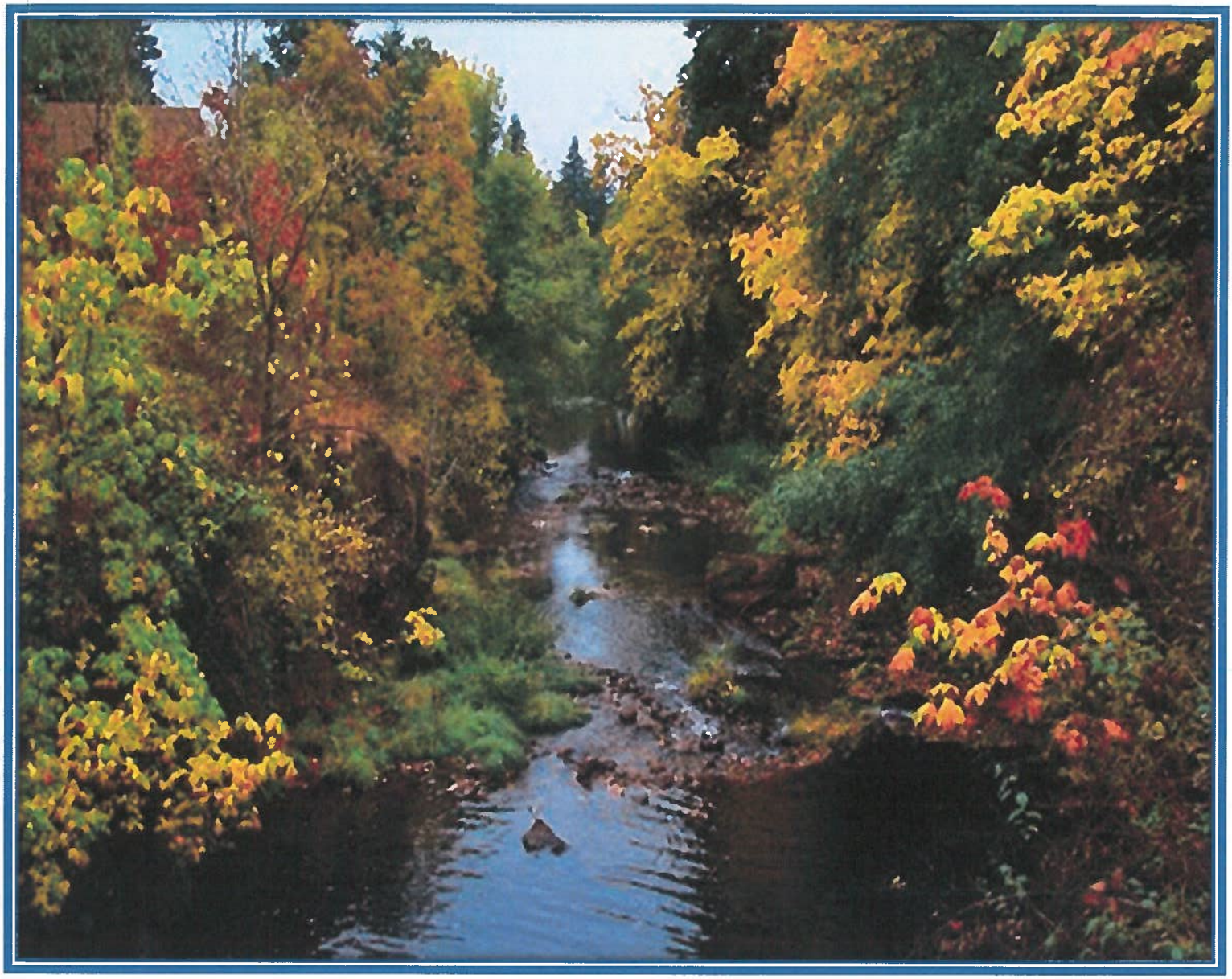

City of Falls City
FY 19/20 Adopted Budget

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City of Falls City

FY 2019-2020 PROPOSED BUDGET

READER 'S GUIDE

This guide is intended to assist readers in finding information in the Budget Document by describing the information included in each section. The Sections are highlighted in the Table of Contents by an underline (e.g. SECTION 2- FUNDS).

Section 1. Introduction
The items included under this section share the budget message, information and statistics about the City of Falls City, and summary descriptions of: the budget document, the budget process, budget basics, financial management policies, revenue sources, and debt management policies.

Section 2. Funds
Each fund has a narrative that describes the use of the fund and goals for that fund as well as the revenues and expenditure of the fund.

Section 3. Acronyms
Abbreviations are explained here.

Section 4. Glossary
This is a list of terms with explanations or definitions used throughout the budget document.

Section 5. Appendix
This space is reserved for summary information, policies referenced in the budget document and publication notices.

FY 2019-2020 FALLS CITY BUDGET COMMITTEE

BUDGET OFFICER FY 2019-2020

Mac Corthell, City Manager

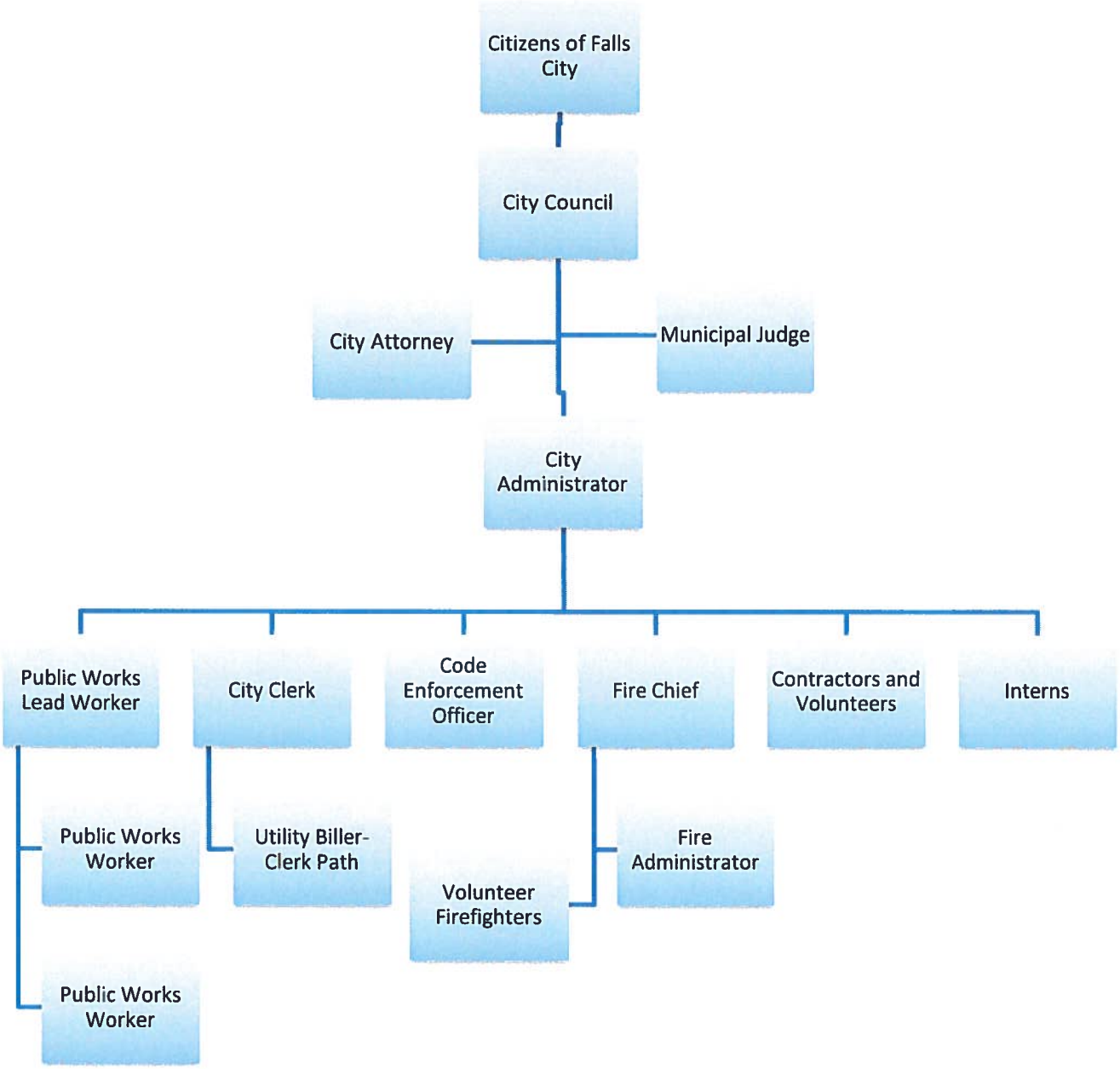
COUNCIL MEMBERS

Member	Elected	Expires
Jeremy Gordon, Mayor	January 2019	2020
Lori J. Sickles, Councilor	January 2019	2022
Dennis Sickles, Councilor	January 2017	2020
Jennifer Drill, Councilor	January 2019	2022
Tony Meier, Councilor	January 2019	2022
Cliff Lauder, Councilor	January 2017	2020
Charlie Flynn, Councilor	January 2017	2020

CITIZEN MEMBERS

Member	Appointed	Expires
Nick Backus	2018	2021
Karla Kind	2018	2021
Alan Kind	2018	2021
Guy Mack	2018	2021
Amy Houghtailing	2019	2022
Dana Schowalter	2019	2022
Lynn Sampson-Bailey	2019	2022

FALLS CITY ORGANIZATION CHART



City of Falls City

FY 2019-2020 PROPOSED BUDGET

BUDGET MESSAGE

DATE: April 12, 2019
TO: City Council, Budget Committee, Staff, and Citizens
FROM: Mac Corthell, Budget Officer
SUBJ: Fiscal Year 2019-2020 BUDGET MESSAGE

A wise old City Manager recently said to me, "I wish someone told me this 25 years ago, but the real measure of how a City is doing is how the people feel." When I first arrived as Administrator of our fine city, I sensed a fracture in the relationship between the local government and the community. My intuition was only reinforced when I started listening to stories, and hearing citizens flatly say they didn't have faith in our small government.

New to the art of community building, my response was to assess and begin to optimize those functions of government I felt were triggering inefficiency, and feelings of inequity, uncertainty, and distrust in the public. At the same time, Mayor Gordon was embarked on a tireless voyage to bring the community together and restore the institutions of self-governance through community building, economic development, and social empowerment. While this seemed great to me, I initially failed to understand how inexorably intertwined the two are.

As I write you today, I am proud to say that our combined efforts have helped us progress at a rate beyond what I could have imagined, and have taught me what it means to administer a community. Sure, we are faced with significant fiscal and social challenges, but none that are peculiar to a city of our size, location type, and demographics. The work that is being done today by our administration, our elected officials, and most of all our citizens, represents a sea change in the perception and reality of our community. We are on the precipice of developing, and implementing plans to achieve unprecedented economic stability and community togetherness in Falls City. I look forward to rolling my sleeves up with all of you in FY 2019/2020, and continuing the hard work of building a community that makes people feel great!

Introduction

It is my pleasure to present the proposed fiscal year (FY) 2019/2020 City of Falls City Budget for your consideration. Falls City has experienced significant staff turnover and organizational growth in the past year. Mayor/City Manager Ungricht resigned, City Clerk Protheroe retired just prior to the budget year, and Code Enforcement Officer Bajorins resigned.

The departure of three key employees, the appointment of a new administration, and several new and important City initiatives made for a very busy year in Falls City Government. However, as a testament to City Staff, our Elected Officials, and the Falls City Community, the City was able to continue all services uninterrupted, and to pursue several new initiatives and programs, while improving our existing processes and organization.

Through a comprehensive, albeit piecemeal, assessment of the City's organizational structure, existing programs, policies, procedures, and planning documents, City Administration was able to identify several areas in need of attention. The deficiencies noted include, but are not limited to: lack of regulatory and legal compliance, lack of organization, lack of formal and informal procedures, and lack of adopted plan implementation. Additionally, inconsistent accounting practices have blurred the City's actual financial picture.

This year's budget has three major goals aimed at refocusing that image: 1) provide a more accurate picture of Department/Program health and enable future planning within the Department/Program through good faith estimates of actual revenues received, and expenditures made; 2) to provide the starting point, and/or to continue implementation of existing City Planning documents; 3) to correct existing deficiencies and mitigate the chances of recurrence through pursuit of regulatory compliance, efficient organization, and implementation of appropriate and effective processes.

All of these goals combine to promote one of the main principles I invoked during my hiring process, Continuity of Government. The ultimate goal is to create an environment within all City Departments/Programs that is standardized, structured, organized,

documented, and transparent. City Staff has been courageous in tackling these efforts in spite of short-handed staffing levels, new staff, and a new Administration.

The City has successfully overcome the adversity associated with the administrative transition, exodus of existing staff, backlogged action items, and utter lack of standardized organization. We have gone from struggling to stay afloat, to addressing neglected plans and programs, and implementing new initiatives. Our City is on the precipice of recovering a long lost equilibrium that will see us operating within our financial means while continuing to develop our community and economic capacity!

FY 2019/2020 BUDGET SUMMARY

Overview. This year's proposed budget contains approximately $1.86 million in recommended funding for all expenses and liabilities. Of this, approximately $1.04 million is allocated to Capital Outlay and Debt Service, leaving the total for proposed Materials, Services, and Personnel expenditures at approximately $816,000.

General Fund. The General fund continues to include funding for the City Council, Fire Department, parks & cemeteries, code enforcement & municipal court, and administrative costs (including planning and zoning). This fund accounts for approximately 20% of expenditures and contains 2.15 of the 6.45 employees.

Restricted Funds. The remainder of the budget is allocated under funds in which expenditure of revenues is restricted by various laws, rules, and agreements.

Changes. This year's budget attempts to clarify our financial picture through more accurate accounting for actual revenues received and expenses incurred by a given Fund, Department, or Program. This will help provide a base line from which realistic assessments and plans can be made to address financial and operational challenges. To aid in this effort the proposed budget contains some noteworthy changes.

1. Shared Services Fund. A new "Shared Services Fund" in which expenses incurred by more than one Fund are centralized. Due to our small size, most of our operating resources are used by multiple funds. This allows for better tracking of recurring expenditures such as public works fuel, or office paper, that are used by multiple funds. The Revenues and expenses in this fund do not count toward city-wide totals, as they are accounted for in the transferring funds.

2. Good Faith Estimates. Oregon Local Budget law requires budgetary estimates that are reasonable and reasonably likely to occur based on the known facts at the time. The City's budget practice of late has been to allocate expenses in a way that kept financially troubled funds from showing their symptoms. It is appropriate to make necessary transfers to keep a fund from becoming insolvent, however when transfers are combined with disproportionate allocation of expenses over a long period of time, it becomes very difficult to ascertain the true state of the fund. The good faith estimates in this year's budget have led to the following changes:

    a. Addition of Personnel expenses in the parks & cemeteries program and streets & pathways program.
    b. Appropriate allocation of personnel services across the Water and Sewer Funds, including allocation of the Utility Billing Clerk.
    c. Cancellation of all inter-fund transfers except to Shared Services.
    d. Appropriate allocation of expenses across all departments and programs proportionate to the program's use of the expense.

Miscellaneous. The City continues to see an increase in land use applications. This is excellent news for our tax base, and utility systems, however it has highlighted some fiscal issues that will need to be considered in the year to come. Our current infrastructure is aging, or non-existent. As we continue to grow, the need to develop and maintain our infrastructure will become more acute. The City has increased its capacity to pursue infrastructure grants, but these cannot cover the entire cost of our needs. There are very few, if any opportunities to cut costs without cutting service levels. Additionally, it may not be equitable to pass the costs of increased capacity off to current customers, or taxpayers. The City will have to take a hard look at various options to develop and/or increase infrastructure related revenue streams in the next fiscal year. Some of these options are discussed in dedicated fund sections to follow.

Conclusion. This budget reflects an effort to form a base line from which to judge the overall fiscal health of our City. Expanding needs, pending staff transitions, declining real value of revenue streams (stable nominal), and irregular budgeting practices have combined to draw the curtains on our fiscal realities. This budget seeks to pull back the curtains on the realities of each program so the tough decisions can be identified, deliberated, planned and acted on.

The City of Falls City currently finds itself at the brink of a very positive era of community development, which will lead to economic stability if appropriately incubated and channeled. The City also finds itself faced with several touch decisions that will require a great deal of cooperation, communication, and solidarity to see through. The Mayor and City Council have proven equal to the task of navigating difficult decisions without causing fractures in the community. Special care will need to be taken in order to preserve the momentum of the community building process, while making necessary decisions that may prove unpopular.

The Council's 2018 goals currently define our direction, and we are on the path to achieve most of them. This year will see new goal setting that will take into account the larger community vision currently being constructed, as well as the progress we've made and lessons we've learned in relation to existing goals. Every citizen of Falls City is invited to be a part of creating and implementing a shared community vision that will ensure Falls City remains a great place to be now, and into the future!

Macahan "Mac" Corthell, JD
City Manager and Budget Officer

City of Falls City

MISSION STATEMENT

Create an environment that supports rural community living at its best by mixing family, work, recreation and social opportunities while providing fiscally sound, and responsible municipal services.

CITY GOALS

The City of Falls City will:

1. Maintain City infrastructure at adequate levels to meet current, future and regulatory requirements.

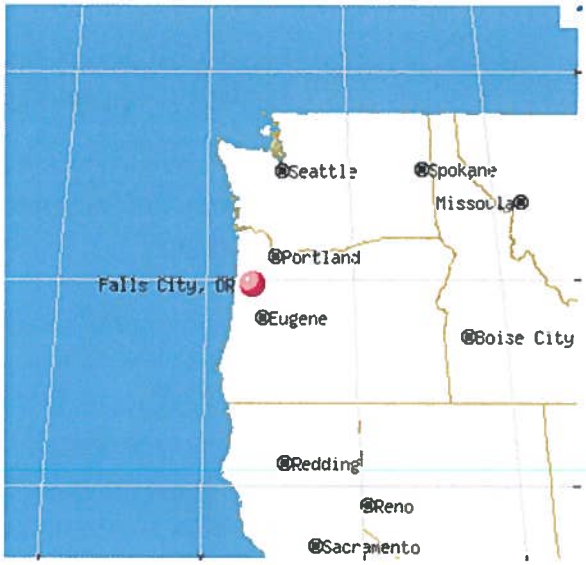
2. Maintain and Broaden community understanding of City government and operations by enhancing community communications.

3. Develop a strategy to encourage economic development in Falls City.

4. Explore options to enhance Public Safety and implement a Code Enforcement Program with available resources.

ABOUT FALLS CITY

The City of Falls City is a small, but thriving rural enclave filled with and surrounded by a vast array of recreational activities, scenic areas, forests, vineyards and farmland. Incorporated in 1891, the City encompasses 1.23 square miles in the Mid-Willamette Valley at the base of the Coast Mountain Range. Falls City is situated just 20 miles from Salem, the state capitol, and 68 from Portland, the state's largest city, making it a rare undiscovered jewel in the heart of Polk County, Oregon.



The City provides a range of services, including fire protection, construction and maintenance of streets, parks, cemeteries and utility infrastructure, recreational activities and cultural events, short and long-range planning and development review, and building permits. Certain services are provided by or in cooperation with regional organizations.

The City owns its water and sanitary sewer utilities, relying on surface water to supply distribution. Electricity, telephone and internet services, and trash disposal are provided by private businesses.

Falls City is part of the larger Falls City School District #57 that provides Pre-kindergarten through high school services.

Planning for future land uses, civic services, and infrastructure improvements is ongoing. The economy in the mid-Willamette Valley, where Falls City is located, is primarily agriculture and wine, but continues to see growth in tourism, and recreation largely associated with the wine and biking industries.

GOVERNMENT

On December 4, 2014 the City of Falls City adopted a new charter requiring a Council – Manager Form of government. The Charter invests the power of governance in an elected City Council comprised of a Mayor and six City Councilors. In exercising its authority and fulfilling its responsibility to govern the City, the Council may exercise administrative, legislative, or quasi-judicial authority. The Mayor serves a two year term, Councilors serve four year terms, and three of the six Councilor's terms expire each biennial election.

The City Manager and staff are responsible for carrying out the day-to-day operations of the City, developing administrative policies, developing and implementing planning documents, and preparing and managing the budget.

The City's fiscal year begins July 1 and ends June 30. Current information about City services and projects can be found on our website www.fallscityoregon.gov.

QUICK FACTS

- The median age is: 47.5 year old.
- The average household size is: 2.6 people.
- The top industries are: government, education, automotive repair, food service, retail trade, non-store retail, accommodation, and manufacturing.
- The top occupations are: healthcare, office/administration, management, education, construction, and transportation.
- The top commuting destinations are: Salem, Sheridan, and Dallas.
- The education breakdown is: 8% no high school diploma, 33% high school grad, 33% some college, 26% bachelor's degree or higher.

HOUSING

Much of the housing in Falls City has been designed with family life in mind. Approximately 82% of housing is owner occupied. The City has seen an increase in building permits and staff has been working to help create zoning changes that will encourage development. The assessed value of real property in Falls City, the amount off which property taxes are assessed, was $42,458,837 in 2018.

PROPERTY TAX RATE

The City's permanent tax rate is $2.9202 per $1,000 assessed valuation, as set by the passage of Measure 50 in 1997. Falls City Voters approved a fire levy in the May, 2018 election which approved a $1.00 per $1,000 assessed value levy for five (5) years.

THE BUDGET PROCESS

A budget as defined by Oregon State Law (Oregon Revised Statutes (ORS), Chapter 294), is a financial plan containing estimates of revenues and REQUIREMENTS 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 balances (Net Working Capital), current resources and debt proceeds, equal total requirements, including current year REQUIREMENTS, capital outlay, transfers, debt service and any other requirements such as debt service reserves.

As a rule, local governments in Oregon operate on a fiscal year that begins on July 1 and ends the following June 30. Falls City's budget operates on this schedule. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under 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 Falls City's budget will accomplish each of the four major purposes of Oregon Local Budget Law (ORS 294.305 – 294.555 and 294.565) including:

- Establish standard financial procedures
- Outline programs and services in conjunction with the fiscal policy and implement those policies
- Provide methods of estimating revenue, REQUIREMENTS, and proposed tax levies
- Encourage public involvement in the budgeting process before budget adoption
- Falls City prepares and adopts its annual budget in accordance with the City Charter, Oregon Law and the Government Finance Officers Association budget guidelines.
- Before the budget can accomplish these goals a schedule for preparation is developed. This schedule is called the budget calendar.

2019-2020 BUDGET CALENDAR

April 15..... Budget Officer: prepares the budget message
April 18, May 2..... Budget Committee: meetings, hearing, and approval
June 10, nlt June 30 .... City Council: meeting with public hearing for budget, and adoption

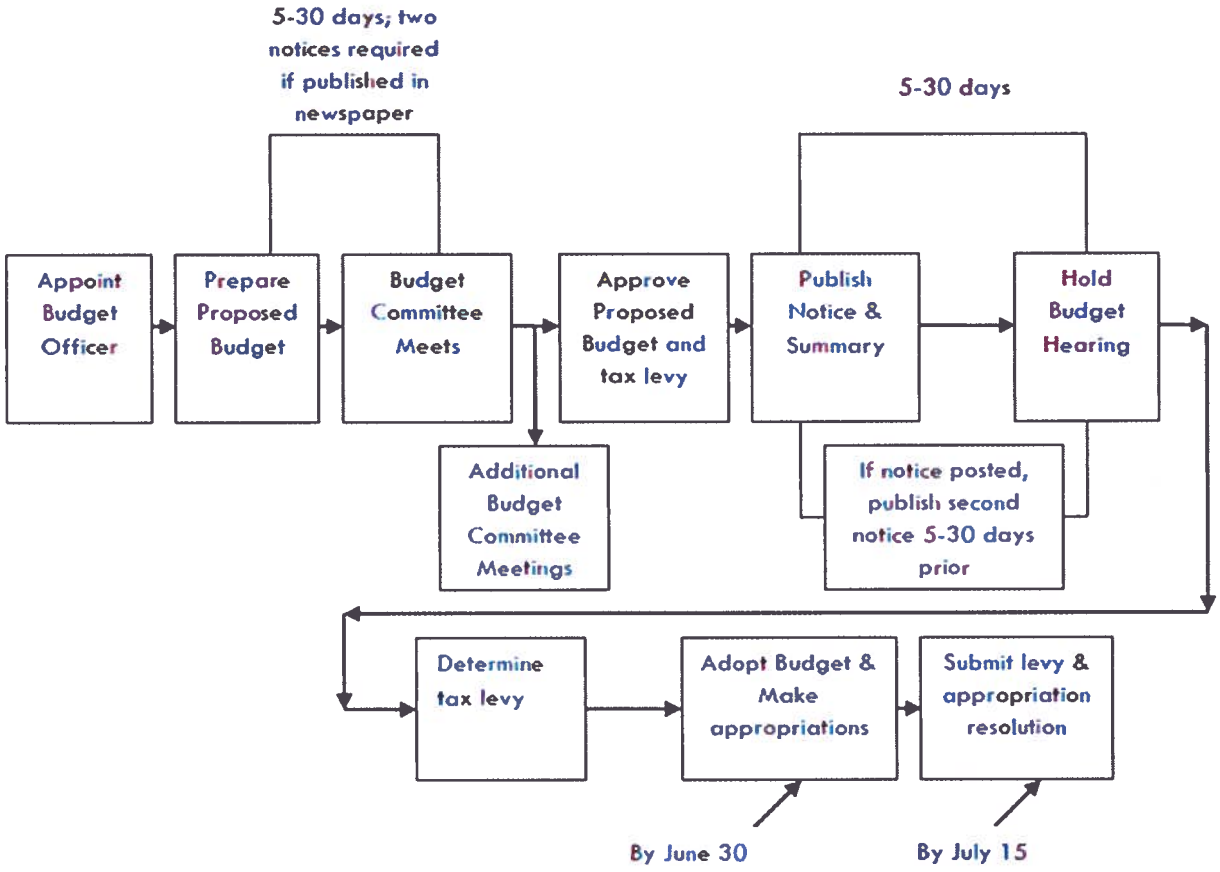
In December through March, meetings are held with City staff, the Mayor, and City Council to set goals and priorities for the upcoming year. In April, a preliminary budget is prepared and presented to the Budget Committee, which, by law, comprises the Mayor, City Councilors, and seven citizen members. A summary of the recommended budget is published in the local newspaper. The City Council holds a public hearing prior to July 1, which may result in further changes. If a change will increase property taxes or increase REQUIREMENTS within a fund by more than ten percent or $5,000, whichever is greater, the budget must be referred back to the Budget Committee. The City Council adopts the budget and levies taxes prior to June 30 each year. The adopted budget is filed with the county clerk and State of Oregon, and the Property Tax Levy is certified to the County Assessor by July 15 each year.

THE BUDGET AMENDMENT PROCESS

Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. The City Council may adopt resolution changes that decrease one existing appropriation and increase another. Certain changes of ten percent or more to any fund require a supplemental budget. All

changes over ten percent to any fund require a supplemental budget process similar to the annual budget requiring a public hearing. Further detail may be found in ORS Chapter 294.

THE BUDGET PROCESS FLOW CHART



Oregon's Local Budget Law is governed by Chapter 294 of the Oregon Revised Statutes (ORS 294). This law does two important things: (1) establishes the standard procedures for preparing, presenting and administering the budget, and (2) requires citizen involvement in the same. The above flowchart depicts this process

THE BUDGET COMMITTEE

The Budget Committee is composed of the Mayor, City Councilors, and seven citizen members appointed by the governing board.

The appointed members:

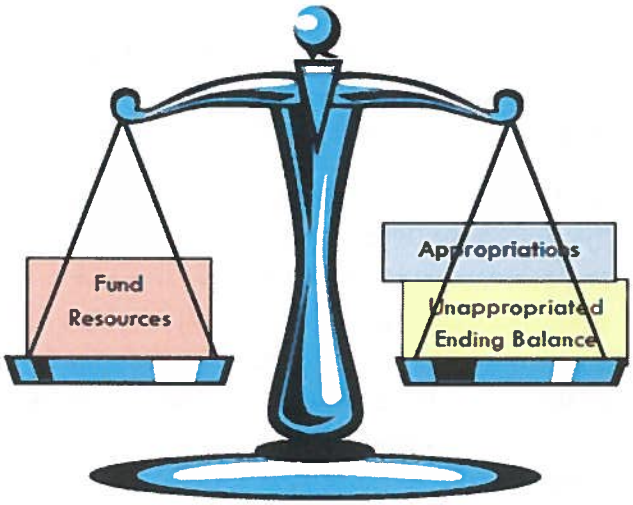
- Must live in the City of Falls City,
- Cannot be officers, agents, or employees of the local government,
- Serve four-year terms that are staggered so that approximately one-third of the terms end each year, and
- Can be spouses of officers, agents, or employees of the Municipality.

THE BUDGET BASIS

The budget is prepared using the modified cash method of accounting. This means that obligations of the City are budgeted as expenses when invoices are paid and income is recorded when received. The City of Falls City manages its finances in compliance with the modified cash basis and budget laws of the State of Oregon. During the year, requirements and revenues are closely monitored to ensure compliance with the adopted budget and state law. Quarterly financial reports will be prepared on the budgetary basis of accounting, distributed to the City Council, and the general public.

Annually, an audit is performed and filed with the State of Oregon by an independent certified public accountant. The City of Falls City publishes an annual financial report that documents the City's budgetary performance and the financial health of the City. This report compares budgeted to actual revenues and requirements, thus documenting the City's budgetary compliance.

The government-wide financial statements and the proprietary funds financial statements are reported using the economic resources measurement focus and the full modified cash basis of accounting as is the fiduciary fund financial statements. Revenues are recorded when received and expenses are recorded when paid. Grants and similar items are recognized as revenue as soon as received.



Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recognized as available as soon as they are received.

Requirements are generally recorded when paid under cash accounting. Long term compensated absences are recorded only when payment made. Principal and interest on long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

THE BUDGET DOCUMENT

A budget as defined by Oregon State law is a "financial plan containing estimates of revenues and requirements for a single fiscal year." Local governments have the option of budgeting on a 24-month biennial budget period, or by fiscal year.

The City of Falls City operates on a fiscal year beginning on July 1 and ending the following June 30.

Budgeting requires local governments to evaluate plans and priorities in light of the fiscal resources available to meet those needs.

The budget document describes how the City of Falls City's government plans to meet the needs of the community and is a resource for citizens interested in learning more about the operations of their city government.

FUND ACCOUNTING

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". Fund accounting is different from multi-company commercial accounting. Fund accounting encompasses most aspects of commercial accounting. However, it goes beyond the requirements of a commercial system both in form and function.

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 City of Falls City's funds are appropriated with the exception of closed funds which are no longer used because their reason for use has changed or expired. Historical information about these funds is included in the budget document.

Major Funds may be either business type funds, or governmental type funds based on the activities in the fund itself. Funds that receive this title represent the significant activities of the City of Falls City and basically include any fund whose assets, liabilities, revenues, or requirements are at least 10% of the corresponding total (assets, liabilities, etc.) for all funds of the same category or type (i.e. total governmental or total enterprise funds); and total assets, liabilities, revenues, or requirements/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds (business type funds) combined. All other funds are non-major funds.

Governmental Funds are supported by tax revenues, user fees, franchise fees, intergovernmental payments and other revenues. The accounting for a governmental-type activity focuses on available resources and the near-term demands upon them.

General Fund (Major Fund): This fund accounts for the general services provided by the City and Council.

Revenue is primarily generated through property taxes, state shared revenues, franchise fees, fines, fees and permits and grants.

Transportation Funds are supported by state and county gas tax revenues, contract payments, miscellaneous other revenues and include the following:

Street and Pathways Fund (Major Fund): The Street and Pathways Fund provide the accounting for Streets and Pathways programs. The Streets and Pathways programs include repair, construction and maintenance of streets and pathways. No public works staff is funded in the Streets and Pathways Fund. Use of other departmental staff is charged through allocations to the general fund and the various enterprise funds. Funding sources include state highway gas tax, contributions and sharing.

Enterprise fund is a fund 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. The City maintains two Enterprise Fund accounts for Water and Sewer activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example water rate revenue can only be spent on water activities and projects.

Water Fund (Major Fund): This fund accounts for the operation of the City's water utility and engineering services. The principal sources of revenue are user fees. Requirements are for the operation, administration, maintenance, system betterments and expansion of the system.

Sanitary Sewer Fund (Major Fund): This fund accounts for the operation of the City's sewage utility. The principal sources of revenue are user fees. Requirements are for operation, administration, maintenance, system betterments and expansion of the system.

Special Revenue Fund is a fund set up for dedicated local option tax levies, and other dedicated funds when required by law or agreement.

Utility Reserve Fund (Major Fund): This fund accounts for Water and Sewer Capitol improvements financed using the City's utility reserve fee.

Fire Equipment and Operations Levy Fund (Major Fund): This fund accounts for the receipt of property tax revenues assessed for the 5 year fire operations levy passed May of 2018. The requirements are for operation, and equipment expenses.

Internal Service Fund is a fund set up to account for services provided by one department to another within the same local government agency.

Shared Services Fund (Major Fund): This fund accounts for the many materials and services shared by multiple departments within the City. This fund uses a consistent methodology to proportion shared liabilities amongst all benefitted funds. Its main facility is to simplify accounting for shared expenses, and to accurately allocate them to the funds receiving a benefit. The lone source of revenue for this fund is transfers in from the benefitted funds.

THE GENERAL FUND DEPARTMENTS

Administration

Fire Department

Parks & Cemeteries

Code Services & Municipal Court

City Council

Debt/Other

FUND GUIDE

Active Funds

1. General Fund (Major Fund)
   - City Council
   - Admin
   - Fire
   - Court
   - Parks and Cemeteries
   - Other/Non Departmental
2. Shared Services Fund (Major Fund)
3. Water Fund (Major Fund)
4. Sanitary Sewer Fund (Major Fund)
5. Streets and Pathways Fund (Major Fund)
6. Community Development Revolving Loan Fund (Major Fund)
7. City Utility Reserve Fund (Major Fund)
8. Wagner Library 80% Fund (Minor Fund)
9. Fire Equipment/Operations Levy (Major Fund)

REVENUE SOURCES

Budget preparation begins with revenue projections. Different forecasting techniques are used depending on the revenue sources unique characteristics. The following schedules show the City's major funds individually and non-major funds in aggregate. For the purpose of this discussion any fund whose revenue or requirements constitute more than 10 percent of the appropriated budget on a reoccurring basis are considered a major fund. All other funds are non-major funds. A description of the City of Falls City's revenue sources and how the budget amounts were determined follows:

Charges for Services

The cost of providing services such as water and sewer are charged to the residents through utility rates. Historical usage patterns, number of services and estimated growth applied to the utility rates determine the amount of revenue projected. A rate study has not been conducted in a number of years and as a result rates have not been adjusted as frequently as needed to keep up with the cost of providing service.

The rates for water and sewer will need to be increased to reflect the cost of providing service. A capital fee is charged to allow the city to "pay as we go" and save the ratepayers money in the long run since less debt will be issued to fund projects.

Transfers and Allocations

In prior years, allocations and transfers have been used to recover costs for services as well as to share the cost of liability payments. Beginning in fiscal year 2019-2020, a shared services fund has been set up to account for allocation of shared costs, and employees have been allocated to the departments in which they actually work. Many of the city funds have been receiving transfers from other funds for the purpose of debt payments and general operational funding with no expectation of repayment.

The shared services fund eliminates that concern. The amount charged to each department is determined on a use and resource basis for the given shared material, service, or capital. These are projected and totaled, then a transfer is made from the benefitted account to the shared services account in a proportion determined using the use and resource basis.

Property Taxes

These taxes are approved by voters. As a result of Oregon voters approving ballot measures 47 and 50, in 1996 and 1997, respectively, the state now has a property tax rate system rather than a property tax base system. A permanent tax rate was determined for each taxing jurisdiction and then applied to a taxable assessed value that is limited to a 3% annual increase plus any exceptions allowed by state statute. Property taxes are deposited into the General and Bonded Debt funds. Estimates for this revenue are generated by Polk County assessment and taxation and adjusted by the City for known or anticipated differences. The General Fund fixed tax rate is $2.9202/$1,000 assessed valuation. The county currently levis an additional local option levy for the City of Fall City in the amount of $1.00/$1,000 for a 5 year fire operations and equipment levy passed by the voters in May of 2018.

Other Taxes

Taxes other than property taxes are the base of this revenue source. This includes excise taxes, state shared revenues such as the cigarette tax.

Licenses, Permits, and Fees

This includes charges for permits, user fees, and business licenses. Anticipated building activity and business license renewal rates are indicators for projecting this revenue.

Franchise Fees

Falls City grants permission for the use of public rights of ways for the purpose of utilities. Private utilities operating in Falls City must pay a franchise fee based on a franchise agreement between the utility and the City.

Fines and Forfeitures

This revenue is generated from municipal citations and fines, such as code violations. The purpose is to promote safety and enforce compliance related issues.

PERSONNEL

City of Falls City Proposed COLA Increase for 2019-2020 *Blended CPI Rate 2.35%			
Position	Current Wage	Change	New Wage
City Manager (1.0 FTE)	$ 66,570.00	$ 1,563.00	$ 68,133.00
City Clerk (1.0 FTE)	$ 31,616.00	$ 742.98	$ 32,358.98
**Utility Biller-Clerk Path (0.75 FTE)	$ 17,940.00	$ 780.00	$ 18,720.00
Public Works Director (1.0 FTE)	$ 41,953.60	$ 985.90	$ 42,939.50
Public Works Worker 1 (1.0 FTE)	$ 36,379.20	$ 854.91	$ 37,234.11
Public Works Worker 2 (1.0 FTE)	$ 36,358.40	$ 854.42	$ 37,212.82
Code Enforcement Officer (0.5 FTE)	$ 4,992.00	$ 116.48	$ 5,108.48
Fire Chief (N/A)	$ 4,800.00	$ 112.80	$ 4,912.80
***Fire Administrator (0.2 FTE)	$ 5,808.00	$ -	$ 5,808.00

*The CPI Portland- Salem index was recently discontinued. In response to that, I have used a blend of the Western Cities (Class B/C) (less than 2.5 million population), and the US City Average CPI indexes to generate the proposed COLA increase. I also look at an average of three months (Nov/Dec/Jan) to smooth out any spikes.

**The Utility-Biller will not receive a COLA pay increase due to how recently she was hired. However, if she is able to succesfully complete her 6 month probation, she will receive a raise of $0.50 per hour.

***The Fire Administrator has not yet been hired, so no COLA increase is applicable.

GENERAL FUND REVENUE

Mission Statement

The purpose of the General Fund is to provide basic municipal services that are not funded elsewhere, such as: administration, community development, planning, public safety, parks and cemeteries.

Service Provided

The revenue section provides an accounting for the largest single source of revenue supporting municipal services – the property tax. Other general purpose, non-restricted revenue is also contained within the General Fund

Objectives 2019/2020

The City's General Fund (and all other Business Type Funds) will have four goals this fiscal year:

1. To clarify the City's actual financial status through consistent and methodical allocation of expenses to the activity for which they are used.
2. To add revenue streams and improve existing ones.
3. To begin planning for revenue streams to support long-term community growth through consideration of various infrastructure funding and financing options.
4. To continue to support community and economic development in the City.

Budget Narrative

The General Fund has an estimated beginning balance of $250,000.00 and anticipates revenue of $291,600; this sets total resources at $541,680.00. The General fund budgets $362,652 in spending, with an additional $50,000 reserved for contingencies. The General fund is the source of income for the City Council, Court & Code Services, Fire, Administration, and Parks & Cemeteries Funds. The General fund is comprised of both unrestricted funds that can be spent on any of Falls City's liabilities, and $69,800 in restricted use grant funds.

Budget Officer's Notes:

- The City is currently beginning discussions with a potential tenant for a lease of the **old Doctors office** and small building at 304 and 306 North Main. The short-term revenue produced by a potential lease may be menial, but the long term benefits of repairs, beautification, and mitigation of holding costs will justify it. Any potential revenue from the lease will be budgeted in the General Fund.

- While we have seen consistent increases in **property tax revenues** due to some new development and increased property values, these generally only impact receipts by a few thousand dollars per year. Due to the constitutional cap on property taxes, these cannot be depended on to sufficiently support the City's needs without extensive development of the City's tax base.

- City Administration is reviewing a **Master Right of Way ordinance** to present to the Council. The effect of this ordinance will be to ensure all utilities using the City's rights of way (e.g. roads, light poles) are engaged in a franchise or license agreement with the City for each service they offer, or each foot of right of way they occupy (pass through services). This will likely increase franchise agreement revenues as many of the utilities operating in, or through Falls City are not reimbursing the City for use of its rights of way.

- The City will need to take a close look at systems development charges, local improvement districts, and other **funding sources** to address the lack of revenue available to improve and maintain its **parks**.

- Finally, City Administration anticipates applying for at least two more General Fund grants within the forthcoming fiscal year. However, the opportunities are numerous, and the capacity to apply limited, so more exploration and engagement with the community and the Council is needed before they can be identified and added, as needed.

FUND: GENERAL

RESOURCES	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
Beginning Fund Balance	$ 233,921	$ 243,346	$ 210,000	$ 250,000		
Taxes						
Property Taxes- Current	$ 110,750	$ 113,560	$ 108,000	$ 115,000		
Property Taxes- Prior	$ -	$ 1,069	$ 1,000	$ 900		
State Revenue Sharing	$ 11,213	$ 13,911	$ 7,500	$ 11,200		
State Liquor Tax	$ 14,285	$ 14,136	$ 15,000	$ 14,000		
State Cigarette Tax	$ 1,283	$ 1,191	$ 1,100	$ 1,100		
Interest						
Interest on Investments	$ 13,325	$ 19,146	$ 14,000	$ 19,000		
Fees						
Business License & OLCC Fees	$ 1,223	$ 1,838	$ 600	$ 1,500		
Land Use and Permit Fees	$ 6,358	$ 4,940	$ 1,000	$ 4,500		
Comm Ctr & Parks User Fees				$ 800		
Code Services Fines				$ 500		
Lien Search Fees	$ 1,125	$ 1,330	$ 500	$ 850		
Licenses and Fees	$ 1,988	$ 1,514	$ 1,200			
Parks User Fees	$ 140	$ 1,020	$ 50			
Community Center User Fees	$ 250	$ 235	$ 200			
Franchise Fees						
Pacific Power Franchise	$ 44,492	$ 46,298	$ 35,000	$ 41,000		
Consumer Power Franchise	$ 79	$ 80		$ 50		
Republic Trash Franchise	$ 3,008	$ 3,396	$ 3,000	$ 3,200		
Charter Franchise	$ 6,578	$ 5,552	$ 5,000	$ 5,200		
Quest/Century Link Franchise	$ 1,732	$ 1,276		$ 1,000		
Grants						
CLG Grant (Historical)				$ 12,000		
Weyerhaeuser Grant (Fire)				$ 9,800		
Historic Cemetery Grant				$ 8,000		
Ford Family RARE Grant				$ 10,000		
Pacific Power RARE Grant				$ 10,000		
Assistance to Firefighters Grant				$ 20,000		
Intergovernmental Grants	$ 76,500	$ 26,717	$ 47,199			
Planning Grants	$ -	$ 1,000				
Miscellaneous						
Miscellaneous	$ 14,516	$ 8,926	$ 1,000	$ 2,080		
Copies & Faxes	$ 347	$ 90	$ 50			
Donations	$ 520	$ 1,925	$ 50			
Parks Donations	$ -		$ 50			
Rural Fire	$ 22,400	$ 14,050				
Non-Revenue Resources						
Transfer from Polk Comm Dev				$ 23,500		
Transfer from Fire Levy			$ 15,000			
Transfer from Water Fund	$ 50,000	$ 50,000	$ 50,000			
Total Non-Revenue Resources	$ 50,000	$ 50,000	$ 65,000	$ 23,500	$ -	$ -
Total Revenues	$ 332,112	$ 283,200	$ 241,499	$ 291,680		
TOTAL FUND RESOURCES	$ 616,033	$ 576,546	$ 516,499	$ 565,180		

GENERAL FUND REQUIREMENTS

CITY COUNCIL

MISSION STATEMENT

Create an environment that supports rural community living at its best by mixing family, work, recreation and social opportunities while providing fiscally sound, responsible municipal services.

Service Provided

This department is to allow for Council related expenses to be reflected separately from other activities. The Mayor and City Council members are volunteers elected by the registered voters of Falls City and do not draw salaries or receive benefits for their work.

Objectives 2018/2019

Maintain high level of services, continue improvement of financial stability, economic development, transportation projects, job creation and retention of high quality employees. Provide for community needs through innovative, efficient and cost effective government services.

Budget Narrative

This budget anticipates a total of $1,000.00 of expenditures in this department. The budget for City Council is comprised of Council approved projects and reimbursement for travel to meetings or training.

Org Unit: Council

REQUIREMENTS	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
MATERIALS & SERVICES						
Worker's Comp				$ 50		
Professional Services				$ 100		
Opearational Supplies	$ -	$ 45	$ 250	$ 100		
Council Projects	$ 310	$ 485	$ 800	$ 400		
Trvl, Trng, Dues, Statutory	$ 83	$ -	$ 300	$ 350		
Reimbursable Expense			$ 100			
Total Materials & Services	$ 393	$ 530	$ 1,450	$ 1,000		
PROGRAM TOTAL	$ 393	$ 530	$ 1,450	$ 1,000		

ADMINISTRATION

Mission Statement

The mission of the department is to provide consistent, efficient, and professional leadership and administrative services to the Falls City Council, city staff, and the citizens of our community.

Service Provided

The City has filled the position of City Manager and added a part-time Utility Biller – Clerk Path, these were necessities with the retirements of Clerk Protheroe and Volunteer City Manager Ungricht.

The following list provides an overview of the Department's activities and services for City affairs and intergovernmental cooperation:

- Provide leadership and support to City government operations and the City Council.
- Directs the accomplishment of City Council goals.
- Provide information, support, and advice to the Mayor and City Council.
- Continue to modify programs, policies, and procedures to ensure they work towards facilitating appropriate development and sustainability of our community.
- The City Manager serves as the Recorder and acts as the custodian of records, charged with the maintenance of master files, and ensuring proper record retention complies with state statute.
- The Administration Department fulfills all the accounting obligations of the City including: preparation of all financial reports, maintenance of the City's general ledger, and the accurate and timely development of the City's annual audit.
- Coordinates the preparation of the annual budget.
- Provides financial management services for the City including cash and investment management, grant accounting and insurance administration.
- Ensures the accurate and timely processing of the City's payroll obligations, payment of payroll taxes, and accurate reporting to regulatory agencies.
- Coordinates the City current debt payments and debt compliance.
- City Manager serves as Budget Officer, Elections Officer, Finance Director, Planning Director, Community Development Director, and Public Works Director.
- The City Clerk serves as the Operations Manager, Utility Billing Manager, election clerk and Special Events Coordinator.
- Supports Committees and Commissions
- Supports building permits, planning and business licensing.

The Administration Department also provides for event planning and management, administration of city rentals, human resources, grant writing and management, personnel and volunteer management, land use planning, and building permits, technology, record keeping, and public outreach/reception.

Accomplishments 2018-2019

- Hired new City Manager

- Hired a Code Services Officer
- Hired a Utility Biller – Clerk Path
- Overhauled antiquated IT system mitigating risk and increasing capabilities
- Developed and implemented a new Noise Ordinance
- Developed and implemented an events program, policy, and procedure
- Developed and implemented a key control policy, and gained positive control on keys
- Developed and implemented a purchasing policy and instituted purchase orders to rein in spending
- Developed and implemented a Falls City High School – City Hall Internship Program.
- Developed and implemented an Annual Photo Contest.
- Assisted in creation of a City Facebook Page
- Conducted a large portion of land use and building permit management duties, thus reducing contract planning costs substantially
- Increased City Hall internet speed without increasing costs, in an effort to allow credit card payment access
- Secured grant funding for, and began a Community Visioning and Action Planning Process
- Engaged with Polk Cemetery Savers to conduct restoration activities at the Falls City Cemeteries
- Reduced materials and services expenditures through cancellation of un-needed services, renegotiation of agreements, and changing vendors when advisable
- Brought the Human Resources Program from 20% to 85% compliant
- Attended Budget Training, Procurement Training, Land Use Training, Local Governance Training, and the OCCMA conference
- Opened a Sheriff's Office Sub-Station at the Falls City Fire Department

Objectives 2019-2020

The primary focus of this department in the coming year will be the continuing to re-channel and re-focus the City's energies and resources towards accomplishing its Mission Statement and Goals. To this end, the primary objectives of the department will be to:

- Optimize digital communication sources, especially the City's website
- Institute credit card payment capability on our utility system
- Identify and install accounting software designed for fund accounting
- Outsource payroll, and bring PERS responsibilities in-house.
- Bring book keeping responsibilities in-house
- Develop and produce a land use planning handbook
- Continue to support Community Visioning, Action Planning, and Implementation activities
- Add a RARE participant to support community development activities
- Create processes to enhance the efficacy of City Committees
- Present a Master Right of Way Ordinance to the City Council
- Continue to manage existing grants and to write additional

Personnel Services

Administration is a department in the General Fund comprised of 2.15 full-time employees, the City Clerk, the Utility Biller – Clerk Path, and the City Manager. The time for these positions is primarily accounted for in this fund, with the exception of the Utility Biller who works only 0.15 in the Administration Fund.

Materials and Services

The expenses budgeted in this fund pale in comparison to past years due to the advent of the Shared Services Fund. A transfer out to that fund for many of the items historically billed to this fund is contained in the Other/Debt Services program of the General Fund. The reason for this is that nearly all of the expenses formerly charged to this Department were shared items such as postage expenses, that should fairly be split between Administration, Sewer, and Water.

The remaining expenses constitute land use consulting, employee travel and training, insurance, and basic staples such as paper towel. Additionally, three grants are housed under this fund. Two of them are associated with a potential RARE participant. If the RARE is awarded, the City will pay for him/her with the funds allocated for it under RARE dues, offset by the two potential grant awards. The third grant has been awarded, and is specifically purposed to support the historic commission in creating a historic properties application with the support of our local high school computer programming course.

FUND: GENERAL
Org Unit: Administation

REQUIREMENTS	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
PERSONNEL						
Full Time Equivalent	2.0	2.0	2.5	2.15		
Salaried	$ 66,165	$ 73,044	$ 120,000	$ 103,798		
Benefits/Retirement	$ 30,214	$ 32,542	$ 54,000	$ 42,745		
Payroll Expenses	$ 5,442	$ 9,431	$ 14,000	$ 8,127		
Worker's Comp	$ -	$ -	$ -	$ 170		
Total Personnel	**$ 101,821**	**$ 115,017**	**$ 188,000**	**$ 154,840**		
MATERIALS & SERVICES						
Professional Services	$ 45,414	$ 51,951	$ 60,000	$ 10,000		
Operational Supplies	$ 8,172	$ 6,280	$ 6,000	$ 400		
Trvl, Trng, Dues, Statutory	$ 5,181	$ 4,760	$ 6,500	$ 2,000		
Insurance				$ 865		
RARE Dues				$ 23,500		
Grants						
Ford Family RARE Grant				$ 10,000		
Pacific Power RARE Grant				$ 10,000		
CLG Historic Grant				$ 12,000		
LEOF Grant			$ 45,000			
Equipment O & M	$ 619	$ 1,104	$ 2,500			
Building Maintenance & Repair	$ 1,726	$ 1,791	$ 4,000			
Utilities	$ 8,141	$ 7,125	$ 9,000			
Council Projects	$ 850	$ 653	$ -			
Adjustment to Audited Statement	$ 2,281	$ -	$ -	$ -		
Total Materials & Services	**$ 72,384**	**$ 73,664**	**$ 133,000**	**$ 68,765**		
PROGRAM TOTAL	**$ 174,205**	**$ 188,681**	**$ 321,000**	**$ 223,605**		

FIRE DEPARTMENT

Mission Statement

Everything we do, we do for the people and communities we proudly serve. With education and training we prevent harm. With rapid and professional response, we protect lives and property. Through our desire to serve and courage to act, we are the model of a successful fire and rescue agency for the residents of Falls City, surrounding communities and the State of Oregon.

Service Provided

Primary duties and responsibilities include: fire suppression, emergency medical operations, hazard materials incidents, fire prevention, disaster preparedness, and fire/medical mutual aid to other fire departments.

Accomplishments

- Donated a '65 Fire Engine to the Polk County Historical Society.
- Provided a full roster of volunteers to serve our City
- Awarded FM Global Fire Grant
- Restructured to include an Assistant Chief of Fire, and an Assistant Chief of EMS
- Voters approved a 5 year Fire Operations and Equipment Levy
- Procured replacement air-packs, and an air-pack filling station
- Got an additional fire truck to replace the SW Polk engine
- Developed and implemented a complaint policy and procedure
- Began development of new SOP's
- Planned and executed National Night Out, Toys 4 Tots

Objectives 2019-2020

- Add a Fire Administrator 8-10 hours per week. Additional time is desirable, but is not affordable. Several volunteers have been working extended hours to try and maintain compliance and order at the Fire Department, but in today's regulatory environment for public safety activities it isn't feasible to rely on volunteers to ensure compliance. Not only is it a technical, and time consuming task, but the risks associated with failing to properly administer are astronomical
- Welcome the arrival of a new class 6 Fire Engine purchased with Levy Fund Money. l.
- Continue to develop policies and procedures to ensure proper order and regulatory compliance
- Re-engage SW Polk Rural Fire District to explore a contract for services in their area.

BUDGET NARRATIVE

This budget anticipates a total of $68, 209 in the Fire Fund, offset by $29,800 in expected grants, for a total of $38,409 in expenditures against City funds. There is an additional $49, 271 in operations and capital outlay expenses in the Fire Levy Fund which brings total non-grant Fire expenses to $87,600. The increase in spending over last year can be accounted for by the purchase of the new fire truck which will cost approximately $23,000 this year and $18,000 for the next four.

The Assistance to Firefighters Equipment Grant will be applied for again this year, and the Weyerhaeuser giving fund donation will be applied for to help outfit the new engine.

FUND: GENERAL Org Unit: Fire						
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
PERSONNEL						
Full Time Equivalent	.1	.1	.1	.3		
Salaried	$ 4,800	$ 4,800	$ 4,800	$ 10,723		
Payroll Expenses	$ 4,507	$ 5,979	$ 4,900	$ 841		
Worker's Comp	$ -	$ -	$ -	$ 9,800		
Total Personnel	**$ 9,307**	**$ 10,779**	**$ 9,700**	**$ 21,364**		
MATERIALS & SERVICES						
Insurance	$ 5,090	$ -	$ 4,800	$ 10,045		
Equipment O & M	$ 10,056	$ 7,386	$ 12,000	$ 7,000		
Utilities	$ 12,005	$ 11,444	$ 13,000			
Professional Services	$ 1,416	$ 9,374	$ 5,000			
Operational Supplies	$ 3,915	$ 2,574	$ 4,000			
Building O & M	$ 860	$ 2,451	$ 3,000			
Equipment			$ 1,750			
Uniforms & Protective Gear	$ -	$ 50	$ 500			
Education, Training, Dues	$ 155	$ 218	$ 500			
Intergovernmental Services	$ 16,778	$ 12,777	$ 15,000			
Miscellaneous	$ 484	$ -	$ 2,949			
Total Materials & Services	$ 50,759	$ 46,274	$ 62,499	$ 17,045		
Capital Outlay						
Fire Truck Princ & Inter	$ 5,225	$ 5,113				
Weyerhaeuser Grant (Fire)				$ 9,800		
Assistance to Firefighters Grant	$ -	$ 18,002	$ 6,800	$ 20,000		
Total Capital Outlay	$ 5,225	$ 23,115	$ 6,800	$ 29,800		
NON-ALLOCATED						
Adjustment to Audited Statement	$ -	$ 12,053	$ -	$ -		
Total Non-Allocated	**$ -**	**$ 12,053**	**$ -**	**$ -**		
PROGRAM TOTAL	$ 65,291	$ 92,221	$ 78,999	$ 68,209		

CODE SERVICES & COURT

Mission Statement

The mission of the Municipal Court is to ensure that each person cited for a violation is guaranteed and provided all the constitutional rights to a fair and speedy judicial process in such a manner that it preserves both the dignity and rights of the defendant, as well as the citizens of Falls City. The Council entered into an Intergovernmental Agreement with the City of Independence to operate all of our Court Services.

Service Provided

The court provides a local forum for the resolution of City ordinance violations generated by the City's Code Enforcement Officer. The municipal court judge oversees the judicial process while staff from the City of Independence offers customer service, maintenance of all records, accounts receivables, and support in the process of all court and judicial matters.

Accomplishments

- Resolved over 25 code enforcement complaints
- Issued 8 code enforcement citations
- Have a 100% success rate in prosections
- Worked with Judge, and Court Administrator, to develop a process for bringing cases to court

Objectives 2019-2020

- This fledgling program was lucky enough to get a retired Salem Police Officer to stand it up and staff it, however the amount of hours is not enough to make a dent, and the amount of pay is not enough to get someone to put up with the abuse they take. I have proposed a .50 FTE in the Code Services position when Code Officer Birr leaves us as he has indicated he will soon do. It is not feasible to continue a program that can't be supported. My advice to Council is to approve the budget for a full-time, contract code enforcement officer on a one year contract. After the year, we would reduce the time to 10 hours per week, and enter a contract with the outgoing contract officer to train the new addition. This would allow us to have steady program, make progress, and not break the bank long-term.
- I have reduced the budget for contract court services by limiting the number of court dates we use in a year to 6.

BUDGET NARRATIVE

This budget anticipates a total of $21,032.00 of expenditures in the Code Services & Court fund. This will be the second year of a contracted Court and part-time Code Officer. The concerns with staffing levels were discussed above. Currently the court is not projected to generate revenue. This is a conservative approach in order to reflect the Council's expressed desire for Code Enforcement to be results rather than revenue driven.

Personnel

The Municipal Court is a department in the General Fund; the City has contracted with the City of Independence to operate all aspects of our Municipal Court except for actual code enforcement. This agreement will have the inconvenience of having cited citizens' travel to Independence to attend Court, but this agreement should accomplish our goal of having an affordable Municipal Court. The City has hired a 32 hour a month code enforcement officer and has been issuing violations. The Enforcement program is following the mandate from Council to develop cases through complaints and to help violators bring their property into compliance through compliance agreements that gives property owners extra time to resolve the complaint.

FUND: GENERAL Org Unit: Code Enforcement & Court						
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
PERSONNEL						
Full Time Equivalent	.20	.20	.20	.50		
Salaried	$ -	$ 180	$ 8,500	$ 12,820		
Payroll Expenses	$ 66	$ 105	$ 200	$ 2,312		
Worker's Comp	$ -	$ -	$ -	$ 400		
Total Personnel	**$ 66**	**$ 285**	**$ 8,700**	**$ 15,532**		
MATERIALS & SERVICES						
Professional Services	$ 348	$ 364	$ 10,000	$ 3,500		
Operational Supplies	$ -	$ 72	$ 500	$ 1,000		
Uniforms & Protective Gear	$ -	$ 40	$ -	$ 500		
Travel, Training, Dues, Statutory	$ -	$ -	$ 250	$ 500		
Total Materials & Services	**$ 348**	**$ 476**	**$ 10,750**	**$ 5,500**		
PROGRAM TOTAL	**$ 414**	**$ 761**	**$ 19,450**	**$ 21,032**		

PARKS AND CEMETERIES

Mission Statement

To provide attractive cemeteries, enjoyable, safe parks, and open spaces for the citizens of Falls City.

Service Provided

The major categories of service provided are parks maintenance and parks development.
Parks Maintenance: Primary duties and responsibilities include: coordinating and administering the parks reservation system, turf care, tree pruning, mulching around plants/trees, playground equipment repair, building maintenance, painting, and preparation for special events. In addition, we provide supervision for court appointed community service workers and support to volunteer groups such as the Parks Committee, SOLV, and other community groups.
Parks Development: Primary duties and responsibilities include: review of proposed plans for park improvements, recommends maintenance enhancement projects, oversee new development projects, and provide recommendations for the Parks Committee.

Objectives

- Maintain basic park maintenance at current levels
- Continue to support the Parks and Cemeteries Committee
- Address parks as part of the larger visioning and development process
- Apply for a Parks Grant with a focus chosen by the community
- Apply for a Cemeteries Grant to repair roads and trim shrubs
- Ensure a successful cemetery cleanup with Polk Cemetery Savers

BUDGET NARRATIVE

This budget anticipates a total of $29,181.00 of expenditures in the Parks and Cemeteries Department. This is an increase of $19,000 over last year over last year. This is due entirely to the appropriate allocation of employees who work in the Park and Cemeteries, and the accounting for $8,000 of potential grant resources that will not be spent if not awarded.

Our public works staff performs weekly general maintenance including mowing, edging, blowing-off sidewalks, raking and seasonal leaf and fallen debris management. Facility maintenance includes play equipment safety checks, restroom cleaning and garbage pick-up. Equipment is shared the Water, Sewer and Street funds, so associated expenses are allocated in the Shared Services Fund.

With the limited number of Public Works staff and increased infrastructure projects there is a need for volunteer help to keep our City Parks in good condition.

The City added a Park Host at the Upper Falls City Park. It is Council's hopes that this will help reduce vandalism and provide Public Works with help in keeping the Park's clean and ready for visitors.

Revenue

Parks rentals were infrequent and revenue has not been realized from the Parks Rental fees. Parks rental fees help recover the cost of frequently used maintenance supplies such as toilet paper, paper towels, and floor paint. The City is exploring applying for State Park status on the Michael Harding Park and creating a short stay camp ground at the upper park.

At present the only realistic paths to development of our City parks and cemeteries are grant funds, and potential systems development charges.

FUND: GENERAL Org Unit: Parks & Cemeteries						
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
PERSONNEL						
Full Time Equivalent	0	0	0	.15		
Salaried				$ 5,870		
Benefits/Retirement				$ 3,981		
Payroll Expenses				$ 460		
Worker's Comp	$ 198	$ 271	$ 250	$ 515		
Total Personnel	**$ 198**	**$ 271**	**$ 250**	**$ 10,826**		
MATERIALS & SERVICES						
Utilities	$ 2,593	$ 3,123	$ 3,500	$ 4,600		
Insurance				$ 1,505		
Professional services	$ 2,671	$ 2,050	$ 2,500	$ 1,500		
Equipment O & M	$ 856	$ 134	$ 1,000	$ 250		
Building O & M	$ 83	$ 2,246	$ 1,000	$ 250		
Operational Supplies	$ 617	$ 1,326	$ 1,000	$ 250		
Parks Donations			$ 50			
Events				$ 2,000		
3rd of July	$ 680	$ 149	$ 1,150			
Grants						
Historic Cemetery Grant				$ 8,000		
Total Materials & Services	$ 7,500	$ 9,028	$ 10,200	$ 18,355		
PROGRAM TOTAL	$ 7,698	$ 9,299	$ 10,450	$ 29,181		

OTHER/DEBT

Mission Statement

The mission of this section of the budget to present the non-departmental expenses associated with the General Fund in a common location

Service Provided

This is a minor portion of the General Fund used merely to account for a contingency account, debt, transfers and other expenses not classified elsewhere.

Objectives

Continue to pay down debt.

Budget Narrative

This fund anticipates $35,162 in total requirements. The majority of the expenses are a transfer to the shared services fund to pay for shared expenses.

FUND: GENERAL Org Unit: Debt Service/Other						
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Debt Service						
Park Loan Principal (#????)	$ -	$ 1,950	$ 1,950	$ 1,950		
Park Loan Interest (#????)	$ -	$ 568	$ 575	$ 575		
M/H Park Loan Principal	$ -	$ 1,686	$ 1,686	$ 1,686		
M/H Park Loan Interest	$ -	$ 556	$ 556	$ 556		
Total Debt Service	**$ -**	**$ 4,760**	**$ 4,767**	**$ 4,767**		
Other						
Transfer Out to Shared Fund				$ 30,395		
Reserved for Cemetery Land Pur	$ -	$ -	$ 3,000			
Total Other	**$ -**	**$ -**	**$ 3,000**	**$ 30,395**		
PROGRAM TOTAL	**$ -**	**$ 4,760**	**$ 7,767**	**$ 35,162**		

GENERAL FUND TOTALS

Budget Narrative

This section contains the contingency and ending balances for the entire General Fund.

GENERAL FUND TOTALS				
TOTAL GENERAL FUND EXPENDITURES	**$ 248,001**	**$ 296,252**	**$ 439,116**	**$ 378,189**
General Fund Contingency			$ 77,383	$ 60,000
General Fund Ending Balance	**$ 368,032**	$ 280,294		$ 126,991
Total General Fund Non-Allocated	$ 368,032	$ 280,294	$ 77,383	$ 186,991
TOTAL GENERAL FUND REQUIREMENTS	$ 616,033	$ 576,546	$ 516,499	$ 565,180

STREETS AND PATHWAYS

Mission Statement

Design, construction and maintenance to ensure safe and dependable streets for Falls City, that includes paved and gravel roads using modern technology, standards, and cooperative contracting.

Service Provided

Services include development, maintenance, system operations, and capital projects.

Budget Narrative

Total expenditures are budgeted at $597,000 this year, with $500,000 of that in awarded and expected grants. The City has secured $150,000 in Small City Allotment Grants (SCAG) to overlay 5th St and Fairoaks with $100,000 more expected in this year's round of SCAGs. Additionally, the City has secured $250,000 for the construction of the Mitchell St. – Dutch Creek Bridge project. Construction on both should begin this summer.

While program related expenditures are projected to increase by $9,000, this is due to appropriate allocation of empolyees to the fund, which was mostly offset by a reduced materials expenditure budget.

FUND: STREETS						
RESOURCES	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
Beginning Fund Balance	$ 79,641	$ 150,631	$ 90,000	$ 120,000		
State Gas Tax	$ 56,925	$ 60,298	$ 63,000	$ 63,000		
FEMA Dutch Creek Grant	$ 65,080	$ -	$ 250,000	$ 250,000		
SCAG (2018)	$ -	$ -	$ -	$ 50,000		
SCAG (2019)	$ -	$ -	$ -	$ 100,000		
SCAG (2020)				$ 100,000		
SCAG	$ 50,000		$ 50,000			
Allocated Revenue	$ 12,000	$ 12,100	$ 10,000			
Total Revenue	$ 184,005	$ 72,398	$ 373,000	$ 563,000		
TOTAL FUND RESOURCES	$ 263,646	$ 223,029	$ 463,000	$ 683,000		

System Development

Primary duties include:

- Maintenance of existing paved and gravel roads.
- Street sweeping
- Drainage maintenance
- Pothole patching
- Crack sealing
- Maintenance of street signage
- Maintenance of street markings (crosswalks, railroad crossings, curbs, and barricades).

- Additionally, Public Works provides emergency street closures, maintains maintenance records, manages street maintenance program.
- Development and maintenance of pathways.
- Cost of Street Lights.

Accomplishments 2018/2019

- Received Special City Allotment Grant for $100,000
- Combined bidding process for $50,000 SCAG from 17/18 with current award to bring down costs.

Objectives for 2019/2020

- Complete SCAG overlay projects
- Find an alternative to the current grader machine due to astronomical maintenance and upkeep costs
- Install appropriate signage on Collector Streets and Arterials
- Overhaul city parking ordinance

REQUIREMENTS	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
PERSONNEL						
Full Time Equivalent	0	0	0	0.45		
Salaried				$ 28,779		
Benefits/Retirement				$ 20,187		
Payroll Expenses				$ 2,256		
Worker's Compensation	$ 728	$ 995	$ 900	$ 1,200		
Total Personnel	$ 728	$ 995	$ 900	$ 52,422		
MATERIALS & SERVICES						
Utilities	$ 7,594	$ 7,680	$ 9,000	$ 7,500		
Insurance				$ 2,875		
Operational Supplies	$ 8,832	$ 13,901	$ 14,000	$ 2,500		
Professional Services	$ 4,346	$ 5,559	$ 24,000	$ 9,000		
Equipment O & M	$ 10,554	$ 6,054	$ 8,000	$ 1,000		
Miscellaneous	$ -	$ 1,500	$ -	$ 200		
Transfer to Shared Services				$ 10,221		
Uniforms & Protective Gear	$ 88		$ 500			
Total Materials & Services	$ 31,414	$ 34,694	$ 55,500	$ 33,296		
TOTAL STREETS & PATHWAYS PROGRAM	$ 32,142	$ 35,689	$ 56,400	$ 85,718		
Capital Outlay						
FEMA Dutch Creek	$ 24,472	$ 13,429	$ 280,000	$ 250,000		
Building Improvements	$ 5,273	$ -	$ -			
Equipment	$ -	$ 32,229	$ 20,000			
SCA Grants	$ 51,129	$ -	$ 85,000	$ 250,000		
Total Capital Outlay	**$ 80,874**	**$ 45,658**	**$ 385,000**	$ 500,000		
Non-Allocated						
Contingency			**$ 21,600**	$ 30,000		
Ending Fund Balance	**$ 151,358**	**$ 142,677**	**$ 900**	$ 67,282		
Total Non-Allocated	$ 151,358	$ 142,677	$ 22,500	$ 97,282		
TOTAL FUND REQUIREMENTS	$ 263,646	$ 223,029	$ 463,000	$ 683,000		

WATER

Mission Statement

To provide 24-hour domestic and fire flow water service at a high degree of reliability to all customers within the Falls City and to a few customers outside the city limits.

The major categories of services provided are: system development, system maintenance, and system construction of capital projects.

System Development:

Primary duties and responsibilities include:

- Design review for all developments and businesses
- Inspection of water line construction
- Locate water lines for designers and developers.

System Maintenance:

Primary duties and responsibilities include: repairing water leaks, removing and replacing old water lines, removing and replacing old water meters, monthly meter reading, monthly utility billing, and water quality samples and monitoring water disinfection. Additionally, Public Works conducts valve and hydrant maintenance, notification postings, water meter shutoffs and turn on, maintains maintenance records, tests and calibrates large meters.

Additional duties and responsibilities include:

- Maintaining maps of the city's water system
- Identifying existing problem areas in system and developing plans and specs for projects to correct the problems
- Identifying future hydraulic restrictions due to anticipated growth, and scope and cost for anticipated required projects
- Maintain and update the water capital improvement program
- Assist City Manager in evaluating and implementing new maintenance technologies.

Accomplishments

- Repaired multiple leaks.
- Met or exceeded all state required water quality testing and reporting mandates, which include: lead/copper testing, asbestos testing, and HAA and THM monitoring.
- Performed required testing of all backflow devices

Objectives 2019-2020

- Conduct a leak detection program to evaluate system losses and plan for mitigation

- Determine a final course of action for backflow device ownership
- Institute a meter replacement program in accordance with the water master plan
- Repair broken main and plan for repair of more extensive broken main
- Continue to prepare current public works staff for Water Operator's qualification
- Institute an annual rate renewal basis and policy

Budget Narrative

The Water Fund anticipates $195,000 in carry over funds and $289,500 in revenue for a total of $484,500. The changes over last budget are an decrease of $8,000 in Personnel costs, a decrease of $22,000 in capital outlay, and elimination of $75,000 in transfers.

Revenue

Rates and utility reserve charges should be adjusted annually to meet the needs of operations. Historically Water rates have not been reviewed annually to ensure they meet financial obligations related to providing service. Over time maintenance of the system increase as the system ages and the cost of operations have also increased due to increases in the cost of supplies. This year staff will be working with Council and the Public Works committee to develop a rate increase that is based on the Cost of Living Index and will see yearly COLA increases. This will keep rates equal to inflation and is proposed to bring the rates closer to meeting our operational needs.

When we seek funding on the Water Distribution project there is a good chance we will be required to perform a full rate study to guarantee loan payments. This will also help us to implement a fair rate based on usage to our customers.

FUND: WATER						
RESOURCES	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
Beginning Fund Balance	$ 257,407	$ 221,889	$ 190,000	$ 195,000		
Water User Fees	$ 279,835	$ 301,544	$ 275,000	$ 275,000		
Late Fees	$ 4,426	$ 4,176	$ 5,000	$ 3,000		
Backflow Testing Fee	$ 10,985	$ 11,248	$ 11,000	$ 11,000		
Water Connection Fee	$ -	$ -	$ -	$ 500		
Adjust Financial Statement	$ 7,631	$ -	$ -	$ -		
Intergovernmental Grants	$ -	$ 20,000	$ -	$ -		
Total Revenue	$ 302,877	$ 336,968	$ 291,000	$ 289,500		
TOTAL FUND RESOURCES	$ 560,284	$ 558,857	$ 481,000	$ 484,500		

Personnel Services

This recommended budget continues to fund the same level of services, but has adjusted personnel figures to more accurately reflect reality. There are a total of 1.7 employees budgeted.

Materials and Services

General Price increases are driving up operational costs such as fuel, pipe, and other related materials.

Unaccounted water can be attributed to several sources such as theft, unmetered services, firefighting, leakage, individual meter inaccuracies, and municipal uses (hydrant flushing, street cleaning, etc.). A typical target value for unaccounted water loss is usually 15-20% and unaccounted water loss below 10 % is considered to be exceptional for a municipality. Our water loss is higher than the target value, fixing leaks and proactive system maintenance can improve this percentage. The Master Water plan identified areas that we can lower our unaccounted water loss.

Capital Outlay

This year's capital outlay will be addressed in the Utility Reserve fund.

REQUIREMENTS	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
PERSONNEL						
Full Time Equivalent	1.0	1.0	2.0	1.8		
Salaried	$ 47,228	$ 74,147	$ 65,000	$ 62,465		
Benefits/Retirement	$ 24,075	$ 43,071	$ 49,000	$ 45,938		
Payroll Expenses	$ 5,021	$ 7,230	$ 10,000	$ 4,896		
Worker's Comp	$ -	$ -	$ -	$ 3,000		
Total Personnel	**$ 76,324**	**$ 124,448**	**$ 124,000**	**$ 116,299**		
MATERIALS & SERVICES						
Utilities	$ 4,674	$ 4,343	$ 4,800	$ 4,750		
Insurance				$ 11,650		
Operational Supplies	$ 28,623	$ 28,593	$ 30,000	$ 19,000		
Equipment O & M	$ 14,245	$ 16,172	$ 16,000	$ 6,300		
Facilities O & M						
Trvl, Trng, Dues, Statutory	$ 1,910	$ 960	$ 3,000	$ 3,000		
Rebates & Incentives	$ 1,500	$ 206	$ 300	$ 150		
Professional Services	$ 59,720	$ 26,294	$ 60,000	$ 25,000		
Miscellaneous	$ 236	$ -	$ 500	$ 150		
Transfer to Shared Services				$ 45,372		
Uniforms & Protective Gear	$ 273	$ 250	$ 1,500			
Total Materials & Services	$ 111,181	$ 76,818	$ 116,100	$ 115,372		
TOTAL WATER PROGRAM	$ 187,505	$ 201,266	$ 240,100	$ 231,671		
CAPITAL OUTLAY						
Building Improvements	$ 3,395	$ -	$ 12,000			
Equipment	$ 23	$ 248	$ 10,000	$ -		
Total Capital Outlay	**$ 3,418**	**$ 248**	**$ 22,000**	**$ -**		
Debt Service						
Water Bond Principal	$ 20,860	$ 20,860	$ 50,000	$ 35,000		
Water Bond Interest	$ 44,613	$ 43,076	$ 15,000	$ 27,814		
Total Debt Service	**$ 65,473**	**$ 63,936**	**$ 65,000**	**$ 62,814**		
Contingency	$ -	$ -	$ 13,900	$ 50,000		
Transfer to Sewer	$ 20,000	$ 20,000	$ 15,000			
Transfer to Street	$ 12,000	$ 12,000	$ 10,000			
Transfer to General Fund	$ 50,000	$ 50,000	$ 50,000			
Reserved for Water Debt		$ 65,473	$ 65,000			
Ending Fund Balance	$ 221,888	$ 145,934	$ -	$ 140,015		
Total Non-Allocated	$ 303,888	$ 293,407	$ 153,900	$ 190,015		
TOTAL FUND REQUIREMENTS	$ 494,811	$ 494,921	$ 416,000	$ 484,500		

SANITARY SEWER

Mission Statement

Provide highly dependable 24-hour sanitary wastewater services for all houses and buildings on the system by efficiently operating and maintaining sanitary sewerage facilities consistent with the requirements the Department of Environmental Quality (DEQ).

The major categories of services provided are: system development, system maintenance, system operations and the construction of capital projects.

Accomplishments

- Created a Supplemental Environmental Protection Program as part of a settlement with DEQ for past sewer system reporting violations
- Restored Mill Lot Riparian Zone and removed 20 year old junked car from the riverside
- Began design, environmental, and land acquisition phase of Sewer System update
- Negotiated potential land purchase and multiple easements
- Achieved pre-design review approval from DEQ
- Developed and instituted a tank pumping policy and procedure to avoid future violations
- Developed and instituted a sewer monitoring policy and procedure to avoid future violations

Objectives 2019-2020

- Obtain Mass Load Allocation increase for DEQ permit
- Acquire necessary land and permits for sewage system update
- Begin application for construction of sewage system update
- Adjust rates to more fully reflect actual cost of operation
- Consider implementation of SDC's and finance options for update and expansion
- Qualify one additional sewer operator from public works staff

System Development:

Primary duties and responsibilities include:

- Design review for all developments and businesses with assistance from COG or peer review form other local service providers.
- Inspection of sanitary sewer construction.
- Providing sanitary sewer line locates service to designers and developers.

System Maintenance:

Primary duties and responsibilities include: cleaning approximately1/4 of service tanks each year, monitoring the discharge and the dosing system at the wastewater treatment facility. Additionally, Public Works provides emergency response to backed up or failed sanitary systems, maintains maintenance records for tank pumping and effluent testing.

Budget Narrative

There is anticipated carryover of $140,000, an increase of $5,000. We anticipate $383,000 in revenues and the $140,000.00 in networking funds gives us a total of $523,000 in resources. The majority of revenue is the City successfully receiving a Community Development Block Grant for final engineering on the lagoon project, the remainder of which is $270,000, and user fees of $113,000.

We will run at a revenue deficit this year in an effort to accurately reflect the level of need relevant to operating costs. However, utilizing the resources of other funds as a matter of course creates a fairness issue in that the sewer system and program only benefits the users of city sewer. Thus, using funds or resources from other programs and departments is in essence a subsidy from all the non-city sewer payers into the fund being taxed.

FUND: SEWER						
RESOURCES	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Beginning Fund Balance	$ 98,628	$ 133,433	$ 135,000	$ 140,000		
Sewer User Fees	$ 105,221	$ 113,722	$ 105,000	$ 110,000		
Late Fees	$ 4,426	$ -	$ 5,000	$ 3,000		
Miscellaneous	$ 2,820	$ -	$ -	$ -		
CDBG Grant (P17004)	$ -	$ -	$ -	$ 270,000		
Intergovernmental Grants	$ 2,360	$ -	$ 330,000	$ -		
Allocated Revenue	$ 20,000	$ 20,000	$ 15,000			
Total Revenue	$ 134,827	$ 133,722	$ 455,000	$ 383,000		
TOTAL FUND RESOURCES	$ 233,455	$ 267,155	$ 590,000	$ 523,000		

Personnel Services

Personnel Services have increased from 1.5 to 1.4 due to adjusted, good faith estimates. However, the funding for the level of employees estimated was grossly inaccurate, so Personnel Services expense has increased, though estimated employee time has decreased. continues to fund the same level of services as we offer currently, including 1.3 utility staff positions and supportive equipment, materials and services.

Materials & Services

This class of expenditures has decreased by $31,000 over last year's estimates. However, a significant disparity in operating revenues and expenses exists. This is so, even with the limited resources of the sewer fund taken as a consideration in allocation of Shared Services Liabilities. This year's budget endeavors to put the true state of each fund on full display.

REQUIREMENTS	ACTUAL 2016-2017	ACTUAL 2017-2018	ADOPTED 2018-2019	2019-2020 Proposed	2019-2020 Approved	2019-2020 Adopted
PERSONNEL						
Full Time Equivalent	0	0	1.5	1.3		
Salaried	$ 38,871	$ 32,748	$ 50,000	$ 46,431		
Benefits	$ 18,672	$ 11,264	$ 28,000	$ 35,510		
Payroll Tax	$ 3,326	$ 3,011	$ 7,000	$ 3,640		
Worker's Comp	$ -	$ -	$ -	$ 1,530		
Total Personnel	**$ 60,869**	**$ 47,023**	**$ 85,000**	**$ 85,581**		
MATERIALS & SERVICES						
Utilities	$ 4,977	$ 4,563	$ 6,500	$ 5,000		
Insurance				$ 5,100		
Operational Supplies	$ 2,033	$ 8,872	$ 12,000	$ 3,325		
Equipment O & M	$ 2,959	$ 14,664	$ 12,000	$ 1,125		
Facilities O & M				$ 12,500		
Trvl, Trng, Dues, Statutory	$ -	$ -	$ 2,000	$ 3,000		
Professional Services	$ 20,265	$ 12,676	$ 30,000	$ 500		
Tank Pumping	$ 8,694	$ -	$ 35,000	$ 20,000		
Miscellaneous	$ 137	$ -	$ 1,000	$ 500		
Transfer to Shared Services				$ 17,437		
Uniforms & Protective Gear	$ 88	$ -	$ 500			
Total Materials & Services	$ 39,153	$ 40,775	$ 99,000	$ 68,487		
TOTAL SANITARY SEWER PROGRAM	$ 100,022	$ 87,798	$ 184,000	$ 154,068	$ -	$ -
CAPITAL OUTLAY						
Equipment			$ 15,000			
CDBG Grant (P17004)			$ 330,000	$ 270,000		
Total Capital Outlay	$ -	$ -	$ 345,000	$ 270,000		
Non-Allocated						
Contingency			$ 61,000	$ 40,000		
Ending Fund Balance	$ 133,433	$ 179,357	$ -	$ 58,932		
Total Non-Allocated	$ 133,433	$ 179,357	$ 61,000	$ 98,932		
TOTAL FUND REQUIREMENTS	$ 233,455	$ 267,155	$ 590,000	$ 523,000	$ -	$ -

CITY UTILITY RESERVE FUND

Mission Statement

To provide a reserve for future utility development and major utilities repair, and grant matching funds for the Water and Sanitary Sewer utilities.

Service Provided

Historically this fund has been used to collect Capital Fees and the late fees for all utility types. Late fees were then divided and transferred to the corresponding utility fund, we now budget the late fees to the Water and Sewer Fund.

Budget Narrative

This fund is used for major projects in water, waste water, and as a reserve for grant funds. We expect at least three expenditures from this fund this year: 1) water system leak test, 2) water meter replacement program, 3) sewer system update land acquisition. These expenditures account for approximately $100,000, the additional allocations are for potential grant matching or unplanned project needs.

FUND: Utility Reserve						
RESOURCES	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Beginning Fund Balance	$ 242,531	$ 271,594	$ 280,000	$ 335,000		
Utility Cap Improvement Fee	$ 48,892	$ 51,152	$ 48,000	$ 46,000		
Total Revenue	$ 48,892	$ 51,152	$ 48,000	$ 46,000		
TOTAL FUND RESOURCES	$ 291,423	$ 322,746	$ 328,000	$ 381,000		
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Capital Outlay						
Water Projects	$ 13,614		$ 50,000	$ 75,000		
Wastewater Projects	$ 6,215		$ 30,000	$ 75,000		
Equipment-Operations		$ 8,808				
Total Capital Outlay	$ 19,829	$ 8,808	$ 80,000	$ 150,000		
Non-Allocated						
Contingency			$ 248,000	$ 231,000		
Ending Fund Balance	$ 271,594					
Total Non-Allocated	$ 271,594	$ 313,938	$ 248,000	$ 231,000		
TOTAL FUND REQUIREMENTS	$ 291,423	$ 322,746	$ 328,000	$ 381,000		

WAGNER LIBRARY TRUST FUND

Mission Statement

To provide clear accounting for funds held in trust for the Wagner Community Library.

Service Provided

The Falls City council after months of deliberation motioned to close the Wagner Public Library. This is a hard decision for our representatives and citizens, but funds could not be found to help keep this service available. This fund will be kept as a standalone fund to provide funds for restoration of a Public Library.

Budget Narrative

We are anticipating a beginning balance in the fund of $41,000 with no other revenue. We anticipate mp expenditures during the budget cycle.

FUND: Wagner Library 80% Fund						
RESOURCES	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Beginning Fund Balance	$ -	$ 54,593	$ 41,600	$ 41,000		
Miscellaneous						
Total Revenue	$ -	$ -	$ -	$ -		
TOTAL FUND RESOURCES	$ -	$ 54,593	$ 41,600	$ 41,000		
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Materials & Services						
Professional Services			$ 24,000			
Total Materials & Services	$ -	$ -	$ 24,000	$ -		
Non-Allocated						
Contingency			$ 17,600	$ 41,000		
Ending Fund Balance		$ 54,593				
Total Non-Allocated	$ -	$ 54,593	$ 17,600	$ 41,000		
TOTAL FUND REQUIREMENTS	$ -	$ 54,593	$ 41,600	$ 41,000		

POLK CDC REVOLVING LOAN FUND

Mission Statement

To provide financial accounting for the Community Development Revolving Loan funds and to provide Falls City home and business owners with low interest loans for renovation projects.

Service Provided

Low interest loans for building repairs, renovations and construction activities in Falls City are provided through Polk Community Development Corporation for low income households. The loans can be used for foundations, painting, windows, roofing, weatherization, plumbing, electrical, ADA accessibility and more.

Budget Narrative

Revenue for this fund is generated from interest earnings on the principal balance of the fund and from interest earnings from loans that are issued. Requirements in this fund are for the administration of the funds and any withdrawals by the City. It is managed by Polk County Community Development Corporation.

This fund currently has a cash balance of $100,000 and an actual value of over $500,000 when accounts receivable are considered. The only expenditure expected from this fund is a potential $23,500 transfer to the General Fund to pay for RARE participant dues.

FUND: Polk CDC Community Development Fund						
RESOURCES	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Beginning Fund Balance	$ -	$ 91,885	$ 80,000	$ 100,000		
Interest-Revolving Loan	$ 8,263	$ -	$ 9,000	$ 9,000		
Miscellaneous	$ 146,185	$ 24,597	$ 600			
Total Revenue	$ 154,448	$ 24,597	$ 9,600	$ 9,000		
TOTAL FUND RESOURCES	$ 154,448	$ 116,482	$ 89,600	$ 109,000		
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Materials & Services						
Professional Services	$ 8,005	$ 24,776	$ 2,500			
Loans/Obligations	$ 218,677	$ -	$ 35,000			
Total Materials & Services	$ 226,682	$ 24,776	$ 37,500	$ -		
Non-Allocated						
Contingency				$ 10,000		
Transfer to General Fund				$ 23,500		
Ending Fund Balance		$ 91,706	$ 52,100	$ 75,500		
Total Non-Allocated	$ -	$ 91,706	$ 52,100	$ 109,000		
TOTAL FUND REQUIREMENTS	$ 226,682	$ 116,482	$ 89,600	$ 109,000		

FIRE EQUIP & OPS LEVY

Mission Statement

To supplement the cost of equipment and operations for fire and emergency services provided to Falls City residents.

Service Provided

This fund aids in provision of services delineated under the General Fund: Fire Department.

Budget Narrative

This is a new fund as of last budget cycle, to budget funds that are received from the May 15, 2018 ballot initiative for equipment and operational funds for the City Fire Department. Council resolved to include a ballot measure of $1.00 per thousand dollar property valuation tax for 5 years to fund the Fire Department and it was passed by voters.

Revised estimates anticipate revenues in the $40,000 range. The majority of Fire operational expenses have been relocated to this fund along with the capital outlay involved in the purchase of a new class 6 fire engine. The anticipated yearly payment is $18,000, but $23,000 was allocated this year in case of overages. There are $38,000 in non-grant fire expenses contained in the General Fund as well.

FUND: FIRE LEVY (Equipment & Operations)						
RESOURCES	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Beginning Fund Balance	$ -	$ -	$ -	$ 10,000		
Property Tax Levy	$ -	$ -	$ 42,000	$ 40,000		
Total Revenue	$ -	$ -	$ 42,000	$ 40,000		
TOTAL FUND RESOURCES	$ -	$ -	$ 42,000	$ 50,000		
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
MATERIALS & SERVICES						
Utilities				$ 14,360		
Professional Services				$ 7,411		
Operational Supplies				$ 1,000		
Building O & M				$ 1,500		
Uniforms & Protective Gear				$ 1,000		
Trvl, Trng, Dues, Statutory				$ 1,000		
Equipment			$ 27,000			
Transfer to General Fund			$ 15,000	$ -		
Total Materials & Services			$ 42,000	**$ 26,271**		
Capital Outlay						
New Engine Payment				$ 23,000		
Total Capital Outlay				**$ 23,000**		
Non-Allocated						
Ending Fund Balance				$ 729		
Total Non-Allocated				$ 729		
TOTAL FUND REQUIREMENTS			$ 42,000	$ 50,000		

SHARED SERVICES FUND

Budget Narrative

This is a new fund which centralizes liabilities for shared materials, services, and capital assets. The fund accounts for expenses shared between any combination of two, or more, of the following: Water, Sewer, Streets, and General Funds. The proportionate allocation is calculated using a combination of use and resources that remains consistent over all expenditures.

The purpose of this fund is to ease accounting, allocate appropriate proportions of expenses to the appropriate funds, and increase managerial spending controls over day to day purchases. This fund does not play a role in the overall financial picture. The revenues and expenditures in the account are not counted in total City Resources or Requirements.

FUND: SHARED SERVICES						
RESOURCES	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
Beginning Fund Balance	$ -	$ -	$ -	$ -		
Transfer in-Sewer				$ 19,125		
Transfer in-Water				$ 49,322		
Transfer in-Streets				$ 10,221		
Transfer in-General Fund				$ 31,659		
Total Revenue	$ -	$ -	$ -	$ 110,327		
TOTAL FUND RESOURCES	$ -	$ -	$ -	$ 110,327		
REQUIREMENTS	**ACTUAL 2016-2017**	**ACTUAL 2017-2018**	**ADOPTED 2018-2019**	**2019-2020 Proposed**	**2019-2020 Approved**	**2019-2020 Adopted**
MATERIALS & SERVICES						
Professional Services				$ 56,137		
Operational Supplies				$ 9,950		
Equipment O & M				$ 9,320		
Building O & M				$ 4,250		
Utilities				$ 10,500		
Trvl, Trng, Dues, Statutory				$ 4,000		
Total Materials & Services				$ 94,157		
CAPITAL OUTLAY						
PW Truck Payment				$ 6,170		
Total Capital Outlay	$ -	$ -	$ -	$ 6,170		
Non-Allocated						
Contingency				$ 10,000		
Ending Fund Balance						
Total Non-Allocated	$ -	$ -	$ -	$ 10,000		
TOTAL FUND REQUIREMENTS				$ 110,327		

ACRONYMS

ADA	Americans with Disabilities Act
AFSCME	American Federation of State County and Municipal Employees Union
AV	Assessed Value
CAD	Computer Aided Dispatch
CAD	Computer Aided Drafting
CAFR	Comprehensive Annual Financial Report
CART	Crash Analysis Reconstruction Team
CCI	Construction Cost Index
CCIS	City County Insurance Services
CSO	Community Service Officer
CD	Community Development
CD	Compact Disk
CEP	Capital Equipment and Projects
CIP	Capital Improvement Program or Plan
CMFR	Comprehensive Monthly Financial Reports
CPR	Cardiopulmonary Resuscitation
COLA	Cost of Living Adjustment
COP	Certificates of Participation
CPA	Certified Public Accountant
CPI	Consumer Price Index
DEQ	Department of Environmental Quality

DLCD	Department of Land Conservation and Development
DUI	Driving Under the Influence
DVD	Digital Video Disk
EMS	Emergency Management Services
EPA	Environmental Protection Agency
EOP	Emergency Operations Plan
FASB	Financial Accounting Standards Board
FICA	Federal Insurance Contributions Act
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GISSP	Geographic Information Systems Strategic Plan
HP	Horse Power
HR	Human Resources
HVAC	Heating, Ventilation, and Cooling Equipment
IGA	Intergovernmental Agreement
IGET	Interagency Gang Enforcement Team
IS	Information Systems
ISO	International Organization for Standardization
ISP	Internet Service Provider

IT	Information Technology
ITS	Intelligent Transportation System
LCDC	Land Conservation and Development Board of Commissioners
LID	Local Improvement District
LSTA	Library Services and Technology Act
MAV	Maximum Assessed Value
MG	Million Gallons
NFPA	National Fire Protection Association
NIIMS	National Inter-Agency Incident Management System
NPDES	National Pollutant Discharge Eliminating System
OAA	Older Americans Act
ODOT	Oregon Department of Transportation
OECDD	Oregon Economic and Community Development Department
ODOT	Oregon Department of Transportation
OR	Oregon
ORS	Oregon Revised Statutes
OSHA	Occupational Safety and Health Administration
OSU	Oregon State University
PC	Personal Computer
PDA	Personal Digital Assistant
PEG	Public Educational Government
PERS	Public Employees Retirement System
PIO	Public Information Officer

PRV	Pressure Release Valve
RFA	Rural Fire Assistance
RMV	Real Market Value
SCADA	Supervisory Control and Data Acquisition
SDC's	System Development Charges
SRO	School Resource Officer
TDM	Transportation Demand Management
UBG	Urban Growth Boundary
VFA	Volunteer Fire Assistance
VoIP	Voice-over Internet Protocol
WAN	Wide Area Network
WDOT	Washington Department of Transportation
WMD	Weapons of Mass Destruction
WWTP	Waste Water Treatment Plant

GLOSSARY

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

Ad Valorem Tax
A tax based on the assessed value of a property.

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

Allocated Charges
Funding transferred from one fund to another to recover costs related to providing shared services from other funds for specific administrative functions, which benefit those funds (i.e., City Administrator, City Clerk, insurance, computer systems and software support, etc.).

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

Appropriations
Legal authorization granted by the City Council to spend public funds. Appropriations within each program may not be exceeded.

Assessed Valuation (AV)
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 3% maximum annual growth rate in the AV, exclusive of certain improvements.

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

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

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

Budget
A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of

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

Budget Calendar
The schedule of key dates, which a government follows in the preparation and adoption of the budget.

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

Budget Document
A written report showing a government's comprehensive financial plan for a specified period, usually one year that includes both the capital and the operating budgets.

Budget Message
Written explanation of the budget and the City's financial priorities for the next fiscal year; prepared by the City Manager.

Budgetary Basis
Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that neither depreciation nor amortization is budgeted for proprietary funds and bond principal and interest in the enterprise funds is subject to appropriation.

Capital Budget
The City's budget for projects, major repairs, and improvements or additions to the City's fixed assets (streets, sidewalks, roads, sewers, parks, and buildings).

Capital Expenditures
The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary value (for example: the City financial policies could set an amount equal or greater than $50,000), (2) long asset life (equal to or greater than 3 years useful life), and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

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/Capital Project
Any project having assets of significant value and having a useful life of three years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as parks, streets, bridges, drainage, street lighting, water and sewer systems and master planning.

Capital Outlay
Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a

fixed asset or increase the capacity, efficiency, span of life, or economy of operating as an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) typically have a unit cost of $1,000 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.

Comprehensive Annual Financial Report
The annual audited results of the City's financial position and activity.

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

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

Contingency
A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. Contingency may be appropriated for a specific purpose by the City Council upon the approval of a resolution. The City separates contingencies into those that are designated for specific purposes and undesignated. (Also see Designated Contingency and Unappropriated Ending Fund Balance)

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

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

Department
The combination of divisions of the City headed by a general manager with a specific and unique set of goals and objectives (i.e., Police, Fire, Financial Services, Water Resources, etc.).

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

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

Direct Debt
General Obligation debt imposed by the City of Falls City on its revenues and not usually bearing on properties outside the city limits.

Employee Benefits
Contributions made by a government to meet commitments or obligations for employee-related expenses. Such as medical and life insurance plans.

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

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. The City maintains two Enterprise Funds to account for Water, and Sewer, water activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example water rate revenue can only be spent on water activities and projects.

Estimated Actual
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. Major types of fees include business and non-business license, fines, and user charges.

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 twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. Falls City's fiscal year is July 1 through June 30.

Five-Year Financial Plan
An estimation of revenues and expenses required by the City to operate for the next five-year period.

Fixed Assets
Includes equipment, infrastructure, buildings, land, vehicles, furniture and fixtures, computer hardware and software with a cost basis in excess of $5,000.

Franchise Fee
Charged to utilities operating within the City and is a reimbursement to the general fund for the utility's use of City streets and 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 full-time 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 are spendable or available for appropriation.

General Fund
Primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police protection, fire protection and prevention, emergency medical service, parks and recreation, library and any other activity for which a special fund has not been created.

General Long-term Debt
Represents any unmatured debt not considered to be a fund liability.

General Obligation Bonds (G.O. Bonds)
Bonds secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power (secondary portion). They are usually issued to pay for general capital improvements such as parks and City facilities.

Grant
A contribution by one government unit to another. The contribution is usually made to aid in the support of a specified function (i.e., library, parks or capital projects).

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

Interfund Transfers
Appropriation category used in the City's budget resolution which includes amounts distributed from one

fund to another fund. Transfers from the other funds appear as non-departmental expenditures called " Transfers".

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

Internal Services Fund
The cost of the general administration of the City plus planning, engineering, building and grounds maintenance.

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

Line Item Budget
The traditional form of budget, where proposed appropriations are based on individual objects of expense within a department or program.

Local Budget Law
Oregon Revised Statues (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

Local Improvement District
Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on their property. Local Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Local Option Levy
Under Measure 50, local governments and special districts were given the ability to ask voters for temporary authority to increase taxes through approval of a local option levy. The maximum length of time for a local option levy is 10 years, depending on the purpose of the levy. A local option levy must be approved by a majority of voters at a general election or an election with a 50% 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
A constitutional limit on property taxes passed by voters in the State of Oregon in November 1990. The new law sets a maximum $10 tax rate on individual properties for the aggregate of all non-school taxing jurisdictions. Schools' maximum rate is $5.00 after FY 1995-96.

Measure 50
A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements. Tax rates

are now fixed and not subject to change. Voters may approve local initiatives above the fixed rates provided a majority approves at either (i) a general election in an even numbered year; or (ii) 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.

Net Working Capital
The net working capital is the residual non-restricted funds brought forward from the previous financial year (ending balance).

Objective
Something 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
Funds that the government receives 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.

Ordinance
A formal legislative or policy enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as the charter, a state statue 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 resulting from the borrowing of money or from the purchase of goods and services.

Overlapping Debt
The proportionate share of bonds outstanding and owed to other taxing jurisdictions attributable to city property owners. (e.g. Forest Grove School District, Hillsboro School District, Port of Portland)

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. The permanent tax rate for the City of

Falls City is $2.9202 per $1,000 of assessed value.

Personal Services
Includes the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health and workers' compensation insurance.

Property Tax
Based according to assessed value of property and is used as the source of monies to pay general obligation debt and to support the General Fund.

Project Manager
The individual responsible for budgeting for a project and managing project to its completion.

Proposed Budget
Combined operating, non-operating, and resource estimates prepared by the City Manager and submitted to the public and the Budget Committee for review and approval.

Real Market Value
The estimated value of property if sold. Within Cornelius, the average real market value exceeds the assessed value by 41%. This disparity is the result of voter approved tax initiative 50 passed in 1997.

Resolution
A special or temporary order of a legislative body requiring City Council action.

Resources
Total of revenues, interfund transfers in 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, utilities, grants, excise or other specified non-property tax.

Special Assessment
A compulsory levy made against certain properties to defray all or part of the cost of a capital improvement or service deemed to benefit primarily those properties. (Also see Local Improvement District)

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

Special Revenue Funds
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.

Tax Roll
The official list showing the amount of taxes levied against each property. Maintained by the Polk County Assessment and Taxation Department.

Transfers
The authorized exchange of cash or other resources between funds.

Unappropriated Ending Fund Balance
An account which records a portion of the fund balance. It must be segregated for future use and is not available for current appropriation or expenditure.

User Fees
The fee charged for services to the party or parties who directly benefits. Also called Charges for Service.