements	412,636	529,975	1,260,351	718,400	1,490,171	1,490,171	1,639,171

Performance Measures

- Curb miles swept by Stayton Street Sweeper.
- Material / debris removed from streets.
- Cold Mix Applied to Potholes.

Effectiveness Measures

- 1,304 curb miles swept.
- 1,102 cubic yards of material removed and hauled to the dump.
- 11,530 pounds of cold mix applied to potholes around the City.
- Street Vision Clearance-vegetation control at intersections and along public streets.
- Collected 175 pounds of food through the Fall Yard Debris Drop Off Project.



- The number of complaints regarding the conditions of the streets in Stayton continues to be an issue. The City simply does not have the funds available to keep up with the demand.

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Maintenance Worker	1.0	1.0	1.0	1.0	1.0	1.0

Capital Outlay

Reconstruct/Overlay Regis Street from First to Evergreen Street	\$ 250,000
Transportation System Plan	<u>135,000</u>
	\$ 385,000



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. Builders pay street SDCs based on the adopted Transportation System Master Plan and the City invests collected funds consistent with the Plan.

Highlights

- The City collected \$190,000 in SDCs in fiscal year 2016-2017.
- Pay out of estimated \$32,000 in fiscal year 2017 for developer reimbursements for Shaff Road improvements.
- Budget includes a transfer of \$135,000 to the Street Fund for preparation of an updated Transportation System Plan.

Changes from previous year

- Budget includes \$100,000 for potential developer reimbursement for new development.
- Budget transfer to fund the TSP update.

Street SDC Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	359,634	394,072	413,272	438,476	602,176	602,176	602,176
Resources							
Charges for Services	35,303	43,906	24,300	190,000	75,000	75,000	75,000
Miscellaneous	1,863	2,618	1,200	5,700	6,000	6,000	6,000
Total Resources	396,800	440,596	438,772	634,176	683,176	683,176	683,176
Requirements							
Materials and Services	608	-	-	32,000	100,000	100,000	100,000
Capital Outlay	-	-	-	-	-	-	-
Transfers	2,120	2,120	-	-	135,000	135,000	135,000
Contingency	-	-	438,772	-	448,176	448,176	448,176
Unappropriated Balance	-	-	-	-	-	-	-
Contingency	-	-	438,772	-	448,176	448,176	448,176
Total Requirements	2,728	2,120	438,772	32,000	683,176	683,176	683,176





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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 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.). Revenues for this budget are received from water utility fees. Staff includes three Maintenance Worker positions, a Chief Operator, Public Works Supervisor, and portions of the salaries of the Receptionist/Cashier, and Utility Billing Clerk.

Highlights

- Oregon Association of Water Utilities named the City of Stayton's water the "Best Tasting Surface Water" of 2017.
- Funding to replace services along the Marion Street, from First Avenue to Seventh Avenue.
- Install 900 feet of 8-inch water line and four fire hydrants on Marion Street.
- Installed 300 feet of 16-inch waterline on Shaff Road. (Developer Installed)
- Funding to fully integrate our water meters into radio read technology.
 - Currently, 2,100 are radio read meters, 400 are the older manually read meters.
 - Upgrading to a fully integrated radio read system will reduce time to read meters and make the entire process more efficient, thereby saving the taxpayers money.
- The City entered into an outside services contract to perform leak detection on the east side of Stayton.



Changes from previous year

- A rate increase consistent with the change in inflation (CPI) is proposed (2.5%).
- In the fiscal year 2017 plant improvements were increased \$100,000 for the design and construction of a system that provides more contact time to increase disinfection of water prior to leaving the Water Treatment Plant. Those Funds were not used during the year.
- Plant improvements of \$50,000 are proposed for the design of a contact time disinfection system for the Water Treatment Plant.

Water Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	685,804	742,140	666,393	778,974	826,574	826,574	826,574
Revenue							
Charges For Services	1,812,174	1,781,823	1,780,000	1,727,800	1,786,300	1,786,300	1,786,300
Miscellaneous	6,797	5,995	1,100	20,700	9,300	9,300	9,300
Debt proceeds/Transfers	-	4,491,212	-	-	139,400	139,400	139,400
Total Resources	2,504,775	7,021,169	2,447,493	2,527,474	2,761,574	2,761,574	2,761,574
Requirements							
Personnel Services	387,781	426,287	398,400	356,500	426,300	426,300	426,300
Materials and Services	442,717	424,717	517,600	470,000	513,900	513,900	513,900
Capital Outlay	174,408	123,816	260,000	165,000	265,000	265,000	265,000
Debt service							
OECD Principal (2011)	196,738	4,703,427	210,400	-	-	-	-
OECD Interest (2011)	162,073	155,384	148,500	-	-	-	-
FFCO Principal 2016	-	-	-	180,000	200,000	200,000	200,000
FFCO Interest 2016	-	-	-	151,700	130,900	130,900	130,900
Debt Service	358,811	4,858,811	358,900	331,700	330,900	330,900	330,900
Transfers	398,919	408,564	377,700	377,700	445,900	445,900	442,500
Contingency	-	-	277,800	-	277,900	277,900	277,900
Unappropriated Balance	-	-	257,093	-	501,674	501,674	505,074
Total Requirements	1,762,635	6,242,195	2,447,493	1,700,900	2,761,574	2,761,574	2,761,574

Performance Measures

- 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.



Effectiveness Measures (through March 2017)

- The Water Treatment Plant treated and produced 35,632,000 gallons of water.
- Replaced 61 water meters.
- Installed 95 radio meters.
- Installed new water services along Marion Street in conjunction with the Marion Street Overlay project.
- Installed 900 feet of 8-inch waterline on Marion Street.
- Installed 300 feet of 16-inch waterline on Shaff Road.
- Installed 4 fire hydrants along Marion Street.
- Cleaned 2 sand filter beds.

Staffing

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Water Plant Operator	1.0	1.0	1.0	1.0	1.0	1.0
Maintenance Workers	2.5	2.5	2.3	2.3	2.3	2.3
Field Assistant	1.0	1.0	1.0	1.0	1.0	1.0
Receptionist Cashier*	0.5	0.5	-	-	-	-
Utility Clerk*	0.5	0.5	-	-	-	-
Total FTE's Water	5.5	5.5	4.3	4.3	4.3	4.3

Finance employees - moved to Administration

Capital Outlay

Install new 16-inch water line on Shaff Road	\$ 215,000
Design of Contact Time for disinfection of water leaving the WTP	<u>50,000</u>
	\$ 265,000





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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 a 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 \$40,000 in SDCs in fiscal year 2016-2017.
- The City paid out approximately \$5,000 in developer reimbursements for Shaff Road improvements.
- \$93,000 in water SDCs are projected in fiscal year 2017-18.

Changes from the previous year

- The City experienced no significant changes in SDCs from what it received in 2015-2016.
- Proposed budget includes \$50,000 for potential developer reimbursements.

Water SDC Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	162,899	208,271	215,931	239,992	277,492	277,492	277,492
Resources							
Charges for Services	47,662	31,161	30,000	40,000	93,000	93,000	93,000
Miscellaneous	954	1,430	600	2,500	2,800	2,800	2,800
Total Resources	211,515	240,862	246,531	282,492	373,292	373,292	373,292
Requirements							
Materials and Services	2,374	-	-	5,000	50,000	50,000	50,000
Transfers	870	870	-	-	-	-	-
Contingency	-	-	246,531	-	323,292	323,292	323,292
Unappropriated Balance	-	-	-	-	-	-	-
Contingency	-	-	246,531	-	323,292	323,292	323,292
Total Requirements	3,244	870	246,531	5,000	373,292	373,292	373,292





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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 5 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.

Highlights

- Funding to add pressure main from Ida Street to Wastewater Treatment Plant. This is a Sanitary Sewer Master Plan Priority.
- Funding to Install a new Flume at the Wastewater Treatment Plant.
- Funding to design and construct a roof over the Pipe Gallery.

Changes from previous year

- Reduction of one full-time equivalent position to right-size operation.
- Decrease in 2017-2018 budget year of 24% in capital improvements in the collection systems and Wastewater Treatment Plant improvements.
- Increase of 230% (\$39,000) for the Mill Creek sewer maintenance.
- Transfer of \$207,400 from Vehicle Replacement Fund to return portion of balance of funds transferred.



Sewer Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	2,589,427	3,122,662	2,700,867	2,813,140	2,998,562	2,998,562	2,998,562
Resources							
Charges For Services	3,022,384	2,982,959	2,989,225	2,993,225	3,080,500	3,080,500	3,080,500
Miscellaneous	28,252	20,408	15,000	26,500	31,000	31,000	31,000
Transfers	-	-	-	96,494	207,400	207,400	207,400
Total Resources	5,640,063	6,126,030	5,705,092	5,929,359	6,317,462	6,317,462	6,317,462
Requirements							
Personnel Services	501,582	605,655	583,400	550,400	533,100	533,100	533,100
Materials and Services	724,889	881,943	935,400	863,900	982,960	982,960	982,960
Capital Outlay	47,777	612,948	1,005,000	325,000	765,000	765,000	765,000
Debt service				3,116,219			
Refunding Bond - Principal	325,000	330,000	335,000	335,000	345,000	345,000	345,000
Refunding Bond - Interest	158,240	151,747	145,150	145,150	135,100	135,100	135,100
RD Bond Principal	119,968	123,247	126,657	126,657	130,200	130,200	130,200
RD Bond Interest	225,479	222,180	218,790	218,790	215,300	215,300	215,300
Debt Service	828,687	827,174	825,597	825,597	825,600	825,600	825,600
Transfers	414,466	385,171	389,100	365,900	413,600	413,600	410,400
Contingency	-	-	541,100	-	512,200	512,200	512,200
Reserved for debt service	-	-	527,924	-	527,924	527,924	527,924
Unappropriated Balance	-	-	897,571	-	1,757,078	1,757,078	1,760,278
Other Requirements	-	-	1,966,595	-	2,797,202	2,797,202	2,800,402
Total Requirements	2,517,401	3,312,890	5,705,092	2,930,797	6,317,462	6,317,462	6,317,462

Performance Measures

- Operate and maintain 33 miles of sanitary sewer collection lines, and four (4) sanitary sewer lift stations.
- Operate and maintain Wastewater Treatment Plant.

Effectiveness Measures

- The City treated 572,070,000 gallons of sewerage in the 2016-2017 budget year.
- Televised inspection of 6.0 miles of sewer lines.
- Mill Creek Force Main Design and Construction
- Hauled off 194 tons of Class "A" bio solids material.
- Obtained NPDES Permit from DEQ; to include qualification to produce and distribute Class "A" biosolids



Staffing

Position	2014 -15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Sewer System Supervisor	1.0	1.0	1.0	1.0	1.0	1.0
Chief Operator	1.0	1.0	1.0	1.0	1.0	1.0
Wastewater Treatment Operators	4.5	4.5	4.5	3.5	3.5	3.5
Collections System Operator	0.5	0.3	0.3	0.3	0.3	0.3
Receptionist Cashier	0.5	0.5	-	-	-	-
Utility Billing Clerk	0.5	0.5	-	-	-	-
Total FTE's - Wastewater	8.0	7.8	6.8	5.8	5.8	5.8

Capital Outlay

24-inch Force Main from Ida to Wastewater Treatment Plant.	\$ 600,000
Flume Replacement at Wastewater Treatment Plant.	<u>165,000</u>
	\$ 765,000





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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 2016-2017.
- We project \$69,000 in SDC revenue in fiscal year 2017-18.

Changes from the previous year

- Developer reimbursements budgeted for up to \$100,000 for sanitary sewer construction as part of the Lambert Place Subdivision Improvements.

Sewer SDC Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	391,846	401,407	421,892	425,025	457,725	457,725	457,725
Resources							
Charges for Services	57,296	23,726	22,400	30,000	69,000	69,000	69,000
Miscellaneous	1,958	1,807	1,300	2,700	4,600	4,600	4,600
Total Resources	451,100	426,940	445,592	457,725	531,325	531,325	531,325
Requirements							
Materials and Services	47,778	-	-	-	100,000	100,000	100,000
Transfers	1,915	1,915	-	-	-	-	-
Contingency	-	-	445,592	-	431,325	431,325	431,325
Unappropriated Balance	-	-	-	-	-	-	-
Contingency	-	-	445,592	-	431,325	431,325	431,325
Total Requirements	49,693	1,915	445,592	-	531,325	531,325	531,325





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Storm Water Fund

Summary

The Storm Water Fund accounts for the City's storm water utility activities. Annual maintenance objectives include storm basin and storm line cleaning, repair replacement, tracking and billing storm charges, etc. Revenues for this fund are received from Stayton storm user fees.

Highlights

- Funding to construct Pollution Control Manholes for storm water prior to entering Salem Ditch. *This is a requirement of the Memo of Understanding with the Santiam Water Control District.*

Changes from previous year

- Proposed rate increase of 2.5%, consistent with inflation.
- Increase of 29% (from \$35,000 to \$45,000) for storm water maintenance and operations expense.

Storm Water Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	-	68,634	128,234	105,840	62,240	62,240	62,240
Resources							
Charges for Services	214,767	244,613	238,000	265,600	274,900	274,900	274,900
Miscellaneous	701	70,712	400	600	600	600	600
Transfers	38,000	230,000	-	-	10,700	10,700	10,700
Total Resources	253,468	613,960	366,634	372,040	348,440	348,440	348,440
Requirements							
Personnel Services	29,014	31,058	37,800	36,500	41,200	41,200	41,200
Materials and Services	76,403	171,157	66,900	67,300	71,800	71,800	71,800
Capital Outlay	5,438	230,000	90,000	90,000	45,000	45,000	45,000
Debt service							
Inter Fund Loan Principal	-	-	22,400	23,000	23,000	23,000	23,000
Interfund Loan Interest	-	-	1,400	2,300	2,070	2,070	2,070
Debt Service	-	-	23,800	25,300	25,070	25,070	25,070
Transfers	73,980	75,905	90,700	90,700	94,900	94,900	94,900
Contingency	-	-	57,434	-	70,470	70,470	70,470
Total Requirements	184,834	508,120	366,634	309,800	348,440	348,440	348,440



Performance Measures

- Clean and maintain all storm water collection systems including: storm lines, culverts, ditches, swales, detention and water quality facilities, catch basins and manholes.
- Install pollution control manholes and catch basins per Memo of Understanding.

Effectiveness Measures

- Installed 5 pollution control manholes and catch basins.
- Cleaned 3.80 miles of storm collection lines to increase flow capacities.
- Cleaned 27 storm manholes and 149 catch basins to increase capacities.

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 Adopted
Maintenance Worker	0.5	0.5	0.5	0.5	0.5	0.5

Capital Outlay

Pollution control manholes	\$ 35,000
Storm system improvements	<u>10,000</u>
	\$ 45,000



Storm Water SDC Fund

Summary

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

Highlights

- The City collected approximately \$30,000 from Storm Water SDCs in fiscal year 2017.
- City reimbursed developers approximately \$12,500 for qualified improvements.

Changes from the previous year

- \$50,000 is transferred to the Construction Fund to complete Phase I improvements.
- The Budget includes funds for potential developer reimbursements for qualified costs included in developer constructed projects.

Storm Water SDC Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	-	3,634	20,334	22,484	40,284	40,284	40,284
Resources							
Charges for Services	3,634	18,788	18,600	30,000	82,500	82,500	82,500
Miscellaneous	-	62	100	300	400	400	400
Total Resources	3,634	22,484	39,034	52,784	123,184	123,184	123,184
Requirements							
Materials and Services	-	-	-	12,500	25,000	25,000	25,000
Transfers	-	-	-	-	50,000	50,000	50,000
Contingency	-	-	39,034	-	48,184	48,184	48,184
Total Requirements	-	-	39,034	12,500	123,184	123,184	123,184





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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 fiscal year 2017, the Public Works Administration reviewed development applications, right-of-way permits, construction plans, and building permits.
- The Public Works staff designed and prepared construction plans for 900 feet of 8-inch water line in Marion Street, the Storm Water Pollution Control Improvements on Evergreen, Holly and Noble Streets and the Marion Street Paving Project.
- Staff worked with engineering consultants on the design of the Lambert property Regional Stormwater Detention Facility, and the design of the Mill Creek Sanitary Sewer Force Main.
- Prepared construction plans and specifications for the Pioneer Pedestrian Bridge.
- Provided construction Inspection on Wildlife Meadows Subdivision Project.

Changes from previous year

- Eliminate unfilled Engineering Technician for fiscal year 2017-18 for re-evaluation of department needs. This position may be reintroduced in the future.
- Add temporary employee to assist with Inspections of City projects during construction season.



Public Works Administration Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	66,677	81,152	121,042	164,616	217,616	217,616	217,616
Resources							
Miscellaneous	349	47,119	400	1,500	2,200	2,200	2,200
Transfers	413,000	425,390	407,100	407,100	415,400	415,400	415,400
Total Resources	480,026	553,661	528,542	573,216	635,216	635,216	635,216
Requirements							
Personnel Services	218,444	277,434	314,400	280,400	334,200	334,200	334,200
Materials and Services	180,429	111,610	77,600	60,200	81,300	81,300	81,300
Capital Outlay	-	-	15,000	15,000	-	-	-
Transfers	-	-	-	-	75,000	75,000	75,000
Contingency	-	-	121,542	-	144,716	144,716	144,716
Other Requirements	-	-	121,542	-	144,716	144,716	144,716
Total Requirements	398,874	389,045	528,542	355,600	635,216	635,216	635,216

Performance Measures

- Manage Intake and issuance of all building permits.
- Manage Intake and issuance of all right-of-way permit applications.
- Manage department and project budgets.

Effectiveness Measures

- Processed 47 building permits.
- Processed 44 right-of-way permits.

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2017-18 Proposed	2017-18 Approved	2017-18 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	-	-	-	-
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	1.0
Permit Clerk	1.0	-	-	-	-	-
Total FTE's	4.0	4.0	3.0	3.0	3.0	3.0

Capital Outlay

No capital items budgeted in fiscal year 2017-18.



Facilities Fund

Summary

This fund accounts for land purchases for City facilities and for the personnel costs associated with maintaining city facilities.

Highlights

- A needs assessment for building space for City administration, police, planning, and public works administration staffing is included in the budget.
- Funding for improvements to Jordan Bridge (included in transfers – *to Parks Fund*).

Changes from previous year

- A long-range plan will evolve with the completion of the needs assessment that adequately funds facilities to meet the present and future needs of the organization.

Facilities Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	378,329	388,442	360,751	370,737	490,437	490,437	490,437
Resources							
Miscellaneous	42,801	43,344	48,900	50,000	51,300	51,300	51,300
Transfers	85,509	85,509	81,100	81,100	70,900	70,900	70,900
Total Resources	506,639	517,295	490,751	501,837	612,637	612,637	612,637
Requirements							
Personnel Services	-	-	23,300	10,400	12,500	12,500	12,500
Materials and Services	54,577	58,090	25,000	1,000	25,000	25,000	25,000
Capital Outlay	63,620	88,468	-	-	-	-	-
Transfers	-	-	100,000	-	100,000	100,000	100,000
Contingency	-	-	342,451	-	475,137	475,137	475,137
Total Requirements	118,197	146,558	490,751	11,400	612,637	612,637	612,637





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Vehicle Replacement Fund

Summary

The Vehicle Replacement Fund has been used to replace water, sewer, street, parks, and police department vehicles and other equipment used by the City on an established life-cycle basis. Per review of the fund's activities for the past ten years, this activity is more appropriately accounted for in the originating fund. Moving the accounting and reporting to the original fund will increase transparency and improve accountability. The use of long-range financial planning and sufficient reserves as required by the City's fiscal policies (adopted by the City Council in fiscal year 2017) will assist the City with planning for large capital purchases.

Highlights

- The fund balance exceeds \$1.0 million.

Changes from previous year

- \$600,000 is transferred back to the funds that originally transferred funds in.
- The balance of funds (approximately \$420,000) will be used to:
 - Reduce the unfunded actuarial liability of the City retirement plan, or
 - Transferred back to the originating fund, or
 - Retained as an emergency reserve fund.
- Loan payments from the Storm Water Fund will be transferred to the Sewer Fund.

Vehicle Replacement Fund Budget

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed	17 - 18 Approved	17 - 18 Adopted
Beginning Fund Balance	860,019	1,020,001	983,464	951,013	987,013	987,013	987,013
Resources							
Miscellaneous	4,462	6,925	25,400	36,000	32,900	32,900	32,900
Transfers	232,263	197,263	-	-	-	-	-
Total Resources	1,096,744	1,224,189	1,008,864	987,013	1,019,913	1,019,913	1,019,913
Requirements							
Capital Outlay	76,743	43,176	-	-	-	-	-
Transfers	-	230,000	-	-	600,000	600,000	600,000
Contingency	-	-	1,008,864	-	419,913	419,913	419,913
Total Requirements	76,743	273,176	1,008,864	-	1,019,913	1,019,913	1,019,913





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Construction Fund

Summary

The Construction Fund is a capital projects fund established to account for State of Oregon funded stormwater improvements (total State funding \$1,544,000).

Highlights

- The City acquired property to construct stormwater improvements in fiscal year 2016-17.
- Phase I construction includes final draw of State contribution, \$366,300.
- Phase I of stormwater improvements are provided in fiscal year 2017-18.
- Portion of project to be paid for by private developer (estimate of \$50,000).

Changes from the previous year

Transfers from other funds are needed to provide adequate funding for phase I.

- Stormwater SDC Fund \$50,000
- General Fund (advance) \$80,000

Construction Fund Budget

Resources

Description	14 -15 Actual	15 -16 Actual	16 - 17 Budget	16 - 17 Estimated	17 - 18 Proposed
30 - Beginning Fund Balance	-	-	-	(38,660)	3,700
37 - Intergovernmental	-	-	1,544,000	1,177,700	366,300
38 - Miscellaneous	-	-	-	-	180,000
Total Resources	-	-	1,544,000	1,139,040	550,000

Requirements

Materials and Services	-	2,660	220,000	16,340	50,000
Capital Outlay	-	36,000	1,324,000	1,119,000	500,000
Total Requirements	-	38,660	1,544,000	1,135,340	550,000





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Closed Funds

Sublimity Debt Service Reserve

Consolidated into Sewer Fund.

Sewer Construction

Project completed in fiscal year 2014.

Parks Construction

Major project completed in fiscal year 2016, future activity consolidated into new Parks Fund.

Trust Fund

Activity recorded in other funds as appropriate.

Grant Fund

Activity recorded in other funds as appropriate.





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Capital Outlay

All Funds

Fiscal Year 2017-18

Summary

The following schedules summarize the various capital investments, by fund, for fiscal year 2017-18. 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	56,000	Replacement - reduced
Network improvements	General	1	50,000	Replacement - reduced
			106,000	

Library Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Roof replacement	Property tax	1	50,000	Replacement - reduced

Parks Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Master Plan	Property tax	1	25,000	None
Jordan Bridge rehab	Facilities	1	100,000	Sustain
Equipment	Property tax	1	20,000	Limited
			145,000	

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	1	135,000	None
Regis St. – First to Evergreen overlay/reconstruction	Local gas tax	1	250,000	Modernization - nominal
			385,000	

Water Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
16-inch water main Shaff Rd	Rates	1	215,000	~5,000/year
Design treatment plant improvements	Rates	1	50,000	None
			265,000	

Wastewater Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
24-inch force main – Ida St. to treatment plant	Rates	1	600,000	~15,000/year
Flume replacement treatment plant	Rates	1	165,000	Sustain
			765,000	



Stormwater Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Pollution control manholes	Rates	1	35,000	~2,500/year
Stormwater improvements	Rates	1	10,000	<1,000/year
			45,000	
Total			1,761,000	





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Debt Schedules

Summary

The schedules below reflect the City's total outstanding debt, debt payments in fiscal year 2017-18, outstanding debt for the next five fiscal years, and estimated debt per capita for the next five years.

The City's debt capacity (as of June 30, 2017) for debt subject to the State debt limitation of three percent (3.0%) is \$25,766,931. Debt repaid from dedicated revenue, such as utility charges, are not subject to the debt limitation. All of the City's existing debt is repaid from utility revenue and is therefore not subject to the limitation.

Debt issue	Original Issue	Balance		Principal	Interest	Total Payment
		June 30, 2017	June 30, 2018			
2013 Full Faith and Credit Refunding	5,810,000	4,250,000	3,905,000	345,000	135,100	480,100
2016 Full Faith and Credit Refunding	3,945,000	3,765,000	3,565,000	200,000	130,822	330,822
USDA Sewer Revenue Bonds	8,316,000	7,829,351	7,699,211	130,140	215,307	345,447
Totals	18,071,000	15,844,351	15,169,211	675,140	481,229	1,156,369
Balance June 30,						
Debt issue	2017	2018	2019	2020	2021	
2013 Full Faith and Credit Refunding	4,250,000	3,905,000	3,550,000	3,513,500	3,138,500	3,138,500
2016 Full Faith and Credit Refunding	3,765,000	3,565,000	3,360,000	3,150,000	2,935,000	2,935,000
USDA Sewer Revenue Bonds	7,829,351	7,699,211	7,565,492	7,428,096	7,286,922	7,286,922
Totals	15,844,351	15,169,211	14,475,492	14,091,596	13,360,422	
Population	7,764	7,764	7,764	7,764	7,764	7,764
Debt per capita	2,041	1,954	1,864	1,815	1,721	

Debt Limitation

Real market value	858,897,701
Factor	3.0%
Debt limit	25,766,931
City debt subject to limitation	-
Debt capacity	25,766,931





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Five-Year Financial Forecasts

Summary

Five-year financial forecasts have been prepared for the City's three utility funds and Street Fund. These funds have considerable capital investment and are funded by rate-paying customers or, as in the case of the Street Fund, have considerable financial challenges to address aging infrastructure replacement. Staff will endeavor to expand five-year financial forecasting to all funds over the next few years as they develop updated capital improvement programs and service delivery standards needed to provide meaningful forecasts.

Please note, these forecasts provide preliminary information pending updates to capital improvement plans. The City has budgeted an update to its Transportation System Plan in fiscal year 2017-18 and intends to update its other master plans over the succeeding three years. Previous plans anticipated considerable growth that has not occurred, combined with the financial impacts of the Great Recession that deferred necessary rate adjustments, there remains uncertainty as to the appropriate amount and timing of investment in capital infrastructure replacement costs and expansion. As these plans are developed, these forecasts may change considerably.

Assumptions:

All utility funds and Street Fund

Salaries and benefits – 2% increase per year, excluding health insurance – 5% increase per year and retirement – 3% increase per year

Materials and services – 2% increase per year

Transfers – 2% increase per year

New debt service – 4% interest rate with 20-year term

Street Fund

Local gas tax increase – 1% year – with full year reporting in fiscal year 2018-19

Street maintenance fee increase – 2% year

Intergovernmental increase – 1% year

Note: The State of Oregon passed a transportation funding package in July 2017. The measure is anticipated to result in approximately \$1.7 million over ten years to the City of Stayton for street maintenance. The annual amounts of funding are not yet known, so they have been omitted from the forecast.

Water Fund

Rate increases – 5.5% 2018-19, 2019-20; 3% thereafter



Wastewater Fund

Rate increases – 4.5% per year

Stormwater Fund

Rate increases – 3.0% per year



Street Fund

	Estimate	Projection				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	571,471	548,771	669,071	636,171	633,071	623,771
Revenue						
Taxes	-	149,000	179,000	181,000	183,000	185,000
Charges For Services	87,200	90,300	92,100	93,900	95,800	97,700
Intergovernmental	601,200	570,000	575,700	581,400	587,200	593,000
Miscellaneous	7,300	6,000	6,100	6,200	6,300	6,400
Transfers	-	275,100	-	-	-	-
Total revenue	695,700	1,090,400	852,900	862,500	872,300	882,100
Expenditures						
Personnel Services	90,000	95,600	98,400	101,200	104,200	107,200
Materials and Services	197,300	206,300	210,400	214,600	218,800	223,100
Capital Outlay	300,000	534,000	440,000	410,000	416,000	425,000
Transfer To General Fund	50,000	53,500	54,600	55,700	56,800	57,900
Transfer To Public Works Admin Fund	76,400	78,200	79,800	81,400	83,000	84,700
Transfer To Facility Maintenance	4,700	2,500	2,600	2,700	2,800	2,900
Transfer To Vehicle Replacement Fund	-	-	-	-	-	-
Transfers	131,100	134,200	137,000	139,800	142,600	145,500
Total expenditures	718,400	970,100	885,800	865,600	881,600	900,800
Revenue over (under) expenditures	(22,700)	120,300	(32,900)	(3,100)	(9,300)	(18,700)
Beginning fund balance	571,471	548,771	669,071	636,171	633,071	623,771
Ending fund balance	548,771	669,071	636,171	633,071	623,771	605,071
Minimum fund balance analysis						
Two months operating expenses	105,000	109,000	111,000	114,000	116,000	119,000
Capital reserve	250,000	250,000	250,000	250,000	250,000	250,000
	355,000	359,000	361,000	364,000	366,000	369,000
Beginning fund balance meets policy	Yes	Yes	Yes	Yes	Yes	Yes
Ending fund balance meets policy	Yes	Yes	Yes	Yes	Yes	Yes

Capital Improvement Plan

	2017-18	2018-19	2019-20	2020-21	2021-22
Street System Improvements					
Transportation System Plan Update	135,000				
Overlays - various streets	147,000	200,000	200,000	200,000	200,000
Virginia Street – First to Fourth	252,000				
Regis Avenue: 1 st to Evergreen Street		240,000			
Regis Avenue: Evergreen Street to Gardner			210,000		
Westtown: West Brett to Shaff				216,000	
Ida Street: 1 st to Evergreen					225,000
	534,000	440,000	410,000	416,000	425,000

The forecast above does not include estimated amounts from the State of Oregon for the transportation funding package approved in July 2017. Preliminary estimates reflect a ten-year total of approximately \$1.7 million. The revenue from this package will be phased in. Staff is assembling implementation alternatives, which have impacts to City utilities under that street and will present these alternatives to the Council in late 2017, early 2018.



Water Fund

	Estimate	Budget		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	778,974	826,574	653,074	1,017,574	949,674	913,874
Current year resources						
Charges For Services	1,727,800	1,786,300	1,882,700	1,984,900	2,043,900	2,104,700
Miscellaneous	20,700	18,800	9,300	9,300	9,300	9,300
Transfers	-	139,400	-	-	-	-
Total revenue	1,748,500	1,805,100	1,892,000	1,994,200	2,053,200	2,114,000
Expenditures						
Personnel services	356,500	426,300	437,100	448,200	459,500	471,200
Materials and Services	470,000	513,900	524,300	534,900	545,700	556,700
Capital Outlay	165,000	265,000	1,230,000	180,000	175,000	292,000
Debt Service	331,700	330,900	384,700	438,500	439,100	439,700
Transfers	377,700	442,500	451,400	460,500	469,700	479,100
Total expenditures	1,700,900	1,978,600	3,027,500	2,062,100	2,089,000	2,238,700
Revenue over (under) expenditures	47,600	(173,500)	(1,135,500)	(67,900)	(35,800)	(124,700)
Other resources						
Debt proceeds	-	-	1,500,000	-	-	-
Other resources and revenue over (under) expenditures	47,600	(173,500)	364,500	(67,900)	(35,800)	(124,700)
Beginning fund balance	778,974	826,574	653,074	1,017,574	949,674	913,874
Ending fund balance	826,574	653,074	1,017,574	949,674	913,874	789,174
Water Fund						
Minimum fund balance analysis						
Two months operating expenses	201,000	230,000	235,000	241,000	246,000	251,000
Debt service	332,000	331,000	385,000	439,000	439,000	440,000
Capital reserve	250,000	250,000	250,000	250,000	250,000	250,000
	783,000	811,000	870,000	930,000	935,000	941,000
Beginning fund balance meets policy	No	Yes	No	Yes	Yes	No
Ending fund balance meets policy	Yes	No	Yes	Yes	No	No
Minimum fund balance gap - beginning	(4,026)	NA	(216,926)	NA	NA	(27,126)
Percentage of revenue	0.2%	NA	11.5%	NA	NA	1.3%
Minimum fund balance gap - ending	NA	(157,926)	NA	NA	(21,126)	(151,826)
Percentage of revenue	NA	8.7%	NA	NA	1.0%	7.2%
Debt coverage ratio						
Revenue	1,748,500	1,805,100	1,892,000	1,994,200	2,053,200	2,114,000
Operating expenses including transfers	1,204,200	1,382,700	1,412,800	1,443,600	1,474,900	1,507,000
Net operating income	544,300	422,400	479,200	550,600	578,300	607,000
Debt service	331,700	330,900	384,700	438,500	439,100	439,700
Debt coverage ratio	1.64	1.28	1.25	1.26	1.32	1.38

The forecast above includes preliminary information related to necessary rate adjustments to fund operating and anticipated capital requirements during the next five years. Staff is evaluating capital maintenance requirements further to help inform a rate study to be completed this fiscal year.



Capital Improvement Plan

	2017-18	2018-19	2019-20	2020-21	2021-22
Water System Improvements					
Shaff Road - 16-inch waterline	215,000				
Kathy Street: East 6th Ave. to 850 Kathy Ave. 8-inch waterline		180,000			
Gardner Ave.: Ida to Maple - 8-inch waterline			130,000		
2nd Ave.: Burnett to Virginia, Hollister to Fir St.				125,000	
Ida St. - Evergreen to First - 10-inch waterline					242,000
Total water system improvements	215,000	180,000	130,000	125,000	242,000
Water Treatment Plant Improvements					
Contact time system design	50,000	50,000			
Clear water tank construction		1,000,000			
Automation of valve on Weir box			50,000		
Automation of valve on Head gate				50,000	
Alternate water supply					50,000
Total water treatment plant improvements	50,000	1,050,000	50,000	50,000	50,000



Wastewater Fund

	Estimate	Projection				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	2,813,140	2,998,562	2,800,402	133,743	137,286	140,829
Current year resources						
Charges For Services	2,993,225	3,080,500	3,145,600	3,212,400	3,280,800	3,351,000
Miscellaneous	26,500	31,000	31,000	31,000	31,000	31,000
Transfers	96,494	207,400	-	-	-	-
Total revenue	3,116,219	3,318,900	3,176,600	3,243,400	3,311,800	3,382,000
Expenditures						
Personnel Services	550,400	533,100	547,300	561,900	577,100	592,700
Materials and Services	863,900	982,960	1,002,600	1,022,600	1,043,100	1,064,000
Capital Outlay	325,000	765,000	310,000	896,000	500,000	1,750,000
Debt Service	825,597	825,600	825,600	825,600	825,600	936,100
Transfers	365,900	410,400	418,600	427,000	435,600	444,300
Total expenditures	2,930,797	3,517,060	3,104,100	3,733,100	3,381,400	4,787,100
Revenue over (under) expenditures	185,422	(198,160)	72,500	(489,700)	(69,600)	(1,405,100)
Other resources						
Debt proceeds	-	-	-	-	-	3,000,000
Other resources and revenue over (under) expenditures	185,422	(198,160)	72,500	(489,700)	(69,600)	1,594,900
Beginning fund balance	2,813,140	2,998,562	2,800,402	2,872,902	2,383,202	2,313,602
Ending fund balance	2,998,562	2,800,402	2,872,902	2,383,202	2,313,602	3,908,502
Sanitary Sewer Fund						
Minimum fund balance analysis						
Two months operating expenses	297,000	321,000	328,000	335,000	343,000	350,000
Debt service	825,597	825,600	825,600	825,600	825,600	936,100
Capital reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	2,122,597	2,146,600	2,153,600	2,160,600	2,168,600	2,286,100
Beginning fund balance meets policy	Yes	Yes	Yes	Yes	Yes	Yes
Ending fund balance meets policy	Yes	Yes	Yes	Yes	Yes	Yes
Debt coverage ratio						
Revenue	3,116,219	3,318,900	3,176,600	3,243,400	3,311,800	3,382,000
Operating expenses including transfers	1,780,200	1,926,460	1,968,500	2,011,500	2,055,800	2,101,000
Net operating income	1,336,019	1,392,440	1,208,100	1,231,900	1,256,000	1,281,000
Debt service	825,597	825,600	825,600	825,600	825,600	936,100
Debt coverage ratio	1.62	1.69	1.46	1.49	1.52	1.37

The forecast above includes preliminary information related to necessary rate adjustments to fund operating and anticipated capital requirements during the next five years. Staff is evaluating capital maintenance requirements further to help inform a rate study to be completed this fiscal year. Additionally, a dryer replacement is projected in year 5-6 that may require debt financing to meet fiscal policies for reserves.



Capital Improvement Plan

	2017-18	2018-19	2019-20	2020-21	2021-22
Sanitary Sewer System Improvements					
Mill Creek Force Main and paving Jettors Way	600,000	80,000			
Gardner Lift Station Removal			532,000		
Wilco Pump Station- Submersible Lift Stations				250,000	
Ida Street – Trunk Line Replacement-Jettors Way – Noble St					250,000
Ida Street Trunk Line Replacement-Noble Street to King Ave					
Total water system improvements	600,000	80,000	532,000	250,000	250,000
Waste Water Treatment Plant Improvements					
Intake Flume Upsizing	165,000				
Replace PD Blower with Turbo		230,000			
Enclose cooling tower for odor control			364,000		
Dust Control/loading system for dried solids				250,000	
Class A Equipment (Dryer Replacement)					1,500,000
Odor control for Dryer Bldg.					
	165,000	230,000	364,000	250,000	1,500,000



Stormwater Fund

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Beginning Fund Balance	105,840	62,240	70,470	264,800	251,430	91,360
Revenue						
Charges for Services	265,600	274,900	283,100	291,600	300,300	309,300
Intergovernmental	-	-	1,500,000	-	-	-
Miscellaneous	600	600	600	600	600	600
Transfers	-	10,700	10,700	10,700	10,700	10,700
Total revenue	266,200	286,200	1,794,400	302,900	311,600	320,600
Expenditures						
Personnel services	36,500	41,200	42,300	43,500	44,800	46,100
Materials and Services	67,300	71,800	73,200	74,600	76,000	77,500
Capital Outlay	90,000	45,000	1,700,000	75,000	200,000	-
Debt Service	25,300	25,070	37,770	24,470	50,170	49,870
Transfers	90,700	94,900	96,800	98,700	100,700	102,700
Total expenditures	309,800	277,970	1,950,070	316,270	471,670	276,170
Revenue over (under) expenditures	(43,600)	8,230	(155,670)	(13,370)	(160,070)	44,430
Other resources						
Debt proceeds	-	-	350,000	-	-	-
Other resources and revenue over (under) expenditures	(43,600)	8,230	194,330	(13,370)	(160,070)	44,430
Beginning fund balance	105,840	62,240	70,470	264,800	251,430	91,360
Ending fund balance	62,240	70,470	264,800	251,430	91,360	135,790
Stormwater Fund						
Minimum fund balance analysis						
Two months operating expenses	32,000	35,000	35,000	36,000	37,000	38,000
Debt service	12,650	12,535	18,885	12,235	25,085	24,935
Capital reserve	15,000	20,000	25,000	30,000	35,000	40,000
	59,650	67,535	78,885	78,235	97,085	102,935
Beginning fund balance meets policy	Yes	No	No	Yes	Yes	No
Ending fund balance meets policy	Yes	Yes	Yes	Yes	No	Yes
Minimum fund balance gap - beginning	NA	(5,295)	(8,415)	NA	NA	(11,575)
Percentage of revenue	NA	1.9%	3.0%	NA	NA	3.7%
Minimum fund balance gap - ending	NA	NA	NA	NA	(5,725)	NA
Percentage of revenue	NA	NA	NA	NA	1.9%	NA
Debt coverage ratio						
Revenue	266,200	275,500	283,700	292,200	300,900	309,900
Operating expenses including transfers	194,500	207,900	212,300	216,800	221,500	226,300
Net operating income	71,700	67,600	71,400	75,400	79,400	83,600
Debt service	25,300	25,070	37,770	24,470	50,170	49,870
Debt coverage ratio	2.83	2.70	1.89	3.08	1.58	1.68

The forecast above includes preliminary information related to necessary rate adjustments to fund operating and anticipated capital requirements during the next five years.



Capital Improvement Plan

Storm Drainage System Improvements

	2017-18	2018-19	2019-20	2020-21	2021-22
Water Quality Manholes	35,000	115,000			
Industrial Detention Facility Outfall Pipe Shut-Off Valve	10,000	15,000			
Kindle Way Regional Detention Facility		1,500,000			
Industrial Ponds Cleanout w/ Hydro-seed		70,000			
First Avenue Storm Pipe- Florence to Creek			75,000		
Hollister/ Pine Storm Line Replacement				200,000	
	45,000	1,700,000	75,000	200,000	-





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Appendix

Glossary
Fiscal policies





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Glossary

Actual

Actual, as used in the fund summaries, revenue summaries, and department and division summaries within the budget document, represents the actual costs results 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 summaries and department and division 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 summaries, revenue 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. Appropriations within each program may not be exceeded.

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

A report prepared by an external auditor. 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 applicant on 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.

Bond Funds

Established to account for bond proceeds to be used only for approved bond projects.

Budget

A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

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 concerned 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 both the capital and the operating budgets.

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 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 five years or more. Capital projects 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) typically have a unit cost of \$5,000 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.

Capital Projects

Major repairs, improvements or additions to the City's fixed assets (streets, sidewalks, roads, sewers, storm water, parks, and buildings).

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.

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. Contingency may be appropriated for a specific purpose by city council upon the approval of a resolution. The City separates contingencies into those that are designated for specific purposes and undesignated.

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 division or department.

Debt Service

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

Debt Service Fund

A fund established to account for the accumulation of resources and for the payment of general long-term debt principle and interest that are not services by the Enterprise funds. It does not include contractual obligations accounted for in the individual funds.

Department

Led by a general manager, this combination of divisions of the City share specific and unique sets of goals and objectives (i.e., Police, Fire, Financial Services, Water Resources, 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.

Depreciation

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



Designated Contingency

Amounts set aside for anticipated non-recurring cash flow needs. This includes items such as moving and remodeling, major building repairs, emergency management, and capital project or equipment purchases.

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 this is the government's share of costs for social security and the various pension, medical 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 one government unit to another. The contribution is usually made to aid in the support of a specified function (i.e., library, transit, or capital projects).

Infrastructure

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

Intergovernmental Revenues

Levied by one government, but shared on a predetermined basis with another government or class of governments.

Levy

Gross amount of property taxes imposed on taxable property. The net amount received by a government will be less than the gross 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 Budget

The traditional form of budget, where proposed appropriations are based on individual objects of expense within a department or program. Local Budget Law Oregon Revised Statutes (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

Local Improvement District

Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on their property. Local Improvement District 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 primarily 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, and up to 10 years, if the levy is for capital purposes. 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. Voters may approve local initiatives above the fixed 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 the borrowing of money or from the purchase of goods and services.

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

The salaries and wages paid to employees, in addition to the City's contribution for fringe benefits such as retirement, social security, and health and workers' compensation insurance.

Property Tax

Based according to assessed value of property and is used as the source of monies to pay general obligation debt and to support the services provided by the City.

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.



Resolution

A special or temporary order of a legislative body requiring city council action.

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 levy made against certain properties to defrayal part of the cost of a capital improvement or service deemed to be beneficial primarily to those properties. (Also see Local Improvement District)

Special Assessment Bond

A bond issue payable from the payments on special assessments imposed against properties that have been specially benefited by the construction of public improvements such as sidewalks, roads, or sewer systems.

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.

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. It must be segregated 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.





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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 Administrator for grants that require matching funds up to the amount of the City Administrator's spending authority, and b. By the City Council for grants with matching requirements above the City Administrator'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 Administrator.
- 2.8 The City will submit the Adopted Budget Document to the Government Finance Officer's 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 Administrator 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 Administrator 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 Administrator shall implement fiscal policies and monitor compliance.

10.2.1 If the City Administrator 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 Administrator'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.

