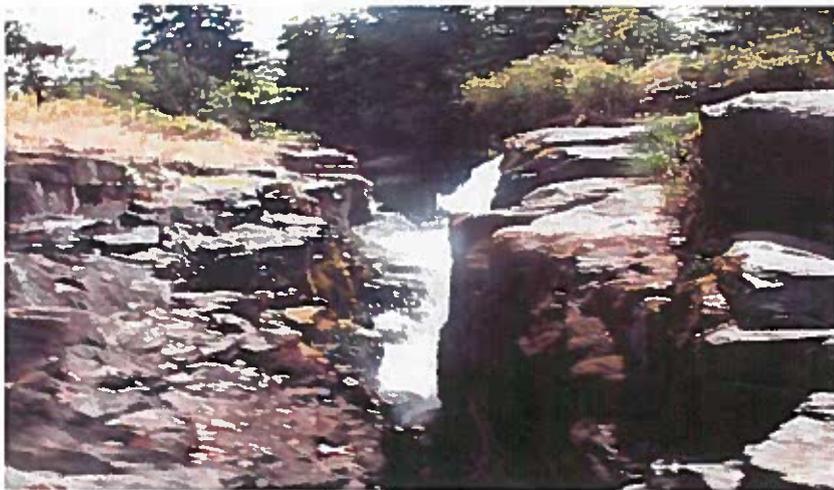




**FALLS CITY  
2015/2016  
BUDGET**



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# City of Falls City

## FY 2015-2016 PROPOSED BUDGET

### READER 'S GUIDE

#### **Introduction**

Contains the budget message, information about the Falls City community, city statistics, description of the budget document, the budget process, budget basis, summary of financial management policies, revenue sources descriptions, and debt management policies and summaries.

#### **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.

#### **Acronyms**

Abbreviations are explained here.

#### **Glossary**

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

#### **Appendix**

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

## 2015-2016 BUDGET COMMITTEE

### COUNCIL MEMBERS

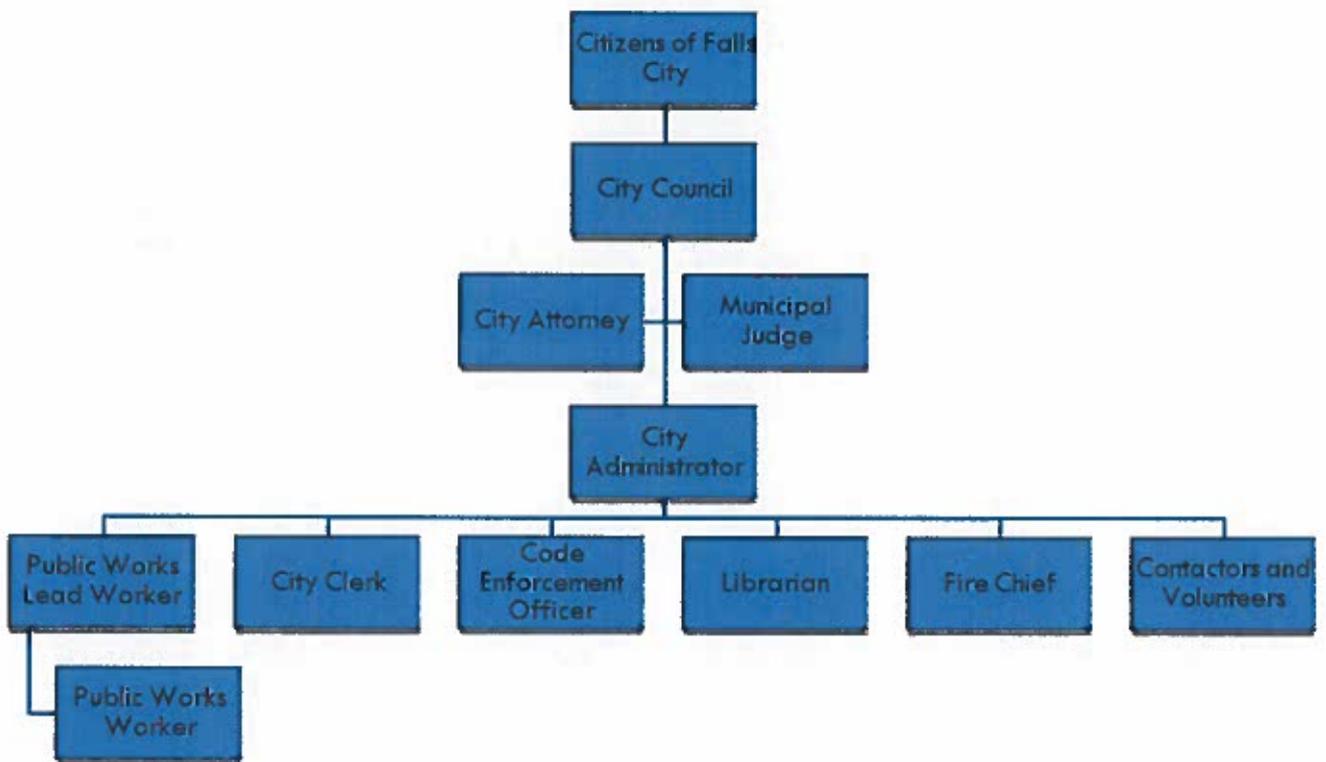
<b>Member</b>	<b>Appointed</b>	<b>Expires</b>
Terry Ungricht, Mayor	Elected November 2015	(Serve 2015-2016)
Julee Bishop, Councilor	Elected November 2012	(Serve 2013-2016)
Dennis Sickles, Councilor	Appointed March 2014	(Serve 2014-2016)
Tony Meier, Councilor	Elected January 2015	(Serve 2015-2018)
Lori Jean Sickles, Councilor	Elected November 2010	(Serve 2015-2018)
Gerald Melin, Councilor	Appointed February 2015	(Serve 2015-2016)
Jennifer Drill, Councilor	Elected January 2015	(Serve 2015-2018)

### CITIZEN MEMBERS

<b>Member</b>	<b>Appointed</b>	<b>Expires</b>
Debera Ellis	Appointed 2014	(Serve 2014-2017)
Steve Dixon	Appointed 2014	(Serve 2014-2017)
Dawn Taylor	Appointed 2014	(Serve 2014-2017)
Patty Sample	Appointed 2013	(Serve 2013-2015)
Johnathan Ungricht	Appointed 2015	(Serve 2015-2018)
Guy Mack	Appointed 2014	(Serve 2014-2017)
Amy Houghtailing	Appointed 2015	(Serve 2015-2018)

**Budget Officer: Jon Hanken, Interim Manager**  
**Terry Ungricht Manager Pro tem**

## ORGANIZATION CHART



# City of Falls City

## FY 2015-2016 PROPOSED BUDGET

### BUDGET MESSAGE

DATE: April 14, 2015

TO: Falls City Councilors, Budget Committee Members, Staff, and Citizens:

FROM: Terry Ungricht, Mayor and Pro Tem City Manager

SUBJ: FY '15-16 BUDGET MESSAGE

Since November of 2014, Falls City has undergone some significant changes. The citizens voted in a new City Charter that created a Council/City Manager form of government, new members were elected or appointed to the Council and a new Mayor was elected as well. In my short time as Mayor, I have had the opportunity to learn more about the services that staff provides and how City Hall functions. As a Council, we have met to establish goals and begun the process to chart our path for the future. This budget was developed to reflect the goals set forth by City Council. I wish I could tell you that the vision we are trying to implement to make Falls City a better place to live, work and play will be easy, but I can't. The implementation of our vision for a better community needs to be balanced with the City's financial realities. The journey of a thousand miles begins with the first step. This budget represents that first step.

As required by state law, staff is submitting a balance budget for consideration and adoption. The budget anticipates \$1,853,376 million in revenues with \$1,476,917 in expenditure. The total amount of the Contingency in all funds is anticipated to be \$376,408. While the proposed budget is predominately the same as last year's, there are some things that need to be highlighted. As a City Council, we are proceeding forward with hiring a part-time City Manager, a part-time Office Administrator, and a part-time Public Works employee. Total Personnel FTE in the proposed budget is 5.35. Total Personnel cost in the proposed budget is \$380,730. This represents an increase of \$17,796 over last year's budgeted number.

### GENERAL FUND

The General Fund anticipates a beginning cash position of \$100,000 and anticipates revenue of \$438,355. Total Resources within the fund is 538,355. The fund proposes expenditures of \$514,036. Expenditures includes; City Council, Administration, Parks, Fire, Cemeteries, Planning, Municipal Court, and Library. Administration accounts for \$255,801 of the fund's expenditures, Parks accounts for \$133,350 of the fund's expenditures (\$11,850 in operations and \$121,500 in property acquisitions and development) and the Fire Department accounts for \$71,006 of the fund's expenditures. The Contingency within the General Fund is anticipated to be \$19,550.

City of Falls City Proposed Budget 2015-2016

## WATER FUND

The Water Fund anticipates a beginning cash position of \$165,000 with anticipated revenues from water sales of \$265,000, \$4,000 in late fees, and \$10,800 from back flow testing. The fund also anticipates a transfer of \$60,000 from the City Utility Reserve Fund to pay for the update of the City's Water Master Plan in the event the City is unsuccessful in finding grant funding to pay for this activity. Total revenue within the fund is anticipated to be \$504,800. On the expenditure side of the fund, an additional .25 FTE has been added to the budget. An additional .25 FTE has also been added to the Sanitary Sewer Fund. Expenditures in the fund are consistent with last year's budgeted number, except for the Professional Services line item. That line item will be used to cover the consultant's cost for updating the water master plan. Staff estimates the cost of that project to be approximately \$60,000. The fund also makes transfer allocations to the General Fund, Sanitary Sewer Fund, and the Street and Pathway Fund. Within the Contingency line item, \$65,473 has been reserved for next year's Water Bond payment and \$33,454 is identified as unencumbered. Total contingency amount is \$98,927.

## SANITARY SEWER

The Sanitary Sewer Fund anticipates a beginning cash position of \$61,389 with anticipated revenues from sewer fees of \$90,000, \$4,000 in late fees, and a \$20,000 transfer from the Water Fund. Total revenue within the fund is anticipated to be \$175,389. On the expenditure side of the fund, an additional .25 FTE has been added to the budget. An additional .25 FTE has also been added to the Water Fund. Expenditures in the fund are consistent with last year's budgeted number. Personnel expenditure is \$16,000 higher than last year's budget number because of the added personnel. The fund anticipates a contingency of \$26,389. Committee members should note that without the \$20,000 Allocated Revenue from the Water Fund, the Sanitary Sewer's contingency would be less than \$6,500. The message here is clear. Council will need to raise sewer rates in this fiscal year. The transfer allows us time to do a proper analysis and have those public meetings to discuss this issue.

## STREETS AND PATHWAYS

The Street and Pathway Fund anticipates a beginning cash position of \$0. The fund anticipates \$54,775 in revenues from the Oregon Gasoline Tax and a transfer of \$10,000 from the water fund. Total Revenues for the fund is estimated at \$64,775. No personnel costs are coming out of this fund. Materials and Services Expenditures and Capital expenditures are held to last year's budget. The fund's contingency is anticipated to \$15,875. During the course of the coming year, Council will need to discuss the continued deterioration of our local roads and how to commit more efforts to finding grant funding to help us do improvements.

## COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

The Community Development Revolving Loan Fund has a beginning cash position of \$58,070 and anticipates revenues of \$19,475. Total resources within the fund are anticipated to be \$83,170. The fund anticipates Professional Services costs of \$6,000 and Loan Obligation expenses of \$77,170. The fund doesn't anticipate any contingency.

## WAGNER LIBRARY RESERVE

The Wagner Library Reserve Fund, which consists of the 80% Fund and the 20% Fund, is used for the operations of the Wagner Library. The fund anticipates a beginning cash position in the 80% fund of \$124,773 and a beginning cash position in the 20% fund of \$34,635. Total amount of revenue in the fund is \$159,408. No revenues are anticipated in the fund. The fund will transfer \$70,180 to the General Fund to pay for library personnel and expenses. The remaining fund balance is estimated at \$89,228. This fund will be out of money by the end of FY'16-17.

## CITY UTILITY RESERVE FUND

The City Utility Reserve Fund anticipates a beginning cash position of \$294,600. The fund anticipates \$36,000 in revenues from the Utility Capital Improvement Fee and \$1,250 in revenues from late fees. Total Revenues for the fund is estimated at \$331,850. Expenditures within the Fund include \$25,000 for Water projects and \$25,000 for Wastewater projects. No projects have been identified as of yet, but it is a good practice to make some funds available for projects in case opportunities present themselves. The fund also anticipates a transfer to the Water Fund of \$60,000 for updating the City's Water Master Plan. The fund anticipates a contingency of \$221,800.

## CONCLUSIONS

As I stated in the beginning of my message, the budget submitted this year is pretty much the same as last year's. The challenge before us is to chart the course that will help us meet our citizen's service expectations and to grow our revenue base. Right now the City's revenues are flat and our expenses continue to increase. Without new revenues, we will be able to provide less and less services. In order to have a clearer picture of where we will be in the next five years, I will be proposing that the City develop a Capital Improvement Plan for each department. This will help us to identify necessary large expenditures and help us plan on how to spend our limited resources.

I look forward to working with you over the course of the coming years to make Falls City a better place to live, work, and play.

# 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, responsible municipal services.

## CITY GOALS

1. Maintain City infrastructure at adequate levels to meet current, future, and regulatory requirements.
2. Explore the development of an electric generation facility to power City operations.
3. Broaden community understanding of City government and operations by enhancing community communications.
4. Develop a strategy to encourage economic development in Falls City.
5. Explore options and implement a code enforcement program that fits within available resources.
6. Enhance public safety in Falls City.
7. Develop and implement a staffing plan to carry out City operations.

## ABOUT FALLS CITY

The City of Falls City incorporated in 1891, encompasses 1.23 square miles and sits at the base of the coast range in the heart of Polk County Oregon. Falls City is 20 miles from Salem, the state Capitol. Falls City is a small but thriving city surrounded by vast forests, vineyards, and farmland in the Mid-Willamette Valley.



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 utility and relies upon surface water for distribution. Falls City owns and operates sanitary sewer system. Electricity, telephone service, and trash disposal are provided by private businesses.

Falls City has its own school district that provides Pre K-12 services.

Planning for future land uses, civic services, and infrastructure improvements is ongoing. Falls City is in the Mid-Willamette Valley area, the economy of is based in agriculture, but is beginning to diversify.

According to City Data, Falls City' employment falls in the following industries.

- **Construction (24%)**
- **Manufacturing (17%)**
- **Health care and social assistance (11%)**
- **Public administration (9%)**
- **Agriculture, forestry, fishing and hunting (9%)**
- **Retail trade (9%)**
- **Educational services (6%)**

## Government

The City of Falls City adopted a Council – City Manager based power Charter in the 2014 election that went into effect January 1, 2015. The Charter invests the power of governing comprised of an elected Mayor and six Councilors. The City Council exercises policy-making and legislative authority and is responsible for City legislation, adopting the budget, appointing committees, and hiring the City Administrator. The Mayor serves a two year term, Councilors serve for four years, with two of the four Councilor's terms expiring in each biennial election.

The City Manager and staff are responsible for carrying out the day-to-day operations of the City. The City's fiscal year begins July 1 and ends June 30. Current information about City services and projects can be found at the website [www.fallscityoregon.gov](http://www.fallscityoregon.gov).

## Falls City Quick Facts

The People and Families of Falls City: According to Portland State University's Population Research Center the City's population on July 1, 2013 was 950 and is predicted to increase by approximately 1-3 people per year for the next several years. The population has decreased 1.01% since the year 2000. More than 43% of the population over the age of 45, this is slightly lower than the median age of the state as a whole. (Source: 2010 Census)

### Population

2013.....	950
2012.....	946
2011.....	949
2010.....	947
2000.....	966
1990 .....	818

According to the 2010 Census about 54% of Falls City adults are married and the median family income in Falls City was \$47,921.

## Housing

Falls City Housing: Much of the housing in Falls City has been designed with family life in mind. Approximately 71% of housing is owner occupied. The City currently has two new stick built house permits approved and there seems to be interest in other undeveloped properties, there are also older homes that lend some neighborhoods their charm. The assessed value of real property exceeded \$35 million in 2014, on 658 properties.

**City Tax Rate**

\$2.9202 per \$1,000 assessed valuation (2014)

2014 TOP 10 TAX PAYERS

CITY OF FALLS CITY

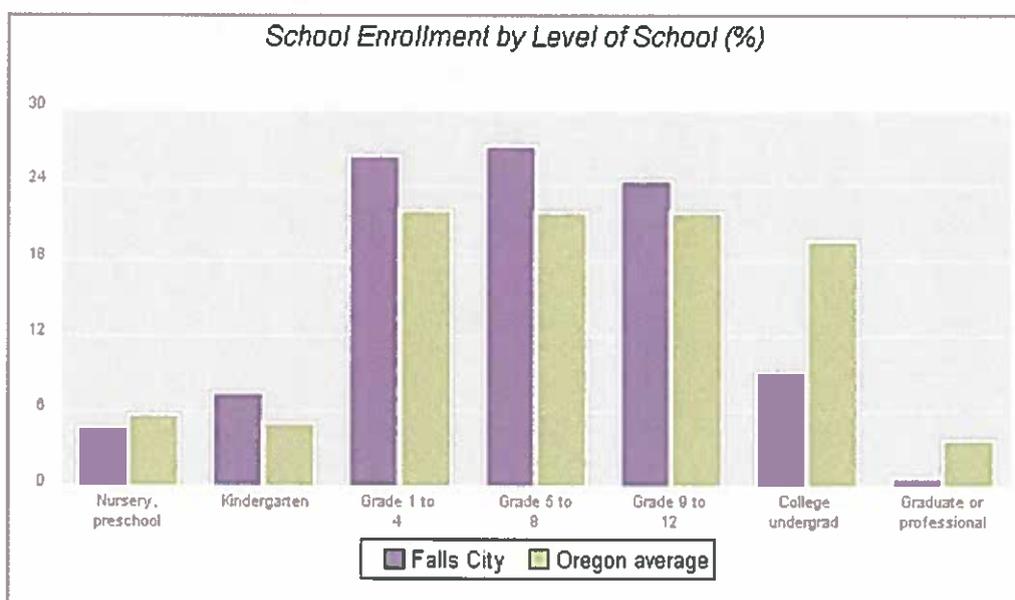
OWNER NAME	TAX AMOUNT	ASSESSED VALUE	Percentage of Total Assessed Tax Value
BOWMAN RICHARD M & PATRICIA L	5997.95	488,280	792,990
FRANK JACK & CAROL, FAMILY TRUST	4,596.12	354,290	354,300
VALSETZ HEIGHTS LLC	4,197.55	354,290	354,300
HOWARD ANN C, REVOCABLE TRUST	4,194.76	360,620	364,830
UNITED MARKET 777 INC	3,812.26	326,930	375,710
CENTURYLINK	3,510.85	329,500	329,500
PACIFICORP (PP&L	2,865.89	268,000	268,000
MILLER MILAN LOYAL	2,855.39	240,910	285,350
FRINK KIRBY K & CATHY L	2,852.47	265,660	270,030
RONCO BRADLEY P & KATHLEEN M	2,704.30	201,390	231,850

Source: Polk County Assessment and Taxation

## Education (Source: City Data)

Falls City Education: In 2010 fewer than 9% of Falls City residents had a Bachelor's degree, compared to almost 20% of residents within the state of Oregon. Falls City school district is the only school district in the city and serves households surrounding the city as well. According to the Oregon Department of Education in 2010 the school district had a student to teacher ratio of 11.5 to 1, ensuring Falls City students receive individual attention and a quality education.

As shown in the graph below provided by citydata.com Falls City has a higher than average Pre K-12 school enrollment than other Oregon schools.



Falls City, small town quality of life... what you are looking for!

You would have to look a long time before you found a region with more to offer recreationally. There is great fishing, swimming, bicycling, hiking and picnicking all in our beautiful city. Close at hand, there are 4 city parks. You need not travel at all to take advantage of the view of Little Luckiamute Falls located near the center of the city, the Little Luckiamute River travels east through the city and winds its way to the Willamette Rive. Falls City is also the gateway to the Valley of the Giants, and Blackrock mountain biking trail, one of the premier mountain biking facilities with a variety of trails and obstacles that can challenge even a professional rider.

Moreover, Polk County hosts one of America's premier wine regions with world class vineyards and tasting rooms within minutes of the City. Three beautiful golf courses abound providing a selection to satisfy anyone's taste, novice to pro, and with our temperate climate the golf courses are open year round. The region is also host to many locations for bird watching and observing local wildlife. Polk County also boasts a rich history of supporting the beer industry by growing hops.

A 90 minute drive west is the Oregon Coast, with its green headlands, crashing surf and miles of beautiful sandy beach. On your way to the beach you will travel through the Suislaw National Forest of the Oregon coast range where you can enjoy the forests. These forests are a natural habitat for native fish and wildlife species, recreational opportunities, including camping, hiking, picnicking, off-highway vehicle riding, horseback riding, fishing, hunting, swimming, bird watching, and berry picking.

You will even have the weather to enjoy it all. The Falls City area averages just 39 inches of precipitation a year. That is enough to keep things fresh and very green; but is actually less than the average rainfalls in places like Atlanta, Houston and Miami. In fact, the moderate climate makes it one of the best nursery growing areas in the United States. Our long, warm summers give way to crisp, sunny autumn afternoons. In winter, we rarely get more than a few days of snow. In spring, the surrounding farmlands come to life again and the cycle begins anew.

## 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.

### 2015-2016 Budget Calendar

March, 2 & 4	City Council goal setting
April 17	City Administrator prepares the budget message
April 23,30, May 7,21	Budget Committee meetings, Budget Hearing and Budget Committee approval
June 11	City Council meeting with public hearing for budget
No later than June 30	City Council adopts FY 2015-2016 Budget

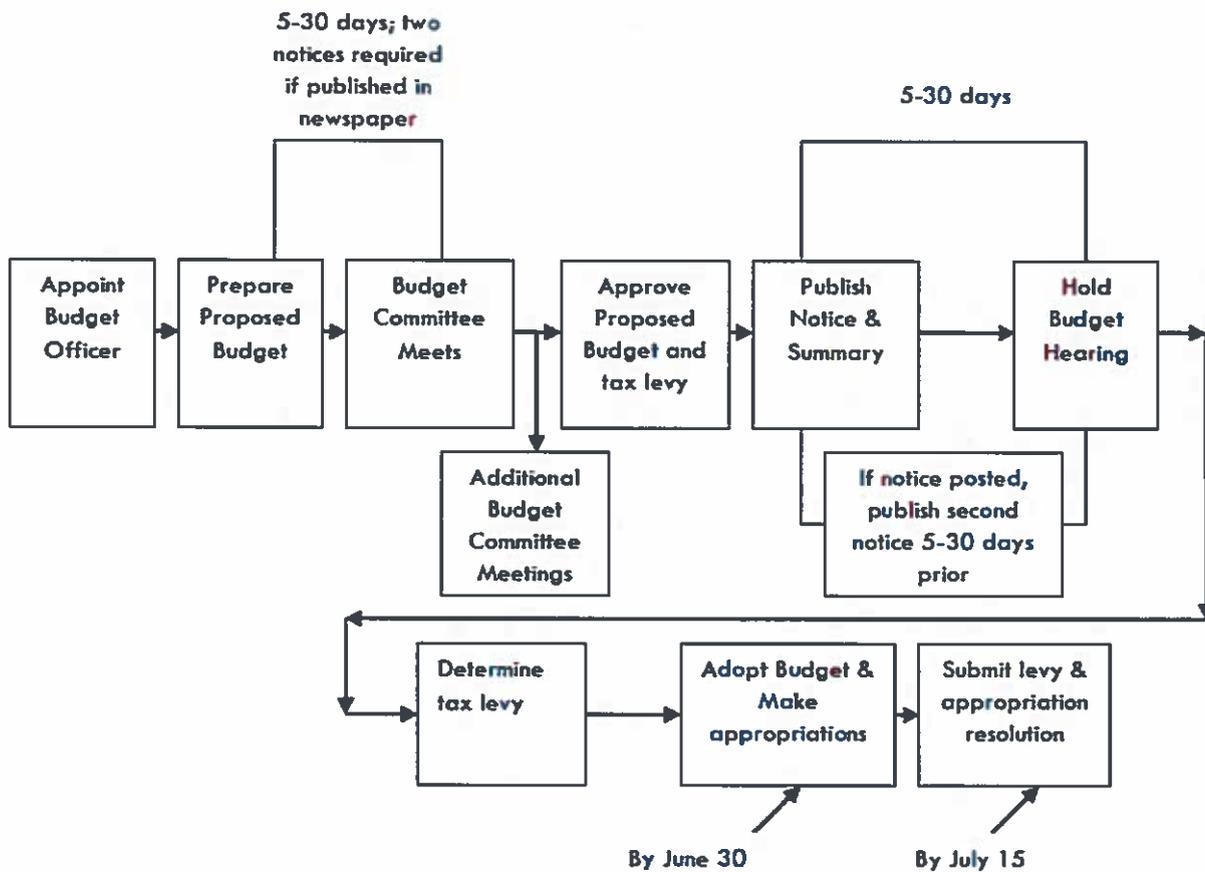
In December through March, meetings are held with City staff, the Mayor, and City Council to set goals and priorities for the upcoming year. In April, a preliminary budget is prepared and presented to the Budget Committee, which, by law, comprises the Mayor, City Councilors, and seven citizen members. 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.

City of Falls City Proposed Budget 2015-2016

## 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



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 three-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

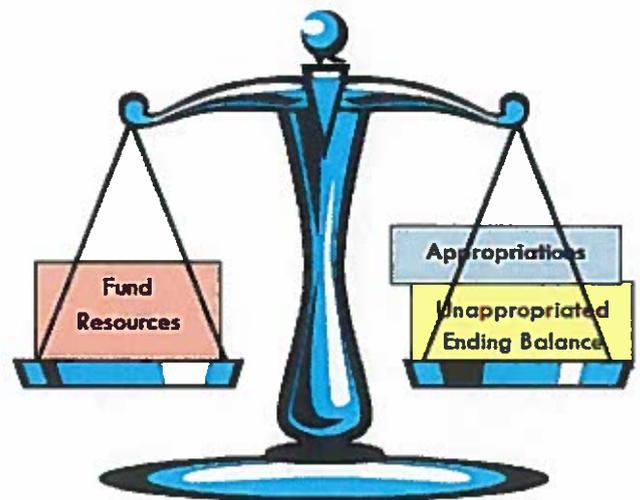
The budget is prepared using the modified cash method of accounting. This means that obligations of the City are budgeted as expenses when invoices are paid and income is recorded when received. The City of Falls City manages its finances in compliance with the modified cash basis and budget laws of 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.



## 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** represent the significant activities of the City of Falls City and basically include any fund whose assets, liabilities, revenues, or requirements/expenses of that individual governmental or enterprise fund are on a reoccurring basis at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is, 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.

City of Falls City Proposed Budget 2015-2016

## The General Fund includes the following departments:

- Fire
- Library
- City Council
- Administration
- Municipal Court
- Parks and Cemeteries
- Other/ Non Departmental/ Debt

Administrative and occupancy costs for city hall and other facilities are paid through charges allocated to the other funds for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, and building usage. The costs of these services are at full staff cost, thereby providing more accurate costs of providing services. These appear as "allocated" costs in the respective funds.

The basis for allocation is determined on a number of factors depending upon the individual charge to be allocated. Some of the factors used are amount of department budget, number of staff, and time spent. Activity for the administration, human resources, financial services and information technology are accounted for in this fund. Revenues are generated through user charges for the cost of providing the services.

Requirements are for personnel services.

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

**Street and Pathways Fund (Non-Major Fund):** The Street and Pathways Fund provide the accounting for Streets and Pathways programs. The Streets and Pathways program includes repair, construction and maintenance of streets and pathways. No public works staff are 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 Funds to accounts 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.

**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.

## **Fund Guide**

### **Active Funds**

1. **General Fund (Major Fund)**
  - City Council
  - Library
  - Court
  - Fire
  - Parks and Cemeteries
  - Admin
  - Other/Non Departmental
2. **Water Fund (Major Fund)**
3. **Sanitary Sewer Fund (Major Fund)**
4. **Streets and Pathways Fund (Major Fund)**
5. **Community Development Revolving Loan Fund (Major Fund)**
6. **Wagner Library 80% Fund (Non-Major Fund)**
7. **Wagner Library 20% Fund (Non-Major Fund)**
8. **City Utility Reserve Fund (Non-Major Fund)**

### **Closed Funds**

9. **Sewer Master Plan Fund (Non-Major Fund)**
10. **Cemetery Fund (Non-Major Fund)**
11. **Court Fund (Non-Major Fund)**
12. **FEMA Grant Fund (Non-Major Fund)**
13. **State Revenue Sharing Fund (Non-Major Fund)**
14. **Water Debt Fund (Non-Major Fund)**
15. **Sewer Debt Fund (Non-Major Fund)**
16. **Equipment Fund (Non-Major Fund)**
17. **Small City Allotment Grant Fund (Non-Major Fund)**

## Use of Funds by Department

Department or  
Division

	General Fund	Water Fund	Sewer	Street and Pathways	Community Development	Wagner Library Revolving Loan	Wagner Library 80%	Wagner Library 20%
<b>Administration</b>	x							
<b>Fire</b>	x							
<b>Municipal Court</b>	x							
<b>Library</b>	x					x	x	
<b>Water</b>		x						
<b>Sewer</b>			x					
<b>Streets</b>				x				
<b>Parks</b>	x							

## Changes in Personnel City Levels

Full Time Equivalents	2012-13 Adopted Employees	2013-14 Adopted Employees	2014-15 Adopted Employees	2014-2015 Proposed Employees	Range (\$'s) Minimum- Maximum
City Manager	1	1	1	0.5	\$ 25,000
City Clerk	1	1	1	1	\$ 39,130
Assistant City Clerk	0.4	0	0	.5	\$ 22,000
Finance Director	0.4	0	0	0	\$ -
Public Works Director	0	0	0	0	\$ -
Public Works Lead Worker	1	1	1	1.25	\$ 42,112
Public Works Worker	1	1	1	1.25	\$ 36,170
Code Enforcement Officer	0.13	0.13	0.2	0	\$ 0
Municipal Judge*	0	0	0	0	\$ 6,000
Fire Chief	0	0	0.10	0.10	\$ 3,780
Librarian	0	0	0.75	0.75	\$ 31,500
<b>TOTAL</b>	<b>4.93</b>	<b>5.93</b>	<b>4.13</b>	<b>5.35</b>	<b>\$ 205,692</b>
<b>Grand Total Employee Count</b>	<b>4.93</b>	<b>5.93</b>	<b>4.13</b>	<b>5.35</b>	

This number is based on budgeted positions, not year-end employee count.

\* On call

This year the City Manager position will drop to half time.

This year the Assistant to City Clerk will increase to half time.

This year there is an increase .25 in the water and sewer fund to create a half time position in Public Works.

The Code Enforcement Officer position will be dropped.

The Municipal Judge is an on call employee who due to the number of hours worked in other cities is eligible for payments to PERS.

A Librarian position has been added at  $\frac{3}{4}$  time.

## 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 be increased to better reflect the true 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, Interfund transfers line items had been used for allocation of cost recovery for services as well as to share the cost of debt payments. Transfers are no longer used in this way. Beginning in fiscal year 2013-2014, allocated charges have been separated from transfers. Many of the city funds receive transfers from other funds for the purpose of debt payments and general operational funding with no expectation of repayment.

Allocated charges represent cost recovery for materials and personal services centrally used within the city.

The amount charged to each department is determined on a cost reimbursement basis to the department providing the material or services.

**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 does not currently levy any local options levies for the City of Fall City.

**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 and the state gas taxes.

**Intergovernmental Revenues** This revenue source is comprised of revenue received from other governmental agencies, not inclusive of grants. Grants are not included in this revenue category due to their transient nature and occasionally not coming from a government source. They are reflected in the

Other Revenues category below. Intergovernmental revenues include funds from state revenue sharing, and the OLCC. The amount to be budgeted is predicted by historical trends of these revenues.

**Licenses and Permits** Fees for permits, inspections and business licenses make up this revenue source. Anticipated building activity and the most 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 traffic and municipal citations and fines. The purpose is to promote safety and enforce compliance related issues. Historically this revenue source is fairly steady and predictable.

**Other Revenue Sources** This revenue category is made up of miscellaneous revenue sources such as grants, interest earnings, fines, forfeitures and donations. The amount of revenue estimated to be received from these sources is based on anticipated interest earnings, projected grant receipts and estimated donation amounts.

## TRANSFERS

Transfer line items are utilized to separate one time charges for specific projects or equipment and debt service payments. Below is a summary for the transfers included in this budget as well as the reason for the transfer.

<u>In's</u>		<u>Outs</u>	
Library Fund	\$ 70,180	Wagner Library 80%	\$ 70,180
Water Fund	\$ 60,000	Utility Reserve Fund	\$ 60,000

## ALLOCATIONS

Allocations are the methods the city uses to charge each department for its portion of shared services such as administration, insurance, facilities and engineering. Allocation factors differ for each item being allocated. The allocation factors, method and individual amounts can be seen in the cost allocation plan. Below is summary of the allocations as they are displayed in the budget.

<u>Staff Allocation</u>			
<u>In's</u>		<u>Outs</u>	
Water Fund	\$ 80,000	Water to Gen	\$ 50,000
		Water to Sewer	\$ 20,000
		Water to Street	\$ 10,000
			<u>\$ 80,000</u>

(changed for 2015-16)

# GENERAL FUND REVENUE

## **Mission Statement**

The purpose of the General Fund is to provide basic municipal services: fire, library, municipal court, community development, planning, administration, and parks that are not funded elsewhere.

## **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 2014-2015**

Objectives for 2014-2015 are to increase the net working capital. This may be more difficult in a recessionary economy. Actual cash flow will continue to be irregular. The contingency account and allocation for unappropriated ending fund balance are small.

## **Budget Narrative**

The estimate of Net Working Capital is a rough estimate at this time. It will be revisited throughout the budgeting process as the City Administrator gets a better handle on the expected revenue and level of expenses for the current year. The general aim is to carry forward about \$50,000, but this has been difficult to achieve. Ideally, net working capital should be 15-25% of the total General Fund.

Property taxes are limited by a 3% cap on the assessed value of existing property plus new construction. Currently there is limited development activity, the City has issued two stick built permits and there is an expectation of a few more through the year. Even when development occurs, there is as much as a two-year lag before the taxes are actually received depending on when the project is completed and assessed for tax value. The estimate for property taxes is tempered by a discount for prompt payment and delinquencies. Even new construction is not taxed at "full-value". The estimate of property taxes is based on the assessed valuation, which is lower than the last few years. This is compounded by the expectation that Polk County will only collect about 93% of the taxes due to the city in the year they are due.

Due to declining interest rates, there have been reductions in earnings on cash balances. Construction has also come to a near halt, so there has not been much collected in the away of planning or development permits. We will have to aggressively pursue more grant funds.

**General Fund Revenue**

<b>General Fund</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Net Working Capital	\$111,302	\$115,338	\$105,000	\$100,000	\$100,000	\$100,000
Interest	\$3,808	\$3,681	\$2,500	\$2,000	\$2,000	\$2,000
OLCC	\$12,682	\$11,742	\$12,000	\$15,300	\$15,300	\$15,300
Revenue Share	\$0	\$8,545	\$6,500	\$7,000	\$7,000	\$7,000
Cigarette Tax	\$1,343	\$1,185	\$1,100	\$1,100	\$1,100	\$1,100
911 tax	\$2,306	\$0	\$0	\$0	\$0	\$0
Property Tax - Current	\$97,425	\$96,877	\$96,400	\$97,000	\$97,000	\$97,000
Property Tax - Prior Year	\$6,284	\$3,663	\$3,000	\$3,000	\$3,000	\$3,000
Lien Search	\$420	\$980	\$200	\$200	\$200	\$200
Licenses and Fees	\$3,150	\$0	\$0	\$0	\$0	\$0
Copies and Faxes	\$312	\$252	\$230	\$200	\$200	\$200
Parks User fees	\$505	\$432	\$100	\$100	\$100	\$100
Community Center Use Fee	\$50	\$175	\$100	\$100	\$100	\$100
Nuisance Fines	\$0	\$0	\$200	\$0	\$0	\$0
Business License Permits	\$0	\$1,675	\$2,000	\$1,000	\$1,000	\$1,000
Planning Permits	\$480	\$1,308	\$800	\$1,000	\$1,000	\$1,000
Rural Fire	\$5,895	\$8,446	\$4,000	\$20,900	\$20,900	\$20,900
Electric-Franchise Fees Pacific Power	\$39,804	\$45,020	\$38,500	\$38,500	\$38,500	\$38,500
Electric -Franchise Fees Consumer Power	\$3,165	\$0	\$3,100	\$3,100	\$3,100	\$3,100
Garbage-Franchise Fees Republic	\$2,659	\$3,017	\$2,100	\$2,150	\$2,150	\$2,150
Cable-Franchise Fees Charter	\$2,898	\$2,889	\$5,000	\$4,000	\$4,000	\$4,000
Phone-Franchise Fees Quest	\$2,111	\$2,026	\$0	\$0	\$0	\$0
Planning Grants	\$0	\$1,000	\$0	\$0	\$0	\$0
Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0
Donations	\$35	\$15	\$25	\$25	\$25	\$25
Miscellaneous	\$1,664	\$3,326	\$200	\$0	\$0	\$0
Intergovernmental Grants	\$0	\$0	\$119,406	\$121,500	\$121,500	\$121,500
Transfer From Library Reserve	\$0	\$0	\$67,136	\$70,180	\$70,180	\$70,180
Transfer from Cemetery Fund	\$0	\$7,656	\$0	\$0	\$0	\$0
Transfer from Court Fund	\$0	\$13,424	\$0	\$0	\$0	\$0
Transfer From Equipment Fund	\$0	\$8,065	\$0	\$0	\$0	\$0
Transfer From State Revenue Sharing Fund	\$0	\$9,741	\$0	\$0	\$0	\$0
Allocated Revenue	\$0	\$75,865	\$78,490	\$50,000	\$50,000	\$50,000
<b>TOTAL REVENUE</b>	<b>\$298,299</b>	<b>\$426,343</b>	<b>\$548,087</b>	<b>\$538,355</b>	<b>\$538,355</b>	<b>\$538,355</b>

City of Falls City Proposed Budget 2015-2016

# 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 2015-2016

Maintain high level of services during a period of decreasing revenues. 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

The City Council adopted goals in March 2015 for the 2015-2016 fiscal year, these goals also have general objectives to support the goals structure and to offer the City Administrator an outline of desired outcomes over the year.

The budget for City Council is comprised of Council approved projects, dues to the Oregon Mayor's Association and reimbursement for travel to meetings or training.

### City Council

Description	Actual 2012-2013	Actual 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
Operational Supplies	\$0	\$0	\$0	\$250	\$250	\$250
Council Projects	\$0	\$490	\$850	\$850	\$850	\$850
Education/Training/Dues	\$0	\$2	\$300	\$300	\$300	\$300
Reimbursable Expense	\$0	\$0	\$0	\$100	\$100	\$100
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$0</b>	<b>\$492</b>	<b>\$1,150</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$1,500</b>
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$492</b>	<b>\$1,150</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$1,500</b>

# Library

## Mission Statement

To provide clear financial accounting of donations and requirements made by the City on behalf of the Wagner Community Library.

## Service Provided

Falls City petitioned the trustees of the James and Amelia Wagner Library Trust to abolish the trust and to turn over the funds to help the City keep the Library open to the public, while the community seeks to create partners in the formation of a separate Library District. The City is currently operating the Library with an agreement with the Falls City School District, if the City cannot create a Library District funds from the Wagner Trust will run out in 2017.

Library	Actual	Actual	Adopted	Proposed	Approved	Adopted
Description	2012-2013	2013-2014	2014-2015	2015-2016	2015-2016	2015-2016
<b>Full Time Equivalent Employees</b>	<b>0</b>	<b>0</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>
Salaried	\$0	\$0	\$30,000	\$31,500	\$31,500	\$31,500
Benefits	\$0	\$0	\$17,136	\$18,270	\$18,270	\$18,270
Employer Costs	\$0	\$0	\$6,200	\$6,610	\$6,610	\$6,610
<b>PERSONNEL SERVICES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,336</b>	<b>\$56,380</b>	<b>\$56,380</b>	<b>\$56,380</b>
Operational Supplies	\$0	\$0	\$6,000	\$6,000	\$6,000	\$6,000
Professional Services	\$0	\$0	\$5,500	\$5,500	\$5,500	\$5,500
Utilities	\$1,525	\$1,716	\$2,000	\$2,000	\$2,000	\$2,000
Miscellaneous	\$0	\$1,730	\$300	\$300	\$300	\$300
<b>MATERIALS AND SERVICES</b>	<b>\$1,525</b>	<b>\$3,446</b>	<b>\$13,800</b>	<b>\$13,800</b>	<b>\$13,800</b>	<b>\$13,800</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,525</b>	<b>\$3,446</b>	<b>\$67,136</b>	<b>\$70,180</b>	<b>\$70,180</b>	<b>\$70,180</b>

# 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.

## 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 offers customer service, maintenance of all records, accounts receivables, and support in the process of all court and judicial matters.

## BUDGET NARRATIVE

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 a contract with a part time Judge, but Council is currently in the process of adopting a process that the budget can afford, while still being able to enforce City ordinances. In the 2014-15 budget cycle, the City budgeted 8 hours a week for a Code Enforcement officer, but has been unable to retain an enforcer at that level.

### Court

Description	Actual 2012-2013	Actual 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
<b>Full Time Equivalent Employees</b>	<b>0</b>	<b>0.13</b>	<b>0.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Salaried	\$0	\$2,868	\$12,050	\$0	\$0	\$0
Employer Costs	\$0	\$493	\$2,370	\$0	\$0	\$0
<b>PERSONNEL SERVICES</b>	<b>\$0</b>	<b>\$3,361</b>	<b>\$14,420</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Operational Supplies	\$0	\$341	\$1,000	\$1,000	\$1,000	\$1,000
Utilities	\$0	\$152	\$300	\$480	\$480	\$480
Education/Training/Dues	\$0	\$0	\$200	\$1,000	\$1,000	\$1,000
Professional Services	\$0	\$127	\$0	\$6,000	\$6,000	\$6,000
Uniforms & Protective Gear	\$0	\$40	\$100	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$0</b>	<b>\$660</b>	<b>\$1,600</b>	<b>\$8,480</b>	<b>\$8,480</b>	<b>\$8,480</b>
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$4,021</b>	<b>\$16,020</b>	<b>\$8,480</b>	<b>\$8,480</b>	<b>\$8,480</b>

# 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 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

- Continued and increased cooperation with Dallas and Polk County Rural Fire Departments in training and response..
- Provided a safe and successful 3<sup>rd</sup> of July fireworks show.

## Objectives 2014-2015

- Maintain staffing of fire and emergency services through a combination of volunteer personnel.
- Develop a plan to ensure the long term future of the Fire Department at the professional level our citizens expect.
- Develop Emergency Operations/Management Plan.

## BUDGET NARRATIVE

Currently the Falls City Fire department is primarily a volunteer fire department with the exception of the Fire Chief becoming a minimal part time employee with a minimal salary.

The City will be working with South West Fire District and with volunteers within the Department to pursue grant opportunities for equipment up grades. South West Polk Fire District is exploring abolishing the current District and forming a new District, the City will monitor this process and what effect it will have on our Departments contract with the district.

Fire

Description	Actual 2012-2013	Actual 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
<b>Full Time Equivalent Employees</b>	<b>0</b>	<b>0</b>	<b>1.10</b>	<b>0.10</b>	<b>0.10</b>	<b>1.10</b>
Salaried	\$0	\$0	\$3,600	\$3,780	\$3,780	\$3,780
Employer Costs	\$7,815	\$9,731	\$11,000	\$0	\$0	\$0
<b>PERSONNEL SERVICES</b>	<b>\$7,815</b>	<b>\$9,731</b>	<b>\$14,600</b>	<b>\$3,780</b>	<b>\$3,780</b>	<b>\$3,780</b>
<b>Description</b>	<b>Actual 2012-2013</b>	<b>Actual 2013-2014</b>	<b>Adopted 2014-2015</b>	<b>Proposed 2015-2016</b>	<b>Approved 2015-2016</b>	<b>Adopted 2015-2016</b>
Operational Supplies	\$717	\$815	\$1,200	\$2,200	\$2,200	\$2,200
Equipment - O&M	\$7,086	\$6,975	\$7,000	\$8,400	\$8,400	\$8,400
Building - O&M	\$5,192	\$698	\$3,600	\$4,800	\$4,800	\$4,800
Utilities	\$10,480	\$11,540	\$11,000	\$12,000	\$12,000	\$12,000
Education/Training/Dues	\$40	\$0	\$300	\$500	\$500	\$500
Insurance	\$0	\$4,173	\$6,500	\$7,500	\$7,500	\$7,500
Professional Services	\$3,832	\$0	\$550	\$1,000	\$1,000	\$1,000
Uniforms & Protective Gear	\$10	\$315	\$300	\$3,100	\$3,100	\$3,100
Intergovernmental Services	\$10,360	\$11,127	\$9,500	\$9,500	\$9,500	\$9,500
Reimbursable Expense	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$455	\$0	\$12,000	\$12,000	\$12,000
Assistance to Firefighters Grant	\$0	\$0	\$125,690	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$37,717</b>	<b>\$36,098</b>	<b>\$165,640</b>	<b>\$61,000</b>	<b>\$61,000</b>	<b>\$61,000</b>
Equipment - Capital	\$0	\$0	\$200	\$350	\$350	\$350
<b>CAPITAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>
Fire Truck Loan Principal	\$0	\$5,975	\$5,000	\$5,000	\$5,000	\$5,000
Fire Truck Loan Interest	\$0	\$0	\$876	\$876	\$876	\$876
<b>DEBT</b>	<b>\$0</b>	<b>\$5,975</b>	<b>\$5,876</b>	<b>\$5,876</b>	<b>\$5,876</b>	<b>\$5,876</b>
<b>TOTAL EXPENDITURES</b>	<b>\$45,532</b>	<b>\$51,804</b>	<b>\$186,316</b>	<b>\$71,006</b>	<b>\$71,006</b>	<b>\$71,006</b>

# Parks and Cemeteries

## Mission Statement

To provide safe, attractive cemeteries and enjoyable 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

## BUDGET NARRATIVE

General park and cemetery maintenance is performed by our public works staff that are funded in the utility funds. Costs for staff time are allocated to the General Fund. Weekly general maintenance includes 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 with public works

## 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 has set aside funds and applied for a grant to expand the Michael Harding Park and consolidate with property that is already owned by the City. If we are successful on obtaining the grant this will create a Park that spans both sides of the Luckiamute Falls and will help consolidate land for creating a nature trail system.

**Parks and Cemeteries**

Description	Actual 2012-2013	Actual 2013- 2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
<b>Full Time Equivalent Employees</b>						
Salaried	\$3,674	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$1,826	\$0	\$0	\$0	\$0	\$0
<b>PERSONNEL SERVICES</b>	<b>\$5,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Operational Supplies	\$474	\$6,507	\$2,000	\$2,000	\$2,000	\$2,000
Equipment - O&M	\$242	\$555	\$500	\$1,000	\$1,000	\$1,000
Building - O&M	\$181	\$514	\$1,500	\$1,500	\$1,500	\$1,500
Utilities	\$3,143	\$4,210	\$5,500	\$6,000	\$6,000	\$6,000
Professional Services	\$609	\$675	\$1,050	\$1,250	\$1,250	\$1,250
Uniforms & Protective Gear	\$0	\$0	\$50	\$100	\$100	\$100
<b>MATERIALS AND SERVICES</b>	<b>\$4,649</b>	<b>\$12,461</b>	<b>\$10,600</b>	<b>\$11,850</b>	<b>\$11,850</b>	<b>\$11,850</b>
<b>TOTAL EXPENDITURES</b>	<b>\$10,148</b>	<b>\$12,461</b>	<b>\$10,600</b>	<b>\$11,850</b>	<b>\$11,850</b>	<b>\$11,850</b>

# 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 Administration Department has experienced major personnel changes through the year, City Administer Mathiesen resigned and the Council hired an interim Manager, Jon Hanken, to help in the search of a new manager and to keep daily operations running smoothly. The City has submitted a request for personnel, RFP, for a part time administer based on direction from Council. Mr. Hanken tendered his resignation as of April 17, 2015 due to finding a full time position. Mayor Ungricht will be filling the Manager vacancy until the City hires a replacement.

The Administration Department proposed budget provides funding at the same levels as the 2014-2015. If the City is able to hire a part time Manager, the savings will be used for a possible part time office clerk. The budget will still retain a City Clerk, necessary materials, supplies, and capital equipment to support the activities noted above. 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 Elections Officer and also 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, Court Clerk and Public Works Director.
- The City Clerk serves as the Operations Manager, Utility Billing Manager, and Special Events Coordinator.
- Supports Committees and Commissions
- Supports building permits, planning and business licensing.

The Administration Department is charged with all utility billing responsibilities, including: generating and mailing utility bills (currently approximately 430) on a monthly basis, generating and mailing past due notices to delinquent customers, collection of bad accounts, and coordinating work orders with the Public Works Department.

### **Objectives 2015-2016**

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:

- Improve communications and website maintenance.
- Continue to examine bank fees and services
- Continue improving reporting capabilities, particularly internal reports, which help to increase personnel efficiency for operating departments.
- Create a five-year Capital Improvement Program (CIP).
- Examine feasibility of continued operation of municipal court
- Continue the process to "Re-brand" Falls City as a place to live, shop, invest, play and go to school.

## **REQUIREMENTS**

### **Personnel Services**

Administration is a department in the General Fund comprised of 1 full-time employee, the City Clerk and two part time positions, the Manager and a clerk. Portions of the time for these positions are charged to other funds in the form of cost allocations. For example the City Administrator position used to be shown divided among 4 locations in the budget, now the position is paid all from the general fund and allocations are charged to other funds for the amount of time spent working in each area.

### **Materials and Services**

Education, Training and Dues include continuing education requirements for the City Manager and City Clerk such as:

- International City/ County Management Association (ICMA)
- City of Falls City Proposed Budget 2015-2016

- Oregon City/County Management Association (OCCMA)
- Government Finance Officer Association (GFOA)
- Oregon Municipal Finance Officer Association (OMFOA)
- International Institute Municipal Clerks (IIMC)
- Oregon Association Municipal Recorder (OAMR)
- Other Dues:
- League of Oregon Cities (LOC)
- Local Government Personnel Institute (LGPI)
- Mid-Willamette Valley Council of Governments (COG)

The Professional Services account provides funding for an array of consultants and contracted services essential to the administration of the city. These include auditors, city attorney, and software vendor. Attorney services are budgeted at the same level as the past year to be sure legal advice is available when needed.

**Admin**

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
<b>Full Time Equivalent Employees</b>	<b>0</b>	<b>2</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
Salaried	\$49,113	\$88,856	\$92,357	\$97,126	\$97,126	\$97,126
Severance Pay	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$8,472	\$23,707	\$34,272	\$34,272	\$34,272	\$34,272
Employer Costs	\$5,662	\$14,420	\$18,672	\$18,672	\$18,672	\$18,672
<b>PERSONNEL SERVICES</b>	<b>\$63,246</b>	<b>\$126,983</b>	<b>\$145,301</b>	<b>\$150,070</b>	<b>\$150,070</b>	<b>\$150,070</b>
Operational Supplies	\$1,765	\$2,258	\$5,000	\$5,500	\$5,500	\$5,500
Equipment - O&M	\$1,402	\$3,293	\$1,000	\$5,000	\$5,000	\$5,000
Building Maintenance and Repair	\$11	\$6,388	\$6,500	\$7,000	\$7,000	\$7,000
Utilities	\$6,975	\$8,216	\$10,000	\$11,500	\$11,500	\$11,500
Education/Training/Dues	\$5,413	\$4,282	\$6,500	\$6,500	\$6,500	\$6,500
Professional Services	\$36,371	\$33,826	\$43,500	\$45,000	\$45,000	\$45,000
Uniforms & Protective Gear	\$25	\$0	\$50	\$0	\$0	\$0
Fire Truck Loan	\$0	\$0	\$0	\$0	\$0	\$0
Council Projects	\$150	\$209	\$0	\$0	\$0	\$0
911 for Law enforcement	\$0	\$0	\$0	\$0	\$0	\$0
Refund Deposits	\$77	\$0	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$52,188</b>	<b>\$58,472</b>	<b>\$72,550</b>	<b>\$80,500</b>	<b>\$80,500</b>	<b>\$80,500</b>
<b>TOTAL EXPENDITURES</b>	<b>\$115,434</b>	<b>\$185,455</b>	<b>\$217,851</b>	<b>\$230,570</b>	<b>\$230,570</b>	<b>\$230,570</b>

# 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, transfers and other expenses not classified elsewhere.

## **Objectives**

The aim of the year is to keep the amount transferred for overhead at a minimum while not burdening other funds.

## **BUDGET NARRATIVE**

The General Fund provides overhead and administrative support for the other funds and departments. It covers the supervision of the General Fund Departments by the City Administrator, services of the Finance office, insurance, utilities and buildings maintenance.

## **Revenue**

This is an element of the General Fund without specific funding sources.

## **Materials and Services**

These are expenses not readily classified elsewhere and include the supplies for the 3<sup>rd</sup> of July celebration, and equipment for general uses such as the city's computer system.

## **Transfers and Allocations**

Allocations are made to various funds to charge for the shared services administration provides. Transfers represent funds given to other funds with no expectation of repayment.

**Other/Debt Service**

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
3rd of July	\$0	\$869	\$1,000	\$1,200	\$1,200	\$1,200
<b>MATERIALS AND SERVICES</b>	<b>\$0</b>	<b>\$869</b>	<b>\$1,000</b>	<b>\$1,200</b>	<b>\$1,200</b>	<b>\$1,200</b>
Building and Improvements	\$0	\$0	\$0	\$121,500	\$121,500	\$121,500
Equipment- Operations	\$0	\$0	\$0	\$0	\$0	\$0
<b>CAPITAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,500</b>	<b>\$121,500</b>	<b>\$121,500</b>
Revolving Loan Principal	\$1,925	\$2,519	\$1,944	\$1,944	\$1,944	\$1,944
Revolving Loan Interest	\$593	\$0	\$575	\$575	\$575	\$575
<b>DEBT</b>	<b>\$2,518</b>	<b>\$2,519</b>	<b>\$2,519</b>	<b>\$2,519</b>	<b>\$2,519</b>	<b>\$2,519</b>
Transfer to Cemetery Fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Equipment fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Court Fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Street Fund	\$7,800	\$0	\$0	\$0	\$0	\$0
Allocated Expense -Water Fund	\$0	\$7,167	\$7,167	\$0	\$0	\$0
Allocated Expense - Sewer Fund	\$0	\$7,781	\$7,781	\$0	\$0	\$0
Allocated Expense -Street Fund	\$0	\$12,694	\$12,694	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$7,800</b>	<b>\$27,642</b>	<b>\$27,642</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Reserved For Cemetery Land Purchase	\$0	\$0	\$4,550	\$4,550	\$4,550	\$4,550
Contingency	\$0	\$0	\$13,303	\$15,000	\$15,000	\$15,000
<b>Contingency</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,853</b>	<b>\$19,550</b>	<b>\$19,550</b>	<b>\$19,550</b>
<b>Unappropriated</b>	<b>\$0</b>	<b>\$28,511</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$182,958</b>	<b>\$317,220</b>	<b>\$548,087</b>	<b>\$538,355</b>	<b>\$538,355</b>	<b>\$538,355</b>

# 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 ons, 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 Administrator 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.



### Objectives 2014-2015

- Revise and update Operations Manuals for Water activities.
- Continue with leak detection program to reduce water loss due to aging water infrastructure.
- Revive monitoring of cross-connection program to insure excellent water quality.
- Revise Water ordinance and update procedures.
- Assist engineers in completing a new Master Water Plan.

### REVENUE

Rates and system development 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 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. The City was successful in negotiating and signing a new bulk water agreement with Luckiamute Domestic Water Cooperative which should result in added revenues.

### REVENUE

<b>Water</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Net Working Capital	\$14,688	\$38,441	\$96,700	\$165,000	\$165,000	\$165,000
Interest	\$0	\$0	\$0	\$0	\$0	\$0
Water	\$225,291	\$247,531	\$251,160	\$265,000	\$265,000	\$265,000
Late Fees	\$0	\$4,352	\$3,500	\$4,000	\$4,000	\$4,000
Backflow Testing Fee	\$0	\$9,543	\$9,790	\$10,800	\$10,800	\$10,800
Miscellaneous	\$325	\$0	\$0	\$0	\$0	\$0
Transfer from Utility Reserve Fund	\$0	\$0	\$0	\$60,000	\$60,000	\$60,000
Transfer from Water Debt	\$0	\$65,473	\$0	\$0	\$0	\$0
Transfer from Equipment Fund	\$0	\$8,065	\$0	\$0	\$0	\$0
Allocated Revenue	\$0	\$34,909	\$38,650	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$240,304</b>	<b>\$408,314</b>	<b>\$399,800</b>	<b>\$504,800</b>	<b>\$504,800</b>	<b>\$504,800</b>

## Personnel Services

This recommended budget continues to fund the same level of services as we offer currently, including 1 utility staff person and supportive equipment, materials and services, Our other utility staff person is funded in the Sanitary Sewer Fund. Other staff that assists with water services includes the City Clerk and City Administrator and engineering support whose primary costs are also budgeted in the Water Fund.

## 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 should help identify and target areas of water loss.

## Capital Outlay

This year's capital outlay will mainly be driven by the cost of the Master Water Plan. Staff will also be decommissioning two old pump stations that were left over from before the City built the treatment plant.

Description	REQUIREMENTS					
	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
FTE				1.25	1.25	1.25
Salaried	\$62,456	\$39,812	\$42,112	\$56,000	\$56,000	\$56,000
Overtime	\$66	\$14	\$0	\$0	\$0	\$0
Severance Pay	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$17,674	\$15,110	\$17,140	\$20,000	\$20,000	\$20,000
Employer Costs	\$7,523	\$7,610	\$11,025	\$13,500	\$13,500	\$13,500
Vacation and Sick Leave						
Buyouts	\$0	\$0	\$0	\$0	\$0	\$0
<b>PERSONNEL SERVICES</b>	<b>\$87,719</b>	<b>\$62,546</b>	<b>\$70,277</b>	<b>\$89,500</b>	<b>\$89,500</b>	<b>\$89,500</b>
Operational Supplies	\$14,268	\$20,561	\$26,100	\$30,000	\$30,000	\$30,000

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Equipment - O&M	\$6,501	\$6,725	\$12,000	\$15,000	\$15,000	\$15,000
Education/Training/Dues	\$364	\$308	\$1,000	\$1,500	\$1,500	\$1,500
Professional Services	\$21,659	\$39,551	\$35,190	\$100,000	\$100,000	\$100,000
Utilities	\$5,352	\$4,388	\$5,000	\$6,500	\$6,500	\$6,500
Uniforms & Protective Gear	\$42	\$82	\$250	\$300	\$300	\$300
Utility Rebates & Incentives	\$0	\$0	\$100	\$100	\$100	\$100
Miscellaneous	\$485	\$122	\$100	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$48,670</b>	<b>\$71,737</b>	<b>\$79,740</b>	<b>\$153,400</b>	<b>\$153,400</b>	<b>\$153,400</b>
Building & Improvements - Oper	\$0	\$0	\$7,000	\$7,500	\$7,500	\$7,500
Equipment - Operations	\$0	\$0	\$8,437	\$10,000	\$10,000	\$10,000
<b>CAPITAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,437</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>
Water Bond Principal	\$0	\$19,962	\$20,860	\$21,760	\$21,760	\$21,760
Water Bond Interest	\$0	\$45,511	\$44,613	\$43,713	\$43,713	\$43,713
<b>DEBT</b>	<b>\$0</b>	<b>\$65,473</b>	<b>\$65,473</b>	<b>\$65,473</b>	<b>\$65,473</b>	<b>\$65,473</b>
Transfer to Equipment Fund	\$0	\$0	\$0	\$0	\$0	\$0
Water Debt Fund Transfer	\$65,473	\$0	\$0	\$0	\$0	\$0
Allocated Expense - General Fu	\$0	\$44,769	\$42,164	\$50,000	\$50,000	\$50,000
Allocated Expense - Sewer	\$0	\$29,175	\$28,759	\$20,000	\$20,000	\$20,000
Allocated Expense - Street Fun	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$65,473</b>	<b>\$73,944</b>	<b>\$70,923</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$80,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$201,862</b>	<b>\$273,700</b>	<b>\$301,850</b>	<b>\$405,873</b>	<b>\$405,873</b>	<b>\$405,873</b>

#### Other/ Debt Service

Description	Actual 2012-2013	Actual 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
Contingency	\$0	\$0	\$32,477	\$33,454	\$33,454	\$33,454
Reserved for Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Reserved for Water Debt	\$0	\$0	\$65,473	\$65,473	\$65,473	\$65,473
Unappropriated	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$201,862</b>	<b>\$273,700</b>	<b>\$399,800</b>	<b>\$504,800</b>	<b>\$504,800</b>	<b>\$504,800</b>

# 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.

## 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 approximately 1/4 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.

## REVENUE

Sanitary Sewer						
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Net Working Capital	\$32,707	\$38,441	\$24,500	\$61,389	\$61,389	\$61,389
Sewer	\$97,100	\$105,405	\$100,000	\$90,000	\$90,000	\$90,000
Interest	\$58	\$12	\$0	\$0	\$0	\$0
Late Fees	\$0	\$4,747	\$3,500	\$4,000	\$4,000	\$4,000
Miscellaneous	\$0	\$410	\$0	\$0	\$0	\$0
Transfer From Utility Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer From Utility Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Equipment Fund	\$0	\$1,965	\$0	\$0	\$0	\$0
Allocated Revenue	\$0	\$49,922	\$49,209	\$20,000	\$20,000	\$20,000
<b>TOTAL REVENUE</b>	<b>\$129,865</b>	<b>\$200,902</b>	<b>\$177,209</b>	<b>\$175,389</b>	<b>\$175,389</b>	<b>\$175,389</b>

## Personnel Services

This recommended budget continues to fund the same level of services as we offer currently, including 1 utility staff person and supportive equipment, materials and services, Our other utility staff person is funded in the Water Fund. Other staff that assists with water services includes the City Clerk and City Manager and engineering support whose primary costs are also budgeted in the Water Fund. The amount budgeted for Personal Services is reflected the same way as last year with budgeting whole employees in a fund and charging for their shared services through allocations.

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Propose d 2015- 2016	Approve d 2015- 2016	Adopted 2015- 2016
<b>FTE</b>				<b>1.25</b>	<b>1.25</b>	<b>1.25</b>
Salaried	\$34,669	\$35,360	\$36,760	\$46,000	\$46,000	\$46,000
Overtime		\$0	\$0	\$0	\$0	\$0
Benefits	\$9,281	\$17,859	\$17,140	\$20,000	\$20,000	\$20,000
Severance Pay	\$0	\$0	\$0	\$0	\$0	\$0
Employer Costs	\$4,004	\$5,655	\$11,100	\$15,000	\$15,000	\$15,000
<b>PERSONNEL SERVICES</b>	<b>\$47,954</b>	<b>\$58,874</b>	<b>\$65,000</b>	<b>\$81,000</b>	<b>\$81,000</b>	<b>\$81,000</b>
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Propose d 2015- 2016	Propose d 2015- 2016	Propose d 2015- 2016
Operational Supplies	\$4,906	\$6,925	\$12,330	\$15,000	\$15,000	\$15,000
Equipment - O&M	\$6,005	\$3,809	\$8,500	\$9,500	\$9,500	\$9,500
Education/Training/Dues	\$243	\$441	\$300	\$500	\$500	\$500
Utilities	\$5,471	\$5,793	\$6,800	\$7,500	\$7,500	\$7,500
Professional Services	\$26,519	\$24,996	\$30,100	\$30,100	\$30,100	\$30,100
Uniforms & Protective Gear	\$42	\$82	\$100	\$250	\$250	\$250
Miscellaneous	\$285	\$121	\$100	\$150	\$150	\$150
<b>MATERIALS AND SERVICES</b>	<b>\$43,470</b>	<b>\$42,167</b>	<b>\$58,230</b>	<b>\$63,000</b>	<b>\$63,000</b>	<b>\$63,000</b>
Equipment - Operations	\$0	\$0	\$2,094	\$5,000	\$5,000	\$5,000
<b>CAPITAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,094</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>
Transfer to Equipment Fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Sewer Debt	\$0	\$214	\$0	\$0	\$0	\$0
Allocated Expense - General Fund	\$0	\$23,660	\$22,298	\$0	\$0	\$0
Allocated Expense - Water Fund	\$0	\$14,598	\$16,163	\$0	\$0	\$0
Allocated Expense - Street Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$38,472</b>	<b>\$38,461</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Contingency	\$0	\$0	\$13,424	\$26,389	\$26,389	\$26,389
Unappropriated	\$0	\$0	\$0	\$0	\$0	\$0
		\$139,51				
<b>TOTAL EXPENDITURES</b>	<b>\$91,423</b>	<b>3</b>	<b>\$177,209</b>	<b>\$175,389</b>	<b>\$175,389</b>	<b>\$175,389</b>

## 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.

### 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

### Accomplishments 2014-2015

- Maintained Street sweeping and graded all gravel roads.
- Additional gravel was applied to several gravel roads.
- Brush cutting was accomplished in several areas, especially those affecting visibility or bus clearance.

### BUDGET NARRATIVE

In the future we will continue to transfer revenues to this fund as a method of assigning personnel costs within the Water and Sanitary Sewer Funds to the Street Fund. This system allows better tracking of personnel for worker's compensation rate payments and multiple other advantages. State fuel tax revenues fund this department and are projected to be \$54,775.00, there is also an allocation from the water fund to cover repairs from main breaks.

### Materials and Services

Typical increases in fuel prices will affect both vehicle and material costs. In this budget we anticipate providing the same level of service provided last fiscal year.

**Streets and Pathway**

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Net Working Capital	\$13,367	\$24,721	\$61,244	\$0	\$0	\$0
State Gas Tax	\$51,616	\$54,428	\$52,500	\$54,775	\$54,775	\$54,775
Miscellaneous	\$151	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$7,800	\$0	\$0	\$0	\$0	\$0
Transfer from Equipment Fund	\$0	\$1,965	\$0	\$0	\$0	\$0
Allocated Revenue	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000
<b>TOTAL REVENUE</b>	<b>\$72,934</b>	<b>\$81,114</b>	<b>\$113,744</b>	<b>\$64,775</b>	<b>\$64,775</b>	<b>\$64,775</b>
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Salaried	\$20,616	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0	\$0
Severance Pay	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$5,703	\$0	\$0	\$0	\$0	\$0
Employer Costs	\$3,228	\$0	\$0	\$0	\$0	\$0
Vacation and Sick Leave Buy Out	\$0	\$0	\$0	\$0	\$0	\$0
<b>PERSONNEL SERVICES</b>	<b>\$29,547</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Operational Supplies	\$2,297	\$7,441	\$12,000	\$12,000	\$12,000	\$12,000
Equipment - O&M	\$4,256	\$4,743	\$6,500	\$6,500	\$6,500	\$6,500
Utilities	\$7,985	\$7,628	\$9,000	\$9,000	\$9,000	\$9,000
Education/Training/Dues	\$147	\$275	\$300	\$300	\$300	\$300
Professional Services	\$3,719	\$6,509	\$8,000	\$8,000	\$8,000	\$8,000
Uniforms & Protective Gear	\$62	\$82	\$50	\$50	\$50	\$50
Miscellaneous	\$200	\$0	\$50	\$50	\$50	\$50
<b>MATERIALS AND SERVICES</b>	<b>\$18,666</b>	<b>\$26,678</b>	<b>\$35,900</b>	<b>\$35,900</b>	<b>\$35,900</b>	<b>\$35,900</b>
Building & Improvements - Oper	\$0	\$0	\$8,000	\$8,000	\$8,000	\$8,000
Equipment - Operations	\$0	\$0	\$5,000	\$5,000	\$5,000	\$5,000
<b>CAPITAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,000</b>	<b>\$13,000</b>	<b>\$13,000</b>	<b>\$13,000</b>
Transfer to Equipment Fund	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Expense -General Fund	\$0	\$2,178	\$11,611	\$0	\$0	\$0
Allocated Expense -Water Fund	\$0	\$25,388	\$14,055	\$0	\$0	\$0
Allocated Expense -Sewer Fund	\$0	\$12,966	\$12,782	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$40,532</b>	<b>\$38,448</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Contingency	\$0	\$0	\$26,396	\$15,875	\$15,875	\$15,875
Unappropriated	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$48,213</b>	<b>\$67,210</b>	<b>\$113,744</b>	<b>\$64,775</b>	<b>\$64,775</b>	<b>\$64,775</b>

# COMMUNITY DEVELOPMENT 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 County 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, review and processing of loan applications and lending and legal fees.

<b>Community Development Revolving Loan Fund</b>						
Description	Actual 2012-2013	Actual 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
Net Working Capital	\$203,344	\$225,864	\$77,864	\$58,070	\$58,070	\$58,070
Interest	\$0	\$0	\$1,500	\$350	\$350	\$350
Interest- Revolving Loan	\$0	\$0	\$13,000	\$18,500	\$18,500	\$18,500
Principal	\$0	\$0	\$13,000	\$6,250	\$6,250	\$6,250
Miscellaneous	\$25,963	\$55,818	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$229,307</b>	<b>\$281,682</b>	<b>\$105,364</b>	<b>\$83,170</b>	<b>\$83,170</b>	<b>\$83,170</b>
Description	Actual 2012-2013	Actual 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Approved 2015-2016
Professional Services	\$3,443	\$0	\$6,000	\$6,000	\$6,000	\$6,000
Loans/ Obligations	\$0	\$223,612	\$89,364	\$77,170	\$77,170	\$77,170
Grants Funded	\$0	\$0	\$10,000	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$3,443</b>	<b>\$223,612</b>	<b>\$105,364</b>	<b>\$83,170</b>	<b>\$83,170</b>	<b>\$83,170</b>
<b>TOTAL EXPENDITURES</b>	<b>\$3,443</b>	<b>\$223,612</b>	<b>\$105,364</b>	<b>\$83,170</b>	<b>\$83,170</b>	<b>\$83,170</b>

# WAGNER LIBRARY RESERVE TRUST FUNDS

## Mission Statement

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

## Service Provided

The City petitioned the Wagner Trust Fund trustees to abolish the trust and turn over the funds to operate the Library while the Library Board sets up a Library District. The City had to do this or the Library was going to be closed, the school could no longer budget for their portion of the operating agreement.

Wagner Reserve Library 80%						
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Net Working Capital	\$95,601	\$164,385	\$190,270	\$124,773	\$124,773	\$124,773
Interest	\$1,123	\$3,873	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$96,724</b>	<b>\$168,258</b>	<b>\$190,270</b>	<b>\$124,773</b>	<b>\$124,773</b>	<b>\$124,773</b>
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Approved 2015- 2016
Periodicals and Books	\$338	\$0	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$338</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfer to General Fund	\$0	\$0	\$67,136	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$67,136</b>	<b>\$70,180</b>	<b>\$70,180</b>	<b>\$70,180</b>
Contingency	\$0	\$0	\$123,134	\$54,593	\$54,593	\$54,593
<b>TOTAL EXPENDITURES</b>	<b>\$338</b>	<b>\$0</b>	<b>\$190,270</b>	<b>\$124,773</b>	<b>\$124,773</b>	<b>\$124,773</b>

**Wagner Reserve Library  
20%**

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Net Working Capital	\$10,322	\$27,603	\$26,575	\$34,635	\$34,635	\$34,635
Interest	\$281	\$968	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$10,603</b>	<b>\$28,571</b>	<b>\$26,575</b>	<b>\$34,635</b>	<b>\$34,635</b>	<b>\$34,635</b>

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Building Improvement- Ops	\$0	\$0	\$26,575	\$34,635	\$34,635	\$34,635
<b>MATERIALS AND SERVICES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,575</b>	<b>\$34,635</b>	<b>\$34,635</b>	<b>\$34,635</b>
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,575</b>	<b>\$34,635</b>	<b>\$34,635</b>	<b>\$34,635</b>

# CITY UTILITY RESERVE FUND

## Mission Statement

To provide a reserve for future utility development and major utilities repair, and grand 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.

## BUDGET NARRATIVE

In 2013-2014 changed the practice of placing all late fees in one fund and distributing them through transfers, we instead allocate fees to the appropriate funds throughout the year. This fund also used to contribute to the Equipment Fund, since Generally Accepted Accounting Procedures (GAAP) recommend that equipment be purchased and accounted for in the fund relating to the activity the Equipment fund has refunded the transfers for equipment. These funds will instead be used for major utilities development, repair or grant matching.

<b>#19 Utility Reserve</b>						
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Net Working Capital	\$210,381	\$253,330	\$275,000	\$294,600	\$294,600	\$294,600
Interest	\$10	\$2	\$0	\$0	\$0	\$0
Utility Capital improvement Fee	\$33,634	\$34,359	\$34,400	\$36,000	\$36,000	\$36,000
Utility Users Late Fee	\$9,306	\$1,671	\$1,550	\$1,250	\$1,250	\$1,250
Transfer from Equipment Fund	\$0	\$8,065	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$253,330</b>	<b>\$297,427</b>	<b>\$310,950</b>	<b>\$331,850</b>	<b>\$331,850</b>	<b>\$331,850</b>

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Water Projects	\$0	\$21,326	\$50,000	\$25,000	\$25,000	\$25,000
Wastewater Projects	\$0	\$0	\$50,000	\$25,000	\$25,000	\$25,000
Equipment -Operations	\$0	\$7,142	\$0	\$0	\$0	\$0

<b>CAPITAL</b>	<b>\$0</b>	<b>\$28,468</b>	<b>\$100,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>
Transfer to Equipment Fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Water Fund	\$0	\$0	\$0	\$60,000	\$60,000	\$60,000
Transfer to Sewer Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Transfers and Allocations</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$60,000</b>
<b>Contingency</b>	<b>\$0</b>	<b>\$0</b>	<b>\$210,950</b>	<b>\$221,850</b>	<b>\$221,850</b>	<b>\$221,850</b>
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$28,468</b>	<b>\$310,950</b>	<b>\$331,850</b>	<b>\$331,850</b>	<b>\$331,850</b>

# CLOSED FUNDS

## Information Reflected

This section of the budget has been reserved for funds that are already closed or will close during the 2013-2014 fiscal year due to retirement of the purpose of the fund, lack of receipt of grant funds, or changes in the way the revenues and expenses will be reported.

## Sewer Master Plan Fund

The Sewer master Plan Fund was developed to allow for the receipt of the grant and as a place to track the expenses relating to the development of the Wastewater Facilities Plan. The plan has now been completed and the grant has been closed. This fund is being closed in the 2014-2015 budget process and the numbers below are for historical reference.

<b>Sewer Master Plan</b>						
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Net Working Capital	\$1	\$5,092	\$0	\$0	\$0	\$0
CDBG Grant	\$32,346	\$7,321	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$32,347</b>	<b>\$12,413</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Professional Services	\$27,255	\$5,091	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$27,255</b>	<b>\$5,091</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Unappropriated	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$27,255</b>	<b>\$5,091</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Cemetery Fund

This fund was historically used to track the revenue and expenses of the Cemeteries. A separate fund is not required to track the expenses and with very little revenue being generated by plot sales it has become more appropriate to track these expenses as a department within the General Fund. The cemeteries require very similar activities as the parks and the expenses for parks and cemeteries will be combined into one department in the General Fund. The remaining balance will be transferred to the General Fund where the department activity will be reflected and the fund will be closed with a zero balance.

<b>Cemetery Fund</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Net Working Capital	\$10,447	\$7,656	\$0	\$0	\$0	\$0
Cemetery Plot Sales	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$10,447</b>	<b>\$7,656</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Salaried	\$1,471	\$0	\$0	\$0	\$0	\$0
Overtime	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$533	\$0	\$0	\$0	\$0	\$0
Employer Costs	\$219	\$0	\$0	\$0	\$0	\$0
<b>PERSONNEL SERVICES</b>	<b>\$2,223</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Operational Supplies	\$55	\$0	\$0	\$0	\$0	\$0
Equipment - O&M	\$125	\$0	\$0	\$0	\$0	\$0
Utilities	\$388	\$0	\$0	\$0	\$0	\$0
Uniforms & Protective Gear	\$0	\$0	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$568</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfer to General Fund	\$0	\$7,656	\$0	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$7,656</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Contingency	\$0	\$0	\$0	\$0	\$0	\$0
Unappropriated	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$2,791</b>	<b>\$7,656</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Court Fund

This fund was historically used to track the revenue and expenses of the Municipal Court. A separate fund is not required to track the expenses and when there is no history of revenue being generated by court activities. It has become more appropriate to track these expenses as a department within the General Fund. The remaining balance will be transferred to the General Fund where the department activity and the salary of the Code enforcement officer will be reflected. The fund will be closed with a zero balance.

<b>Court Fund</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Net Working Capital	\$19,551	\$13,424	\$0	\$0	\$0	\$0
General Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0
State Revenue Sharing Transfer	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Revenue	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$19,551</b>	<b>\$13,424</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Hourly	\$5,229	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$572	\$0	\$0	\$0	\$0	\$0
<b>PERSONNEL SERVICES</b>	<b>\$5,801</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Operational Supplies	\$75	\$0	\$0	\$0	\$0	\$0
Equipment - O&M	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$186	\$0	\$0	\$0	\$0	\$0
Professional Services	\$65	\$0	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$326</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
General Fund Transfer	\$0	\$13,424	\$0	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$13,424</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$6,127</b>	<b>\$13,424</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$6,127</b>	<b>\$13,424</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FEMA Grant Fund

This fund was used to track expenses related to the receipt and expenditure of FEMA grant funds that were received to repair damage to streets and culverts in the 2011 flood event. The money has been spent on the projects approved by FEMA and the grant has been closed. This fund will no longer be needed and will be closed. Future grants for streets projects will be budgeted in the Street Fund.

<b>FEMA Grant Fund</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Grant Revenue	\$22,193	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$22,193</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2014- 2015</b>	<b>Approved 2014- 2015</b>	<b>Adopted 2014- 2015</b>
Professional Services	\$22,193	\$0	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$22,193</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$22,193</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Difference	\$0	\$0	\$0	\$0	\$0	\$0

## State Revenue Sharing Fund

This fund has historically been used to receive State Revenue Sharing funds which were then transferred to the Court fund for funding court activities. This revenue source will now be tracked in the General Fund with its own line item and will still be used to support the Court which is now a department within the General Fund. This will reduce the number of transfers needed and add transparency in the accounting of these activities. The remaining balance of the State Revenue Sharing Fund will be transferred to the General Fund to allow the fund to close with a zero balance.

<b>State Revenue Sharing</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Net Working Capital	\$1,427	\$9,741	\$0	\$0	\$0	\$0
State Revenue Sharing	\$8,314	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$9,741</b>	<b>\$9,741</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2014- 2015</b>	<b>Approved 2014- 2015</b>	<b>Adopted 2014- 2015</b>
Loans to Local Projects	\$0	\$0	\$0	\$0	\$0	\$0
<b>MATERIALS AND SERVICES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfer to Municipal Court Fund	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to General Fund	\$0	\$9,741	\$0	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$9,741</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Contingency	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$9,741</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Difference	\$9,741	\$0	\$0	\$0	\$0	\$0

## Water Debt

Historically this fund was used to account for the Water Debt. Since this is a single expense and does not have its own revenue source this debt is now reflected in the Water Fund. This will eliminate the need to transfer from the Water Fund to simply make the annual debt payment. The reserve balance in this account will be transferred to the Water Fund and held in reserve as required by the terms of the debt agreement. This fund will no longer be needed and will close with a zero balance.

<b>Water Debt</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Net Working Capital	\$65,473	\$65,473	\$0	\$0	\$0	\$0
Transfer from Water						
Operating Fund	\$65,473	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$130,946</b>	<b>\$65,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Bond Principal	\$21,799	\$0	\$0	\$0	\$0	\$0
Bond Interest	\$43,674	\$0	\$0	\$0	\$0	\$0
USDA Bond Reserve	\$0	\$0	\$0	\$0	\$0	\$0
<b>DEBT</b>	<b>\$65,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfer to Water						
Operating Fund	\$0	\$65,473	\$0	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$65,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$65,473</b>	<b>\$65,473</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Difference	\$65,473	\$0	\$0	\$0	\$0	\$0

## Sewer Debt

This debt was paid off in the 2012-2013 fiscal year in order to save money on interest charges. This fund will no longer be needed to account for the sewer debt. The remaining balance will be transferred to the Sewer Fund so the money is still used for sewer system activities and consistent with the intent of the tax levy. Late payments are a result of property owners not paying their property taxes in the year they are due, these late payments are turned over by Polk County upon payment of the delinquent taxes. Any late payments of tax relating to this bond will be deposited to the Sewer Fund. This allows for the closure of this fund with a zero balance.

<b>Sewer Debt</b>						
<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Net Working Capital	\$6,897	-\$214	\$0	\$0	\$0	\$0
Property Tax - Current	\$4,207	\$0	\$0	\$0	\$0	\$0
Property Tax - Prior Year	\$439	\$0	\$0	\$0	\$0	\$0
Property Taxes-Other	\$20	\$0	\$0	\$0	\$0	\$0
Transfer From Sewer Fund	\$0	\$214	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$11,563</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Description</b>	<b>Actual 2012- 2013</b>	<b>Actual 2013- 2014</b>	<b>Adopted 2014- 2015</b>	<b>Proposed 2015- 2016</b>	<b>Approved 2015- 2016</b>	<b>Adopted 2015- 2016</b>
Bond Principal	\$11,379	\$0	\$0	\$0	\$0	\$0
Bond Interest	\$398	\$0	\$0	\$0	\$0	\$0
USDA Bond Reserve	\$0	\$0	\$0	\$0	\$0	\$0
<b>DEBT</b>	<b>\$11,777</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Sewer Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0
<b>TRANSFERS AND ALLOCATIONS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$11,777</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Equipment Fund

This fund was created to form a common place to pool resources and fund equipment. Purchased from a common fund creates additional challenges in tracking the ownership of equipment and assets and making entries for depreciation. The transfers reflected in the 2013-2014 fiscal year represent returning the pooled resources to their respected funds based on historical contributions.

The resources are reflected in the respective funds as revenue and have been placed in a capital equipment line item separate from other expenditures to allow for clear accounting for equipment purchases. This is a first step towards having each utility purchase and account for its own equipment or share of pooled equipment and allows for clearer tracking of depreciated expenses. This was an area the City Auditors noted as a deficiency in our past practices.

Making the transfers back to the donating funds allows this fund to close with a zero balance.

Equipment Fund						
Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Net Working Capital	\$29,353	\$28,125	\$0	\$0	\$0	\$0
Sale of Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0
Water Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0
Sanitary Sewer Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0
Street Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0
Utility Reserve Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$29,353</b>	<b>\$28,125</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Description	Actual 2012- 2013	Actual 2013- 2014	Adopted 2014- 2015	Proposed 2015- 2016	Approved 2015- 2016	Adopted 2015- 2016
Equipment - General	\$106	\$0	\$0	\$0	\$0	\$0
Fire Truck Loan	\$1,123	\$0	\$0	\$0	\$0	\$0
<b>CAPITAL</b>	<b>\$1,228</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
General Fund Transfer	\$0	\$8,065	\$0	\$0	\$0	\$0
Water Fund Transfer	\$0	\$8,065	\$0	\$0	\$0	\$0
Sewer Fund Transfer	\$0	\$1,965	\$0	\$0	\$0	\$0
Street Fund Transfer	\$0	\$1,965	\$0	\$0	\$0	\$0
Utility Reserve Fund Transfer	\$0	\$8,065	\$0	\$0	\$0	\$0

<b>TRANSFERS AND ALLOCATIONS</b>	\$0	\$28,125	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0	\$0
Unappropriated	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$1,228</b>	<b>\$28,125</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Small City Allotment Grant Fund

The Small Cities Allotment Grant Fund was developed to allow for the receipt of the grant and as a place to track the expenses relating to the repaving of a portion of Bridge Street. The grant was awarded in early 2013 and construction was delayed due to availability of contractors and weather conditions. The project is expected to be completed in June 2014. With the completion of the project we are closing this fund.

Small City Allotment Grant						
Description	Actual 2012-2013	Actual 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
Miscellaneous Grants	\$0	\$25,000	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Description	Actual 2012-2013	Adopted 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Approved 2015-2016	Adopted 2015-2016
Street Projects	\$0	\$25,000	\$0	\$0	\$0	\$0
<b>CAPITAL</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Unappropriated	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# 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

<b>CPI</b>	<b>Consumer Price Index</b>
<b>DEQ</b>	<b>Department of Environmental Quality</b>
<b>DLCD</b>	<b>Department of Land Conservation and Development</b>
<b>DUI</b>	<b>Driving Under the Influence</b>
<b>DVD</b>	<b>Digital Video Disk</b>
<b>EMS</b>	<b>Emergency Management Services</b>
<b>EPA</b>	<b>Environmental Protection Agency</b>
<b>EOP</b>	<b>Emergency Operations Plan</b>
<b>FASB</b>	<b>Financial Accounting Standards Board</b>
<b>FICA</b>	<b>Federal Insurance Contributions Act</b>
<b>FTE</b>	<b>Full-Time Equivalent</b>
<b>FY</b>	<b>Fiscal Year</b>
<b>GAAP</b>	<b>Generally Accepted Accounting Principles</b>
<b>GASB</b>	<b>Governmental Accounting Standards Board</b>
<b>GFOA</b>	<b>Government Finance Officer's Association</b>
<b>GIS</b>	<b>Geographic Information Systems</b>
<b>GISSP</b>	<b>Geographic Information Systems Strategic Plan</b>
<b>HP</b>	<b>Horse Power</b>
<b>HR</b>	<b>Human Resources</b>
<b>HVAC</b>	<b>Heating, Ventilation, and Cooling Equipment</b>
<b>IGA</b>	<b>Intergovernmental Agreement</b>
<b>IGET</b>	<b>Interagency Gang Enforcement Team</b>
<b>IS</b>	<b>Information Systems</b>

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
OECD	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 single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

**Budget Calendar**

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 Cornelius 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 Statutes (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

**Local Improvement District**

Consists of property owners desiring improvements to their property. Bonds are issued to finance

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

#### **Local Option Levy**

Under Measure 50, local governments and special districts were given the ability to ask voters for temporary authority to increase taxes through approval of a local option levy. The maximum length of time for a local option levy is 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.

City of Falls City Proposed Budget 2015-2016

**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 statute or a constitutional provision, it has the full force and effect of the law within the boundaries of the municipality to which it applies.

**Outstanding Debt**

The balance due at any given time 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.  
City of Falls City Proposed Budget 2015-2016

**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.  
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**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 Services.

