



2019-2020  
FISCAL YEAR

# CITY OF STAYTON, OREGON ANNUAL BUDGET



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Stayton**

**Oregon**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Award for Distinguished Budget Presentation to the City of Stayton, Oregon for its annual budget for the fiscal year beginning July 1, 2018. This is the third consecutive year the City of Stayton has received this honor.

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

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



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# BUDGET 2019-20



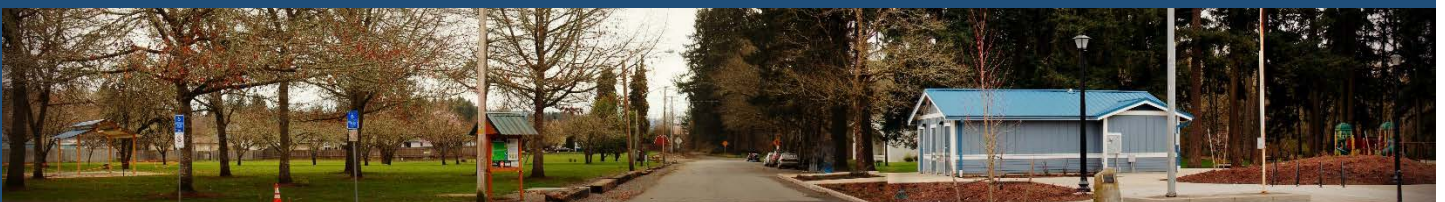
## **BUDGET COMMITTEE**

### **ELECTED OFFICIALS**

Mayor Henry Porter  
Councilor Paige Hook  
Councilor Christopher Molin  
Councilor Jordan Ohrt  
Councilor David Patty  
Councilor Brian Quigley

### **CITIZENS**

Luke Cranston  
Connie Dominguez  
Ralph Lewis  
Alan Kingsley  
Brent Walker  
Vacant





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## TABLE OF CONTENTS

|   |    |
|---|----|
| City Managers Budget Message .....  | 1  |
| City Overview .....   | 7  |
| Personnel .....   | 11 |
| Basis of Budgeting.....   | 15 |
| Fund Accounting .....   | 15 |
| Budget Process.....   | 23 |
| Consolidated Schedule of Resources, Expenditures, and Changes in Fund Balance ..... | 24 |
| Consolidated Schedule of Resources .....  | 27 |
| Consolidated Schedule of Expenditures .....   | 27 |
| Fund Accounting .....   | 28 |
| Revenue .....   | 30 |
| General Fund.....   | 34 |
| Police .....  | 39 |
| Planning.....   | 43 |
| Community Center .....  | 47 |
| Municipal Court .....   | 49 |
| Administration .....  | 51 |
| Non-Departmental (Operations) .....   | 57 |
| Street Lights .....   | 59 |
| Other Requirements .....  | 61 |
| Library Fund .....  | 63 |
| Parks Fund.....   | 67 |

|   |     |
|---|-----|
| Parks SDC Fund .....                                    | 71  |
| Pool Fund .....   | 73  |
| Street Fund.....  | 77  |
| Street SDC Fund .....                                   | 81  |
| Water Fund .....  | 83  |
| Water SDC Fund .....                                    | 87  |
| Sewer Fund .....  | 89  |
| Sewer SDC Fund .....                                    | 93  |
| Stormwater Fund .....                                   | 95  |
| Stormwater SDC Fund.....                                | 98  |
| Public Works Administration Internal Service Fund ..... | 101 |
| Facilities Fund .....                                   | 105 |
| Pension Stabilization Fund .....                        | 107 |
| Vehicle Replacement Fund .....                          | 109 |
| Closed Funds .....                                      | 111 |
| Capital Outlay - All Funds Fiscal Year 2019-20.....     | 113 |
| Debt Schedules .....                                    | 116 |
| Five-Year Financial Forecasts .....                     | 118 |
| Appendix .....  | 133 |
| Glossary.....   | 135 |
| Fiscal Policies.....                                    | 147 |
| Annual Budget Calendar .....                            | 155 |



# CITY MANAGERS BUDGET MESSAGE



May 6, 2019

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, 2020. This budget is the City's single most important policy document. Its purposes are to provide a comprehensive overview of all City funds and services, and to give residents a better understanding of the City's operating and fiscal programs. The proposed 2019-20 City of Stayton budget totals \$24,149,549, with a proposed General Fund budget of \$5,827,760.

The City of Stayton's fiscal year 2019-20 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, 2019 through June 30, 2020.

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, 2024. This reflects our commitment to ensuring decisions made today can be sustained in the next year and beyond. Our asset planning and management is a critical component of understanding the true costs of providing services and to allow for us to properly fund and maintain the infrastructure, materials, and equipment that is required and necessary to the functions and services of the community. This effort will continue to evolve as we update our infrastructure master plans, complete other studies, and respond to development and citizen input.

This budget proposal includes a CPI adjustment, as per our fiscal policy, of 1.9% for the City's Utility Bill which includes wastewater, stormwater, and streets. There is a proposed 4.5% increase in the water portion of the utility bill. For a home that consumes 5,000 gallons this would equate to an overall adjustment to the utility bill of 2.71%. For a home that consumes 15,000 gallons this would equate to an overall adjustment of 2.91%

## **Background**

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

A budget should serve as:

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

The budget process should accomplish the following:

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

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

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

### **Council Goals**

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

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

- \$65,000 has been proposed in the Planning Fund to begin work on the Economic Development Plan.

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

- \$100,000 has been proposed in the Facilities Fund to do a Facility Needs Assessment.

**Goal:** *“Fund Emergency Management”*

- \$20,000 is proposed in the non-departmental budget for emergency management.

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

- \$175,000 is proposed in the Sewer Fund to complete the Sewer Master Plan.

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

- \$47,000 has been included in the Water Fund to study secondary water source options.

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

- \$20,000 has been budgeted in the Mayor-City Council budget to expand the grant program.

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

- \$10,000 has been budgeted in the Administration budget to complete a branding strategy analysis.

**Goal:** *“Establish Guidelines and Expectations with Revitalize Downtown Stayton”*

- \$12,500 has been budgeted in the Administration budget to participate in the Main Street Grant for the Star Cinema.
- \$4,000 has been budgeted in the Mayor-City Council budget for a downtown beautification project.

In early April, the City made a formal offer to draft an agreement with Revitalize Downtown Stayton (RDS) to set expectations, guidelines, and deliverables. This process was endorsed by The Oregon Main Street Director. No funding approved in the budget should be given until an agreement is formalized.

## **Classification and Compensation Study**

In 2018, the City contracted with McGrath Human Resources, an organization that specializes in public sector human resources consulting, to complete a comprehensive classification and compensation study of the City's positions. The purpose of the study, in part, was to obtain and establish compensation within the external comparable market, establish internal equity, review compression analysis, integrate data from external markets, internal markets, and job classification and compensation system.

One study recommendation is 3% merit salary steps over a ten year step schedule. The study also sets classifications of all City employees and a recommended salary schedule. This budget funds the proposed recommendations from the study. The City currently has a tentative agreement in place with AFSCME in acceptance of the proposal. The City is currently in negotiations with SPOA and no agreement has been reached.

## **Unfunded Actuarial Liability**

One of the most significant long-term risks to the City of Stayton is its pension obligations. The City has two pension plans, the City Retirement Plan and PERS. The City's Retirement Plan is a sole employer plan that the City has significant management oversight and fiduciary responsibilities. Participants in the City's Plan include all full-time employees except sworn police officers. The City is a pooled participant in the PERS system, which is managed by the PERS Board, with significant State of Oregon legislative influence, with no oversight by the City of Stayton. Uniformed police officers are the City's only participants in the PERS system.

The second benefits liability doesn't carry the same risk, but the obligation costs are still significant enough to have a detrimental impact on operations, PERS. At this time the only employees in PERS are sworn officers. The estimated annual increase to PERS contributions, relative to fiscal year 2019, during the next five fiscal years is approximately:

|      |           |
|------|-----------|
| 2020 | \$ 62,000 |
| 2021 | \$ 67,000 |
| 2022 | \$142,000 |
| 2023 | \$148,000 |
| 2024 | \$172,000 |

The cost increases could have a long-term impact on our police services. In order to try to address this challenge, the proposed budget for the City has reduced the sworn police officers FTE by one officer. In addition, there is a recommendation of investing \$250,000 (or approximately 12.5% of the UAL) in a Pension Stabilization Fund or a "side account." Side accounts allow employers to "pre-pay" their PERS rates, which can ultimately reduce their total costs. The deposit would lead to an application prior to December 31, 2019 for up to a 25% match from the Employer Incentive Fund. Currently awards are not available until the 2021-23 biennium. The level of participation is unknown. There is not a guarantee that the application would lead to funding.

While the budget shows a continued commitment to public safety, the increase in PERS costs and the investment in addressing the UAL require a cautious approach to spending and the Police budget. Currently, the Police Budget accounts for approximately 110% of our Property Tax Revenues, not including the proposed investment in the Pension Stabilization Fund. This means the City currently supplements approximately 10% of the Police budget with General Fund dollars. Factoring in the PERS increases requires a need to be cautious of our stewardship of taxpayer resources and to balance the other needs in the community. To help cover the UAL costs and to be cognitive of future costs, we have reduced the approved FTEs in the Police Department by 1.0.

The cost increases could have a long-term impact on our police services without additional funding or cost containment. In order to address this challenge, the proposed budget reduces sworn police officer positions by one FTE. In addition, an investment of \$250,000 (or approximately 12.5% of the UAL) in a PERS side account and creation of a Pension Stabilization Fund is proposed. The \$250,000 comes from savings in the police department in fiscal year 2019 (\$150,000) and a portion of remaining funds in the Vehicle Replacement Reserve (\$100,000). Additional contributions to the Stabilization Fund are provided through transfers from the proposed police department staff reduction and a PERS UAL rate credit for the side account investment (\$90,000).

### **Summary**

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.

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

### **Thank You**

The Budget Document in front of you is the culmination of four-years of work. The transition from a line item budget to a GFOA budget is a massive undertaking. This work product shouldn't be taken for granted. The budget is the most critical document in local government, it lays out the goals and values of the community and we have an obligation to the stakeholders of our community to be as open and as transparent as we can in this budgeting process and to make the work product accessible to everyone in our community. I want to thank Alissa Angelo

for working so hard over the last year to continue to enhance and improve how we share and present this document. I want to thank Andy Parks whose knowledge of budgets served as the foundation of the work. I want to thank department heads Lance Ludwick, Dan Fleishman, Janna Moser, Alissa Angelo, and Rich Sebens who have all actively contributed to the final document.

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

Respectfully submitted,

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

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

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

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

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

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

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

## CLIMATE

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

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

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

## POINTS OF INTEREST

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



## GENERAL STAYTON OVERVIEW

### STATISTICS

|                          |       |
|--------------------------|-------|
| 2000 Population (Census) | 6,816 |
| 2010 Population (Census) | 7,644 |
| 2018 Population (PSU)    | 7,810 |

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

### 2010 AGE DISTRIBUTION

|             |       |     |
|-------------|-------|-----|
| Under 5     | 614   | 8%  |
| 5-19        | 1,713 | 22% |
| 20-29       | 1,001 | 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% |

### 2017 EDUCATIONAL ATTAINMENT

15.2% of Stayton's population has less than a high school diploma. The Marion County rate is 15.1% and it is 9.8% overall for the state of Oregon.

13.5% of Stayton's population has a bachelor's degree or higher as compared to 22.6% for Marion County and 32.3% for the state of Oregon.

## BUSINESS OVERVIEW

### COVERED EMPLOYMENT – CITY OF STAYTON (2017)

| Industry  | Firms | Annual Employment | Payroll       | Average Wage |
|---|-------|-------------------|---------------|--------------|
| <i>Total Employment</i>   | 283   | 3,457             | \$132,844,580 | \$38,428     |
| <i>Total Private</i>  | 271   | 3,100             | \$119,753,259 | \$38,630     |
| Agriculture, Forestry Fishing and Hunting                                 | 39    | 347               | \$ 22,160,934 | \$63,864     |
| Manufacturing   | 11    | 841               | \$ 33,401,051 | \$39,716     |
| Wholesale Trade   | 8     | 58                | \$ 2,014,882  | \$34,739     |
| Retail Trade  | 31    | 502               | \$ 13,001,593 | \$25,900     |
| Transportation and Warehousing  | 8     | 79                | \$ 2,088,654  | \$26,439     |
| Information, Finance, Insurance, Real Estate, Rental and Leasing          | 35    | 141               | \$ 6,214,059  | \$44,071     |
| Professional, Scientific, Technical Services, and Management of Companies | 14    | 62                | \$ 2,619,480  | \$42,250     |
| Administrative, Support, Waste Management, and Remediation Services       | 10    | 28                | \$ 419,254    | \$14,973     |

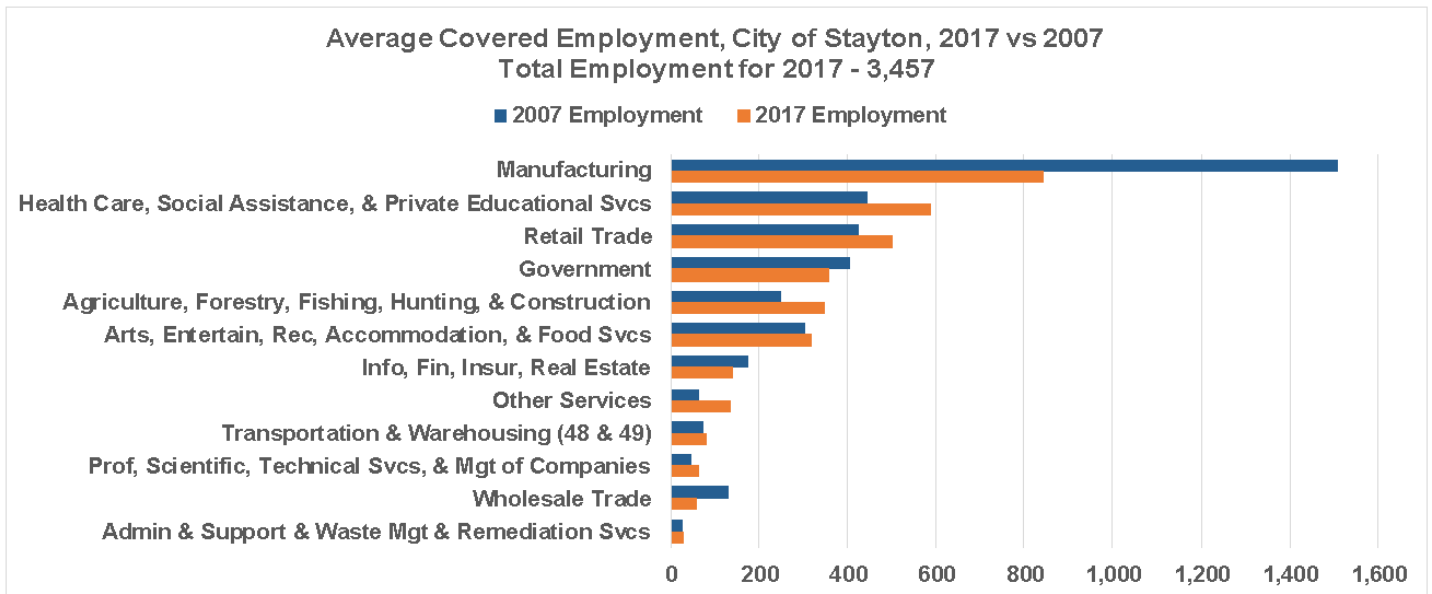
|   |    |     |               |          |
|---|----|-----|---------------|----------|
| Private Health Care, Social Assistance, and Educational Services  | 28 | 588 | \$ 30,230,599 | \$51,413 |
| Arts, Entertainment, Recreation, Accommodation, and Food Services | 30 | 320 | \$ 4,731,683  | \$14,787 |
| Other Services  | 57 | 134 | \$ 2,871,070  | \$21,426 |
| Government  | 12 | 357 | \$ 13,091,321 | \$36,670 |

Firms 283  
 Total Employment 3,457  
 Total Private Employment 3,100  
 % of Marion County Employment 2.1%

From 2007 to 2017, the City has lost over 380 jobs. Stayton’s total employment during that time declined by 10%. Manufacturing jobs showed the largest losses totaling 382 jobs.

Firms with less than 5 employees comprise two out of every three firms in Stayton and account for 9.7% of total employment.

Large employers, businesses with 50 or more employees (consisting of 16 firms) accounted for 72% of all employment.



# PERSONNEL

## SUMMARY

The budget includes a total of 54.7 full-time equivalent positions, a reduction of a net 0.4 FTEs. This includes the reduction of a patrol officer position that is vacant, a 0.1 FTE adjustment to part-time staff in the police department, and an adjustment to Library staffing to account for staff funded by a local contribution for the part-time position (0.7 FTE). The adjusted staffing in the Library is 7.0 FTEs.

The City maintained a steady full-time equivalent workforce of approximately 46 employees through fiscal year 2017. In our efforts to right-size the organization and respond to changes in contractual agreements, in fiscal year 2017-18, a Wastewater Treatment Facility Operator position was eliminated and City staffing was added to replace contractual staffing to maintain the pool operation at existing hours of operations.

In fiscal year 2018-19, an engineering position was added to public works administration to assist with capital projects in parks, water, wastewater, and stormwater. Also, with the expansion of the City’s parks operations, additional part-time staffing was added to maintain current service levels.

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. Both the AFSCME contract and SPOA agreement expire June 30, 2019. A wage cost of living adjustment (COLA) of 2.0% effective July 1, 2019 is included in the budget for all employees pending final union contract negotiations. Additionally, management and unrepresented employees compensation is adjusted consistent with the compensation study completed in fiscal year 2018-19.

## FULL-TIME EQUIVALENT (FTE’S) EMPLOYEES

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

| Department      | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Budget | 2019-20<br>Adopted |
|-----------------|-------------------|-------------------|-------------------|--------------------|
| Police          | 14.8              | 15.5              | 15.5              | 14.4               |
| Planning        | 1.0               | 1.0               | 1.0               | 1.0                |
| Parks           | 1.7               | 1.7               | 2.0               | 2.0                |
| Municipal Court | 0.6               | 0.6               | 0.6               | 0.6                |
| Administration  | 5.0               | 6.0               | 6.0               | 6.0                |

|                               |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|
| Street                        | 1.0          | 1.0          | 1.0          | 1.0          |
| Library                       | 7.4          | 7.4          | 6.3          | 7.0          |
| Pool                          | -            | 8.1          | 8.1          | 8.1          |
| Water                         | 4.0          | 4.0          | 4.0          | 4.0          |
| Wastewater                    | 6.8          | 5.8          | 5.8          | 5.8          |
| Stormwater                    | 0.5          | 0.5          | 0.5          | 0.5          |
| Public Works Administration   | 3.0          | 3.0          | 4.0          | 4.0          |
| Facilities Maintenance        | 0.3          | 0.3          | 0.3          | 0.3          |
| <b>Total FTE's - Citywide</b> | <b>46.1</b>  | <b>54.9</b>  | <b>55.1</b>  | <b>54.7</b>  |
| <b>Less: Contracted FTE's</b> | <b>(0.8)</b> | <b>(0.8)</b> | <b>(0.8)</b> | <b>(0.8)</b> |
| <b>Net FTE's - Citywide</b>   | <b>45.3</b>  | <b>54.1</b>  | <b>54.3</b>  | <b>53.9</b>  |

## CHANGES FROM PREVIOUS YEAR

### Additional personnel proposed:

- There are no additional positions budgeted.
- There are adjustments to part-time employee time in the Library, resulting in an increase of 0.7 FTE (*note: a portion of a position was funded via a community donation, the accounting for that position has been changed to reflect the full cost*).

### Reduced personnel:

- An authorized and budgeted patrol officer position that is vacant is reduced in fiscal year 2019-20.

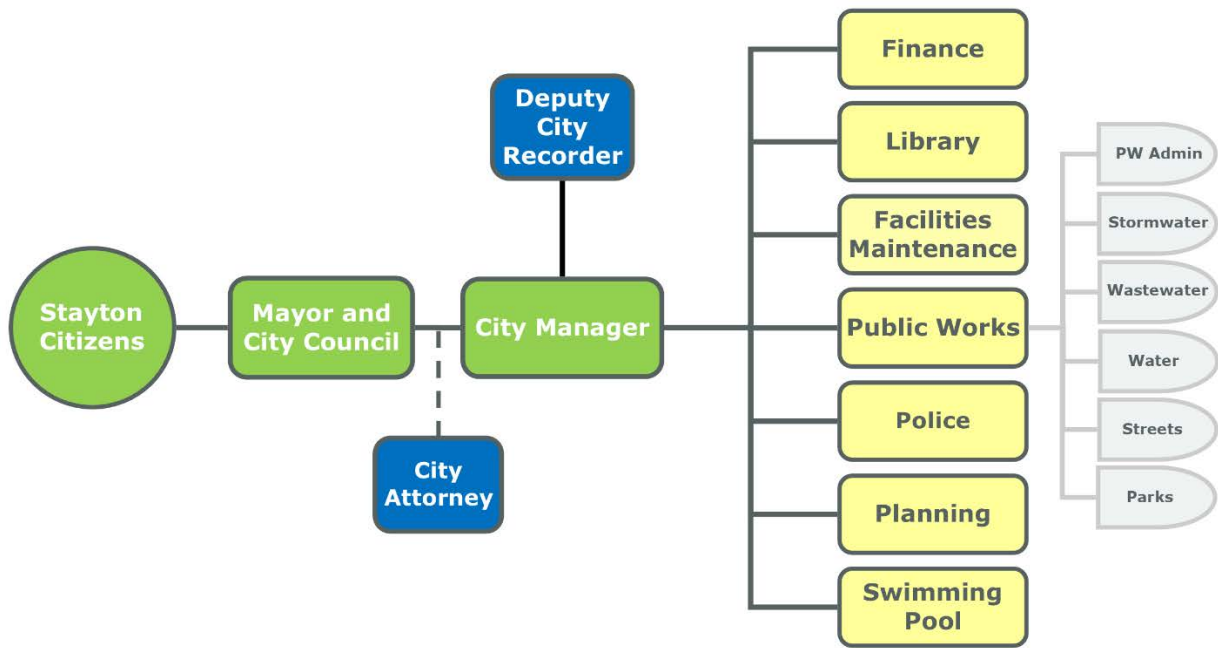
### Contributions to the City's Retirement Plan – Unfunded Actuarial Liability (UAL)

In fiscal year 2018-19, the City contributed \$410,000 into the City's retirement plan to fund the Plan's unfunded actuarial liability (UAL). This action retained the City's contribution rate at 17.3%. The budget includes a contribution rate of 18%.

As of December 31, 2017, the City's PERS retirement plan has a UAL of \$1.97 million. Effective July 1, 2019, PERS contribution rates will increase significantly, approximately five percentage points. A similar increase is projected beginning July 1, 2021. Employees included in PERS are limited to uniformed police department personnel.

In an effort to be more proactive with addressing the increasing UAL, the fiscal year 2019-20 budget includes a contribution to a PERS side account of \$250,000, 12.5% of the UAL. Additionally, the budget includes the establishment of a Pension Stabilization Fund. The Fund will receive monies from transfers from the police department, the General Fund, and the Vehicle Replacement Fund. The investment in the PERS side account will come from this Fund and other dollars, via transfers, will accumulate to make additional side account investments.

# ORGANIZATIONAL STRUCTURE



## SALARY SCHEDULE – FISCAL YEAR 2019/20

| Position                                  | Annual Salary           |         |
|---|-------------------------|---------|
|   | Minimum                 | Maximum |
| Library Page                              | 23,400                  | 30,699  |
| Lifeguard                                 | 23,400                  | 30,699  |
| Head Guard                                | 25,395                  | 31,972  |
| Aquatics Instructor                       | 26,477                  | 33,351  |
| Library Aide                              | 30,187                  | 38,528  |
| Library Assistant I                       | 32,993                  | 42,109  |
| Public Works Utility Operator-in-training | 34,485                  | 44,013  |
| Library Assistant II                      | 36,082                  | 46,051  |
| Library Outreach Assistant                | 36,082                  | 46,051  |
| Parks Maintenance Worker                  | 36,082                  | 46,051  |
| Accounting Clerk                          | 36,082                  | 46,051  |
| Public Works Administrative Assistant I   | 37,706                  | 48,123  |
| Records/Court Clerk                       | 37,706                  | 48,123  |
| Facilities Maintenance                    | 39,436                  | 50,332  |
| Library Assistant - Youth Services        | 39,436                  | 50,332  |
| Public Works Utility Operator             | 39,436                  | 50,332  |
| Sr. Parks Maintenance Worker              | 39,436                  | 50,332  |
| WW & Storm Collection System Operator     | 39,436                  | 50,332  |
| Pool Supervisor                           | 39,945                  | 52,118  |
| Code Enforcement                          | 41,229                  | 52,620  |
| WWTP Operator I                           | 41,229                  | 52,620  |
| Collections System Operator               | 43,106                  | 55,015  |
| Engineering Technician                    | 43,106                  | 55,015  |
| Library Assistant III                     | 43,106                  | 55,015  |
| Wastewater Treatment Plant Operator       | 43,106                  | 55,015  |
| Accountant                                | 47,107                  | 60,122  |
| Police Officer                            | 47,820                  | 65,103  |
| Senior Engineering Technician             | 56,176                  | 71,562  |
| Acquatics Facility Manager                | 56,867                  | 74,199  |
| Deputy City Recorder                      | 56,867                  | 74,199  |
| Water Treatment Plant Operator            | 58,564                  | 74,744  |
| Water Treatment Plant Chief Operator      | 61,200                  | 78,108  |
| Library Director                          | 67,100                  | 87,553  |
| Public Works Supervisor - Sewer           | 67,100                  | 87,553  |
| Public Works Supervisor - Utilities       | 67,100                  | 87,553  |
| Police Sergeant                           | 71,800                  | 93,685  |
| Planning and Development Director         | 73,954                  | 84,260  |
| Finance Director                          | 82,828                  | 108,079 |
| Police Lieutenant                         | 82,828                  | 108,079 |
| Public Works Director                     | 82,828                  | 108,079 |
| Police Chief                              | 89,462                  | 116,721 |
| City Manager                              | established by contract |         |

# BASIS OF BUDGETING

## SUMMARY

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

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

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

# FUND ACCOUNTING

## SUMMARY

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

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

## GOVERNMENTAL FUNDS

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

## GENERAL FUND

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

## SPECIAL REVENUE FUNDS

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

## STREET FUND

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

## LIBRARY FUND

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



## **PARKS FUND**

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

## **POOL FUND**

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

## **PENSION STABILIZATION FUND**

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

## **CAPITAL PROJECTS FUNDS**

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

## **PARKS SDC FUND**

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

## **STREET SDC FUND**

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

## DEBT SERVICE FUNDS

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

## PROPRIETARY FUNDS

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

## ENTERPRISE FUNDS

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

## WATER FUND

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

## WATER SDC FUND

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

## WASTEWATER FUND

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

## WASTEWATER SDC FUND

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

## STORMWATER FUND

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

## STORMWATER SDC FUND

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

## INTERNAL SERVICE FUNDS

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

## PUBLIC WORKS ADMINISTRATION FUNDS

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

## FACILITIES FUND

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

## VEHICLE REPLACEMENT FUND

This fund accounted for City-wide vehicle replacement. In fiscal year 2017, transfers were suspended pending a review of the program. The review found the fund is unnecessary, and in fiscal years 2018 and 2019, 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 2020.

## FUND STRUCTURE

The City budgets seventeen funds. All funds with budgetary appropriations in the fiscal year 2019-20 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 | <b>Street Fund</b>         | Parks SDC Fund        | <b>Water Fund</b>      | Public Works Administration Fund |
|                            | Library Fund               | Street SDC Fund       | Water SDC Fund         | Facilities Fund                  |
|                            | Parks Fund                 |                       | <b>Wastewater Fund</b> | Vehicle Replacement Fund         |
|                            | Pool Fund                  |                       | Wastewater SDC Fund    |                                  |
|                            | Pension Stabilization Fund |                       | Stormwater Fund        |                                  |
|                            |                            |                       | Stormwater SDC Fund    |                                  |

## FUNCTIONAL UNITS

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

| Functional Units   |                              |  |  |   |  |
|--|------------------------------|--|--|---|--|
| Governmental Funds   |                              |  | Proprietary Funds  |   |  |
| <b>General Fund</b><br>City Council<br>Public Safety<br>Police Patrol<br>Code<br>Enforcement<br>Emergency<br>Management<br>Planning/Zoning<br>Municipal Court<br>Outside Agency<br>Funding<br>Administration<br>City Manager<br>Human<br>Resources<br>Finance<br>Information<br>Technology<br>City Recorder<br>Economic<br>Development<br>Communications<br>Street Lighting<br>Community<br>Center | <i>Special Revenue Funds</i> | <i>Capital Projects Funds</i>  | <i>Enterprise Funds</i>  | <i>Internal Service Funds</i>   |  |
|  |                              | <b>Street Fund</b><br>Street<br>Maintenance<br>Street<br>Construction<br>Sidewalks<br>Bike Paths | <b>Parks SDC Fund</b><br>Parks<br>Infrastructure<br>Expansion    | <b>Water Fund</b><br>System Operations<br>Capital Investment Debt<br>Service      | <b>Public Works Administration Fund</b><br>Administration<br>Engineering<br>Project<br>Management<br>Inspections |
|  |                              | <b>Library Fund</b><br>Children’s<br>Programs<br>Teen Programs<br>Adult Programs                 | <b>Street SDC Fund</b><br>Streets<br>Infrastructure<br>Expansion | <b>Water SDC Fund</b><br>Water Infrastructure<br>Expansion                        | <b>Facilities Fund</b><br>City Hall<br>Police Station  |
|  |                              | <b>Parks Fund</b><br>Parks Maintenance<br>Trails<br>Parks Construction<br>Jordan Bridge          |  | <b>Wastewater Fund</b><br>System Operations<br>Capital Investment Debt<br>Service | <b>Vehicle Replacement Fund</b><br>Transfers out to<br>close fund  |
|  |                              | <b>Pool Fund</b><br>Swim<br>Instruction<br>Physical Therapy                                      |  | <b>Wastewater SDC Fund</b><br>Wastewater<br>Infrastructure<br>Expansion           |  |
|  |                              | <b>Pension Stabilization Fund</b><br>PERS cost<br>stabilization                                  |  | <b>Stormwater Fund</b><br>System Operations<br>Capital Investment Debt<br>Service |  |
|  |                              |  |  | <b>Stormwater SDC Fund</b><br>Stormwater<br>Infrastructure<br>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, but excluding the Citizens' Budget Committee.



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

ALL FUNDS – FISCAL YEARS 2016-17 THROUGH 2019-20

|  | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Estimate | 2019-20<br>Budget |
|--|-------------------|-------------------|---------------------|-------------------|
| Current year resources                 |                   |                   |                     |                   |
| Taxes                                  | 2,241,355         | 2,588,475         | 2,611,900           | 2,723,300         |
| Intergovernmental                      | 2,063,197         | 920,917           | 1,589,563           | 1,214,900         |
| Franchise fees                         | 830,023           | 822,322           | 831,500             | 882,200           |
| Charges for services                   | 5,467,881         | 5,779,335         | 5,844,200           | 5,987,000         |
| Licenses and permits                   | 13,302            | 42,533            | 13,600              | 16,000            |
| Miscellaneous                          | 644,595           | 551,684           | 572,594             | 458,100           |
| Transfers                              | 1,796,633         | 2,748,900         | 2,572,918           | 2,626,900         |
| Debt proceeds                          | -                 | -                 | 725,000             | -                 |
| Total current year resources           | 13,056,986        | 13,454,166        | 14,761,275          | 13,908,400        |
| Expenditures                           |                   |                   |                     |                   |
| Personnel                              | 3,833,302         | 4,123,835         | 4,534,420           | 5,080,100         |
| Materials and services                 | 3,124,392         | 3,338,112         | 3,801,450           | 4,236,000         |
| Capital outlay                         | 1,742,936         | 653,523           | 3,507,142           | 955,100           |
| Transfers                              | 1,796,633         | 2,748,900         | 2,568,318           | 2,626,900         |
| Debt service                           | 1,181,046         | 1,181,440         | 1,179,800           | 1,226,200         |
| Total expenditures                     | 11,678,309        | 12,045,810        | 15,591,130          | 14,124,300        |
| Resources over (under)<br>expenditures | 1,378,677         | 1,408,356         | - 829,855           | - 215,900         |
| Beginning fund balance                 | 8,283,972         | 9,662,649         | 11,071,005          | 10,241,149        |
| Ending fund balance                    | 9,662,649         | 11,071,005        | 10,241,149          | 10,025,249        |



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## CONSOLIDATED SCHEDULE OF RESOURCES

ALL FUNDS – FISCAL YEARS 2016-17 THROUGH 2019-20

|                              | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Estimate | 2019-20<br>Budget |
|------------------------------|-------------------|-------------------|---------------------|-------------------|
| Current year resources       |                   |                   |                     |                   |
| Taxes                        | 17.2%             | 19.2%             | 17.7%               | 19.6%             |
| Intergovernmental            | 15.8%             | 6.8%              | 10.8%               | 8.7%              |
| Franchise fees               | 6.4%              | 6.1%              | 5.6%                | 6.3%              |
| Charges for services         | 41.9%             | 43.0%             | 39.6%               | 43.0%             |
| Licenses and permits         | 0.1%              | 0.3%              | 0.1%                | 0.1%              |
| Miscellaneous                | 4.9%              | 4.1%              | 3.9%                | 3.3%              |
| Transfers                    | 13.8%             | 20.4%             | 17.4%               | 18.9%             |
| Debt proceeds                | 0.0%              | 0.0%              | 4.9%                | 0.0%              |
| Total current year resources | 100.0%            | 100.0%            | 100.0%              | 100.0%            |

## CONSOLIDATED SCHEDULE OF EXPENDITURES

ALL FUNDS – FISCAL YEARS 2016-17 THROUGH 2019-20

|                        |        |        |        |        |
|------------------------|--------|--------|--------|--------|
| Expenditures           |        |        |        |        |
| Personnel              | 32.8%  | 34.2%  | 29.1%  | 36.0%  |
| Materials and services | 26.8%  | 27.7%  | 24.4%  | 30.0%  |
| Capital outlay         | 14.9%  | 5.4%   | 22.5%  | 6.8%   |
| Transfers              | 15.4%  | 22.8%  | 16.5%  | 18.6%  |
| Debt service           | 10.1%  | 9.8%   | 7.6%   | 8.7%   |
| Total expenditures     | 100.0% | 100.0% | 100.0% | 100.0% |



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# FUND ACCOUNTING

## ALL FUNDS – FISCAL YEAR 2019-20

The City's total budget for fiscal year 2019-20 is \$24,149,549. Planned spending totals \$14,180,400, which includes transfers between City funds of \$2,626,900.

### Resources

| Current Year Resources      |                        |                  |                   |                |                      |                      |                |                  |               |                              |                   |
|-----------------------------|------------------------|------------------|-------------------|----------------|----------------------|----------------------|----------------|------------------|---------------|------------------------------|-------------------|
| Fund                        | Beginning Fund Balance | Taxes            | Intergovernmental | Franchise Fees | Charges for Services | Licenses and Permits | Miscellaneous  | Transfers        | Debt Proceeds | Total Current Year Resources | Total Resources   |
| General                     | 1,315,160              | 2,130,100        | 447,000           | 882,200        | 7,600                | 16,000               | 211,300        | 818,400          | -             | 4,512,600                    | 5,827,760         |
| Street                      | 1,025,584              | 217,000          | 670,100           | -              | 90,800               | -                    | 20,500         | 35,900           | -             | 1,034,300                    | 2,059,884         |
| Parks                       | 96,893                 | 10,000           | -                 | -              | -                    | -                    | -              | 253,000          | -             | 263,000                      | 359,893           |
| Library                     | 211,849                | 183,500          | 97,800            | -              | 3,100                | -                    | 42,100         | 197,900          | -             | 524,400                      | 736,249           |
| Pool                        | 184,222                | 182,700          | -                 | -              | 181,500              | -                    | 3,700          | 50,000           | -             | 417,900                      | 602,122           |
| Water                       | 673,122                | -                | -                 | -              | 1,925,000            | -                    | 13,500         | 28,000           | -             | 1,966,500                    | 2,639,622         |
| Sewer                       | 3,508,085              | -                | -                 | -              | 3,084,900            | -                    | 77,200         | 216,800          | -             | 3,378,900                    | 6,886,985         |
| Stormwater                  | 220,179                | -                | -                 | -              | 311,500              | -                    | 4,400          | 2,100            | -             | 318,000                      | 538,179           |
| Stormwater Construction     | -                      | -                | -                 | -              | -                    | -                    | -              | -                | -             | -                            | -                 |
| Street SDC                  | 697,045                | -                | -                 | -              | 70,300               | -                    | 7,000          | -                | -             | 77,300                       | 774,345           |
| Parks SDC                   | 59,336                 | -                | -                 | -              | 83,500               | -                    | 600            | -                | -             | 84,100                       | 143,436           |
| Water SDC                   | 485,547                | -                | -                 | -              | 86,900               | -                    | 4,900          | -                | -             | 91,800                       | 577,347           |
| Sewer SDC                   | 678,336                | -                | -                 | -              | 64,700               | -                    | 6,800          | -                | -             | 71,500                       | 749,836           |
| Stormwater SDC              | 76,892                 | -                | -                 | -              | 77,200               | -                    | 1,700          | -                | -             | 78,900                       | 155,792           |
| Public Works Administration | 180,542                | -                | -                 | -              | -                    | -                    | 3,600          | 495,800          | -             | 499,400                      | 679,942           |
| Facilities Development      | 632,957                | -                | -                 | -              | -                    | -                    | 59,800         | 184,000          | -             | 243,800                      | 876,757           |
| Vehicle Replacement         | 45,400                 | -                | -                 | -              | -                    | -                    | -              | 154,600          | -             | 154,600                      | 200,000           |
| Pension Stabilization       | 150,000                | -                | -                 | -              | -                    | -                    | 1,000          | 190,400          | -             | 191,400                      | 341,400           |
| <b>Total Resources</b>      | <b>10,241,149</b>      | <b>2,723,300</b> | <b>1,214,900</b>  | <b>882,200</b> | <b>5,987,000</b>     | <b>16,000</b>        | <b>458,100</b> | <b>2,626,900</b> | <b>-</b>      | <b>13,908,400</b>            | <b>24,149,549</b> |

### 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  | 2,552,300                 | 1,443,500              | 76,000         | 681,300          | -                | 4,753,100          | 475,300            | -              | 599,360          | 1,074,660                | 5,827,760                                 |
| Street   | 92,700                    | 275,700                | 470,000        | 261,900          | -                | 1,100,300          | 959,584            | -              | -                | 959,584                  | 2,059,884                                 |
| Parks  | 103,500                   | 75,650                 | 10,000         | 130,700          | -                | 319,850            | 40,043             | -              | -                | 40,043                   | 359,893                                   |
| Library  | 384,100                   | 146,800                | 100            | 29,200           | -                | 560,200            | 176,049            | -              | -                | 176,049                  | 736,249                                   |
| Pool   | 303,200                   | 128,100                | 10,000         | 14,300           | -                | 455,600            | 146,522            | -              | -                | 146,522                  | 602,122                                   |
| Water  | 378,300                   | 558,900                | 149,000        | 468,400          | 328,600          | 1,883,200          | 756,422            | -              | -                | 756,422                  | 2,639,622                                 |
| Sewer  | 508,200                   | 1,183,000              | 175,000        | 595,200          | 825,300          | 3,286,700          | 453,700            | 527,924        | 2,618,661        | 3,600,285                | 6,886,985                                 |
| Stormwater                                       | 45,600                    | 112,350                | 65,000         | 63,100           | 72,300           | 358,350            | 179,829            | -              | -                | 179,829                  | 538,179                                   |
| Stormwater Construction                          | -                         | -                      | -              | -                | -                | -                  | -                  | -              | -                | -                        | -   |
| Street SDC                                       | -                         | -                      | -              | 7,800            | -                | 7,800              | 766,545            | -              | -                | 766,545                  | 774,345                                   |
| Parks SDC  | -                         | -                      | -              | -                | -                | -                  | 143,436            | -              | -                | 143,436                  | 143,436                                   |
| Water SDC  | -                         | 55,000                 | -              | -                | -                | 55,000             | 522,347            | -              | -                | 522,347                  | 577,347                                   |
| Sewer SDC  | -                         | 65,000                 | -              | 175,000          | -                | 240,000            | 509,836            | -              | -                | 509,836                  | 749,836                                   |
| Stormwater SDC                                   | -                         | -                      | -              | -                | -                | -                  | 155,792            | -              | -                | 155,792                  | 155,792                                   |
| Public Works Administration                      | 448,500                   | 90,000                 | -              | -                | -                | 538,500            | 141,442            | -              | -                | 141,442                  | 679,942                                   |
| Facilities Development                           | 13,700                    | 100,000                | -              | -                | -                | 113,700            | 763,057            | -              | -                | 763,057                  | 876,757                                   |
| Vehicle Replacement                              | -                         | -                      | -              | 200,000          | -                | 200,000            | -                  | -              | -                | -                        | 200,000                                   |
| Pension Stabilization                            | 250,000                   | 2,000                  | -              | -                | -                | 252,000            | 89,400             | -              | -                | 89,400                   | 341,400                                   |
| <b>Total Expenditures and Other Requirements</b> | <b>5,080,100</b>          | <b>4,236,000</b>       | <b>955,100</b> | <b>2,626,900</b> | <b>1,226,200</b> | <b>14,124,300</b>  | <b>6,279,304</b>   | <b>527,924</b> | <b>3,218,021</b> | <b>10,025,249</b>        | <b>24,149,549</b>                         |



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# REVENUE

## TAXES

Until fiscal year 2017-18, property taxes were the only significant taxes the City directly received. In May 2017, Stayton voters approved a local gas tax measure. Local gas taxes are projected to total approximately \$217,000 in fiscal year 2019-20. 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 \$2.45 million is projected to come from property taxes, \$2.075 million in the general fund, and \$376,000 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 again by Stayton voters in 2017. 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 realized a slight increase in its property tax levy of approximately four percent (4.3%) in fiscal year 2019. The forecast for fiscal year 2019-20 includes a nearly four percent (3.7%) increase. Subsequent increases for the following four years are forecast at 3.8% annually.

## INTERGOVERNMENTAL

This category includes state gas taxes, \$670,100, funds for the City’s library (\$97,800), allocations of the state’s liquor, cigarette and marijuana taxes, state revenue sharing and targeted grants for police programs (total of \$247,000) and community development block grant funding of \$200,000.

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 and changes in State taxing of liquor and cigarettes.

## 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          | \$ 38,200        | 4.3%          |
| Telephone      | 26,200           | 3.0%          |
| Sanitary Sewer | 95,600           | 10.8%         |
| Electricity    | 622,900          | 70.6%         |
| Natural Gas    | 99,300           | 11.3%         |
|                | <b>\$882,200</b> | <b>100.0%</b> |

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

## CHARGES FOR SERVICES

An estimated \$5.99 million in revenue from charges for services is budgeted in fiscal year 2019-20. Utilities generate the vast majority of charges:

|            |                        |
|------------|------------------------|
| Water      | \$1.93 million (32.2%) |
| Sewer      | \$3.08 million (51.4%) |
| Stormwater | \$0.31 million (5.2%)  |

System Development Charges for water, sewer, stormwater, streets, and parks total \$0.38 million (6.4%). The pool (\$0.2 million, 3.3%) and street fees (\$0.09 million, 1.5%), and various charges in the general fund (\$7,600, < 0.2%) and library (\$3,100, < 0.1%) make up the balance of charges for services budgeted.

Rate adjustments consistent with the change in the annual consumer price index for all consumers (CPI-U) for the year ended March 31, 2019 of 1.9% is budgeted for street fees, wastewater, and stormwater charges. Water charges are increased 4.5% to address funding requirements for capital items. Pool charges are increased ten percent (10%). There are no CPI adjustments to other fees and charges.

## LICENSES AND PERMITS

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



## MISCELLANEOUS

Citywide approximately \$458,100 in revenue comes from miscellaneous sources, including interest income and building rental. Interest earnings are estimated based on 2.0% of cash balances, compared to rates of less than 1.0% prior to fiscal year 2017-18.

## TRANSFERS

Transfers between funds total \$2,626,000 in fiscal year 2019-20. The City transfers monies from funds receiving benefits of services provided to the general fund, public works administration fund, and the facilities fund, \$1,498,200. Also in fiscal year 2019-20, a transfer from the police department in the General Fund to the Pension Stabilization Fund, a new fund, is budgeted at \$90,400. The Parks, Library, and Pool funds receive transfers from the General Fund of \$253,000, \$197,900, and \$50,000, to support operations. The Wastewater fund budget includes a transfer of \$175,000 from the Wastewater SDC fund for a Wastewater Facilities Master Plan.

Lastly, the Vehicle Replacement fund will close in fiscal year 2019-20 after receiving a payment of an outstanding loan (\$154,600) and making transfers of \$200,000 (\$100,000 to the Pension Stabilization Fund to reduce the PERS unfunded actuarial liability (UAL) and \$100,000 will be returned to the funds that originally transferred funds to the Vehicle Replacement fund).

## DEBT PROCEEDS

The fiscal year 2019-20 budget does not include any planned debt issues.



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# GENERAL FUND

## SUMMARY

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

The primary revenue sources include property taxes, intergovernmental such as state shared revenues, cigarette and liquor taxes and various grants, franchise fees, 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, 2018 is \$1,437,077, an increase of \$47,749, or 3.4%.
- The projected ending fund balance for June 30, 2019 is \$1,315,169, a decrease of \$121,917, or -8.5%. The reduction is inclusive of a one-time transfer to a Pension Stabilization Fund of \$150,000.
- The budgeted ending fund balance as of June 30, 2020 is \$1,074,660, a reduction of \$242,500, or -18.3%.
- The budgeted ending fund balance is estimated at nearly six months (5.6) of working capital. This amount exceeds the minimum required balance sufficient to fund operations until property taxes are received.
- Increase of ten percent (10%) to the transfer to Parks Fund for expanded maintenance.
- Neighborhood grant program funding increased to \$24,000.

### Staffing

- Authorized and budgeted positions are reduced by one full-time equivalent position.

### Programs

- Community Development Block Grant funding of \$400,000 was awarded in fiscal year 2018-19. The completion of the program spending and revenue is budgeted in fiscal year 2019-20.
- Funding is included in the Planning budget to implement economic development strategies resulting from the economic development study completed in fiscal year 2018-19.
- Continued funding is provided to modernize the City's computer system networks and related technology.
- Continued funding for timely police vehicle replacement.

## CHANGES FROM PREVIOUS YEARS

- The addition of the CDBG program in fiscal year 2018-19 represents a significant activity the City has not had in a number of years. The program will be completed in fiscal year 2019-20.
- The police budget reflects a reduction of one patrol officer position and a transfer to a Pension Stabilization Fund to stabilize PERS costs during the next several years to provide sustainable staffing levels.
- A supplemental payment to the City's retirement plan in fiscal year 2018-19 is not budgeted in fiscal year 2019-20.
- Increased funding to the Parks Fund (10%).
- Neighborhood Grant program funding increase.
- Funding to implement recommendations from the economic development study completed in fiscal year 2018-19.
- Added a monthly stipend of \$100 for councilmembers and \$125 for the Mayor to cover the accumulation of de minimis expenses and other real costs.

## REVENUES

Overall, revenue for fiscal year 2019-20 is budgeted to decrease \$180,100, -3.8%. The primary driver of this decrease is a reduction of \$200,000 (50%) in community development block grant (CDBG) revenue, which is included in intergovernmental revenue. The revenue has an offsetting expense. This is a two-year program.

Property taxes are estimated to increase nearly four percent (3.8%), which is above the average during the past three years. Taxes from other sources are budgeted to decrease and stabilize as implementation of the tax and deferred payments have been received. Franchise fees are estimated for an increase of 2.2%, representing a stabilization in economic conditions and rates. Licenses, permits and fees are projected to decrease thirty percent (30.6%) over the prior year budget, while charges for services are budgeted with a twenty percent (20%) reduction. This is due to no longer recognizing payments received that are due to other organizations as revenue. Miscellaneous income is budgeted with a decrease of nine percent (-9%). Transfers are reduced three percent (-3.3%) as transfers from the Vehicle Replacement Fund have ended.

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

## EXPENDITURES

Budgeted expenditures total \$4,753,100, a decrease of \$138,100, or nearly 3% (-2.8%). The primary drivers of the decrease include:

- Decrease in non-departmental (operations) spending of \$250,000:
  - \$200,000 reduction for the CDBG program (\$400,000 for two-year program, fully budgeted in fiscal year 2018-19).
  - A non-recurring contribution of \$70,000 to the City's retirement plan in fiscal year 2018-19 is not budgeted for fiscal year 2019-20.
  - A transfer to the Stormwater Construction Fund is no longer needed.
  - Increased transfers to the Library (3.6%) and Parks (10%).
  - Transfer to the Pool retained at \$50,000.
  
- In all departments with personnel:
  - Implementation of the Total Compensation Study completed in fiscal year 2018-19.
  - Cost of living adjustments of 2.0% for all personnel plus steps
  - Increase in medical related benefit costs budgeted at five percent (5%).
  - The contribution rate of the City's retirement plan is unchanged.
  
- The Police Department budget includes an increase in PERS contribution rates of approximately 5.0%.

## GENERAL FUND BUDGET

| Description                         | 16 -17<br>Actual | 17-18<br>Actual  | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|-------------------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| <b>Current year resources</b>       |                  |                  |                   |                      |                     |                     |                    |
| Taxes                               | 1,899,860        | 2,044,158        | 2,075,600         | 2,045,400            | 2,130,100           | 2,130,100           | 2,130,100          |
| Charges for services                | 22,713           | 10,064           | 9,500             | 6,700                | 7,600               | 7,600               | 7,600              |
| Grants and contributions            | -                | -                | -                 | -                    | -                   | -                   | -                  |
| Franchise fees                      | 830,023          | 822,322          | 863,600           | 831,500              | 882,200             | 882,200             | 882,200            |
| Licenses, permits & fees            | 13,302           | 42,533           | 21,000            | 13,600               | 16,000              | 16,000              | 16,000             |
| Intergovernmental                   | 219,873          | 247,487          | 644,100           | 440,300              | 447,000             | 447,000             | 447,000            |
| Miscellaneous                       | 322,984          | 307,376          | 232,300           | 242,000              | 211,300             | 211,300             | 211,300            |
| Transfers                           | 768,946          | 913,600          | 846,600           | 846,600              | 818,400             | 818,400             | 818,400            |
| <b>Current year resources</b>       | <b>4,077,701</b> | <b>4,387,540</b> | <b>4,692,700</b>  | <b>4,426,100</b>     | <b>4,512,600</b>    | <b>4,512,600</b>    | <b>4,512,600</b>   |
| <b>Expenditures</b>                 |                  |                  |                   |                      |                     |                     |                    |
| Police                              | 1,950,376        | 2,099,933        | 2,241,700         | 1,963,738            | 2,150,700           | 2,150,700           | 2,150,700          |
| Planning                            | 137,036          | 164,526          | 258,000           | 248,520              | 214,800             | 214,800             | 214,800            |
| Community Center                    | 49,615           | 60,664           | 58,300            | 52,800               | 59,300              | 59,300              | 59,300             |
| Parks Maintenance                   | -                | -                | -                 | -                    | -                   | -                   | -                  |
| Municipal Court                     | 98,335           | 99,022           | 73,800            | 74,600               | 75,400              | 75,400              | 75,400             |
| City Council and Administration     | 976,390          | 1,050,102        | 1,058,800         | 1,012,100            | 1,159,700           | 1,159,700           | 1,159,700          |
| Non-departmental (Operations)       | -                | -                | 470,000           | 270,000              | 220,000             | 220,000             | 220,000            |
| Street Lights                       | 110,156          | 112,822          | 116,500           | 112,500              | 115,900             | 115,900             | 115,900            |
| <b>Total operating expenditures</b> | <b>3,321,908</b> | <b>3,587,069</b> | <b>4,277,100</b>  | <b>3,734,258</b>     | <b>3,995,800</b>    | <b>3,995,800</b>    | <b>3,995,800</b>   |
| <b>Capital Outlay</b>               |                  |                  |                   |                      |                     |                     |                    |
| Police                              | 60,379           | 122,622          | 56,000            | 69,000               | 56,000              | 56,000              | 56,000             |
| Community Center                    | -                | -                | -                 | -                    | -                   | -                   | -                  |
| Parks Maintenance                   | -                | -                | -                 | -                    | -                   | -                   | -                  |
| City Council and Administration     | 26,735           | 11,000           | 50,000            | 25,000               | 20,000              | 20,000              | 20,000             |
| Non-departmental (Operations)       | -                | -                | -                 | -                    | -                   | -                   | -                  |
| <b>Total Capital Outlay</b>         | <b>87,114</b>    | <b>133,622</b>   | <b>106,000</b>    | <b>94,000</b>        | <b>76,000</b>       | <b>76,000</b>       | <b>76,000</b>      |
| <b>Transfers</b>                    |                  |                  |                   |                      |                     |                     |                    |
| Police                              | 39,000           | 39,000           | 41,400            | 41,400               | 135,900             | 135,900             | 135,900            |
| Planning                            | 20,300           | 19,400           | 19,500            | 19,500               | 19,600              | 19,600              | 19,600             |
| Administration                      | 18,700           | 19,300           | 19,900            | 19,900               | 24,900              | 24,900              | 24,900             |
| Non-departmental (Operations)       | 396,156          | 541,400          | 520,800           | 638,959              | 500,900             | 500,900             | 500,900            |
| <b>Total Transfers</b>              | <b>474,156</b>   | <b>619,100</b>   | <b>601,600</b>    | <b>719,759</b>       | <b>681,300</b>      | <b>681,300</b>      | <b>681,300</b>     |
| <b>Total Expenditures</b>           | <b>3,883,178</b> | <b>4,339,791</b> | <b>4,984,700</b>  | <b>4,548,017</b>     | <b>4,753,100</b>    | <b>4,753,100</b>    | <b>4,753,100</b>   |
| Revenue over/(under) expenditures   | 194,523          | 47,749           | (292,000)         | (121,917)            | (240,500)           | (240,500)           | (240,500)          |
| <b>Beginning fund balance</b>       | <b>1,194,805</b> | <b>1,389,328</b> | <b>1,392,623</b>  | <b>1,437,077</b>     | <b>1,315,160</b>    | <b>1,315,160</b>    | <b>1,315,160</b>   |
| <b>Ending fund balance</b>          | <b>1,389,328</b> | <b>1,437,077</b> | <b>1,100,623</b>  | <b>1,315,160</b>     | <b>1,074,660</b>    | <b>1,074,660</b>    | <b>1,074,660</b>   |

# POLICE

## SUMMARY

The Stayton Police Department proudly provides 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. Based on severity, there are many agencies who limit the types of crimes officers respond. The Stayton Police Department believes every citizen call for service should receive an officer response. Our philosophy is 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:

- Traffic studies and dedicated enforcement to high crash and unsafe areas
- Concentrated patrols and search warrants at 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
- Vacation home checks to help prevent burglaries
- Working with landlords to address problem properties

Police Department staff includes the Chief, a Lieutenant, two Sergeants, and eight patrol officers. The civilian staff includes one full-time Records Clerk, one part-time Records Clerk, and two part-time Code Enforcement Officers. While the past year has been low on volunteer Reserve Police Officers, we strive to supplement our staff with up to ten volunteer Reserve Officers and six Cadet Officers. Our goal is to increase the Reserve Police Officer staffing level this coming year.

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 8,194 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, elder abuse, and death investigations.
- The Stayton Police Department hosts numerous events to connect with the community regarding safety concerns. These events include Coffee with a Cop, Cocoa with a Cop for the kids, and school presentations.
- Local school staff and parents were educated by our department on a school threat response protocol called “I Love You Guys.”
- In 2018, we again focused strongly on code enforcement, which greatly affects the livability of our community. Thanks to this focus, our department handled 537 code enforcement issues this past year.
- The exterior of the Police Department was refurbished during the past fiscal year.

## CHANGES FROM PREVIOUS YEAR

- Due to rising costs from the Oregon Public Employees Retirement System (PERS), the department will need to reduce our number of full-time sworn officer positions from 13 to 12.
- The Department will continue our vehicle replacement plan by purchasing a new patrol vehicle.
- The Department will continue our equipment replacement program for items such as body cams, Tasers, computers, ballistic vests, and firearms.
- A major upgrade to the aging regional radio system is planned.

## POLICE FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual  | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19- 20<br>Requested | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|---------------------|--------------------|
| Personnel Services        | 1,551,200        | 1,650,970        | 1,780,100         | 1,543,900            | 1,836,600           | 1,708,700           | 1,708,700           | 1,708,700          |
| Materials and Services    | 399,176          | 448,963          | 461,600           | 419,838              | 477,000             | 442,000             | 442,000             | 442,000            |
| Capital Outlay            | 60,379           | 122,622          | 56,000            | 69,000               | 81,000              | 56,000              | 56,000              | 56,000             |
| Transfers                 | 39,000           | 39,000           | 41,400            | 41,400               | 45,500              | 135,900             | 135,900             | 135,900            |
| <b>Total Requirements</b> | <b>2,049,755</b> | <b>2,261,555</b> | <b>2,339,100</b>  | <b>2,074,138</b>     | <b>2,440,100</b>    | <b>2,342,600</b>    | <b>2,342,600</b>    | <b>2,342,600</b>   |



## PERFORMANCE MEASURES

| Patrol Measure     | 2016  | 2017   | 2018   |
|--------------------|-------|--------|--------|
| Police Activity    | 9,449 | 10,597 | 8,194  |
| Offenses           | 4,094 | 5,008  | 2,238* |
| Citations/Warnings | 3,527 | 3,738  | 2,035  |
| Arrests            | 809   | 897    | 643    |
| Code Enforcement   | 291   | 670    | 537    |
| Peer Court Cases   | 22    | 55     | 84     |

\*Change in calculation methodology results in decreased investigated incidents.

## STAFFING

| Position         | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Budget | 2019-20<br>Proposed | 2019-20<br>Approved | 2019-20<br>Adopted |
|------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------|
| Chief of Police  | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                 | 1.0                |
| Lieutenants      | 1.0               | 1.0               | 1.0               | 1.0                 | 1.0                 | 1.0                |
| Sergeants        | 2.0               | 2.0               | 2.0               | 2.0                 | 2.0                 | 2.0                |
| Police Officers  | 9.0               | 9.0               | 9.0               | 8.0                 | 8.0                 | 8.0                |
| Records Clerk    | 1.5               | 1.5               | 1.5               | 1.5                 | 1.5                 | 1.5                |
| Code Enforcement | 0.3               | 1.0               | 1.0               | 0.9                 | 0.9                 | 0.9                |
| FTE's - Police   | 14.8              | 15.5              | 15.5              | 14.4                | 14.4                | 14.4               |

## CAPITAL OUTLAY

|                |                 |
|----------------|-----------------|
| Patrol Vehicle | 56,000          |
| <b>Total</b>   | <b>\$56,000</b> |



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# PLANNING

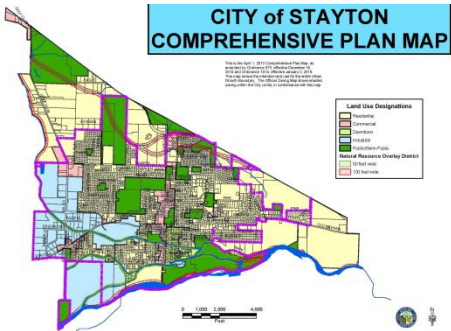
## SUMMARY

The Planning Department is a state-mandated function responsible for administering state land use laws and ordinances specific to the City of Stayton. The Department supports and advises the City Council and Planning Commission regarding all planning and land use matters, 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 this past year have included updating the City’s Transportation System Plan, housing rehabilitation, and creation of economic development strategies. The Planning Department assumes responsibilities for management of the City’s Geographic Information System.

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



Long range planning programs currently in progress include fostering long-term sustainable economic development, updating the Transportation System Plan, and continued improvement of the Land Use and Development Code. The department is working with Revitalize Downtown Stayton to promote the vitality of the downtown area and is overseeing a state grant to plan for public infrastructure to promote the development of the Wilco Road industrial area. The Department is also involved in the North Santiam River Country Regional tourism promotion efforts.

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

In 2018, the Department initiated a Neighborhood Improvement Grant program. Two applications were funded which resulted in improvements to the playground in Westown Park and along the pedestrian trail in the Sylvan Springs subdivision.

In the coming year, the Department will assist the newly created Housing and Neighborhood Vitality Advisory Commission. Funds have been requested to implement the Economic Development Strategies that will be completed by the end of this fiscal year.

**Planning Commission Members & Terms**

|                   |         |
|-------------------|---------|
| Jackie Carmichael | 12/2020 |
| Dixie Ellard      | 12/2019 |
| Heidi Hazel       | 12/2020 |
| Richard Lewis     | 12/2019 |
| Ralph Lewis       | 12/2020 |

**HIGHLIGHTS**

- New grant program provided assistance to neighborhood groups for neighborhood improvements.
- Expanded Housing Rehabilitation Loan Program provides grants to owners of manufactured housing units.

**CHANGES FROM PREVIOUS YEAR**

- Proposed budget includes funding of \$65,000 for implementation of economic development strategies and plan.

**PLANNING FUND BUDGET**

| <b>Description</b>        | <b>16 -17<br/>Actual</b> | <b>17-18<br/>Actual</b> | <b>18 - 19<br/>Budget</b> | <b>18 - 19<br/>Estimated</b> | <b>19 - 20<br/>Proposed</b> | <b>19 - 20<br/>Approved</b> | <b>19 - 20<br/>Adopted</b> |
|---------------------------|--------------------------|-------------------------|---------------------------|------------------------------|-----------------------------|-----------------------------|----------------------------|
| Personnel Services        | 125,594                  | 127,716                 | 133,500                   | 130,520                      | 138,800                     | 138,800                     | 138,800                    |
| Materials and Services    | 11,442                   | 36,810                  | 124,500                   | 118,000                      | 76,000                      | 76,000                      | 76,000                     |
| Transfers                 | 20,300                   | 19,400                  | 19,500                    | 19,500                       | 19,600                      | 19,600                      | 19,600                     |
| <b>Total Requirements</b> | <b>157,336</b>           | <b>183,926</b>          | <b>277,500</b>            | <b>268,020</b>               | <b>234,400</b>              | <b>234,400</b>              | <b>234,400</b>             |

## PERFORMANCE MEASURES

| <b>Effectiveness Measures</b>  | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Budget</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Budget</b> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| % of land use applications processed within 120 days of the application being deemed complete                                      | 100%                      | 100%                      | 100%                      | 100%                      |
| % of land use applications processed within 90 days (including final appeal, if any) of the applications being determined complete | n/a                       | 75%                       | 75%                       | 75%                       |

## STAFFING

| <b>Position</b>                   | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Actual</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Proposed</b> |
|-----------------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Planning and Development Director | 1.0                       | 1.0                       | 1.0                       | 1.0                         |
| Total FTE's - Planning            | 1.0                       | 1.0                       | 1.0                       | 1.0                         |

## CAPITAL OUTLAY

There is no capital outlay in the Planning Department budget.



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# 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:**

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

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

## HIGHLIGHTS

- During the past year, the Community Center was rented 1,171 hours 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.

## COMMUNITY CENTER FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Materials and Services    | 49,615           | 60,664          | 58,300            | 52,800               | 59,300              | 59,300              | 59,300             |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| <b>Total Requirements</b> | <b>49,615</b>    | <b>60,664</b>   | <b>58,300</b>     | <b>52,800</b>        | <b>59,300</b>       | <b>59,300</b>       | <b>59,300</b>      |

## 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
- 41 Trials held
- 753 cases processed
- The Court will process an estimated \$140,000 in fine revenue for the City in fiscal year 2018-19.

## CHANGES FROM PREVIOUS YEARS

- The Court is still evaluating processing DUIs.

## PERFORMANCE MEASURES

| Activity Measures    | 2016-17 | 2017-18 | 2018-19 | Projected 2019-20 |
|----------------------|---------|---------|---------|-------------------|
| Ordinance Violations | 61      | 74      | 58      | 64                |
| Traffic Violations   | 1,104   | 902     | 969     | 992               |
| Warnings             | 418     | 232     | 141     | 263               |
| Court Dates          | 40      | 40      | 40      | 40                |
| Trials               | 72      | 39      | 41      | 50                |

## MUNICIPAL COURT FUND BUDGET

| Description               | 16 -17        | 17-18         | 18 - 19       | 18 - 19       | 19 - 20       | 19 - 20       | 19 - 20       |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                           | Actual        | Actual        | Budget        | Estimated     | Proposed      | Approved      | Adopted       |
| Personnel Services        | 28,910        | 30,484        | 32,800        | 32,400        | 35,500        | 35,500        | 35,500        |
| Materials and Services    | 69,425        | 68,538        | 41,000        | 42,200        | 39,900        | 39,900        | 39,900        |
| Capital Outlay            | -             | -             | -             | -             | -             | -             | -             |
| <b>Total Requirements</b> | <b>98,335</b> | <b>99,022</b> | <b>73,800</b> | <b>74,600</b> | <b>75,400</b> | <b>75,400</b> | <b>75,400</b> |

## STAFFING

| Position                             | 2016-17    | 2017-18    | 2018-19    | 2019-20    |
|--------------------------------------|------------|------------|------------|------------|
|                                      | Actual     | Actual     | Budget     | Proposed   |
| Court Clerk                          | 0.5        | 0.5        | 0.5        | 0.5        |
| Municipal Judge - contract           | 0.1        | 0.1        | 0.1        | 0.1        |
| <b>Total FTE's - Municipal Court</b> | <b>0.6</b> | <b>0.6</b> | <b>0.6</b> | <b>0.6</b> |

## CAPITAL OUTLAY

No capital outlay is budgeted in Municipal Court.

# ADMINISTRATION

## SUMMARY

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



## MAYOR AND CITY COUNCIL

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

## HIGHLIGHTS

- Increased funding to expand and modify grants to a community / neighborhood grant program.
- Continued funding for training and relationship development for Mayor and Councilors.
- Added a monthly stipend of \$100 for councilmembers and \$125 for the Mayor to cover the accumulation of de minimis expenses and other real costs.

## CHANGES FROM PREVIOUS YEAR

- Stipends for Council members in the amount of \$1,000 per year and \$1,500 per year for the Mayor are proposed.
- The neighborhood grant program has moved from Planning to the Mayor-City Council budget.

## MAYOR AND CITY COUNCIL BUDGET

| Description                    | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|--------------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Memberships                    | 6,665            | 5,800           | 6,000             | 6,000                | 6,000               | 6,000               | 6,000              |
| Conferences - Council Expenses | 5,495            | 2,835           | 6,000             | 11,000               | 9,000               | 9,000               | 9,000              |
| Councilor/Mayor stipends       |                  |                 |                   |                      | 7,500               | 7,500               | 7,500              |
| Neighborhood Improvement Prc   | 4,550            | 4,955           | 5,000             | 15,000               | 24,000              | 24,000              | 24,000             |
| Election Expense               | -                | -               | -                 | -                    | -                   | -                   | -                  |
| <b>Materials and Services</b>  | <b>16,710</b>    | <b>13,590</b>   | <b>17,000</b>     | <b>32,000</b>        | <b>46,500</b>       | <b>46,500</b>       | <b>46,500</b>      |
| <b>Total Requirements</b>      | <b>16,710</b>    | <b>13,590</b>   | <b>17,000</b>     | <b>32,000</b>        | <b>46,500</b>       | <b>46,500</b>       | <b>46,500</b>      |

## 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 / HUMAN RESOURCES

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.

The Deputy City Recorder also serves as the City Elections Officer and Human Resources Manager.

## FINANCE

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

## HIGHLIGHTS

- The Government Finance Officers Association (GFOA) is reviewing the City's fiscal year 2018-19 budget document. The City expects to receive its third annual distinguished budget award notification prior to June 30, 2019.
- Updated five year forecasts for general, special revenue, and utility funds are included in the budget.
- Initial five-year forecasts for the remaining funds will be completed with the final document submitted to the GFOA.

## CHANGES FROM PREVIOUS YEAR

- Funding of \$6,000 for an Employee Health and Wellness Program.
- Funding of \$35,000 for Executive Recruitment.
- Funding of \$12,000 for a Police Needs Assessment.
- Funding of \$10,000 for a Community Branding Study

## ADMINISTRATION FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual  | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Personnel Services        | 477,982          | 480,212          | 627,900           | 492,600              | 669,300             | 669,300             | 669,300            |
| Materials and Services    | 481,698          | 556,300          | 413,900           | 487,500              | 443,900             | 443,900             | 443,900            |
| Capital Outlay            | 26,735           | 11,000           | 50,000            | 25,000               | 20,000              | 20,000              | 20,000             |
| Transfers                 | 18,700           | 19,300           | 19,900            | 19,900               | 24,900              | 24,900              | 24,900             |
| <b>Total Requirements</b> | <b>1,005,115</b> | <b>1,066,812</b> | <b>1,111,700</b>  | <b>1,025,000</b>     | <b>1,158,100</b>    | <b>1,158,100</b>    | <b>1,158,100</b>   |

## PERFORMANCE MEASURES

### City Manager and City Recorder

| Activity Measures                  | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Budget | 2019-20<br>Budget |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| City Council meetings              | 23                | 19                | 21                | 23                |
| City Council executive sessions    | 9                 | 4                 | 4                 | 7                 |
| City Council special sessions      | 1                 | 3                 | 0                 | 2                 |
| Resolutions adopted                | 13                | 17                | 10                | 13                |
| Ordinances adopted                 | 12                | 11                | 10                | 11                |
| City Council video views (YouTube) | 670               | 933               | 740               | 781               |
| Facebook page likes                | 2,543             | 2,984             | 3,528             | 4,000             |
| Social media posts (Facebook)      | 96                | 102               | 124               | 108               |
| StaytonOregon.gov Unique Visits    | -                 | -                 | 3,551*            | 14,200            |
| Public record requests             | n/a               | 249               | 310               | 300               |
| Number of new hires/orientations   | 4                 | 31                | 22                | 19                |

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

### Finance

| Performance Measures  | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Budget | 2019-20<br>Projected |
|---|-------------------|-------------------|-------------------|----------------------|
| Timely filing of Annual Financial Report                            | No                | Yes               | Yes               | Projected            |
| Clean opinion from independent auditor                              | Yes               | Yes               | Projected         | Projected            |
| Timely completion of the budget                                     | Yes               | Yes               | Yes               | Projected            |
| Timely and accurate processing of vendor payments                   | n/a               | 100%              | 100%              | 100%                 |
| Timely and accurate processing of employee payments and tax filings | n/a               | 100%              | 100%              | 100%                 |
| Timely and accurate processing of accounts receivable               | n/a               | 100%              | 100%              | 100%                 |
| <b>Activity Measures</b>  |                   |                   |                   |                      |
| Number of vendor checks issued                                      | 2,031             | 1,905             | 2,083             | 2,010                |
| Number of employee checks issued                                    | 625               | 868               | 667               | 720                  |
| Number of accounts billed   | 3,058             | 3,102             | 3,052             | 3,071                |

## STAFFING

| <b>Position</b>                     | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Budget</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Proposed</b> |
|-------------------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| 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                       | -                           |
| Accountant**                        | 1.0                       | 1.0                       | -                         | 1.0                         |
| Accounting Clerk*                   | 1.0                       | 1.0                       | 2.0                       | 2.0                         |
| Receptionist Cashier**              | 1.0                       | 1.0                       | -                         | -                           |
| <b>Total FTE's - Administration</b> | <b>6.0</b>                | <b>6.0</b>                | <b>6.0</b>                | <b>6.0</b>                  |

\* Position name changed from Utility Billing Clerk to Accounting Clerk

\*\* Position name changed from Associate Accountant to Accountant



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# NON-DEPARTMENTAL (OPERATIONS)

## SUMMARY

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

## CHANGES FROM PREVIOUS YEAR

- Emergency Management funding is provided.
- The fiscal year 2018-19 year-end estimate includes a transfer of \$150,000 to a Pension Stabilization Fund to invest toward the City’s unfunded actuarial liability (UAL) in fiscal year 2019-20.

## HIGHLIGHTS

- \$20,000 in funding for emergency management.
- \$200,000 in CDBG funds are budgeted to complete the \$400,000 program approved in fiscal year 2018-19.
- A transfer of \$50,000 to the Stayton Family Memorial Pool provides stable funding, consistent with the previous year.
- The transfer to the Library Fund includes a 3.7% increase, consistent with the estimated increase in the property tax levy, and provides sustainable library operations.
- The transfer to the Parks Fund is increased 10% to support expanding park operations and maintenance.

## NON-DEPARTMENTAL BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Personnel Services        | -                | -               | 70,000            | 70,000               | -                   | -                   | -                  |
| Materials and Services    | -                | -               | 400,000           | 200,000              | 220,000             | 220,000             | 220,000            |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | 396,156          | 541,400         | 520,800           | 638,959              | 500,900             | 500,900             | 500,900            |
| <b>Total Requirements</b> | <b>396,156</b>   | <b>541,400</b>  | <b>990,800</b>    | <b>908,959</b>       | <b>720,900</b>      | <b>720,900</b>      | <b>720,900</b>     |



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# STREET LIGHTS

## SUMMARY

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



## HIGHLIGHTS

- None for the 2019-20 fiscal year.

## CHANGES FROM PREVIOUS YEARS

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

## STREET LIGHTS FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Materials and Services    | 110,156          | 112,822         | 116,500           | 112,500              | 115,900             | 115,900             | 115,900            |
| <b>Total Requirements</b> | <b>110,156</b>   | <b>112,822</b>  | <b>116,500</b>    | <b>112,500</b>       | <b>115,900</b>      | <b>115,900</b>      | <b>115,900</b>     |

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.



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# OTHER REQUIREMENTS

## SUMMARY

Contingency and unappropriated fund balances are included in other requirements.

The contingency amount budgeted is ten percent (10.0%) of general fund expenditures. The balance is unappropriated for carryover to fiscal year 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. The total amount exceeds, and therefore, meets the City's financial policies for minimum fund balance of \$956,100.

## CHANGES FROM PREVIOUS YEARS

- No changes from previous year.

## OTHER REQUIREMENTS BUDGET

| Description                 | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget  | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|-----------------------------|------------------|-----------------|--------------------|----------------------|---------------------|---------------------|--------------------|
| Contingency                 | -                | -               | 498,500            | -                    | 475,300             | 475,300             | 475,300            |
| Unappropriated Fund Balance | -                | -               | 602,123            | -                    | 599,360             | 599,360             | 599,360            |
| Total Other Requirements    | -                | -               | 1,100,623          | -                    | 1,074,660           | 1,074,660           | 1,074,660          |
| <b>Total Requirements</b>   | <b>396,156</b>   | <b>541,400</b>  | <b>(8,337,005)</b> | <b>838,959</b>       | <b>1,795,560</b>    | <b>1,795,560</b>    | <b>1,795,560</b>   |



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# 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 70,000 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, and the Stayton Family Memorial Pool.
- Programs for people of all ages including storytime, children's music and dance, DIY crafts and an Oregon Author series.
- Outreach Storytime to kindergarten classrooms. Providing early literacy education to children outside the Library.
- Access to electronic resources including Creativebug, Kanopy, Ancestry.com, Consumer Reports Online, Chilton's Auto Repair Guide online, and Learning Express which provides practice tests for GET, SAT, ASSET, etc.
- 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 YEARS

- Enhanced access to electronic resources through our participation in CCRLS with the addition of downloadable magazines, online arts and crafts classes (Creativebug), streaming video (Kanopy), and Consumer Reports Online.
- Continued development of Library programming. In the past year we have added a weekly Baby Time, and held a successful local author fair. The Library also partnered with Marion County Master Recyclers to offer an Arts and Crafts Supply Swap.



## LIBRARY FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 155,555          | 206,773         | 212,473           | 182,299              | 211,849             | 211,849             | 211,849            |
| Property Taxes            | 164,325          | 168,428         | 170,700           | 172,800              | 183,500             | 183,500             | 183,500            |
| Charges for Services      | 3,512            | 3,756           | 3,300             | 3,300                | 3,100               | 3,100               | 3,100              |
| Intergovernmental         | 82,367           | 84,867          | 87,800            | 87,063               | 97,800              | 97,800              | 97,800             |
| Miscellaneous             | 30,788           | 23,003          | 18,600            | 41,800               | 42,100              | 42,100              | 42,100             |
| Transfers                 | 180,000          | 185,400         | 190,800           | 190,800              | 197,900             | 197,900             | 197,900            |
| <b>Total Resources</b>    | <b>616,547</b>   | <b>672,227</b>  | <b>683,673</b>    | <b>678,062</b>       | <b>736,249</b>      | <b>736,249</b>      | <b>736,249</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Personnel Services        | 259,698          | 292,063         | 343,700           | 304,800              | 384,100             | 384,100             | 384,100            |
| Materials and Services    | 122,376          | 126,435         | 130,400           | 136,413              | 146,800             | 146,800             | 146,800            |
| Capital Outlay            | -                | 44,930          | 47,000            | -                    | 100                 | 100                 | 100                |
| Transfers                 | 27,700           | 26,500          | 25,000            | 25,000               | 29,200              | 29,200              | 29,200             |
| Other requirements        | -                | -               | 137,573           | -                    | 176,049             | 176,049             | 176,049            |
| <b>Total Requirements</b> | <b>409,774</b>   | <b>489,928</b>  | <b>683,673</b>    | <b>466,213</b>       | <b>736,249</b>      | <b>736,249</b>      | <b>736,249</b>     |

## PERFORMANCE MEASURES

Why are these performance measures important?

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



| <b>Activity Measures</b>                         | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19<br/>Projected</b> | <b>2019-2020<br/>Projected</b> |
|--|----------------|----------------|------------------------------|--------------------------------|
| Circulation of library materials                 | 126,529        | 142,290        | 146,558                      | 150,955                        |
| Circulation of downloadable materials            | 9,917          | 11,292         | 12,421                       | 13,663                         |
| Library visits                                   | 79,782         | 83,881         | 86,397                       | 88,989                         |
| % change in circulation – library materials      | -0.1%          | 12.5%          | 3.0%                         | 3.0%                           |
| % change in circulation – downloadable materials | 11.4%          | 13.9%          | 10.0%                        | 10.0%                          |
| % change in library visits                       | -0.5%          | 5.1%           | 3.0%                         | 3.0%                           |

## STAFFING

| <b>Position</b>              | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Budget</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Budget</b> |
|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Library Director             | 1.0                       | 1.0                       | 1.0                       | 1.0                       |
| Library Youth Services       | 0.8                       | 0.8                       | 0.7                       | 0.8                       |
| Outreach Youth Services      | 0.6                       | 0.6                       | 0.5                       | 0.6                       |
| Library Assistant II         | 0.6                       | 0.6                       | 1.0                       | 1.0                       |
| Library Assistant I          | 2.3                       | 2.3                       | 1.2                       | 1.2                       |
| Library Page                 | -                         | -                         | 0.7                       | 0.3                       |
| Library Aide                 | 2.1                       | 2.1                       | 1.3                       | 2.1                       |
| <b>Total FTE's - Library</b> | <b>7.4</b>                | <b>7.4</b>                | <b>6.4</b>                | <b>7.0</b>                |

## CAPITAL OUTLAY

No capital outlay is planned for the Library. An appropriation of \$100 is provided so that should capital outlay be needed during the fiscal year, a resolution will be all that is required rather than a supplemental budget.



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# PARKS FUND

## SUMMARY

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



### ***Pioneer Park***

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

The Jordan Bridge is a beautiful location for events such as weddings, receptions, and family reunions. 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       | 12/2020 |
| Vacant            | 12/2019 |
| Wayne Houghtaling | 12/2020 |
| Richard Lewis     | 12/2020 |
| Patrick Mulligan  | 12/2019 |
| Pam Pugsley       | 12/2019 |
| AJ Westlund       | 12/2019 |

### HIGHLIGHTS

- Funding for a professional Grant Writer to assist with Mill Creek Park Grant applications.
- The City will transfer \$100,000 to the Facilities fund for repairs to the Jordan Bridge. The repairs scheduled for 2018-19 were not performed.

### CHANGES FROM PREVIOUS YEAR

- Repairs to the Jordan Bridge have been budgeted the previous two years. When a request for bids was issued, the City did not receive any bids. Funds previously transferred to the Parks Fund from the Facilities Fund are returned to the Facilities Fund pending further evaluation of the project.
- The budget includes \$12,000 for a professional grant writer to assist in obtaining funds for the Mill Creek Park development.
- The budget includes \$13,000 for wetland mitigation for Mill Creek Park.

### ACTIVITY MEASURES

| Activity Measures  | 2016-17 | 2017-18 | 2018-19 | Projected<br>2019-20 |
|--|---------|---------|---------|----------------------|
| Total area of neighborhood, community and open space parks (acres) | 175     | 203     | 203     | 203                  |
| Number of restrooms maintained daily                               | 3       | 3       | 3       | 3                    |
| Playground equipment repairs                                       | 52      | 11      | 26      | 29                   |
| Dog waste bags supplied  | 12,000  | 12,000  | 12,500  | 12,500               |
| Irrigation repairs   | 35      | 50      | 50      | 45                   |
| Parks mowed and edged per week                                     | 7       | 7       | 7       | 7                    |
| Debris cleaned from parks (tons)                                   | -       | 15      | 24      | 20                   |

## PARKS FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | -                | (32,689)        | 44,111            | 63,593               | 96,893              | 96,893              | 96,893             |
| Property Taxes            | 10,194           | 10,317          | 10,000            | 10,200               | 10,000              | 10,000              | 10,000             |
| Intergovernmental         | 60,355           | -               | -                 | -                    | -                   | -                   | -                  |
| Miscellaneous             | 3                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | 225,000          | 331,000         | 355,000           | 260,000              | 253,000             | 253,000             | 253,000            |
| <b>Total Resources</b>    | <b>295,552</b>   | <b>308,628</b>  | <b>409,111</b>    | <b>333,793</b>       | <b>359,893</b>      | <b>359,893</b>      | <b>359,893</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Personnel Services        | 75,839           | 77,326          | 96,700            | 84,600               | 103,500             | 103,500             | 103,500            |
| Materials and Services    | 78,913           | 73,226          | 84,200            | 73,400               | 75,650              | 75,650              | 75,650             |
| Capital Outlay            | 111,015          | 65,683          | 162,000           | 48,000               | 10,000              | 10,000              | 10,000             |
| Transfers                 | 62,474           | 28,800          | 30,900            | 30,900               | 130,700             | 130,700             | 130,700            |
| Other requirements        | -                | -               | 35,311            | -                    | 40,043              | 40,043              | 40,043             |
| <b>Total Requirements</b> | <b>328,241</b>   | <b>245,035</b>  | <b>409,111</b>    | <b>236,900</b>       | <b>359,893</b>      | <b>359,893</b>      | <b>359,893</b>     |

## STAFFING

| Position                          | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Budget | 2019-20<br>Budget |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| 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               | 0.7               |
| <b>Total FTE's - Parks</b>        | <b>1.7</b>        | <b>1.7</b>        | <b>1.7</b>        | <b>2.0</b>        |

## CAPITAL OUTLAY

|              |                 |
|--------------|-----------------|
| Equipment    | 10,000          |
| <b>Total</b> | <b>\$10,000</b> |



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# PARKS SDC FUND

## SUMMARY

The Park System Development Fund receives revenues from parks System Development Charges (SDC) assessed against residential development only, as outlined in Chapter 13.2 of the Stayton Municipal Code. Residential developers pay a flat fee SDC in an amount based on the adopted Parks System Master Plan.

## HIGHLIGHTS

- Approximately \$62,000 in Parks SDCs in fiscal year 2018-19 are projected.
- Approximately \$83,500 in Parks SDCs are projected during fiscal year 2019-20.

## CHANGES FROM PREVIOUS YEAR

- There are no transfers budgeted in fiscal year 2019-20.

## PARKS SDC FUND BUDGET

| Description                | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|----------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance     | 72,633           | 75,626          | 139,026           | 154,836              | 59,336              | 59,336              | 59,336             |
| Licenses, Permits and Fees | 26,775           | 101,838         | 95,400            | 62,000               | 83,500              | 83,500              | 83,500             |
| Miscellaneous              | 1,218            | 2,372           | 1,400             | 2,500                | 600                 | 600                 | 600                |
| <b>Total Resources</b>     | <b>100,626</b>   | <b>179,836</b>  | <b>235,826</b>    | <b>219,336</b>       | <b>143,436</b>      | <b>143,436</b>      | <b>143,436</b>     |
| Requirements               |                  |                 |                   |                      |                     |                     |                    |
| Materials and Services     | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Capital Outlay             | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                  | 25,000           | 25,000          | 155,000           | 160,000              | -                   | -                   | -                  |
| Contingency                | -                | -               | 80,826            | -                    | 143,436             | 143,436             | 143,436            |
| <b>Total Requirements</b>  | <b>25,000</b>    | <b>25,000</b>   | <b>235,826</b>    | <b>160,000</b>       | <b>143,436</b>      | <b>143,436</b>      | <b>143,436</b>     |



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# 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. Since July 2017, the City has managed the day to day operations of the pool facility.

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

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

## HIGHLIGHTS

- Memberships have risen to 519 in 2019, which includes residents, non-residents, Silver & Fit, Silver Sneakers, and AAPR – Medicare members
- Over 3,801 swim lessons taught since July 2018
- Weekly lap swims average 124 swimmers per week
- Water Movement classes average 123 swimmers per week
- Water Aerobic Classes average 510 participants per week
- The pool is rented an average of 6 times per month
- Attendance at open swim averages 159 people per month

## CHANGES FROM PREVIOUS YEAR

- Fees and charges are increased by ten percent (10%).
- Oregon minimum wage increase.
- The updated cost allocation includes increased recognition of administrative time spent on pool activities.

## POOL FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 62,897           | 62,156          | 148,760           | 153,822              | 184,222             | 184,222             | 184,222            |
| Property Taxes            | 166,976          | 171,228         | 170,900           | 171,200              | 182,700             | 182,700             | 182,700            |
| Charges For Services      | -                | 161,796         | 150,700           | 165,000              | 181,500             | 181,500             | 181,500            |
| Miscellaneous             | 709              | 2,092           | 3,000             | 5,600                | 3,700               | 3,700               | 3,700              |
| <b>Total Resources</b>    | <b>245,582</b>   | <b>467,272</b>  | <b>523,360</b>    | <b>545,622</b>       | <b>602,122</b>      | <b>602,122</b>      | <b>602,122</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Personnel Services        | -                | 191,635         | 264,200           | 228,100              | 303,200             | 303,200             | 303,200            |
| Materials and Services    | 175,926          | 114,315         | 119,700           | 123,600              | 128,100             | 128,100             | 128,100            |
| Capital Outlay            | -                | -               | 10,000            | -                    | 10,000              | 10,000              | 10,000             |
| Transfers                 | 7,500            | 7,500           | 9,700             | 9,700                | 14,300              | 14,300              | 14,300             |
| Contingency               | -                | -               | 119,760           | -                    | 146,522             | 146,522             | 146,522            |
| <b>Total Requirements</b> | <b>183,426</b>   | <b>313,450</b>  | <b>523,360</b>    | <b>361,400</b>       | <b>602,122</b>      | <b>602,122</b>      | <b>602,122</b>     |

## PERFORMANCE MEASURES

| Activity Measures                          | 2016-17 | 2017-18 | 2018-19 | Projected<br>2019-20 |
|--|---------|---------|---------|----------------------|
| Total patrons                              | n/a     | 53,334  | 54,934  | 55,000               |
| <b>Memberships</b>                         |         |         |         |                      |
| City resident                              | n/a     | 86      | 89      | 146                  |
| Non-resident                               | n/a     | 121     | 125     | 145                  |
| Silver Fit program                         | n/a     | 70      | 72      | 124                  |
| AARP                                       | n/a     | n/a     | n/a     | 14                   |
| Silver Sneakers program                    | n/a     | n/a     | n/a     | 2                    |
| <b>Lessons</b>                             |         |         |         |                      |
| Ages 6 months to 18 years                  | n/a     | 512     | 527     | 853                  |
| Special classes                            | n/a     | 25,033  | 25,784  | 25,800               |
| Kiwanis 3 <sup>rd</sup> grade swim lessons | n/a     | 3,067   | 3,159   | 3,163                |
| Open swim                                  | n/a     | 6,542   | 6,738   | 7,513                |
| Hours of operation                         | 2,529   | 2,529   | 2,529   | 2,529                |

## STAFFING

| <b>Position</b>           | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Actual</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Budget</b> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Aquatics Facility Manager | 0.0                       | 1.0                       | 1.0                       | 1.0                       |
| Pool Staff Supervisor     | 0.0                       | 1.0                       | 1.0                       | 1.0                       |
| Lifeguards                | 0.0                       | 3.6                       | 3.6                       | 3.6                       |
| Instructors               | 0.0                       | 2.5                       | 2.5                       | 2.5                       |
| <b>Total FTE's - Pool</b> | <b>0.0</b>                | <b>8.1</b>                | <b>8.1</b>                | <b>8.1</b>                |

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

## CAPITAL OUTLAY

|                |                 |
|----------------|-----------------|
| Pool Equipment | <u>10,000</u>   |
| <b>Total</b>   | <b>\$10,000</b> |



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# STREET FUND

## SUMMARY

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

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

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

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

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

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

Each year the City receives a portion of state gasoline taxes (\$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 2018-19 fiscal year Street Improvement Project consists of milling Regis Street from First Avenue to Gardner Avenue. The awarded contract was in the amount of \$512,235.61.

For the 2019-20 fiscal year, the City is planning on milling and overlaying Rogue, Deschutes, and Willamette Avenues.

The City joined the Marion County annual Slurry Seal Project contract for 2019-20. This will save the City up to 50% of the normal cost for slurry seals due to the economies of scale. The streets of the Sylvan Springs subdivision will have slurry seals applied during the summer of 2019. The City will be performing crack sealing in the subdivision area 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 Rogue, Deschutes, and Willamette Avenues in the 2019-20 fiscal year.

## CHANGES FROM PREVIOUS YEAR

- The City will partner with a developer to construct Shaff Road to an arterial standard.
- The transfer from the Transportation SDC Fund for Shaff Road will not be made in fiscal year 2019 or 2020.
- The streets of the Sylvan Springs subdivision will have a slurry seal applied to the road surface.
- Transfers to the General Fund and Public Works Administration Fund are increased after an update to cost allocation methodology for additional time for street capital projects.
- There is no supplemental investment in the City Retirement Plan in fiscal year 2019-20.
- Increase of 1.9% to the City street fee.

## STREET FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual  | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 571,471          | 711,283          | 874,683           | 1,095,384            | 1,025,584           | 1,025,584           | 1,025,584          |
| Taxes                     | -                | 194,344          | 215,000           | 212,300              | 217,000             | 217,000             | 217,000            |
| Charges For Services      | 87,393           | 88,124           | 87,900            | 88,700               | 90,800              | 90,800              | 90,800             |
| Intergovernmental         | 581,591          | 588,563          | 644,900           | 681,200              | 670,100             | 670,100             | 670,100            |
| Miscellaneous             | 8,697            | 18,331           | 17,500            | 32,700               | 20,500              | 20,500              | 20,500             |
| Transfers                 | -                | 275,100          | 314,700           | 95,700               | 35,900              | 35,900              | 35,900             |
| <b>Total Resources</b>    | <b>1,249,152</b> | <b>1,875,745</b> | <b>2,154,683</b>  | <b>2,205,984</b>     | <b>2,059,884</b>    | <b>2,059,884</b>    | <b>2,059,884</b>   |
| Requirements              |                  |                  |                   |                      |                     |                     |                    |
| Personnel Services        | 85,984           | 89,278           | 189,600           | 186,700              | 92,700              | 92,700              | 92,700             |
| Materials and Services    | 97,116           | 173,654          | 248,000           | 186,200              | 275,700             | 275,700             | 275,700            |
| Capital Outlay            | 223,669          | 383,229          | 725,000           | 660,000              | 470,000             | 470,000             | 470,000            |
| Transfers                 | 131,100          | 134,200          | 147,500           | 147,500              | 261,900             | 261,900             | 261,900            |
| Contingency               | -                | -                | 844,583           | -                    | 959,584             | 959,584             | 959,584            |
| <b>Total Requirements</b> | <b>537,869</b>   | <b>780,361</b>   | <b>2,154,683</b>  | <b>1,180,400</b>     | <b>2,059,884</b>    | <b>2,059,884</b>    | <b>2,059,884</b>   |

## PERFORMANCE MEASURES

| Activity Measures   | 2016-17   | 2017-18   | 2018-19   | Projected<br>2019-20 |
|---|-----------|-----------|-----------|----------------------|
| Lane miles of chip seal                                       | -         | -         | -         | -                    |
| Lane miles of road paved (overlays or grind/inlays)           | 0.66      | 0.62      | 1.0       | 0.76                 |
| Lane miles of road slurry seals                               | -         | -         | 1.77      | 2.24                 |
| Street Signs Replaced/Installed                               | -         | -         | 153       | 100                  |
| Miles of streets cleaned/swept                                | 1,743     | 1,304     | 1,853     | 1,633                |
| Miles of streets maintained                                   | 32.6      | 33.1      | 33.1      | 33.1                 |
| Number of curb ramps constructed                              | 10        | 12        | 12        | 11                   |
| Pounds of asphalt cold mix used for temporary pothole repair  | 7,170     | 11,530    | 2,730     | 7,143                |
| Pounds of food collected for food bank from fall yard cleanup | 391       | 175       | 297       | 288                  |
| <b>Effectiveness Measures</b>                                 |           |           |           |                      |
| Overall street system rating (PASER rating)                   | 5.3       | 5.5       | 5.5       | 5.5                  |
| <b>Efficiency Measures</b>                                    |           |           |           |                      |
| Average cost per lane mile of road repaired (overlay)         | \$333,000 | \$302,800 | \$359,293 | \$331,698            |

## STAFFING

| Position              | 2016-17<br>Actual | 2017-18<br>Actual | 2018-19<br>Budget | 2019-20<br>Proposed |
|-----------------------|-------------------|-------------------|-------------------|---------------------|
| 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                                  | 20,000           |
| Rogue, Deschutes, and Willamette Avenue Street Improvements | 450,000          |
| <b>Total</b>  | <b>\$470,000</b> |



# 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 2018-19, an estimated \$130,000 in street SDCs will be collected.
- During fiscal year 2019-20, an estimated \$70,300 is projected to be collected.
- Developer reimbursements for Shaff Road improvements are estimated to be \$25,000.
- The 2019-20 fiscal year budget includes a transfer of \$7,800 to the Street Fund to complete the updated Transportation System Plan.

## CHANGES FROM PREVIOUS YEAR

- SDC's are projected to increase by 3.0%, the percentage change in the Engineering Construction Cost Index.
- The City did not construct the Kindle Road project in fiscal year 2019, which included SDC funding of \$219,000.

## STREET SDC FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 438,476          | 636,969         | 634,369           | 581,045              | 697,045             | 697,045             | 697,045            |
| Charges for Services      | 192,004          | 93,375          | 80,300            | 130,000              | 70,300              | 70,300              | 70,300             |
| Miscellaneous             | 6,489            | 10,385          | 6,300             | 11,000               | 7,000               | 7,000               | 7,000              |
| Transfers                 | -                | -               | -                 | -                    | -                   | -                   | -                  |
| <b>Total Resources</b>    | <b>636,969</b>   | <b>740,729</b>  | <b>720,969</b>    | <b>722,045</b>       | <b>774,345</b>      | <b>774,345</b>      | <b>774,345</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Materials and Services    | -                | 24,684          | 50,000            | 25,000               | -                   | -                   | -                  |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | -                | 135,000         | 219,000           | -                    | 7,800               | 7,800               | 7,800              |
| Contingency               | -                | -               | 451,969           | -                    | 766,545             | 766,545             | 766,545            |
| <b>Total Requirements</b> | <b>-</b>         | <b>159,684</b>  | <b>720,969</b>    | <b>25,000</b>        | <b>774,345</b>      | <b>774,345</b>      | <b>774,345</b>     |



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# WATER FUND

## SUMMARY



The Water Department provides water treatment and delivery of clean drinking water to residential, commercial, and industrial customers. Fresh water is delivered from the North Santiam River via the Stayton Power Canal, into the City's slow sand filtration system. Once the water is treated, it is then delivered to residential, commercial, and industrial customers through 44 miles of water distribution lines.

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

The City is going to move the construction of a 16-inch water line in Shaff Road from 2018-19 and 2019-20, to 2020-21 to 2021-22. Due to Marion County postponing the Shaff Road Paving Project and the unexpected expense for the Slow Sand Filter Resanding Project, the Public Works Department determined it would be prudent to step back and reassess our capital projects, water system maintenance needs, and the current allocations to the Water Fund before moving forward.

Revenues for this fund are received from water utility fees. Staff includes three Utility 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" for the third consecutive year.
- Capital outlay includes \$47,000 for a secondary water source study.

## CHANGES FROM PREVIOUS YEAR

- Delay of Shaff Road waterline project until 2020-21 to 2021-2022.
- Unexpected capital investment for the Slow Sand Filter Resanding Project.
- Transfers to the General Fund and Public Works Administration Fund are reduced after update to cost allocation methodology.
- There is no supplemental investment in the City Retirement Plan in fiscal year 2019-20.

- Water rates increased 4.5%.
- Contingency is increased to the maximum amount possible to provide flexibility to the City Council should capital projects need to be accelerated.

## WATER FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual  | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 783,745          | 856,112          | 1,065,824         | 1,184,822            | 673,122             | 673,122             | 673,122            |
| Charges For Services      | 1,733,328        | 1,765,474        | 1,823,900         | 1,833,200            | 1,925,000           | 1,925,000           | 1,925,000          |
| Miscellaneous             | 23,880           | 18,620           | 22,300            | 30,000               | 13,500              | 13,500              | 13,500             |
| Transfers                 | -                | 139,400          | 310,300           | 95,300               | 28,000              | 28,000              | 28,000             |
| <b>Total Resources</b>    | <b>2,540,953</b> | <b>2,779,606</b> | <b>3,222,324</b>  | <b>3,143,322</b>     | <b>2,639,622</b>    | <b>2,639,622</b>    | <b>2,639,622</b>   |
| Requirements              |                  |                  |                   |                      |                     |                     |                    |
| Personnel Services        | 351,527          | 368,817          | 479,500           | 462,800              | 378,300             | 378,300             | 378,300            |
| Materials and Services    | 432,299          | 444,287          | 538,300           | 506,600              | 558,900             | 558,900             | 558,900            |
| Capital Outlay            | 149,366          | 8,357            | 380,000           | 680,000              | 149,000             | 149,000             | 149,000            |
| Debt Service              | 331,649          | 330,823          | 329,800           | 329,800              | 328,600             | 328,600             | 328,600            |
| Transfers                 | 420,000          | 442,500          | 491,000           | 491,000              | 468,400             | 468,400             | 468,400            |
| Other Requirements        | -                | -                | 1,003,724         | -                    | 756,422             | 756,422             | 756,422            |
| <b>Total Requirements</b> | <b>1,684,841</b> | <b>1,594,784</b> | <b>3,222,324</b>  | <b>2,470,200</b>     | <b>2,639,622</b>    | <b>2,639,622</b>    | <b>2,639,622</b>   |

## PERFORMANCE MEASURES

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

## OUTPUT MEASURES

| Output Measures                            | 2016-17 | 2017-18 | 2018-19 | Projected<br>2019-20 |
|--|---------|---------|---------|----------------------|
| Potable water production (million gallons) | 786.634 | 786.888 | 686.443 | 753.322              |
| Annual consumption (million gallons)       | 703.394 | 698.136 | 628.638 | 676.723              |
| Water meters replaced (each)               | n/a     | 93      | 77      | 85                   |
| New water meters installed                 | n/a     | 28      | 26      | 27                   |
| Fire hydrants repaired                     | n/a     | 3       | 1       | 2                    |
| Water service lines repaired / replaced    | n/a     | 14      | 9       | 11                   |
| Sand filter beds cleaned                   | n/a     | 5       | 7       | 6                    |

## STAFFING

| <b>Position</b>          | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Actual</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Budget</b> |
|--------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Water Plant Operator     | 1.0                       | 1.0                       | 1.0                       | 1.0                       |
| Maintenance Workers      | 2.5                       | 2.5                       | 2.3                       | 2.3                       |
| Field Assistant          | 1.0                       | 1.0                       | 1.0                       | 1.0                       |
| <b>Total FTE's Water</b> | <b>4.5</b>                | <b>4.5</b>                | <b>4.3</b>                | <b>4.3</b>                |

## CAPITAL OUTLAY

|  |                  |
|--|------------------|
| Install air conditioning in control room at Water Treatment Plant    | \$20,000         |
| Install uninterruptable backup power supply at Pine Street Reservoir | 40,000           |
| Construct pad for sand material for cleaning process (phase 1)       | 22,000           |
| Equipment  | 20,000           |
| Secondary Water Source Study   | 47,000           |
|  | <u>\$149,000</u> |



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# WATER SDC FUND

## SUMMARY

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

## HIGHLIGHTS

- An estimated \$100,000 in water SDCs will be collected in fiscal year 2018-2019.
- An estimated \$86,900 in water SDCs are projected in fiscal year 2019-20.
- 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 PREVIOUS YEAR

- The transfer to the Water Fund for the Shaff Road waterline project is deferred until construction.

## WATER SDC FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 239,992          | 284,005         | 362,505           | 378,047              | 485,547             | 485,547             | 485,547            |
| Charges for Services      | 41,099           | 110,258         | 99,200            | 100,000              | 86,900              | 86,900              | 86,900             |
| Miscellaneous             | 2,914            | 5,575           | 3,600             | 7,500                | 4,900               | 4,900               | 4,900              |
| <b>Total Resources</b>    | <b>284,005</b>   | <b>399,838</b>  | <b>465,305</b>    | <b>485,547</b>       | <b>577,347</b>      | <b>577,347</b>      | <b>577,347</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Materials and Services    | -                | 21,791          | 55,000            | -                    | 55,000              | 55,000              | 55,000             |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | -                | -               | 215,000           | -                    | -                   | -                   | -                  |
| Contingency               | -                | -               | 195,305           | -                    | 522,347             | 522,347             | 522,347            |
| <b>Total Requirements</b> | <b>-</b>         | <b>21,791</b>   | <b>465,305</b>    | <b>-</b>             | <b>577,347</b>      | <b>577,347</b>      | <b>577,347</b>     |



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# SEWER FUND

## SUMMARY

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

### ***The Sewage Collection System***

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

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

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

The City's TMDL Implementation Plan identifies requirements and milestones the City must meet to improve water quality. In an effort to reduce the I & I and become proactive with our maintenance responsibilities, the City awarded a contract for Television Inspection (CCTV), Cleaning and Repairs to Michels Corporation in 2017 in for \$282,750 annually. Michels CCTV inspects approximately 6.6 miles of sanitary sewer line annually looking for groundwater intrusions, broken or leaking service line connections and crushed pipe. The City repairs as many of the problem areas as the maintenance budget will allow.

### ***The Wastewater Treatment Plant***

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

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

## HIGHLIGHTS

- 5.9% increase in the Plant Operating Expense to help meet NPDES permit requirements.
- 48% increase in NPDES permit due to added testing and new equipment to run tests.
- 23% reduction in sludge disposal.
- There will be no scheduled plant or system improvements in FY 2019-20.
- Wastewater Master Plan Update to include an I & I abatement study.

## CHANGES FROM THE PREVIOUS YEAR

- The Public Works Department has started a pilot program to give our Class A Biosolids away to the public. Potential cost savings to the City of \$75,000.
- Deferred plant and system improvements until the Master Plan update is complete.
- Sewer rates increased 1.9%.
- Transfers to the General Fund and Public Works Administration Fund are reduced after update of cost allocation methodology.
- There is no supplemental investment in the City Retirement Plan in fiscal year 2019-20.
- The loan from the Vehicle Replacement Fund to the Stormwater Fund is being transferred to the Sewer Fund.
  - Transfer of \$154,600 to Vehicle Replacement Fund.
  - Payments from Stormwater Fund to Sewer Fund of \$23,000 plus interest until paid off.

## SEWER FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual  | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 2,813,141        | 3,144,321        | 3,543,860         | 3,789,185            | 3,508,085           | 3,508,085           | 3,508,085          |
| Charges For Services      | 3,026,899        | 2,953,598        | 3,318,100         | 3,001,600            | 3,084,900           | 3,084,900           | 3,084,900          |
| Miscellaneous             | 41,967           | 55,382           | 77,100            | 89,700               | 77,200              | 77,200              | 77,200             |
| Transfers                 | 96,494           | 207,400          | 669,700           | 141,700              | 216,800             | 216,800             | 216,800            |
| <b>Total Resources</b>    | <b>5,978,501</b> | <b>6,360,701</b> | <b>7,608,760</b>  | <b>7,022,185</b>     | <b>6,886,985</b>    | <b>6,886,985</b>    | <b>6,886,985</b>   |
| Requirements              |                  |                  |                   |                      |                     |                     |                    |
| Personnel Services        | 544,074          | 449,937          | 683,200           | 561,900              | 508,200             | 508,200             | 508,200            |
| Materials and Services    | 947,516          | 885,632          | 1,241,450         | 1,074,500            | 1,183,000           | 1,183,000           | 1,183,000          |
| Capital Outlay            | 127,893          | -                | 1,065,000         | 621,300              | 175,000             | 175,000             | 175,000            |
| Debt Service              | 825,597          | 825,547          | 825,300           | 825,100              | 825,300             | 825,300             | 825,300            |
| Transfers                 | 389,100          | 410,400          | 431,300           | 431,300              | 595,200             | 595,200             | 595,200            |
| Other Requirements        | -                | -                | 3,362,510         | -                    | 3,600,285           | 3,600,285           | 3,600,285          |
| <b>Total Requirements</b> | <b>2,834,180</b> | <b>2,571,516</b> | <b>7,608,760</b>  | <b>3,514,100</b>     | <b>6,886,985</b>    | <b>6,886,985</b>    | <b>6,886,985</b>   |

## PERFORMANCE MEASURES

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

## EFFECTIVENESS MEASURES

| Output Measures                            | 2016-17 | 2017-18 | 2018-19 | Projected<br>2019-20 |
|--|---------|---------|---------|----------------------|
| Wastewater Treated (million gallons)       | n/a     | 590.220 | 686.443 | 638.332              |
| Biosolids Produced (tons)                  | n/a     | 140     | 179     | 160                  |
| Manholes cleaned, sealed, repaired         | 21      | 28      | 17      | 22                   |
| Sanitary Sewer Lines Cleaned (lineal feet) | n/a     | 23,760  | 37,410  | 30,585               |
| Sanitary Sewer Lines CCTV'd (lineal feet)  | n/a     | 23,760  | 36,776  | 30,268               |
| Pipe Repairs (each)                        | n/a     | 30      | 149     | 89.5                 |

## STAFFING

| <b>Position</b>                 | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Actual</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Budget</b> |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Sewer System Supervisor         | 1.0                       | 1.0                       | 1.0                       | 1.0                       |
| Chief Operator                  | 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                       |
| <b>Total FTE's - Wastewater</b> | <b>6.8</b>                | <b>6.8</b>                | <b>5.8</b>                | <b>4.8</b>                |

## CAPITAL OUTLAY

|                               |              |                  |
|-------------------------------|--------------|------------------|
| Wastewater Master Plan Update |              | \$175,000        |
|                               | <b>Total</b> | <b>\$175,000</b> |

# 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

- An estimated \$95,000 in SDC Fees will be collected in fiscal year 2018-19.
- An estimated \$64,700 in SDC revenue is projected in fiscal year 2019-20.

## CHANGES FROM PREVIOUS YEAR

- Developer reimbursements of up to \$195,000 for sanitary sewer construction as part of the Lambert Place subdivision improvements, with up to approximately \$130,000 of the reimbursement to be credited to the developer during the building permit process. As of this writing, a development agreement for the Lambert subdivision has not been finalized and the numbers are subject to change.
- A transfer of \$175,000 from the Sewer SDC fund to the Sewer fund for the Wastewater Master Plan and I and I abatement study is budgeted.
- The 24-inch line was not constructed, therefore the transfer was not made.
- \$65,000 for developer reimbursements for the Lambert subdivision are budgeted.

## SEWER SDC FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 425,025          | 461,539         | 551,739           | 568,336              | 678,336             | 678,336             | 678,336            |
| Charges for Services      | 32,863           | 101,886         | 74,000            | 95,000               | 64,700              | 64,700              | 64,700             |
| Miscellaneous             | 3,651            | 4,911           | 5,500             | 15,000               | 6,800               | 6,800               | 6,800              |
| 39 - Transfers            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| <b>Total Resources</b>    | <b>461,539</b>   | <b>568,336</b>  | <b>631,239</b>    | <b>678,336</b>       | <b>749,836</b>      | <b>749,836</b>      | <b>749,836</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Materials and Services    | -                | -               | 65,000            | -                    | 65,000              | 65,000              | 65,000             |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | -                | -               | 528,000           | -                    | 175,000             | 175,000             | 175,000            |
| Contingency               | -                | -               | 38,239            | -                    | 509,836             | 509,836             | 509,836            |
| <b>Total Requirements</b> | <b>-</b>         | <b>-</b>        | <b>631,239</b>    | <b>-</b>             | <b>749,836</b>      | <b>749,836</b>      | <b>749,836</b>     |



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# STORMWATER FUND

## SUMMARY

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

In FY 2018-19, the City completed design and construction of the Mill Creek Regional Detention Facility. This project was funded by a grant from the State of Oregon for the purpose of improving Stayton's stormwater infrastructure. The detention facility will reduce the amount of stormwater entering the Salem Ditch, located west of Golf Club/Wilco Roads.

## HIGHLIGHTS

- Increase in the System Maintenance and Operations expense of 182% for cleaning the City's detention ponds.
- Increase in capital projects of 157% to install 3 to 4 water quality manholes throughout the City.

## CHANGES FROM PREVIOUS YEAR

- Budget increased for storm water maintenance and operations expense from \$45,000 to \$82,000.
- Stormwater fees are increased by 1.9%.
- Transfers to the General Fund and Public Works Administration Fund are reduced to reallocation of time with completion of the Stormwater Construction Project.
- There is no supplemental investment in the City Retirement Plan in fiscal year 2019-20.

## STORMWATER FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 105,840          | 111,895         | 142,646           | 182,779              | 220,179             | 220,179             | 220,179            |
| Charges for Services      | 273,220          | 295,689         | 278,300           | 302,700              | 311,500             | 311,500             | 311,500            |
| Miscellaneous             | 650              | 2,462           | 2,900             | 3,600                | 4,400               | 4,400               | 4,400              |
| Transfers                 | -                | 10,700          | 7,300             | 7,300                | 2,100               | 2,100               | 2,100              |
| <b>Total Resources</b>    | <b>379,710</b>   | <b>420,746</b>  | <b>431,146</b>    | <b>496,379</b>       | <b>538,179</b>      | <b>538,179</b>      | <b>538,179</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Personnel Services        | 36,295           | 38,881          | 49,100            | 50,100               | 45,600              | 45,600              | 45,600             |
| Materials and Services    | 51,449           | 61,414          | 82,400            | 81,200               | 112,350             | 112,350             | 112,350            |
| Capital Outlay            | 65,571           | 17,702          | 45,000            | 45,000               | 65,000              | 65,000              | 65,000             |
| Debt Service              | 23,800           | 25,070          | 25,000            | 24,900               | 72,300              | 72,300              | 72,300             |
| Transfers                 | 90,700           | 94,900          | 75,000            | 75,000               | 63,100              | 63,100              | 63,100             |
| Other requirements        | -                | -               | 154,646           | -                    | 179,829             | 179,829             | 179,829            |
| <b>Total Requirements</b> | <b>267,815</b>   | <b>237,967</b>  | <b>431,146</b>    | <b>276,200</b>       | <b>538,179</b>      | <b>538,179</b>      | <b>538,179</b>     |

## PERFORMANCE MEASURES

| Output Measures                                      | 2016-17 | 2017-18 | 2018-19 | Projected<br>2019-20 |
|--|---------|---------|---------|----------------------|
| Percentage of regulatory submittals completed timely | 100%    | 100%    | 100%    | 100%                 |
| Lineal feet of storm drains cleaned/inspected        | 5,438   | 14,520  | 6,000   | 8,653                |
| Number of swales/detention facilities maintained     | 4       | 4       | 4       | 4                    |
| Lineal feet of drainage ditches cleaned              | 370     | -       | 200     | 285                  |
| Number of manholes cleaned                           | 15      | 51      | 35      | 34                   |
| Number of catchbasins cleaned                        | 50      | 130     | 50      | 77                   |
| Number of active accounts                            | 2,634   | 2,683   | 2,750   | 2,689                |
| <b>Efficiency Measures</b>                           |         |         |         |                      |
| Customers per FTE                                    | 5,268   | 5,366   | 5,500   | 5,378                |

## STAFFING

| Position                         | 2016-17<br>Actual | 2017-18<br>Budget | 2018-19<br>Budget | 2019-20<br>Budget |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Maintenance Worker               | 0.5               | 0.5               | 0.5               | 0.5               |
| <b>Total FTE's – Storm Water</b> | <b>0.5</b>        | <b>0.5</b>        | <b>0.5</b>        | <b>0.5</b>        |



## CAPITAL OUTLAY

|                            |                 |
|----------------------------|-----------------|
| Pollution Control Manholes | \$55,000        |
| Storm System Improvements  | <u>10,000</u>   |
| <b>Total</b>               | <b>\$65,000</b> |



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# 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

- An estimated \$56,000 from Stormwater SDCs in fiscal year 2018-19 is projected.
- An estimated \$77,200 in Stormwater SDCs is projected in fiscal year 2019-20.

## CHANGES FROM PREVIOUS YEAR

- The regional stormwater detention facility is complete. No transfers are budgeted in fiscal year 2019-20.

## STORMWATER SDC FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 22,484           | 51,023          | 73,323            | 88,351               | 76,892              | 76,892              | 76,892             |
| Charges for Services      | 28,075           | 93,477          | 88,200            | 56,000               | 77,200              | 77,200              | 77,200             |
| Miscellaneous             | 464              | 1,065           | 700               | 700                  | 1,700               | 1,700               | 1,700              |
| <b>Total Resources</b>    | <b>51,023</b>    | <b>145,565</b>  | <b>162,223</b>    | <b>145,051</b>       | <b>155,792</b>      | <b>155,792</b>      | <b>155,792</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Materials and Services    | -                | 7,214           | -                 | -                    | -                   | -                   | -                  |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | -                | 50,000          | 100,000           | 68,159               | -                   | -                   | -                  |
| Contingency               | -                | -               | 62,223            | -                    | 155,792             | 155,792             | 155,792            |
| <b>Total Requirements</b> | <b>-</b>         | <b>57,214</b>   | <b>162,223</b>    | <b>68,159</b>        | <b>155,792</b>      | <b>155,792</b>      | <b>155,792</b>     |



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# PUBLIC WORKS ADMINISTRATION INTERNAL SERVICE FUND

## SUMMARY

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

## HIGHLIGHTS

- During fiscal year 2018-19, Public Works Administration reviewed development applications, right-of-way permits, construction plans, and building permits.
- The Public Works staff designed and prepared construction plans, performed contract administration, and provided inspection services for the following:
  - o Regis Street Improvement Project
  - o Shaff Road sanitary sewer and water line design
  - o Sidewalk Replacement Project
  - o Water Treatment Plant Resanding Project
  - o Scenic View Drive Improvements Plan design
  - o New Community Garden Plan
  - o Washington Street Bike Lane Striping and Signage Plan
  - o Prepared the annual parks mowing contract documents and plans
- Public Works staff works with the City's contracted Engineer to review site plans and final construction plans for private development in the City.
- Coordinated with consultants to prepare the Stayton Transportation Plan update and Mill Creek Park Master Plan.
- Worked with Marion County to join the County slurry seal contract to perform slurry seal street maintenance on the Village Creek and Quail Run subdivision streets. Entered into an agreement to slurry seal the Sylvan Springs subdivision streets in fiscal year 2019-20.
- Provided plan review and construction inspection services for land development projects, building and right-of-way permit projects.
- Developed a marketing campaign plan and advertising brochures for Santiam Green, the biosolids created at the Wastewater Treatment Plant.

## CHANGES FROM PREVIOUS YEAR

- There is no supplemental investment in the City retirement Plan in fiscal year 2019-20.
- An updated aerial map of the City is budgeted, with transfers from all benefitting funds.

## PUBLIC WORKS ADMINISTRATION FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 164,234          | 229,149         | 147,091           | 184,342              | 180,542             | 180,542             | 180,542            |
| Miscellaneous             | 11,604           | 4,570           | 2,900             | 4,700                | 3,600               | 3,600               | 3,600              |
| Transfers                 | 430,093          | 415,400         | 440,700           | 440,700              | 495,800             | 495,800             | 495,800            |
| <b>Total Resources</b>    | <b>605,931</b>   | <b>649,119</b>  | <b>590,691</b>    | <b>629,742</b>       | <b>679,942</b>      | <b>679,942</b>      | <b>679,942</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Personnel Services        | 286,296          | 315,109         | 410,700           | 374,600              | 448,500             | 448,500             | 448,500            |
| Materials and Services    | 90,486           | 74,668          | 74,800            | 74,600               | 90,000              | 90,000              | 90,000             |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | -                | 75,000          | -                 | -                    | -                   | -                   | -                  |
| Other Requirements        | -                | -               | 105,191           | -                    | 141,442             | 141,442             | 141,442            |
| <b>Total Requirements</b> | <b>376,782</b>   | <b>464,777</b>  | <b>590,691</b>    | <b>449,200</b>       | <b>679,942</b>      | <b>679,942</b>      | <b>679,942</b>     |

## PERFORMANCE MEASURES

| Output Measures   | 2016-17 | 2017-18 | 2018-19 | Projected<br>2019-20 |
|---|---------|---------|---------|----------------------|
| Average inspections per week                                  | 1       | 2       | 10      | 8                    |
| Plans Examined for Public Works Requirements                  |         |         |         |                      |
| Structural permits  | 2       | 33      | 21      | 20                   |
| Building permits – new single family dwellings                | 10      | 34      | 13      | 19                   |
| Mechanical permits  | -       | -       | 2       | 2                    |
| Right-of-Way permits reviewed / inspected (annually)          | 54      | 40      | 41      | 45                   |
| Water quality / detention / retention plan reviews (annually) | 10      | 16      | 36      | 21                   |
| Backflow Tests Processed                                      | -       | 394     | 326     | 360                  |
| Facility Rentals (hours rented)                               | -       | 1,564   | 1,296   | 1,430                |

## STAFFING

| <b>Position</b>               | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Actual</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Budget</b> |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 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                       |
| <b>Total FTE's</b>            | <b>3.0</b>                | <b>3.0</b>                | <b>4.0</b>                | <b>4.0</b>                |

## CAPITAL OUTLAY

No capital items budgeted in fiscal year 2019-20.



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# FACILITIES FUND

## SUMMARY

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

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

## HIGHLIGHTS

- A comprehensive needs assessment for City facilities including office space, pool, community center, and the Jordan Bridge is budgeted.
- Approximately \$750,000 is accumulated for future investment in facilities.

## CHANGES FROM PREVIOUS YEAR

- A transfer of \$100,000 from the Parks Fund is included in resources for unspent monies to refurbish the Jordan Bridge.
- 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               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 370,737          | 497,335         | 607,335           | 511,357              | 632,957             | 632,957             | 632,957            |
| Miscellaneous             | 55,401           | 54,529          | 52,500            | 59,100               | 59,800              | 59,800              | 59,800             |
| Transfers                 | 81,100           | 70,900          | 73,900            | 73,900               | 184,000             | 184,000             | 184,000            |
| <b>Total Resources</b>    | <b>507,238</b>   | <b>622,764</b>  | <b>733,735</b>    | <b>644,357</b>       | <b>876,757</b>      | <b>876,757</b>      | <b>876,757</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Personnel Services        | 9,903            | 11,407          | 12,700            | 11,400               | 13,700              | 13,700              | 13,700             |
| Materials and Services    | -                | -               | 25,000            | -                    | 100,000             | 100,000             | 100,000            |
| Capital Outlay            | -                | -               | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | -                | 100,000         | 100,000           | -                    | -                   | -                   | -                  |
| Contingency               | -                | -               | 596,035           | -                    | 763,057             | 763,057             | 763,057            |
| <b>Total Requirements</b> | <b>9,903</b>     | <b>111,407</b>  | <b>733,735</b>    | <b>11,400</b>        | <b>876,757</b>      | <b>876,757</b>      | <b>876,757</b>     |

## STAFFING

| <b>Position</b>                 | <b>2016-17<br/>Actual</b> | <b>2017-18<br/>Actual</b> | <b>2018-19<br/>Budget</b> | <b>2019-20<br/>Budget</b> |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Facilities Maintenance          | 0.25                      | 0.25                      | 0.25                      | 0.25                      |
| <b>Total FTE's – Facilities</b> | <b>0.25</b>               | <b>0.25</b>               | <b>0.25</b>               | <b>0.25</b>               |

# PENSION STABILIZATION FUND

## SUMMARY

The Pension Stabilization Fund was established in fiscal year 2018-19 to provide a framework to stabilize PERS retirement contribution costs for the City’s Police Department. The City has an approximate \$1.97 million unfunded actuarial liability (UAL) as of December 31, 2017. PERS contribution rates increase effective July 1, 2019 by 5.26% for Tier I/II members (from 24.07% to 29.33%) and by 4.41% for Oregon Public Service Retirement Plan (OPSRP) members (from 17.84% to 22.5%). Similar percentage increases are projected July 1, 2021, and future increased each biennium are expected until rates stabilize in 2025.

In order to smooth out cost increases and provide sustainable operations, three actions are included in the budget plan:

1. Transfer \$150,000 from the General Fund in fiscal year 2018-19 from police department budget savings to the Pension Stabilization Fund. Transfer \$100,000 from the Vehicle Replacement Fund in fiscal year 2019-20.
2. Invest \$250,000 into a PERS side account (12.5% of UAL) in fiscal year 2019-20.
  - a. The City will receive a small rate credit.
  - b. Apply for matching funds from the State of Oregon Employers Incentive Fund. Grants are not available until after July 1, 2021 and amounts are unknown.
3. Transfer the amount of the rate credit (estimate of \$18,000) and an additional \$72,400 from the Police Department to the Pension Stabilization Fund for the next two fiscal years.
4. Evaluate additional contributions to side account.

## HIGHLIGHTS

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

## PENSION STABILIZATION FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|-----------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | -                | -               | -                 | -                    | 150,000             | 150,000             | 150,000            |
| Miscellaneous             | -                | -               | -                 | -                    | 1,000               | 1,000               | 1,000              |
| Transfers                 | -                | -               | -                 | 150,000              | 190,400             | 190,400             | 190,400            |
| <b>Total Resources</b>    | <b>-</b>         | <b>-</b>        | <b>-</b>          | <b>150,000</b>       | <b>341,400</b>      | <b>341,400</b>      | <b>341,400</b>     |
| Requirements              |                  |                 |                   |                      |                     |                     |                    |
| Personal services         | -                | -               | -                 | -                    | 250,000             | 250,000             | 250,000            |
| Materials and services    | -                | -               | -                 | -                    | 2,000               | 2,000               | 2,000              |
| Contingency               | -                | -               | -                 | -                    | 89,400              | 89,400              | 89,400             |
| <b>Total Requirements</b> | <b>-</b>         | <b>-</b>        | <b>-</b>          | <b>-</b>             | <b>341,400</b>      | <b>341,400</b>      | <b>341,400</b>     |

# 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 2017) assists 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 vehicle replacement fund. In fiscal year 2018-19, \$410,000 was returned to funds proportionately and used to fund a \$410,000 payment to the City's unfunded actuarial liability (UAL) and stabilize the City's retirement contribution rate.

In fiscal year 2019-20, three items are addressed to close the fund:

1. Transfer monies from the Wastewater Fund to the Vehicle Replacement Fund to repay the outstanding balance of a loan the Vehicle Replacement Fund made to the Stormwater Fund (\$154,600).
2. Transfer \$100,000 to the Pension Stabilization Fund to pay toward the City's PERS UAL.
3. Transfer the remaining \$100,000 to the water, sewer, street, and stormwater funds.

## HIGHLIGHTS

- The fund will be closed in fiscal year 2019-20.

## VEHICLE REPLACEMENT FUND BUDGET

| Description               | 16 -17<br>Actual | 17-18<br>Actual  | 18 - 19<br>Budget | 18 - 19<br>Estimated | 19 - 20<br>Proposed | 19 - 20<br>Approved | 19 - 20<br>Adopted |
|---------------------------|------------------|------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Beginning Fund Balance    | 951,013          | 987,695          | 423,695           | 428,706              | 45,400              | 45,400              | 45,400             |
| Miscellaneous             | 36,682           | 41,011           | 23,000            | 26,694               | -                   | -                   | -                  |
| Transfers                 | -                | -                | -                 | -                    | 154,600             | 154,600             | 154,600            |
| <b>Total Resources</b>    | <b>987,695</b>   | <b>1,028,706</b> | <b>446,695</b>    | <b>455,400</b>       | <b>200,000</b>      | <b>200,000</b>      | <b>200,000</b>     |
| Requirements              |                  |                  |                   |                      |                     |                     |                    |
| Materials and Services    | -                | -                | -                 | -                    | -                   | -                   | -                  |
| Capital Outlay            | -                | -                | -                 | -                    | -                   | -                   | -                  |
| Transfers                 | -                | 600,000          | 410,000           | 410,000              | 200,000             | 200,000             | 200,000            |
| Contingency               | -                | -                | 36,695            | -                    | -                   | -                   | -                  |
| <b>Total Requirements</b> | <b>-</b>         | <b>600,000</b>   | <b>446,695</b>    | <b>410,000</b>       | <b>200,000</b>      | <b>200,000</b>      | <b>200,000</b>     |



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# CLOSED FUNDS

## Sublimity Debt Service Reserve

Consolidated into Sewer Fund in fiscal year 2017.

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated |
|---------------------------|------------------|-----------------|-------------------|----------------------|
| <b>Resources</b>          |                  |                 |                   |                      |
| Beginning Fund Balance    | 96,494           | -               | -                 | -                    |
| <b>Total resources</b>    | <b>96,494</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>             |
| <b>Requirements</b>       |                  |                 |                   |                      |
| Transfers                 | 96,494           | -               | -                 | -                    |
| <b>Total Requirements</b> | <b>96,494</b>    | <b>-</b>        | <b>-</b>          | <b>-</b>             |

## Stormwater Construction Fund

Project completed in fiscal year 2018-19.

| Description               | 16 -17<br>Actual | 17-18<br>Actual | 18 - 19<br>Budget | 18 - 19<br>Estimated |
|---------------------------|------------------|-----------------|-------------------|----------------------|
| <b>Resources</b>          |                  |                 |                   |                      |
| Beginning Fund Balance    | (38,660)         | (9,871)         | 70,129            | 87,024               |
| Intergovernmental         | 1,119,011        | -               | 381,000           | 381,000              |
| Charges for services      | -                | -               | 50,000            | -                    |
| Transfers                 | -                | 130,000         | 280,000           | 216,318              |
| Debt proceeds             | -                | -               | 725,000           | 725,000              |
| <b>Total Resources</b>    | <b>1,080,351</b> | <b>120,129</b>  | <b>1,506,129</b>  | <b>1,409,342</b>     |
| <b>Requirements</b>       |                  |                 |                   |                      |
| Materials and Services    | 39,505           | 33,105          | 39,500            | 32,500               |
| Capital Outlay            | 1,050,717        | -               | 1,450,000         | 1,376,842            |
| Contingency               | -                | -               | 16,629            | -                    |
| <b>Total Requirements</b> | <b>1,090,222</b> | <b>33,105</b>   | <b>1,506,129</b>  | <b>1,409,342</b>     |



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# CAPITAL OUTLAY - ALL FUNDS

## FISCAL YEAR 2019-20

### SUMMARY

The following schedules summarize the various capital investments, by fund, for fiscal year 2019-20. A description of the project, funding source(s), priority on a scale of 0 – continued from previous year to 3 – identified but not funded, amount, and impact on operating budget (and whether debt service is incurred) is noted.

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

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

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

**General Fund**

| <i>Description</i>   | <i>Funding Source</i> | <i>Priority</i> | <i>Amount</i> | <i>Impact on operating costs</i> |
|----------------------|-----------------------|-----------------|---------------|----------------------------------|
| Police vehicles      | General               | 1               | 56,000        | Replacement - reduced            |
| Network improvements | General               | 1               | 20,000        | Replacement - reduced            |
|                      |                       |                 | <b>76,000</b> |                                  |

**Parks Fund**

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

**Street Fund**

| <i>Description</i>                                   | <i>Funding Source</i>     | <i>Priority</i> | <i>Amount</i>  | <i>Impact on operating costs</i> |
|--|---------------------------|-----------------|----------------|----------------------------------|
| Transportation System Plan                           | SDCs                      | 0               | 20,000         | None                             |
| Street modernization –<br>Deschutes – Wilco to Rogue | Gas taxes, street<br>fees | 1               | 450,000        | Modernization - nominal          |
|  |                           |                 | <b>470,000</b> |                                  |

**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         | Replacement – none               |
| Secondary Water Study                 | Rates                 | 1               | 47,000         | None                             |
| Air Conditioning in control room      | Rates                 | 1               | 20,000         | Modernization – nominal          |
| UPS – uninterruptable power<br>supply | Rates                 | 1               | 40,000         | Modernization – nominal          |
| Sand stockpile area construction      | Rates                 | 1               | 22,000         | Modernization – nominal          |
|                                       |                       |                 | <b>149,000</b> |                                  |

**Wastewater Fund**

| <i>Description</i> | <i>Funding Source</i> | <i>Priority</i> | <i>Amount</i>  | <i>Impact on operating costs</i> |
|--------------------|-----------------------|-----------------|----------------|----------------------------------|
| System Master Plan | SDCs                  | 1               | 175,000        | None                             |
|                    |                       |                 | <b>175,000</b> |                                  |

**Stormwater Fund**

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

**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               | <b>10,000</b> | Replacement – none               |

**CITY-WIDE TOTAL \$955,000**



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# DEBT SCHEDULES

## SUMMARY

The schedules below reflect the City's total outstanding debt, debt payments in fiscal year 2019-20, outstanding debt for the next five fiscal years, estimated debt per capita for the next five years and debt capacity.

As of June 30, 2019, the City's debt limitation is \$30,632,106. State law limits debt to three percent (3%) of real market value of property within the city boundaries. Debt repaid from dedicated revenue, such as utility charges, is not subject to the debt limitation. All of the City's existing debt is repaid from utility revenue and is therefore not subject to limitation.

### Debt Summary – Fiscal Year 2019-20

| Debt Issue                           | Fund  | Original Issue    | Balance June 30, 2019 | Principal      | Interest       | Total Payment    |
|--------------------------------------|-------|-------------------|-----------------------|----------------|----------------|------------------|
| 2013 Full Faith and Credit Refunding | Sewer | 5,810,000         | 3,550,000             | 365,000        | 114,100        | 479,100          |
| 2016 Full Faith and Credit Refunding | Water | 3,945,000         | 3,360,000             | 210,000        | 118,523        | 328,523          |
| USDA Sewer Revenue Bonds             | Sewer | 8,316,000         | 7,565,492             | 137,396        | 208,051        | 345,447          |
| 2019 Full Faith and Credit           | Storm | 725,000           | 725,000               | 25,800         | 21,800         | 47,600           |
| <b>TOTALS</b>                        |       | <b>18,796,000</b> | <b>15,200,492</b>     | <b>738,196</b> | <b>462,474</b> | <b>1,200,670</b> |

### Outstanding Debt Fiscal Years Ending June 30, 2020 – 2024

| Debt issue                           | Fund  | 2020              | 2021              | Balance June 30, 2022 | 2023              | 2024              |
|--------------------------------------|-------|-------------------|-------------------|-----------------------|-------------------|-------------------|
| 2013 Full Faith and Credit Refunding | Sewer | 3,513,500         | 3,138,500         | 2,753,500             | 2,358,500         | 1,953,500         |
| 2016 Full Faith and Credit Refunding | Water | 3,150,000         | 2,935,000         | 2,715,000             | 2,490,000         | 2,250,000         |
| USDA Sewer Revenue Bonds             | Sewer | 7,428,096         | 7,286,922         | 7,141,866             | 6,992,821         | 6,836,921         |
| 2019 Full Faith and Credit           | Storm | 699,200           | 669,900           | 642,200               | 613,600           | 584,000           |
| <b>TOTALS</b>                        |       | <b>14,790,796</b> | <b>14,030,322</b> | <b>13,252,566</b>     | <b>12,454,921</b> | <b>11,724,421</b> |

|                 |       |       |       |       |       |
|-----------------|-------|-------|-------|-------|-------|
| Population      | 7,850 | 7,890 | 7,931 | 7,972 | 8,013 |
| Debt per capita | 1,884 | 1,778 | 1,684 | 1,562 | 1,463 |

### Debt Limitation

|                                 |                   |
|---------------------------------|-------------------|
| Real Market Value               | 1,021,070,185     |
| Factor                          | 3.0%              |
| Debt Limit                      | 30,632,106        |
| City Debt Subject to Limitation | —                 |
| <b>Debt Capacity</b>            | <b>30,632,106</b> |



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# FIVE-YEAR FINANCIAL FORECASTS

## SUMMARY

Five-year financial forecasts have been updated for the City's General Fund, utility funds, special revenue funds and Public Works Administration Fund. The General Fund is the primary fund for the City's administration and police activities and the utility and special revenue funds are the City's other primary operating funds, and may include significant capital investment. The remaining funds will be updated for inclusion in the final 2019-20 adopted budget.

Please note, these forecasts provide information for capital investment that may change significantly pending updates to capital improvement plans. The City initiated an update to its Transportation System Plan in fiscal year 2017-18, with completion in fiscal year 2019-20, and a wastewater facilities master plan is budgeted in 2019-20. The City intends to update its water and stormwater master plans over the succeeding two to three years.

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

## ASSUMPTIONS

### ALL FUNDS

- Salaries – 2% COLA increase per year, plus an additional 1% for employees with steps
- Health Insurance – 5% increase per year
- City retirement – 3% increase per year
- PERS retirement – 4% in fiscal years ending in odd numbers, 8% in fiscal years ending in even numbers (PERS rates are adjusted biannually)
- Materials and Services – 2.5 – 3.0% increase per year
- Transfers for Services – 3% - 4% 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 – 0.5% per year

## GENERAL FUND

|  | Estimate         | Projection       |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2018-19          | 2019-20          | 2020-21          | 2021-22          | 2022-23          | 2023-24          |
| <b>Revenue</b>                               |                  |                  |                  |                  |                  |                  |
| Taxes  | 2,045,400        | 2,130,100        | 2,211,000        | 2,295,000        | 2,382,000        | 2,472,000        |
| Charges for services                         | 6,700            | 7,752            | 7,900            | 8,000            | 8,100            | 8,200            |
| Franchise Fees                               | 831,500          | 899,844          | 924,900          | 950,800          | 977,500          | 1,005,100        |
| Licenses, Permits and Fees                   | 13,600           | 16,320           | 16,600           | 16,900           | 17,200           | 17,500           |
| Intergovernmental                            | 439,800          | 451,690          | 256,600          | 261,600          | 266,700          | 271,900          |
| Miscellaneous                                | 242,000          | 215,526          | 218,000          | 220,400          | 222,900          | 225,400          |
| Transfers                                    | 846,600          | 818,400          | 843,000          | 868,000          | 894,000          | 921,000          |
| <b>Total revenue</b>                         | <b>4,425,600</b> | <b>4,539,632</b> | <b>4,478,000</b> | <b>4,620,700</b> | <b>4,768,400</b> | <b>4,921,100</b> |
| <b>Expenditures</b>                          |                  |                  |                  |                  |                  |                  |
| City Council                                 | 32,000           | 37,830           | 38,500           | 39,300           | 40,100           | 40,900           |
| Administration                               | 1,025,000        | 1,124,449        | 1,126,600        | 1,171,300        | 1,220,000        | 1,263,700        |
| Police                                       | 2,074,138        | 2,276,474        | 2,362,700        | 2,463,600        | 2,557,400        | 2,658,500        |
| Planning                                     | 268,020          | 227,956          | 233,200          | 238,500          | 243,900          | 249,400          |
| Community Center                             | 52,800           | 57,521           | 58,800           | 60,100           | 61,400           | 62,700           |
| Municipal Court                              | 73,600           | 71,683           | 73,800           | 75,400           | 77,100           | 78,800           |
| Street lights                                | 112,500          | 112,423          | 114,700          | 117,000          | 119,300          | 121,700          |
| Non-departmental                             | 758,959          | 720,300          | 539,400          | 559,300          | 579,900          | 601,300          |
| <b>Total expenditures</b>                    | <b>4,397,017</b> | <b>4,628,636</b> | <b>4,547,700</b> | <b>4,724,500</b> | <b>4,899,100</b> | <b>5,077,000</b> |
| <b>Expenditures by Category</b>              |                  |                  |                  |                  |                  |                  |
| Personnel                                    | 2,199,420        | 2,475,731        | 2,570,600        | 2,680,000        | 2,782,600        | 2,892,600        |
| Materials and services                       | 1,463,838        | 1,397,885        | 1,183,400        | 1,208,300        | 1,233,700        | 1,259,500        |
| Capital outlay                               | 94,000           | 73,720           | 78,700           | 84,500           | 91,200           | 99,100           |
| Transfers                                    | 569,759          | 681,300          | 715,000          | 751,700          | 791,600          | 825,800          |
| <b>Total expenditures</b>                    | <b>4,327,017</b> | <b>4,628,636</b> | <b>4,547,700</b> | <b>4,724,500</b> | <b>4,899,100</b> | <b>5,077,000</b> |
| <b>Revenue over (under) expenditures</b>     | <b>98,583</b>    | <b>(89,004)</b>  | <b>(69,700)</b>  | <b>(103,800)</b> | <b>(130,700)</b> | <b>(155,900)</b> |
| <b>Beginning fund balance</b>                | <b>1,437,077</b> | <b>1,315,160</b> | <b>1,226,156</b> | <b>1,156,456</b> | <b>1,052,656</b> | <b>921,956</b>   |
| <b>Ending fund balance</b>                   | <b>1,535,660</b> | <b>1,226,156</b> | <b>1,156,456</b> | <b>1,052,656</b> | <b>921,956</b>   | <b>766,056</b>   |
| <b>Minimum fund balance analysis</b>         |                  |                  |                  |                  |                  |                  |
| Five months expenditures                     | 1,802,900        | 1,928,600        | 1,894,900        | 1,968,500        | 2,041,300        | 2,115,400        |
| Five months revenue/excluding property taxes | 991,800          | 1,004,000        | 944,600          | 969,000          | 994,300          | 1,020,500        |
| Net five months working capital              | 811,100          | 924,600          | 950,300          | 999,500          | 1,047,000        | 1,094,900        |
| 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 – 3.8% annual increases; 2.9% existing value; 0.9% growth
- Franchise Fees – range of -2.0% for telephone to 5.0% for sanitary sewer
- All other recurring revenue – 0.0% to 3.0%



## STREET FUND

|                                      | Projections      |                  |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                      | 2019-20          | 2020-21          | 2021-22          | 2022-23          | 2023-24          |
| <b>Current year resources</b>        |                  |                  |                  |                  |                  |
| Taxes                                | 219,200          | 220,000          | 221,000          | 222,000          | 223,000          |
| Charges For Services                 | 91,700           | 92,200           | 92,700           | 93,200           | 93,700           |
| Intergovernmental                    | 675,600          | 728,600          | 771,300          | 775,400          | 817,600          |
| Miscellaneous                        | 20,700           | 24,200           | 21,800           | 14,400           | 12,100           |
| Transfers                            | 35,900           | -                | -                | -                | -                |
| <b>Total current year resources</b>  | <b>1,043,100</b> | <b>1,065,000</b> | <b>1,106,800</b> | <b>1,105,000</b> | <b>1,146,400</b> |
| <b>Expenditures</b>                  |                  |                  |                  |                  |                  |
| Personnel Services                   | 90,800           | 94,000           | 97,300           | 100,800          | 102,900          |
| Materials and Services               | 275,700          | 282,700          | 289,800          | 297,100          | 304,500          |
| Capital Outlay                       | 450,000          | 645,000          | 895,000          | 650,000          | 475,000          |
| Transfers                            | 151,100          | 155,000          | 158,900          | 163,000          | 167,100          |
| <b>Total expenditures</b>            | <b>967,600</b>   | <b>1,176,700</b> | <b>1,441,000</b> | <b>1,210,900</b> | <b>1,049,500</b> |
| Revenue over (under) expenditures    | 75,500           | (111,700)        | (334,200)        | (105,900)        | 96,900           |
| Beginning fund balance               | 1,025,584        | 1,101,084        | 989,384          | 655,184          | 549,284          |
| Ending fund balance                  | 1,101,084        | 989,384          | 655,184          | 549,284          | 646,184          |
| <b>Minimum fund balance analysis</b> |                  |                  |                  |                  |                  |
| Two months operating expenses        | 129,000          | 133,000          | 137,000          | 140,000          | 144,000          |
| Capital reserve                      | 250,000          | 250,000          | 250,000          | 250,000          | 250,000          |
|                                      | 379,000          | 383,000          | 387,000          | 390,000          | 394,000          |
| Beginning fund balance meets policy  | Yes              | Yes              | Yes              | Yes              | Yes              |
| Ending fund balance meets policy     | Yes              | Yes              | Yes              | Yes              | Yes              |
| Minimum fund balance gap - beginning | NA               | NA               | NA               | NA               | NA               |
| Percentage of revenue                | NA               | NA               | NA               | NA               | NA               |
| Minimum fund balance gap - ending    | NA               | NA               | NA               | NA               | NA               |
| Percentage of revenue                | NA               | NA               | NA               | NA               | NA               |
| <b>Capital Improvement Plan</b>      |                  |                  |                  |                  |                  |
|                                      | 2019-20          | 2020-21          | 2021-22          | 2022-23          | 2023-24          |
| <b>Street System Improvements</b>    |                  |                  |                  |                  |                  |
| Transportation System Plan Update    |                  |                  |                  |                  |                  |
| Kindle Way - Shaff Rd to Junco St    |                  |                  |                  |                  |                  |
| Deschutes - Wilco to Rogue           | 450,000          |                  |                  |                  |                  |
| 5th Avenue- Washington to Hobson     |                  | 645,000          |                  |                  |                  |
| High Street - 1st Ave to west end    |                  |                  | 645,000          |                  |                  |
| Westtown: Locust to Shaff            |                  |                  |                  | 650,000          |                  |
| West Water- First ot west end        |                  |                  |                  |                  | 475,000          |
| Street Sweeper                       |                  |                  | 250,000          |                  |                  |
|                                      | 450,000          | 645,000          | 895,000          | 650,000          | 475,000          |

**Assumptions – Street Fund**

- Local gas tax – 1.0% increase per year
- Street Maintenance Fee Increase – CPI adjustment annually
- 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 0.5%.

## WATER FUND

|   | Projections      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2019-20          | 2020-21          | 2021-22          | 2022-23          | 2023-24          |
| <b>Revenue</b>  |                  |                  |                  |                  |                  |
| Charges For Services                                  | 1,925,000        | 2,019,400        | 2,119,400        | 2,224,300        | 2,334,500        |
| Miscellaneous   | 13,500           | 15,100           | 50,000           | 42,800           | 27,100           |
| Transfers   | 28,000           | 138,000          | 138,000          | -                | -                |
| <b>Total revenue</b>                                  | <b>1,966,500</b> | <b>2,172,500</b> | <b>2,307,400</b> | <b>2,267,100</b> | <b>2,361,600</b> |
| <b>Expenditures</b>                                   |                  |                  |                  |                  |                  |
| Personnel services                                    | 378,300          | 390,900          | 404,000          | 417,500          | 431,400          |
| Materials and Services                                | 587,902          | 605,500          | 623,600          | 642,100          | 661,300          |
| Capital Outlay  | 149,000          | 1,020,400        | 640,800          | 971,200          | 211,600          |
| Debt service  |                  |                  |                  |                  |                  |
| 2020 P&I  | -                | -                | 176,600          | 176,600          | 176,600          |
| FFCO Principal 2016                                   | 205,000          | 210,000          | 215,000          | 220,000          | 230,000          |
| FFCO Interest 2016                                    | 124,800          | 118,600          | 114,200          | 109,600          | 102,900          |
| <b>Debt Service</b>                                   | <b>329,800</b>   | <b>328,600</b>   | <b>505,800</b>   | <b>506,200</b>   | <b>509,500</b>   |
| Transfers   | 468,400          | 482,400          | 496,900          | 511,800          | 527,100          |
| <b>Total expenditures</b>                             | <b>1,913,402</b> | <b>2,827,800</b> | <b>2,671,100</b> | <b>3,048,800</b> | <b>2,340,900</b> |
| Revenue over (under) expenditures                     | 53,098           | (655,300)        | (363,700)        | (781,700)        | 20,700           |
| <b>Other resources</b>                                |                  |                  |                  |                  |                  |
| Debt proceeds   | -                | 2,400,000        | -                | -                | -                |
| Other resources and revenue over (under) expenditures | 53,098           | 1,744,700        | (363,700)        | (781,700)        | 20,700           |
| <b>Beginning fund balance</b>                         | <b>703,622</b>   | <b>756,720</b>   | <b>2,501,420</b> | <b>2,137,720</b> | <b>1,356,020</b> |
| <b>Ending fund balance</b>                            | <b>756,720</b>   | <b>2,501,420</b> | <b>2,137,720</b> | <b>1,356,020</b> | <b>1,376,720</b> |
| <b>Water Fund</b>                                     |                  |                  |                  |                  |                  |
| <b>Minimum fund balance analysis</b>                  |                  |                  |                  |                  |                  |
| Two months operating expenses                         | 239,000          | 246,000          | 254,000          | 262,000          | 270,000          |
| Debt service  | 330,000          | 329,000          | 506,000          | 506,000          | 510,000          |
| Capital reserve                                       | 255,000          | 260,000          | 265,000          | 270,000          | 275,000          |
|   | 824,000          | 835,000          | 1,025,000        | 1,038,000        | 1,055,000        |
| Beginning fund balance meets policy                   | No               | No               | Yes              | Yes              | Yes              |
| Ending fund balance meets policy                      | No               | Yes              | Yes              | Yes              | Yes              |
| Minimum fund balance gap - beginning                  | (120,378)        | (78,280)         | NA               | NA               | NA               |
| Percentage of revenue                                 | 6.1%             | 3.6%             | NA               | NA               | NA               |
| Minimum fund balance gap - ending                     | (67,280)         | NA               | NA               | NA               | NA               |
| Percentage of revenue                                 | 3.4%             | NA               | NA               | NA               | NA               |
| <b>Debt coverage ratio</b>                            |                  |                  |                  |                  |                  |
| Revenue   | 1,938,500        | 2,034,500        | 2,169,400        | 2,267,100        | 2,361,600        |
| Operating expenses including transfers                | 1,434,602        | 1,478,800        | 1,524,500        | 1,571,400        | 1,619,800        |
| Net operating income                                  | 503,898          | 555,700          | 644,900          | 695,700          | 741,800          |
| Debt service  | 329,800          | 328,600          | 505,800          | 506,200          | 509,500          |
| Debt coverage ratio                                   | 1.53             | 1.69             | 1.28             | 1.37             | 1.46             |
| Debt capacity - millions                              | 0.8              | 1.3              | 0.1              | 0.5              | 0.9              |

|  | 2019-20       | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
|--|---------------|----------------|----------------|----------------|----------------|
| <b>Water System Improvements</b>                               |               |                |                |                |                |
| Shaff Road - 16-inch waterline                                 | -             |                |                |                |                |
| Shaff Road- Deer Ave to 500 feet west of First Ave (Phase 1)   |               | 300,000        |                |                |                |
| Shaff Road- Deer Ave to 500 feet west of First Ave (Phase 2)   |               |                | 300,000        |                |                |
| 5th Avenue- Washington to Hollister, 8 inch                    |               | 100,000        |                |                |                |
| High Street - 1st Ave to Cherry; Cherry to Ida - 8-inch        |               |                | 220,000        |                |                |
| Ida St. - Evergreen to First - 10-inch waterline               |               |                |                | 300,000        |                |
| Kathy Street: East 6th Ave. to 850 Kathy Ave. 8-inch waterline |               |                |                |                | 150,000        |
| 2nd Ave. : Burnett to Virginia, Hollister to Fir St            |               |                |                |                |                |
| Secondary water source study                                   | 47,000        |                |                |                |                |
| <b>Total water system improvements</b>                         | <b>47,000</b> | <b>400,000</b> | <b>520,000</b> | <b>300,000</b> | <b>150,000</b> |
| <b>Water Treatment Plant Improvements</b>                      |               |                |                |                |                |
| Bleach tank replacement  |               |                |                |                |                |
| Chlorine Tank Replacement                                      |               |                |                |                |                |
| Slow Sand Filter   |               |                |                |                |                |
| Air Conditioning in Control Room                               | 20,000        |                |                |                |                |
| UPS Uninterruptable Power Supply                               | 40,000        |                |                |                |                |
| Sand Stockpile Area Construction, (Paving)                     | 22,000        |                |                |                |                |
| Slow Sand Filter No. 2   |               | 600,000        |                |                |                |
| Automation of valve on Weir box                                |               |                | 50,000         |                |                |
| Clearwater Tank Design   |               |                | 50,000         |                |                |
| Slow Sand filter No. 3   |               |                |                | 650,000        |                |
| Sand Stockpile Area Construction, Wall)                        |               |                |                |                | 40,000         |
| <b>Total water treatment plant improvements</b>                | <b>82,000</b> | <b>600,000</b> | <b>100,000</b> | <b>650,000</b> | <b>40,000</b>  |

### Assumptions – Water Fund

- Rate increases – 4.5% FY 2019-20 – FY 2023-24

## WASTEWATER FUND

|   | Projections      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2019-20          | 2020-21          | 2021-22          | 2022-23          | 2023-24          |
| <b>Revenue</b>  |                  |                  |                  |                  |                  |
| Charges For Services                                  | 3,084,900        | 3,149,300        | 3,223,200        | 3,298,900        | 3,376,300        |
| Miscellaneous   | 54,200           | 69,700           | 70,700           | 56,500           | 83,300           |
| Transfers   | 41,800           | -                | -                | -                | -                |
| <b>Total revenue</b>                                  | <b>3,180,900</b> | <b>3,219,000</b> | <b>3,293,900</b> | <b>3,355,400</b> | <b>3,459,600</b> |
| <b>Expenditures</b>                                   |                  |                  |                  |                  |                  |
| Personnel Services                                    | 508,200          | 524,800          | 542,000          | 559,700          | 578,000          |
| Materials and Services                                | 1,159,340        | 1,188,200        | 1,218,200        | 1,248,800        | 1,279,900        |
| Capital Outlay  | 175,000          | 175,000          | 950,000          | 800,000          | 440,000          |
| Debt service  |                  |                  |                  |                  |                  |
| 2022 P&I  | -                | -                | -                | -                | 139,800          |
| Refunding Bond - Principal                            | 360,000          | 365,000          | 375,000          | 385,000          | 395,000          |
| Refunding Bond - Interest                             | 119,800          | 114,800          | 104,800          | 94,800           | 84,800           |
| RD Bond Principal                                     | 137,400          | 141,100          | 144,800          | 148,500          | 152,200          |
| RD Bond Interest                                      | 208,100          | 204,400          | 200,700          | 197,000          | 193,300          |
| Debt Service  | 825,300          | 825,300          | 825,300          | 825,300          | 965,100          |
| Transfers   | 595,200          | 453,800          | 467,400          | 481,400          | 495,800          |
| <b>Total expenditures</b>                             | <b>3,263,040</b> | <b>3,167,100</b> | <b>4,002,900</b> | <b>3,915,200</b> | <b>3,758,800</b> |
| Revenue over (under) expenditures                     | (82,140)         | 51,900           | (709,000)        | (559,800)        | (299,200)        |
| Other resources                                       |                  |                  |                  |                  |                  |
| Debt proceeds   | -                | -                | -                | 1,900,000        | -                |
| Other resources and revenue over (under) expenditures | (82,140)         | 51,900           | (709,000)        | 1,340,200        | (299,200)        |
| <b>Beginning fund balance</b>                         | <b>3,566,385</b> | <b>3,484,245</b> | <b>3,536,145</b> | <b>2,827,145</b> | <b>4,167,345</b> |
| <b>Ending fund balance</b>                            | <b>3,484,245</b> | <b>3,536,145</b> | <b>2,827,145</b> | <b>4,167,345</b> | <b>3,868,145</b> |
| <b>Sanitary Sewer Fund</b>                            |                  |                  |                  |                  |                  |
| <b>Minimum fund balance analysis</b>                  |                  |                  |                  |                  |                  |
| Two months operating expenses                         | 377,000          | 361,000          | 371,000          | 382,000          | 392,000          |
| Debt service  | 825,300          | 825,300          | 825,300          | 825,300          | 965,100          |
| Capital reserve                                       | 1,000,000        | 1,000,000        | 1,000,000        | 1,000,000        | 1,000,000        |
|   | 2,202,300        | 2,186,300        | 2,196,300        | 2,207,300        | 2,357,100        |
| Beginning fund balance meets policy                   | Yes              | Yes              | Yes              | Yes              | Yes              |
| Ending fund balance meets policy                      | Yes              | Yes              | Yes              | Yes              | Yes              |
| Minimum fund balance gap - beginning                  | NA               | NA               | NA               | NA               | NA               |
| Percentage of revenue                                 | NA               | NA               | NA               | NA               | NA               |
| Minimum fund balance gap - ending                     | NA               | NA               | NA               | NA               | NA               |
| Percentage of revenue                                 | NA               | NA               | NA               | NA               | NA               |
| <b>Debt coverage ratio</b>                            |                  |                  |                  |                  |                  |
| Revenue   | 3,178,800        | 3,219,000        | 3,293,900        | 3,355,400        | 3,459,600        |
| Operating expenses including transfers                | 2,108,140        | 2,166,800        | 2,227,600        | 2,289,900        | 2,353,700        |
| Net operating income                                  | 1,070,660        | 1,052,200        | 1,066,300        | 1,065,500        | 1,105,900        |
| Debt service  | 825,300          | 825,300          | 825,300          | 825,300          | 965,100          |
| Debt coverage ratio                                   | 1.30             | 1.27             | 1.29             | 1.29             | 1.15             |
| Debt capacity - millions                              | 0.4              | 0.2              | 0.4              | 0.4              | - 1.1            |

**Capital Improvement Plan**

|   | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Sanitary Sewer System Improvements</b>       |                |                |                |                |                |
| Force Main and paving Jetters Way               | -              |                |                |                |                |
| No Improvements to Collection System            |                |                |                |                |                |
| WWTP and Collection System Master Plan Update   | 175,000        |                |                |                |                |
| Jetters Way Force Main                          |                | 800,000        |                |                |                |
| Gardner Lift Station Removal                    |                |                | 550,000        |                |                |
| Evergreen - Ida to Washington - 12-inch         |                |                |                | 250,000        |                |
| Washington - Evergreen to Douglas - 12-inch     |                |                |                | 50,000         |                |
| Douglas - Washington to Locust - 12-inch        |                |                |                |                | 150,000        |
| Ida Street – Gardner to Evergreen - 21-inch     |                |                |                |                |                |
| <b>Total water system improvements</b>          | <b>175,000</b> | <b>800,000</b> | <b>550,000</b> | <b>300,000</b> | <b>150,000</b> |
| <b>Waste Water Treatment Plant Improvements</b> |                |                |                |                |                |
| Intake Flume Upsizing                           |                |                |                |                |                |
| Intake Flume Upsizing                           |                | 150,000        |                |                |                |
| Replace PD Blower with Turbo                    |                |                | 250,000        |                |                |
| Upgrade Grit Removal System                     |                |                |                | 140,000        |                |
| Enclose cooling tower for odor control          |                |                |                |                |                |
| Upgrade /Add Mechanical Screen Headworks        |                |                |                |                |                |
| Class A Equipment (Dryer Replacement)           |                |                |                |                | 1,500,000      |
| Dust Control/loading system for dried solids    |                |                |                |                |                |
| Odor control for Dryer Bldg.                    |                |                |                |                |                |
|   | -              | 150,000        | 250,000        | 140,000        | 1,500,000      |

**Assumptions – Wastewater Fund**

- Rate increases 1.9% FY 2019-20; 2.0% thereafter

## STORMWATER FUND

|  | Projections     |                |                  |                  |                  |
|--|-----------------|----------------|------------------|------------------|------------------|
|  | 2019-20         | 2020-21        | 2021-22          | 2022-23          | 2023-24          |
| <b>Revenue</b>   |                 |                |                  |                  |                  |
| Charges for Services   | 314,615         | 322,500        | 330,600          | 338,900          | 347,400          |
| Miscellaneous  | 4,400           | 4,500          | 4,600            | 4,700            | 4,800            |
| Transfers  | 2,100           | 140,000        | -                | -                | -                |
| <b>Total revenue</b>   | <b>321,115</b>  | <b>467,000</b> | <b>335,200</b>   | <b>343,600</b>   | <b>352,200</b>   |
| <b>Expenditures</b>  |                 |                |                  |                  |                  |
| Personnel services   | 44,688          | 46,200         | 47,900           | 49,600           | 51,300           |
| Materials and Services                                       | 110,103         | 218,400        | 80,700           | 83,100           | 85,500           |
| Capital Outlay   | 65,000          | 45,300         | 325,600          | 345,900          | 246,200          |
| Debt service   |                 |                |                  |                  |                  |
| FFCO 2019 - principal  | 25,800          | 26,700         | 27,700           | 28,600           | 29,600           |
| FFCO 2019 - interest   | 21,800          | 21,000         | 20,200           | 19,400           | 18,600           |
| Inter Fund Loan Principal                                    | 23,000          | 23,000         | 23,000           | 23,000           | 23,000           |
| Interfund Loan Interest                                      | 1,700           | 1,500          | 1,300            | 1,100            | 900              |
| FFCO - P & I   |                 |                |                  | 66,200           | 66,200           |
| <b>Debt Service</b>  | <b>72,300</b>   | <b>72,200</b>  | <b>72,200</b>    | <b>138,300</b>   | <b>138,300</b>   |
| Transfers  | 63,100          | 65,000         | 67,000           | 69,000           | 71,000           |
| <b>Total expenditures</b>                                    | <b>355,191</b>  | <b>447,100</b> | <b>593,400</b>   | <b>685,900</b>   | <b>592,300</b>   |
| <b>Revenue over (under) expenditures</b>                     | <b>(34,076)</b> | <b>19,900</b>  | <b>(258,200)</b> | <b>(342,300)</b> | <b>(240,100)</b> |
| <b>Other resources</b>                                       |                 |                |                  |                  |                  |
| Debt proceeds  | -               | -              | 900,000          | -                | -                |
| <b>Other resources and revenue over (under) expenditures</b> | <b>(34,076)</b> | <b>19,900</b>  | <b>641,800</b>   | <b>(342,300)</b> | <b>(240,100)</b> |
| <b>Beginning fund balance</b>                                | <b>220,179</b>  | <b>186,103</b> | <b>206,003</b>   | <b>847,803</b>   | <b>505,503</b>   |
| <b>Ending fund balance</b>                                   | <b>186,103</b>  | <b>206,003</b> | <b>847,803</b>   | <b>505,503</b>   | <b>265,403</b>   |
| <b>Stormwater Fund</b>                                       |                 |                |                  |                  |                  |
| <b>Minimum fund balance analysis</b>                         |                 |                |                  |                  |                  |
| Two months operating expenses                                | 36,000          | 55,000         | 33,000           | 34,000           | 35,000           |
| Debt service   | 36,150          | 36,100         | 36,100           | 69,150           | 69,150           |
| Capital reserve  | 20,000          | 25,000         | 30,000           | 35,000           | 40,000           |
|  | 92,150          | 116,100        | 99,100           | 138,150          | 144,150          |
| Beginning fund balance meets policy                          | Yes             | Yes            | Yes              | Yes              | Yes              |
| Ending fund balance meets policy                             | Yes             | Yes            | Yes              | Yes              | Yes              |
| Minimum fund balance gap - beginning                         | NA              | NA             | NA               | NA               | NA               |
| Percentage of revenue  | NA              | NA             | NA               | NA               | NA               |
| Minimum fund balance gap - ending                            | NA              | NA             | NA               | NA               | NA               |
| Percentage of revenue  | NA              | NA             | NA               | NA               | NA               |
| <b>Debt coverage ratio</b>                                   |                 |                |                  |                  |                  |
| Revenue  | 319,015         | 327,000        | 335,200          | 343,600          | 352,200          |
| Operating expenses including transfers                       | 217,891         | 189,600        | 195,600          | 201,700          | 207,800          |
| Net operating income   | 101,124         | 137,400        | 139,600          | 141,900          | 144,400          |
| Debt service   | 72,300          | 72,200         | 72,200           | 138,300          | 138,300          |
| Debt coverage ratio  | 1.40            | 1.90           | 1.93             | 1.03             | 1.04             |
| <b>Debt capacity</b>   |                 |                |                  |                  |                  |
| Annual debt service - 4% 20-year @1.25 DCR                   | 91,977          | 91,977         | 91,977           | 91,977           | 91,977           |
| Net operating income available for additional                | 10,749          | 47,150         | 49,350           | 30,975           | 28,475           |
| Debt capacity - millions                                     | 0.12            | 0.51           | 0.54             | (0.34)           | (0.31)           |

**Capital Improvement Plan**

|   | 2019-20       | 2020-21       | 2021-22        | 2022-23        | 2023-24        |
|---|---------------|---------------|----------------|----------------|----------------|
| <b>Storm Drainage System Improvements</b>   |               |               |                |                |                |
| Water Quality Manholes  | 55,000        | 35,000        | 35,000         | 35,000         | 35,000         |
| 5th Avenue Storm Improvements; from<br>Washington to Hollister<br>High Street - First to West end, Alder, Birch,<br>Cherry to Ida |               |               | 280,000        |                |                |
| Hollister/ Pine Storm Line Replacement  |               |               |                | 300,000        | 200,000        |
| First Avenue Storm Pipe- Florence to Creek  |               |               |                |                |                |
|   | <u>55,000</u> | <u>35,000</u> | <u>315,000</u> | <u>335,000</u> | <u>235,000</u> |

**Assumptions – Stormwater Fund**

- Rate increases 1.9% FY 2019-20; 2.0% thereafter



## LIBRARY FUND

| Description                                      | Projections    |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
| <b>Revenue</b>                                   |                |                |                |                |                |
| Property Taxes                                   | 184,400        | 191,000        | 197,900        | 205,000        | 212,400        |
| Charges for Services                             | 3,100          | 3,100          | 3,100          | 3,100          | 3,100          |
| Intergovernmental                                | 98,300         | 100,200        | 102,200        | 104,200        | 106,300        |
| Miscellaneous                                    | 42,400         | 44,400         | 45,300         | 45,200         | 45,000         |
| Transfers  | 198,900        | 205,300        | 211,900        | 218,700        | 225,700        |
| <b>Total Revenue</b>                             | <b>527,100</b> | <b>544,000</b> | <b>560,400</b> | <b>576,200</b> | <b>592,500</b> |
| <b>Expenditures</b>                              |                |                |                |                |                |
| Personnel Services                               | 370,600        | 382,500        | 394,900        | 407,600        | 420,700        |
| Materials and Services                           | 141,800        | 144,700        | 147,700        | 150,800        | 154,000        |
| Capital Outlay                                   | -              | -              | -              | -              | -              |
| Transfers  | 29,200         | 30,100         | 31,100         | 32,100         | 33,100         |
| <b>Total Expenditures</b>                        | <b>541,600</b> | <b>557,300</b> | <b>573,700</b> | <b>590,500</b> | <b>607,800</b> |
| Resources over (under) expenditures              | (14,500)       | (13,300)       | (13,300)       | (14,300)       | (15,300)       |
| Beginning fund balance                           | 211,849        | 197,349        | 184,049        | 170,749        | 156,449        |
| Ending fund balance                              | 197,349        | 184,049        | 170,749        | 156,449        | 141,149        |
| <b>Desired fund balance</b>                      |                |                |                |                |                |
| <b>Minimum net 4.75 months cash flow</b>         | 78,700         | 80,900         | 83,600         | 86,800         | 90,100         |
| Estimated ending fund balance                    | 197,349        | 184,049        | 170,749        | 156,449        | 141,149        |
| Ending fund balance over/(under) minimum desired | 118,649        | 103,149        | 87,149         | 69,649         | 51,049         |
| Meets policy                                     | Y              | Y              | Y              | Y              | Y              |

## PARKS FUND

| Description                                      | Projections    |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
| Revenue  |                |                |                |                |                |
| Property Taxes                                   | 10,000         | 10,000         | 10,000         | 10,000         | 10,000         |
| Transfers  | 253,000        | 261,900        | 271,100        | 280,600        | 290,400        |
| <b>Total Revenue</b>                             | <b>263,000</b> | <b>271,900</b> | <b>281,100</b> | <b>290,600</b> | <b>300,400</b> |
| Expenditures                                     |                |                |                |                |                |
| Personnel Services                               | 99,800         | 103,100        | 106,600        | 110,300        | 114,100        |
| Materials and Services                           | 73,000         | 75,100         | 77,300         | 79,500         | 81,800         |
| Capital Outlay                                   | 9,700          | 40,000         | 41,200         | 42,400         | 43,600         |
| Transfers  | 130,700        | 31,600         | 32,500         | 33,400         | 34,400         |
| <b>Total Expenditures</b>                        | <b>313,200</b> | <b>249,800</b> | <b>257,600</b> | <b>265,600</b> | <b>273,900</b> |
| Resources over (under) expenditures              | (50,200)       | 22,100         | 23,500         | 25,000         | 26,500         |
| Beginning fund balance                           | 96,893         | 46,693         | 68,793         | 92,293         | 117,293        |
| Ending fund balance                              | 46,693         | 68,793         | 92,293         | 117,293        | 143,793        |
| <b>Desired fund balance</b>                      |                |                |                |                |                |
| <b>Minimum 2 months expenditures</b>             | 33,917         | 34,967         | 36,067         | 37,200         | 38,383         |
| Estimated ending fund balance                    | 46,693         | 68,793         | 92,293         | 117,293        | 143,793        |
| Ending fund balance over/(under) minimum desired | 12,776         | 33,826         | 56,226         | 80,093         | 105,410        |
| Meets policy                                     | Y              | Y              | Y              | Y              | Y              |
| <b>Capital Improvement Plan</b>                  |                |                |                |                |                |
|  | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
| Improvements                                     | -              | 20,000         | 20,600         | 21,200         | 21,800         |
| Equipment  | 9,700          | 20,000         | 20,600         | 21,200         | 21,800         |
| <b>Total</b>                                     | <b>9,700</b>   | <b>40,000</b>  | <b>41,200</b>  | <b>42,400</b>  | <b>43,600</b>  |

## POOL FUND

| Description   | Projections     |                 |                |                |                |
|---|-----------------|-----------------|----------------|----------------|----------------|
|   | 2019-20         | 2020-21         | 2021-22        | 2022-23        | 2023-24        |
| <b>Revenue</b>  |                 |                 |                |                |                |
| Property Taxes  | 157,445         | 162,900         | 168,500        | 174,300        | 180,300        |
| Charges For Services                                    | 182,400         | 200,600         | 220,600        | 233,800        | 240,900        |
| Miscellaneous   | 3,700           | 3,800           | 3,900          | 4,000          | 4,100          |
| Transfers   | 50,000          | 51,800          | 53,600         | 55,500         | 57,400         |
| <b>Total revenue</b>                                    | <b>393,545</b>  | <b>419,100</b>  | <b>446,600</b> | <b>467,600</b> | <b>482,700</b> |
| <b>Expenditures</b>                                     |                 |                 |                |                |                |
| Personnel Services                                      | 285,100         | 295,100         | 305,500        | 316,400        | 327,600        |
| Materials and Services                                  | 119,200         | 121,800         | 124,500        | 127,200        | 129,900        |
| Capital Outlay  | 9,400           | 9,600           | 9,800          | 10,000         | 10,200         |
| Transfers   | 14,300          | 14,700          | 15,100         | 15,600         | 16,100         |
| <b>Total Expenditures</b>                               | <b>428,000</b>  | <b>441,200</b>  | <b>454,900</b> | <b>469,200</b> | <b>483,800</b> |
| <b>Revenue over (under) expenditures</b>                | <b>(34,455)</b> | <b>(22,100)</b> | <b>(8,300)</b> | <b>(1,600)</b> | <b>(1,100)</b> |
| <b>Beginning fund balance</b>                           | <b>185,522</b>  | <b>151,067</b>  | <b>128,967</b> | <b>120,667</b> | <b>119,067</b> |
| <b>Ending fund balance</b>                              | <b>151,067</b>  | <b>128,967</b>  | <b>120,667</b> | <b>119,067</b> | <b>117,967</b> |
| <b>Desired fund balance</b>                             |                 |                 |                |                |                |
| <b>Minimum net 5 months cash flow</b>                   | 72,200          | 69,400          | 66,100         | 65,700         | 67,800         |
| Major equipment capital repairs                         | 50,000          | 40,000          | 50,000         | 50,000         | 50,000         |
| <b>Total minimum fund balance</b>                       | <b>122,200</b>  | <b>109,400</b>  | <b>116,100</b> | <b>115,700</b> | <b>117,800</b> |
| Estimated ending fund balance                           | 151,067         | 128,967         | 120,667        | 119,067        | 117,967        |
| <b>Ending fund balance over/(under) minimum desired</b> | <b>28,867</b>   | <b>19,567</b>   | <b>4,567</b>   | <b>3,367</b>   | <b>167</b>     |
| <b>Meets policy</b>                                     | <b>Y</b>        | <b>Y</b>        | <b>Y</b>       | <b>Y</b>       | <b>Y</b>       |

### Assumptions – Pool Fund

- Charges for services revenue increased 10% 2019-20 through 2021-22; 6% 2022-23, 3% thereafter
- Salaries increased 3.5% throughout planning period – minimum wage increases
- Transfer from General Fund increased by 3.5% annually

### Comments – Pool Fund

- 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 is 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.

## PUBLIC WORKS ADMINISTRATION FUND

| Description                             | Projections    |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2019-20        | 2020-21        | 2021-22        | 2022-23        | 2023-24        |
| <b>Revenue</b>                          |                |                |                |                |                |
| Miscellaneous                           | 3,600          | 3,800          | 3,300          | 2,800          | 2,400          |
| Transfers                               | 495,800        | 513,100        | 531,000        | 549,600        | 568,800        |
| <b>Total Revenue</b>                    | <b>499,400</b> | <b>516,900</b> | <b>534,300</b> | <b>552,400</b> | <b>571,200</b> |
| <b>Expenditures</b>                     |                |                |                |                |                |
| Personnel Services                      | 441,600        | 456,800        | 472,500        | 488,900        | 505,800        |
| Materials and Services                  | 87,200         | 78,900         | 80,400         | 81,900         | 83,400         |
| <b>Total expenditures</b>               | <b>528,800</b> | <b>535,700</b> | <b>552,900</b> | <b>570,800</b> | <b>589,200</b> |
| Revenue over (under) expenditures       | (29,400)       | (18,800)       | (18,600)       | (18,400)       | (18,000)       |
| Beginning fund balance                  | 180,542        | 151,142        | 132,342        | 113,742        | 95,342         |
| Ending fund balance                     | 151,142        | 132,342        | 113,742        | 95,342         | 77,342         |
| <b>Minimum fund balance</b>             |                |                |                |                |                |
| Ending fund balance                     | 151,142        | 132,342        | 113,742        | 95,342         | 77,342         |
| Minimum desired fund balance - 2 months | 88,100         | 89,300         | 92,200         | 95,100         | 98,200         |
|   | Y              | Y              | Y              | Y              | N              |

# **APPENDIX**

**Glossary**

**Fiscal policies**

**Annual Budget Calendar**



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# GLOSSARY

## Actual

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

## Ad Valorem Tax

A tax based on the assessed value of a property.

## Adopted Budget

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

## Approved Budget

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

## Appropriations

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

## Assessed Valuation

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

## Assets

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

## Audit

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

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

### **Base Budget**

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

### **Beginning Fund Balance**

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

### **Bond or Bond Issue**

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

### **Budget**

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

### **Budget Calendar**

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

### **Budget Committee**

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

### **Budget Document**

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

### **Budget Message**

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



## Budgetary Basis

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

## Capital Budget

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

## Capital Improvement

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

## Capital Improvement Project

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

## Capital Outlay

Includes the purchase of land, the purchase and/or construction of buildings, structures and facilities of all types, in addition to machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating as an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) have a unit cost of \$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.

## Cash Management

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

## Charges for Service

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

## Comprehensive Annual Financial Report

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

## Comprehensive Plan

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

## Consumer Price Index

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

## Contingency

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

## Cost Allocation

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

## Cost Center

An organizational budget/operating unit within each City department.

## Debt Service

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

## Department

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

## Division

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

## Depreciation

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

## Elderly and Disabled

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

## Employee Benefits

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

## Encumbrance

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

## Ending Fund Balance

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

## Enterprise Funds

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

## Estimated

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

## Expenditures

Represents decreases in net financial resources. They include current operating expenses,

which require the current or future use of net current assets, debt services, and capital outlays.

## **Fees**

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

## **Fiscal Management**

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

## **Fiscal Year**

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

## **Five-Year Financial Plan**

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

## **Fixed Assets**

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

## **Franchise Fee**

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

## **Full-Time Equivalent**

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

## **Fund**

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

## Fund Balance

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

## General Fund

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

## General Long-term Debt

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

## Goal

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

## Grant

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

## Infrastructure

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

## Intergovernmental Revenues

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

## Levy

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

## Line Item

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

## Local Improvement District

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

## Local Option Levy

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

## Materials and Services

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

## Measure 5

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

## Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year 1995-96 and limits future annual increases to three percent, except for major improvements. Tax rates are now fixed and not subject to change. Local voters may approve local initiatives, i.e. local option tax levies, above the permanent rates provided a majority approves at either (1) a general election in an even numbered year; or (2) at any other election in which at least 50 percent of registered voters cast a ballot.

## Mission

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

## Non-Operating Budget

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

## Objective

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

## Operating Budget

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

## Operating Revenue

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

## Ordinance

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

## Outstanding Debt

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

## Performance Measure

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

## Permanent Tax Rate

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

## Personnel Services

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

## Property Tax

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

## Project Manager

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

## Proposed Budget

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

## Resolution

A special or temporary order of the City Council.

## Resources

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

## Retained Earnings

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

## Revenue

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

## Revenue Bonds

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



## Special Assessment

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

## Special Revenue Funds

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

## Supplemental Budget

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

## System Development Charges

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

## Taxes

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

## Tax Levy

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

## Tax Rate

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

## Tax Revenue

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

## Tax Roll

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

## Transfers

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

## Trust Funds

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

## Unappropriated Ending Fund Balance

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

## Unreserved Fund Balance

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

## User Fees

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

# FISCAL POLICIES

## Purpose

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

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

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

Policies are addressed in ten areas:

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

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

## 1 Revenue Policies

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

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

## **2 Operating Budget Policies**

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

- 2.2 All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and 2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.
- 2.3 The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
- 2.4 The cost allocation plan, previously developed, will be reviewed and updated annually and serve as the basis for distributing general government and internal service costs to other funds and capital projects.
- 2.5 The City Council shall adopt the budget at the fund, departmental or program level as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
- 2.6 Long-term debt or bond financing may be used for the acquisition of land, capital improvements, vehicles, and equipment with a cost greater than \$100,000, if current and or existing resources are insufficient. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- 2.7 Every City fund, department, program or activity shall start each year's budget cycle with no predetermined appropriation amount. Budget appropriation decisions and the allocation of resources shall be based on direction provided by the City Council and implementation of that direction by the City Manager.
- 2.8 The City will submit the Adopted Budget Document to the Government Finance 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 receipting grant proceeds or other revenues and delay in issuance of long-term debt.
- 7.8 When issuing long-term debt, the City will ensure that the debt is soundly financed by:
- 7.8.1 Incurring debt only when necessary for capital improvements too large to be financed from current available resources.
  - 7.8.2 Insuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project.
  - 7.8.3 Determining that the benefits of the project financed exceed the cost of financing including interest costs.
  - 7.8.4 Analyzing the source of repayment, debt coverage ratios and the impact of debt service on annual fixed costs prior to issuance of long-term debt.
- 7.9 All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.
- 7.10 The City shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.

## **8 Pension Funding Policies**

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

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

## **9 Reserve Policies**

- 9.1 The City shall maintain adequate working capital reserves in all funds.

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

## **10 Management of Fiscal Policy**

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

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

### **Definition of Terms**

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

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

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

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

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

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

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

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

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



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## Annual Budget Calendar Fiscal Year 2019-20

| Description   | Parties  | Dates            |
|---|--|------------------|
| Initiate Budget development - distribute draft calendar   | City Manager and management team                   | 8-Jan            |
| Budget calendar - distribute draft  | Mayor, Council, City Manager                       | 21-Jan           |
| Governing Body Goal Setting   | Mayor, Council, City Manager                       | week of Feb 11   |
| Desired positions, position changes provided to finance   | Management team                                    | 1-Mar            |
| Estimate current year-end revenue and expenditures  | Management team                                    | 15-Mar           |
| Preliminary revenue forecasts, review goal setting issues and budget priorities.  | City Manager and management team                   | 15-Mar           |
| Update salary schedule and total compensation costs, distribute to management for review and approval   | Finance  | 15-Mar           |
| Orientation for new Budget Committee members - introduce to budget process, review mid-year financials, forecasts and discuss significant budget issues | Mayor, Council, City Manager and management team   | week of Feb 25   |
| Departments provide the following to finance: Review personnel costs and provide amounts for materials and services, current year capital outlay        | Management team                                    | 29-Mar           |
| Department meetings with City Manager and finance   | Management team                                    | week of April 15 |
| Finance review of year-end revenue and expenditure estimates - resolve items with management team/City Manager  | Management team                                    | week of April 15 |
| Provide and publish "Notice of Budget Committee Meeting" (ORS 294.426)  | Finance  | week of April 15 |
| Budget narratives completed and submitted to finance - include integration of departmental objectives with City Council goals                           | Management team                                    | 19-Apr           |
| Provide updated performance measure information   | Management team                                    | NA               |
| Provide updated CIP schedules for FY 2020-FY 2024   | Management team                                    | NA               |
| Aggregate budget document   | Finance  | week of April 22 |
| Complete FY 2020 Proposed Budget  | Finance  | 1-May            |
| Review by City staff of Proposed Budget   | Management team                                    | 2-May            |
| Print/Distribute Proposed Budget  | City Manager office                                | 6-May            |
| First Budget Committee meeting - Read budget message and release budget (ORS 294.408 and 294.426)   | Budget Committee, City Manager and management team | 6-May            |
| Additional Budget Committee meetings (ORS 294.428) Budget Committee approves budget (ORS 294.428)   | Budget Committee, City Manager and management team | week of May 13   |
| Publish "Notice of Budget Hearing" (ORS 294.438, 294.448)   | Finance  | 20-May           |
| Public hearing; adopt budget; levy taxes (ORS 294.456)  | City Council                                       | 3-Jun            |

### Color Guide

Council

Budget Committee

Management team

City Manager or Finance