



City of Stayton, Oregon
Annual Budget
Fiscal Year 2018-2019



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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City of Stayton

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July 1, 2016

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Executive Director

City of Stayton, Oregon

Fiscal Year 2018-2019 Budget



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City of Stayton, Oregon

Annual Budget
Fiscal Year 2018-2019

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City Manager's Budget Message



May 7, 2018

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

It is my honor to submit the proposed budget for the fiscal year ending June 30, 2019. This budget is the City's single most important policy document. Its purposes are to provide a comprehensive overview of all City funds and services and to give residents a better understanding of the City's operating and fiscal programs.

The City of Stayton's fiscal year 2018-19 budget has been prepared pursuant to Oregon Local Budget Law and the City's Financial Policies. It presents my recommendations as the City of Stayton's Budget Officer, setting standards and establishing action, operational and financial plans for the delivery of City services from July 1, 2018 through June 30, 2019.

The proposed budget, as presented, maintains current City services and represents an effective use of the City's resources. We are committed to maintaining and expanding the financial forecasts included in the budget document for the next five years, or through the fiscal year ending June 30, 2023. This reflects our commitment to ensuring that decisions made today can be sustained in the next year and beyond. This effort will continue to evolve as we update our infrastructure master plans, complete other studies, and respond to development and citizen input.

The adopted 2018-19 City of Stayton Budget totals \$26,611,292, an increase of \$4,139,436 (18.4%) to the 2017-18 budget. The general fund budget totals \$6,085,323 (16.54%) which is \$863,738 greater than the 2017-18 budget.

A summary of the changes City-wide are included in the chart on the next page.



Expenditure	Dollar Change	Percentage Change	Comments
Personnel	\$ 590,900	12.9%	Includes \$410,000 contribution to the City's retirement plan to fund a portion of its unfunded actuarial liability (UAL)
Net Personnel - Excluding UAL Contribution	\$ 180,900	3.9%	2.0% cost of living adjustments (COLAs) plus steps, 5% adjustment to health related benefit costs.
Materials and Services	\$ 578,840	15.3%	\$400,000 CDBG funding in General Fund; net \$178,840 (4.7%)
Capital Outlay	\$ 1,580,000	65.6%	Stormwater Detention Facility (\$1.45 million) in addition to water, sewer, and street construction projects
Transfers	\$ 790,100	28.7%	Transfers from SDC funds amongst others to fund various capital projects and programs
Debt Service	\$ (1,470)	-0.1%	No additional debt payments in FY 2018-19
Contingency	\$ (302,880)	-6.6%	Increases in most major funds; reductions in SDC funds, Vehicle Replacement Fund
Reserved for Debt Service	\$ -	0.0%	No change
Unappropriated	\$ 1,216,046	45.9%	Increase in General Fund - \$219k (57.1%); Water Fund - \$207k (41.0%); Sewer Fund - \$790k (44.9%)

A summary of the changes in the General Fund are as follows:

Expenditure	Dollar Change	Percentage Change	Comments
Personnel	\$ 199,100	8.1%	Includes \$70,000 contribution to the City's retirement plan to fund a portion of its unfunded actuarial liability (UAL)
Net Personnel - Excluding UAL Contribution	\$ 129,100	5.3%	2.0% cost of living adjustments (COLAs) plus steps, 5% adjustment to health related benefit costs
Materials and Services	\$ 404,650	15.3%	\$400,000 CDBG funding in General Fund; net increase without CDBG - \$4,650 (0.4%)
Capital Outlay	\$ -	0.0%	No change.
Transfers	\$ (17,500)	-2.8%	Reduction in transfers to other funds
Contingency	\$ 58,700	13.3%	Increase in overall General Fund expenditures (same percentage contingency as FY 2017-18, i.e., 10.0%)
Unappropriated	\$ 218,788	57.1%	Increase in carryover to FY 2019-20

The budget includes levying the City's full permanent tax rate of \$3.3280, and the City's \$0.6000 local option levy.

This will be the third year in a row the City has presented a budget document that follows the Government Finance Officers Association (GFOA) best practices in local budgeting. We continue to look for ways to enhance and provide resources so the City's budget is accessible and understandable to everyone in the community.

A budget should serve as:

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



The budget process should accomplish the following:

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

The Twelve Elements of the Budget Process:

Establish Broad Goals to Guide Government Decision Making

1. Assess community needs, priorities, challenges and opportunities
2. Identify opportunities and challenges for government services, capital assets, and management
3. Develop and disseminate broad goals

Develop Approaches to Achieve Goals

4. Adopt financial policies
5. Develop programmatic, operating, and capital policies and plans
6. Develop programs and services that are consistent with policies and plans
7. Develop management strategies

Develop a Budget Consistent with Approaches to Achieve Goals

8. Develop a process for preparing and adopting a budget
9. Develop and evaluate financial options
10. Make choices necessary to adopt a budget

Evaluate Performance and Make Adjustments

11. Monitor, measure, and evaluate performance
12. Make adjustments as needed

This budget should not be rubberstamped. This budget should be examined, considered, discussed, and questioned. This budget is just a proposal, it is, until approved, merely a draft. Your input will only improve the quality of the final product. This budget should be the narrative and the reflection of the values of our community, and the approval of the Budget Committee is a statement that the final and approved budget is a direct reflection of where we are spending our time, energy, and resources.

The budget document was crafted under the principle of meeting the needs of our current year with an understanding and vision of how the impacts and decisions of today will impact our community in the future. We can't budget with the short term vision; we must consider the impacts and needs of the future. This budget includes updates for the financial forecasting for general and utility funds, and creation of five-year financial forecasts for remaining funds.



This budget proposes a Consumer Price Increase (CPI) for all City utility fees. This proposal is in line with our fiscal policies. The cost of services does not remain neutral over time. The City is not immune to inflationary costs. The CPI adjustment assures that the rates we set are able to continue to cover the costs of services. Several neighboring communities have had to implement significant fee increases, our policy and this recommendation is designed to avoid this future challenge.

The City has two big short-term and potential long-term risks and liabilities with regard to our obligations with employee retirement accounts. The two plans are PERS, which covers all sworn police officers and the City's defined benefit plan for all other retirement eligible employees. Unfunded Actuarial Liability (UAL) for the City's defined benefit plan is a short-term concern that could have major impact on the City's long-term risks and liabilities. This budget proposes reallocating the remaining funds from the Vehicle Replacement Fund to address the UAL. If approved, this will provide short-term savings, and put the City in a better position to avoid long-term liability. PERS costs have had and will continue to have a significant impact on the Police Department and will be an issue that we need to address.

The proposed budget includes deferred maintenance and growth in the water, wastewater, stormwater, and street funds. The faith of the local community in supporting our May 2017 local gas tax initiative is represented in the 2018-19 budget proposal. Couple the local gas tax with an increase in funding from the state gas tax, and the City has resources we can dedicate to capital improvements for our local streets.

This budget carries over monies to complete Council objectives. Funding remains in place to complete our needs assessment for City Hall, Public Works, Planning, and the Police departments. This budget also includes continued funding for the City's update of our Transportation System Plan (TSP) which began in January 2018. The update to the TSP will provide the value investment to assure we utilize our Street Fund resources wisely. The budget also carries over monies to complete the work recently begun on our Economic Development Study.

Our Memo of Understanding with the Santiam Water Control District continues to obligate the City to pay for stormwater improvements and enhancements. The construction fund includes a proposed debt issue of up to \$725,000 to fund phase 1 improvements for a regional stormwater detention facility. If the City is unable to reduce the cost of the project, the City may need to issue debt. Depending on the size of the debt issue, among other factors, the financing may be facilitated internally with existing City cash reserves. The debt is proposed to be repaid with stormwater user charges beginning in fiscal year 2019-20, and is included in the long-range financial forecasts.

I have attempted to highlight several key components and issues of our budget. This message isn't intended to be all-encompassing. Staff has worked hard to provide information, data, highlights, changes and transparency for all funds and departments. I



encourage the reader to take the time to review and understand what their City is doing and how we are utilizing our resources. The budget should define the values of our community; we want you to be a partner in this process.

Respectfully submitted,

Keith D. Campbell
City Manager



City Overview

About

Stayton is a city in Marion County in the Willamette Valley. Stayton is located 14 miles southeast of the state capital, Salem, on Oregon Route 22. It is south of Sublimity and east of Aumsville. Located on the North Santiam River, Stayton is a regional agricultural and light manufacturing center. The population was 7,770 in 2017. 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. With the passage of the 2018 City of Stayton Charter, the terms of Mayor and Council have been updated.

During the 2018 general election, the individual elected as Mayor will serve a 4-year term and may serve no more than two consecutive terms of office. Councilors will also now serve 4-year terms. Council members are elected at large, with three councilor positions up for election later this year. The Mayor and Council members do not receive a salary for their service.

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

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

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

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



The 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, Records Manager, and Human Resources Manager.

History

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

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

Climate

Stayton experiences a temperate climate that is usually described as oceanic with mild, damp winters and relatively dry, warm summers, like most of the Pacific Northwest. Summers in Stayton are warm and relatively sunny but can, on occasion, be wet. The warmest month is August with a daytime average of 80.8°F (27.1°C) and an average low of 51°F (10.6°C). Because of its inland location, Stayton can experience heat waves, in July and August particularly, with air temperatures sometimes rising over 90°F (32°C).

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

Points of Interest

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



General Stayton Overview

Statistics

2000 Population (Census)	6,816
2010 Population (Census)	7,644
2017 Population Estimate (PSU)	7,770

Since 2010 it is estimated that Stayton is growing at a rate of 1%. Both Marion County and the State of Oregon have grown at a rate of 3% during the same time 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	Annual			
	Firms	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	\$ 54,687
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

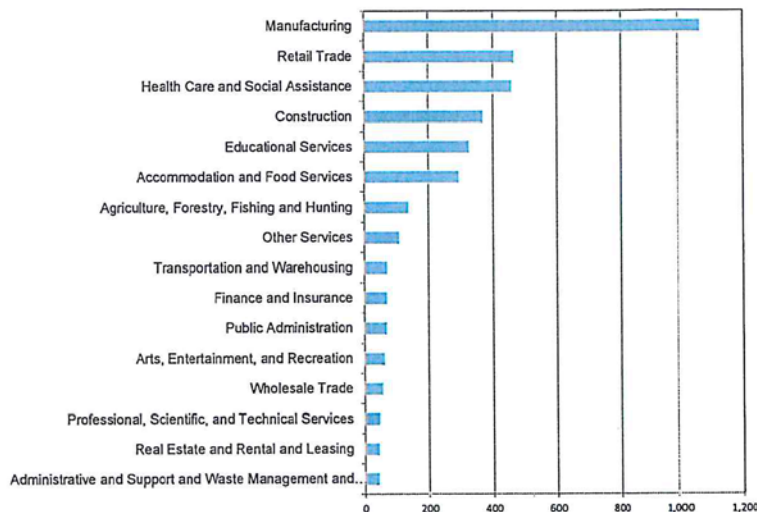
Firms 316
 Total Employment 7,333
 % of Marion County Employment 2.7%

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)



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 and respond to changes in contractual agreements, the fiscal year 2017-18 budget eliminated a Wastewater Treatment Facility Operator position after the resignation of an employee and City staffing to replace contractual staffing and maintain the pool operation at current hours resulted in the addition of 8.1 FTEs. Additionally, an engineer position that was approved but remained unfilled was removed.

As we come to the end of fiscal year 2017-18, with the passage of the local gas tax and State transportation package, and additional capital projects in parks, water, wastewater, and stormwater, the engineering position eliminated in fiscal year 2017-18, is added back to public works administration. Also, with the expansion of the City's park operations, additional part time staffing is proposed to maintain current service levels. Library staffing has stabilized and the proposed budget includes staffing hours consistent with the current operation, resulting in a reduction of 1.1 full-time equivalent budgeted positions.

Two unions represent City of Stayton employees; American Federation of State, County, and Municipal Employees (AFSCME), which represents public works employees and administrative personnel, and the Stayton Police Officers Association (SPOA), which represents police officers. The AFSCME contract expires June 30, 2019, while the SPOA agreement expires June 30, 2019. A wage cost of living adjustment (COLA) of 2.0% effective July 1, 2018 is included in the AFSCME labor agreement. The same COLA (i.e. 2.0%) is budgeted for police, 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	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Proposed
Police	14.5	14.8	15.5	15.5
Planning	1.5	1.0	1.0	1.0
Parks	1.0	1.7	1.7	2.0
Municipal Court	0.6	0.6	0.6	0.6
Administration	4.0	5.0	6.0	6.0
Street	1.0	1.0	1.0	1.0
Library	6.3	7.4	7.4	6.3
Pool	-	-	8.1	8.1
Water	5.5	4.0	4.0	4.0
Wastewater	7.8	6.8	5.8	5.8
Stormwater	0.5	0.5	0.5	0.5
Public Works Administration	4.0	3.0	3.0	4.0
Facilities Maintenance	-	0.3	0.3	0.3
Total FTE's - Citywide	46.7	46.1	54.9	55.1
Less: Contracted FTE's	(0.1)	(0.8)	(0.8)	(0.8)
Net FTE's - Citywide	46.6	45.3	54.1	54.3

Changes from previous year

Additional personnel proposed:

- 1.0 FTE – Engineering position
- 0.3 FTE – Park maintenance

Reduced personnel:

- 1.1 FTE – Library positions

Contributions to the City's Retirement Plan Unfunded Actuarial Liability (UAL)

In November 2016, the City's actuary consulting firm, Milliman, issued a report on the actuarial valuation of the City's retirement plan as of June 30, 2015, including recommended contribution rates reflecting changes in assumptions approved by the City Council. The City implemented rate contributions during fiscal year 2017-18 consistent with the recommendations (i.e. 18.3% employer contribution rate). Milliman is in the process of completing the actuarial valuation for the year ended June 30, 2017, with a draft anticipated by the end of May 2018. The report will include updated recommended contribution rates.

An issue that negatively impacts contribution rates is the increase in the unfunded actuarial liability (UAL) resulting, in part, from a change in the Plan assumptions. The UAL as of June

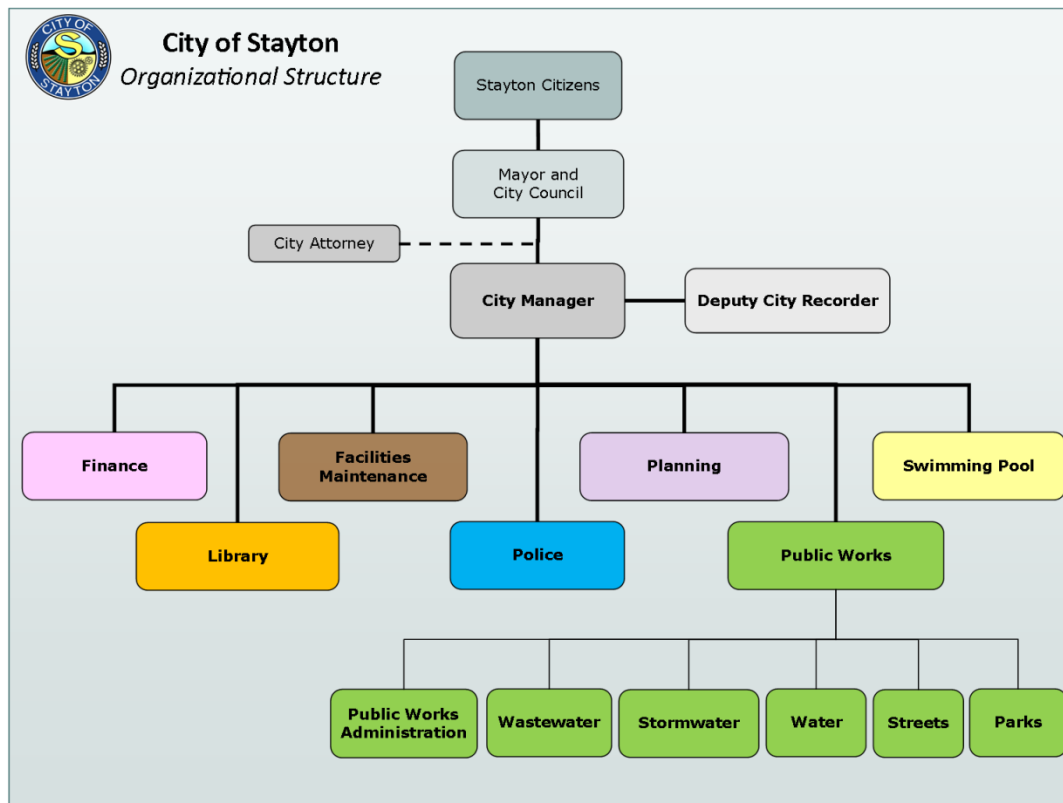


30, 2015 was \$686,781, or 11.0% of the market value (\$6.22 million) of the plan assets. To offset, in part, the negative impacts to contribution rates resulting from the UAL, the proposed budget includes a contribution of \$410,000 to reduce the amount of the UAL. Milliman will provide the City information on the effect the contribution will make on rates with their report.

Funding for the UAL contribution will come from the remaining balance in the vehicle replacement fund. Each contributing fund, e.g. water, general, street, stormwater, and wastewater, will be transferred their balance, and from that transfer, invest in the Plan. The impact of the UAL contribution to the Plan will be reduced contribution rates for those funds.

Valuation Results (Pension and RHIA Combined)		
	July 1, 2015	July 1, 2014
Plan Assets		
Market Value	\$ 6,221,204	\$ 5,978,613
Actuarial Value	\$ 6,116,963	\$ 5,549,571
Return on Plan Assets	3.1%	14.2%
Actuarial Accrued Liability	\$ 6,803,744	\$ 6,018,520
Unfunded Actuarial Accrued Liability	\$ 686,781	\$ 468,948

Organization Structure



**Salary Schedule
Fiscal Year 2018-19**

Position	Annual Salary	
	Minimum	Maximum
Lifeguard	10,873	10,873
Head Guard	11,669	11,669
Aquatics Instructor	12,199	12,199
Library Aide	13,907	17,747
Library Assistant I	15,212	19,412
Library Assistant II	16,633	21,226
Outreach Youth Services	16,633	21,226
Library Youth Services	18,182	23,199
Code Enforcement	18,999	24,249
Pool Staff Supervisor	28,471	38,655
Accounting Clerk	33,266	45,126
Maintenance Worker	33,266	45,126
Court Clerk	34,751	47,162
Records Clerk	34,751	47,162
Public Works Administrative Assistant	34,751	47,162
Sr. Parks Maintenance Worker	36,364	49,347
Collections System Operator	36,364	49,347
WWTP Operator 1	37,997	51,554
Assistant Finance Director	37,997	51,554
Engineering Technician	39,737	53,930
WWTP Operator 2	39,737	53,930
Acquatics Facility Manager	43,789	59,255
Deputy City Recorder/Human Resources	43,853	59,298
Police Officer	46,886	62,819
Senior Engineering Technician	51,808	70,287
Sewer System Supervisor	52,933	71,019
WTP Chief Operator	53,994	73,279
Water Treatment Plant Chief Operator	56,162	76,567
Police Sergeant	56,518	76,461
Public Works Supervisor	57,070	77,204
Library Director	61,080	82,656
Finance Director	67,360	91,121
City Planner	67,572	91,397
Police Lieutenant	70,457	95,322
Public Works Director	72,494	98,101
Police Chief	75,443	102,068
City Manager	Established by contract	



Basis of Budgeting

Summary

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

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

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

Fund Accounting

Summary

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

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



Governmental Funds

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

General Fund

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

Special Revenue Funds

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

Street Fund

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

Library Fund

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



Parks Fund

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

Pool Fund

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

Capital Projects Funds

This fund type accounts for the accumulation of resources for the payment of debt principal and interest.

Stormwater Construction Fund

This fund accounts for the construction of stormwater improvements. The principal sources of funding are a State grant, General Fund and Parks system development charges. Expenditures are for land, engineering and design and system improvements.

Debt Service Funds

This fund type accounts for the accumulation of resources for the payment of debt principal and interest.

The City of Stayton does not have any debt service funds.

Proprietary Funds

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

Enterprise Funds

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



Water Fund

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

Water SDC Fund

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

Wastewater Fund

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

Wastewater SDC Fund

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

Stormwater Fund

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

Stormwater SDC Fund

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

Internal Service Funds

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



Public Works Administration Fund

Public works administration and support services are provided through this fund. Revenues are generated through user charges for the cost of providing the services to the various benefitting funds. Expenditures are for administrative and supervisory staffing, operating and support costs.

Facilities Fund

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

Vehicle Replacement Fund

This fund historically accounted for the replacement of vehicles City-wide. Funding was provided by transfers from funds with vehicles. In fiscal year 2017, transfers were suspended pending a review of the program. The review found the fund is unnecessary, and in fiscal year 2018, a significant portion of accumulated funds were returned to the respective funds that transferred the funds in. This fund will be eliminated in fiscal year 2019.



Fund Structure

The City budgets seventeen funds. All funds with budgetary appropriations in the fiscal year 2018-19 budget are presented with the fund structure below. Major funds are noted with bold, black text.

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

Functional Units

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



Functional Units				
Governmental Funds			Proprietary Funds	
General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds
City Council	Street Fund	Stormwater Construction Fund	Water Fund	Public Works Administration Fund
Public Safety	Street	State Funding for Land Acquisition	System Operations	Administration
Police Patrol	Maintenance	Stormwater Improvements	Capital Investment	Engineering
Code Enforcement	Street Construction		Debt Service	Project Management
Emergency Management	Sidewalks			Inspections
Planning/Zoning	Bike Paths			
Municipal Court				
Outside Agency Funding	Library Fund	Parks SDC Fund	Water SDC Fund	Facilities Fund
Administration	Children's Programs	Funding for Parks	Water Infrastructure Expansion	City Hall
City Manager	Teen Programs	Infrastructure Expansion		Police Station
Human Resources	Adult Programs			
Finance	Parks Fund	Street SDC Fund	Wastewater Fund	Vehicle Replacement Fund
Information	Parks	Funding for Streets	System Operations	Vehicle Purchases
Technology	Maintenance	Infrastructure Expansion	Capital Investment	
City Recorder	Trails		Debt Service	
Economic Development	Parks Construction			
Communications	Jordan Bridge			
Street Lighting	Pool Fund		Wastewater SDC Fund	
Community Center	Swim		Wastewater Infrastructure Expansion	
	Instruction			
	Physical Therapy		Stormwater Fund	
			System Operations	
			Capital Investment	
			Debt Service	
			Stormwater SDC Fund	
			Stormwater Infrastructure Expansion	



Budget Process

Summary

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

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

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

The Citizens' Budget Committee consists of the governing body plus an equal number of legal voters appointed by the Stayton City Council. Accordingly, the City of Stayton has twelve budget committee members, with one vacancy, in which the votes of all members are equal. The first review of the budget occurs when the budget is presented to the Committee. At that time the budget is made publicly available, and the Committee begins their review. The Committee may approve the proposed budget intact, or change part or all of it prior to final approval. After notices and publications are filed according to local budget law, the budget is forwarded to the Council for formal adoption prior to June 30. Budget amendments may be made during the fiscal year through adoption of a supplemental budget. This process is similar to the regular budget including the use of public hearings, however, engaging the Citizens' Budget Committee is not required.



Consolidated Schedule of Resources, Expenditures and Changes in Fund Balance

All Funds – Fiscal Years 2015-16 through 2018-19

	2015-16 Actual	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Resources				
Taxes	2,156,394	2,241,355	2,569,600	2,642,200
Intergovernmental	715,573	2,063,197	919,500	1,757,800
Franchise fees	821,997	830,023	840,000	863,600
Charges for services	5,266,138	5,467,881	5,658,900	6,158,800
Licenses and permits	19,646	13,302	20,900	21,000
Miscellaneous	463,538	644,595	424,600	469,600
Transfers	1,430,257	1,677,146	2,570,900	3,539,000
Debt proceeds	4,491,212	-	-	725,000
Total resources	15,364,755	12,937,499	13,004,400	16,177,000
Expenditures				
Personnel	3,770,820	3,896,679	4,155,105	5,173,700
Materials and services	3,091,737	3,090,535	3,311,545	4,366,550
Capital outlay	1,381,436	1,826,582	1,154,000	3,990,000
Transfers	1,430,257	1,677,146	2,570,900	3,539,000
Debt service	5,685,985	1,102,375	1,181,600	1,180,100
Total expenditures	15,360,235	11,593,317	12,373,150	18,249,350
Resources over (under) expenditures	4,520	1,344,182	631,250	2,072,350
Beginning fund balance	8,454,240	8,458,760	9,802,942	10,434,192
Ending fund balance	8,458,760	9,802,942	10,434,192	8,361,842



Consolidated Schedule of Resources

All Funds – Fiscal Years 2015-16 through 2018-19

	2015-16 Actual	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Resources				
Taxes	14.0%	17.3%	19.8%	16.3%
Intergovernmental	4.7%	15.9%	7.1%	10.9%
Franchise fees	5.3%	6.4%	6.5%	5.3%
Charges for services	34.3%	42.3%	43.5%	38.1%
Licenses and permits	0.1%	0.1%	0.2%	0.1%
Miscellaneous	3.0%	5.0%	3.3%	2.9%
Transfers	9.3%	13.0%	19.8%	21.9%
Debt proceeds	29.2%	0.0%	0.0%	4.5%
Total resources	100.0%	100.0%	100.0%	100.0%

Consolidated Schedule of Expenditures

All Funds – Fiscal Years 2015-16 through 2018-19

	2015-16 Actual	2016-17 Actual	2017-18 Estimated	2018-19 Budget
Expenditures				
Personnel	24.5%	33.6%	31.9%	28.4%
Materials and services	20.1%	26.7%	27.5%	23.9%
Capital outlay	9.0%	15.8%	9.6%	21.9%
Transfers	9.3%	14.5%	21.3%	19.4%
Debt service	37.0%	9.5%	9.8%	6.5%
Total expenditures	100.0%	100.0%	100.0%	100.0%



City-Wide Budget Summary Schedules

All Funds – Fiscal Year 2018-19

The City's total budget for fiscal year 2018-19 is \$26,611,192. Planned spending totals \$18,249,350, which includes transfers between City funds of \$3,539,000.

Resources

Current Year Resources											
Fund	Beginning		Intergovernmental	Franchise Fees	Charges for Services	Licenses and Permits	Miscellaneous	Transfers	Debt Proceeds	Total Current	
	Fund Balance	Taxes								Year Resources	Total Resources
General	1,392,623	2,075,600	644,100	863,600	9,500	21,000	232,300	846,600	-	4,692,700	6,085,323
Street	874,683	215,000	644,900	-	87,900	-	17,500	314,700	-	1,280,000	2,154,683
Parks	44,111	10,000	-	-	-	-	-	355,000	-	365,000	409,111
Library	212,473	170,700	87,800	-	3,300	-	18,600	190,800	-	471,200	683,673
Pool	148,760	170,900	-	-	150,700	-	3,000	50,000	-	374,600	523,360
Water	1,065,824	-	-	-	1,823,900	-	22,300	310,300	-	2,156,500	3,222,324
Sewer	3,543,860	-	-	-	3,318,100	-	77,100	669,700	-	4,064,900	7,608,760
Stormwater	142,646	-	-	-	278,300	-	2,900	7,300	-	288,500	431,146
Stormwater Construction	70,129	-	381,000	-	50,000	-	-	280,000	725,000	1,436,000	1,506,129
Street SDC	634,369	-	-	-	80,300	-	6,300	-	-	86,600	720,969
Parks SDC	139,026	-	-	-	95,400	-	1,400	-	-	96,800	235,826
Water SDC	362,505	-	-	-	99,200	-	3,600	-	-	102,800	465,305
Sewer SDC	551,739	-	-	-	74,000	-	5,500	-	-	79,500	631,239
Stormwater SDC	73,323	-	-	-	88,200	-	700	-	-	88,900	162,223
Public Works Administration	147,091	-	-	-	-	-	2,900	440,700	-	443,600	590,691
Facilities Development	607,335	-	-	-	-	-	52,500	73,900	-	126,400	733,735
Vehicle Replacement	423,695	-	-	-	-	-	23,000	-	-	23,000	446,695
Total Resources	10,434,192	2,642,200	1,757,800	863,600	6,158,800	21,000	469,600	3,539,000	725,000	16,177,000	26,611,192

Expenditures and Other Requirements

Fund	Current Year Expenditures					Other Requirements					Total Expenditures and Other Requirements
	Personnel	Materials and Services	Capital Outlay	Transfers	Debt Service	Total Expenditures	Contingency	Reserved	Unappropriated	Total Other Requirements	
General	2,644,300	1,632,800	106,000	601,600	-	4,984,700	498,500	-	602,123	1,100,623	6,085,323
Street	189,600	228,000	725,000	147,500	-	1,290,100	864,583	-	-	864,583	2,154,683
Parks	96,700	84,200	162,000	30,900	-	373,800	35,311	-	-	35,311	409,111
Library	343,700	130,400	47,000	25,000	-	546,100	137,573	-	-	137,573	683,673
Pool	264,200	119,700	10,000	9,700	-	403,600	119,760	-	-	119,760	523,360
Water	479,500	538,300	380,000	491,000	329,800	2,218,600	291,800	-	711,924	1,003,724	3,222,324
Sewer	683,200	1,241,450	1,065,000	431,300	825,300	4,246,250	596,000	527,924	2,238,586	3,362,510	7,608,760
Stormwater	49,100	82,400	45,000	75,000	25,000	276,500	154,646	-	-	154,646	431,146
Stormwater Construction	-	39,500	1,450,000	-	-	1,489,500	16,629	-	-	16,629	1,506,129
Street SDC	-	50,000	-	219,000	-	269,000	451,969	-	-	451,969	720,969
Parks SDC	-	-	-	155,000	-	155,000	80,826	-	-	80,826	235,826
Water SDC	-	55,000	-	215,000	-	270,000	195,305	-	-	195,305	465,305
Sewer SDC	-	65,000	-	528,000	-	593,000	38,239	-	-	38,239	631,239
Stormwater SDC	-	-	-	100,000	-	100,000	62,223	-	-	62,223	162,223
Public Works Administration	410,700	74,800	-	-	-	485,500	105,191	-	-	105,191	590,691
Facilities Development	12,700	25,000	-	100,000	-	137,700	596,035	-	-	596,035	733,735
Vehicle Replacement	-	-	-	410,000	-	410,000	36,695	-	-	36,695	446,695
Total Expenditures and Other Requirements	5,173,700	4,366,550	3,990,000	3,539,000	1,180,100	18,249,350	4,281,285	527,924	3,552,633	8,361,842	26,611,192



Revenue

Taxes

Until fiscal year 2017-18, property taxes were the only local taxes the City directly received. In May 2017, Stayton voters approved a local gas tax measure. Local gas taxes are projected to total approximately \$215,000 in fiscal year 2018-19. Additionally, in November 2016 Stayton voters approved a three percent (3.0%) tax on marijuana sales within Stayton. **Due to State requirements**, we are unable to share with you the amount of money to be received from marijuana taxes. However, approximately \$2.3 million is projected to come from property taxes, \$1.975 million in the general fund, and \$351,000 from the City's local option tax.

The City's permanent tax rate per \$1,000 of taxable value is \$3.3280. The City also has a \$0.60 local option levy rate for library, parks, and pool operations, approved by Stayton voters. Increases to taxable assessed property valuations are limited to increases to a maximum of three percent (3.0%) per year for existing properties. New development and improvements to existing development provide additional property tax revenue. Stayton has realized increases in property taxes of approximately three percent (3.0%) per year for the past four years, and is anticipated to continue to do so in the near to mid-term (2 to 5 years).

Intergovernmental

This category includes state gas taxes, \$644,900, the final payment of an earmark by the State for stormwater land acquisition and improvements (\$381,000), funds for the City's library (\$87,800), allocations of the state's liquor, cigarette and marijuana taxes, state revenue sharing and targeted grants for police programs (total of \$244,100) and community development block grant funding of \$400,000.

State gas taxes are projected to increase each biennium as elements of the State Transportation Measure passed in July 2017 are phased in. Revenue from continuing sources in the general fund are anticipated to show slight increases consistent with the change in population in Stayton.

Franchise Fees

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



Franchise	Budget	%
Cable	\$ 41,000	4.7%
Telephone	31,000	3.6%
Sanitary Sewer	82,000	9.5%
Electricity	611,700	70.8%
Natural Gas	97,900	11.3%
	<u>\$863,600</u>	<u>100.0%</u>

Charges for Services

An estimated \$6.2 million in revenue from charges for services is budgeted in fiscal year 2018-19. Utilities generate the vast majority of charges:

Water	\$1.82 million (29.6%)
Sewer	\$3.32 million (53.9%)
Stormwater	\$0.28 million (4.5%)

System Development Charges for water, sewer, stormwater, streets, and parks total \$0.44million (7.1%). The pool (\$0.2 million, 2.4%) and street fees (\$0.09 million, 1.4%), and various charges in the general fund (\$9,500, < 0.2%) and library (\$3,300, 0.1%) make up the balance of charges for services budgeted.

Rate adjustments consistent with the change in the annual consumer price index for all consumers (CPI-U) for the year ended March 31, 2018 of 2.4% is budgeted in the water, wastewater, and stormwater funds. There is no CPI adjustment in street fees or other fees and charges.

Licenses and Permits

The planning department generates approximately \$21,000 in licenses and permit fees annually. Marion County processes building permits and inspections for the City.

Miscellaneous

City-wide, approximately \$468,300 in revenue comes from miscellaneous sources, primarily interest income and building rental. Interest earning have doubled with interest earnings estimated at two percent (2.0%) of cash balances, compared to rates of less than one percent (1.0%) prior to fiscal year 2017-18.

Transfers

The City transfers monies from funds receiving benefits of services provided to them to the funds providing those services, such as the general fund, public works administration fund and the facilities fund. Additionally, previous transfers to the City's vehicle replacement fund are budgeted to be returned to those funds as the City has decided to discontinue



using this method to fund vehicle replacement. The elimination of the vehicle replacement fund will occur in fiscal year 2018-19. Transfers from the vehicle replacement fund (\$410,000) are targeted to invest in the City's retirement plan to reduce the unfunded actuarial liability (UAL).

Debt Proceeds

The construction fund includes a proposed debt issue of up to \$725,000 to fund phase 1 improvements for a regional stormwater retention facility. The debt is proposed to be repaid with stormwater user charges beginning in fiscal year 2019-20, and is included in long-range financial forecasts. Depending on the size of the debt issue, among other factors, the financing may be facilitated with existing City cash reserves.



General Fund

Summary

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

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

Highlights

Fund balance

- The ending fund balance for June 30, 2017 is \$1,389,328, an increase of \$194,523, or 16.3%.
- The projected ending fund balance for June 30, 2018 is \$1,392,623, an increase of \$3,295, or 0.2%.
- The budgeted ending fund balance as of June 30, 2019 is \$1,100,613, a reduction of \$292,000, or -21.0%.
- The budgeted ending fund balance is estimated at nearly six months (5.9) of working capital. This amount exceeds the minimum required balance sufficient to fund operations until property taxes are received.
- A transfer of \$50,000 to the Construction Project Fund to reimburse one-half the land costs allocated to parks (total two-year general fund funding for the Lambert/Puntney property is \$130,000, total land costs allocated to parks is \$260,000).

Staffing

- There is no change in FTE positions.

Programs

- Community Development Block Grant funding of \$400,000 is budgeted to be received, with a corresponding amount budgeted in the Operations budget.
- Funding is included in the Planning budget to evaluate and analyze various economic development strategies and create a plan for the City.
- Continued funding is provided to address deficiencies in the City's computer system networks and related technology.



Changes from previous year

- The transfer budgeted in fiscal year 2017-18 to the Construction Fund of \$80,000 to provide gap funding for the project, which was to be repaid has been reevaluated. A portion of the land purchased for the project is attributable to future park land. The general fund transfer for the current year (\$80,000) and the proposed transfer of \$50,000 in fiscal year 2018-19 represent one-half the funding for the park land of \$260,000. The balance of funding for the park land (\$130,000) is proposed to come from Parks SDCs.
- The addition of the CDBG program represents a significant activity the City has not had in a number of years.
- A contribution of \$70,000 to the City's retirement plan to reduce its UAL. Funding is provided by a transfer from the Vehicle Replacement Fund.

Revenue

Overall, revenue for fiscal year 2018-19 is budgeted to increase \$564,500, 13.7%. The primary driver of this increase is \$400,000 (9.7%) is related to community development block grant revenue, which is included in intergovernmental revenue. The revenue has an offsetting expense.

Property taxes are estimated to increase nearly three percent (2.9%), which is the average during the past three years. Franchise fees are estimated for an increase of 3.4%, representing a trend change in economic conditions improving. Licenses, permits and fees are projected to increase fifty percent (50.0%) over the prior year budget, consistent with the fiscal year end 2017-18 estimate, while charges for services are budgeted with a thirteen percent (12.8%) reduction. This is due to no long recognizing payments received that are due other organizations as revenue. Miscellaneous and grants and contributions are budgeted consistent with the prior year, with an increase of nearly ten percent (9.7%).

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

Expenditures

Budgeted expenditures total \$4,984,700, an increase of \$605,250, or nearly fourteen percent (13.8%). The primary drivers of the increase include:

- Increase in non-departmental (operations) spending of \$470,000:
 - \$400,000 for the CDBG program
 - \$70,000 contribution in the City's retirement plan to reduce its unfunded actuarial liability



- In all departments with personnel:
 - Cost of living adjustments for all personnel, 2.0% per labor agreements, plus steps
 - Increase in medical related benefit costs
- Police department
 - Increase in PERS contribution rates

Excluding the \$400,000 CDBG program and \$70,000 one-time UAL contribution, expenditures are budgeted to increase \$116,250, or approximately three percent (2.6%).



General Fund Budget

	15 -16	16 -17	17 - 18	18 - 19	18 - 19	18 - 19
	Actual	Actual	Budget	Proposed	Approved	Adopted
Current year resources						
Property taxes	1,839,796	1,899,860	1,941,000	2,075,600	2,075,600	2,075,600
Charges for services	20,428	22,713	10,900	9,500	9,500	9,500
Grants and contributions	-	-	-	-	-	-
Franchise fees	821,997	830,023	834,800	863,600	863,600	863,600
Licenses, permits & fees	19,646	13,302	14,000	21,000	21,000	21,000
Intergovernmental	172,968	219,873	195,500	644,100	644,100	644,100
Miscellaneous	216,591	322,984	218,400	232,300	232,300	232,300
Transfers	357,595	768,946	913,600	846,600	846,600	846,600
Current year resources	3,449,021	4,077,701	4,128,200	4,692,700	4,692,700	4,692,700
Expenditures						
Police	1,873,837	1,950,376	2,121,200	2,241,700	2,241,700	2,241,700
Planning	142,511	137,036	251,250	258,000	258,000	258,000
Community Center	54,525	49,615	62,300	58,300	58,300	58,300
Parks Maintenance	136,972	-	-	-	-	-
Municipal Court	89,022	98,335	101,500	73,800	73,800	73,800
City Council and Administration	470,836	976,390	1,020,100	1,058,800	1,058,800	1,058,800
Non-departmental (Operations)	318,650	-	-	470,000	470,000	470,000
Street Lights	90,490	110,156	115,000	116,500	116,500	116,500
Total operating expenditures	3,176,843	3,321,908	3,671,350	4,277,100	4,277,100	4,277,100
Capital Outlay						
Police	55,573	60,379	56,000	56,000	56,000	56,000
Community Center	21,445	-	-	-	-	-
Parks Maintenance	-	-	-	-	-	-
City Council and Administration	-	26,735	50,000	50,000	50,000	50,000
Non-departmental (Operations)	8,580	-	-	-	-	-
Total Capital Outlay	85,598	87,114	106,000	106,000	106,000	106,000
Transfers						
Police	-	39,000	39,000	41,400	41,400	41,400
Planning	-	20,300	19,400	19,500	19,500	19,500
Administration	-	18,700	19,300	19,900	19,900	19,900
Non-departmental (Operations)	200,000	396,156	541,400	520,800	520,800	520,800
Total Transfers	200,000	474,156	619,100	601,600	601,600	601,600
Total Expenditures	3,462,441	3,883,178	4,396,450	4,984,700	4,984,700	4,984,700
Revenue over/(under) expenditures	(13,420)	194,523	(268,250)	(292,000)	(292,000)	(292,000)
Beginning fund balance	1,208,225	1,194,805	1,093,385	1,392,623	1,392,623	1,392,623
Ending fund balance	1,194,805	1,389,328	825,135	1,100,623	1,100,623	1,100,623



Police

Summary

The Stayton Police Department proudly provided public safety to our community 24 hours a day. As a department we believe building public trust with all community stakeholders is essential. We strive to be relevant in the community by becoming entrenched with those who live, work, and visit our area.

Our department's top goal is to positively impact the livability of Stayton through public safety. There are many agencies who limit the types of crimes officers respond to based on the severity. The Stayton Police Department believes every citizen call for service should receive an officer response. Our philosophy is that we are problem solvers. Public safety is about solving problems with an understanding that each scenario is unique and may have a different solution. This means we find ways to fix problems using a variety of current crime solving solutions. A few examples of this include:



- Dedicated traffic enforcement to high crash areas
- Concentrated patrols near known drug houses
- Code Enforcement near and around unsafe buildings and dangerous junk accumulations
- Working with the mentally ill to share resources
- Active involvement with school threat assessments
- Building relationships with kids in schools, especially those struggling
- Vacation home checks to help prevent burglaries
- Working with landlords to address problem properties
- Annual Junior Fishing Derby to connect with high-risk youth

To fulfill this philosophy, we have six priorities we concentrate on within our department. These include:

- 24-hour patrols
- Support of our detective unit
- School Resource Officer assigned and present in our schools
- Connecting with the community
- Strong volunteer program, and
- An enhanced traffic safety program.



Police Department staff includes the Chief, a Lieutenant, two Sergeants, and nine patrol officers. The civilian staff includes one full-time Records Clerk, one part-time Records Clerk, and two part-time Code Enforcement Officers. We supplement our staff with up to ten volunteer Reserve Officers and six Cadet Officers.



The Stayton Police Department continues to cherish our opportunity to serve the Stayton community. As a department, we will always strive to be relevant to our community's public safety needs.

Highlights

- Over the past year, officers handled 10,640 incidents. These incidents included everything from self-initiated officer activities like traffic stops, after-hours business checks, and drug investigations, to citizen reported incidents such as assaults, burglaries, and death investigations.
- Our department saw a reduction in traffic accidents through traffic enforcement. In 2016, the Stayton Police Department responded to 117 accidents, while in 2017 this number dropped to 67 accidents.
- In 2017, we focused strongly on code enforcement, which greatly affects the livability of our community. Thanks to this focus, our department more than doubled our code enforcement response from 291 in 2016, up to 670 in 2017.

Changes from previous year

- 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, ballistic vests, and firearms.
- Improvements to the Department's firing range, and updating our current rifles.
- Repairs and painting to the exterior of the Police Department building.



Police Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Personnel Services	1,497,338	1,551,200	1,679,800	1,780,100	1,780,100	1,780,100
Materials and Services	376,498	399,176	441,400	461,600	461,600	461,600
Capital Outlay	55,573	60,379	56,000	56,000	56,000	56,000
Transfers	-	39,000	39,000	41,400	41,400	41,400
Total Requirements	1,929,410	2,049,755	2,216,200	2,339,100	2,339,100	2,339,100

Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Chief of Police	1.0	1.0	1.0	1.0
Lieutenants	1.0	1.0	1.0	1.0
Sergeants	2.0	2.0	2.0	2.0
Police Officers	9.0	9.0	9.0	9.0
Records Clerk	1.5	1.5	1.5	1.5
Code Enforcement	-	0.3	1.0	1.0
FTE's - Police	14.5	14.8	15.5	15.5

Capital Outlay

Patrol vehicle \$ 56,000

Performance Measures¹

Patrol Measure	2015	2016	2017
Police Activity	9,510	9,485	10,640*
Investigated Incidents	3,248	3,570	4,521
Citations/Warnings	3,182	3,527	3,738
Traffic Accidents	103	117	67
Juvenile Abuse	33	38	47
Arrests	498	662	610
Volunteer Hours	4,502	3,041	1,755
Peer Court Cases	48	22	55

* Change in calculation methodology results in increased activity.

¹ Police activity is reported on calendar year basis



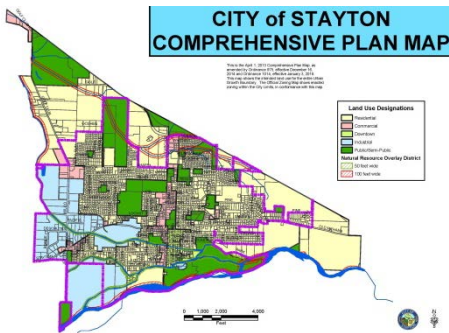
Planning

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, and 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 Manager, City Council, and the Planning Commission. Some land use applications regularly handled by the Planning Department include annexation, comprehensive plan and zone map

amendments, site plan review, conditional use, partitions, subdivisions and planned unit developments.

Long range planning programs currently in progress include fostering long-term sustainable economic development and continued improvement of the Land Use and Development Code. The department is working with the Revitalize Downtown Stayton which was formerly known as 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.

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



In the coming year, the Department will assist the City Council in a review of the City's housing policies and regulations. Next year's proposed budget includes a new grant program to provide assistance to neighborhood groups for neighborhood improvements.

Planning Commission Members & Terms

Jackie Carmichael	12/2018
Dixie Ellard	12/2019
Heidi Hazel	12/2018
Paige Hook	12/2019
Ralph Lewis	12/2018

Highlights

- Proposed grant program to provide assistance to neighborhood groups for neighborhood improvements.
- Expanded Housing Rehabilitation Loan Program to provide grants to owners of manufactured housing units that do not own the land on which the housing unit sits.

Changes from previous year

- Proposed budget includes funding of \$90,000 for development of economic development strategies and plan.

Planning Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Personnel Services	128,402	125,594	134,300	133,500	133,500	133,500
Materials and Services	14,109	11,442	116,950	124,500	124,500	124,500
Transfers	-	20,300	19,400	19,500	19,500	19,500
Total Requirements	142,511	157,336	270,650	277,500	277,500	277,500

Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
City Planner	1.0	1.0	1.0	1.0
Code Enforcement Officer	0.5	-	-	-
Total FTE's - Planning	1.5	1.0	1.0	1.0

Note: Code enforcement office reorganized to Police Department



Capital Outlay

There is no capital outlay in the Planning Department budget.

Performance Measures

<i>Effectiveness Measures</i>	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Budget
% of land use applications processed within 120 days of the application being deemed complete	100%	100%	100%	100%
% of land use applications processed within 90 days (including final appeal, if any) of the applications being determined complete	n/a	n/a	75%	75%



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 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

- During the past year, the Community Center was rented 208 times for government meetings, fitness classes, birthday parties, health screenings, memorial services, wedding receptions, community fundraising events, and church services.
- The NorthWest Senior and Disability Services continue to serve the senior community with the Senior Meal Program for lunch every Monday, Wednesday, and Friday.
- Two new gas furnaces, with 95% efficiency, were installed at the Community Center.

Changes from previous year

Included in the 2018-19 budget is the purchase and installation of new commercial grade window coverings.

Community Center Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Materials and Services	54,525	49,615	62,300	58,300	58,300	58,300
Capital Outlay	21,445	-	-	-	-	-
Total Requirements	75,970	49,615	62,300	58,300	58,300	58,300

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



Highlights

- 40 Court dates
- 37 Trials held
- 930 cases processed

Changes from previous year

- Proposed budget includes \$2,500 for the court to update their computer for the upcoming budget year.
- The Court will begin processing DUIs.
- Assessments collected for the State of Oregon and Marion County are not budgeted as expenditures effective fiscal year 2018-19.

Municipal Court Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Personnel Services	26,792	28,910	30,500	32,800	32,800	32,800
Materials and Services	62,231	69,425	71,000	41,000	41,000	41,000
Total Requirements	89,022	98,335	101,500	73,800	73,800	73,800

Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Court Clerk	0.5	0.5	0.5	0.5
Municipal Judge - contract	0.1	0.1	0.1	0.1
Total FTE's - Municipal Court	0.6	0.6	0.6	0.6



Capital Outlay

No capital outlay is budgeted in Municipal Court.

Performance Measures

Activity Measures	2016-17 Actual	2017-18 Budget	2018-19 Budget
Ordinance Violations	61	74	68
Traffic Violations	1,104	902	1,003
Warnings	418	232	325
Court Dates	40	40	40
Trials	72	39	56



Administration

Summary

The Administration Department represents the core function of the City organization. Administration includes the Mayor and City Council, City Manager’s Office, City Recorder, Human Resources, Finance and Information Technology.

Mayor and City Council

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

Highlights

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

Changes from the previous year

- No changes from the previous year.

Mayor and City Council Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Memberships	6,103	6,665	6,000	6,000	6,000	6,000
Conferences - Council Expense	597	5,495	6,000	6,000	6,000	6,000
Community Grant Program	5,000	4,550	5,000	5,000	5,000	5,000
Election Expense	296	-	-	-	-	-
Materials and Services	11,995	16,710	17,000	17,000	17,000	17,000
Total Requirements	11,995	16,710	17,000	17,000	17,000	17,000



City Manager

The City Manager is appointed by the Mayor, and ratified by the City Council, to manage the affairs of the City. The City Manger'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 meeting minutes. The Recorder is responsible for preparation of the City Council agenda, maintaining ordinance and resolution records, prepares official meeting and legal notices and processes.

This position serves as the Records Manager, maintaining all official documents of the City. In addition, the Recorder oversees all public records requests submitted to the City. Processing, tracking, and releasing records in accordance with state mandated timelines. During the nine month period from August 2017 to April 2018, the City received and processed 215 public records requests.

The Deputy City Recorder also serves as the City Elections Officer 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

For the second year in a row, the City of Stayton earned the Government Finance Officers Association (GFOA) distinguished budget award for the fiscal year 2017-18 budget document.

Changes from previous years

- Update five-year forecasts for general, street, and utility funds and prepare initial five-year forecasts for other funds.
- Audit field work scheduled in August

Administration Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Personnel Services	424,515	477,982	600,600	627,900	627,900	627,900
Materials and Services	46,321	481,698	402,500	413,900	413,900	413,900
Capital Outlay	-	26,735	50,000	50,000	50,000	50,000
Transfers	-	18,700	19,300	19,900	19,900	19,900
Total Requirements	470,836	1,005,115	1,072,400	1,111,700	1,111,700	1,111,700

Staffing

Position	2015-16 Actual	2016-17 Budget	2017-18 Budget	2018-19 Adopted
City Manager	1.0	1.0	1.0	1.0
Deputy City Recorder	1.0	1.0	1.0	1.0
Finance Director	1.0	1.0	1.0	1.0
Assistant Finance Director	-	-	-	1.0
Associate Accountant	1.0	1.0	1.0	-
Accounting Clerk*	-	1.0	1.0	2.0
Receptionist Cashier**	-	1.0	1.0	-
Total FTE's - Administration	4.0	6.0	6.0	6.0

* Position name changed from Utility Billing Clerk to Accounting Clerk

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

Capital Outlay

Information technology network infrastructure improvements \$50,000



Performance measures

City Manager and City Recorder

Activity Measures	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Budget
City Council meetings	26	23	19	23
City Council executive sessions	4	9	4	4
City Council special sessions	3	1	3	2
Resolutions adopted	16	13	17	15
Ordinances adopted	12	12	11	12
City Council video views (YouTube)	206	670	933	1,200
Facebook page likes	2,238	2,543	2,984	3,400
Social media posts (Facebook)	123	96	102	100
Public record requests	Not Tracked	Not Tracked	249	250
Number of new hires / orientations	5	4	31	5

Finance

Performance Measures	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Budget
Timely filing of Annual Financial Report	No	No	Projected	Projected
Clean opinion from independent auditor	Yes	Yes	Projected	Projected
Timely completion of budget	Yes	Yes	Yes	Projected
Timely and accurate processing of vendor payments	n/a	n/a	100%	100%
Timely and accurate processing of employee payments and tax filings	n/a	n/a	100%	100%
Timely and accurate processing of accounts receivable	n/a	n/a	100%	100%



Non-departmental (Operations)

Summary

The Non-departmental (Operations) 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 other specific fund.

Changes from previous year

- A contribution to the City’s Retirement Plan unfunded actuarial liability (UAL) representing the amount returned from the Vehicle Replacement Fund is budgeted. This is a one-time item.
- A pass through of Community Development Block Grants (CDBG) is included in the budget.

Highlights

- \$400,000 in CDBG funds is budgeted.
- The transfer amount to the Stayton Family Memorial Pool to provide for stable funding is reduced from the prior year budget.
- The transfer to the Construction Fund of \$50,000 provides a two-year total of \$130,000, representing one-half of the cost allocated for park land acquisition.
- The transfer to the Library Fund includes a 2.9% increase, consistent with the estimated increase in the property tax levy, and provides sustainable library operations.
- The transfer to the Parks Fund in fiscal year 2018-19 is increased above a 2.9% increase by \$18,000 to account for additional expenses resulting from expanding park operations and maintenance.

Non-departmental Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Personnel Services	-	-	-	70,000	70,000	70,000
Materials and Services	318,650	-	-	400,000	400,000	400,000
Capital Outlay	8,580	-	-	-	-	-
Transfers	200,000	396,156	541,400	520,800	520,800	520,800
Total Requirements	527,230	396,156	541,400	990,800	990,800	990,800



Street Lights

Summary

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



Highlights

- None for the 2018-19 fiscal year.

Changes from previous years

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

Street Lights Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Materials and Services	90,490	110,156	115,000	116,500	116,500	116,500
Total Requirements	90,490	110,156	115,000	116,500	116,500	116,500

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



Other Requirements

Summary

Contingency and unappropriated fund balances are included in other requirements.

The contingency amount budgeted is ten percent (10.0%) of general fund expenditures. The balance is unappropriated for carryover to fiscal year 2019-20.

The combined total of contingency and unappropriated amounts is in excess of the amount needed to fund general fund operations without borrowing until property taxes are received in November. This meets the City's financial policies for minimum fund balance.

Changes from previous year

- No changes from previous year.

Other Requirements Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Contingency	-	-	201,200	498,500	498,500	498,500
Unappropriated Fund Balance	1,194,805	1,389,328	623,935	602,123	602,123	602,123
Total Other Requirements	1,194,805	1,389,328	825,135	1,100,623	1,100,623	1,100,623
Total Requirements	1,722,035	1,785,484	1,366,535	2,091,423	2,091,423	2,091,423



Library Fund

Summary

The mission of the Stayton Public Library is to bring people, information and ideas together. The Library provides equal access for all segments of our community, and is much more than a depository of books waiting for people to check them out. It's a place for parents to learn how to encourage early literacy with their children, and an opportunity for teens to become leaders and kids to succeed. The Library is a place for people to find jobs and meet their life-long learning goals. The Stayton Public Library supports learning in many ways including through programs, speakers, workshops, and books.



Highlights

- Approximately 55,000 items including books, magazines, DVDs, books on CD, music, and kits.
- Access to over 2 million items in our online catalog through our partnership with Chemeketa Cooperative Regional Library System (CCRLS).
- Access to 65,000 e-books and audiobooks that can be downloaded to personal devices.
- Cultural passes that provide free admission to the Gilbert House Children's Museum, Evergreen Aviation & Space Museum, Oregon Garden, Hallie Ford Museum of Art, Willamette Heritage Center, Lan Su Chinese Garden, and the Stayton Family Memorial Pool.
- Programs for people of all ages including story time, children's music and dance, DIY crafts and an Oregon Author series.
- Outreach Storytime to over 20 kindergarten classrooms, preschools, and daycares. Providing early literacy education to over 400 children per month.
- Access to over 20 databases including Ancestry.com, Chilton's Auto Repair Guide online, and Learning Express which provides practice tests for GET, SAT, ASSET, etc.



- Book clubs for adults and kids.
- Test proctoring for students in online or distance education programs.
- Access to libraries throughout Oregon through the Oregon Library Passport program.
- Access to computers, printing, copying, and wireless internet access.



Changes from previous year

- Continued development of our programming. In the past year, we have added a monthly DIY program for adults and teens, and held a successful local art show. Our library has also partnered with the Independence Public Library to provide technology programs for children utilizing their “Makerspace to Go” kits.
- Completion of the RFID process, and with the purchase of additional equipment through CCRLS, we will have the ability to do inventory of our library collection.

Library Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	124,543	159,555	154,131	212,473	212,473	212,473
Property Taxes	155,729	164,325	168,500	170,700	170,700	170,700
Charges for Services	10,810	3,512	4,000	3,300	3,300	3,300
Intergovernmental	86,240	82,367	85,300	87,800	87,800	87,800
Miscellaneous	34,381	30,788	17,000	18,600	18,600	18,600
Transfers	119,500	180,000	185,400	190,800	190,800	190,800
Total Resources	531,202	620,547	614,331	683,673	683,673	683,673
Requirements						
Personnel Services	258,341	259,698	338,200	343,700	343,700	343,700
Materials and Services	113,306	122,376	128,500	130,400	130,400	130,400
Capital Outlay	-	-	50,000	47,000	47,000	47,000
Transfers	-	27,700	26,500	25,000	25,000	25,000
Other requirements	-	-	71,131	137,573	137,573	137,573
Total Requirements	371,647	409,774	614,331	683,673	683,673	683,673



Staffing

Position	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Budget	Adopted
Library Director	1.0	1.0	1.0	1.0
Library Youth Services	0.8	0.8	0.8	0.7
Outreach Youth Services	0.5	0.6	0.6	0.5
Library Assistant II	1.0	0.6	0.6	1.0
Library Assistant I	1.5	2.3	2.3	1.2
Library Page				.7
Library Aide	1.5	2.1	2.1	1.3
Total FTE's - Library	6.3	7.4	7.4	6.3

Capital Outlay

Roof replacement \$47,000

Performance measures

Activity Measures	2015-16	2016-17	2017-18	2018-19
	Actual	Actual	Budget	Budget
Circulation of library materials	126,641	126,529	142,290	146,558
Circulation of downloadable materials	8,903	9,917	11,292	12,421
Library visits	80,146	79,782	83,881	86,397
% change in circulation – library materials	n/a	-0.1%	12.5%	3.0%
% change in circulation – downloadable materials	n/a	11.4%	13.9%	10.0%
% change in library visits	n/a	-0.5%	5.1%	3.0%

Why are the performance measures important?

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



Parks Fund

Summary

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

Pioneer Park

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



The Jordan Bridge is a beautiful location for events such as weddings, receptions, and family reunions. Additionally, with recent renovations a concessions area on the Plaza is also located in Pioneer Park.

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

Park Shelter Rentals

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



Community Center Park

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



Community Garden

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

Parks and Recreation Board Members and Terms

Dan Brummer	12/2018
Cherie Peckfelder	12/2019
Kathy Hampton	12/2018
Richard Lewis	12/2018
Patrick Mulligan	12/2019
Pam Pugsley	12/2019

Highlights

- The City received 3 acres of open space as part of the Wildlife Meadows Planned Development.
- The Stayton Community Dog Park project at 4th Avenue and Florence Street was completed.
- The Stayton Community Garden was relocated to Evergreen Street, south of the Salem Ditch.
- The concession area located at Pioneer Park was furnished with a commercial sink, hot water heater, and commercial countertops.
- Riverfront Park property was cleared of blackberries and most of the scotch broom.

Changes from previous year

- The City will invest \$32,000 to resurface the tennis courts at the Community Center Park.



Parks Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	-	-	30,500	44,111	44,111	44,111
Property Taxes	10,000	10,194	10,000	10,000	10,000	10,000
Intergovernmental	-	60,355	-	-	-	-
Miscellaneous	-	3	-	-	-	-
Transfers	126,973	225,000	331,000	355,000	355,000	355,000
Total Resources	136,973	295,552	371,500	409,111	409,111	409,111
Requirements						
Personnel Services	74,662	75,839	83,500	96,700	96,700	96,700
Materials and Services	62,311	78,913	75,500	84,200	84,200	84,200
Capital Outlay	-	111,015	145,000	162,000	162,000	162,000
Transfers	-	62,474	28,800	30,900	30,900	30,900
Other requirements	-	-	38,700	35,311	35,311	35,311
Total Requirements	136,973	328,241	371,500	409,111	409,111	409,111
Total Resources	136,973	295,552	371,500	409,111	409,111	409,111
Total Requirements	136,973	328,241	371,500	409,111	409,111	409,111

Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Senior Maintenance Worker	1.0	1.0	1.0	1.0
Seasonal Parks Maintenance Worker	-	-	-	0.3
Seasonal - contract services	-	0.7	0.7	0.7
Total FTE's - Parks	1.0	1.7	1.7	2.0

Capital Outlay

Mill Creek Park Master Plan	\$ 10,000
Jordan Bridge Rehab	100,000
Tennis Court Resurfacing	32,000
Equipment	20,000
Total	\$162,000



Performance Measures

Activity Measures	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Budget
Total area of neighborhood, community, open space acres	n/a	175	203	203
Number of restrooms maintained daily	n/a	3	3	3
Playground equipment repairs	n/a	52	50	50
Dog waste bags supplied	n/a	12,000	12,000	12,000
Irrigation repairs	n/a	35	50	50
Parks mowed and edged per week	n/a	7	7	7



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 \$95,370 in fiscal year 2018-19.
- Transfer \$25,000 to the Parks Fund for the Mill Creek Park Master Plan.
- \$130,000 transferred to Construction Fund to pay one-half land cost allocation for future parks facilities.

Changes from the previous year

- No changes from previous year.

Parks SDC Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	51,197	72,633	78,633	139,026	139,026	139,026
Licenses, Permits and Fees	21,362	26,775	90,000	95,400	95,400	95,400
Miscellaneous	474	1,218	800	1,400	1,400	1,400
Total Resources	73,033	100,626	169,433	235,826	235,826	235,826
Requirements						
Materials and Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	400	25,000	25,000	155,000	155,000	155,000
Contingency	-	-	144,433	80,826	80,826	80,826
Total Requirements	400	25,000	169,433	235,826	235,826	235,826



Pool Fund

Summary



The Swimming Pool Fund accounts for the operations of Stayton's indoor swimming pool located at 400 W. Virginia 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. On July 1, 2017, the City regained management of day to day operations and programs for the pool facility.

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

The Friends of the Pool offers tremendous support to the Stayton Family Memorial Pool. The Friends host fundraisers which benefit the Pool, including their annual Spaghetti Feed. Donations over the past year include an additional large swim platform, new swim equipment, a CPR dummy for training, water aerobic fitness equipment, repairs to lane lines, new back stroke flags poles, and materials for a new double-sided bench in the women's locker room.

Highlights

- Memberships have risen to 429, which includes residents, non-residents, and Silver & Fit members
- Over 1,709 swim lessons taught last year
- Weekly lap swims average 25 swimmers per available time slot
- The pool is rented an average of 6 times each month
- Water Movement classes typically have 16 swimmers per class offered
- Water Aerobic Classes average at least 25 swimmers per class offered



Changes from previous year

- In fiscal year 2018-19, purchase of pool equipment.

Pool Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	32,703	65,517	64,917	148,760	148,760	148,760
Property Taxes	160,869	166,976	171,100	170,900	170,900	170,900
Charges For Services	133	-	193,000	150,700	150,700	150,700
Miscellaneous	482	709	500	3,000	3,000	3,000
Transfers	15,000	15,000	70,000	50,000	50,000	50,000
Total Resources	209,187	248,202	499,517	523,360	523,360	523,360
Requirements						
Personnel Services	-	-	273,000	264,200	264,200	264,200
Materials and Services	143,670	174,242	149,300	119,700	119,700	119,700
Capital Outlay	-	-	-	10,000	10,000	10,000
Transfers	-	7,500	7,500	9,700	9,700	9,700
Contingency	-	-	69,717	119,760	119,760	119,760
Total Requirements	143,670	181,742	499,517	523,360	523,360	523,360

Staffing

	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Position				
Aquatics Facility Manager	0.0	0.0	1.0	1.0
Pool Staff Supervisor	0.0	0.0	1.0	1.0
Lifeguards	0.0	0.0	3.6	3.6
Instructors	0.0	0.0	2.5	2.5
Total FTE's - Pool	0.0	0.0	8.1	8.1

Note: Prior to fiscal year 2017-18, pool staffing provided and managed by the YCMA.



Capital Outlay

Pool Equipment \$10,000

Performance Measures

Activity Measures	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Budget
Total patrons	n/a	n/a	53,334	54,934
Memberships				
City resident	n/a	n/a	86	89
Non-resident	n/a	n/a	121	125
Silver Fit program	n/a	n/a	70	72
Lessons				
Ages 6 months to 18 years	n/a	n/a	512	527
Special classes	n/a	n/a	25,033	25,784
Kiwanis 3 rd grade swim lessons	n/a	n/a	3,067	3,159
Open swim	n/a	n/a	6,542	6,738
Hours of Operation	2,529	2,529	2,529	2,529



Street Fund

Summary

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



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

During the 2017-18 fiscal year, the City paved Marion Street from First Avenue to Seventh Avenue. We replaced curbs, sidewalks, and in needed locations, ADA accessible ramps were installed. Additionally, over 900 feet of new water line was installed.

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

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

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

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

Each year the City receives a portion of state gasoline taxes (\$400,000 per year) to help pay for the ongoing maintenance of the City's street system. State gas taxes pay for personnel,





materials, vehicles, the public works shop facility, and administrative and capital expenses related to the 34.6 miles of City-owned streets within Stayton city limits. The City has one full-time public works employee assigned to street operations and maintenance. Services include regular street sweeping, traffic signal maintenance, sign installation and replacement, striping, sanding, and minor street repair and improvements.

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

The 2017-18 fiscal year Street Improvement Project consists of milling Virginia Street from N. Evergreen Avenue to E. Fourth Avenue. The awarded contract was in the amount of \$401,316.50.

For the 2018-19 fiscal year, the City is planning on constructing the east one-half of Kindle Way from Shaff Road to Junco Street. This will widen Kindle Way to a 36-foot wide collector street, as shown in the Transportation System Plan.

The City joined the Marion County annual Slurry Seal Project contract for 2018-19. This will save the City up to 50% of the normal cost for slurry seals due to the economies of scale. The streets of Quail Run and Village Creek subdivisions will have slurry seals applied during the summer of 2018. The City will be performing crack sealing in both subdivision areas prior to the slurry seal applications.

A brand-new street has the expected service life of between 20 to 40 years, which is how long the street will hold up before full reconstruction is typically needed. However, with proper application of pavement maintenance processes (such as crack sealing, slurry sealing or grind/inlay) at the proper time, the service life can be extended two to three times longer. Once a street deteriorates to the point that it requires major repairs, it's typically six times costlier to fix it than to do timely pavement maintenance. And even though pavement maintenance is done on more frequent intervals than reconstruction, it still saves money. You can best understand why pavement maintenance is so important by understanding how a street deteriorates. Vehicle traffic and weather break down the surface of a street, causing cracks to appear. The cracks allow water to get below the surface, to the structure of the street, weakening it and breaking it down. As the subsurface erodes, "alligator" cracks appear on the surface, indicating the foundation is beginning to fail. When the damage reaches the critical stage, potholes appear, meaning the subsurface has fallen apart causing the surface to collapse. Even though temporary pothole patches are done, by the time potholes appear, the surrounding paving and subsurface are so



deteriorated that patching materials won't properly adhere or withstand traffic loads, and the patches quickly fail. Regular pavement maintenance can add life to a street by repairing the surface layer to prevent water from getting to the substructure below. And since pavement maintenance costs a fraction of street reconstruction, action now saves a lot of money later.

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

Highlights

- The City will be paving Virginia Street from N. Evergreen Street to E. Fourth Avenue
- The budget includes an update to the Transportation System Plan (TSP)

Changes from previous year

- Construct the east one-half of Kindle Way to collector street standard
- Overlay west one-half of Kindle Way
- The City will partner with a developer to construct Shaff Road to an arterial standard
- The streets of Quail Run and Village Creek subdivisions will have a slurry seal applied to the road surfaces



Street Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	547,463	571,471	548,771	874,683	874,683	874,683
Taxes	-	-	149,000	215,000	215,000	215,000
Charges For Services	86,429	87,393	90,300	87,900	87,900	87,900
Intergovernmental	456,365	581,591	570,000	644,900	644,900	644,900
Miscellaneous	11,189	8,697	6,000	17,500	17,500	17,500
Transfers	-	-	275,100	314,700	314,700	314,700
Total Resources	1,101,446	1,249,152	1,639,171	2,154,683	2,154,683	2,154,683
Requirements						
Personnel Services	83,785	85,984	95,600	189,600	189,600	189,600
Materials and Services	159,449	97,116	198,300	228,000	228,000	228,000
Capital Outlay	161,429	223,669	534,000	725,000	725,000	725,000
Transfers	125,312	131,100	134,200	147,500	147,500	147,500
Contingency	-	-	677,071	864,583	864,583	864,583
Total Requirements	529,975	537,869	1,639,171	2,154,683	2,154,683	2,154,683

Staffing

Position	2015-16 Actual	201-17 Actual	2017-18 Budget	2018-19 Adopted
Maintenance Worker	1.0	1.0	1.0	1.0
Total FTE's - Streets	1.0	1.0	1.0	1.0

Capital Outlay

Transportation System Plan	100,000
Kindle Way Improvements	625,000
	\$725,000



Performance Measures

Activity Measures	2016-17 Actual	2017-18 Budget	2018-19 Budget
Lane miles of chip seal	-	-	-
Lane miles of road paved (overlays or grind/inlays)	0.66	0.62	0.80
Lane miles of road slurry seals	-	-	-
Miles of streets cleaned/swept	1,743	1,304	1,700
Cubic yards of debris collected	1,457	1,102	1,428
Potholes patched (square feet)	9,228	-	-
Miles of streets maintained	33.3	33.3	33.3
Number of curb ramps constructed	10	12	12
Pounds of asphalt cold mix used for temporary pothole repair	7,170	11,530	9,000
Pounds of food collected for food bank from fall yard cleanup	391	175	200
Effectiveness measures			
Overall street system rating (PASER rating)	5.3	5.5	5.5
Efficiency Measures			
Average cost per lane mile of road repaired (overlay)	\$ 233,000	\$ 302,800	\$ 311,900



Street SDC Fund

Summary

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

Highlights

- During fiscal year 2017-18, the City collected \$67,335 in street SDCs and estimate we will collect \$80,250 during the 2018-19 fiscal year.
- Developer Reimbursements for the Shaff Road improvements are estimated to be \$25,000.
- The 2018-19 fiscal year budget includes a transfer of \$100,000 to the Street Fund in preparation for an updated Transportation System Plan.
- Budget transfer of \$219,000 to the Street Fund for construction of the east on-half of Kindle Way for the 2018-19 fiscal year.

Changes from previous year

- No changes from previous year.

Street SDC Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	394,072	438,476	602,176	634,369	634,369	634,369
Charges for Services	43,906	192,004	75,000	80,300	80,300	80,300
Miscellaneous	2,618	6,489	6,000	6,300	6,300	6,300
Total Resources	440,596	636,969	683,176	720,969	720,969	720,969
Requirements						
Materials and Services	-	-	100,000	50,000	50,000	50,000
Capital Outlay	-	-	-	-	-	-
Transfers	2,120	-	135,000	219,000	219,000	219,000
Contingency	-	-	448,176	451,969	451,969	451,969
Total Requirements	2,120	-	683,176	720,969	720,969	720,969



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.).

The City is going to start construction of a 16-inch water line in Shaff Road this spring. The cost of the project is split between the 2017-18 fiscal year and 2018-19 fiscal year Water Fund budgets. This is a Master Plan project and will be partially funded by Water System Development Charges (SDCs). The project is anticipated to be complete by September 2018.

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 Accounting Clerks.

Highlights

- Oregon Association of Water Utilities named the City of Stayton's water the "Best Tasting Surface Water" of 2018.
- Transfer of \$215,000 from Water SDC Fund to construct a 16-inch waterline in Shaff Road.
- Plant improvements of \$35,000 are proposed for a new Bleach Tank for the Water Treatment Plant.

Changes from previous year

- No changes from the previous year.



Water Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	801,834	902,116	826,574	1,065,824	1,065,824	1,065,824
Charges For Services	1,781,823	1,733,328	1,786,300	1,823,900	1,823,900	1,823,900
Miscellaneous	5,995	23,880	9,600	22,300	22,300	22,300
Transfers	4,491,212	-	139,400	310,300	310,300	310,300
Total Resources	7,080,863	2,659,324	2,761,874	3,222,324	3,222,324	3,222,324
Requirements						
Personnel Services	362,839	366,432	426,300	479,500	479,500	479,500
Materials and Services	424,717	432,013	513,900	538,300	538,300	538,300
Capital Outlay	123,816	149,366	265,000	380,000	380,000	380,000
Debt Service	4,858,811	282,689	330,900	329,800	329,800	329,800
Transfers	408,564	420,000	442,500	491,000	491,000	491,000
Other Requirements	-	-	783,274	1,003,724	1,003,724	1,003,724
Total Requirements	6,178,747	1,650,500	2,761,874	3,222,324	3,222,324	3,222,324

Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Water Plant Operator	1.0	1.0	1.0	1.0
Maintenance Workers	2.5	2.3	2.3	2.0
Field Assistant	1.0	1.0	1.0	1.0
Receptionist/utility clerk	1.0	0.0	0.0	0.0
Total FTE's - Water	5.5	4.3	4.3	4.0

*Finance employees accounted for in Administration, General Fund.

Capital Outlay

Install new 16-inch water line on Shaff Road	\$ 300,000
Install new Bleach Tank at Water Treatment Plant	35,000
Install new equipment at Water Treatment Plant	20,000
Purchase new service truck with crane (20% of cost from Water Fund)	25,000
	\$ 380,000



Performance Measures

	2016-17 Actual	2017-18 Budget	2018-19 Budget
Output Measures			
Surface/groundwater produced (million gallons)	786.634	786.888	787.000
Annual consumption (million gallons)	703.394	698.136	698.069
Average daily consumption (million gallons/day)	2.150	2.155	2.150
Miles of water lines	44	45	45
Number of booster pump stations	1	1	1
Number of pressure zones	2	2	2
Percentage of water produced from surface water	99.99%	99.2%	99.2%
Number of active connections	2,671	2,724	2,774
Number of fire hydrants maintained	394	402	410
Number of backflow assembly devices	383	389	396
Effectiveness measures			
Number of breaks/leaks per miles of pipe	0.61	0.15	0.15
Number of backflow inspections	310	314	320
Percentage of water loss in system	11%	11%	10.9%
Efficiency Measures			
Service connects per FTE	621	633	645



Water SDC Fund

Summary

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

Highlights

- The City collected approximately \$78,138 in SDCs in fiscal year 2017-2018.
- The City paid out approximately \$20,722.40 in developer reimbursements for Shaff Road improvements.
- \$99,000 in water SDCs are projected in fiscal year 2018-19.
- Proposed budget includes \$55,000 for potential developer reimbursements for a 10-inch waterline to be constructed during the Lambert Place Development Project.

Changes from the previous year

- No changes from previous year.

Water SDC Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	208,271	239,992	277,492	362,505	362,505	362,505
Charges for Services	31,161	41,099	93,000	99,200	99,200	99,200
Miscellaneous	1,430	2,914	2,800	3,600	3,600	3,600
Total Resources	240,862	284,005	373,292	465,305	465,305	465,305
Requirements						
Materials and Services	-	-	50,000	55,000	55,000	55,000
Capital Outlay	-	-	-	-	-	-
Transfers	870	-	-	215,000	215,000	215,000
Contingency	-	-	323,292	195,305	195,305	195,305
Total Requirements	870	-	373,292	465,305	465,305	465,305



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 a pressure main from Ida Street to the Wastewater Treatment Plant, which is a Sanitary Sewer Master Plan priority
- Funding to install a new Flume at the Wastewater Treatment Plant
- Funding to purchase a new service truck with crane to help remove and replace pumps, valves, and other public works infrastructure. The Sewer Fund will contribute 80% of the cost of the truck; the Water Fund will contribute for 20% of the cost.
- Increase in 2018-19 budget of 28% in capital improvements in the collections systems and Wastewater Treatment Plant improvements.
- Purchase of a new service truck; cost will be split between the water and sewer funds.

Changes from previous year

- No changes from previous year.



Sewer Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	3,122,662	2,813,140	2,998,562	3,543,860	3,543,860	3,543,860
Charges For Services	2,982,959	3,026,899	3,080,500	3,318,100	3,318,100	3,318,100
Miscellaneous	20,408	41,967	31,000	77,100	77,100	77,100
Transfers	-	96,494	207,400	669,700	669,700	669,700
Total Resources	6,126,030	5,978,500	6,317,462	7,608,760	7,608,760	7,608,760
Requirements						
Personnel Services	605,655	571,495	533,100	683,200	683,200	683,200
Materials and Services	881,943	926,866	982,960	1,241,450	1,241,450	1,241,450
Capital Outlay	612,948	127,893	765,000	1,065,000	1,065,000	1,065,000
Debt Service	827,174	795,886	825,600	825,300	825,300	825,300
Transfers	385,171	389,100	410,400	431,300	431,300	431,300
Other Requirements	-	-	2,800,402	3,362,510	3,362,510	3,362,510
Total Requirements	3,312,890	2,811,240	6,317,462	7,608,760	7,608,760	7,608,760

Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Sewer System Supervisor	1.0	1.0	1.0	1.0
Chief Operator	1.0	1.0	1.0	1.0
Wastewater Treatment Operators	4.5	4.5	3.5	3.5
Collections System Operator	0.3	0.3	0.3	0.3
Receptionist Cashier	0.5	-	-	-
Utility Billing Clerk	0.5	-	-	-
Total FTE's - Wastewater	7.8	6.8	5.8	5.8

Capital Outlay

24-inch Force Main from Ida to Wastewater Treatment Plant	\$ 800,000
Flume Replacement at Wastewater Treatment Plant	100,000
Wastewater Treatment Plant Improvements	65,000
Purchase new service truck with crane (80% of cost from Sewer Fund)	100,000
	\$1,065,000



Performance Measures

<i>Output Measures</i>	2016-17 Actual	2017-18 Budget	2018-19 Budget
Average daily flow (million gallons per day (Mg/D))	1.97	1.62	1.80
Average daily treatment (Mg/D)	1.97	1.62	1.80
Annual dry tons of biosolids produced	2.50	2.50	2.50
Total miles of sewer main lines	33	33	33
Total miles of sewer main lines cleaned and inspected	2.56	2.56	2.56
Percentage of sewer main lines cleaned	7.8%	7.8%	7.8%
Lift stations maintained	4	4	4
Number of active connections	2,619	2,649	2,680
Sewer line grout repairs	-	31	31
Sewer line pipe patches	30	27	27
Manhole repairs	21	21	21
<i>Effectiveness measures</i>			
Number of sanitary sewer overflows	-	-	-
Service connections per FTE	385	457	462



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 \$70,625 in SDC Fees in fiscal year 2017-18.
- We project \$74,000 in SDC revenue in fiscal year 2018-19.
- Developer reimbursements budgeted for up to \$65,000 for sanitary sewer construction as part of the Lambert Place Subdivision Improvements.
- A transfer of \$325,000 from the Sewer SDC Fund to the Sewer Fund for construction of the 24-inch force main.

Changes from the previous year

- No changes from previous year.

Sewer SDC Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	401,407	425,025	457,725	551,739	551,739	551,739
Charges for Services	23,726	32,863	69,000	74,000	74,000	74,000
Miscellaneous	1,807	3,651	4,600	5,500	5,500	5,500
Transfer	-	-	-	-	-	-
Total Resources	426,940	461,539	531,325	631,239	631,239	631,239
Requirements						
Materials and Services	-	-	100,000	65,000	65,000	65,000
Capital Outlay	-	-	-	-	-	-
Transfers	1,915	-	-	528,000	528,000	528,000
Contingency	-	-	431,325	38,239	38,239	38,239
Total Requirements	1,915	-	531,325	631,239	631,239	631,239



Stormwater Fund

Summary

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

Highlights

- Funding to construct the Lambert Property Regional Detention Facility.
- During the 2017-18 fiscal year, the City constructed a stormwater pollution control manhole on 6th Avenue, south of Marion Street, to reduce pollution from entering the Salem Ditch.
- The City will construct an additional pollution control manhole on 2nd Avenue, just south of Marion Street, to reduce pollution from entering the Salem Ditch. This construction is part of the Virginia Street Improvement Project.
- Increase of 29% (from \$35,000 to \$45,000) for storm water maintenance and operations expense.

Changes from previous year

- No changes from previous year.

Stormwater Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	68,634	105,840	62,240	142,646	142,646	142,646
Charges for Services	244,613	273,220	274,900	278,300	278,300	278,300
Miscellaneous	70,712	650	600	2,900	2,900	2,900
Transfers	230,000	-	10,700	7,300	7,300	7,300
Total Resources	613,960	379,710	348,440	431,146	431,146	431,146
Requirements						
Personnel Services	31,058	38,999	41,200	49,100	49,100	49,100
Materials and Services	171,157	51,449	71,800	82,400	82,400	82,400
Capital Outlay	230,000	65,571	45,000	45,000	45,000	45,000
Debt Service	-	23,800	25,070	25,000	25,000	25,000
Transfers	75,905	90,700	94,900	75,000	75,000	75,000
Other requirements	-	-	70,470	154,646	154,646	154,646
Total Requirements	508,120	270,519	348,440	431,146	431,146	431,146



Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Maintenance Worker	0.5	0.5	0.5	0.5
Total FTE's – Storm Water	0.5	0.5	0.5	0.5

Capital Outlay

Pollution Control Manholes	\$35,000
Stormwater Improvements	10,000
	<u>\$45,000</u>

Performance Measures

	2016-17 Actual	2017-18 Budget	2018-19 Budget
Output Measures			
Percentage of regulatory submittals completed timely	1	1	1
Tons of debris removed from catch basins	n/a	n/a	TBM
Lineal feet of storm drains cleaned/inspected	5,438	14,520	10,000
Number of swales/detention facilities maintained	4	4	4
Lineal feet of drainage ditches cleaned	370	-	200
Number of manholes cleaned	15	51	35
Number of catchbasins cleaned	50	130	90
Number of active accounts	2,634	2,683	2,733
Efficiency measures			
Customers per FTE	5,268	5,366	5,466



Stormwater SDC Fund

Summary

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

Highlights

- The City collected approximately \$64,664 from Stormwater SDCs in fiscal year 2017-18.
- City reimbursed developers approximately \$6,860 for qualified improvements.
- \$100,000 is transferred to the Construction Fund to complete Phase I improvements.
- Budget includes funds for potential developer reimbursements for qualified costs included in developer constructed projects.

Changes from the previous year

- No changes from the previous year.

Stormwater SDC Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	3,634	22,484	40,284	73,323	73,323	73,323
Charges for Services	18,788	28,075	82,500	88,200	88,200	88,200
Miscellaneous	62	464	400	700	700	700
Total Resources	22,484	51,023	123,184	162,223	162,223	162,223
Requirements						
Materials and Services	-	-	25,000	-	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	50,000	100,000	100,000	100,000
Contingency	-	-	48,184	62,223	62,223	62,223
Total Requirements	-	-	123,184	162,223	162,223	162,223



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 2017-18, 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 the Virginia Street Improvement Project.
- Staff worked with engineering consultants on the design of the Lambert property Regional Stormwater Detention Facility, and the Mill Creek Park Master Plan.
- Prepared construction plans and specifications for the Stayton Community Dog Park.
- Provided construction inspection on the Wildlife Meadows Subdivision project and the Stayton Middle School Public Improvements.

Changes from previous year

- Addition of an Engineering Technician position to assist with inspection, updating City maps and asbuilts, perform drafting of in-house designs, survey crew member, backup for building permits, and other duties as assigned.



Public Works Administration Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	81,152	164,616	217,616	147,091	147,091	147,091
Resources						
Miscellaneous	47,119	11,604	2,200	2,900	2,900	2,900
Transfers	425,390	407,100	415,400	440,700	440,700	440,700
Total Resources	553,661	583,320	635,216	590,691	590,691	590,691
Requirements						
Personnel Services	277,434	304,643	334,200	410,700	410,700	410,700
Materials and Services	111,610	79,249	81,300	74,800	74,800	74,800
Capital Outlay	-	11,237	-	-	-	-
Transfers	-	-	75,000	-	-	-
Other Requirements	-	-	144,716	105,191	105,191	105,191
Total Requirements	389,045	395,129	635,216	590,691	590,691	590,691

Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Public Works Director	1.0	1.0	1.0	1.0
Senior Engineering Technician	1.0	1.0	1.0	1.0
Engineering Technician	1.0	-	-	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Permit Clerk	-	-	-	-
Total FTE's	4.0	3.0	3.0	4.0

Capital Outlay

No capital items budgeted in fiscal year 2018-19.



Performance Measures

Output Measures	2016-17 Actual	2017-18 Budget	2018-19 Budget
Average inspections per week	1	2	2
Plans Examined for Public Works Requirements			
Structural permits – new commercial / industrial plans	2	-	1
Structural permits – new single family dwelling plans	10	34	22
Structural permits – existing residential other than single-family dwelling	12	6	9
Structural permits – existing commercial buildings (miscellaneous upgrades)	20	8	14
Right-of-way permits reviewed (annually)	54	46	50
Water quality / detention /retention plan reviews (annually)	10	16	20



Facilities Fund

Summary

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

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

Highlights

- A 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	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	388,442	370,737	490,437	607,335	607,335	607,335
Miscellaneous	43,344	55,401	51,300	52,500	52,500	52,500
Transfers	85,509	81,100	70,900	73,900	73,900	73,900
Total Resources	517,295	507,238	612,637	733,735	733,735	733,735
Requirements						
Personnel Services	-	9,903	12,500	12,700	12,700	12,700
Materials and Services	58,090	-	25,000	25,000	25,000	25,000
Capital Outlay	88,468	-	-	-	-	-
Transfers	-	-	100,000	100,000	100,000	100,000
Contingency	-	-	475,137	596,035	596,035	596,035
Total Requirements	146,558	9,903	612,637	733,735	733,735	733,735



Staffing

Position	2015-16 Actual	2016-17 Actual	2017-18 Budget	2018-19 Adopted
Facilities Maintenance	-	0.3	0.3	0.3
Total FTE's – Facilities Maintenance	-	0.3	0.3	0.3



Vehicle Replacement Fund

Summary

The Vehicle Replacement Fund was 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, management believes this activity is more appropriately accounted for in the originating fund. Moving the accounting and reporting to the fund that the vehicles belong 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.

In fiscal year 2017-18, \$600,000 was returned to funds proportionately to their remaining balances in the fund (i.e., dollars transferred in less dollars spent on vehicles). This amount distributed was approximately sixty percent (60%) of their total balance in the fund.

Management reviewed the following alternatives for the remainder of the monies in this fund:

- Reducing the unfunded actuarial liability (UAL) of the City's retirement plan, which will help stabilize the City's contribution rate,
- Transfer monies to the originating fund, and/or
- Retaining the balance as an emergency reserve fund

Management believes the most prudent decision is to transfer the funds to their originating fund, and from those funds make an investment in the City's retirement plan to reduce our UAL.

Highlights

- The remaining balance in the fund is transferred to the funds from which they came.
- The amounts transferred are budgeted in the respective funds to reduce the City's unfunded actuarial liability (UAL) for the City's retirement plan.

Changes from previous year

- \$410,000 is transferred back to the funds that originally transferred funds in.
- The remaining loan balance due this fund from the Stormwater Fund will be transferred to the Sewer Fund.
- The Vehicle Replacement Fund will be closed during fiscal year 2018-19.



Vehicle Replacement Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	1,020,001	951,013	987,013	423,695	423,695	423,695
Miscellaneous	6,925	36,682	32,900	23,000	23,000	23,000
Transfers	197,263	-	-	-	-	-
Total Resources	1,224,189	987,695	1,019,913	446,695	446,695	446,695
Requirements						
Materials and Services	-	-	-	-	-	-
Capital Outlay	43,176	-	-	-	-	-
Transfers	230,000	-	600,000	410,000	410,000	410,000
Contingency	-	-	419,913	36,695	36,695	36,695
Total Requirements	273,176	-	1,019,913	446,695	446,695	446,695



Stormwater Construction Fund

Summary

The Construction Fund is a capital projects fund established to account for a regional stormwater improvement project that received earmark funding from the State of Oregon in the amount of \$1,544,000.

In fiscal year 2018-19, the City will undertake the construction of a regional detention facility on the Lambert Property, which is located north of Shaff Road and east of Kindle Way. The City purchased the 13.7 acre site in fiscal year 2016-17 for the purpose of constructing this facility.

The purpose of this detention facility is to mitigate peak discharges that currently enter the Salem Ditch. The Stormwater Master Plan shows a 10 acre foot detention basin located very near this location. This will reduce the amount of stormwater that flows into the Salem Ditch. Reducing stormwater runoff that currently flows into the Salem Ditch will flooding of local farmlands and help flood control efforts in and around Stayton, and is an important piece of the Memo of Understanding Agreement the City negotiated with the Santiam Water Control District in 2013.

Prior to acquiring the property, the City explored several locations for the regional detention facility. In the fall of 2015, the Lambert property became available for sale. The City spent several months performing due diligence to determine if constructing a detention facility on the property was feasible. Keller Associates prepared a Technical Memorandum which determined the site was feasible and the City could potentially reduce up to 50% of the future flows from the Shaff Road Basin from entering the Salem Ditch.

The State funds helped pay for the cost of the land, the planning, engineering design, and construction of the detention facility. In June 2015, the City hired Keller Associates to design the detention facility on the Lambert property.

As of this writing, the detention facility is under final review by the City Engineer and Marion County Public Works. The detention facility is planned for construction in the summer of 2018.

Highlights

- The City acquired property to construct stormwater improvements in fiscal year 2016-17.
- Phase I construction includes final draw of State contribution, \$381,000.
- Updated Phase I stormwater improvement costs are budgeted in fiscal year 2018-19.



Changes from the previous year

Transfers

Additional transfers from other funds and debt may be needed to provide adequate funding to complete Phase 1.

Stormwater SDC Fund	\$100,000
General Fund	50,000
Parks SDC Fund	130,000
	<u>\$280,000</u>

The two-year transfer from the General Fund totals \$130,000 and the proposed transfer from the Parks SDC Fund of \$130,000. The transfers from the General Fund and Parks SDCs provide reimbursement of \$260,000 toward the land purchase costs for a future park site.

Debt

Up to \$725,000 may be necessary to complete phase 1, as presently designed. This amount may be reduced if the City is able to offload soil to nearby property owners.

Construction Fund Budget

Description	15 -16 Actual	16 -17 Actual	17 - 18 Budget	18 - 19 Proposed	18 - 19 Approved	18 - 19 Adopted
Beginning Fund Balance	-	(38,660)	-	70,129	70,129	70,129
Intergovernmental	-	1,119,011	366,300	381,000	381,000	381,000
Charges for services	-	-	50,000	50,000	50,000	50,000
Transfers	-	-	130,000	280,000	280,000	280,000
Debt proceeds	-	-	-	725,000	725,000	725,000
Total Resources	-	1,080,351	546,300	1,506,129	1,506,129	1,506,129
Requirements						
Materials and Services	2,660	39,505	50,000	39,500	39,500	39,500
Capital Outlay	36,000	1,050,717	500,000	1,450,000	1,450,000	1,450,000
Contingency	-	-	-	16,629	16,629	16,629
Total Requirements	38,660	1,090,222	550,000	1,506,129	1,506,129	1,506,129

Capital Outlay

Regional stormwater detention facility \$1,450,000



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.



Capital Outlay

All Funds

Fiscal Year 2018-19

Summary

The following schedules summarize the various capital investments, by fund, budgeted in fiscal year 2018-19. A description of the project, funding source(s), priority on a scale of 0 to 3, amount, and impact on operating budget (and whether debt service is incurred) is noted.

The following project priority is provided for capital assets:

Project priority

- 0 – continued from previous year
- 1 – high priority, funded and scheduled
- 2 – medium priority, preliminary schedule, funding pending
- 3 – low priority, identified but not funded

With respect to the anticipated impact on operating budgets due to investment in capital assets, the following terms and definitions are used:

Term	Definition
Replacement	These capital items will be acquired to replace aging vehicles and equipment per a replacement schedule; operating costs are anticipated to decrease relative to the item replaced, with savings offset by increased operating costs of other similar aging assets; material amounts, if applicable, will be noted
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/new items	If significant, operating costs associated with modernization items are noted, otherwise operating costs are anticipated to be insignificant and within existing operating costs plus inflation/growth.
Sustain	Improvements are a component of a regular maintenance program; material impacts to operating cost additions or reductions, if any, will be noted



All projects in fiscal year 2018-19 have a priority rating of 0 or 1. Impacts to operating costs are noted if significant. Capital projects identified in the five-year financial forecasts later in the document also include priority ratings and operating cost impacts, if significant, are noted.

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, none
Network improvements	General	1	50,000	Replacement, none
			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	47,000	Sustain, none

Parks Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Master Plan	SDCs	1	10,000	None
Jordan Bridge rehab	Facilities	1	100,000	Sustain, none
Tennis Court resurfacing	Property tax	1	32,000	Sustain, none
Equipment	Property tax	1	20,000	Replacement, none
			162,000	

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	100,000	None
Kindle Way	SDCs/local gas tax	1	625,000	Expansion - ~\$30,000/year
			725,000	

Water Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Equipment	Rates	1	20,000	Modernization, none
Service truck with crane	Rates	1	25,000	Modernization, ~\$3,000/year
16-inch water main Shaff Rd	Rates/SDCs	1	300,000	Modernization, ~\$5,000/year
Equipment – plant improvements	Rates	1	35,000	Sustain, <\$1,000/year
			380,000	



<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Service truck with crane	Rates	1	100,000	Modernization, ~\$12,000/year
24-inch force main	SDCs/Sublimity	1	800,000	Modernization, ~15,000/year
Treatment plant improvements	Rates	1	65,000	Sustain, <\$2,000/year
Flume replacement – treatment plant	Rates/Sublimity	1	100,000	Sustain, reduce
			1,065,000	

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	Modernization, ~\$3,500/yr
Stormwater improvements	Rates	1	10,000	Modernization, <\$1,000/year
			45,000	

Construction Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Regional stormwater detention facility	SDCs/Grants/ General Fund /Debt	1	1,450,000	Modernization - ~\$12,000/year

Pool Fund

<i>Description</i>	<i>Funding Source</i>	<i>Priority</i>	<i>Amount</i>	<i>Impact on operating costs</i>
Equipment	Property tax	1	10,000	Replacement, none

Citywide Total 3,990,000



Debt Schedules

Summary

The schedules below reflect the City's total outstanding debt, debt payments in fiscal year 2018-19, outstanding debt for the next five fiscal years, estimated debt per capita for the next five years and debt capacity.

The fiscal year 2018-19 budget includes a debt issue for stormwater improvements for up to \$725,000. This debt is not reflected in the schedules below, pending final amount and terms.

Debt summary – fiscal year 2018-19

Debt Issue	Fund	Original Issue	Balance June 30, 2018	Payments - fiscal year 2019			Balance June 30, 2019
				Principal	Interest	Total	
2013 Full Faith and Credit Refunding	Sewer	\$ 5,810,000	\$ 3,905,000	\$ 355,000	\$ 124,800	\$ 479,800	\$ 3,550,000
USDA Sewer Revenue Bonds	Sewer	8,316,000	7,699,211	133,719	211,800	345,519	7,565,492
Total	Sewer	\$ 14,126,000	\$ 11,604,211	\$ 488,719	\$ 336,600	\$ 825,319	\$ 11,115,492
2016 Full Faith and Credit Refunding	Water	3,945,000	3,565,000	205,000	124,800	329,800	3,360,000
Totals		\$ 18,071,000	\$ 15,169,211	\$ 693,719	\$ 461,400	\$ 1,155,119	\$ 14,475,492

Debt summary – fiscal years 2019 through 2024

Debt Issue		Balance June 30,					
		2019	2020	2021	2022	2023	2024
2013 Full Faith and Credit Refunding	Sewer	\$ 3,550,000	\$ 3,185,000	\$ 2,810,000	\$ 2,425,000	\$ 2,030,000	\$ 1,620,000
USDA Sewer Revenue Bonds	Sewer	7,565,492	7,428,096	7,286,922	7,141,866	6,992,821	6,839,677
Total	Sewer	\$ 11,115,492	\$ 10,613,096	\$ 10,096,922	\$ 9,566,866	\$ 9,022,821	\$ 8,459,677
2016 Full Faith and Credit Refunding	Water	3,360,000	3,150,000	2,935,000	2,715,000	2,490,000	2,255,000
Totals		\$ 14,475,492	\$ 13,763,096	\$ 13,031,922	\$ 12,281,866	\$ 11,512,821	\$ 10,714,677

Debt per capita – fiscal years 2019 through 2024

	2019	2020	2021	2022	2023	2024
Population	7,789	7,814	7,839	7,864	7,889	7,914
Debt per capita	\$ 1,858	\$ 1,761	\$ 1,662	\$ 1,562	\$ 1,459	\$ 1,354



Debt Limitation

The City’s debt limit per State statute, is three percent (3.0%) of the real estate real market value within the City. As of June 30, 2018, the real market value within Stayton is \$929.1 million, and the debt limit \$29,073,104.

Debt repaid from dedicated revenue, such as utility charges, is not subject to the debt limitation. All of the City’s existing and authorized debt is repaid from utility revenue and is therefore not subject to the limitation.

Real market value	\$ 969,103,507
Factor	<u>3.0%</u>
Debt limit	29,073,105
City debt subject to limitation	–
Debt limitation	<u>\$ 29,073,105</u>



Five-Year Financial Forecasts

Summary

Five-year financial forecasts have been updated for the City's General Fund, utility funds, and Street Fund. The General Fund is the primary fund for the City's administration and police activities and the utility and street funds have considerable capital investment. Staff is expanding the five-year financial forecasting to include all funds with the fiscal year 2018-19 budget.

Please note, these forecasts provide information for capital investment that may change significantly pending updates to capital improvement plans. The City budgeted for an update to its Transportation System Plan in fiscal year 2017-18, with completion in fiscal year 2018-19, and intends to update its other master plans over the succeeding three to five 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 funds

- Salaries – 2% COLA increase per year, plus an additional 1% for employees with steps
- Health Insurance – 5% increase per year
- Retirement – 3% increase per year
- Materials and Services – 2% increase per year
- Transfers for Services – 2% increase per year
- New Debt Service – 4% interest rate with 20-year term
- Capital Projects have been reviewed and scheduled.
- Inflation – 2% per year
- Interest earnings rate – 2%
- Population Growth – 0.3% per year



General Fund

	Estimate	Projection				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Taxes	2,024,000	2,075,600	2,142,000	2,210,000	2,280,000	2,352,000
Charges for services	10,600	9,690	9,900	10,100	10,300	10,500
Franchise Fees	840,000	880,872	902,100	923,900	946,300	969,400
Licenses, Permits and Fees	20,900	21,420	21,800	22,200	22,600	23,000
Intergovernmental	251,600	648,732	253,600	258,500	263,500	268,600
Miscellaneous	285,700	236,946	239,600	242,200	244,900	247,600
Transfers	913,600	846,600	800,000	824,000	849,000	874,000
Total revenue	4,346,400	4,719,860	4,369,000	4,490,900	4,616,600	4,745,100
Expenditures by Category						
Personnel	2,295,805	2,497,071	2,597,500	2,696,700	2,805,500	2,912,800
Materials and services	1,235,200	1,594,860	1,219,600	1,244,500	1,269,800	1,295,600
Capital outlay	106,000	102,820	104,400	106,000	107,600	109,300
Transfers	706,100	601,600	563,400	575,500	587,800	600,600
Total expenditures	4,343,105	4,796,351	4,484,900	4,622,700	4,770,700	4,918,300
Revenue over (under) expenditures	3,295	(76,491)	(115,900)	(131,800)	(154,100)	(173,200)
Beginning fund balance	1,389,328	1,392,623	1,316,132	1,200,232	1,068,432	914,332
Ending fund balance	<u>1,392,623</u>	<u>1,316,132</u>	<u>1,200,232</u>	<u>1,068,432</u>	<u>914,332</u>	<u>741,132</u>
Minimum fund balance analysis						
Five months expenditures	1,809,600	1,998,500	1,868,700	1,926,100	1,987,800	2,049,300
Five months revenue/excluding property taxes	967,700	1,101,800	927,900	950,400	973,600	997,100
Net five months working capital	841,900	896,700	940,800	975,700	1,014,200	1,052,200
Beginning fund balance meets policy	Yes	Yes	Yes	Yes	Yes	No
Ending fund balance meets policy	Yes	Yes	Yes	Yes	No	No

Assumptions – General Fund

- Property Taxes – 3.2% annual increases; 2.9% existing value; 0.3% growth
- Franchise Fees – (-2.0%) for telephone to 3.0% for electricity
- All other recurring revenue – 0.0% to 3.0%

Notes

Over the next four to six years, without minor changes to existing operations and or funding, the City's general fund will require reduced service levels to remain sustainable. Significant increases to PERS contribution rates for police are anticipated each biennium during the next six-ten years. This will increase police personnel costs well above changes in inflation and projected growth.

City staff continue to evaluate potential changes to operations as well as funding to sustain current service levels. As results of these evaluations are known, they will be communicated to the City Council for consideration.



Street Fund

	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Taxes	195,000	215,000	216,000	217,000	218,000	219,000
Charges For Services	87,900	87,900	88,200	88,500	88,800	89,100
Intergovernmental	583,000	644,900	723,100	725,500	766,400	768,800
Miscellaneous	13,100	17,500	21,800	26,100	29,800	38,100
Transfers	210,100	314,700	-	-	-	-
Total revenue	1,089,100	1,280,000	1,049,100	1,057,100	1,103,000	1,115,000
Expenditures						
Personnel Services	89,700	187,722	94,600	97,300	100,100	103,000
Materials and Services	181,800	223,440	228,600	233,800	239,200	244,700
Capital Outlay	520,000	725,000	400,000	425,000	275,000	425,000
Transfers	134,200	147,500	151,000	154,500	158,100	161,800
Total expenditures	925,700	1,283,662	874,200	910,600	772,400	934,500
Revenue over (under) expenditures	163,400	(3,662)	174,900	146,500	330,600	180,500
Beginning fund balance	711,283	874,683	871,021	1,045,921	1,192,421	1,523,021
Ending fund balance	874,683	871,021	1,045,921	1,192,421	1,523,021	1,703,521
Minimum fund balance analysis						
Two months operating expenses	101,000	140,000	119,000	121,000	124,000	127,000
Capital reserve	250,000	250,000	250,000	250,000	250,000	250,000
	351,000	390,000	369,000	371,000	374,000	377,000
Beginning fund balance meets policy	Yes	Yes	Yes	Yes	Yes	Yes
Ending fund balance meets policy	Yes	Yes	Yes	Yes	Yes	Yes
Minimum fund balance gap - beginning	NA	NA	NA	NA	NA	NA
Percentage of revenue	NA	NA	NA	NA	NA	NA
Minimum fund balance gap - ending	NA	NA	NA	NA	NA	NA
Percentage of revenue	NA	NA	NA	NA	NA	NA
Capital Improvement Plan						
		2018-19	2019-20	2020-21	2021-22	2022-23
Street System Improvements						
Transportation System Plan Update		100,000				
Kindle Way - Shaff Rd to Junco St		625,000				
Regis Avenue: 1st to Gardner			400,000			
Westtown: Locust to Shaff				425,000		
Deschutes - Wilco to Rogue					275,000	
High Street - 1st Ave to west end						425,000
		725,000	400,000	425,000	275,000	425,000

Assumptions – Street Fund

- Local gas tax – 1.0% increase per year with full year reporting in fiscal year 2018-19
- Street Maintenance Fee Increase – no increase
- Intergovernmental Increase – the State Transportation package approved in July 2017 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 for this source, together with existing allocations of the State gas tax have been factored into the forecasts, with an annual population increase of 0.32%.



Notes

With the passage of the State transportation package and the local gas tax measure, the City anticipates it will have sufficient revenue to improve its street pavement condition rating, which will in turn reduce its street maintenance costs, thereby providing for sustainable improved street conditions and operations.

The City is updating its transportation system plan (TSP) and will update its capital improvement plan and other operating requirements during the next year. Presently, City staff anticipate there is sufficient funding to make measurable progress on the City's deferred street maintenance without increasing the existing street fee or other revenue sources.



Water Fund

	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Charges For Services	1,749,800	1,842,139	1,891,100	1,934,800	1,979,500	2,025,300
Miscellaneous	17,700	22,300	22,300	22,300	22,300	22,300
Transfers	139,400	95,300	-	-	-	-
Total revenue	1,906,900	1,959,739	1,913,400	1,957,100	2,001,800	2,047,600
Expenditures						
Personnel services	372,200	471,816	389,000	401,900	415,200	428,800
Materials and Services	479,300	521,654	532,200	543,000	554,000	565,100
Capital Outlay	225,000	355,000	337,400	1,245,800	251,200	196,600
Debt service						
2020 P&I	-	-	-	117,700	117,700	117,700
OECD Principal (2011)	-	-	-	-	-	-
OECD Interest (2011)	-	-	-	-	-	-
FFCO Principal 2016	200,000	205,000	205,000	210,000	215,000	220,000
FFCO Interest 2016	130,900	124,800	124,700	118,500	114,100	109,700
Debt Service	330,900	329,800	329,700	446,200	446,800	447,400
Transfers	442,500	491,000	500,800	510,900	521,100	531,500
Total expenditures	1,849,900	2,169,270	2,089,100	3,147,800	2,188,300	2,169,400
Revenue over (under) expenditures	57,000	(209,531)	(175,700)	(1,190,700)	(186,500)	(121,800)
Other resources						
Debt proceeds	-	-	1,600,000	-	-	-
Other resources and revenue over (under) expenditures	57,000	(209,531)	1,424,300	(1,190,700)	(186,500)	(121,800)
Beginning fund balance	1,008,824	1,065,824	856,293	2,280,593	1,089,893	903,393
Ending fund balance	1,065,824	856,293	2,280,593	1,089,893	903,393	781,593
Water Fund						
Minimum fund balance analysis						
Two months operating expenses	216,000	247,000	237,000	243,000	248,000	254,000
Debt service	331,000	330,000	330,000	446,000	447,000	447,000
Capital reserve	250,000	250,000	250,000	250,000	250,000	250,000
	797,000	827,000	817,000	939,000	945,000	951,000
Beginning fund balance meets policy	Yes	Yes	Yes	Yes	Yes	No
Ending fund balance meets policy	Yes	Yes	Yes	Yes	No	No
Minimum fund balance gap - beginning	NA	NA	NA	NA	NA	(47,607)
Percentage of revenue	NA	NA	NA	NA	NA	2.3%
Minimum fund balance gap - ending	NA	NA	NA	NA	(41,607)	(169,407)
Percentage of revenue	NA	NA	NA	NA	2.1%	8.3%
Debt coverage ratio						
Revenue	1,906,900	1,959,739	1,913,400	1,957,100	2,001,800	2,047,600
Operating expenses including transfer	1,294,000	1,484,470	1,422,000	1,455,800	1,490,300	1,525,400
Net operating income	612,900	475,269	491,400	501,300	511,500	522,200
Debt service	330,900	329,800	329,700	446,200	446,800	447,400
Debt coverage ratio	1.85	1.44	1.49	1.12	1.14	1.17
Debt capacity	352,500	181,836	202,125	68,875	80,875	93,500
Annual debt service - 4% 20 year @ 1.25 DCR						



Capital Improvement Plan

	2018-19	2019-20	2020-21	2021-22	2022-23
Water System Improvements					
Shaff Road - 16-inch waterline	240,000				
Kathy Street: East 6th Ave. to 850 Kathy Ave. 8-inch waterline				180,000	
High Street - 1st Ave to Cherry; Cherry to Ida - 8-inch			225,000		
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	240,000	242,000	225,000	180,000	125,000
Water Treatment Plant Improvements					
Bleach tank replacement	20,000				
Contact time system design		75,000			
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					
Total water treatment plant improvements	20,000	75,000	1,000,000	50,000	50,000

Assumptions – Water Fund

- Rate increases – 2.4% FY 2018-19; 2.0% thereafter

Notes

In order to complete planned capital projects as included in the five-year financial forecast, the City will need to issue debt of approximately \$1.6 million. Based upon current revenue forecasts, it will also be necessary to increase water rates above inflation in order to maintain a debt coverage rate of 1.25 or greater.

As noted earlier, an update to the City’s water master plan is contemplated during the next three-five years. The findings of the updated water plan will be utilized to update the City’s capital improvement plan and operations as necessary. Additionally, during this process the revenue necessary to fund the plan will be considered to ensure sustainable operations.



Wastewater Fund

	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Charges For Services	2,961,200	3,318,100	3,107,600	3,188,200	3,270,900	3,355,800
Miscellaneous	55,000	77,100	77,100	77,100	77,100	77,100
Transfers	-	141,700	-	-	-	-
Total revenue	3,016,200	3,536,900	3,184,700	3,265,300	3,348,000	3,432,900
Expenditures						
Personnel Services	465,700	672,370	544,700	559,200	574,000	589,400
Materials and Services	889,400	1,216,621	1,241,000	1,265,700	1,291,000	1,316,800
Capital Outlay	150,000	1,065,000	600,000	230,000	580,000	914,000
Debt service						
2022 P&I	-	-	-	-	-	184,000
Refunding Bond - Principal	345,000	355,000	360,000	370,000	380,000	390,000
Refunding Bond - Interest	135,100	124,800	119,800	109,800	99,800	89,800
RD Bond Principal	130,200	133,700	137,200	140,700	144,200	147,700
RD Bond Interest	215,300	211,800	208,300	204,800	201,300	197,800
Debt Service	825,600	825,300	825,300	825,300	825,300	1,009,300
Transfers	410,400	431,300	439,900	448,800	457,800	467,000
Total expenditures	2,741,100	4,210,591	3,650,900	3,329,000	3,728,100	4,296,500
Revenue over (under) expenditures	275,100	(673,691)	(466,200)	(63,700)	(380,100)	(863,600)
Other resources						
Debt proceeds	-	-	-	-	2,500,000	-
Other resources and revenue over (under) expenditures	275,100	(673,691)	(466,200)	(63,700)	2,119,900	(863,600)
Beginning fund balance	3,167,260	3,442,360	2,768,669	2,302,469	2,238,769	4,358,669
Ending fund balance	3,442,360	2,768,669	2,302,469	2,238,769	4,358,669	3,495,069
Sanitary Sewer Fund						
Minimum fund balance analysis						
Two months operating expenses	294,000	387,000	371,000	379,000	387,000	396,000
Debt service	825,600	825,300	825,300	825,300	825,300	1,009,300
Capital reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	2,119,600	2,212,300	2,196,300	2,204,300	2,212,300	2,405,300
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	3,016,200	3,254,500	3,184,700	3,265,300	3,348,000	3,432,900
Operating expenses including transfers	1,765,500	2,320,291	2,225,600	2,273,700	2,322,800	2,373,200
Net operating income	1,250,700	934,209	959,100	991,600	1,025,200	1,059,700
Debt service	825,600	825,300	825,300	825,300	825,300	1,009,300
Debt coverage ratio	1.51	1.13	1.16	1.20	1.24	1.05



Capital Improvement Plan

	2018-19	2019-20	2020-21	2021-22	2022-23
Sanitary Sewer System Improvements					
Force Main and paving Jettens Way	680,000	-			
Evergreen - Ida to Washington - 12-inch		250,000			
Washington - Evergreen to Douglas - 12-inch			50,000		
Douglas - Washington to Locust - 12-inch			140,000		
Gardner Lift Station Removal					550,000
Ida Street - Gardner to Evergreen - 21-inch				330,000	
Total water system improvements	680,000	250,000	190,000	330,000	550,000
Waste Water Treatment Plant Improvements					
Intake Flume Upsizing	150,000				
Replace PD Blower with Turbo		350,000			
Enclose cooling tower for odor control					364,000
Upgrade Grit Removal System			40,000		
Dust Control/loading system for dried solids				250,000	
Class A Equipment (Dryer Replacement)					
Odor control for Dryer Bldg.					
	150,000	350,000	40,000	250,000	364,000

Assumptions – Wastewater Fund

- Rate increases 2.4% FY 2018-19; 2.0% thereafter

Notes

In order to complete planned capital projects included in the five-year financial forecast, the City will need to issue debt of approximately \$2.5 million. Based upon current revenue forecasts, it will also be necessary to increase wastewater rates above inflation in order to attain and maintain a debt coverage rate of 1.25 or greater.

As noted earlier, an update to the City’s wastewater master plan is contemplated during the next three-five years. The findings of the updated plan will be utilized to update the City’s capital improvement plan and operations as necessary. Additionally, during this process the revenue necessary to fund the plan will be considered to ensure sustainable operations.



Stormwater Fund

	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Charges for Services	270,900	281,083	288,700	295,300	302,100	309,000
Miscellaneous	2,300	2,900	2,900	2,900	2,900	2,900
Transfers	10,700	7,300	-	-	-	-
Total revenue	283,900	291,283	291,600	298,200	305,000	311,900
Expenditures						
Personnel services	39,000	48,264	42,400	43,900	45,500	47,100
Materials and Services	46,445	80,752	82,400	84,000	85,600	87,200
Capital Outlay	45,000	45,000	100,000	165,000	105,000	225,000
Debt service						
2019 P & I	-	-	26,500	53,000	53,000	53,000
Inter Fund Loan Principal	23,000	23,000	23,000	23,000	23,000	23,000
Interfund Loan Interest	2,100	2,000	1,700	1,400	1,100	800
Debt Service	25,100	25,000	51,200	24,400	77,100	76,800
Transfers	94,900	75,000	76,500	78,000	79,500	81,100
Total expenditures	250,445	274,016	352,500	395,300	392,700	517,200
Revenue over (under) expenditures	33,455	17,267	(60,900)	(97,100)	(87,700)	(205,300)
Other resources						
Debt proceeds	-	-	-	-	-	-
Other resources and revenue over (under) expenditures	33,455	17,267	(60,900)	(97,100)	(87,700)	(205,300)
Beginning fund balance	109,191	142,646	159,913	99,013	1,913	(85,787)
Ending fund balance	142,646	159,913	99,013	1,913	(85,787)	(291,087)
Stormwater Fund						
Minimum fund balance analysis						
Two months operating expenses	30,000	34,000	34,000	34,000	35,000	36,000
Debt service	12,550	12,500	25,600	12,200	38,550	38,400
Capital reserve	15,000	20,000	25,000	30,000	35,000	40,000
	57,550	66,500	84,600	76,200	108,550	114,400
Beginning fund balance meets policy	Yes	Yes	Yes	Yes	No	No
Ending fund balance meets policy	Yes	Yes	Yes	No	No	No
Minimum fund balance gap - beginning	NA	NA	NA	NA	(106,637)	(200,187)
Percentage of revenue	NA	NA	NA	NA	35.0%	64.2%
Minimum fund balance gap - ending	NA	NA	NA	(74,287)	(194,337)	(405,487)
Percentage of revenue	NA	NA	NA	24.9%	63.7%	130.0%
Debt coverage ratio						
Revenue	273,200	283,983	291,600	298,200	305,000	311,900
Operating expenses including transfers	180,345	204,016	201,300	205,900	210,600	215,400
Net operating income	92,855	79,967	90,300	92,300	94,400	96,500
Debt service	25,100	25,000	51,200	24,400	77,100	76,800
Debt coverage ratio	3.70	3.20	1.76	3.78	1.22	1.26



Capital Improvement Plan

	2018-19	2019-20	2020-21	2021-22	2022-23
Storm Drainage System Improvements					
Water Quality Manholes	35,000	30,000	30,000	30,000	25,000
Industrial Detention Facility Outfall Pipe Shut-Off Valve	10,000				
Stormwater masterplan			135,000		
Industrial Ponds Cleanout w/ Hydro-seed		70,000			
First Avenue Storm Pipe - Florence to Creek				75,000	
Hollister/ Pine Storm Line Replacement					200,000
	<u>45,000</u>	<u>100,000</u>	<u>165,000</u>	<u>105,000</u>	<u>225,000</u>

Construction Fund

Kindle Way Regional Detention Facility 1,450,000

Debt associated with Kindle Way Regional Detention Facility will be paid with Stormwater Fund revenue

Assumptions – Stormwater Fund

- Rate increases 2.4% FY 2018-19; 2.0% thereafter

Notes

The above forecast includes anticipated debt service associated with a stormwater capital project accounted for in the capital projects fund. The debt is not to exceed \$725,000. Annual debt service, beginning in fiscal year 2019-20 (one debt payment in FY 2019-20), is estimated at \$53,000.

In order to complete planned capital projects included in the five-year financial forecast and pay debt service associated with the stormwater project accounted for in the capital projects fund, the City will need to increase stormwater rates above inflation in order to attain and maintain a debt coverage rate of 1.25 or greater.

As noted earlier, an update to the City’s stormwater master plan is contemplated during the next three-five years. The findings of the updated plan will be utilized to update the City’s capital improvement plan and operations as necessary. Additionally, during this process the revenue necessary to fund the plan will be considered to ensure sustainable operations.



Library Fund

Description	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Property Taxes	168,000	171,500	177,000	182,600	188,400	194,400
Charges for Services	3,600	3,300	3,300	3,300	3,300	3,300
Intergovernmental	84,900	88,200	89,900	91,700	93,500	95,300
Miscellaneous	21,900	18,700	20,000	20,700	20,700	20,700
Transfers	185,400	191,800	197,900	204,200	210,700	217,400
Total Revenue	463,800	473,500	488,100	502,500	516,600	531,100
Expenditures						
Personnel Services	296,800	331,700	342,300	353,200	364,400	376,000
Materials and Services	126,300	126,200	128,600	131,000	133,700	136,500
Capital Outlay	12,500	45,400	-	-	-	-
Transfers	26,500	25,000	25,800	26,600	27,500	28,400
Total Expenditures	462,100	528,300	496,700	510,800	525,600	540,900
Resources over (under) expenditures	1,700	(54,800)	(8,600)	(8,300)	(9,000)	(9,800)
Beginning fund balance	210,773	212,473	157,673	149,073	140,773	131,773
Ending fund balance	212,473	157,673	149,073	140,773	131,773	121,973
Desired fund balance						
Minimum net 4.75 months cash flow	60,900	71,600	73,500	75,600	78,100	80,800
Estimated ending fund balance	212,473	157,673	149,073	140,773	131,773	121,973
Ending fund balance over/(under) minimum desired	151,573	86,073	75,573	65,173	53,673	41,173
Meets policy	Y	Y	Y	Y	Y	Y

Notes

The above forecast indicates sustainable operations given current programmed funding, provided inflation and staffing costs remain stable. Minor adjustments to spending, less than two percent (2.0%) is anticipated to be sufficient to retain the current fund balance.



Parks Fund

Description	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Property Taxes	10,000	10,000	10,000	10,000	10,000	10,000
Miscellaneous	23,000	-	-	-	-	-
Transfers	318,000	355,000	237,400	245,000	252,800	260,900
Total Revenue	351,000	365,000	247,400	255,000	262,800	270,900
Expenditures						
Personnel Services	79,200	93,300	96,400	99,600	102,900	106,300
Materials and Services	70,700	81,400	83,100	84,800	86,600	88,400
Capital Outlay	95,500	156,300	39,700	40,500	41,300	42,100
Transfers	28,800	30,900	31,500	32,100	32,700	33,300
Total Expenditures	274,200	361,900	250,700	257,000	263,500	270,100
Resources over (under) expenditures	76,800	3,100	(3,300)	(2,000)	(700)	800
Beginning fund balance	(32,689)	44,111	47,211	43,911	41,911	41,211
Ending fund balance	44,111	47,211	43,911	41,911	41,211	42,011
Desired fund balance						
Minimum 2 months expenditures	29,783	34,267	35,167	36,083	37,033	38,000
Estimated ending fund balance	44,111	47,211	43,911	41,911	41,211	42,011
Ending fund balance over/(under) minimum desired	14,328	12,944	8,744	5,828	4,178	4,011
Meets policy	Y	Y	Y	Y	Y	Y

Notes

The above forecast indicates sustainable park operations given current programmed funding, provided inflation and staffing costs remain stable. However, without additional funding the City will not be able to expand and maintain its park holdings beyond growth in the community.



Pool Fund

Description	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Property Taxes	172,600	157,045	162,100	167,300	172,600	178,100
Charges For Services	145,600	151,400	157,500	163,900	170,700	177,700
Miscellaneous	1,600	3,000	3,100	3,200	3,300	3,400
Transfers	70,000	50,000	51,600	53,300	55,000	56,800
Total revenue	389,800	361,445	374,300	387,700	401,600	416,000
Expenditures						
Personnel Services	190,400	254,900	263,200	271,800	280,700	289,900
Materials and Services	109,600	115,500	118,000	120,500	123,000	125,600
Capital Outlay	-	9,700	9,900	10,100	10,300	10,500
Transfers	7,500	9,700	10,000	10,300	10,600	10,900
Total Expenditures	307,500	389,800	401,100	412,700	424,600	436,900
Revenue over (under) expenditures	82,300	(28,355)	(26,800)	(25,000)	(23,000)	(20,900)
Beginning fund balance	66,460	148,760	120,405	93,605	68,605	45,605
Ending fund balance	148,760	120,405	93,605	68,605	45,605	24,705
Desired fund balance						
Minimum net 5 months cash flow	35,700	69,500	70,900	72,100	73,300	74,600
Major equipment capital repairs	50,000	50,000	40,000	50,000	50,000	50,000
Total minimum fund balance	85,700	119,500	110,900	122,100	123,300	124,600
Estimated ending fund balance	148,760	120,405	93,605	68,605	45,605	24,705
Ending fund balance over/(under) minimum desired	63,060	905	-17,295	-53,495	-77,695	-99,895
Meets policy	Y	Y	N	N	N	N

Assumptions – Pool Fund

- Charges for services revenue increased 2.0% - 5.0%

Notes

With the Pool operation fully migrated to the City in fiscal year 2017-18, charges for services revenue is anticipated to increase. The pace of increases shown above are less than what is necessary to maintain sustainable operations at the current service level. If program revenue does not increase at the pace necessary, an increased transfer from the General Fund and/or reduction in services may be necessary to maintain appropriate financial resources in the fund.

Additionally, the pool facility is at the end of its useful life. Significant unforeseen major capital repairs may be necessary and or a new facility, either of which will require additional financial resources to fund.



Public Works Administration Fund

Description	Estimate	Projections				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue						
Miscellaneous	4,200	2,900	49,690	13,195	3,500	3,000
Transfers	415,400	440,700	456,100	472,100	488,600	505,700
Total Revenue	419,600	443,600	505,790	485,295	492,100	508,700
Expenditures						
Personnel Services	315,400	394,300	407,700	421,600	436,000	450,900
Materials and Services	70,300	71,800	73,200	74,600	76,000	77,400
Capital Outlay	-	-	-	-	-	-
Transfers	75,000	-	-	-	-	-
Total expenditures	460,700	466,100	480,900	496,200	512,000	528,300
Revenue over (under) expenditures	(41,100)	(22,500)	24,890	(10,905)	(19,900)	(19,600)
Beginning fund balance	188,191	147,091	124,591	149,481	138,576	118,676
Ending fund balance	147,091	124,591	149,481	138,576	118,676	99,076
Minimum fund balance						
Ending fund balance	147,091	124,591	149,481	138,576	118,676	99,076
Minimum desired fund balance - 2 months	76,800	77,700	80,200	82,700	85,300	88,100
	Y	Y	Y	Y	Y	Y

Notes

The above forecast indicates sustainable operations given current programmed funding, provided inflation and staffing costs remain stable. Minor adjustments to spending, less than two percent (2.0%) is anticipated to be sufficient to retain the current fund balance.



Operating Costs – Capital Items

Summary

The following schedules provide the five year capital improvement plans (CIP) and anticipated operating cost impacts for all funds. The operating cost impacts are included in the five-year financial forecasts for each fund.

General Fund

	Operating Cost Impacts	Operating Cost				
		2019-20	2020-21	2021-22	2022-23	2023-24
Network Improvements	Replacement	49,000	49,500	50,000	50,500	51,000
Vehicles	Replacement	55,400	56,500	57,600	58,800	60,000
Total		104,400	106,000	107,600	109,300	111,000

All capital items in the general fund are vehicle replacements and or technology replacement/betterments. Operating costs associated with these items are not anticipated to increase above inflation and growth.

Library Fund

The Library has a roof replacement budgeted in fiscal year 2018-19. This capital project is a scheduled capital maintenance item and will not have a significant impact on operating costs.

Parks Fund

	Operating Cost Impacts	Operating				
		2019-20	2020-21	2021-22	2022-23	2023-24
Improvements	Sustain	20,000	20,400	20,800	21,200	21,600
Equipment	Replacement	19,700	20,100	20,500	20,900	21,300
Total		39,700	40,500	41,300	42,100	42,900

Future improvements address prioritized maintenance items that are part of sustaining the park operations, therefore no additional operating costs are anticipated. The equipment programmed is to replace aged assets, reducing maintenance and risk exposure costs.



Street Fund

	Operating Cost Impacts	2019-20	2020-21	2021-22	2022-23	2023-24
Street System Improvements						
Regis Avenue: 1st to Gardner	Modernization	400,000				
Westtown: Locust to Shaff	Modernization		425,000			
Deschutes - Wilco to Rogue	Modernization			275,000		
High Street - 1st Ave to west end	Modernization				425,000	
		400,000	425,000	275,000	425,000	-

Street system modernization projects are anticipated to reduce operating costs over the following five-ten years due to reduced time and materials for pothole repairs and other similar temporary maintenance efforts. Service levels for striping, street sweeping, and other on-going maintenance costs are anticipated to remain consistent after the improvements are completed:

Water Fund

	Operating Cost Impacts	2019-20	2020-21	2021-22	2022-23	2023-24
Water System Improvements						
Kathy Street: East 6th Ave. to 850						
Kathy Ave. 8-inch waterline	Modernization			180,000		
High Street - 1st Ave to Cherry; Cherry to Ida - 8-inch	Modernization		225,000			
2nd Ave.: Burnett to Virginia, Hollister to Fir St.	Modernization				125,000	
Ida St. - Evergreen to First - 10-inch waterline	Modernization	242,000				
Total water system improvements		242,000	225,000	180,000	125,000	-
Water Treatment Plant Improvements						
Contact time system design	None	75,000				
Clear water tank construction	Modernization		1,000,000			
Automation of valve on Weir box	Modernization			50,000		
Automation of valve on Head gate	Modernization				50,000	
Alternate water supply	None					50,000
Total water treatment plant improvements		75,000	1,000,000	50,000	50,000	50,000

Water system modernization projects are anticipated to increase operating costs as follows:

- Kathy Street waterline ~\$3,000/year
- High Street waterlines ~\$2,000/year
- 2nd Avenue waterlines ~\$2,000/year
- Ida Street waterline ~\$1,000/year
- Contact time system design none

Water treatment plant improvements will have various impacts to costs as follows:

- Contact time system design none
- Clear water tank \$18,000 - \$24,000/year
- Automation projects reduce costs nominally
- Alternate water supply none



The operating cost impacts noted above are reflected in the five-year financial forecasts.

Sewer Fund

		Operating Cost					
Impacts		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Sanitary Sewer System Improvements							
Evergreen - Ida to Washington - 12-inch	Modernization	250,000					
Washington - Evergreen to Douglas - 12-inch	Modernization		50,000				
Douglas - Washington to Locust - 12-inch	Modernization		140,000				
Gardner Lift Station Removal	Modernization				550,000		
Ida Street - Gardner to Evergreen - 21-inch	Modernization			330,000			
Total water system improvements		250,000	190,000	330,000	550,000	-	-
Waste Water Treatment Plant Improvements							
Replace PD Blower with Turbo	Replacement	350,000					
Enclose cooling tower for odor control	Modernization				364,000		
Upgrade Grit Removal System	Modernization		40,000				
Dust Control/loading system for dried solids	Modernization			250,000			
Class A Equipment (Dryer Replacement)	Replacement					1,500,000	
Odor control for Dryer Bldg.	Modernization						1,000,000
		350,000	40,000	250,000	364,000	1,500,000	1,000,000

Sanitary sewer system modernization projects are anticipated to increase operating costs as follows:

- Evergreen ~\$2,500/year
- Washington ~\$500/year
- Douglas ~\$1,400/year
- Gardner lift station ~\$11,000/year
- Ida ~\$3,300/year

Waste water treatment plant improvements will have various impacts to costs as follows:

- Replace blower none
- Enclose cooling tower none
- Upgrade grit removal system nominal
- Dust control none
- Dryer replacement anticipate reduction in operation costs – unknown amount
- Odor control ~\$20,000/year

The operating cost impacts noted above are reflected in the five-year financial forecasts.

Stormwater Fund

		Operating Cost				
Impacts		2019-20	2020-21	2021-22	2022-23	2023-24
Storm Drainage System Improvements						
Water Quality Manholes	Modernization	30,000	30,000	30,000	25,000	
Stormwater mastesrplan	None		135,000			
Industrial Ponds Cleanout w/ Hydro-seed	Sustain	70,000				
First Avenue Storm Pipe- Florence to Creek	Modernization			75,000		
Hollister/ Pine Storm Line Replacement	Replacement				200,000	
		100,000	165,000	105,000	225,000	-



Storm water system modernization projects are anticipated to increase operating costs as follows:

- Manholes ~\$3,000/year
- Master plan none
- Industrial ponds clean out none
- Hollister/Pine replacement ~\$2,000/year

The operating cost impacts noted above are reflected in the five-year financial forecasts.

Pool Fund

Replacement equipment of \$10,000 is budgeted annually. The equipment is not anticipated to increase operating costs.



Appendix

Glossary
Fiscal policies



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. Examples include cash and investments, inventory, receivables, and capital or fixed assets.

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 Assets

Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets, also referred to as fixed assets, include land, right-of-way, buildings, improvements, infrastructure and equipment costing over \$5,000 with an estimated life of one year or more.

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

An obligation resulting from the borrowing of money or from the purchase of goods and services.

Debt Limit

The maximum amount of outstanding gross or net debt legally permitted.

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, exclusive of deferred outflows of resources and deferred inflows of resources.

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 \$5.00.

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-spendable Fund Balance

The portion of the entity's fund balance that may not legally be spent, referred to in Oregon as unappropriated fund balance and reserved fund balances.

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.

Restricted Fund Balance

Refers to the portion of the fund balance that is restricted for purposes such as debt payments, or is otherwise unavailable for appropriation or expenditure.

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 that 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.



Fiscal Policies

Purpose

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

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

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

Policies are addressed in ten areas:

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



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

1 Revenue Policies

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



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

2 Operating Budget Policies

- 2.1 The City will prepare an annual budget guided by City Council goals and work plan to accomplish goals. Budget development will be coordinated with all departments and will incorporate Government Finance Officers Association (GFOA) recommendations relative to budgeting for results and outcomes.
 - 2.1.1 The amount of funding available will be determined for each fund. The budget will be built on expected revenues. This includes base revenues, any new revenue sources, and the potential use of existing resources.
 - 2.1.2 Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
 - 2.1.3 Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.



- 2.1.4 The City shall maintain an automated accounting system to monitor expenditures and revenues, relative to budget, on a monthly basis, with a thorough analysis and adjustment (if required) no less than quarterly.
- 2.2 All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and 2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.
- 2.3 The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
- 2.4 The cost allocation plan, previously developed, will be reviewed and updated annually and serve as the basis for distributing general government and internal service costs to other funds and capital projects.
- 2.5 The City Council shall adopt the budget at the fund, departmental or program level as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
- 2.6 Long-term debt or bond financing may be used for the acquisition of land, capital improvements, vehicles, and equipment with a cost greater than \$100,000, if current and or existing resources are insufficient. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- 2.7 Every City fund, department, program or activity shall start each year's budget cycle with no predetermined appropriation amount. Budget appropriation decisions and the allocation of resources shall be based on direction provided by the City Council and implementation of that direction by the City Manager.
- 2.8 The City will submit the Adopted Budget Document to the Government Finance 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 Manager is to administer budgetary expenditure control at the appropriation level. Any increase in a budget appropriation requires City Council approval.
- 3.3 All purchases of goods and services must comply with the City's Purchasing Policies, guidelines and procedures and with State laws and regulations.
- 3.4 All compensation planning and collective bargaining will include analyses of total cost of compensation, which includes analysis of salary increases, health benefits, pension contributions, and other fringe benefits. City management will only propose operating personnel costs that can be supported by continuing operating revenues.
- 3.5 City staff shall make every effort to control expenditures to ensure City services and programs provided to its citizens and taxpayers are cost effective and efficient. Expenditures that will reduce future costs will be encouraged.

4 Capital Improvement Policies

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

5 Accounting and Financial Reporting Policies

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



5.3.2 The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond one year. Capital assets costing less than \$10,000 or having a useful life of one year or less will be treated as operating expenditures.

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

6 Financial Planning Policies

6.1 The Finance Department, collaborating with other departments, will prepare a long-term financial plan for each fund to promote responsible planning for the use of resources. The long-term financial plans will include projected revenues, expenditures and reserve balances for the next five years for all funds, except the water, wastewater and stormwater funds, which shall include twenty-year financial plans.

6.2 The City's financial plans should be strategic, reflecting the City Council and community priorities for service while providing resources that fund desired service levels.

6.3 Long-term projections of revenues and expenditures will be based upon disclosed assumptions, and prepared consistent with best practices established by the Government Finance Officers Association.

6.4 The long-term financial plans will be integral to the development of the annual budget.

7 Debt Policy

7.1 The City may use debt proceeds to finance costs associated with capital infrastructure, equipment, vehicles and other purposes that provide long-term benefits to the community, i.e., benefits that extend more than one year.

7.2 Capital projects financed through the issuance of bonds shall not be financed for a period which (a) exceeds the expected useful life of the project or (b) is less than five years.

7.3 Financing for non-capital purposes shall not extend beyond the amortization period available for the respective type of obligation, e.g., retirement unfunded liabilities include an amortization period of twenty-five years.

7.4 The Finance Director will structure all debt issuances and oversee the on-going management of all City debt. Debt includes general obligation bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, equipment



financing agreements and any other contractual arrangements that obligate the City to make future principal and interest payments.

- 7.5 No debt shall be issued for which the City has not identified specific revenue sources sufficient for repayment. Such revenue sources can include internal sources, such as charges to personnel costs, that are transferred to a debt service fund for debt repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.
- 7.6 The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that can be funded from current resources, unless the use of debt is otherwise determined to be in the best interest of the City.
- 7.7 The City may utilize short-term debt or inter-fund loans as permitted, to cover temporary cash flow deficiencies due to timing of cash flows, such as may result from delay in receiving grant proceeds or other revenues and delay in issuance of long-term debt.
- 7.8 When issuing long-term debt, the City will ensure that the debt is soundly financed by:
 - 7.8.1 Incurring debt only when necessary for capital improvements too large to be financed from current available resources.
 - 7.8.2 Insuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project.
 - 7.8.3 Determining that the benefits of the project financed exceed the cost of financing including interest costs.
 - 7.8.4 Analyzing the source of repayment, debt coverage ratios and the impact of debt service on annual fixed costs prior to issuance of long-term debt.
- 7.9 All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.
- 7.10 The City shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.

8 Pension Funding Policies

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

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



9 Reserve Policies

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

10 Management of Fiscal Policy

- 10.1 Fiscal policies and changes in policies shall be approved by the City Council and adopted by resolution after a public hearing is held (the approval may be inclusive of the annual budget adoption process and the associated resolutions to that process).
- 10.1.1 The City Manager or designee shall prepare a report explaining the substantive impact of all recommendations and their impact on the City's operations, service levels and/or finances.
- 10.1.2 The Audit Committee shall review the City's fiscal policies annually.



10.2 The City Manager shall implement fiscal policies and monitor compliance.

10.2.1 If the City Manager discovers a material deviation from policy, he/she shall report it in writing to the City Council in a timely manner.

10.2.2 As a part of the City's annual budget document, the City Manager's budget message shall identify: (a) all major changes in policy since the previous budget year and (b) any material variations from policy in the ensuing year's budget.

Definition of Terms

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

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

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

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

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

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

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

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

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





Annual Budget Calendar Fiscal Year 2018-19

Description	Parties	Dates
Initiate Budget development - distribute draft calendar	City Manager and management team	January 19
Budget calendar - distribute draft	Mayor, Council, City Manager	February 5
Desired positions, position changes provided to finance	Management team	March 2
Complete 5-year template information request form including Updated Capital Improvement Plan (CIP)	Management team	week of Mar 12
Estimate current year-end revenue and expenditures	Management team	March 16
Preliminary revenue forecasts, review goal setting issues and budget priorities.	City Manager and management team	March 16
Update salary schedule and total compensation costs, distribute to management for review and approval	Finance	March 16
Work session - review mid-year financials, forecasts and discuss significant budget issues	Budget Committee	week of Mar 19
Departments provide the following to finance: Review personnel costs and provide amounts for materials and services and capital outlay for requested budget	Management team	March 30
Department meetings with City Manager and finance	Management team	week of April 9
Finance review of year-end revenue and expenditure estimates - resolve items with management team/City Manager	Management team	week of April 16
Provide and publish "Notice of Budget Committee Meeting" (ORS 294.426)	Finance	week of April 16
Budget narratives completed and submitted to finance	Management team	April 18
Aggregate budget document	Finance	week of April 23
First Budget Committee meeting - Read budget message and release budget (ORS 294.408 and 294.426)	Budget Committee	May 7
Additional Budget Committee meetings (ORS 294.428)	Budget Committee	week of May 14
Budget Committee approves budget (ORS 294.428)	Budget Committee	week of May 14
Public hearing; adopt budget; levy taxes (ORS 294.456)	City Council	June 4

Color Guide

Council
Budget Committee
Management team
City Manager or Finance

